Report Number: ICRR0022323

1. Project Data

Project ID P126278	**Project Name** HEALTH & SP 2
Country Kyrgyz Republic	**Practice Area(Lead)** Health, Nutrition & Population

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-52350,IDA-H8390,TF-15135	31-Dec-2018	27,056,000.00
Bank Approval Date	**Closing Date (Actual)**	
03-May-2013	31-Dec-2019	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	16,500,000.00	11,963,500.00
Revised Commitment	28,458,330.72	11,960,000.00
Actual	27,056,000.00	11,960,000.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
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2. Project Objectives and Components

a. Objectives

According to the Financing Agreement (p. 5), the project development objectives (PDOs) were to: "(1) improve health outcomes in four health priority areas in support of the "Den Sooluk" National Health Reform Program 2012-2016; and (2) enable the government's efforts to enhance the effectiveness and targeting performance of social assistance and services." The four priority areas specified under the first objective were cardiovascular disease (CVD), mother and child health care (MCH), tuberculosis (TB), and HIV/AIDS. The Den Sooluk health sector strategy, approved by the government in May 2012, was built on three pillars:

expected health gains, core services needed to achieve expected health gains, and removal of health systems barriers that undermine delivery of core services and hence achievement of health gains.

At a 2017 restructuring, the project's scope was narrowed and the objectives were revised. According to the Restructuring Paper (para 18) and the ICR (p. 12), the revised objective was: "to contribute to improving delivery of quality maternal and child health care services within the "Den Sooluk" National Health Reform Program." Due to the revision of objectives, a split rating is performed here. At the time of restructuring, 50.4% of project funds had been disbursed.

b. Were the project objectives/key associated outcome targets revised during implementation?
Yes

Did the Board approve the revised objectives/key associated outcome targets?
Yes

Date of Board Approval
07-Mar-2017

c. Will a split evaluation be undertaken?
Yes

d. Components
The project adopted a sector-wide approach (SWAp) with pooling of donor funds for the health sector and traditional investment arrangements for social protection. There were three components:

1. Health sector: **Support for implementation of Den Sooluk program of reforms** (appraisal: US$ 13.5 million; actual US$ 12.1 million). This component was designed to be flexible to adapt to evolving sector and country priorities. Areas of focus were to include improvement in the delivery of core services in the four aforementioned priority areas (CVD, MCH, TB, and HIV/AIDS); health system strengthening, including reforms aimed at increasing hospital autonomy, strengthening primary health care by shifting core services from inpatient to outpatient care, improving prescription practices and rational drug use, expanding community-based mental health, increasing preventive services, and implementation of health information systems; support to the State Guaranteed Benefits Package (SGBP); and strengthening fiduciary capacity in the health sector.

2. Social protection sector: **Strengthening the policy and administrative capacity of the Ministry of Social Development (MSD)** (appraisal: US$ 3.0 million; actual US$ 3.0 million). This component was intended to strengthen institutions, enhance human resource capacity, and improve design and delivery of programs to support the poor and vulnerable. Its two sub-components focused on: (a) improving the effectiveness of the social safety net, through technical assistance and capacity building in the areas of program design and delivery; design, piloting, and evaluation of selected interventions; and diagnostic and analytical work; as well as support to continue implementation and improvement of the registry of social assistance beneficiaries and design of a comprehensive information and communication technology strategy focusing on improved benefit administration and better outreach to the poor; and (b) support to strengthening national policy toward vulnerable groups, including people with special needs, through a diagnostic review of the Disability Certification Service and technical assistance to help the MSD (which

later became the Ministry of Labor and Social Development, MOLSD) design and test an integrated approach to provision of social services.

By the time the mid-term review was conducted in June 2016, some shortcomings in the project's initial approach had become evident. While the SWAp effectively supported policy dialogue and donor coordination, there was no clear sense of precise activities that would support reaching desired outcomes. It also became clear that the initial PDO of improved health outcomes was too ambitious to be achieved during the project's time frame; that the level of project funding, at only 5% of total spending from public and external sources, was too modest to demonstrably influence health outcomes; and that client capacity was insufficient to cover all four planned service areas (CVD, MCH, TB, and HIV/AIDS). In addition, the situation with maternal health had become critical. Even with maternal health service coverage indicators having reached above 90%, maternal mortality remained persistently high, indicating a need to shift focus toward improving the quality of those services and strengthening emergency obstetric care. A decision was therefore taken to focus the project on delivery of quality MCH services only, with the second component retooled to support increased access for the poor and vulnerable to those services.

