Public Disclosure Authorized

Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 10-Sep-2018 | Report No: PIDC168763

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BASIC INFORMATION

A. Basic Program Data

Country	Project ID	Parent Project ID (if any)	Program Name
India	P167523		Towards Elimination of TB Program
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Does this operation have an IPF component?**
SOUTH ASIA	03-Dec-2018	29-Mar-2019	No
Financing Instrument	**Borrower(s)**	**Implementing Agency**	**Practice Area (Lead)**
Program-for-Results Financing	Republic of India	Ministry of Health and Family Welfare	Health, Nutrition & Population

Proposed Program Development Objective(s)

To improve the coverage and quality of Tuberculosis control interventions in the public and private sectors of India

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	4,109.00
Total Operation Cost	4,109.00
Total Program Cost	4,109.00
Total Financing	4,009.00
Financing Gap	100.00

FINANCING (USD Millions)

Total World Bank Group Financing	400.00
World Bank Lending	400.00
Total Government Contribution	3330.00
Total Non-World Bank Group and Non-Client Government Financing	279.00

Multilateral and Bilateral Financing (Concessional)	279.00

B. Introduction and Context

Country Context

India's progress significantly contributes to global economic, human development and poverty reduction. With the world's second largest population, India has made substantive economic and human development strides over the past three decades. Key achievements include India's increased share of the global gross domestic product (GDP) from 1.8 percent in 2005 to 2.7 percent in 2010. India's own GDP has grown steadily and become more diversified and resilient over the past 25 years due to economic reforms starting in the early 1990s. Growth is expected to continue at around 7 percent per annum[1]. Wide ranging reforms across various segments of the economy, principally in fiscal, tax, business climate and social sectors, have contributed to this sustained progress over time. A key feature of the reforms has been the support for cooperative and competitive federalism which, has resulted in the devolution of revenues and responsibilities to states while promoting innovation and competition between states.

Though robust economic growth has availed resources to address critical development challenges across various sectors, inequalities remain. Notably, India reduced the population living in extreme poverty from 45% in 1994, to 22% in 2012; life expectancy rose from 58 years in 1990 to 69 years in 2016[2], and several key health outcomes have improved. However, the success of sustaining India's economic growth in the medium-to-long term, depends on future levels of inclusion and the government's ability to reach all segments of society. Disparities between urban and rural areas, as well as structural inequalities by gender, tribe, and caste remain prevalent and addressing these inequalities will require increasing access, quality, and utilization of human development services, including health.

Sectoral (or multi-sectoral) and Institutional Context of the Program

Health Outcomes and Health Financing

India has made substantial achievements in improving health outcomes since 1990, but still faces tremendous challenges around health care access, quality, and utilization. From 1990 to 2016, infant mortality rates fell by half, deliveries in health facilities tripled, and maternal mortality ratios fell by more than 60%. However, the rate of progress across several health outcomes remains slower compared to countries of comparable income and variations persist both within and among states. Quality of care is a major challenge across the country. India remains in the midst of a demographic and epidemiological transition as it tries to manage persisting communicable diseases on top of a growing burden of non-communicable diseases (NCD).

India's spending on health continues to grow but remains dominated by regressive out-of-pocket payments (OOP) by households. From 2013 to 2015, total health expenditures per capita grew by more than 10% – a higher rate than the country's GDP growth. Although the increase in expenditure happened rapidly, it remains relatively low. Based on the

[1] World Bank, 2017

[2] World Development Indicators, 2017

latest National Health Accounts (2014-2015), India spends around India Rupees (INR) 3,800 (US$56) per person, which is relatively low compared to global benchmarks or countries with similar income level. For example, lower middle-income countries spend around US$233 per person on health. In addition, there is a weak correlation between per capita health expenditures and outcomes across states. Despite increases in health expenditures through central level schemes, including tuberculosis (TB) control, the private sector continues to dominate the provision of fee-based health services in rural and urban areas. Out of pocket (OOP) expenditures account for 62-63% of India's total health expenditure. Among low income households, OOP expenditure is driven by outpatient care costs, diagnostics, and drugs[3]. From 2013 to 2015, the share of OOP expenditures only decreased by one percentage point. Without significant health financing reforms, the OOP expenditures in the succeeding years will remain above 60% of India's total health expenditure and impact poorer households most.

