

Ex-post Evaluation of Construction of Thua Thien Hue General Hospital Project in Vietnam

February 6, 2020



1. Project Overview

1.1 Project Details

Name of Project: Construction of Thua Thien Hue General Hospital Project

Borrower: Ministry of Finance of Vietnam

Project Executing Agency

People's Committee of Thua Thien Hue Province

Requested Loan Amount: USD 30.8 million

< Project Details >

Construction of Thua Thien Hue General Hospital Project	
Targeted Output	Funding Resources
Hospital construction	EDCF
Supply of medical equipment and resources	
Training of maintenance	
Consulting services, etc	
Preparation for the hospital construction site	Vietnam

1.2 Project Purpose

- Construction of Thua Thien Hue General Hospital Project (hereinafter the “Project”) was aimed at building a 500-bed general hospital and supplying medical equipment and resources in Thua Thien Hue Province, located in central Vietnam. The project period was 65 months and the project cost was a total of USD 37 million.
- By constructing a 500-bed general hospital and supplying medical equipment and resources, the Project aims to provide high-quality medical services to Thua Thien Hue Province and its neighboring residents while improving the health care environment.

2. Summary of Evaluation

- The evaluation was conducted based on the OECD/DAC evaluation criteria and cross-cutting issues. Also, performance indicators were also utilized to measure effectiveness.
- The methods of evaluation include literature review, stakeholder interview, survey, and analysis of relevant statistical data.
- The Project is evaluated as successful (3.42/4) in terms of relevance, efficiency, effectiveness and sustainability. The table below shows detailed results.
- Overall Evaluation

Criteria	Weight	Rate	Weighted Rate
Relevance	25%	3.50 (Relevant)	0.88
Efficiency	25%	3.00 (Efficient)	0.75
Effectiveness	25%	3.67 (Effective)	0.92
Sustainability	25%	3.50 (Sustainable)	0.88
Overall Rating		Successful	3.42

- **(Relevance)** The results of the Project are very consistent with Vietnam's health development strategy as well as EDCF's health care assistance strategy. And it also satisfies the health care demands of the partner country. Furthermore, while there were some difficulties in the implementation of the Project, they were smoothly resolved thanks to the partner country's active participation and prompt response. In addition, the process of changing governance was also carried out appropriately for successful management after completion of the Project. Therefore, relevance is evaluated as high.

- **(Efficiency)** The project period was delayed by approximately 17 months compared to the plan due to delays in preparations and construction process and changes in the specifications of equipment and resources in the supply process. As for the project costs, they can be evaluated as efficient as expenditures were not more than EDCF's loan amount.

- **(Effectiveness)** The 500-bed hospital was constructed as planned, but the scope of medical equipment and resources to be supplied was partially changed and reduced. The bed occupancy rate has been over 100% since the change of governance in 2016, and the hospital has also shown rapid growth in the number of surgeries and inpatients, outpatients and emergency room patients since 2017. Satisfaction of direct beneficiaries regarding the use of medical equipment was also found to be very high, resulting in the evaluation that the targeted outcomes were effectively achieved.

- **(Sustainability)** After the hospital became an affiliated hospital of Hue Central Hospital, its recruitment has focused on medical staff members, including graduates from Hue Medical College. Furthermore, as the hospital is separately running its medical equipment maintenance department that consists of experienced employees, there are no issues of sustainability in terms of human resources and project management. However, while hospital management has been gradually stabilized thanks to the budget support of the Ministry of Health and medical treatment incomes, there are limitations when it comes to securing funds for continuous investments in facility and equipment.

2. Lesson Learned and Recommendation

(1) Lessons Learned

Success Factors

- This Project achieved the stabilization and facilitation of hospital management by changing governance from the local government to the central government.
- It is evaluated that effectiveness is high due to high utilization of medical equipment and great satisfaction of the patients and medical workers who directly use such medical equipment.
- As an affiliated hospital of Hue Central Hospital, Thua Thien Hue General Hospital can readily provide human resources through dispatch. Among others, the hospital is running the medical equipment maintenance department that consists of experienced personnel, so this enables itself to handle most of maintenance services. As such, sustainability is evaluated as high in terms of human resources.

Limitations

- While the People's Committee of Thua Thien Hue Province, the local government, played a leading role as a project executing agency, it suffered from underperformance due to difficulties in supplying human resources after completion of the Project. As such, a rigorous evaluation is required to ensure the capacity of the local government as a project executing agency.
- In the event of any changes in the project costs due to unforeseen factors, the allocation of the project costs must be reviewed.
- As the Project had no performance management framework set during appraisal or completion, a new performance management framework was established for assessment based on the "Standard Performance Management Framework for the Health Care Sector."
- While hospital management has been incrementally stabilized thanks to the budget support of the Ministry of Health and the income generated from

proactive patient care services, there are limitations to securing funds for continuous investments in hospital facilities and equipment on a larger scale moving forward.

(2) Recommendations

- When a local government is the project executing agency of a hospital construction project, it must undergo a thorough verification of its competence during the feasibility study phase.
 - The hospital construction project must create not only hardware, e.g. facilities and medical equipment and resources, but also humanware and software, e.g. manpower and operational system. Therefore, during the feasibility study phase, the EDCF operations department and the feasibility study provider need to conduct an in-depth evaluation of the project executing party, particularly about its capacity and sustainability to support finance, human resources, and operation and management.
- In the event of any changes in the project costs due to unforeseen factors, the EDCF operations department and the partner country need to review the allocation of the project costs based on the purpose of project design.
 - Thua Thien Hue General Hospital with 500 beds was supplied only with medical equipment and resources sufficient for operating a 200-bed hospital due to rising construction costs. This caused the discrepancy between hospital scale and a level of medical equipment and resources (excluding MRI scanners). Therefore, while the project costs should be allocated within the budget, such allocation also should be fully consistent with the objectives set at the project design in a changed environment.
- The EDCF operations department is required to revise or supplement the indicators set or to be set for each phase concerning the performance management framework of the hospital construction project. And after completion of that project, it needs to continuously monitor the extent of achievement of the targeted outcomes.
 - Feasibility Study & Appraisal: The EDCF operations department and the feasibility study provider are required to establish a performance management

framework for the relevant project considering the possibility of generating performance evaluation indicators during feasibility study and appraisal.

- Completion Evaluation: Upon completion of the project, the EDCF operations department or the local office should evaluate the outputs of the performance management framework during the completion evaluation and revise or supplement the outcomes.
- Ex-post Evaluation: The partner country should periodically monitor the outcome under the performance management framework, which is created, revised or supplemented upon completion of the project, and then share the result thereof, such as annual reports, with the EDCF operations department.