



Evaluation Summary



International
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Technical support to Employees' State Insurance Scheme (ESIS) for improving and expanding access to healthcare services in India (Health Financing) – A transition to formality

Quick Facts

Countries:	<i>India</i>
Final Evaluation:	<i>April-June 2021</i>
Evaluation Mode:	<i>Independent</i>
Administrative Office:	<i>DWT/CO-New Delhi</i>
Technical Office:	<i>INWORKS and SOCPRO</i>
Evaluation Manager:	<i>Rattanaporn Poungpattana, Monitoring and Evaluation Officer, ILO Regional Office for Asia and the Pacific</i>
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Project Code:	<i>IND/18/01/GAT</i>
Donor(s) & Budget:	<i>Bill and Melinda Gates Foundation (US\$ 2,087,569)</i>
Keywords:	<i>decent work, informal employment, social protection, social security, health insurance, informal economy, health</i>

Background & Context

Summary of the project purpose, logic and structure

The overall purpose of this Project was to provide technical support to Employee State Insurance

Corporation (ESIC), provider of India's largest contributory social health insurance scheme, to achieve better implementation and coverage.

Despite the high financial performance and being the largest contributory social health insurance scheme in India, ESIS still faces substantial challenges, such as the low level of utilization of health care by the beneficiaries, service provision quality issues, etc. To address these issues, the ILO designed the project with three components dealing with improving the service provision of the Employee State Insurance Corporation (ESIC), extend its coverage and develop an ecosystem of actors in the social health protection and financing sector for knowledge sharing and communication.

The project implementation was originally scheduled between 19 December, 2018 and June, 2020. It received 2 back to back no-cost extensions (NCE), the first between July– December 2020 and the second between January – June 2021. It received a third NCE from July – September 2021 and is now scheduled to end by March 2022. . The original project duration was 18 months which was later extended to 39 months.

Geographic Coverage

The Project was designed for support to the ESIS scheme, which is operationalized through ESIC, a central government organization in India (headquartered in Delhi), in collaboration with state governments.

Management Structure

The project was managed by the project team under the ILO Country Office in New Delhi. It received strategic guidance and feedback from various departments of the ILO including INWORKS and SOCPRO and from the Technical Committee at ESIC. The project management monitored the performance and results regularly as per the ILO and donor's requirements. The flexible project design helped to deal with implementation challenges.

Project Context and Present Situation

Less than ten per cent of the population in India is covered by a comprehensive health insurance scheme, resulting in one of the highest levels of out-of-pocket (OOP) expenditures in the world (64 per cent), with only marginal reductions in the last decade, and strong exclusion from health care services (ILO, 2018).

In the current context, the Project has become even more relevant. The new Code on Social Security, 2020 has changed the landscape, and has made contributory social health protection available for the unorganised, gig, platform and plantation workers. COVID-19 has rendered workers vulnerable making the health protection through ESIS even more important.

Purpose, scope and clients of the evaluation

The scope of the evaluation included an assessment of the project's performance vis a vis outputs, outcomes, strategies, partnership follow up on identified challenges and opportunities and management of financial resources based on the

OECD criteria. It also intended to assess the extent to which the project outcomes will be sustainable, identify lessons learned, good practices and provide recommendations on the design of a possible next phase. The evaluation integrated gender equality and disability across the methodology and final report evaluation. It ensured the accountability and transparency of the ILO's project delivery to key stakeholders, including the Government of India (GoI) and the donor-Bill and Melinda Gates Foundation (BMGF), and aimed to enhance learning within the ILO and key stakeholders. The main clients of the report are the stakeholders who were consulted during the evaluation, BMGF as the donor agency, the project team, and country director, country stakeholders including ESIC, Government of India (GoI) (Ministry of Labour and Employment (MoLE), Ministry of Health and Family Welfare (MoHFW), workers' organizations and employers' and business membership organizations (EBMOs), the ILO DWT-New Delhi and its technical and programme backstopping officers, the ILO Regional Office for Asia and Pacific (ROAP) and other relevant ILO resources.

Methodology of evaluation

The evaluation used the qualitative approach of in-depth enquiry. The evaluators conducted the evaluation through the review and analysis of primary and secondary data and have undertaken an extensive review of the documents. The team held individual or group discussions with different categories of stakeholders: the ILO ESIS project team, BMGF, ESIC and MOLE officials, ILO's tripartite partners and key external collaborators. There were mobility restrictions due to the COVID-19 pandemic. Hence the evaluators conducted the meetings online. The evaluators could not meet any of the stakeholders in person.

However, the online consultations have been extensive, and have provided the perspectives of a wide range of stakeholders. The evaluators could get very limited direct feedback from senior government officials during the evaluation process, which could cause a potential bias of missing out on the government's perspective. However, this was partially overcome by asking a former ESIC and current government official, questions about the government's plans to take forward the reforms in the social health protection sector in India.

Main Findings & Conclusions

Relevance and Coherence of the Project

The project is highly relevant for all the stakeholders involved in the project. From the perspective of the workers' organizations (WOs), the objective of the ILO supporting ESIC in expanding its coverage to more workers was relevant. From the perspective of EBMOs, coverage of SMEs self-employed workers/ own-account entrepreneurs were essential to make them true representatives of all kinds of employers.