The first component was renamed and its scope narrowed: **Strengthening the delivery of quality MCH care services within the Den Sooluk National Health Reform Program**. It was refocused to helping the country maintain high coverage of maternal health services, including antenatal care, postnatal care, and institutional delivery, and to gain additional improvements in the delivery of child health services. Activities were to include strengthening the delivery of Emergency Obstetric and Neonatal Care (EmONC) services, developing clinical protocols and guidelines, procurement of family planning methods, and providing competency training for the health workforce on EmONC, primary care, maternal health care, and family planning services.

The second component was completely reoriented to indirect support for the revised PDO through strengthening of the health system, also bringing health and social protection together by focusing on social protection activities that were linked to health: **Strengthening the health system within the Den Sooluk National Health Reform Program**. Activities were to include integration of TB, HIV/AIDS, and CVD services within the delivery of primary care services through development of clinical protocols and training of health workers, services for pregnant women with HIV/AIDS, and procurement of equipment and technical assistance for primary care laboratories; improvement of SGBP delivery through development of legislation for pharmaceuticals, a drug database for hospitals, and technical assistance for centralized procurement of medicines and overall stewardship of MOH at the central and oblast levels; and improvement of the registry of SGBP beneficiaries through strengthening data exchange mechanisms between the MOLSD and MOH (focusing on certification of co-payment exemption for people with disabilities), as well as enhanced beneficiary enrollment and registration for the Monthly Benefit for Poor Families with Children (MBFP) program.

The third component remained unchanged:

3. **Contingency emergency response** (no funds allocated). This component was to improve the government's response capacity in the event of an emergency. In such a case, upon request from the

government, the project would reallocate funds from Den Sooluk to mitigate potential adverse consequences from the emergency situation under a previously agreed Emergency Financing Plan.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

The project was initially to be financed by an SDR 5.9 million (US$ 9.07 million) International Development Association Credit and SDR 4.9 million (US$ 7.43 million) Grant, amounting to total planned Bank financing of US$ 16.5 million. Bilateral agencies (not identified in the PAD) were to contribute US$ 26.1 million, and the government US$ 1327.1 million, all toward health sector support, for a total program cost of $1369.7 million (of which $1366.7 million was for the health sector, and only the IDA contribution of US$ 3 million was for the social protection sector). Co-financing from a US$ 11.96 million grant from the Swiss Agency for Development and Cooperation (SDC) became available in February 2014.

According to the ICR (p. 2), US$ 15.1 million of IDA funds were actually disbursed, and the US$ 11.96 million SDC grant and US$ 26.1 million in unspecified bilateral agency funding were fully disbursed. The government provided US$ 1345.8 million, slightly more than planned. Total financing for the program was therefore US$ 1398.0 million. The project team later stated that the bilateral funding was from KfW, the German development bank.

The project was approved on May 3, 2013 and became effective on July 11, 2014; effectiveness was delayed because of issues with parliamentary ratification of the Financing Agreement. In November 2015, the closing date of the SDC grant was extended from June 30, 2016 to June 30, 3017; in April 2017, the SDC grant's closing date was again extended to December 31, 2018; these extensions were necessary because of the SDC's cycle for releasing funding. On March 7, 2017, a Level 1 restructuring revised the PDOs, results framework, and components. The closing date for the entire project was extended in September 2018, from December 31, 2018 to December 31, 2019, to accommodate early delays and allow for completion of planned activities.

3. Relevance of Objectives

Rationale

The project's original objectives were relevant to country conditions and government strategy. At appraisal, the Kyrgyz Republic was one of the poorest countries in the Europe and Central Asia region. A new government formed in September 2012 had launched a program of security, governance, anti-corruption, and ethnic reconciliation. The country had taken wide-ranging health financing and organizational reforms beginning in 1995 under a series of health strategies: Manas (1996-2006), Manas Taalimi (2006-2011), and Den Sooluk (2012-2016). The Manas program successfully implemented fundamental reforms to health care financing and put in place an SGBP covering all levels of care. Manas Taalimi, supported by pooled funding of a SWAp, achieved results in protection of the population from catastrophic health-related expenditures, but challenges remained in building MOH capacity, and progress on health outcomes was uneven. The PAD for this project (pp. 2-4) identified need for further improvement in the areas of MCH, CVD, multi-drug resistant TB (MDRTB), and HIV/AIDS, all of which were priority areas of the Den Sooluk. In terms of broader social protection, poverty had increased in the aftermath of conflict events in 2010, with strong urban-rural and regional dimensions. A medium-term Social Protection Development Strategy for

