



1. Project Data:		Date Posted : 12/17/2002	
PROJ ID: P046499		Appraisal	Actual
Project Name : Health Restructuring	Project Costs (US\$M)	49.53	7.98
Country : Kazakhstan	Loan/Credit (US\$M)	42.5	7.55
Sector(s) : Board: HE - Health (93%), Central government administration (7%)	Cofinancing (US\$M)		
L/C Number : L4457; LP359			
	Board Approval (FY)		99
Partners involved :	Closing Date	12/31/2003	03/15/2002
Prepared by :	Reviewed by :	Group Manager :	Group:
Roy Jacobstein	Roy Gilbert	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
<p>The Project was part of the Government's Health Reform Program, whose objective was to achieve a sustainable, performance-oriented health system through: (a) modernization and improvement of the quality and efficiency of the health care system at the national level; and (b) (i) implementation of integrated health reform; (ii) strengthening of the quality and cost effectiveness of primary health care (PHC); and (iii) improvement of financing and management capacity for health reform; (ii) strengthening of the quality and cost effectiveness of primary health care (PHC); and (iii) improvement of financing and management capacity for service delivery in East Kazakhstan (EKO) and Almaty oblasts.</p>			
b. Components			
<p>The Project had four national components, and three regional components. The national components were: (1) <u>Tuberculosis (TB) Control</u>, (2) <u>Health Promotion</u>, (3) <u>Health Policy and Evaluation</u>, and (4) <u>Clinical Training Centers for General Practitioners (GPs)</u>. The regional components were: (5) <u>Primary Health Care (PHC)</u>, (6) <u>Facility Rationalization</u>, and (7) <u>Financial and Management Strengthening</u>.</p>			
c. Comments on Project Cost, Financing and Dates			
<p>The loan was canceled mid-term, at which time total project financing was only \$7.98 million, 16% of the total appraisal estimate for the overall project. At the time of cancellation, the Government had only contributed 3% (\$160,000) of its planned \$5.3 million contribution. (An additional comment about the presentation of financial information in the PIF: the Key Amount entered automatically on Page 1 for Total Cancellation [\$62 million] seems wrong. ICR Annex 2 implies an actual/latest estimate [no totals are given] of \$7.55 for Bank financing.</p>			
3. Achievement of Relevant Objectives:			
<p>The Project did not achieve its development objectives. In addition, the Government's policy and program commitment to the parameters of health reform was very anemic, only two reflections of which were its minuscule financial commitment to the Project and the Project's being terminated early. The project did have some modest and/or potentially ground-laying achievements in some components, e.g., TB Control and Clinical Training Centers for General Practitioners.</p>			
4. Significant Outcomes/Impacts:			
<p>There were several achievements within the project's seven components which if sustained might be seen in retrospect as significant. Since the nationwide introduction of Direct Observable Treatment of TB, Short Course (which antedated project effectiveness by a year), Kazakhstan has realized a 42% reduction in TB-related mortality, a decrease in TB incidence and a cure rate of 83%. TB Control was also the project component where the various international donors worked together effectively (so that not all of this achievement is attributable to the project). Capacity enhancement was supported through both equipment and training. Two of the planned five Clinical Training Centers (CTCs) for GPs were completely renovated</p>			

and all five CTCs were equipped. Training is proceeding in at least one CTC and 28 trainers were trained in family medicine. One hundred health facilities were upgraded and equipped.

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

Government commitment and support was negligible. Health Promotion, which entailed considerable technical assistance, which the Government opposed, accomplished almost nothing. Health Policy and Evaluation accomplished nothing, and, according to the ICR was “marked by a diminishing commitment and even understanding of the reform agenda.” Similarly, Facility Rationalization and Rehabilitation had no achievements (and no disbursements). In the TB Control component, no evaluation of behavior change among trainees was conducted and “considerable misdiagnosis of TB is still prevalent.” Of the five Clinical Training Centers to be developed, only two were completely renovated and are conducting training to some extent. Only 19% (100 of 532) of the planned total of PHC facilities were equipped. The overall number of project-generated trainees (either primarily or secondarily) is not indicated in the ICR but seems minimal, especially given that “the general lack of support for development of general practice at MOH level makes it difficult both for rectors and trainees.” Financing reforms for primary care have not been introduced as yet.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Unsatisfactory	Outcome, the extent to which the project's major relevant objectives were achieved, is rated as Unsatisfactory because the project has failed to achieve, and is not expected to achieve, most of its major relevant objectives, with only minor development benefits. This clearly is the situation here, with actual project achievements as documented in the ICR at best modest and essentially only ground-laying, and only seen in several of the seven components.
Institutional Dev .:	Modest	Modest	
Sustainability :	Unlikely	Highly Unlikely	Sustainability is rated as Highly Unlikely because project net benefits flow meets few of the relevant factors determining overall at the 'substantial' level. This judgment seems obvious given the almost total lack of government commitment at the financial as well as policy and program levels.
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Unsatisfactory	Highly Unsatisfactory	Borrower Performance is rated Highly Unsatisfactory because borrower Performance was rated less than Substantial on all factors, and Negligible on several. Again, the lack of government commitment at the financial as well as policy and program levels is amply documented in the ICR, and is reflected in the percentage of committed funds—3%—that the Government actually provided.
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 projects, most notably that high government ownership is critical to project success. Conversely, its absence almost guarantees failure and should be a red flag about a potential project's moving forward. An indicator of such lack of ownership and commitment is the (almost absolute) refusal to accept outside technical assistance, as was the case in this project. Additional lessons are that given the inherently political and far-ranging nature of health reform, technical and political aspects must be dealt with in concert, pro-actively, and continuously. Implementing and donor partners are important co-factors in project success and should be involved in all stages of the project. With new Borrowers (especially), intensive “education” with respect to Bank procedures, as well as optimal structuring and use of the PCU, can greatly facilitate timely, transparent and effective implementation.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

Overall, the ICR is well-organized and written. It provides frank, sound analysis about the extent of results within project components, and its section on lessons learned is especially cogent and useful. However, in a number of instances it shies away from drawing the judgments that would seem to flow from its observations. It is clear from reading the ICR that the essential lack of tangible Government support for the project (as well as for health sector reform in general) and the paucity of meaningful results at the level of the project's components warrant an overall Outcome rating of Unsatisfactory. In the ICR text, Outcome is unrated, on the grounds that the loan was canceled mid-term, but such cancellation is itself an indicator of unsatisfactory project outcome. However in the ICR's table of Principal Performance Ratings, Project Outcome is given as Satisfactory. This discrepancy is not acknowledged or addressed.