

Ex post evaluation report

OECD sector	12230 / Basic health infrastructure	
BMZ project ID	1998 65 049, 1998 70 122, 2001 253	
Project executing agency	Ministry for Health	
Consultant	EPOS	
Year of ex post evaluation	2010	
	Project appraisal (planned)	Ex post evaluation (actual)
Start of implementation	Q3 1998	Q1 1999
Period of implementation	60	96
Investment costs	EUR 14.6 million	EUR 15.1 million
Counterpart contribution	EUR 3.1 million	EUR 3.1 million
Financing, of which FC funds	EUR 11.5 million	EUR 12.0 million
Other institutions/donors involved	--	--
Performance rating	4	
• Relevance	3	
• Effectiveness	3	
• Efficiency	4	
• Overarching developmental impact	4	
• Sustainability	4	

Brief description, overall objective and project objectives with indicators

This Financial Cooperation project comprised the structural rehabilitation and outfitting of the provincial hospital and 12 district hospitals in the province of Nusa Tenggara Timur (NTT), including measures to support their operation and maintenance. The project was implemented in collaboration with GIZ. Technical Cooperation components included training and consultancy services for hospital staff, and measures to strengthen personnel and institutions within the district health system. The overall objective was to improve the health of the population of NTT province. The project objective was to improve the quantity and quality of hospital services, and to increase their utilisation.

Changes in mother and child mortality rates in NTT province were defined as the overall objective indicator during ex post evaluation. The following indicators were already defined at project appraisal for the project objective:

- an increasing number of patients referred to hospital from basic health establishments;

- the surgical departments in each of the hospitals covered by the project to be fully functional within three years of completion of respective rehabilitation work; and
- in all the hospitals covered by the project, annual inpatient admissions and the bed occupancy rate to have risen by at least 5 % three years after completion of the respective rehabilitation work.

The project's target group was the population of NTT province, particularly women, infants and young children, as well as the poor population. In principle, primary health care establishments are the first point of contact for these people.

Project design / major deviations from original planning and their main causes

The main component of the FC investment was equipping the hospitals with modern medical and non-medical apparatus. This was managed through two international tenders that were completed by September 2006. Equipment supplied mostly consisted of medical devices for the surgical departments and laboratory apparatus, but it also included tools for maintenance and building services, as well as office equipment. Furthermore, in a departure from plan, numerous investments were made in replacing assets on the wards, and the budgeted ambulances were purchased not from the FC contribution, but out of the Indonesian counterpart contribution. Building operations were entirely funded from the Indonesian side, as part of the counterpart contribution.

Support to staff was delivered in two phases. In 2001, business concepts and business plans were developed in each hospital, to serve as the foundations for investment. This was followed in 2004 by a second phase; this comprised training in 'physical assets management', with the aim of improving care and monitoring performance. After additional requirements had become obvious during implementation, further training sessions on the medical equipment (for both technical and clinical staff) were held in 2006. Overall, the impact of staff support activities fell below expectations. Knowledge gained was only partially applied in the daily routine. Hence measures taken in the area of equipment management (for example) did not lead to any sustained improvements.

Equipment procurement was aligned with Indonesian governmental guidelines for these categories of hospital. It took place in close coordination between the project agency, provincial health offices, and the respective hospitals. As a result of Indonesia's decentralisation policy, there was a change in responsibilities during the implementation of these FC measures. Financial planning responsibility for the district hospitals was transferred from the provincial health offices to the district health offices.

Substantial risks in this project for both implementation and operation were identified at the time of appraisal, as were weaknesses in the project agency; and, overall, a high degree of risk was foreseen in sustainably achieving its objectives. From today's perspective, this has proved an accurate assessment. Significant delays occurred both in the completion of construction works and in the procurement of equipment. The lack of success in laying an effective foundation for equipment management in the hospitals presents a further risk to sustainable operation.