2012-2014 had been developed and approved by the government in 2011, intended to reduce poverty and improve the well-being of vulnerable groups such as families with children, the disabled, and the elderly. The main challenges identified in the PAD (pp. 4-5) were low benefit amounts, low coverage (high exclusion error), misalignment between pensions and social protection benefits, and lack of social services specifically for vulnerable groups.

The project's original objectives were also relevant to Bank strategy at both appraisal and closing. The Interim Strategy Note (ISN) for the Kyrgyz Republic (2011-2013) focused on recovery and stabilization needs, while paving the way for support for long-term development. The project supported two of the ISN's three pillars: improving governance, effective public administration, and reducing corruption, aligned with the project's focus on improving governance and capacity of the health system and improving health outcomes; and social stabilization, through social services, community infrastructure, and employment, with emphasis on the South, aligned with the project's focus on increased efficiency of social spending. The Country Partnership Framework at closing (2019-2022) contains an objective to develop human capital and specifically references concern about poor MCH outcomes due to low service quality, as well as the need to more completely and accurately provide poor and vulnerable households with social services (pp. 25-26).

The original objectives, however, were ambitious in their focus on health outcomes across four areas, even within the context of the Bank's long engagement in the sector. Improving health outcomes was beyond the influence of the project and the health sector. The revised objectives became more highly relevant in their focus and level of ambition.

Rating
Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1
Objective
Improve health outcomes in four health priority areas in support of the "Den Sooluk" National Health Reform Program 2012-2016

Rationale
The theory of change for the original health objective postulated that investments in equipment and training of health workers and strengthening of MOH capacity would strengthen the health care system, including improved delivery of core services in CVD, MCH, TB, and HIV/AIDS. In parallel, pooling of funds with other donors and revision of the SGBP would reduce the financial gap in the SGBP. Stability of available financing and improved service delivery were then expected to lead to improved health outcomes in the four priority areas (CVD, MCH, TB, and HIV/AIDS). This theory of change was plausible over the long term but unlikely to produce observable results over the project's time frame.

Outputs

The project supported the development of a human resources strategy for primary health care, and a master plan for optimization of health service delivery was developed.

3,374 family doctors, feldshers, and TB doctors and nurses were trained on TB clinical protocols and guidelines, exceeding the target of 3,300. A new approach to patient-centered TB care was developed and piloted in two regions.

5,176 family doctors, feldshers, and nurses were trained on CVD clinical protocols, exceeding the target of 4,500.

2.08 million people received essential health, nutrition, and population services, exceeding the target of 1.82 million.

Five disease management programs were created, exceeding the target of two programs. Prior to project restructuring, according to the ICR (p. 20), these programs remained siloed, and there was little systematic investment in key health system building blocks. However, beginning in 2016-2017, new methods of primary health care financing were put in place to motivate health care workers for the successful completion of treatment of TB patients, and primary health care facilities were actively engaged in provision of HIV prevention and treatment services.

Outcomes

Maternal mortality declined from 50.3/100,000 live births in 2012 to 27.8/100,000 in 2019. According to the ICR (p. 19), an analysis of the leading causes of maternal mortality showed that postpartum hemorrhage decreased, causing 30% of all maternal deaths in 2012 but 13% in 2018, indicating improvement in the management of complications during delivery. Child mortality decreased from 23.4/1,000 live births in 2012 to 17.4/1,000 in 2019.

The CVD death rate decreased from 331.3/100,000 people in 2012 to 265.7/100,000 in 2018. The ICR (p. 19), however, reported that the role of primary health care services in detecting and managing non-communicable diseases did not substantially improve, there remain gaps in the competencies required for primary and secondary prevention among front-line staff, and the quality of clinical care continues to need strengthening.

