

**Jamaica: Rehabilitation of Two Hospitals**

**Ex-post evaluation**

<b>OECD sector</b>	12191 – Medical Services	
<b>BMZ project ID</b>	1994 65 345	
<b>Project-executing agency</b>	Ministry of Health	
<b>Consultant</b>	Urban Development Corporation Saniplan	
<b>Year of ex-post evaluation</b>		
	<b>Project appraisal (planned)</b>	<b>Ex-post evaluation (actual)</b>
<b>Start of implementation</b>	Q 1 1995	Q 3 1997
<b>Period of implementation</b>	24 months	42 months
<b>Investment costs</b>	EUR 19.8 million	EUR 43.5 million
<b>Counterpart contribution</b>	not quantified, estimated: 20%	EUR 23.7 million
<b>Financing, of which Financial Cooperation (FC) funds</b>	EUR 4.56 million (FC)	EUR 4.56 million (FC)
<b>Other institutions/donors involved</b>	EUR 15.28 million (IDB)	EUR 15.28 million (IDB)
<b>Performance rating</b>	3	
• <b>Significance / relevance</b>	3	
• <b>Effectiveness</b>	3	
• <b>Efficiency</b>	3	

**Brief Description, Overall Objective and Project Objectives with Indicators**

The project was part of the “Health Services Rationalization Project – HSRP” financed by the Inter-American Development Bank (IDB). The HSRP comprised investment measures to rehabilitate and expand a total of six hospitals as well as consulting and training services to strengthen the institutional base of the project-executing agency, the Jamaican Ministry of Health. Under parallel financing, the German loan was used to fund medical equipment for two of the six hospitals (St. Ann’s Bay Hospital and Mandeville Hospital).

The overall objective of the project was to contribute to improving the health situation of the mostly low-income population living in the catchment areas of the two hospitals. The following indicators were defined to measure achievement of the overall objective: long-term decrease in infant, mother and perinatal mortality. There is no data specifically covering the catchment areas of the hospitals. Nation-wide the rates of mother, perinatal and infant mortality have declined since the project appraisal, albeit not significantly. Nevertheless, owing to the complexity of the interrelations the indicators that were defined for the overall objective do not reveal much about the impact of the programme measures. After examining the plausibility of the data, however, we assume that, in view of the intensive use of more and better possibilities of diagnosis and treatment, the project contributed to reducing the mortality rates in the region.

One goal of the project was to improve health services for the target group. Another goal was to help reinforce the reference role of both hospitals on the secondary level as a prerequisite for improving the other levels (above all the primary level) and the overall system. The following indicators were defined for the project hospitals:

- Decrease in
  - average stay
  - transfers of patients to the tertiary level
- Reduction in waiting times for planned operations
- Increase in transfers of patients from the primary level

During the final follow-up it was noted that data on the transfer system and on the waiting times for operations at the hospitals was not being collected on a routine basis. Therefore, the following new indicators were introduced to measure achievement of the targets:

- Bed occupancy rate of at least 80%
- Average stay is no more than 5 days
- Post-operative infection rates do not exceed the national average (during the ex-post evaluation it was discovered that no data was being collected on the post-operative infection rates, either).

Overall, based on the improvements in the performance indicators for the hospitals we assume that the goal of improving health services for the population was achieved. The goal of improving the reference system was only partially achieved since the number of patients transferring themselves is still high, and the hospitals are still heavily overloaded.

### **Project Design / Major Deviations from the original Project Planning and their main Causes**

The project was tied to the HRSP project of the IDB, which comprised investment measures to rehabilitate and expand six hospitals as well as consulting and training measures to institutionally strengthen the Ministry of Health. The FC funds were used to procure medical technical equipment including 5-year maintenance contracts for sensitive equipment and other hospital equipment at two of the secondary hospitals. The programme was carried out without any major deviations, yet with substantial delays. There were significant cost increases especially in relation to the construction component financed by the IDB. They were brought about by inadequate planning and substantial delays, among others. These additional costs were assumed in full by the Jamaican government.

### **Key Results of the Impact Analysis and Performance Rating**

One of the main aims defined in the project appraisal was to improve health services for the mainly low-income population living in the catchment areas of the hospitals. Owing to the improvement in selected performance indicators defined for the hospitals as well as to the overall positive assessment of the supply situation by both patients and hospital staff, we assume that this intended aim was achieved.

