

**Ex-Ante Evaluation (for Japanese ODA Loan)**

**South Asia Division 4, South Asia Department**

**Japan International Cooperation Agency**

**1. Name of the Program**

Country: The People's Republic of Bangladesh

Program: COVID-19 Crisis Response Emergency Support Loan Phase 2

Loan Agreement: November 22, 2021

**2. Background and Necessity of the Program**

**(1) Current State and Issues of the Health Sector and the Priority of the Program in Bangladesh**

In Bangladesh, the first cases of infection with the novel coronavirus (COVID-19) were confirmed in March 2020, after which the number of cases increased. As of mid-September 2021, the cumulative number of cases was roughly 1.5 million, and the number of deaths was roughly 27,000. Bangladesh recorded the second largest number of infection cases in South Asia after India (World Health Organization (WHO), 2021). Since the government of Bangladesh instituted a nationwide lockdown lasting from July 1 to August 10 of 2021, the number of new cases per day has fallen to around 2,000 as of mid-September. However, factors such as the lack of progress in administering vaccinations throughout the country<sup>1</sup> make it impossible to deny the possibility that the number of cases will surge again as social activities resume after the lockdown. Accordingly, the country has an urgent need to undertake measures such as the strengthening of its virus testing capacity to enhance infection prevention, improvement of the treatment system, and the rapid administration of vaccines. Additionally, after vaccinations are administered, the country must monitor safety and engage in other forms of follow-up to implement the vaccine rollout swiftly and safely.

In addition to its national development plan titled "the Eighth Five Year Plan" (FY2020/2021 - FY2024/2025), the government of Bangladesh formulated the "4th Health, Population and Nutrition Sector Programme" (January 2017 - June 2023) in an effort to achieve universal health coverage (UHC) by 2030; however, there is a concern over the country's vulnerability to COVID-19 due to the persistent issues with securing enough medical facilities and personnel, and the quality of health services, as explained later in this document (World Bank, 2020). Therefore, the country has an urgent need to improve the health sector.

Regarding community clinics, it is important to improve access to and the quality of these primary medical facilities for local residents; however, given that each

<sup>1</sup> Through mid-September 2021, only 12.6% (roughly 21 million people) of the country's population had received their first dose of a vaccine, and only 8.4% (roughly 14 million) had been fully vaccinated (Bangladesh Ministry of Health and Family Welfare, 2021).

facility serves an average of roughly 6,000 to 12,000 people (Ministry of Health and Family Welfare, 2019) and that facilities in neighboring India serve roughly 3,000 to 5,000 (Ministry of Health and Family Welfare of the government of India, 2019), Bangladesh has not secured a sufficient number of facilities, and must construct more clinics in order to improve access to health services. Existing community clinics and urban clinics known as Government Outdoor Dispensaries (GODs), which are primary medical facilities in major city centers, are also facing the issues of facility deterioration and insufficient medical equipment (Japan International Cooperation Agency (JICA), 2018). Additionally, there is a severe lack of medical personnel; the number of physicians per 10,000 people in Bangladesh is 5.8, which is lower than the average for South Asia (9.4), and the number of nurses and midwives (4.1) is far lower than the average for South Asia (19.7) (WHO, 2018). In urban areas, despite the urgent need for countermeasures against noncommunicable diseases (NCDs), a risk factor of a severe case of COVID-19, prevention and treatment have not been sufficiently implemented as a result of the inability to guarantee the quality of services due to factors such as the aforementioned lack of facilities, equipment, and medical personnel. Furthermore, the country's budget allocation of healthcare spending of GDP is less than 1% every year, which is below the average for low-income countries (2.3%). This low rate of budget allocation leads to a high percentage (roughly 74%) of out-of-pocket healthcare expenditures (World Bank, 2018).

Under these circumstances, the government of Bangladesh expects to run deficits of roughly 2 trillion BDT (roughly 23.5 billion USD) in both FY2020/2021 and FY2021/2022, in light of reduced incomes due to the pandemic as well as increased expenditures on COVID-19 countermeasures and responding to development issues in the health sector. The government estimates that the implementation of COVID-19 countermeasures will require overall expenditures of roughly 8.2 billion USD, and expects to receive funds totaling roughly 5.7 billion USD from the World Bank, Asian Development Bank (ADB), and other donors as explained later in this document, and will cover roughly 900 million USD with its own funds, resulting in an envisioned gap of roughly 1.7 billion USD. Thus, the country faces the urgent task of securing the necessary funds.

COVID-19 Crisis Response Emergency Support Loan Phase 2 ("the Program") aims to realize a resilient health system through concessional financing by supporting the smooth implementation of policies to strengthen the COVID-19 response capacity in the health sector, to enhance economic and physical access to health services working towards the achievement of UHC, and to improve health finance.