Key results of the impact analysis and performance rating

Demand for hospital services has increased overall. However, no information is available to us as to how demand has developed specifically within the poorer sections of the population. The cost of travelling to hospital has not changed, and still affects poorer population groups to a disproportionate degree.

The main impact has been an improvement in the population's state of health; expanding the range of services provided by the hospitals, and improving the quality of those services has contributed here. This relates primarily to MDGs 4 and 5 (maternal and child health). In essence, the NTT region is a remote province with a high proportion of poverty. The health insurance scheme that has been introduced in the interim has made access to health services for the poor easier, but some barriers still remain. With the improved facilities in hospital maternity departments, the project has benefited women to a notable degree. No environmental problems have been associated with this project. Beyond that, however, the upgrades that were targeted in hospital water supplies and waste management have only been partially implemented.

Relevance: The starting point which determined the project approach was the hospitals' lack of appeal, due to the limited and unsatisfactory range of services which they offered. Here, one particular supply-side component of the key difficulties in this sector became defined as the core problem; too little consideration was given, however, to fundamental demand-side aspects such as access barriers, and also to supply-side elements such as insufficient staff and a lack of employee motivation due to low wages. Improving the quality of health services constitutes an important objective within Indonesia's health strategy; and although this concentrates on primary health and preventative medicine, it also contributes at the level of secondary health. The expansion of the functions provided by district hospitals and the improvements in the referral system therefore represent relevant contributions to sectoral development. During the project implementation period, the health sector was one of the priority areas in German-Indonesian developmental cooperation. Besides German DC, only a few development partners (including AUSAID and UNICEF) are active in the health sector in the project region. A memorandum of understanding exists for the project region, which aligns donors with the master plan for the health sector. The project's relevance has been assessed from today's perspective as somewhat limited, but nonetheless satisfactory (rating 3).

Effectiveness: the project objective was to improve the quality and quantity of the range of services offered by the 12 district hospitals and the provincial hospital in NTT, and to contribute to an increased utilisation of these improved services. According to hospital statements, popular acceptance of these institutions has grown. This is attributable to (amongst other things) the standards of care that have been introduced, hospital hygiene, and a greater orientation toward patient needs. Three indicators were defined to measure progress toward objective attainment: we believe these were, and remain, fundamentally appropriate. They were only achieved to a partial extent. No reliable data is available for the number of referrals, since the procedures that already exist in the referrals system are often not used, and the hospitals do not carry out any systematic monitoring. This gives some indication of the failings that still exist in the practice of referrals. The number of in-patients admitted has increased slightly between 1996 and 2006. However, the reported bed occupancy rate (65%, against a target value of 60%) does not hold up to statistical cross-examination, since, over a comparable period of time, bed capacity has expanded far beyond the rise in patient numbers. The surgical departments are certainly functioning, but the equipment supplied by the project is often not used; the utilisation rate for larger appliances stands at roughly 50%. However, popular acceptance of the hospitals has improved, notably due to the broader range of services offered, which are now used more extensively. Training activities, which took the form of short training courses, were little suited for the realities of sustainable implementation in the hospitals. Hence the effects of this training, particularly with regard to maintenance and repair, financial planning and

hospital management, have remained below expectations. We have therefore assessed the project's effectiveness as only just satisfactory (rating: 3).

Efficiency: project implementation began in December 1998, after five months' delay. The period of implementation lasted a total of eight years instead of the planned five. This was mainly attributable to delays - in planning, in the completion of infrastructure, and in the delivery of medical equipment. Furthermore, the increasing complexity of the process of consultation between the various stakeholders (caused by decentralisation-driven changes in areas of responsibility) had a negative effect on the speed of implementation. No appropriate adjustments were made in the project implementation concept. In addition, although the FC and TC technical assistance measures were, in principle, well coordinated, they did not come together in the hospitals at an operational level; as a result, few synergies emerged. Nevertheless, due to savings in consultancy services and foreign exchange gains, additional facilities were provided to the hospitals. Due to the relatively high proportion of unused equipment, and also because of the shortfall in the range of services offered that arose as a result of slippages, the project's efficiency has been rated as no longer satisfactory (rating: 4).

