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GPOBA

The Global Partnership on Output-Based Aid



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World Bank-administered GPOBA Supports Award-winning Hospital Project in Lesotho

Johannesburg, February 26, 2009 – Citizens of Lesotho will gain access to greatly improved medical services and care thanks to a grant agreement for US\$6.25 million signed by the World Bank, acting as administrator for the Global Partnership on Output-Based Aid (GPOBA), and Tsepong (Proprietary) Limited, a Special Purpose Vehicle created by the regional health care consortium led by Netcare.

The GPOBA grant will provide subsidies for inpatient services at a new 390-bed National Referral Hospital, designed to replace the aging Queen Elizabeth II Hospital, and outpatient services at three semi-urban filter clinics that are being refurbished. These facilities will serve Maseru district, which has a population of almost 500,000 people or one third of the country's population. The clinics are expected to be ready in late 2009 and the hospital in mid 2011.

"The GPOBA project will provide improved health services for expectant mothers, infants, children, and patients at risk of or living with HIV/AIDS and tuberculosis," said Feng Zhao, Senior Health Specialist and task manager for the project for the World Bank and GPOBA. "The output-based approach, which puts the emphasis on good service delivery, will increase accountability and efficiency in the health sector."

The GPOBA grant complements a public-private partnership agreement to build the new public hospital and refurbish the filter clinics which was signed by Tsepong (Pty) Limited, the Government of Lesotho, and IFC in October 2008. IFC, a member of the World Bank Group, advised the government in designing and implementing the public-private partnership for the greenfield public hospital which won the 2008 "Social Infrastructure Deal of the Year" award from media outlet Africa-investor.

Thanks to this innovative combination of public-private partnership and output-based aid, patients in Maseru district will have access to greatly improved medical services and care, but still pay the same minimal charge as they do at other public hospitals in Lesotho.

“We are pleased that the new hospital and clinics in Maseru will receive this much-needed support from the World Bank’s GPOBA program,” said **Laurence Carter, Director for IFC’s Infrastructure Advisory**. *“Pooling these and other resources will enable the government of Lesotho to offer higher-quality healthcare services more efficiently and within budget.”*

GPOBA is drawing on funds from IFC to provide the grant for the Lesotho hospital project.

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About GPOBA

The Global Partnership on Output-Based Aid (GPOBA) is a global partnership program administered by the World Bank. GPOBA was established in 2003, initially as a multi-donor trust fund, to develop output-based aid (OBA) approaches across a variety of sectors including infrastructure, health, and education. To date, GPOBA has signed 24 grant agreements for OBA subsidy funding for a total of US\$99 million, expected to benefit over 4.3 million people. GPOBA projects have disbursed US\$8.9 million based on independently verified outputs, directly impacting 271,600 people. The program’s current donors are the UK’s Department for International Development (DFID), IFC, the Directorate-General for International Cooperation of the Dutch Ministry of Foreign Affairs (DGIS), the Australian Agency for International Development (AusAID), and the Swedish International Development Cooperation Agency (Sida). For more information, visit www.gpoba.org.

About IFC

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. IFC fosters sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments. IFC’s new investments totaled US\$16.2 billion in fiscal 2008, a 34 percent increase over the previous year. For more information, visit www.ifc.org.

About Tsepong (Pty) Limited and Netcare

The consortium, Tsepong (Pty) Limited, is comprised of Netcare (40 percent); Excel Health (20 percent), an investment company for Lesotho-based specialists and general practitioners; Afri’nai (20 percent), an investment company for Bloemfontein-based specialists and general practitioners; D10 Investments (10 percent), the investment arm of the Lesotho Chamber of Commerce; and WIC (10 percent), a Basotho Women investment company. Netcare is South Africa’s foremost private hospital and health care group. It operates the largest private hospital network in South Africa and the United Kingdom. For more information, visit www.netcare.co.za/live/index.php.