

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: AB3056

<b>Project Name</b>	Health Sector Reconstruction and Development Project - Additional Financing
<b>Region</b>	AFRICA
<b>Sector</b>	Health (100%)
<b>Project ID</b>	P103740
<b>Borrower(s)</b>	GOVERNMENT OF SIERRA LEONE
<b>Implementing Agency</b>	Ministry Of Health and Sanitation
	Republic of Sierra Leone Sierra Leone
<b>Environment Category</b>	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
<b>Date PID Prepared</b>	April 11, 2007
<b>Date of Appraisal Authorization</b>	April 11, 2007
<b>Date of Board Approval</b>	May 15, 2007

1. Country and Sector Background

Sierra Leone is a low-income country that has emerged from a decade long civil war that ended in January 2002, and is no longer eligible for IDA post-conflict or Low Income Countries Under Stress trust fund resources. Since the end of the conflict, the conduct of macro policy has been conducive to sustained medium-term growth: real GDP growth in recent years has been impressive, exceeding 9 percent in 2003 and reaching 7.2 percent in 2005. The fiscal deficit after grants has been falling for four years (as recurrent spending is slowing) from 10.6 percent of GDP in 2001 to 2.7 percent of GDP in 2005. Expenditure policies have successfully avoided crowding out: private sector investment has increased from 3 percent of GDP (and 41 percent of the total) in 2001 to 11.2 percent of GDP (and 71 percent of the total) by 2004

The Sierra Leone Poverty Reduction Strategy is clear that redressing the inequities between Freetown and the rest of the nation are central to the maintenance of peace. This drives Government policy in many respects, notably through an increased focus on decentralization. Following election of local councils in 2004, the Government designed and implemented formula-based grants to local councils based on the principle of equity. Grants to help local councils finance recurrent expenditures related to primary health, schools, solid waste management, and capital expenditures have been allocated according to objective indicators of needs for services. Grants are directly disbursed to local council accounts, thus eliminating leakages that had been occurring between the central government and district levels. The transition to equalization grants and the direct transfer mechanism favor rural districts and hence improve the pro-poor orientation of public spending. Sierra Leone is also a Highly Indebted Poor Country Initiative beneficiary and is therefore obligated to use interim debt relief for increased spending on poverty reducing programs.

During the design of the original project a number of sector issues were identified to be addressed. These include the low health status of the population compared with other SSA countries, the weak health delivery system, and the health sector's inability to manage health service delivery. These issues are still relevant for the additional financing support.

## 2. Objectives

The original project development objective, which remains unchanged, is to assist the Government to: (a) restore the most essential functions of the health delivery system; and (b) strengthen both public and private health sector capacities, so as to improve the efficiency and responsiveness of the health sector to the needs of the population. Project activities are focused in four priority districts. It uses the Ministry of Health and Sanitation's (MoHS) capacity to plan, taking into account changes in health status and in the overall situation in the country, through a participatory annual review and planning process.

## 3. Rationale for Bank Involvement

***Rationale for Additional Financing.*** The Government has requested additional financing for the following reasons:

- Scale up Onchocerciasis control and prevention – The prevalence of Oncho, a debilitating and often blinding disease endemic to tropical areas of Africa, has increased in Sierra Leone over the past few years. Oncho prevention was not included in the original project design because it was expected to be financed through other sources of funding, which did not materialize. The disease can be treated through an annual dose of the drug ivermectin, and the Government has launched a massive campaign involving the World Bank, the private sector, voluntary organizations, and local communities.
- Strengthen Avian Influenza awareness and preparedness – Since the Avian Influenza H5N1 virus remains a potent threat in Africa, the Government has developed a new monitoring and prevention program in line with Bank, FAO, and WHO recommendations. There are no known outbreaks of H5N1 in Sierra Leone, but in 2006, eight countries (Nigeria, Egypt, Niger, Cameroon, Burkina Faso, Sudan, Côte D'Ivoire, and Djibouti) reported outbreaks that resulted in sixteen confirmed human cases with seven fatalities.
- Improve operational conditions of health facilities – Additional financing is needed to (a) complete civil works included in the original project design that face cost overruns, because of increased unit costs for building materials and increased scope of work required for repairing basements and roofing structures; and (b) support some additional facilities for hospitals and community health centers that lack adequate infrastructure to effectively deliver project activities.