## (2) Japan's and JICA's Cooperation Policy and Operations in the Health Sector

As a cooperation policy for COVID-19, at the General Debate of the 75th session

of the UN General Assembly in September 2020, then-Prime Minister Yoshihide Suga indicated in his statement that Japan would make proactive efforts to help developing countries achieve UHC in order to prepare for health crises caused by the pandemic. In addition, JICA's Initiative for Global Health and Medicine sets out targets aiming to strengthen treatment systems and the prevention of infectious diseases; targets include strengthening health service systems through the cultivation of medical personnel, disseminating COVID-19 vaccines in recipient countries, and enhancing health protection systems. The Program will provide concessional financing to the government of Bangladesh in support of the implementation of pandemic policies in the health sector, and thus is aligned with the aforementioned policy and initiative.

As a cooperation policy for the health sector, Japan's Country Assistance Policy for Bangladesh (February 2018) aims to contribute to the achievement of UHC by improving the quality of health services and providing assistance to strengthen the health system under the focus area of "overcoming social vulnerability." The JICA Country Analysis Paper for Bangladesh (March 2019) also sets out policies for strengthening the health system; the Program is also consistent with this policy and analysis.

The Program sets policy actions (e.g. implementing health protection programs, making considerations for gender in the construction/reconstruction of clinics) that address poverty, disabilities, gender, and other issues. Thus, the Program contributes to the realization of SDGs 1 (no poverty), 3 (ensuring healthy lives for all), 5 (achieving gender equality), and 10 (reducing inequality).

### (3) Other Donors' Activities

The World Bank is providing assistance for strengthening the Bangladeshi government's capacity to manage the finances and other aspects of the health system, enhancing the health system, improving access to health services, and more under the Health Sector Support Project (500 million USD, approved in August 2017), which is grounded in the sector-wide approaches of the aid coordination framework. A vaccination assistance program (500 million USD) for Bangladesh has also been approved.

To assist with the socioeconomic impacts of the pandemic, ABD provided financial assistance to the government of Bangladesh to expand economic measures and social security through the COVID-19 Active Response and Expenditure Support Program (500 million USD, approved in May 2020), which was co-financed with Phase 1 of the Program (COVID-19 Crisis Response Emergency Support Loan (approved in FY2020) ("Phase 1 Program")). Additionally, the Strengthening Social Resilience Program (Subprogram 1) (250 million USD), a financial assistance program for improving the social security system for the socially vulnerable, was approved in June 2021 and will be co-financed with the Program.

Furthermore, the French Development Agency (Agence Française de Développement, AFD) formulates program-type assistance for the health sector, which includes COVID-19 responses (expected 200 million EUR), and will be co-financed with the Program in addition to the aforementioned ADB loan.

### **3. Program Description**

#### **(1) Program Objective(s)**

The objectives of the Program are to realize resilient health system through concessional financing by supporting smooth implementation of policies to strengthen COVID-19 response capacity in health sector, to enhance economic and physical access to health services towards the achievement of the UHC, and to improve health finance, thereby contributing to the promotion of the economic stabilization and development efforts of the country.

#### **(2) Program Site / Target Area**

Throughout the country

#### **(3) Beneficiaries of the Program (Target Group)**

Citizens of Bangladesh (Population: Roughly 165 million (World Bank, 2020))

#### **(4) Program Components**

The Program will provide concessional financing to the government of Bangladesh in three policy areas (emergency responses to COVID-19, health service provision, financial protection) agreed upon with the government. Additionally, the Program is split into two tranches based on the respective objectives of the policy actions.

#### **(5) Estimated Program Cost (Loan Amount)**

40,000 million Yen

#### **(6) Schedule**

The Program will begin when the L/A is signed, and will be complete when the loan disbursement is concluded (scheduled for February 2022).

#### **(7) Program Implementation Structure**

1) Borrower: The Government of the People's Republic of Bangladesh

2) Guarantor: N/A

3) Executing Agency: Finance Division, Ministry of Finance

#### **(8) Collaboration and Sharing of Roles with Other Donors**

##### **1) Japan's Activity**

The technical cooperation titled "Project for Strengthening Health Systems through Organizing Communities" (FY2017–FY2022) is presently providing assistance for endeavors such as formulating operating guidelines for GODs as measures against NCDs among urban populations. Additionally, the technical cooperation titled "Project for Capacity Building of Nursing Services" (FY2015–FY2020) involves initiatives to cultivate nurses and improve the quality of nursing education through such efforts as introducing a nursing college certification system. Preparation for Phase 2 of this project is underway

(project commencement scheduled for FY2021). Furthermore, the ODA loans titled “Health Services Strengthening Project” (approved in FY2018) and “Maternal, Neonatal and Child Health (MNCH) and Health System Improvement Project” (approved in FY2015) are providing support for the conducting of training and installing facilities and equipment at medical facilities to serve as measures against NCDs and improve maternal and child health services. The Program sets policy actions linked to these technical cooperation projects and ODA loans in an effort to expedite the projects and ensure that their outcomes take hold.