Overarching developmental impact: the project's overall objective was to improve the health of the local population in NTT province. Changes in mother and child mortality rates in NTT were defined as the indicators for this objective. These show a positive trend: maternal mortality dropped from 554 per 100,000 live births in 2004 to 306 per 100,000 in 2007. This lower figure conforms roughly to the national average. Child mortality (under five years of age) has fallen from 60 children per 1,000 births in 1997) to 57 per 1,000 in 2007. If we focus on the above indicators, it becomes clear that the hospitals which have been supported only cover a small portion of primary health care services, so the project has indeed only made a small contribution to development in this area. The appointment of village midwives, the training of nurses in midwifery, and the introduction of a health insurance scheme with free access for the poor should be further decisive factors in shaping development. The contribution to primary health care made by the hospitals is further limited by the access barriers which still exist for the poor, and by a poorly documented referral system, which functions in a fashion that is barely comprehensible. As a result, we rate the contribution of the project to improving the health of the population of NTT as no longer satisfactory (rating 4).

Sustainability: the project concept for the areas of staff support and cooperation with GTZ included the important issues of operation and maintenance, as well as sustainability; despite this, no sustainable improvements were achieved in terms of 'physical asset management'. As mentioned earlier, only some 50% of the equipment delivered was put to use. Since none of the project hospitals could demonstrate a functioning organisational or financial concept for maintenance and repair, and a high rate of staff turnover means that little know-how in servicing and maintaining the equipment is retained, substantial risks remain for the sustainable use of this apparatus. Although the Government of Indonesia has prioritised the healthcare sector, it is not safe to assume sustainability in management operations, due to the inadequate capabilities and healthcare budgets of the district authorities. Taken altogether, we have therefore assessed the sustainability of the project as unsatisfactory (rating 4).

The overall evaluation that emerges for this project is unsatisfactory (rating 4).

General conclusions and recommendations

The shift in authority - i.e. the transfer of responsibility for the hospitals from the provincial health office to district administrations - was a significant challenge in the implementation of this project. This case clearly illustrates the substantial risks to project success which accompany political developments such as these.

In similar projects, where the supply of medical equipment constitutes a major component of the programme, greater consideration should be given to criteria such as the procurement of a single brand of equipment (insofar as that is possible), the availability of replacement parts and consumables in that particular country, and the alignment of technical specifications to the conditions prevailing.

Notes on the methods used to evaluate project success (project rating)

Projects are evaluated on a six-point scale, the criteria being relevance, effectiveness (outcome), “overarching developmental impact” and efficiency. The ratings are also used to arrive at a final assessment of a project’s overall developmental efficacy. The scale is as follows:

- 1 Very good rating that clearly exceeds expectations
- 2 Good rating fully in line with expectations and without any significant shortcomings
- 3 Satisfactory rating – project falls short of expectations but the positive results dominate
- 4 Unsatisfactory rating – significantly below expectations, with negative results dominating despite discernible positive results
- 5 Clearly inadequate rating – despite some positive partial results the negative results clearly dominate
- 6 The project has no positive results or the situation has actually deteriorated

A rating of 1 to 3 is a positive assessment and indicates a successful project while a rating of 4 to 6 is a negative assessment and indicates a project which has no sufficiently positive results.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability)

The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected.)

Sustainability level 3 (satisfactory sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability)

The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and is very unlikely to improve. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The overall rating on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. A rating of 1 to 3 indicates a “successful” project while a rating of 4 to 6 indicates an “unsuccessful” project. In using (with a project-specific weighting) the five key factors to form an overall rating, it should be noted that a project can generally only be considered developmentally “successful” if the achievement of the project objective (“effectiveness”), the impact on the overall objective (“overarching developmental impact”) and the sustainability are considered at least “satisfactory” (rating 3).