One of the most severe health crises in India, TB kills an estimated 480,000 people every year and more than 1,400 people every day. Despite a growing number of new TB cases reported, it is estimated that India has more than a million "missing" cases each year. These cases are not notified in the public system and most remain either undiagnosed or inadequately diagnosed and treated in the private sector. Indeed, delayed diagnosis and incomplete treatment are the greatest challenges to TB control in India—particularly among private providers, who are inadequately equipped and unmotivated to sustain patients on prolonged, complex, and costly regimens.

TB is one of the world's top anti-microbial resistant pathogens and inadequate treatment leads to resistant forms of TB which threaten to erode India's health systems and developmental gains. Resistance to first-line drugs leads to MDR-TB. Further, inadequate treatment of MDR-TB can lead to a highly lethal form of extensively drug-resistant TB (XDR-TB)[4]. India has an estimated 172,701 MDR-TB cases per year (range: 88,272 – 280,141), accounting for approximately one-fourth of the global burden. Resistant forms of TB require the use of much more expensive drugs, with higher levels of toxicity and higher case fatality and treatment failure rates. The health systems in India are ill-equipped to adequately respond to drug-resistant TB and outcomes lag global and regional trends.

The Government of India (GOI) has demonstrated a strong and growing commitment to tackling TB over the past 10 years. The GOI successfully undertook several reforms during the National Strategic Plan for 2012-2017, including switching to a daily regimen for drug-susceptible TB and introducing shorter regimens for drug resistant TB in a bid to improve TB outcomes. The GOI launched an ambitious National Strategic Plan 2017-2025 which outlines a number of high impact interventions to accelerate the country's progress toward elimination of TB. More importantly, the GOI is matching its strong commitment to end TB with financial and technical resources. India almost doubled its 2016 budget envelope for TB to US$525 million in 2017. In addition, the GOI is now expanding use of the cutting-edge diagnostic equipment in the public sector for private provider's use in order to improve access to quality and timely diagnostics in public and private sectors of India.

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[3] Gupta I, Chowdhury S, Prinja S, Trivedi M (2016) Out-of-Pocket Spending on Out-Patient Care in India: Assessment and Options Based on Results from a District Level Survey. PLoS ONE 11 (11): e0166775. doi:10.1371/journal. pone.0166775

[4] Pooran, E. Pieterson, M. Davids, G. Theron, and K. Dheda. 2013. "What is the Cost of Diagnosis and Management of Drug-resistant Tuberculosis in South Africa?" PLoS One 8(1):e54587.

Relationship to CPF

The proposed operation builds on 20 years of successful partnership between the World Bank and the GOI in TB control through three projects supported by IDA Grants and Credits. The Bank's support for TB in India has contributed to scaling up the following: Directly Observed Treatment Therapy (DOTS) nationwide (1998-2006); services to poor and high-risk groups—including tribal groups, HIV patients, and children; initiation of MDR-TB services (2006-2012); and universal access to diagnostics and quality TB care (2012-2017). Given that TB predominantly affects the poor and marginalized and entrenches poverty through health and economic shocks to households least able to cope, the proposed operation is directly aligned with the objectives of the Country Partnership Framework (CPF FY2018-22) and directly contributes to Focus Area 3: Investing in Human Capital. Under this focus area, the Bank's support is a mix of operational and technical assistance and focuses on tackling systemic issues to improve quality of health care through both demand and supply-side interventions and reforms. At central and state levels, the Bank supports institutional reforms as well as core health system interventions that make government spending more efficient and effective. Beyond benefiting the population with improved health services, the aim is to generate knowledge and demonstrate innovative approaches to providing quality health care to the population.

Rationale for Bank Engagement and Choice of Financing Instrument

There is a strong rationale for the World Bank's engagement. As mentioned above, the Bank has a strong track record of supporting the GOI in TB control as well as in building and scaling up its RNCTP. The three Bank-supported operations were all rated as Satisfactory for outcome, two of which have been validated by IEG; the third project's ICR has just been completed. Second, the Bank's support will aid India's efforts to tackle TB, an infectious disease with substantial economic impacts and negative externalities. The proposed program represents a sustained and deepened engagement with the health sector in India by continuing to build institutional capacity and support catalytic reforms and innovations in TB control.