Additionally, in the Phase 1 Program, JICA provided financial assistance to the government of Bangladesh to expand economic measures and social security for the socially vulnerable affected by COVID-19 pandemic, whereas the Program will provide concessional financing with emphasis on implementing pandemic policies in the health sector.

## 2) Other Donors’ Activity

The Program will be co-financed with the ADB Strengthening Social Resilience Program (Subprogram 1) (250 million USD) which shares some policy actions regarding health service provision, and will collaborate with monitoring and other efforts.

The Program will also be co-financed with AFD’s program-type assistance in the health sector, and will collaborate with monitoring and other efforts in addition to sharing all aspects of the three policy areas in the policy matrix (emergency responses to COVID-19, health service provision, financial protection).

## (9) Environmental and Social Consideration/Cross-Sectoral Issues/Gender Category

### 1) Environmental and Social Consideration

① Category: C

② Reason for Categorization: The Program is likely to have minimal adverse impact on the environment under the JICA Guidelines for Environmental and Social Considerations (April 2010).

2) Cross-Cutting Issues: Under the Program, multiple policy actions are set for contributing to anti-poverty measures, infectious disease control measures, and considerations for people with disabilities.

### 3) Category of Gender: GI (S) (Integrated gender activity program)

Activity Component(s)/Reason for Categorization: Among other reasons, the Program set the policy action for the construction/reconstruction of community clinics which hold a high percentage of female users, and are planned to be designed with consideration for convenience and safety for women (e.g. establishing nursing rooms and separate toilets for men and women, installing sufficient lighting).

(10) Other Important Issues: N/A

#### 4 . Targeted Outcomes

(1) Quantitative Effects

Outcomes (Operation and Effect Indicators)

Indicator	Baselines (Actual value in March 2021)	Targets (February 2024) [Expected value 2 years after program completion]
The percentage of vaccination coverage (percentage of the population that is fully vaccinated*)	2%	40%
Total number of students studying at accredited nursing college(s) (per year)	N/A	300
The number of urban dwellers who have visited GODs where the GOD operational guideline introduced (per month)	N/A	10,000
The budget allocation of healthcare spending of GDP	1.0% (FY2019/20)	1.3% (FY2022/23)

\*Refers to two doses for vaccines that require two doses, and one dose for vaccines that require one dose.

(2) Qualitative Effects

Preventing the spread of COVID-19 infections, improving access to and the quality of health services, enhancing health finance, driving sustained growth by promoting investment and business activities of foreign companies, and more.

(3) Internal Rate of Return

IRR is not calculated as this is a program loan.

#### 5 . External Factors and Risk Control

(1) Preconditions: N/A

(2) External Factors: N/A

#### 6 . Lessons Learned from Past Projects

The ex-post evaluation of the ODA loans for Pakistan titled “Energy Sector Reform Program” and “Energy Sector Reform Program (II)” (evaluated in FY2017) pointed out that JICA’s implementation of technical cooperation in specific sectors alongside its provision of the development policy loan, which aims to help with the execution of the policy actions presented with the development policy loan, will make it possible to achieve more effective policy improvement and reform.

In light of this lesson, in an effort to ensure the effectiveness of policy improvement and reform, the Program will be implemented alongside existing technical cooperation for cultivating nurses and implementing measures against NCDs to help with the steady execution of policy actions.

## **7 . Evaluation Results**

The Program aims to realize a resilient health system in Bangladesh, where COVID-19 is spreading, through concessional financing by supporting the smooth implementation of policies to strengthen the COVID-19 response capacity in the health sector, to enhance economic and physical access to health services working towards the achievement of UHC, and to improve health finance. The Program is consistent with development issues and development policy in the health sector as well as Japan's cooperation policy and JICA's analysis, and should contribute to the realization of SDGs 1 (no poverty), 3 (ensuring healthy lives for all), 5 (achieving gender equality), and 10 (reducing inequality). Thus, there is a substantial need for JICA to support the Program.

## **8 . Plan for Future Evaluation**

### (1) Indicators to be Used

As indicated in Sections 4.

