



1. Project Data:		Date Posted : 06/20/2003	
PROJ ID: P044522		Appraisal	Actual
Project Name: Essential Hospital Services	Project Costs (US\$M)	33.56	20.22
Country: Bosnia-Herzegovina	Loan/Credit (US\$M)	15	14.5
Sector(s): Board: HE - Health (78%), Health insurance (18%), Central government administration (4%)	Cofinancing (US\$M)	17.3	5.62
L/C Number: CN003			
	Board Approval (FY)		97
Partners involved : Italy, Netherlands	Closing Date	06/30/2000	06/30/2002
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components

a. Objectives

The Essential Hospital Services Project was one of three related projects to assist victims of the war in Bosnia and Herzegovina and to rehabilitate and reform health services in both the Federation of Bosnia and Herzegovina (FBiH) and in Republic Srpska (RS). The project had two objectives: (1) to rehabilitate hospital services, restoring them to acceptable functionality in the context of a "modern, cost-effective and fiscally sustainable hospital sub-sector" and, (2) to establish and support initial steps in health financing reform. The project was meant to be a single operation with two parts, one for each of the entities. Objectives were identical for both FBiH and RS, but there were two separate projects administratively.

b. Components

Each jurisdiction had five components: (1) Physical rehabilitation and reconstruction of essential hospital facilities (US\$10.8 million, of which \$10.1 million in FBiH and \$0.7 million in RS), (2) Medical equipment and supplies (US\$13.6 million, \$7.4 million in FBiH and \$6.2 million in RS), (3) Upgrading of clinical skills and practices (US\$1.9 million, \$1 million in FBiH and \$0.9 million in RS), (4) Health finance reform (US\$5.9 million, \$2.9 million in FBiH and \$3 million in RS), and (5) Project implementation support (US\$1.4 million, equally divided). The project was designed in such a manner that if co-financiers were not able to make planned funds available, the scope of the project could be reduced without threatening project viability. The design was based on functional modules, with the IDA credit financing the "indispensable core areas for restoring essential hospital services."

c. Comments on Project Cost, Financing and Dates

Government contributions by both entities—US\$50,000 for FBiH, US\$48,000 for RS—were only 8% of the appraisal estimates of US\$600,000 each. The project was extended twice for a total of two years due to complexity of procurement and the need to develop software to implement a simplified MIS in both entities. At appraisal, co-financing from the Government of Italy was planned for US\$5.2 million; latest estimates, according to the Borrower in Annex 9, show that the Government of Italy contributed US\$5.62 million. Other donors (Greece, Iceland, Luxembourg and the U.K.) were listed as having expressed interest in co-financing US\$12.1 million of the Project, but ultimately provided very little to this project, although in some instances funds went to related Bank projects.

3. Achievement of Relevant Objectives:

Under extremely difficult post-war circumstances with residual ethnic hostilities complicating project design and implementation, the project achieved most of its first objective and the second objective was fully achieved. Almost all facilities were rehabilitated and re-equipped and had essential hospital services restored. A number of relevant and useful studies related to health reform and financing were successfully conducted, with the result informing further reform steps in both entities and the design of the

Social Insurance Technical Assistance Project.

4. Significant Outcomes/Impacts:

Of the total of 16 target health facilities in both entities that were targeted for rehabilitation, 15 are "fully functional" and the bed occupancy rate in the rehabilitated hospitals averages about 75%. The health insurance buildings that were rehabilitated are also fully operational. Civil works were successfully undertaken in 11 facilities in FBiH, including 7 cantonal hospitals and 3 clinical training centers; limited civil works were undertaken in RS (where there was less war damage). Over \$5 million of needed medical equipment was procured in each entity. Health insurance funds in each FBiH canton were consolidated into a single fund.

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

None of the planned upgrading of clinical skills and practices took place in RS (0% of appraisal estimates), and only very minimal training took place in FbiH (14% of appraisal estimates). The impact of the physical investments, equipment, and the training on quality, availability and sustainability of services has not been assessed. From the perspective of the US\$33.6 million project, the lack of more substantial funding from other donors was disappointing, as was the level of government financing (8% of a modest expected contribution in both entities). The latter fairly raises questions of commitment and sustainability.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	The project's relevance was substantial. For the first objective, physical rehab and equipment were satisfactory in FbiH and moderately satisfactory in RS; skills development was modest in both. The health finance reform objective was substantially met.
Institutional Dev .:	Substantial	Substantial	
Sustainability:	Likely	Likely	
Bank Performance:	Highly Satisfactory	Satisfactory	The Project was successfully conceived and launched in a short period despite a very difficult environment; supervision was satisfactory. Attention to M&E was inadequate.
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR:		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:

1. Projects can be mounted under extremely difficult political (post-civil war) circumstances, if the project is kept relatively simple.
2. It is important to ensure a skills component in health projects meant to restore and improve clinical services.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR quality is rated satisfactory, but with some deficiencies. A summary overview of project inputs, outputs, and outcomes across both entities combined and documentation of results in quantitative output and outcome (vs. input) terms should have been provided. The Key Performance Indicator/Log Frame Matrix is vague; "fully functional" is not defined nor is quantitative evidence provided to support it. The training effort in FBiH was described as minimal but nevertheless rated as satisfactory; the extent, relevance, outcome and impact of the training is not provided. The medical equipment components in both entities were completely and expeditiously implemented, which warrants a satisfactory (not highly satisfactory) rating. A summary of co-financiers' planned and actual contributions would have been helpful. The Borrower's comments were useful, with balanced judgements based on supportive evidence.