The TB mortality rate decreased from 6.7/100,000 people in 2014 to 4.6/100,000 in 2018. However, MDRTB remains a challenge. The rate of successful treatment of patients with MDRTB increased from 42.4% from 2012-2017 to 53.3% in 2018, not reaching the Den Sooluk target of 75%. The ICR reported that mechanisms to ensure effective monitoring and control of TB treatment for patients on new treatment regimens on an outpatient basis are not in place, and that the resources and capacity of primary health care are insufficient to provide a full package of services for such patients. The project team noted that there was increased focus on primary care following restructuring, but that these challenges cannot be fully addressed in a short period of time. In addition, the share of people living with HIV infection who continue anti-retroviral therapy a year

after beginning treatment began to drop due to stigma and discrimination as well as late diagnoses. The project team stated that there were also challenges related to key population groups' unwillingness to receive treatment.

Achievement of this objective is rated Substantial, but marginally so, based on progress on delivery of MCH services that plausibly contributed to the observed decline in maternal mortality. The project's contribution to observed improvements in CVD and TB outcomes is less clear, and no data were provided on health outcomes related to HIV/AIDS.

Rating
Substantial

OBJECTIVE 2
Objective
Enable the government's efforts to enhance the effectiveness and targeting performance of social assistance and services

Rationale
The theory of change for the original social protection objective held that advisory services and training in the areas of social safety net program design and delivery, specifically focusing on use of the registry of social assistance beneficiaries, reform of the Disability Certification Service, and design and testing of an integrated approach to provision of social assistance, would improve targeting and delivery of these services.

Outputs

A road map for reform of disability services was developed.

The number of districts where the Social Registry Information System was rolled out increased from 20 in 2013 to 57 in 2019, meeting the target. 100% of families receiving social assistance (MBFP) were electronically registered, meeting the target. The ICR (p. 21) explained that the MOLSD was initially reluctant to take decisive measures toward modernization of the benefits targeting system, linked to concerns about popular discontent in advance of 2015 parliamentary elections, but progress accelerated following a government resolution to adopt the information system as the primary tool and database for administration of key social protection programs beginning in January of 2016.

Outcomes

Processing efficiency of the MBPF program increased, with turnaround time for processing applications decreasing from 8 days to 3 days in 2019, exceeding the target of 5 days. However, overall targeting

performance did not improve as anticipated. The share of social assistance spending on poverty-targeted programs increased from 15.5% in 2013 to 23.8% in 2016, not reaching the target of 35%. Exclusion errors of the MBFP program increased from 71% (neither the ICR nor the project team provided the baseline year) to 79% in 2013, and the value was not subsequently measured, not reaching the target of 60%. The project team stressed that, at restructuring, the project moved away from targeting issues toward an increased focus on delivery systems issues.

Rating
Modest

OBJECTIVE 3
Objective
The original project did not contain a third objective.

Rationale
The original project did not contain a third objective.

Rating
Not Rated/Not Applicable

OBJECTIVE 3 REVISION 1
Revised Objective
Contribute to improving delivery of quality maternal and child health care services within the "Den Sooluk" National Health Reform Program

Revised Rationale
The theory of change for the revised objective held that equipping all major hospitals with required basic equipment and supplies to provide EmONC, upgrading of laboratory capacity, training of providers on family planning and other key services, and strengthening implementation and fiduciary capacity at the MOH and facility levels would lead to maintenance of high levels of MCH service coverage, adherence to evidence-based protocols, and strengthening of prescription practices and rational drug use—all markers of improved quality of services. Continued pooling of funds with the government and other donors, as well as revision of the SGBP and co-payment policy, were expected to lead to rationalization of the scope of benefits and services under the SGBP package. Provision of advisory services and training in the areas of social safety net program design and delivery, with focus on review and development of a roadmap for reform of the Disability Certification Service, was to strengthen social service provision for vulnerable groups, particularly people with special needs. Together, these interventions were plausibly aimed at improved delivery of quality MCH services, including for the poor and vulnerable.

Outputs

The project supported the development of clinical guidelines and training of health workers who attend deliveries in all 63 rayon-level hospitals. Clinical protocols and guidelines on obstetrics, gynecology, and neonatology were developed.

Maternity units of seven regional hospitals, two perinatal centers in Bishkek and Osh, and the National Center of MCH were provided with a full set of basic equipment necessary for emergency obstetric care. The number of facilities adequately equipped to provide emergency obstetric and neonatal care increased from zero in 2013 to ten in 2019, meeting the target. Laboratory services and physical infrastructure (heat, water, sewerage) at these facilities were also strengthened.

