

World Bank - Grant Funding Request (GFR)

Ref. : 2556
Printed on : 09/27/2010

Status : Cleared

GFR 2556 - Support to Basic Package of Health Services -Strengthening Health Activity for Rural Poor-

Team Leader : 00000264265 - Mr Emanuele Capobianco

| Summary Information | |
|---|--|
| Status | Cleared |
| TF Number/Status | - |
| Estimated Grant Start Date/ Closing Date | 07/01/2009 To 06/30/2011 |
| Grant Amount | 15,900,000.00 USD |
| Beneficiary Country | Afghanistan |
| Implemented by | Recipient Executed Afghanistan Ministry of Public Health |
| Grant linked to | P112446 - Strengthng.Health Activts.for Rural Poor Project Status : LEND Product Line : PE |
| Disbursing Fund Type | (IBRD/IDA) Project Preparation & Co-financing |
| TF Usage | OP - OTHER INV FINANCING PROJECTS |
| Managing Unit | 1411 - SASHD |
| Responsible Cost Center | 1411 - SASHD |
| Window Manager | Ms Yolaine E. Joseph |
| Funding Window | 000000374 - JSDF AFGHANISTAN SPECIAL WINDOW |
| Sub-Fund | TF050568 - JSDF AFGHANISTAN SPECIAL WINDOW |
| Trustee | TF023779 - Japan Social Development Fund (JSDF) |
| Donor | TF513001 - Japan - Ministry of Finance |
| Coterminus Staff Assignment | No |
| iLap Product Type | Regular Fund |
| iLap Activity Type | Associated with Project (ASSC) |

This GFR includes the following sections: Basic Data Info, Basic Data - TTL Comment, Description, Project Information, Disbursement, Financing, Allowed Expenses, Sector/Theme, Confirmation, Processing, Attachments.

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Comments/Requests by TTL

The Japan Social Development Fund (JSDF) for the Basic Package of Health Services (BPHS) aims to improve the health status of the Afghan population by increasing accessibility and quality of the BPHS in Balkh, Samangan and Kabul provinces. It will address the current funding gap of around USD 16 million through co-financing of an important part of the Afghanistan Health and Nutrition Sector Strategy (HNSS) 2008 to 2013. The development objective of the proposed JSDF grant is aligned with the goal of the HNSS and it is to improve the health and nutritional status of the people of Afghanistan, with a greater focus on women and children and under-served areas of the country.

DESCRIPTION

1. What is the Development Objective (or main objective) of this Grant?

The Japan Social Development Fund (JSDF) for the Basic Package of Health Services (BPHS) aims to improve the health status of the Afghan population by increasing accessibility and quality of the BPHS in Balkh, Samangan and Kabul provinces. It will address the current funding gap of around USD 16 million through co-financing of an important part of the Afghanistan Health and Nutrition Sector Strategy (HNSS) 2008 to 2013. The development objective of the proposed JSDF grant is aligned with the goal of the HNSS and it is to improve the health and nutritional status of the people of Afghanistan, with a greater focus on women and children and under-served areas of the country

The HNSS is jointly financed by IDA, through the Strengthening Health Services for the Rural Poor (SHARP) project, by USAID, by the European Commission and by other bilateral donors. All projects financed by different donors support a set of common interventions in line with the HNSS though they have different geographical focus.

2. Summary description of Grant financed activities

SHARP will support the HNSS objective to contribute to improving the health and nutritional status of the people of Afghanistan, with a greater focus on women and children and under-served areas of the country#. SHARP has 4 components:

Component 1. Sustaining and Strengthening BPHS Delivery: The project will support the implementation of the BPHS through Performance Partnership Agreements (PPAs), i.e., contracts between the MOPH and the implementing Non-governmental Organizations (NGOs). It will also support the government's own efforts at delivering the BPHS through contracting in management services in the provinces the government selects. There will be support for expansion of sub-centers, training of additional community mid-wives and of community nurses.

Component 2. Strengthening EPHS Delivery: Despite MOPH increased interest on EPHS, there is little evidence of which hospital model may be best for Afghanistan. For this reason, in the initial phase the program will provide technical assistance to support testing of different options including: (i) contracting hospital services to NGOs; (ii) strengthening management autonomy and decision-making authority in public hospitals; and (iii) establishing accountability arrangements and pay for performance (related to component 4 below). In the second phase, upon evaluation of the options above, the expansion of the preferred model will be supported.

