

# Chairperson's Summary: Committee on Development Effectiveness (CODE)

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On January 28, 2009, the Committee considered the document *Improving Effectiveness and Outcomes for the Poor in Health, Nutrition, and Population: An Evaluation of World Bank Group Support since 1997* prepared by the Independent Evaluation Group (IEG) and the *Draft Management Response*.

## Background

Following a self-assessment of its support in the health sector, the World Bank (the Bank) renewed its focus on the health sector in 2007 with an updated strategy, *Healthy Development: The World Bank Strategy for Health, Nutrition, and Population Results*. IFC outlined its health sector strategy in 2002.

## IEG Evaluation

The report evaluated the efficacy, specifically the health, nutrition, and population (HNP) outcomes, of the World Bank Group (namely IBRD/IDA and IFC) country-level support since 1997 and drew lessons from that experience. It includes, for the first time, an evaluation of IFC's cumulative support for health. Based on the findings, the IEG made recommendations for the Bank and IFC grouped under five broad areas, which include: intensify efforts to improve the performance of the Bank's support for HNP; renew the commitment to HNP outcomes among the poor; strengthen the World Bank Group's ability to help countries to improve the efficiency of health systems; enhance the contribution of support from other sectors to HNP outcomes; and implement the results agenda and improve gover-

nance by boosting investment in and incentives for evaluation.

## The Draft Management Response

Management noted its agreement with many of the findings and recommendations that confirmed the Bank's own self-assessment, undertaken before its health sector strategy was updated. At the same time, it offered its views on several aspects of the evaluation, including coverage of the evaluation, targeting issues, the importance of not only focusing on health outcomes for the poor but also on preventing poverty due to financial costs from poor health, emerging issues such as the aging population in developing countries, challenges with respect to monitoring and evaluation, and actions being taken to address some of the issues identified by IEG.

## Overall Conclusions

The Committee welcomed the discussion, noting the importance of the IEG evaluation findings. It also remarked on the centrality of the health sector to the Bank's mandate for poverty reduction and contribution to the Millennium Development Goals (MDGs), although the Bank's role has shifted to become a smaller financier in the sector. Con-

cerns were expressed about the main IEG findings, including the under-performance of the HNP portfolio, particularly in the Africa Region; the weak accountability for ensuring that the results have reached the poor; and the continued weaknesses in monitoring and evaluation (M&E). Management was also asked to address the issue of excessive complexity of health programs while recognizing its multisectoral dimension.

Speakers raised questions and comments on a range of issues, including the need for more Bank support for nutrition and population, the importance of addressing maternal health, HIV/AIDS measures in health system strengthening, and the effectiveness of the sectorwide approaches (SWAps). They also remarked on the importance of establishing realistic targets, project supervision, local capacity building, reliable data, and appropriate staff skill mix and incentives to support the HNP strategy. Some speakers expressed interest in the development impact of IFC's health sector projects, particularly the inclusion of the poor. The Committee asked management to revise its response to address the various comments made at the meeting, including the request for an action plan to address the IEG recommendations. Several speakers also noted the need for a sound communication strategy before the disclosure of the IEG report.

### Next Steps

The revised Management Response will be circulated for information to the Committee in advance of the Board's informal meeting to consider management's first report on the implementation of the new health sector strategy—*Health, Nutrition, and Population Strategy Implementation—An Interim Report*. The Committee will recommend to the Board that it consider the IEG evaluation report and the revised Management Response along with management's interim report, which is scheduled for an informal Board discussion on April 9, 2009. Management proposed to provide informal updates in response to speakers' interest in regular reports on the World Bank Group support for the health sector.

### Main issues raised at the meeting were the following:

**World Bank Group's Role.** Members remarked on the changing environment of the health sector with an increase in institutions providing HNP support. In this regard, they emphasized quality over quantity of World Bank Group support. They also noted that the World Bank Group has an important role in donor coordination, ensuring efficient allocation and effective use of resources in the sector, and introducing innovations and generating knowledge to strengthen health systems and service delivery. Remarking on the inherent complexity and high risk of health sector support, a member emphasized the World Bank Group's continued role in this sector and also noted that the risks should be taken into account in assessing performance, to avoid providing staff with disincentives to invest in valuable but risky projects.

**Bank's Portfolio Performance.** The importance of addressing the Bank's comparatively lower portfolio performance in the health sector, including the poor results in Africa Region, was highlighted. Considering the Bank's comparative advantage as providing policy advice, strengthening health systems, and supporting institutional and human capacity building, several non-members queried about the growing share of programs addressing communicable diseases. A few members emphasized the importance of political analysis, which could be done during the preparation of country assistance strategies or through policy notes; project supervision; and learning, including for local implementation capacity building. Questions were raised about ensuring an appropriate staff skills mix to deliver HNP programs, especially in the Africa Region, taking into consideration the global competition for such skills. *Bank management elaborated on its review of all at-risk HNP projects, and work with the Quality Assurance Group to determine what actions are needed. It described the challenges and risks faced in the Africa Region and in the fragile states, and its efforts to improve performance in the Africa Region, including estab-*

*lishing two technical hubs and staffing them with additional experts in epidemiology, health economics, and health management to support analytical work and project implementation. It said that it is scaling up technical assistance and capacity building at the country level.*

