



Day 3 Session 8
Improving Local Government Procurement Practices

Case Study:

**PPP in a Decentralized System -
Andhra Pradesh Urban Health Care Project:
Provision of Reproductive Health Services to
Urban Poor through Public-Private Partnerships**

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The Service Need

- In 2001, Andhra Pradesh was the fifth largest state of India with a population of 76 million and an urban population of 20 million. Approximately 5 million of the urban population were slum dwellers spread out in 109 municipalities and 7 municipal corporations.
- The availability of basic primary health care services, particularly Reproductive Health services, was inadequate in most urban areas because of inadequate health infrastructure.
- There was a major dependence on private health care services which the urban poor could not access.
- The needs of the urban poor had been addressed through the creation of welfare centers, however these centers have had little impact on key Reproductive Health parameters.
- There was a clear need to address the Reproductive Health services along with preventive and promotive aspects of health services.

The Project

- In 2000, the Government of Andhra Pradesh initiated a scheme to provide basic primary healthcare and family welfare services to urban poor living in slums.
- The basic primary healthcare and family welfare component under Reproductive Health program formed as the basic package of service of Urban Health Centers (UHCs).
- The scheme was implemented across the state across 74 municipalities by establishing 192 UHCs each covering a population of 15,000 to 20,000.
- The initial financial support came from a World Bank assisted program, the Indian Population Program (IPP VIII).
- The day-to-day management of the UHCs was to be provided by local NGOs and/or service providers.



The Project

- Aim to provide comprehensive promotive, preventive and curative health care services to all urban poor for minor and common ailments and reproductive services for women and children.
- The project has three components:
 - Service Delivery
 - Community Mobilization
 - Behavior Change Communication
- Objectives to achieve Reproductive Health goals



Roles and Responsibilities

- The State government prepared a comprehensive reference manual defining the roles and responsibilities of the stakeholders and expected outcomes.
- The Department of Health and Family Welfare (DoHFW) provided support for building, infrastructure and equipment.
- DoHFW constituted district level committees and delegated powers to them to implement the scheme.
- An advisory committee for each UHC was established where all key stakeholders were represented



Roles and Responsibilities

- The State government created capacities to monitor and supervise the functioning of the UHCs and orientation training for UHC staff as they were recruited by the NGOs.
- Under each UHC, community representatives groups were formed to represent the clients in the project. The representatives are responsible for monitoring the infant and maternal mortality rates within their communities. A Community Organiser was responsible for the formation and effective functioning of the community representative group.

The Contract Arrangements

- Tasks of NGO:
 - Facilities and Staffing of UHC: Employ qualified & trained staff
 - Social Mobilization Activities: Increase the participation of slum population in the Maternal and Child Health Care
 - Community Needs Assessment and Service Delivery: Household survey, provide specific services for pregnant women and infants
 - Communication for Behavior Change: Bring about awareness of specific health and family planning issues in different age and gender groups
- Monitoring Process:
 - Monthly progress report prepared by UHC and registers maintained
 - Monthly Advisory Committee meetings plan and review performance and consider steps for improving processes / outputs. Based on the monthly reports from UHC and stakeholder analysis.
 - Monthly District Meetings assess the performance of the UHC in the district and resolve problem areas.



The Contract Arrangements

- Can introduce user charges, decided by the Advisory Committee with approval from the District Committee.
- A grant is also provided to the NGO/service provider to cover the operational costs.
- First payment is made as an advance to cover the costs of first quarter, then funds are released after receipt of reports and a certificate of performance by the District Committee.

Linking Performance to Payment

- Quarterly release of funds based on satisfactory performance
- Contracted is for one year. Renewal determined by the outcomes of a detailed performance appraisal that adopts a grading system based on performance parameters to evaluate performance.
- 'A' grade result is considered for renewal for next year.
- Grade 'B' result has up to 3 months to improve their performance and if they show improvement their contract is renewed.
- Grade 'C' and 'D' results are dropped and new NGOs with good record of accomplishment are appointed in their place.
- Validation is completed by the District Committee. Performance indicators measure performance and output. There are provisions for negative marking for complaints of UHC activities, false reporting etc.

Implementation Issues

- Sample field studies undertaken to verify performance outcomes
- Fixed staff salaries, no inflation adjustment
- No support for NGO administrative expenses, not complementing UHC in routine work
- UHC used as entry point for NGO to partner with government programs
- Low incentive to work for NGO versus other sectors e.g. IT
- Delay in reimbursement of funds
- Expanding scope of services for UHC in national health programs and emergencies
- Reference manual of outcomes not revised
- Weak 'partnership' contracting arrangements



The Outcomes

- Evaluation studies have shown the benefit of the scheme on both output and process indicators.
- Central government is exploring options to replicate scheme
- Key lessons emerge of management capacity of partners and financial management in the scheme need to be addressed in future up scaling and scheme sustainability.
- Significant leadership required to maintain activity. Planners and managers to drive change to keep performance and output relevant.
- Success in terms of providing a sense of ownership, strong guidance and monitoring.
- Financial package, incentives for NGO and release of funds to be improved.
- Achieved transition from a donor-funded project to government program.

The Outcomes

Indicator (percent)	2000	2002
Pregnant Woman Visited by Health Worker	10	95
Post natal women who received advice on breast feeding	26	80
New born babies weighed immediately after birth	42	75
Low birth weight babies	8	7
Children fully immunized	31	85

Source: World Bank 2004