The proportion of pregnant women registered prior to the 12th week of pregnancy increased from 76.7% in 2013 to 82.4% in 2019 (there was no target for this indicator). The number of women receiving any antenatal care increased from 148,000 in 2013 to 1.05 million in 2019, exceeding the target of 909,000. The number of births (deliveries) attended by skilled health personnel increased from 150,000 in 2013 to 1.1 million in 2019, exceeding the target of 916,000.

The percentage of HIV-infected pregnant women who received antiretroviral drugs to reduce risk of mother-to-child transmission increased from 96.1% in 2013 to 97.7% in 2019, exceeding the target of 95%. The project team explained that the target was set lower than baseline because the indicator was not performing well at restructuring, having decreased from 96.1% in 2013 to 92.6% in 2015.

767 providers were trained in postnatal and postabortal intra-uterine device insertion and removal, exceeding the target of 200.

The MOH worked with partners within the framework of GAVI, the Vaccine Alliance, to support vaccination coverage. The number of children under one year of age immunized against diphtheria-tetanus-pertussis increased from 135,000 in 2012 to 987,476 in 2019, exceeding the target of 838,848. The number of children under one year of age immunized against polio increased from 130,000 in 2012 to 982,793 in 2019, exceeding the target of 837,000.

Through the project, the MOH, MOLSD, and Ministry of Education piloted an assessment of disability status and development of individual rehabilitation programs for children with infantile cerebral paralysis, covering 175 children. Based on the outcomes of this pilot, the MOLSD defined further steps for development of disability assessment, incorporated into a 2020-2023 road map for optimization of the disability assessment and rehabilitation services systems.

The project supported continued development of the MOH stewardship function at the central and oblast levels, including a series of policy events on defining and revising the SGBP, organizing the service delivery system for provision of integrated and patient-centered care, strengthening strategic purchasing, and improving governance.

Outcomes

The percentage of normal deliveries in district hospitals that received services following clinical protocols increased from 5.7% in 2014 to 84.1% in 2019, surpassing the target of 58%. The percentage of complicated deliveries in district hospitals that received services following clinical protocols increased from 2.5% in 2014 to 43% in 2019, meeting the target of 43%.

The percentage of cases of diarrhea treated with oral rehydration therapy increased from 77% in 2013 to 88.5% in 2019, exceeding the target of 80%. The number of children treated with ORS for diarrhea or with antibiotic for pneumonia increased from 53,000 in 2013 to 193,649 in 2019, exceeding the target of 177,000.

Government health expenditures as a percentage of total government expenditures remained essentially constant, at 13.7% in 2013 and 13.1% in 2019, meeting the target of 13.1%. The percentage of negative deviations of the executed health budget from the initially approved budget and quarterly allocations and execution of the health budget decreased from 5% in 2012 to 2% in 2019, exceeding the target of 4.4%.

Revised Rating
High

OVERALL EFFICACY
Rationale
Overall efficacy under the original objectives was Substantial, but with shortcomings, given the project's contribution to high achievement of improved health outcomes related to MCH, some progress on TB and CVD, and no data on HIV/AIDS, and only modest progress in improving the targeting of social services.

Overall Efficacy Rating

Substantial

OVERALL EFFICACY REVISION 1
Overall Efficacy Revision 1 Rationale
Overall efficacy under the revised objective was High, with the project having implemented key interventions related to improving the quality of maternal and child health services and surpassing outcome targets.

Overall Efficacy Revision 1 Rating

High

5. Efficiency

The PAD's economic analysis included an extensive cost-effectiveness table for key interventions to be introduced by Den Sooluk (PAD, pp. 22-24), with US$ per averted disability-adjusted life year (DALY) ranging from US$ 22 (for prescription of Aspirin and beta-blockers for patients with high risk of myocardial infarction) to US$ 14,000 (for access to thrombolytic therapy for patients with myocardial infarction). Most listed interventions were in in US$ 50-200 range, with the cost per DALY averted well below the country's GDP per capita (US$ 1070 in 2011). The PAD (pp. 26-27) also demonstrated that, in the Kyrgyz Republic, means-tested social benefits perform better than other social benefits in reducing the poverty gap per unit of public resources spent.