The project aligned with the India Health Policy of 2017, which envisaged achieving universal healthcare coverage, and with the plans of the Ministry of Labour and Employment (MoLE). It aligned with the ESIC Vision 2022 that envisages expansion of ESI scheme in each district of the country with the target of covering 100 million workers by 2022. ESIC was also interested in learning about the beneficiary perspectives to improve the services and to reduce their out-of-pocket (OOP) medical expenses.

As the project aimed to improve governance of ESIC and expand social health protection coverage to informal workers, it aligned to ILO Programme and Budget (P&B) Outcome 6 related to formalization of the economy and Outcome 8

related to social protection. The project was also aligned with the ILO's DWCP 2018-2022, Priority 3 – Outcome 3.3 which aims to contribute to improved management and coverage of, and increased access to, national and state social protection systems.

This project built upon BMGF's past work with the planning body (Niti Aayog) on health financing and health systems in India.

The initial design envisaged that the design for transformational change of a large autonomous organization, agreement of action plan, and a pilot at the state level would all be achieved in 18 months. Even with extensions of 15 months, this was highly ambitious, and not mindful of the complexities of change processes in the given context. The donors recognized that the design was ambitious as it included their vision for a second phase to take the work forward. They also remained flexible in the current phase, changing the outputs and results matrix during the project implementation.

Effectiveness

The project strategies were effective to achieve the project outputs. While the project was severely impacted by implementational challenges due to COVID-19 and other changes in context, it has achieved or will achieve most of the outputs. The flexibility of design and the support of the donor to change the design as per requirement, helped the project become more effective and achieve most of the outputs.

Outcome 1 relates to improving the services of ESIC: The project completed a diagnostics report, two surveys, a summary research report on informal economy workers, an assessment report on innovative (technological) practices and a report on the mapping of key actors. The project could not implement the Consolidated Action Plan

or the state pilot due to insufficient timelines and multiple implementation challenges.

Outcome 2 relates to a survey of potential beneficiaries and a pilot for increasing the coverage of ESIC: This was completed, but the pilot could not be started due to the onset of COVID-19. The project considered the issue of extending coverage of social health protection to informal workers more broadly than just through ESIC. The project generated knowledge on health seeking behaviour of IPs and non-IPs and the challenges they face to access social health protection schemes. The social partners appreciated the project objective to increase the coverage of ESIC to non-poor informal workers.

Outcome 3 envisages a shared understanding among key Indian actors of challenges and opportunities to strengthen ESIS: Extend its coverage, foster coherence between their interventions. The project shared some key outputs and PowerPoint slides of presentations but was unable to complete and disseminate some of the knowledge sharing products at the time of this evaluation. The project proactively communicated progress of activities and discussed outputs with the stakeholders.

Efficiency of Resource Use

The project has been efficient in its use of staff and technical specialists from the DWT team in India and at ILO headquarters. The outputs were delayed due to COVID -19, late joining of the project Chief Technical Advisor (CTA), frequent changes of the ESIC leadership and the changing policy context due to labour law reforms. The staff have shown resilience in reorganizing the project activities to complete several outputs during the pandemic period. The budget use has been biased towards the studies and survey that would help improve ESIC's services, which is well invested

as it provided a valuable entry to the ILO and BMGF into the field of social health protection, building relationships between the ILO and ESIC, and valuable insights for influencing policy and structural reform.

Sustainability

The project has produced significant outputs which will be used by ESIC, workers' and employers' organizations beyond the project period, e.g., the detailed studies of the diagnostics report, the mapping studies and the beneficiary survey reports. The project has been able to create interest and ownership to continue the awareness and advocacy work that would be needed for a more comprehensive provision of services and coverage of workers. The bipartite partners aim to use the knowledge products for capacity building of their members and for advocacy for improved quality and more comprehensive social health protection.

Recommendations

Main recommendations and follow-up

The recommendations for the different key stakeholders are provided, separating those for the current phase (recommendations 1 and 2) and those for a potential second phase.

Recommendation 1: Complete and share knowledge products with social partners. Deliver the reports and case studies generated during the current phase to the stakeholders for them to use for capacity building and advocacy, thereby helping the sustainability of project outcomes.

Recommendation 2: Prioritize areas of collaboration. Continue the project for a second phase, to carry through the process of collaboration of ILO and ESIC/MoLE towards a transformational change of ESIC, especially as the

pandemic has highlighted the need for continued technical support from the ILO for the improvement of services and expansion of coverage to newer and informal sectors, through ESIC and state level pilots.

Recommendation 3: Articulate a Theory of Change. Develop a well-articulated ToC for the next phase with achievable targets for shorter period interventions to gain ownership of the vision and strategy from all stakeholders.

Recommendation 4: Prioritize areas of ILO's Technical Support for Phase 2. Prioritize the areas of technical support in Phase two, including a study on ESIC's response to COVID-19 covering gender and inclusion aspects, operationalization of the provisions in the Code on Social Security, 2020 for coverage of unorganized workers, gig workers, platform workers, plantation workers and build capacities of social partners for evidence-based planning, and governance of social health protection schemes.