Australian Government AusAID

Completed Quality at Entry Report and Next Steps to Complete Arrangements for the Health Population and Nutrition Sector Development Program, Bangladesh

A: AidWorks details *completed by Activity Manager*			
Initiative Name:	HPNSDP (Health Population and Nutrition Sector Development Program)		
AidWorks ID:	INJ959	**Total Amount:**	$72,400,000
Start Date:	(December 2011)	**End Date:**	June 2016

B: Appraisal Peer Review meeting details *completed by Activity Manager*	
Initial ratings prepared by:	Peer reviewers as below.
Meeting date:	Thursday 18 August 2011
Chair:	Paul Nichols, ADG North and South Asia Branch
Peer reviewers providing formal comment & ratings:	1. Ben David, Principal Health Adviser, and Joanne Greenfield, WCH Adviser (joint reviewers) 2. Jim Tulloch, Health Consultant 3. Graham Rady, Quality and Development Adviser 4. Jill Bell, Health and Nutrition Manager, Canberra desk
Independent Appraiser:	– 1 to 3 above
Other peer review participants:	– Mark Bailey, South Asia Regional Development Counsellor – Gina De Pretto, Quality Manager & Gender focal point, South Asia Section, – Jacqui Powell, Bangladesh Desk Program Manager, South Asia Section – Matthew Fehre and Dylan Roux, Working in Partner Systems (WiPS) section – Bernie Pearce, Adviser, Gender Policy and Coordination Unit – Rachel Payne, First Secretary Dhaka – Jan Borg, Health Adviser, Dhaka – Shahrukh Safi, Senior Program Manager, Dhaka – Mia Thornton, East Timor Desk

C: Safeguards and Commitments *(new!)* ***completed by Activity Manager***		
Answer the following questions relevant to potential impacts of the activity.		
1. Environment	Have the environmental marker questions been answered and adequately addressed by the design document in line with legal requirements under the *Environmental Protection and Biodiversity Conservation Act*?	*Yes*
2. Child Protection	Does the design meet the requirements of AusAID's Child Protection Policy?	*N/A*
3. Imprest Account	Does the business case and risk assessment support the use of an imprest account as the most efficient, effective and ethical use of Commonwealth funds in accordance with the Commonwealth Financial Framework and AusAID policy?	*N/A*

D: Initiative/Activity description *completed by Activity Manager* *(no more than 300 words per cell)*	
4. Description	The Health Population and Nutrition Sector Development Program (HPNSDP) builds on implementation of the Government of Bangladesh's (GoB) two previous health sector wide programs (HPSP and HNPSP). The estimated development budget is about USD 3.334 billion of which development partners will likely provide USD 2.167 billion. The indicative AusAID amount for 5 years is AUD 72.4 million. AusAID has not been a pooling partner to these previous sector wide programs, but has supported parallel projects to the HNPSP through BRAC and UNICEF (2008-2012). AusAID proposes to actively engage with other to development partners to support GoB's implementation of the HPNSDP (July 2011 to June 2016). The goal of the HPNSDP is "to ensure quality and equitable health care for all citizens in Bangladesh by improving access to and utilization of health, population and nutrition services". The development objective of the HPNSDP is to "improve access to and utilization of essential health, population and nutrition services, particularly by the poor." Some development partners, including AusAID, will pool their funds through a World Bank MDTF and will actively participate in the sector wide coordination arrangements with GoB. The HPNSDP is a partner-led design with implementation arrangements fully appraised and approved through the World Bank's processes. Around 15 development partners including AusAID contributed to the development of the HPNSDP. The HPNSDP officially started on 1 July 2011.
5. Objectives Summary	The objective of the HNPSDP is to enable the GoB to strengthen health systems and improve health services, particularly for the poor, through two components: 1. Improving health services: (a) improve priority health services to accelerate the achievement of the Health, Nutrition and Population (HNP) related Millennium Development Goal (MDG) targets by scaling up on-going interventions as well as introducing new interventions and (b) strengthen the service delivery system. 2. Strengthening health systems: (a) governance and stewardship; (b) health sector planning and management; (c) human resources for health; (d) health care financing; (e) health information system, monitoring and evaluation and research; (f) quality of health care; (g) drug administration and regulation; (h) procurement and supply chain management; (i) physical facilities and maintenance.