***Rationale for Restructuring.*** While the project is performing satisfactorily, the Government has also requested several project changes for the following reasons:

- Redeploy resources – The Global Fund to Fight AIDS, Tuberculosis, and Malaria recently committed additional funds to support the Government’s malaria program, which means that the IDA funding originally allocated to malaria can be redeployed to other high priority uses in the health sector.
- Revise the outcome indicators in the results framework – The original outcome indicators in the project results framework were very general, overly numerous for strategic management for results, and not consistent with the sector-wide indicators recently developed by the MoHS for monitoring its activities. The Government is therefore proposing to make them more specific, measurable, and outcome-based.

#### 4. Description

***Project Restructuring.*** The following changes are proposed to be made:

- Scale down malaria control activities, including the promotion and distribution of insecticide-treated bed-nets; training of health workers; establishment of a sentinel surveillance system for monitoring antimalarial drug treatment efficacy; strengthening of laboratory diagnostic capacity at health facilities through provision of equipment and supplies and training of laboratory staff; supervision of clinical staff; procurement of reserve stocks of drugs; and operational research on approaches to improve case management; and procurement of office equipment and supplies.
- Revise Key Performance Indicators (KPIs) to reflect a better linkage with project activities.

***Additional Financing.*** The activities proposed for additional financing are:

(a) a new Oncho program, including provision of office equipment, procurement and distribution of drugs, furniture, community sensitization, training, operational research and monitoring and evaluation. The total cost of the program is estimated at US\$2.8 million equivalent.

(b) a new Avian Influenza program, including staff training, establishment of sentinel sites, and provision of laboratory equipment. The total cost of Avian Flu activities is estimated at US\$0.4 million equivalent; and

(c) the scaling up and completion of civil works, in the form of staff quarters, incinerators, clinical and surgical wards, one administrative building, oxygen in the theaters, maternity and surgical wards, solar power systems for the facilities and an access road for the Makeni hospital. The total cost of all additional civil works is estimated at US\$4.8 million equivalent.

#### 5. Financing

Source:		(\$m.)
BORROWER/RECIPIENT		0
IDA Grant		8
	Total	8

#### 6. Implementation

Implementation of the additional financing activities will be the same as for the original project.

#### 7. Sustainability

Sustainability issues remain the same for the additional financing as for the original project.

#### 8. Lessons Learned from Past Operations in the Country/Sector

Lessons learned from the IHSP as well as the first IDA credit to the health sector in Sierra Leone (Health Services Development Project) were used for the design of the on-going project and they are sufficient for the additional financing activities.

#### 9. Safeguard Policies (including public consultation)

The potential negative impact of the additional financing is site-specific and this may relate to the on-going civil works. The completion of the on-going civil works will be carried out in the selected project areas without any design adjustments that could trigger any adverse environmental and social impacts. The World Bank Safeguard Policy on Involuntary Resettlement (OP/BP 4.12) will not be triggered because the proposed onchocerciasis and avian control activities will not require any land acquisition, relocation or displacement of people; there will be no loss of assets or access to assets, loss of income sources or means of livelihood.

In 2001-2002 the Borrower prepared an Environmental Assessment (including an EMP) and a Medical Waste Management Plan which were disclosed both in-country and in the World Bank's Infoshop. These are being implemented. These two reports have been updated in April 2007 to reflect activities under the additional financing support and they will be implemented as soon as the support becomes effective.

The GoSL has disclosed the updated reports in two widely read local newspapers and has placed copies in offices of the Ministry of Health and Sanitation in Freetown and the selected districts. Any further comments from the general public will be submitted as supplementary latest by April 30, 2007.

<b>Safeguard Policies Triggered by the Project</b>	Yes	No
<a href="#">Environmental Assessment (OP/BP 4.01)</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Natural Habitats ( <a href="#">OP/BP 4.04</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management ( <a href="#">OP 4.09</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Physical Cultural Resources ( <a href="#">OP/BP 4.11</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement ( <a href="#">OP/BP 4.12</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indigenous Peoples ( <a href="#">OP/BP 4.10</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests ( <a href="#">OP/BP 4.36</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams ( <a href="#">OP/BP 4.37</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Projects in Disputed Areas ( <a href="#">OP/BP 7.60</a> )*	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways ( <a href="#">OP/BP 7.50</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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#### 10. List of Factual Technical Documents

- Evaluation of Health Facilities and Medical Equipment, February 2007
- Memorandum to the Task Team Leader of the HSRDP for Disbursement of HSRDP Funds to the National Onchocerciasis Control Program in Sierra Leone, February 2007
- Sierra Leone Avian Influenza Action Plan, 2006

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\* *By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas*