The ICR (Annex 4) conducted a cost-benefit analysis, including the benefits accruing from the provision of antenatal care services to pregnant women, the attendance of skilled health personnel during deliveries, child immunization, treatment of children with oral rehydration salts for diarrhea and with antibiotics for pneumonia, provision of PMTCT services for pregnant women with HIV, and increased productivity of health personnel due to project-sponsored training. The analysis used a discount rate of 3% and a time horizon of ten years, with the benefit stream for each intervention defended in detail based on current literature and experience from other projects. It found a net present value of US$ 337.9 million, a benefit-cost ratio of 14.88, and an internal rate of return of 346%, indicating a high value for money. However, no sensitivity analysis was performed.

The alignment of donor funding around the Den Sooluk program helped maintain focus on country priorities and continued policy dialogue throughout implementation. Joint Annual Reviews were conducted with participation of MOH and other government agencies as well as a wide range of development partners.

However, there were moderate implementation inefficiencies. Effectiveness took place 13 months following approval due to delays in parliamentary ratification of the Financing Agreement, an issue common with all Bank-financed projects in the country (ICR, p. 24). It then took another 1.5 years to register a disbursement due to low capacity and high staff turnover in MOH (due to low salaries and therefore poor retention), as well as the appointment of a new health minister in November 2014. According to the ICR (p. 27), the new health minister "was not fully cognizant of SWAp principles and how the SWAp contributed to Den Sooluk." In addition, multiple inspections by prosecutors, the Accounting Chamber, and the anti-corruption agency "interfered with normal functioning of the MOH and generated anxiety among MOH staff" (ICR, p. 28). Following the mid-term review in June 2016 and then the restructuring in spring 2017, implementation progress improved significantly, though there were still important shortcomings in procurement that resulted in a one-year extension of the closing date (see Section 10b). Budget sequestration also caused periodic delays, including a delay of training of health professionals for several months at the end of 2017 (ICR, p. 30).

Despite high returns, efficiency is rated Substantial due to delays, and also because the project achieved a significantly narrowed scope of outcomes while spending the originally planned Credit/Grant amount.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐ Not Applicable
ICR Estimate	✓	346.00	100.00 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Under the original objectives, relevance of objectives, overall efficacy, and efficiency were all rated Substantial, but the moderate shortcomings in achievement of the social assistance objective lead to an Outcome rating of Moderately Satisfactory.

Under the revised objective, Substantial ratings for relevance and efficiency combined with High efficacy lead to an Outcome rating of Satisfactory.

As essentially half of disbursements occurred under each set of objectives, and given High achievement of outcomes under the revised objective, overall Outcome is rated Satisfactory, consistent with minor shortcomings in the project's preparation and implementation.

a. Outcome Rating
Satisfactory

7. Risk to Development Outcome

The project strengthened the governance and stewardship functions, as well as the institutional capacity, of the MOH and MOLSD. Its use of country systems for procurement, financial management, and strategic management, supported by a learning-by-doing approach, has contributed to sustainable capacity development (ICR, p. 26). However, substantial risks to achieved outcomes remain, including socioeconomic and geographic inequality, low civil service salaries and resulting issues with MOH staff retention, poor quality of health services, lack of emphasis on practical skills in the training curriculum for health care providers, weak integration of services at the primary care level, turnover of health staff in remote areas, understaffing of oblast-level MOH entities, and uneven commitment to addressing health challenges at the local government level. A new health strategy is now under implementation; the ICR (p. 35) describes partner support for this next phase of health sector development as "pivotal and catalytic" in its capacity to leverage funds from additional parallel financiers, non-traditional donors, and the private sector. A follow-on Bank PforR project, the Primary Health Care Quality Improvement Program (2019-2024, US$ 20 million), has moved away from general sector-wide support of the government to a focus on tangible results.

