



Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 04-Sep-2018 | Report No: PIDC162844



BASIC INFORMATION

A. Basic Program Data

Country Kyrgyz Republic	Project ID P167598	Parent Project ID (if any)	Program Name Kyrgyz Health Program for Results
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 21-Jan-2019	Estimated Board Date 30-May-2019	Does this operation have an IPF component? No
Financing Instrument Program-for-Results Financing	Borrower(s) Kyrgyz Republic	Implementing Agency Ministry of Health	Practice Area (Lead) Health, Nutrition & Population

Proposed Program Development Objective(s)

The Project Development Objective is to contribute to improving the quality of primary health care services in the Kyrgyz Republic.

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	1,470.00
Total Operation Cost	50.00
Total Program Cost	50.00
Total Financing	50.00
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	20.00
World Bank Lending	20.00
Total Non-World Bank Group and Non-Client Government Financing	30.00
Trust Funds	30.00



B. Introduction and Context

Country Context

1. **The Kyrgyz Republic is one of the poorest countries in the Europe and Central Asia region, with a GNP per capita of 1,100 USD in 2016.** Its population of 6.1 million (in 2016) is growing rapidly, at 2.1% per year.¹ Kyrgyz economy and society are considered the most open in Central Asia, but the country has witnessed political and social instability during the last decade. While a new constitution was approved by referendum to shift from presidential to a parliamentary system, frequent changes in government and rapid turnover of senior officials have hindered and slowed progress. Economic growth was averaged at a modest 4% per year over the period of 2008-2015. Although significant progress was made in poverty reduction from 52% in 2005 to 21% in 2009, poverty rose again and reached 33% in 2015.² Going forward, the International Monetary Fund projected an average GDP growth of 4.4% per year for the period of 2019-2023. However, growth projections assume continuing efforts to address financial sector weaknesses. Failure to do so would reduce growth prospects and result in added fiscal pressure.

2. **Like in many post-soviet countries, the Kyrgyz population enjoys an almost universal access to basic education and health.** Some 97% of children under age 17 attend school, and only around 2% of the population in 2015 was reported not having access to health services. However, equal access to services is likely undermined by significant variability in the quality of these services across residential and social divisions in the population. For instance, the under-5 mortality rate is more than 50% higher among the bottom 40 than among the top 60 percent of the population, at 37.4 and 24.0 deaths per 1,000 live births respectively.³ Likewise, learning outcomes in education vary widely across residence, social categories, and types of institutions. Children in poor families—regardless of gender—have lower educational attainment compared with the nonpoor, indicating the presence of a vicious cycle of poverty.

3. **A recovery is underway as outlined in the government National Development Strategy 2040.** The Government has made the commitment to improve the access to and the quality of social services (especially health and education) while addressing the regional disparities and inequities among the different income and cultural segments of the society. The Strategy 2040 sets forth three main goals, namely: (i) economic well-being of the people; (ii) social welfare; and (iii) security and favorable environment for the lives of citizens. To complement the National Development Strategy, the government has put in place an action plan for the coming 3 years to guide the efforts of stakeholders. The action plan has identified several areas of priorities among which is the human development arena where education, health and social protection are cornerstones. Under the healthcare dimension, the government is planning to promote several health awareness campaigns, improve the quality of health services, improve the financing system of the health sector, and build the capacity of health personnel.

4. **In summary, the country is faced with significant challenges that could affect the realization of its priority given to the social sectors.** The challenges are associated with the struggle of the young democracy to build strong and stable public institutions as a foundation for economic and social development. This is in the background of a low revenue base due to the slow economic development and small-sized formal sector. These constraints affect policies and fiscal space for the social sectors, despite the government's commitment to human development as a key priority. Going forward, the country needs a new development model to tackle the sources of low overall productivity. At the same time, maximizing

¹ World Development Indicators (WDI) (2016)

² The World Bank Group (2018) Kyrgyz Republic: From Vulnerability to Prosperity. A Systematic Country Diagnostic.

³ National Statistical Committee of the Kyrgyz Republic (NSC), Ministry of Health [Kyrgyz Republic], and ICF International. 2013. Kyrgyz Republic Demographic and Health Survey 2012. Bishkek, Kyrgyz Republic, and Calverton, Maryland, USA: NSC, MOH, and ICF International.



the efficiency of public policies and quality of social services have been identified as important steps to help achieve the government goals as set forth in the National Development Strategy 2040.