E: Quality Assessment and Rating *(no more than 300 words per cell)*

completed by Activity Manager after agreement at the Appraisal Peer Review meeting

Criteria	Assessment	Rating (1-6) *	Required Action (if needed)
6. Relevance	The proposed program is in line with both Australian and GoB health sector priorities. It aligns well with the new AusAID policy directions in "An effective aid program: Making a real difference – delivering results" in that it provides a substantive mechanism to scale up in Bangladesh with a focus on improved health outcomes for women and children, an increase in working in partnership with other donors, and working in partner systems. The program is results focused and focuses on the same results that are emerging in the agency wide results framework – increased skilled birth attendance, increased immunisation coverage, training of health staff and improved access to services by the poorest groups etc. The case for working through the SWAp and the MDTF is well articulated and appropriate to the context. The design has two appropriately complementary components - one focusing on service delivery and the other on health system strengthening. The budget allocations across health systems (40%), child health (20%) reproductive health (20%) and nutrition (20%) appears realistic and balanced to achieve the stated aims. The approach aims to increase the profile of Australian engagement in Bangladesh in a well conceived way, but requires accompanying increase in AusAID capacity to support implementation and oversight of benefits and risks (both development and fiduciary).	5	Ensure AusAID follows through on what it expects to see as results and how these fit with Australia's strategic priorities for Bangladesh and the agency wide results framework. Ensure AusAID secures the necessary increase in AusAID staff resources / capacity.

E: Quality Assessment and Rating *(no more than 300 words per cell)* *completed by Activity Manager after agreement at the Appraisal Peer Review meeting*			
7. Analysis and Learning	The HPNSDP design is based on a considerable amount of analysis – fiduciary risk assessments, procurement assessment, maternal mortality survey, environmental assessment, health financing analysis. AusAID has contributed significantly with other donors to this analysis particularly in the evaluation of the alignment and harmonisation in the sector and relevant modalities for health ODA. A summary of lessons learned are presented in the PAD and the DSID. However little is said about why progress in PFM and procurement reform has been so slow to-date, and what specifically the DPs should change in their actions in this regard. There has been significant consultation across the agency e.g. with HHTG, WIPs, South Asia program etc. The DSID gives a strong rationale, outlining the management consequences and how the AusAID investment will fit together in the sector. On the performance based funding mechanism: what analysis has been done to confirm that this will incentivise behaviour change within government?	4	Over the life of the program it would be useful to <u>further analyse</u> the health system bottlenecks, care seeking behaviour, gender and equity barriers to accessing care and political economy in the health sector, and the performance based funding mechanism (i.e. the underlying assumptions that will be tested over time). In addition, ensure the <u>lessons learnt</u> are utilised from the performance based funding component and progress with system reforms including PFM and procurement.
8. Effectiveness	This is a very large SWAp in a large, complex health sector with a mediocre performance to date. Based on the AusAID WIPS assessment the planned PFM and procurement mitigation measures are mainly acceptable. While these will likely have a positive effect, we should not expect much of a "trajectory of change". I.e. have realistic expectations. Bangladesh has demonstrated it can achieve impressive results with MDG 4 & 5 now on track. The program recognises that to sustain and increase this progress, significant health system improvements must now be made to meet the health service needs of women and children. The expected program results cover a broad spectrum of health service delivery and health system strengthening. Inevitably some will work, some won't. Nonetheless the combined approach (donors and government) to scale up a set of proven interventions plus policy reform is likely to be the most effective and appropriate approach in the context. This cannot be achieved through small scale projects, single interventions e.g. immunisation or by one donor or the government alone. However this is a complex political economy in Bangladesh bringing significant risk to this if GoB governance and stewardship deteriorates. In addition the DSID covers the main risks which will not be so easy to mitigate.	4	AusAID to focus attention on the policy and sector reform issues we can influence and leverage. In particular: - supporting & monitoring health system changes and effectiveness in improving MNCH services. - PFM and procurement given previous limited progress and intended move to more use of GoB systems. - Analysis of progress in risk reduction and mitigation via the GAAP. AusAID to do its own regular review of "the extent to which use of partner government systems (PGS) is enhancing (or not) development outcomes". Have a plan B if GoB governance / steward ship deteriorates.