8. Assessment of Bank Performance

a. Quality-at-Entry

At appraisal, the project's overall implementation risk was rated High (PAD, pp. 21-22, and Annex 4), despite the Bank's extensive prior experience in the health sector, due to stakeholder, capacity, and governance risks. The key risks affecting the health sector included the possibility of policy redirection or decrease in external support, unclear coordination mechanisms with other partners, weaknesses in the government's overall fiduciary management and multi-year budget planning and execution, and relatively low MOH capacity. Risks related to the project's social protection elements included multiple pressures on the government to reverse its policy of targeting more resources to the poor, and threats to the MSD agenda due to lack of necessary budget funding. The Bank's mitigation strategies featured inclusion within each component of room for in-process adjustments, as well as continuous and systematic efforts to strengthen institutional capacity at key agencies and, for social protection, coordination of policy advice with other partners. As stated in the ICR (p. 33), the project spread "reform risk" across multiple fronts and allowed for strength and progress in one direction to compensate for weaknesses that might develop in another. Several key lessons from prior experience were evident (PAD, pp. 14-15): pooling funds in a SWAp arrangement creates ownership among other ministries, including the Ministry of Finance; MOH should focus on its stewardship role, with the development of fiduciary capacity focused at the facility level rather than crowding the MOH with fiduciary staff; and a robust communications strategy is necessary to secure support for difficult and sensitive reforms.
For social protection, the PAD (pp. 15-16) acknowledged comparatively weak capacity and fragmented policy making as well as relatively modest prior Bank assistance. The PAD noted that cooperation with other donors covering social protection would be vital to achieving synergies, providing harmonized policy advice and support, and reducing overlaps and duplication.

There were significant shortcomings. The project was complex and ambitious compared with existing client capacity and available funds. The health-related part of the PDO focused on health outcomes that were longer-term than the planned project implementation period, and that were in part outside the project's (or the health sector's) capacity to influence. Risk mitigation strategies proved inadequate over the first several years of implementation, until the project's scope was narrowed. Most of the initial PDO-level indicators did not directly measure achievement of the original objectives. The linkage of health and social protection objectives in a single project made sense from a conceptual viewpoint (take advantage of the momentum of the existing health SWAp, capitalize on political support for poverty reduction, and avoid the cost of preparing a stand-alone social protection project), but planned synergies were not supported by project implementation arrangements that envisaged separate management of each component (ICR, p. 27).

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

Supervision took place on a regular basis, and Implementation Status Reports were realistic and candid. A downgrading of the project to Moderately Unsatisfactory in January 2016 triggered discussions within the project team to diagnose problems and begin dialogue on possible restructuring. The mid-term review in

June 2016 marked the project's turnaround and led to the Level 1 restructuring. The restructuring simplified project design, focusing on a single, clearly identified priority area (MCH), with measurable results that were more attributable to the project's interventions and achievable within the project's lifetime.

The Bank was the lead coordinating and convening partner among the joint financiers and development partners more broadly. The Bank reviewed and approved the annual procurement plan, providing prior review and no objection not only on the joint financiers' funding, but also government funding (other partners fulfilled other responsibilities, with the division of labor clearly defined). The Bank used its convening power under the project for ongoing policy dialogue, including engagement with the Ministry of Finance and tracking its obligations on the allocation of public funds for health and on the full use of those funds (ICR, pp. 33-34). The Joint Annual Reviews focused appropriately on achievement of broad program objectives.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
For the health sector, the project had two sets of indicators: PDO-level indicators used to monitor government commitment and evaluate whether essential preconditions for achieving the Den Sooluk strategy were in place (health spending), as well as progress toward achieving Den Sooluk's key objectives (access to key services and financial protection of the population); and Joint Assessment Framework indicators used by all development partners as a set of intermediate indicators, tracking process in health gains and health system strengthening. JAF indicators were to be monitored through two rounds of studies (2013 and 2015) measuring coverage of core services focusing on CVD, MCH, TB, and HIV/AIDS. Large-scale surveys (on informal payments and a household survey) were to be conducted twice during the project implementation period. In line with the proposed implementation strategy for Den Sooluk, M&E capacity was to be strengthened at sub-national and institutional levels. It was a significant shortcoming that the initial set of PDO indicators did not include measures of the PDO to improve health outcomes in CVD, MCH, TB, or HIV/AIDS; and at any rate, achievement of the objective itself was beyond the influence of the project or the health sector. In addition, several of the PDO and intermediate indicators lacked accurate baselines.

For social protection, the MSD had developed an M&E framework with a matrix of indicators to track implementation of the 2012-2014 Social Protection Development Strategy. Key sources of data for monitoring progress under the project were to include MSD administrative records, the social assistance beneficiary registry, data on public expenditures, and the Kyrgyz Integrated Household Survey. Social purpose sample surveys were also to be developed to support the MSD in evaluation of pilots in targeted social assistance and new social care models (PAD, p. 19).

b. M&E Implementation

At the 2017 restructuring, the results framework was revised to remove five PDO-level indicators that no longer applied and add four new PDO-level indicators that were both relevant and measurable. Nine new intermediate results indicators were added, and nine were dropped. The MOH regularly collected and reported data to track progress along the revised indicators. JARs were undertaken across the project's lifetime. The project's mid-term review (2016) and an end-of-program review of Den Sooluk (2018) were rigorous and candid (ICR, p. 31).

c. M&E Utilization

The mid-term review and end-of-program review of Den Sooluk informed the project's restructuring and course of implementation. According to the ICR (p. 31), project M&E was also used to stimulate and inform policy dialogue, to prioritize activities to support the health reform agenda, and to inform design of the government's new health sector program.