Sectoral (or multi-sectoral) and Institutional Context of the Program

5. **Health has traditionally been a priority in the Kyrgyz Republic and the country has achieved better health outcomes compared to other countries with similar income level.** Kyrgyz population enjoys a longer life expectancy, from 66.5 years in 1996 to 70.4 years in 2014, due partly to the significant progress in child mortality reduction from 70.5 death per 1,000 live births in 1990 to 26.6 in 2012. Improvements in undernourishment have been dramatic over the past decade, and the prevalence of tuberculosis was halved between 2000 and 2012. In 2015, the country was declared as having achieved the Millennium Development Goal (MDG) No. 4 on reducing mortality among children under five.

6. **Kyrgyzstan is featured highly in the international literature as a pioneer among the Central Asian and Former Soviet Union countries in health system reforms.** The country has adopted successive health reforms, from Manas (1996-2005) to Manas-Taalimi (2006-2011), and most recently Den Sooluk (2012-2018). It has been praised as achieving “good health at lost cost”.⁴ Among early health reform features that made the country a pioneer in the region are:

- i. An establishment as early as 20 years ago of a **Single Purchaser** of services, the Mandatory Health Insurance Fund (MHIF), which pools funds at the national level to purchase a standardized package of services across rich and poor regions;
- ii. An establishment of a **basic benefit package** (the State Guaranteed Benefit Package - SGBP) that guarantees the whole population with a minimum package of health services focusing on primary health care (PHC) and health prevention, at no or minimal cost;
- iii. A reform of the **service delivery model** to promote family medicine practice at PHC and to rationalize the excess hospital capacity inherited from the Soviet Union time;
- iv. An appreciable **financing priority** is given to the health sector, evidenced by a significant share of total government spending devoted to health; and
- v. A strong **coordination** among donors to support a government-led health reform agenda, underpinned by a Sector-Wide Approach (SWAp) mechanism.

7. **Going forward, the government is committed to steering health reforms to the right direction.** A decision was made earlier this year to increase doctors’ salaries at the PHC level, to be in effect by the end of 2018. This policy is a welcomed step and is expected to attract more family medicine doctors to the rural areas. In parallel, the government is also keen on continuing the unfinished agenda of rationalizing secondary hospital network. With support from the current World Bank-led operation, the Second Health and Social Protection Project (SWAp2), the MOH is procuring consulting service for developing a master plan for service delivery. Once completed, the master plan will provide recommendations on future infrastructure investments in the health sector and a framework for an integrated, patient-centered health service configuration.

8. **On this background, the government has prepared a new health sector program which sets priorities and draws the attention of the different stakeholders to key issues in the health sector.** The new program - The Program of the Kyrgyz Republic Government on Public Health Protection and Health Care System Development for 2019-2030 – adopted the motto “Healthy Person - Prosperous Country” to emphasize the importance of health as an investment to achieve

⁴ Balabanova, D., Mills, A., Conteh, L. et al (2013) Good Health at Low Cost 25 years on: lessons for the future of health systems strengthening. The Lancet, 381 (9883): 2055-2134



economic development. The program has identified priority areas including improving primary health care and public health, rationalization of hospital and ambulance services, and strengthening the different building blocks of the health system. The program serves as a guiding document for the sector and an instrument to mobilize and harmonize development partners' support, including the support from the upcoming PforR.

Relationship to CAS/CPF

9. **The World Bank has established twin goals to anchor its overarching mission, and to galvanize international and national efforts in this endeavor** to: (i) end extreme poverty at the global level within a generation, and (ii) promote shared prosperity which is defined as a sustainable increase in the wellbeing of the poorer segments of the society. The operation will contribute to the achievement of both goals, as it aims to improve health service quality with a focus on PHC level which will bring about the best value for public financing.

10. **In addition, the World Bank is currently preparing the Country Partnership Framework (CPF) for the period 2019-2022, which is based on a Systematic Country Diagnostic (SCD) completed earlier in 2018.** The World Bank has conducted, in preparation for the CPF and SCD, a series of consultations with the government, civil society, and other stakeholders to identify the areas in which the World Bank has a comparative advantage to guide the future engagements and contribution. Many participants have voiced their concern about the quality of the social services (health and education), and others have raised the issues regarding the efficiency and governance of the health systems. The project thus fits under the Bank's overall engagement in the country as stated in the SCD, in the areas of increasing the value for money of public expenditures, addressing the quality deficit in the provision of social services, and improving targeting in social protection programs.

Rationale for Bank Engagement and Choice of Financing Instrument

11. **The Bank has had a long and productive partnership with Kyrgyzstan in its support of national health sector reforms.** The Health Sector Reform Project (Health I, 1996-2002) and the Second Health Sector Reform Project (Health II, 2001-2006) supported key elements of the Manas Program (1996-2005). Both projects had satisfactory outcomes, succeeding in strengthening elements of the health system and carrying out first-generation reforms with a view to achieving improved services and better outcomes more efficiently.

