PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE

Report No.: PIDA2903

Project Name	Maternal and Newborn Voucher Project (P144522)
Region	MIDDLE EAST AND NORTH AFRICA
Country	Yemen, Republic of
Sector(s)	Health (100%)
Theme(s)	Population and reproductive health (70%), Child health (15%), Health system performance (15%)
Lending Instrument	Investment Project Financing
Project ID	P144522
Borrower(s)	Ministry of Planning and Development Cooperation
Implementing Agency	The Social Fund for Development
Environmental Category	C-Not Required
Date PID Prepared/Updated	17-Jan-2014
Date PID Approved/Disclosed	19-Feb-2014
Estimated Date of Appraisal Completion	31-Jan-2014
Estimated Date of Board Approval	31-Mar-2014
Decision	

I. Project Context

Country Context

Yemen is the one of the poorest countries in the Middle East and North Africa (MENA) region, with nearly half of its estimated population of 25.5 million living on less than US$2 per day. Yemen ranks 160th out of 186 countries on the 2012 Human Development Index. The Country has one of the highest population growth rates in the world, placing pressure on educational and health services, drinking water, and employment opportunities. The mass protests, violent clashes and armed conflict in 2011 have negatively affected the economic condition of Yemen. Poverty, which was already increasing prior to the crisis, is estimated to have risen further from 42 percent of the population in 2009 to 54.5 percent in 2012. Poverty is particularly high in rural areas, which are home to about 73 percent of the population and 84 percent of the poor. Women, who are already severely disadvantaged in Yemen, have suffered disproportionately as a result of the crisis. Preliminary figures from 2011 indicate decreased access to basic and social services and economic opportunities, as well as high levels of gender-based violence as a result of the unrest. These effects have compounded the severe gender imbalances that already existed.

The past several decades, however, have witnessed significant improvements in key development indicators, including average life expectancy, which increased from 42 years in 1970 to 65 years in

2011, with the life expectancy of women mirroring the overall trends, and a significant increase in the enrollment rates in basic education, reaching 54 percent for both boys and girls. Despite these achievements, there remain many areas of concern, among which are the very high maternal and child mortality rates and the rapid population growth rate.

There are limited available financial resources (both public and private), limited infrastructure (less than half the population has access to basic health services), and few systems in place to support service delivery (e.g., for medical supplies and drugs). In addition, most of the population lives in isolated rural communities, making both the delivery of, and access to, services at the community level a complex challenge. Health services, although improving, do not cover more than 30 percent of the rural population or more than 45 percent of the total population. Given these challenges, it is unlikely that Yemen will achieve health-related Millennium Development Goals (MDG) 4 (child health) or 5 (maternal health) by 2015.

Sectoral and institutional Context

Maternal, Newborn and Child Health, and Sexual and Reproductive Health. Although Yemen has made great strides in reducing the maternal mortality ratio, it remains high at 210 deaths per 100,000 live births , which translates to some 40 women dying every week due to pregnancy and birth-related complications. While some progress has been made in the last four years to provide women with antenatal healthcare services, most mothers still deliver at home with little or no support. Across the region, Yemen continues to have the lowest level of antenatal care coverage, although according to a recent report from the Ministry of Public Health and Population (MOPHP), the proportion of women benefiting from antenatal healthcare services increased from 40 percent to 55 percent during 2006–2010. Although Yemen's maternal health policy refers to skilled attendants as doctors, nurses and midwives, nearly 21 percent of births are attended by traditional birth attendants and only 36 percent of births are attended by skilled health staff. As a result, many women suffer from hemorrhage, anemia, infections, and/or obstetric fistula, and in many cases, these conditions result in death.

Given the young age at which many girls marry, particularly in rural areas, the adolescent fertility rate is high at 80 births per 1,000 girls aged 15–19 years. Contraceptive prevalence is low at 28 percent with 21 percent in rural and 42 percent in urban areas for any contraceptive method; and 13 percent in rural and 34 percent in urban areas for modern contraceptives. Almost a quarter of married women (24 percent) have an unmet need for family planning.

Yemen has very high rates of malnutrition with 43 percent of children under the age of 5 years being moderately to severely underweight and 58 percent suffering from moderate to severe stunting.

Yemen has one of the highest population growth rates (3.02 percent per year) in the world, which is due to double in the next 23 years . The high population growth rate is aggravating the effects of natural phenomenon, such as sandstorms and dust storms, which result in soil erosion and crop damage. Desertification (land degradation caused by aridity) and overgrazing are also problems .