Component 3. Building Further Capacity for the Stewardship Function of the MOPH: This component will support: (i) the monitoring and evaluation system (through contracting of an independent agency); (ii) the Grant and Contract Management Unit and related line managers; (iii) the health care financing unit; (iv) the communication unit; (v) the MOPH regulatory function; and (v) the provincial health offices.

Component 4. Testing Important Innovations: The project will pilot-test supply side interventions (e.g. pay for performance for health workers) on a large scale results-based financing study. The study is financed by a

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Norwegian grant that the MOPH recently obtained through a competitive process. This component might also finance the expansion of other innovations, such as demand-side financing for women to deliver in institutions and performance-based pay for community health workers.

The JSDF Specific Components will be :

Component Description

Component A will support the geographic expansion of the BPHS through Performance-based Partnership Agreements (PPAs), i.e., contracts between the MOPH and the implementing Non-governmental Organizations (NGOs) in Balkh and Samangan provinces and in rural Kabul.

Component B Component Description

The JSDF Grant will lay the foundations for implementation of BPHS in urban Kabul. Currently the BPHS has been provided only to rural population, while there are large populations of poor people living in urban areas who do not have proper access to primary health care. There are big national hospitals in Kabul city, which are mainly providing curative care, hence the urban BPHS will complement this through focusing on the preventive aspects of the health service delivery. During the first year of the program analytical work will be carried out to define the appropriate content and delivery modalities for the BPHS in urban areas. This analysis will be done in cooperation with JICA Kabul office. An NGO will then be contracted to start implementation of BPHS in urban Kabul.

Component C Component Description

This component will finance operational costs for MOPH related to the implementation, monitoring and evaluation of activities in project areas. Under the JSDF grant, two GCMU officers will be responsible for overseeing the work of the NGOs contracted in the concerned three provinces. The enhancement of the BPHS package will entail an expansion of the basic services, which may have a qualitative and/or quantitative impact on the delivery of the services already covered under the present BPHS. Therefore, careful monitoring of these new interventions is needed. The JSDF will provide funding for this extra monitoring and implementation and management support.

3. **(Optional question) What can/has been done to find an alternative source of financing, i.e. instead of a Bank administered Grant?**

4. **What are the main risks related to the Grant financed activity ? Are there any potential conflicts of interest for the Bank? How will these risks/conflicts be monitored and managed?**
 1. Growing insecurity may disrupt provision of services in certain areas as well as hamper monitoring and evaluation of activities. The delivery through NGOs, and mostly through national NGOs, will increase access to beneficiaries even in insecure areas, as demonstrated by the previous health project. Health Shuras will be involved to guarantee community ownership. Use of different data collection methods (third party evaluations and HMIS) will facilitate review of performance.
 2. Perceived corruption. GOA commitment, internal controls, and external audit will help to reduce the high level of perceived corruption.
 3. Political opposition to contracting. The project will help mitigate opposition to NGO provision of health services by ensuring that rigorous data is collected so that the debate can be evidence-based. To this aim the project will finance a third party for monitoring and evaluation activities. In addition, contracts will be signed for the entire project duration to minimize political interference.
 4. Implementation capacity of both MOPH and NGOs may weaken. The Bank will continue its financial support to the GCMU to enable smooth implementation. The GCMU has been instrumental in implementing the previous health project. The unit is staffed by highly qualified local consultants hired on contract basis and paid market based salaries.
The use of a third party evaluator will highlight deficiencies in performance and MOPH will be authorized to terminate contracts if needed. This mechanism had worked well under the previous health project.
 5. Improper Financial Management . The project will minimize use of Designated Account, and maximize direct

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payments to consultants and contractors. The project will rely on (a) FM Agent at the Treasury of MoF, responsible for processing payments, transaction recording and reporting; (b) Audit Agent at the Control and Audit Office, responsible for external audit of the project; (c) experienced and qualified financial management staff in the GCMU.

6. Procurement of Consulting services: limited capacity may lead to delays in the recruitment of NGOs/M&E Agency. Procurement of Goods: limited evaluation skills, especially for pharmaceutical goods, may hamper the procurement process. Evaluation committees will include members with adequate skills. Service standards were set and agreed with MoPH for evaluation of bids/proposals. Short term international technical assistance will be hired to finalize bid evaluations.

