

**MANAGEMENT RESPONSE TO THE PROJECT PERFORMANCE EVALUATION REPORT
FOR THE HEALTH AND POPULATION PROJECT IN THE MARSHALL ISLANDS
(Loan 1316-RMI[SF])**

On 9 February 2006, the Director General, Operations Evaluation Department, received the following response from the Managing Director General on behalf of Management:

1. Management finds OED's Project Performance Evaluation Report (PPER) well prepared with comprehensive analysis of the project and its implementation. The lessons learned provide valuable guidance for designing future loan and TA projects in Marshall Islands and the Pacific. Management response focuses on the overall assessment and the lessons learned.

A. Overall Assessment

2. We note that the PPER considers the overall project partly successful. This is in contrast to the Project Completion Report (PCR) which was prepared in December 2002 and rated the project successful. The main reasons for the downgrade are: (i) the PCR made considerable revisions to the project framework to try to show results and achievements; (ii) although trends in population growth, life expectancy, and infant mortality rates improved in the inter-census period 1988-1999, it is unlikely these are attributable to the project as most of its components were not completed until 1998-1999 or later; and (iii) the PPER gives a less favorable assessment to ADB's performance due to insufficient executing agency (EA) participation in project design, perfunctory project supervision, and ADB's inadequate coordination of its country program.

3. It is further noted that while the physical infrastructure component of the project was satisfactory, the development of the primary health care (PHC) approach and service delivery was beset by problems. With too many objectives and components, the design was based on an overoptimistic assessment of what might realistically be achieved. The proposals for health education, public awareness, and community mobilization and participation relied heavily on assumptions that the behavior changes required to improve public health could be achieved by public education. A sense of ownership of the proposed innovations for PHC among Ministry of Health (MOH) managers and staff was also not developed.

4. In addition to a perceived lack of leadership in the management of the project, other serious setbacks included the Public Service Commission's refusal to appoint seven essential counterpart staff, including the project implementation unit (PIU) post for a procurement officer. The contracted consulting company under the project was unable to supply the required health management and finance expert for implementation and only very limited support for financial management was provided. The associated TA to develop a health management information system (HMIS) and build health planning capacity also failed to meet expectations.

B. Lessons Learned

5. Management agrees with the lessons identified in the PPER. We appreciate the observation that the participatory, community-based model of PHC, which the project sought to promote, may have been unrealistic given the realities of Marshallese culture and the country's social and environmental problems. Greater efforts should have been made during the project preparation to ensure the ownership of key PHC personnel and the sustained support of MOH for more realistic project strategies.

6. We also concur with observations relating to poor coherence in the country program, which resulted in policy recommendations to MOH and to the Government on reforms in the health sector which conflicted with some project outputs. In particular, the project training objectives were not achieved in part because of a staffing freeze supported by recommendations from the Policy Advisory Team for Economic Management. This experience demonstrates the need for closer internal consultation at the country program level.

C. Conclusion

7. Management agrees with the report's conclusion that the project design laid excessive emphasis on public education and behavior change whilst paying too little heed to the country's environmental health problems identified in the project preparatory TA. Acknowledging the Republic of Marshall Islands (RMI) has no shortage of recurrent funding for health programs, but lacks resources for major investments in physical infrastructure to improve living standards and environmental health, we support the recommendation that ADB looks for ways to integrate health considerations into the nonhealth sector which would include water, sanitation, and renewable energy. In addition, improvement in maternal and child health services should be pursued in urban areas as well as in the outer islands and should address fundamental gender issues and establish sustainable PHC clinics.