Yemen is facing a human resource crisis in public healthcare. A recent report commissioned by the MOPHP exposed serious shortages in staff skilled in MNCH. Nationwide, only 60 percent of the 261 obstetricians and only 5 percent of the 794 neonatal nurses needed to staff government health

facilities are working. However, this does not reflect the reality of skilled medical personnel in the country. It has been argued that there is a surplus of trained clinicians in urban areas (particularly in Aden and Sana'a), most of whom operate in the private sector and, although efforts have been made by development partners such as United Nations Population Fund (UNFPA) to train additional personnel, many midwives are under-employed or unemployed.

In rural areas, it is common for midwives, as well as other health staff, to work in public health facilities in the morning and then to work in their own private practice in the afternoon and evening. Thus, "free" healthcare is only available for a limited time every day and even then, informal fees often apply.

National Health Policy. The reduction of the number of maternal and neonatal deaths as well as the number of deaths of children under five is one of the main expected results listed in the 2010-2025 National Health Policy. The health and population sector's objectives, according to the third five-year development plan, are as follows: (i) strengthening the national health system; (ii) combating epidemics, endemic infectious diseases and reducing morbidity and mortality rates; (iii) improving the health care delivery system. The policy defines areas or priority that address maternal and newborn mortality including improving the quality and utilization of health services, and access to emergency obstetric care. A national Reproductive Health Policy was developed that states "In an effort to accelerate maternal and newborn survival toward the achievement of MDGs 4 and 5, the Reproductive Health (RH) department at Population Sector (PS) has focused on two main areas of RH: maternal and newborn health and family planning." Both areas are addressed through the proposed voucher project.

Maternal and Child Health Acceleration Plan (2013-2015). Yemen has developed a plan that aims to accelerate the reduction of maternal and under-five mortality to progress towards MDG 4 and 5. Its main objectives are: (i) to reduce maternal mortality by 24% from 200 to 153 per 100,000 live births; (ii) to reduce under-five mortality by 14% from 72 to 62 per 1000 live births; and (iii) to reduce neonatal mortality by 15.6% from 32 to 27 per 1000 live births. These are complemented by specific operational targets to be achieved by 2015. This project will contribute to the implantation of this plan.

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II. Proposed Development Objectives

The Project Development Objective is to increase the utilization of maternal and newborn health services in the project target areas.

The MNVP will contribute to the reduction of maternal and child mortality. It will contribute to meeting the unmet need for family planning, allowing families to plan and space births. This will also contribute to a reduction in population growth and alleviate pressure on Yemen's scarce natural resources.

III. Project Description

Component Name

Component 1: Improving Access to Maternal and Newborn Health Services

Comments (optional)

Component Name

Component 2: Results-Based Monitoring, Voucher Management, Quality Assessment, Technical Audit, and Project Management

Comments (optional)

IV. Financing *(in USD Million)*

Total Project Cost:	20.00	Total Bank Financing:	10.00
Financing Gap:	0.00		

For Loans/Credits/Others	**Amount**
BORROWER/RECIPIENT	0.00
International Development Association (IDA)	10.00
Health Results-based Financing	10.00
Total	20.00

V. Implementation

Role of SFD in implementing the voucher scheme

Implementing Agency. The SFD will be the implementing agency for the project and will establish and staff a special unit (the Voucher Management Unit - VMU) which is the proposed payer for the voucher scheme. This is consistent with the natural development of the SFD which is shifting its focus from one of investing in inputs to support building and rehabilitation of health facilities and training of health workers, to focus on output-based disbursements, thereby stimulating demand for and utilization of health services. Fiduciary management, including procurement and financial management, as well as monitoring and evaluation, will be carried out by the respective departments within the SFD.

Role and Key Tasks for SFD: The key role for SFD through the VMU will be the operational responsibility for the day-to-day implementation of the voucher scheme in Yemen. Key tasks will be to: (i) map and identify voucher service provider clusters; (ii) contract voucher service providers based on assessment of quality standards; (iii) develop and manage all sub-contracts (consultant services, NGOs, etc.); (iv) coordinate production and distribution of vouchers (including data collection on beneficiaries); (v) paying health facilities for services provided; (vi) monitoring and evaluation; and (vii) verification and fraud control.

The SFD, through a recipient executed trust fund from HRITF, is receiving technical assistance focusing on building its capacity to meet the requirements of a VMA, including: (a) identification of roles and responsibilities; (b) hiring staff and identification of consultants; (c) development of MIS and utilization management approach; (d) development of templates and registers for operationalizing the scheme (distributor registers, provider registers, contract templates and so on); (e) developing detailed work plans and timelines and preparation of guidelines for program implementation; and (f) design and printing of the vouchers.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	**Yes**	**No**

Environmental Assessment OP/BP 4.01		x
Natural Habitats OP/BP 4.04		x
Forests OP/BP 4.36		x
Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11		x
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12		x
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

VII. Contact point

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