E: Quality Assessment and Rating *(no more than 300 words per cell)* *completed by Activity Manager after agreement at the Appraisal Peer Review meeting*			
9. Efficiency	The individual interventions are all known to be cost effective. Cost benefit analysis suggests the combined govt-donor approach is significantly cost effective and offers good return on investment. A concerted coordinated effort by all partners is required to sustain and accelerate the MDG 4 & 5 improvements – this is a good opportunity for Australia to substantively contribute to this. Considerable effort is being made to harmonize with other DPs and work with government systems. Analytic work, reviews, technical assistance (TA) and the fiduciary and governance arrangements are being harmonized. If done successfully this should realise significant efficiency gains for donors and possibly reduced transaction costs for GoB. Neither misappropriation nor mis-procurements were experienced in the previous program (not AusAID funded) but little reduction in risk occurred. The new program is rated medium risk and has further mitigation measures which the AusAID WIPS assessment views as mainly acceptable. However they propose additional mitigation actions for AusAID. The GAAP is a key risk mitigation measure but needs to have teeth and requires good understanding of its potential impact on GoB incentives. A risk is insufficient internal coordination in the ministry of health's planning and budgeting processes. With over 30 operational plans and the majority of GoB's own health funds invested in non-development costs, this will be largely unscrutinised. Therefore the move to 'one budget' in the health sector should be a priority. The PAD and DSID do not detail other major global / multilateral funding streams in the sector i.e. GAVI and GF. For AusAID to engage in this modality, Dhaka post needs to be adequately resourced. A larger multi-disciplinary country team is required to deliver and risk-manage portfolios' of this nature. An FTE senior APS health adviser with strategic level knowledge of health systems, health sector reform and health financing will strengthen the team and give increased policy dialogue capacity and risk management capacity.	4	AusAID investment should not start until all serious audit queries from the previous program are resolved and a clear way forward is defined by government on the 'one budget' process. AusAID to monitor and engage on donor harmonisation and reduced transaction costs to GoB. Assess if the investment brings AusAID a closer relationship to GoB (given it operates through WB). Ensure the harmonised TA approach is built on a sound capacity gap analysis with a strong M&E framework. AusAID to undertake the additional risk mitigation proposed by WIPS and (as mentioned above at 8. effectiveness) review if use of PGS is getting outcomes. AusAID to advocate for and work with GF and GAVI at country and secretariat levels to become 'part' of the sector program and increase their harmonise / alignment. To maximise impact recruit a senior AusAID health adviser as part of a multidisciplinary country team including regular (health) economist support to augment the pro-poor health financing debate.
10. Monitoring and Evaluation	The proposed M&E system and results framework in the PAD is well thought through. It will jointly monitor progress against a sector wide M&E framework plus a narrower framework for donors. It has an appropriate mix / good balance of the key service and health systems indicators. There has been considerable thought given to the data sources and an element of strengthening M&E and data collection included in the design. The plan for data collection should be able to meet AusAID's requirements and results focus. It is well resourced (funds and institutions) and should be able to realise the range of planned national surveys. It will be important to confirm the targets are adequate - ambitious enough but still realistic - and will be able to answer questions on access and equity. Proxy indicators to measure AusAID success with health system reform (especially PFM) will be developed and monitored.	5	AusAID to follow-up during implementation on how system strengthening actions will be prioritized and monitored with clear milestones. Effective monitoring of progress by the PFM Task Group should itself be monitored by AusAID and corrective action taken if needed. AusAID to consider the indicators that could be used to assess WB & AusAID performance in the sector (for internal purposes).