A few speakers expressed interest in understanding the Bank's HNP portfolio performance across time, as compared to other sectors, and in the context of performance of other donor support to HNP. One of them also sought information on the Bank's HNP support against the principles of the 2005 Paris Declaration. *IEG responded that between fiscal years 1992 and 2001, the performance of both the HNP portfolio and other sectors had improved, but since fiscal 2002, the HNP portfolio performance has been flat, while that of other sectors has continued to improve. It referred to its evaluations of global program reviews in HNP, but noted that it did not have the same level of data on the effectiveness of HNP support by other donors.*

**Reaching the Poor.** Several speakers asked about the Bank's measures to strengthen the poverty focus of HNP sector support. While agreeing on the importance of reaching the poor, a member observed the greater challenges of assessing outcomes for the poor in the case of certain initiatives such as for communicable diseases, where focus is on groups at the highest risk or investment in vaccines. A few members expressed interest in IFC's efforts to improve the inclusion of the poor in its health projects, and in this regard also requested IEG to elaborate on its recommendation. *Bank management commented on its renewed focus on results, including for the poor, such as through the results-based financing mechanism. It also explained that investments in diseases of the poor, such as malaria, have a fully pro-poor targeted approach. IFC responded that it is supporting smaller health care institutions providing services to the poor through wholesaling or other arrangements with financial partners. It is also providing Advisory Services to promote public-private partnerships to*

*provide services to the poor, as well as working with large-scale service providers to achieve cost efficiencies and to make services more affordable for the poor. IEG clarified that the impact of World Bank Group support on the poor is largely unknown, because outcomes among the poor have not been monitored. It suggested that IFC could improve the social impact of health initiatives by supporting investments that have greater benefits for the poor, such as supporting manufacturing and distribution of lower-cost, higher-quality generic drugs and research and development to treat diseases that disproportionately affect the poor.*

**Project Design and Approach.** A few members noted that the design of HNP projects could be simpler or phased, particularly in countries facing institutional and implementation capacity issues. At the same time, they also said the design should be based on country context and achievable objectives. Likewise, a member remarked that the level of multisectoral cooperation should be situation-specific, depending on capacity and availability of resources. *Bank management elaborated on how a health project with a seemingly simple objective and apparently easily measurable results (for example, providing mosquito nets to counter malaria) can require a complex solution, particularly in countries with limited infrastructure and capacity, and offer challenges in monitoring results. IEG emphasized the importance of setting achievable objectives and a clear results framework. It clarified that there was no evidence in the evaluation that simple health projects are less sustainable or those with more complex designs are more sustainable. It also said that the World Bank Group should not avoid investing in worthwhile but risky projects, but there is a substantial scope for minimizing risks through better ex ante risk analysis and mitigation measures.* A few speakers expressed interest in more analysis of the mixed results of the SWAps and IEG's recommendations for future use of this approach. *IEG responded that the context is important; SWAps work better in some contexts than in others. It also*

*said that while SWAps have given much attention to the process, there could be more focus on HNP outcomes.*

**Nutrition.** A member welcomed the role of the Bank in emphasizing the importance of nutrition. Another member noted the importance of incorporating food security concerns in health sector projects.

**Population and Reproductive Health.** Several speakers encouraged the Bank to strengthen its focus on population and reproductive health. A few members remarked on the development challenge of high population growth from a global perspective and in Sub-Saharan Africa. Others urged the Bank to prioritize reproductive health and identify maternal health as a key target in its health programs. In addition, some speakers noted the importance of a gender-based approach to, and integrating HIV/AIDS measures in, health system support, particularly in the area of reproductive health. The need for adequate staffing and analytical work to support initiatives addressing population and reproductive health was emphasized. *Bank management said that it is currently considering how to strengthen the focus on population issues in its health system support and it intended to elaborate on this in the forthcoming HNP interim report to the Board in April.*

**Monitoring and Evaluation.** Members and non-members underlined the importance of improving M&E to enable a better understanding of the Bank's performance in the sector. They commented on the need for a clear results framework and M&E plan in all initiatives, for establishing and strengthening country-based M&E systems, and for appropriate incentives within the World Bank Group as well as for promoting country ownership. The lack of reliable health data, challenges of data collection, and reluctance of countries to share data were discussed. A member supported a prag-

matic and realistic approach to M&E, taking into consideration the local capacity and financial resource constraints. *Bank management elaborated on the serious attention it is giving to M&E, noting that the Human Development Network has the biggest impact evaluation program in the Bank. It described its work with other partners to jointly strengthen data at the country level and to strengthen the country's M&E systems. IFC said it is setting project-level baselines and monitoring relevant development impact indicators through the Development Outcome Tracking System.*

### Response to the IEG Evaluation Report

Members and non-members requested that management revise its response to the IEG evaluation report to address members' comments, including the requests for an action plan addressing IEG's recommendations that may be monitored. *IEG noted that the evaluation report would be disclosed with the revised Management Response.* Several speakers stressed the importance of communicating, particularly to IDA donors, that management's response will urgently and effectively address the evaluation findings and recommendations. In this context, the chairperson referred to another speaker's observation about the issue of timing of the IEG evaluation with respect to the Bank's 2007 HNP strategy. It was widely felt that the IEG recommendations may be incorporated in the interim report on health, nutrition, and population strategy implementation, scheduled to be discussed at the Board on April 9, 2009. In this respect, members and non-members requested that the Board consider the IEG evaluation report together with the revised Management Response, alongside the management's paper on *Health, Nutrition, and Population Strategy Implementation—An Interim Report*. The general preference was to discuss the reports in one meeting.

Giovanni Majnoni, Chairman