

Evaluation Report

2015-6

**Ex-post Evaluation on the Hospitals Modernization Projects
(BIH-001, BIH-002) in Bosnia and Herzegovina**

The Export-Import Bank of Korea

(Government Agency for EDCF)

EDCF Evaluation Team

(Evaluated by Primcore)

This evaluation was entrusted to Primcore Consulting by EDCF for the purpose of independent evaluation research. The opinion, findings and conclusion or recommendations expressed in this report are those of the external evaluator and do not necessarily reflect the view of EDCF.

I. Project Overview

1. Project Details

1.1 The Hospitals Modernization Project (BIH-001)

- Name of Project: The Hospitals Modernization Project

- Name of the Borrower: The Council of Ministers of Bosnia and Herzegovina

- Project Executing Agency
 - Ministry of Health of the Federation of Bosnia and Herzegovina
 - Ministry of Health and Social Welfare of Republic of Srpska

- Requested Loan Amount: USD 20 million

- Condition of Loan: Annual interest rate of 1.5% and repayment period of 30 years (including a 10-year grace period)

1.2 The Phase II of Hospitals Modernization Project (BIH-002)

- Name of Project: The Phase II of Hospitals Modernization Project

- Name of Borrower: The Council of Ministers of Bosnia and Herzegovina

- Project Executing Agency
 - Ministry of Health of the Federation of Bosnia and Herzegovina

- Ministry of Health and Social Welfare of Republic of Srpska

Requested Loan Amount: USD 50 million

Condition of Loan: Annual interest rate of 1.5% and repayment period of 22 years (including a 5-year grace period)

< Project Details >

Hospitals Modernization Project (BIH-001)		Phase II of Hospitals Modernization Project (BIH-002)	
Intended Output	Funding Resource	Intended Output	Funding Resource
Provision of Medical Equipment	EDCF	Provision of Medical Equipment	EDCF
Renovation of Hospitals	Bosnia and Herzegovina	Renovation of Hospitals	Bosnia and Herzegovina
Project Management and Training		Management and Maintenance	
Maintenance			

2. Project Purpose

The purpose of these two projects was to supply the latest medical equipment to a number of hospitals to improve the quality of medical care in Bosnia and Herzegovina.

II. Summary of Evaluation

1. Purpose of Evaluation

- The objective of this ex-post evaluation is to assess the performance of the Hospitals Modernization Projects and to draw lessons learned and recommendations for future projects.

2. Methods of Evaluation

- The performance of the project was evaluated using the OECD DAC's five evaluation criteria. The project performance indicators were utilized to evaluate the effectiveness of the project.
 - A literature review, stakeholder interviews, surveys, and statistical data analysis were conducted.

3. Results of Evaluation

- Both BIH-001 (3.64/4) and BIH-002 (3.51/4) have delivered successful results in terms of relevance, efficiency, effectiveness, impact and sustainability. The table below contains the detailed results.

<Evaluation Result - BIH-001>

Evaluation Criteria	Weight	Evaluation Rating	Evaluation Value
Relevance	20%	Highly Relevant	3.83
Efficiency	20%	Highly Efficient	4.00
Effectiveness	20%	Effective	3.50
Impact	20%	Influential	3.50
Sustainability	20%	Sustainable	3.33
Overall Rating		Successful	3.64

<Evaluation Result - BIH-002>

Evaluation Criteria	Weight	Evaluation Rating	Evaluation Value
Relevance	20%	Highly Relevant	3.83
Efficiency	20%	Efficient	3.33
Effectiveness	20%	Effective	3.50
Impact	20%	Influential	3.50
Sustainability	20%	Sustainable	3.33
Overall Rating		Successful	3.51

- (Relevance) The purpose of these projects was highly relevant to the health care policy of Bosnia and Herzegovina and EDCF strategy, responding to the hospitals' needs for better medical equipment. The partner country showed strong ownership in addressing challenges during project implementation, resulting in the effective outcomes of the projects.

- (Efficiency) Efficiency levels differed between the projects. BIH-001 was completed within the planned timeframe but the implementation of BIH-002 was delayed due to the financial constraints of the Cantons in the Federation of Bosnia and Herzegovina. The intended output of BIH-001 was fully delivered. Meanwhile, the project area (hospital) and medical equipment supply of BIH-002 were revised. Both projects were completed within EDCF's budget.

- (Effectiveness) Overall, the intended outcomes of the projects were accomplished in an effective manner. The average waiting time for examination was reduced. The primary beneficiaries showed high satisfaction about the new medical equipment. The number of examinations has increased. Most of the medical equipment were being well-utilized. Numbers of diagnoses and surgeries have also increased, but at a decreasing rate.

- (Impact) There was no significant change in the mortality rate, which is the impact indicator of the projects. It is not reasonable to expect a significant improvement in the health status in Bosnia and Herzegovina since the projects provided only the diagnostic medical equipment and BIH-002 was just finished in 2011. However, the projects have contributed to the advancement of health care services such as improving accessibility, decreasing the length of stay and increasing patient satisfaction.

- (Sustainability) There was no problem with sustainability in the human resource category; the medical professionals were trained continuously through medical college courses; a sufficient number of medical equipment operators were being trained and supplied to the labor market each year. However, financial sustainability for the maintenance of equipment appeared to be weak since the sector was chronically underfinanced.

III. Lesson Learned and Recommendation

1. Lessons Learned

1.1 Success factors

- The projects were highly relevant to the strategy of Bosnia and Herzegovina and responded well to the needs of the partner country.
- Project impact was maximized through the successive implementation of BIH-001 and BIH-002.
- Local needs for medical equipment were effectively addressed with the projects taking two different approaches in equipment delivery: BIH-001 focused support on the selected university hospitals in order to improve the capacity of major hospitals which would work as the basis for medical services; BIH-002 diversified support to numerous local hospitals, reaching out to a wider range of beneficiaries.
- The balance between human resources and medical equipment supply was well achieved, which made the effective utilization of medical equipment possible. The partner country had well-established educational and training systems in place that could continuously supply well-trained doctors and staff to hospitals.

1.2 Limitations

- The local government's lack of financial resources caused the delay in project implementation.
- Even though BIH-002 used pre-determined performance indicators to evaluate the project, some indicators were not measured and thus not

applied in monitoring and managing the projects. This lack of measurement subsequently made it difficult to collect objective statistical data for evaluation.

- Due to the lack of financial resources, medical equipment maintenance was not being carried out sufficiently.

2. Recommendations

- Similar projects need to ensue to maximize the benefits of the previous projects.
 - EDCF should consider implementing similar projects in the same country in a phased-in manner to maximize the impact of the projects.
- Stronger analysis of political and administration systems in the partner country needs to be carried out during the project planning phase.
 - As the effect of each project can vary in accordance with the political and administration systems in a partner country, EDCF should consider strengthening the analysis of the characteristics of the partner country.
- Performance indicators in project management need to be fully utilized.
 - EDCF should improve its project performance indicators. As in the case of BIH-002, setting indicators does not guarantee their utilization by the partner country. During the loan agreement process, both EDCF and the partner country need to understand the significance of indicators and identify the responsible body (usually the project management unit) for data collection.

- Maintenance capacity needs to be strengthened.
 - The partner country should secure the budget for the maintenance of medical equipment. It is recommended that the partner country consider grant aid as such financial source. EDCF can help the process by notifying the Korean grant aid agencies about the country's need for financial support.