

Nyaya Health's Impact in Public-Sector Strengthening: Addressing the Counter-Factual Hypothesis

Pursuant to discussions with Givewell.org recently, this document will aim to address “the counterfactual” hypothesis regarding the impact of Nyaya’s presence. Two questions will be addressed:

1. Has Nyaya’s work led to an increase in investment in the region that would not have occurred otherwise (i.e. if Nyaya did not exist, would the Ministry have done anything differently)?
2. Has Nyaya’s presence led to a distortion in investments such that other resource-limited areas have not received funding to the degree they would have?

Response to question 1:

While we frequently hear from community members, other organizations, and even government officials themselves that indeed there has been an increase in funding as a result of Nyaya’s advocacy and work, we do not have concrete financial data to substantiate this. In terms of investments however, as Nyaya has increased infrastructure (a health center, a hospital, a CHW network) in the region, we have provided further opportunity for government investment than previously existed. Ministry HR policy allocates staff *per facility* and therefore gross numbers of facilities drives number of staff funded for each district. As the table below demonstrates, there are now 4 MBBS physicians in Achham, 2 of whom are at the Ministry district hospital, and 2 of whom are supported by the Ministry to work at our hospital. Neighboring districts, Bajura and Doti - similar in size, population, geographic isolation and development indices to Achham - during the same time period, also saw an increase in number of physicians. However, as each district has only one hospital, they have necessarily received fewer staff.

Response to question 2:

While not possible to disprove concerns of investment distortion with the limited data we have, we believe that Nyaya’s presence has not detracted investments from other needy areas. Notably, health expenditures per capita across these three districts are virtually identical, demonstrating that Achham has not drawn funding away from neighboring districts with similar need. In fact, in FY2009-2010, of the three districts, Achham had the lowest health expenditure per capita.

Furthermore, our experiences in working with the government have made clear that expenditures in the health sector is not a zero-sum game. For lack of infrastructure and qualified programs to disburse the money to, the Ministry of Health often does not spend its entire allocated budget. In the years 2008-2009, prior to Nyaya’s opening of Bayalpata, 11% of the allocated funds went unspent [1]; the next year, 2009-2010, that number was 7% [2]. This data, taken in parallel with the above data examining physician distribution, further highlight the importance of program and infrastructure development as a vehicle for public-sector investments.

Overview of Investment in Neighboring Districts to Achham, Nepal

	Achham	Doti	Bajura
Population	231,285	207,066	108,781
Annual MOHP Investment [^]	\$ 1,697,013	\$ 1,707,588	\$ 811,163
Per Capita MOHP Investment	\$ 7.34	\$ 8.25	\$ 7.46
MBBS Physicians, 2007*	0	1	0
MD-GP Physicians, 2007	0	0	0
MBBS Physicians at district hospitals, 2011	2	2	1
MBBS Physicians at other hospitals, 2011	2	0	0
MD-GP Physicians, 2011	0	0	0

[^]In USD for FY2066-67 (2009-2010). This represents allocated budget, not actual expenditures.

Data taken from references 3-5

Conclusion:

We appreciate the importance of the counter-factual hypothesis. Given limited data on the Nepali health system, as well as limited research capacity in our team, we are not able to unequivocally refute the two questions posed. Nonetheless, we feel that the data here presented suggests that indeed Nyaya's presence has bolstered the health system of the region in a manner that would not have been possible without its work, and further that its work has not detracted investments from other similarly resource-limited areas.

References:

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2. District Health Office of Achham. Annual Report 2066-67 (2009-2010).
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