12. **Since 2010, Bank's health system support has been in the form of SWAp, pooling its financing with other donors and government in a common basket to support national health reform programs.** The Bank has been the lead agency in two consecutive SWAps (SWAp1: 2005-2015 and SWAp2: 2014-2018). From 2014, the Bank has also supported MHIF and the MOH to pilot an RBF scheme to improve quality of maternal and neonatal health services in district hospitals. Preliminary impact evaluation results showed significant and positive effects of the intervention on newborn's Apgar score and mother's blood loss, as well as blood supply, drug availability and quality, and provider's motivation. Kyrgyz RBF is one of the most successful among some 35 country programs supported in the Bank's health RBF portfolio and is the first that starts reaching institutionalization with full domestic financing.

13. **The new operation will build on the successful experience of the two ongoing operations, RBF and SWAp.** It will prepare Kyrgyzstan for the new stage toward effective and sustainable Universal Health Coverage (UHC), the agenda that the Bank is strongly committed to at the global level. Various discussions over the last year among national stakeholders and development partners, including the current Joint Financiers (JFs) of the SWAp – German Development Bank (KfW) and Swiss Agency for Development and Cooperation (SDC) - revealed a strong interest for the Bank's continued leading role in supporting Kyrgyz health sector. With its convening power, comparative advantages in health system strengthening,



strong fiduciary support, multi-sectorial engagement, and proven record in successful operations, the Bank is deemed well positioned to help the Kyrgyz Government realize some catalytic measures, which could advance the country significantly on the road toward Universal Health Coverage (UHC). The two JFs of the current SWAp have committed to continue co-financing Bank's operation in the next phase of engagement.

14. **The lessons from the past and experience from other countries with SWAp history are valuable for determining a relevant content and instrument for the coming operation in the Kyrgyz Republic.** Moving forward, this concept is proposing several major changes compared to the two preceding SWAp operations, most importantly: (i) a shift from a broad-based whole-sector support to a small number of carefully selected areas to allow for a focused approach and assure best chance for success; and (ii) use of Program for Results (PforR) instrument to encourage client's ownership and assure concrete results. In parallel, implementation support and capacity building will be provided, through accompanying measures provided by KfW in its position as a JF of the operation, and a Bank-executed trust fund to be created as part of the arrangement with the JFs.

15. **The PforR instrument is deemed appropriate for the operation as it would help the government in improving the efficiency and effectiveness of the health system by financing the achievement of key results rather than supporting a large number of inputs and specific activities.** This instrument links disbursement to the achievement of well-defined results. More specifically:

- a. By linking disbursements to the achievement of results that are tangible, transparent, and verifiable, PforR can be an effective instrument to shift focus towards the achievement of results, rather than just financing inputs as in the case of Investment Project Financing (IPF) instrument;
- b. The PforR instrument is well placed to support the government own programs to improve local service delivery by leveraging domestic financing at the central and local government levels;
- c. The PforR instrument will enable Bank financing to support efficiency gains in the government's programs, strengthen institutions, and build implementation capacity; and
- d. The PforR instrument will also allow for improvements, as necessary, in the implementation of governments' own technical, fiduciary and safeguard systems.

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

16. The Project Development Objective is to contribute to improving the quality of primary health care services in the Kyrgyz Republic.

PDO Level Results Indicators

17. **There are four PDO indicators identified within the Program**, each of which aims to capture improvements in each of the four key health system players (patient, provider, MHIF, and MOH). Tentative PDO indicators are as follows:

- (i) Increase in individuals who are under optimal blood glucose control (using an HbA1c measure) among patients diagnosed with Diabetes Type II
- (ii) Improvement in physician compliance with evidence-based practice recommendations for management of priority high burden conditions (e.g. maternal health, hypertension, diabetes) at PHC level



- (iii) Increase in prescriptions for essential evidence-based drugs for priority high burden diseases (eg. maternal and child health, diabetes, hypertension) within the Additional Drug Package program
- (iv) Establishment and full functioning of a national quality improvement mechanism

D. Program Description

PforR Program Boundary

Program Description: Kyrgyz Republic Government's Public Health Protection and Health Care System Development for 2019-2030 (known as State Program of Health Development 2030 "SPHD2030")

18. **The upcoming PforR will support the program of the Kyrgyz Republic Government on Public Health Protection and Health Care System Development for 2019-2030 "Healthy Person - Prosperous Country," or State Program of Health Development 2030 (SPHD2030).** The development of the program started in the early 2017 and involved multiple consultations at the national and regional levels. At this stage, the program draft has gone through several Parliament readings and will be submitted to the Government for approval in September 2018. SPHD2030 outlines key directions for health sector reform in 2019-2030 and builds on achievements and lessons learned from the three earlier programs ('Manas', 'Manas-Taalimi' and 'Den Sooluk'). The program is in line with the government's international commitments in health (i.e. Sustainable Development Goals - SDGs, Health 2020).