The alternative to use UNICEF as procurement agent/supplier for pharmaceutical goods will be explored.

7. External funding may not materialize as expected and the Program may remain partially unfunded. MOPH will continue to advocate for additional resources, and particularly for support through ARTF.

The Bank will also continue lobbying for additional financing, both internally and externally.

8. Overall project risk rating. SHARP is a follow on from a successful health project which has strong ownership and commitment from the client. The project will continue to rely on and further build the systems in MOPH which have been deemed adequate from an overall implementation perspective.

Insecurity and unpredictability of donor financing for the sector are risks outside project's control that may severely hamper its chances of success.

Activity Risk Rating: Substantial Risk

5. Describe any significant environmental or safeguard issues related to this Grant and how they will be addressed? To what extent are these issues covered in the ISDS for the project supported by the Grant?

The health care system in Afghanistan has made significant improvements in bio-medical waste management in BPHS. Practices of waste segregation, burning and deep burial are generally followed, though methods and facilities might not be efficient or sophisticated. The problem of waste management is more severe in some of the major centers and hospitals. There is no proper legislation and regulation regarding medical waste management in the country. Health activities under the project will generate potential infectious bio-medical waste that could have direct environmental and public health implications, if not properly managed (e.g., drinking water contamination, or physical hazard for health workers, patients, and their accompanying/visiting relatives). The project is category #B# as per IDA's Operational Policy on Environmental Assessment, implying that the potential adverse environmental impacts of the project are site-specific, reversible and in most cases mitigatory measures can be designed and implemented easily and appropriately. An Environmental Management Plan (EMP) for such projects must be prepared and implemented. MOPH is expected to finalize the EMP in the next four months. The EMP will then be made available to all relevant national stakeholders in the local languages, in all appropriate places, health centers, libraries as well as in the relevant websites. IDA will also disclose it in its Infoshop.

With regard to social safeguards, JSDF supported interventions will primarily target women and children and will aim at reaching the poor by increasing access and utilization of health services in rural and urban areas. The use of NGOs for service delivery shall ensure closeness to the people in need and responsiveness to their demands. The project plans to involve communities for the selection of community midwives and nurses, so that trained health personnel can remain and provide services in the communities of origin. Communities, and particularly health Shuras, will help in addressing concerns/conflicts over community norms regarding sensitive health issues and practices. Community-based monitoring will also be encouraged through the involvement of community development councils to channel grievances to DHOs. MOPH will closely monitor progress on mother and child's health indicators, including breast-feeding practices, immunization coverage, antenatal care coverage, etc. MOPH will also track progress on BPHS utilization by the lowest income quintile. It will also make use of balanced scorecards to check progress on equity both at hospital and primary care levels. Overall the project, which focuses on providing services for the rural/urban poor and especially women and children is expected to have

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significant positive social impact.

FINANCING

Is retroactive financing required? No

Retroactive Financing Date:

Justification for Retroactive Financing:

| Transfer Schedule | Amount in Grant Curr | Condition |
|-------------------|----------------------|-----------|
| 07/01/2009 | 15,900,000.00 | |

Comment on Transfer Condition:

DISBURSEMENTS

Disbursement Summary in USD

| Date From | Date To | Amount in USD | Amount in USD |
|-----------|---------|---------------|---------------|
|-----------|---------|---------------|---------------|

ALLOWED EXPENSES

| Expense Category | Amount in USD | USD Equivalent | Percentage of Expenditure to be Financed |
|------------------|---------------|----------------|--|
|------------------|---------------|----------------|--|

SECTORS

| Description | Percentage |
|-------------------------------|------------|
| Public administration- Health | 25 % |
| Health | 75 % |

THEMES

| Description | Percentage |
|------------------------------------|------------|
| Gender | 10 % |
| Child health | 15 % |
| Other communicable diseases | 10 % |
| Health system performance | 50 % |
| Population and reproductive health | 15 % |

RELATED PROJECT INFORMATION

Basic Project Information

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Project Definition P112446
Project Description Strengthng.Health Activts.for Rural Poor
Project Type PE-IBRD/IDA
Region/Cty AF-Afghanistan
Status Lending
Company code IBRD
Team Leader 00155288 - Mr Emanuele Capobianco