E: Quality Assessment and Rating *(no more than 300 words per cell)* *completed by Activity Manager after agreement at the Appraisal Peer Review meeting*			
11. Sustainability	The case made for this being the most sustainable approach (strengthening national systems) to support the health sector is reasonable, potentially achievable, and if successful, should be sustainable. Working through GoB systems should result in strengthening them and eventually creating a more sustainable GoB institutional capacity to manage the health sector. But a lot will depend on the quality of system reform, which in turn will depend on the quality of external inputs. It is unlikely that economic growth and health reforms will significantly reduce the need for health ODA during this 5 year program. We will want to see signs of increasing GoB commitment through its own budget including efforts to reduce informal/formal out of pocket expenditure for health. A key challenge will be achieving sustainable and equitable financing of the sector with GoB resources as the country moves to middle income status. It is difficult to assess long-term sustainability in the absence of an analysis of the health sector financing needs, funding sources and trends in GoB funding (and comparative international benchmarks).	5	A key and ongoing area for AusAID policy dialogue should be on equitable and sustainable financing of the sector. Ensure we have thought through alternatives modalities if political economy changes to negatively affect GoB stewardship of the sector.
12. Gender Equality	Bangladesh is a country with significant gender-based and social inequality. It is highly appropriate to consider more than gender (women) in the social inequity/exclusion dimension, and the PAD is weak on both. The PAD does state the program will advance some existing plus some new gender equity initiatives. It notes an important focus on adolescent girls, which is consistent with GoB policy, and the close association between gender and poor nutrition in Bangladesh. There is no sense of what gender analysis (for the program or pre-existing) has been undertaken and the levers and drivers of gender equality in the health sector. Overall this is disappointing considering the significant gender inequity, gender based violence and social inequity issues in Bangladesh. It is recognised the program gives emphasis to the urban poor and some geographically disadvantaged areas. A significant proportion of this investment will support improved health comes of women and children. In addition a focus on family planning and reproductive health will empower women in Bangladesh. Addressing maternal mortality risk for women is also a means of addressing gender inequality in health outcomes.	4	AusAID to focus attention on ensuring that equity (gender and social) are defined (good analysis, clear equity indicators), documented, addressed and monitored. Assess how the health sector can better contribute to gender equality. Ensure adequate support for this through the proposed TA facility.

* **Definitions of the Rating Scale:**			
Satisfactory *(4, 5 and 6)*		***Less than satisfactory*** *(1, 2 and 3)*	
6	Very high quality; needs ongoing management & monitoring only	**3**	Less than adequate quality; needs to be improved in core areas
5	Good quality; needs minor work to improve in some areas	**2**	Poor quality; needs major work to improve
4	Adequate quality; needs some work to improve	**1**	Very poor quality; needs major overhaul

E: Next Steps *completed by Activity Manager after agreement at the Appraisal Peer Review meeting*		
Provide information on all steps required to finalise the design based on *Required Actions* in "C" above, and additional actions identified in the peer review meeting	Who is responsible	Date to be done
1. This is a partner led design which is already in implementation. Therefore no AusAID action required on the design.		
2.		
3.		

F: Other comments or issues *completed by Activity Manager after agreement at the APR meeting*
• Nil

F: Approval *completed by ADG or Minister-Counsellor who chaired the peer review meeting*

On the basis of the final agreed Quality Rating assessment (C) and Next Steps (D) above:

☑ **QAE REPORT IS APPROVED**, and authorization given to proceed to:

- ◉ **FINALISE** the design incorporating actions above, and proceed to implementation

or: ○ **REDESIGN** and resubmit for appraisal peer review

☐ **NOT APPROVED** for the following reason(s):

Paul Nichols ADG NSA	signed:	2/11/2011

When complete:

- Copy and paste the approved ratings, narrative assessment and required actions (if any) (table D) into AidWorks
- The original signed report must be placed on a registered file