



<b>1. Project Data:</b>		<b>Date Posted :</b> 04/19/2001	
<b>PROJ ID:</b> P008402		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Health	<b>Project Costs (US\$M)</b>	34.5	35.56
<b>Country:</b> Estonia	<b>Loan/Credit (US\$M)</b>	18	18
<b>Sector(s):</b> Board: HE - Tertiary education (71%), Central government administration (17%), Health insurance (11%), Health (1%)	<b>Cofinancing (US\$M)</b>	2	3.87
<b>L/C Number:</b> L3835			
	<b>Board Approval (FY)</b>		95
<b>Partners involved :</b>	<b>Closing Date</b>	07/01/1999	07/01/2000
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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**2. Project Objectives and Components**

**a. Objectives**  
Project Objectives were to: (i) re-orient health services to emphasize health promotion and disease prevention programs; (ii) strengthen modern public health training and pre-medical training; and (iii) support ongoing health financing reforms through establishing sound cost, performance analysis and health management information systems.

**b. Components**  
Four discrete project components were identified:

- Health System Reorientation, focused on improved institutional capacity of the Ministry of Social Affairs in health policy and hospital efficiency enhancement; quality assurance, facility accreditation and professional licensing; reorientation of the system toward PHC and family medicine; and health promotion/disease prevention programs.
- Human Resources Development, consisting of developing the faculty and programs of the Family Medicine and Public Health Departments at Tartu Medical Faculty; creating a Center for Continuing Education for Health Professionals; and designing, constructing and equipping a new building for Biomedical and Health Sciences ("Biomedicum") at the University of Tartu.
- Efficient Management of Financial Resources, aimed at improving the systems of the Central Health Insurance Agency (CHIA) and Local Health Insurance (LHI) Funds.
- Support to the Project Coordination Unit, for technical/financial management of the project, including monitoring, accounting, procurement and coordination.

**c. Comments on Project Cost, Financing and Dates**  
Total project costs at appraisal were \$34.5M, with a Bank loan of \$18M, GoE contribution of to \$14.5M and co-financing of \$2M (EU-PHARE: \$1.26M, Canada .6M, Finland .1M, Denmark .04M). Latest estimates at closing were a total project cost of \$35.56M, with a Bank loan of \$18M, GoE contribution of 13.48, and (unspecified) co-funding of \$3.87M.

**3. Achievement of Relevant Objectives:**  
Capacity of organizations devoted to improved public health was significantly increased, with Tartu University's Departments of Family Medicine and of Public Health having become internationally recognized centers of excellence in training and research. Two-thirds of the population are now served by licensed Family Doctors. Mechanisms of financing health promotion/disease prevention were established and sustained. Prevalence of

smoking among men and abortion rates among women have dropped. Analysis suggests that Estonia is on track to have saved close to 30,000 DALYS (Disability-adjusted life-years) due to its public health investments, at a very low relative cost of \$23/DALY. At the insurance organizations responsible for funding health services, management of financial resources improved and efficiency increased.

**4. Significant Outcomes/Impacts:**

The Government met or exceeded the recommended target for health insurance funds used in health promotion, and the areas targeted, smoking, diet and contraceptive use, were highest priority public health issues. Local community involvement in health promotion was high, exceeded expectations, and was sustained. (Twenty local projects were funded in 1995; 314 in 2000). The Biomedicum was expeditiously built and equipped, met its cost targets, became fully functional, and now houses the Departments of Family Medicine and of Public Health. Much professional training took place there, including the generation of over 600 Family Doctors, and the training of almost 2300 participants in over 160 public health courses. The Project Steering Committee and PCU were strong, collaborative partners which managed the project extremely well.

**5. Significant Shortcomings (including non-compliance with safeguard policies):**

The project had less of an effect upon restructuring the health sector than had been hoped, with expenditures on hospitals and specialized care still accounting for over 80% of overall health expenditure. A greater emphasis could have been placed on women's reproductive health, given the low use of modern contraceptives and the high abortion rate. CPR, which was 26% in 1991, was only 31.9% in 1999, and only 1000 fewer abortions per year were performed; given the relative ease and efficacy of preventive intervention, this area was at least as important as the SAR's "crisis" of middle-aged males' health. Indicators of improved management capacity and efficiency of insurance funds generally were those of process not outcome.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome:</b>	Highly Satisfactory	Highly Satisfactory	
<b>Institutional Dev.:</b>	Substantial	Substantial	
<b>Sustainability:</b>	Highly Likely	Highly Likely	
<b>Bank Performance:</b>	Satisfactory	Highly Satisfactory	Most credit goes to the borrower for high commitment to project objectives and strong implementation capacity, but Bank support during project design and supervision was timely and of high-quality.
<b>Borrower Perf.:</b>	Highly Satisfactory	Highly Satisfactory	The government's commitment to preventive activities is particularly notable.
<b>Quality of ICR:</b>		Satisfactory	

**NOTE:** ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

**7. Lessons of Broad Applicability:**

- Initial high-level borrower involvement and ongoing commitment ("ownership") is critical for successful development, implementation and sustainability of projects.
- Intensive initial training of project management staff as well as continuity of project management both can contribute to strong project performance.
- Under the right circumstances, investing in the hardware of public health and primary care can have a meaningful impact upon health sector restructuring and related policy change. (E.g., investing in both constructing a faculty building for public health and primary care at a leading university, as well as in related "software" activities such as training and support of PH/PHC research, rather than in, say, a fleet of ambulances).
- Appropriate baseline indicators and interim benchmarks for project performance should be identified at appraisal, regularly tracked and commented upon at supervision, and used in final evaluation.

**8. Assessment Recommended?**  Yes  No

**Why?** Medium priority, to assess lessons from success.

**9. Comments on Quality of ICR:**

The ICR was well written, thorough and internally consistent. The Key Performance Indicators/Log Frame Index is robust, although often it did not give baseline status for comparison. The Lessons Learned section was thoughtful and extensive. Principal performance ratings and ratings for achievement of objectives were accurate and justified in

the text by quantitative data and other qualitative findings. Latest figures for co-financing did not provide a breakdown by donor. If anything, achievements were understated, particularly in the area of Bank performance. Greater attention to equity and poverty issues would have been useful -- including relevant indicators, where available. As part of the ICR process, a team of health officials that were completing an ICR in Hungary visited Estonia to exchange lessons and experience. This represents a "best practice" example of leveraging cross-country learning and policy dialogue as part of the ICR process.