Project Description

Project Milestones

| Usage | Description | Basic | Forecast | Actual |
|-------|-----------------------------------|------------|------------|------------|
| 00870 | Concept Review Meeting | 07/30/2008 | 10/21/2008 | 10/21/2008 |
| 00880 | RVP Sign-off | | | |
| 00890 | PID to Infoshop | | 11/04/2008 | 10/31/2008 |
| 00892 | ISDS to Infoshop | | 11/04/2008 | 10/31/2008 |
| 00895 | PID Received by Infoshop | | | 10/27/2008 |
| 00897 | ISDS Received by Infoshop | | | 11/02/2008 |
| 00900 | Begin Preparation | 09/15/2008 | 11/10/2008 | 09/19/2008 |
| 00903 | Risk Assessment Review (IL Only) | | 11/26/2008 | |
| 00905 | Quality Enhancement Review | 11/03/2008 | 12/08/2008 | |
| 00910 | Decision Meeting (ROC or OC) | 11/26/2008 | 01/26/2009 | 01/26/2009 |
| 00920 | Auth Appr/Negs (in principle) | 12/01/2008 | 02/05/2009 | 02/05/2009 |
| 00930 | Updated PID to Infoshop | | 02/05/2009 | 02/03/2009 |
| 00932 | Updated ISDS to Infoshop | | 02/05/2009 | 02/23/2009 |
| 00935 | Updated PID Received by Infoshop | | | 02/03/2009 |
| 00937 | Updated ISDS Received by Infoshop | | | 02/25/2009 |
| 00940 | EA Received in Infoshop | | | |
| 00950 | Begin Appraisal | 01/09/2009 | 01/20/2009 | 12/01/2008 |
| 00960 | Send Notice/Issue Invt Neg | 01/20/2009 | 02/05/2009 | 02/05/2009 |
| 00970 | Begin Negotiations | | 02/09/2009 | 02/09/2009 |
| 00980 | Obtain Clearance of Docs | | 02/24/2009 | 02/18/2009 |
| 00990 | Bank Approval | 03/05/2009 | 03/24/2009 | 03/24/2009 |
| 01000 | Completion Note | 12/31/2012 | | |
| 01010 | Signing | | 04/09/2009 | 04/09/2009 |
| 01020 | Effectiveness | | 04/22/2009 | 04/22/2009 |
| | | | | |

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| Usage | Description | Basic | Forecast | Actual |
|-------|---------------------------------------|-------|----------|--------|
| 01027 | Restructuring ISDS Send to Infoshop | | | |
| 01028 | Restructuring ISDS Recv'd by Infoshop | | | |
| 01030 | Draft ICR/NCO | | | |
| 01040 | Draft ICR/NCO to Borrower | | | |
| 01050 | Borrower Contribution Recd | | | |
| 01060 | ICR/NCO to CD | | | |
| 01070 | ICR/NCO to SECBO | | | |

Project Financing

Total Cost 30,000,000.00
 Finance 30,000,000.00
 Financing Gap 0.00

| Source | Amount Financed |
|--------|-----------------|
| BORR | 0.00 |
| IDA | 30,000,000.00 |

PROCESSING

| Cleared/Approved by | UPI | Name | Date | Action |
|---------------------|-------------|------------------------|------------|-----------|
| Team Member | 00000275156 | Mr Hasib Karimzada | 05/20/2009 | Changed |
| Team Leader | 00000264265 | Mr Emanuele Capobianco | 06/02/2009 | Submitted |
| Manager | 00000085487 | Ms Julie McLaughlin | 06/16/2009 | Cleared |
| FM Specialist | 00000268478 | Mr Kenneth O. Okpara | | |
| Window Manager | 00000012146 | Ms Yolaine E. Joseph | | |
| Program Manager | 00000175449 | Mr Roberto Tarallo | | |
| TACT | 00000000000 | | | |

DOCUMENTS ATTACHED

Japan Social Development Fund.doc
 JSDF Afghanistan SHARP Detailed Cost Table 16 Jan 2009.xls
 JSDF Afghanistan SHARP Detailed Cost Table 16 Jan 2009.xls
 SHARP EPP.doc