ICR Review

Operations Evaluation Department

Report Number : ICRR11226

1. Project Data:		Date Posted : 06/24/2002		
PROJ ID : P008523			Appraisal	Actual
Project Name : Health		Project Costs (US$M)	20.6	19.60
Country : Kyrgyz Republic		Loan/Credit (US$M)	18.5	15.9
Sector(s): Board: HE - Health (97%), Central government administration (3%)		Cofinancing (US$M)		
L/C Number : C2860; CP923				
		Board Approval (FY)		96
Partners involved :		Closing Date	06/01/2002	09/01/2002

Prepared by :	Reviewed by :	Group Manager :	Group :
Roy Jacobstein	John R. Heath	Alain A. Barbu	OEDST

2. Project Objectives and Components

a. Objectives

The Project's objectives were: reform and improvement of the Kyrgyz Republic's health care system; improvement of the population's health status; improvement of the clinical effectiveness of the service delivery system; improvement of the economic efficiency of the delivery system; and extension of access to appropriate care, enhancement of quality of care, and assurance of long-run financial viability of the system.

b. Components

The Project had four discrete components: 1) Primary Health Care ($4 million), designed to reorient health services away from hospitals toward upgraded primary health care (PHC) centers. It had 3 subcomponents: Strengthening Women's Reproductive Health Management, Acute Respiratory Infection (ARI) and Diarrhea Disease Control, and Tuberculosis Control. 2) Facilities Rehabilitation ($2.3 million), meant to improve the capacity of the Ministry of Health (MOH) to maintain buildings and equipment, and to facilitate the shift of emphasis from curative to ambulatory and preventive care. 3) Medical Care Provider Payment ($4.4 million), aimed at implementing provider payment reforms that separated payment for care from delivery of care. 4) Pharmaceutical Management ($8.3 million) meant to improve the availability of essential drugs in two ways: directly, by financing procurement and distribution of essential drugs, and indirectly, by supporting reforms that strengthen government regulation and rational and appropriate use of drugs.

c. Comments on Project Cost, Financing and Dates

Total project costs at appraisal were $20.6 million, with a Bank loan of $18.5 million and Government contribution of $2 million. There are inconsistencies in the ICR regarding the final project costs. Annex 2's first table shows actual total project costs of $19.6 million. However, the third table in Annex 2 shows actual total project costs by procurement arrangements, including contingencies, were $17.03 million. This is consistent with the level given in the fourth table for project financing by component, $17.04 million (according to my addition, since totals are not given). The text of the ICR does not mention any loan cancellation nor does it provide specific levels of the Government shortfall that it notes. The fourth table of Annex 2 provides component figures whose summary shows that the initial Government contribution of $1.62 million at appraisal was actually, at latest estimate, $1.15 million.

3. Achievement of Relevant Objectives:

All objectives were achieved in a Satisfactory or Highly Satisfactory manner, although the lack of specific project-level indicators for some activities makes this judgment partially inferential rather than demonstrated with certainty. The project was very successful in furthering far-reaching health sector reform that is likely to be sustained. The various financing reforms supported by the project—creation of a single payer system, adoption of prospective payment systems, and separation of provision from purchase

of services—have created a foundation for expansion of reform nationwide. The efficiency and clinical effectiveness of the service delivery system improved, including a shift from tertiary to primary care, greater availability and more appropriate use of essential drugs, and an improved provider payment system. In addition, the health status of the population improved markedly in the technical areas upon which the project was focused. All of these achievements have set the stage for continuing and expanded reform, which is proceeding under the current Health II Project.

4. Significant Outcomes/Impacts:

Without added cost, 76 PHC facilities were rehabilitated, as opposed to the 62 originally planned. Almost 800 new primary care group practices were established in 8 oblasts, with 80-96% of the population enrolled. Over 2000 health personnel—1000 of whom were gynecologists, neonatologists and PHC specialists—were trained in the latest clinical protocols for women's reproductive health, child survival and TB. Almost 1400 doctors and 900 nurses were trained in family medicine, with 90 certified as family medicine trainers. Infant mortality from ARI declined 41% and the maternal mortality ratio declined 42%. Average length of stay in hospitals with new provider payment mechanisms declined by 8% and there was a 58% decline in self-referrals directly to hospitals. Availability and use of appropriate drugs improved, with the average number of drugs prescribed by physicians falling from 9-10 in 1996 to 3 in 2000. Key family doctor and hospital associations were supported and became strong advocates for reform.

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

Not all trainees were found to be following the new guidelines in which they had been trained. Inflation, and devaluation of the som against the dollar, caused the procurement and distribution of the second of three lots of essential drugs to be delayed and the procurement and distribution of the third lot to be cancelled. The Government contribution to the project in dollar terms was only 71% of the planned amount (although Government ownership as measured in other terms, such as policy support, adequate and committed staff, and timely and effective implementation of activities was high.)

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Highly Satisfactory	Health sector reform proceeded and continues to proceed in an exemplary fashion, and the Bank was the primary donor for such reform.
Institutional Dev .:	Substantial	Substantial	
Sustainability :	Highly Likely	Highly Likely	
Bank Performance :	Highly Satisfactory	Highly Satisfactory	
Borrower Perf .:	Highly Satisfactory	Highly 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:

This project confirms a number of lessons from other successful projects: high government ownership and continuity of Bank management are important to project success. In health sector reform projects, a comprehensive and holistic approach is important. This includes the fostering and nurturing of widespread stakeholder understanding and support is important, through development of stakeholder NGOs (Associations), which can become strong advocates for reform. Ample investment in training is important to enable the shift from tertiary care to primary care to take place. This project also demonstrates that investment in appropriate public health and primary health care intervention arenas such as women's reproductive health, safe motherhood, child survival and acute infectious disease can be very effective in terms of results.

8. Assessment Recommended? ● Yes ○ No

Why? This project is a good candidate for impact evaluation because: reform proceeded so well; the Bank and Borrower formed a strong team; the project made substantial contributions to the success of the reform effort; and the positive outcome of this project stands in contrast to the Bank's experience in health reform in many other former Soviet and Soviet bloc countries. Also, the health interventions—directed at women's reproductive health and child survival—were good public health choices, and good results were obtained. This too is in contrast to Bank projects in similar countries, which tended to focus on health of middle-aged males. Finally, the percentage of funds allocated to primary health care and to

training was substantial and probably contributed to project success.

9. Comments on Quality of ICR:

The ICR is well-written and thorough. It provides ample data and analysis to undergird its judgments, which are sound. There appears to be some inconsistency regarding project finances, as discussed above in Section 2c.