### (2) Future Evaluation Schedule

Ex-post evaluation: Two years after the program completion

END

Attachment:

COVID-19 Crisis Response Emergency Support Loan Phase 2 Policy Matrix

Attachment: COVID-19 Crisis Response Emergency Support Loan Phase 2 Policy Matrix

Policy Area	Policy Objective	Policy Action	
		Tranche 1 (Achieved by March 2021)	Tranche 2 (Achieved by December 2021)
<b>(1) Emergency Responses to COVID-19</b>			
Policy formulation and budget allocation for COVID-19 vaccine provision and vaccination program	Smooth implementation of vaccination based on the vaccine procurement and vaccination plan set by the government of Bangladesh	<ul style="list-style-type: none"> <li>The vaccine procurement plan to be formulated and approved</li> <li>Vaccine regulatory pathway (including vaccine import requirements) to be formulated and approved</li> </ul>	<ul style="list-style-type: none"> <li>Procurement of vaccines to cover 20% of total population<sup>2</sup></li> </ul>
		<ul style="list-style-type: none"> <li>Vaccination strategy (including identification of priority groups) to be formulated and approved</li> <li>Development of an Application for COVID-19 vaccination registration</li> </ul>	<ul style="list-style-type: none"> <li>Vaccinating 10% of total population<sup>3</sup></li> <li>COVID-19 vaccine safety surveillance to be executed</li> </ul>
Relevant policies for health sector	Realizing sustainable responses to COVID-19 by ensuring incentives to health facilities and medical workers dealing with	<ul style="list-style-type: none"> <li>Circular to be issued to provide special honorarium to government doctors, nurses and medical workers</li> <li>Budget allocation for FY2020/2021 to provide special honorarium to government doctors, nurses and medical workers</li> </ul>	<ul style="list-style-type: none"> <li>Budget allocation for FY2021/2022 to provide special honorarium to government doctors, nurses and medical workers</li> </ul>

<sup>2</sup> Refers to procurement of two doses for vaccines that require two doses, and procurement of one dose for vaccines that require one dose. The procurement of vaccines purchased by the government of Bangladesh shall be deemed to be completed when purchase contract is signed, whereas the procurement of vaccines provided via COVAX facility shall be deemed to be completed when country-by-country allocation plan indicating vaccine brand and supply schedule is set.

<sup>3</sup> Refers to two doses for vaccines that require two doses, and one dose for vaccines that require one dose.

	COVID-19 patients		
Infection prevention measures against COVID-19	Preventing COVID-19 infections	<ul style="list-style-type: none"> <li>• The government's COVID-19 response plan to be formulated and approved</li> <li>• Guideline for the expansion of COVID-19 testing capacity to be developed</li> </ul>	
<b>(2) Health Service Provision</b>			
Improvement of access to health service	Improving physical access to clinics in order to raise utilization rate of health service	<ul style="list-style-type: none"> <li>• Procurement Plan including construction and reconstruction of community clinics for FY2020/2021 to be approved (target clinics are limited to the ones constructed without additional land acquisition)</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement Plan including construction and reconstruction of community clinics for FY2021/2022 to be approved (target clinics are limited to the ones constructed without additional land acquisition)</li> <li>• Infection prevention control guidelines for community clinics to be approved</li> </ul>
Improvement of health service quality	Strengthening training system for medical workers and expanding training participants in order to secure health service quality	<ul style="list-style-type: none"> <li>• Training plan for medical education and health manpower development for FY2020/2021 to be approved</li> </ul>	<ul style="list-style-type: none"> <li>• Training plan for medical education and health manpower development for FY2021/2022 to be approved</li> <li>• Nursing college accreditation to be executed</li> </ul>

	Strengthening resilience and self-help system of communities to deliver health services especially with a focus on NCDs	<ul style="list-style-type: none"> <li>Urban Health Strategy 2020, which aims to improve health and nutrition of urban population, to be prepared and approved</li> </ul>	<ul style="list-style-type: none"> <li>Operational Guideline of Government Outdoor Dispensary (GOD), which is used mainly by the poor and vulnerable in urban area, to be approved</li> <li>GOD Operational Guideline to start implementation in at least 8 GODs</li> </ul>
<b>(3) Financial Protection</b>			
Health Finance	Ensuring that the use of health services does not expose the user to financial hardship	<ul style="list-style-type: none"> <li>Budget to be allocated by finance authority to prepare for the implementation of national health protection program in pilot area aimed at the future operation across the country</li> <li>Approval of national target to expand budget allocation of healthcare spending to 2.0% of GDP by 2025</li> </ul>	<ul style="list-style-type: none"> <li>Approval of FY2021/2022 budget plan for the implementation of national health protection program in pilot area</li> <li>Drafting of health protection act as part of achieving UHC</li> </ul>