Overall, we judge the project's effectiveness to still be sufficient (rating 3). We consider the project objectives for which data was available to be adequately achieved, even if the occupancy rate missed the target by a slight margin at St. Ann's Bay Hospital. With regard to the reference system, only slight improvements can be assumed. In view of higher budget

allocations by the state, we consider the liquidity to be sufficiently ensured as long as the funds are not reduced to any considerable degree in the future. However, the expenditures for repairs and maintenance are too low, posing a problem since this could already have an impact on the operation and therefore also the developmental sustainability of the project in the medium term. The capacity and performance of the hospitals remain limited due to tight budgets, and reserves for investments in spare parts are either inexistent or insufficient.

Overall, we judge the project's significance/relevance to still be sufficient (rating 3). Although the national health indicators show only a slight improvement compared to the situation prior to the project appraisal, due to the complexity of the interrelations between the overall objective and the programme measures this was not expected, neither on the regional nor on the national level. However, the high acceptance and satisfaction of the patients with their hospitals are positive factors. The improvement in health services at the hospitals, and in particular the intensive use of the delivered equipment, indicate that the project contributed to resolving the key problems at the time of the project appraisal. And this despite continuing capacity bottlenecks, as indicated by continually long waiting times. Also, future expansions will be possible to only a limited extent.

We also classify the programme's efficiency as sufficient overall (rating 3): During the course of implementation of the overall project, considerable delays and cost increases arose. In the end, the cost of acquiring the FC-funded equipment was 25% higher than planned, yet it remained acceptable. We consider the costs of the construction measures – which were funded out of the IDB's own funds – to be too high, even if this does not play a role in this evaluation. In terms of the bed occupancy rate, utilization of the capacity of Mandeville Hospital is good, and that of St. Ann's Bay Hospital is still satisfactory. Budget allocations from the Ministry of Health ensure the operation of both hospitals, even though the deficits continue to rise. Although an increase in tariff revenues was achieved, these revenues account for only a small portion of the hospitals' income. What is more, they are decreasing because some patients are not paying their hospital bill.

## **General Conclusions**

Building a new hospital or rehabilitating an existing hospital is a long-term investment and needs to be embedded in a master plan that takes longer-term needs for expansion and space into account. This guarantees that the facilities will develop according to plan and will not encounter any bottlenecks in terms of available space.

The functionality of hospitals on the middle reference level is heavily dependent on having a functioning reference system. This is required in order to prevent overloading due to unnecessarily high direct transfers or transfers from lower reference levels that are not necessary from a medical point of view. If possible and necessary, the hospitals should also be authorized to refuse patients and to refer them to another reference level if the medical evidence so provides.

## Legend

Developmentally successful: Ratings 1 to 3	
Rating 1	Very high or high degree of developmental effectiveness
Rating 2	Satisfactory developmental effectiveness
Rating 3	Overall sufficient degree of developmental effectiveness
Developmental failures: Ratings 4 to 6	
Rating 4	Overall slightly insufficient degree of developmental effectiveness
Rating 5	Clearly insufficient degree of developmental effectiveness
Rating 6	The project is a total failure

### Criteria for the Evaluation of Project Success

The evaluation of the "developmental effectiveness" of a project and its classification during the ex-post evaluation into one of the various levels of success described in more detail below concentrate on the following fundamental questions:

- Are the project objectives reached to a sufficient degree (aspect of project **effectiveness**)?
- Does the project generate sufficient significant developmental effects (project **relevance** and **significance** measured by the achievement of the overall development-policy objective defined beforehand and its effects in political, institutional, socio-economic and socio-cultural as well as ecological terms)?
- Are the funds/expenses that were and are being employed/incurred to reach the objectives **appropriate** and how can the project's microeconomic and macroeconomic impact be measured (aspect of **efficiency** of the project concept)?
- To the extent that **undesired (side) effects** occur, are these tolerable?

We do not treat **sustainability**, a key aspect to consider for project evaluation, as a separate category of evaluation but instead as a cross-cutting element of all four fundamental questions on project success. A project is sustainable if the project-executing agency and/or the target group are able to continue to use the project facilities that have been built for a period of time that is, overall, adequate in economic terms, or to carry on with the project activities on their own and generate positive results after the financial, organizational and/or technical support has come to an end.