Though there were significant shortcomings in M&E design, the results framework was substantially improved at the mid-term review, and from that point forward indicators were diligently measured and reported in a timely manner. M&E data and analysis were effectively used. Based on rectification of shortcomings at restructuring, overall M&E Quality is rated Substantial.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The project was rated Environmental Assessment Category B and triggered OP/BP 4.01, Environmental Assessment. Minimal to moderate environmental impacts were anticipated from civil works for rehabilitation or construction of MOH facilities in various locations around the country (PAD, pp. 32-33). The Environmental Management Plan from the Bank's previous health projects was modified for this project as an Environmental Management Framework, to include a screening tool that would identify sub-project activities that would require environmental assessments and management plans. The Department of Sanitary Epidemiological Surveillance and United Directorate of Construction Enterprises under the MOH was to undertake safeguards functions for the project. According to the ICR (p. 32), the overall safeguards rating was Satisfactory throughout project implementation.

b. Fiduciary Compliance

During the first several years of implementation, procurement capacity was insufficient, as only two procurement specialists were available (ICR, p. 28). In 2015, the chief accountant of the MOH resigned, and there was significant turnover in the members of the fiduciary team. As of November 2015, four legal covenants related to procurement and financial management were overdue. In 2016, it was recommended that MOH seek the necessary budget for intensive procurement training. Capacity was built slowly through a learning-by-doing process with the close support from the Bank's procurement team (ICR, p. 32). Even after the project was restructured, however, continued turnover and understaffing of the procurement unit led to delays in implementing several key contracts for goods and services, including the development of a master plan for optimization of the health facilities network, e-Health and medical equipment procurement packages, and EmONC equipment for all ten hospitals. These delays led to the need to extend the project's closing date by one year.

According to the ICR (p. 32), the MOH and MOLSD carried out financial management responsibilities in a satisfactory manner, with no issues identified. Quarterly financial reports were prepared and submitted in a timely manner, and audit reports had unqualified opinions.

c. Unintended impacts (Positive or Negative)

None identified.

d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Quality of M&E	Modest	Substantial	Though there were significant shortcomings in M&E design, the results framework was substantially improved at the mid-term review, and from that point forward indicators were diligently measured and reported in a timely manner.
Quality of ICR	---	Substantial	

12. Lessons

The ICR (pp. 35-36) offered a series of candid and valuable lessons, including:

Long-term use of the SWAp mechanism can create challenges in balancing high-level dialogue and donor coordination with a focus on concrete actions and results. In this case, a decision was made at the end of the project to pursue a follow-on PforR approach in lieu of continuing sector support.

Continuity and effective stewardship at the ministerial level is key. In this case, high staff turnover in the Ministry of Health, high turnover of ministers, and lack of a strong governing board at the Mandatory Health Insurance Fund revealed the need for sustainable capacity building.

Synergies between the health and social protection agendas must be identified at the design stage in a joint project. In this case, separating the health and social protection elements into two disconnected components prevented the full realization of the potential benefits of linkage, eventually requiring restructuring to make the connections more focused and explicit.

13. Assessment Recommended?

Yes

Please Explain

There are valuable potential lessons in attempted linkages of health and social protection interventions, as well as the decision to move away from an extended period of sector-wide support to a more results-focused follow-on PforR project.

14. Comments on Quality of ICR

The ICR was candid and focused on results, with strong linkages between project activities, intermediate outcomes, and outcomes, and careful immersion of the project within the overall health SWAp and Den Sooluk program. The ICR supplemented data from project M&E with additional sources of information in order to assess achievement of the project's objectives. However, there were minor shortcomings. The procedures for assessing a project with revised objectives were not correctly stated (p. 17, para 29), as the ICR assessed achieved outcomes by project "phases." However, it should be noted that the ICR did, in the end, correctly assess achievement of the entire project against end targets (p. 20, para 42).

a. Quality of ICR Rating
Substantial