To better leverage the unique opportunity that the Bank's engagement can provide, the proposed operation intends to support the government's TB control program through the Program-for-Results (PforR) financing instrument. The PforR instrument is deemed to be the most appropriate because it reinforces the focus on results reflected by the GOI in the NSP 2017-2025. Furthermore, it builds on and further strengthens the institutional capacity of country systems. Both a focus on results and stronger country systems are critical to move the RNTCP to the next level of performance: extending the benefits of the program to patients regardless whether they seek treatment in the public or private sector.

A well-defined government TB program is in place and has well prioritized interventions and clearly defined result areas, both of which are prerequisite for a PforR engagement. There is also strong government ownership and ambition to scale up implementation and achievement of results. The proposed TB operation also builds on a successful implementation of the most recent project which was restructured midway to include disbursement-linked indicators, a financing mechanism which worked well and accelerated the GOI's implementation of important reforms in TB control.

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

To improve the coverage and quality of Tuberculosis control interventions in the public and private sectors of India

PDO Level Results Indicators

Coverage of TB interventions

- Number of TB notifications from private providers
- Proportion of notified TB patients receiving financial support through DBT schemes

Quality of TB interventions

- Proportion of notified TB patients given Drug-Susceptibility Testing
- Proportion of privately notified TB patients that have microbiological confirmation
- Treatment success rate among notified drug-resistant TB patients

D. Program Description

The four result areas are:

Result Area 1: Scaling-up Private Sector Engagement: The aim of the GOI's efforts to scale up private sector engagement is to ensure timely diagnosis, notification and effective management of TB among patients in line with Indian Standards of TB Care.

Result Area 2: Rolling out TB Patient Management and Support Interventions: TB control outcomes depend on both the extent to which patients seek care early and treatment adherence and completion. It is for this purpose that the GOI is rolling out TB patient support as one of its TB elimination strategic interventions.

Result Area 3: Innovations in Surveillance, Diagnostics and Treatment of Drug-Resistant TB: The aim is to scale-up drug-resistant TB interventions in India as a result of the continued complex and costly drug-resistant TB problem.

Result Area 4: Strengthening Management Capacity and Information Systems: The aim is to support RNCTP's integrated information management system called Nikshay, which has functionalities that support TB patient management, drugs, and inventory management, DBT for providers and patients, and public finance management.

E. Initial Environmental and Social Screening

An Environmental and Social Systems Assessment (ESSA) will be conducted using core principles outlined in the Program for Results Financing Policy. The assessment will review the national TB program and the existing infrastructure and services, including the proposed new infrastructure - for example, the laboratories. The role of the private sector in delivering healthcare services will also be assessed in terms of their capacity to manage potential environmental risks and impacts. Although the specific activities for the Program are being refined, they will require strong biomedical waste management procedures to be in place for management of clinical and infectious waste materials (primarily sharps including needles and slides and sputum cups) generated from diagnosis and treatment services.

The proposed Program is not likely to cause any adverse social impacts and no land acquisition or resettlement impact is anticipated. As this is the fourth TB operation funded by the Bank, most of the institutional system and processes are already in place. However, RNTCP requires strengthening in line with the new focus to partner with the private sector to reach out to the population, where access has been difficult in both rural and urban areas. Additionally, the mechanism to provide incentives for nutritional support to TB patients under the "Nikshay Poshan Yojana (NPY)" will also need

strengthening. Preliminary analysis of the data suggests that proportion of female patients reached under the previous Bank TB project remains relatively low at 34% and suggests the need for a specific strategy in reaching them. The PforR program will cover all districts, including Scheduled V and VI areas as under the constitution and other tribal pockets and difficult to reach areas. Hence, special attention is required to ascertain if that community which is disadvantaged by geography, gender or ascribed groups such as Scheduled Tribes and Scheduled Castes, benefit from the PforR program.

Prior to project appraisal, the draft ESSA will be disclosed.

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