19. **Improved health outcomes and quality of services, reduced inequities in health outcomes and financial protection, and strengthened public health are some of the stated program goals.** Although the program provides overall health sector goals for 2030, its implementation is divided into two phases. The current version of the program provides an action plan for the first five years. An action plan for the second phase will be determined based on outcomes and learning lessons from the first phase.

20. **Overall, the program has identified ten focus areas.** Four areas focusing on issues related to specific care include public health, primary care, hospital sector, and ambulance service. The remaining six areas are cross-cutting in nature and include laboratory services, medicines and medical devices, human resources, e-health, governance, and financing. Each program area is further divided into sub-areas with priority actions and indicators for monitoring progress. The actions in the program are broad in scope and the indicators are mostly outcome indicators targeting changes in mortality and morbidity.

21. **The SPHD2030 program provides for the monitoring and evaluation system based on the Indicators Logframe, considering the SDGs.** The Program Indicators Logframe was developed based on this approach, implying the availability of routine data collection, and harmonization with existing systems of national and departmental statistics. This log frame of indicators includes baseline, medium-term, interim/milestones or outputs and target indicators/outcomes, in addition to annual indicators which will be developed at the initial stage of the Program implementation. The Indicators Logframe will be amended based on the results of a mid-term review of the program implementation planned after five years of implementation.

22. **The SPHD2030 sets out a wide-ranging and ambitious program for improving health and healthcare for the Kyrgyz Republic.** It will require skilled management, significant investment and bold decision making by parliament and several ministries. It will require strengthening the capacity of the MOH and MHIF to ensure successful implementation.



The Boundary of the PforR

23. **The boundary for the PforR within the government program SPHD2030 touches several dimensions.** First, the PforR aims to support the first five years of implementation of the SPHD2030. Second, it will focus on PHC among the four care specific areas. Zooming in one area helps to focus the program attention and resources to the type of support where the potential for achieving the PDO is optimized. By contributing to improving quality of care at PHC, the Program will also help to assure effectiveness in public and private financing and to provide better financial protection for the large part of the population. A pictorial representation of the PforR boundary within SPHD2030 is shown below.

24. **The cross-cutting areas of the SPHD2030 are included in the PforR to the extent that they relate directly to PHC.** For example, a significant element of quality at PHC level is the competence of family medicine doctors, which is included in the Human Resources for Health (HRH) component. The PforR will seek to improve the competence of family medicine doctors but not attempt to address the full arrays of issues related to HRH. Likewise, it will support the development of a system for collecting and analyzing PHC quality data, but not attempt to comprehensively address the eHealth agenda, which will require significantly more targeted efforts and investment. By the same logic, there could be some overlapping between public health and hospitals in elements that directly relate to the quality of PHC.

25. **The Program focuses on the following three areas** identified as the key weaknesses in improving PHC quality and where the Bank's engagement is likely to make a significant difference:

Result area 1: Integrating sustainable quality improvement mechanisms into service delivery

Result area 2: Strengthening strategic purchasing for the quality of care

Result area 3: Strengthening health sector stewardship and governance for quality improvement

26. **The first result area will support the establishment of:** 1) a system for routine collection of quality care data and continuous feedback to providers on quality gaps; and 2) a system that improves access to quality continuing medical education (CME) materials and facilitates delivery of targeted CMEs that match to quality gaps and permits monitoring of effectiveness of targeted CME efforts. The first result area will also support selected PCH related recommendations from the master plan for service delivery, which is expected to be finalized by the third quarter of 2019. **The second result area** will support changes to payment mechanisms and implementation of BSC to facilitate strategic purchasing of quality. Medications within the government drugs reimbursement plan and the SGBP will be revised to improve coverage for the selected maternity and child health (MCH) and NCD conditions. **The final result area** will aim to establish a national level structure and mechanism to ensure coordinated efforts to improve quality in the country.

27. **A tentative list** of DLIs by result area is elaborated below:

Result area 1: Integrating sustainable quality improvement mechanisms into service delivery

DLI 1: An integrated quality care e-platform stores and reports data from health care facilities on six routinely collected quality indicators on priority NCD and MCH conditions (end of project target – 50% of health care facilities submit routinely collected data on selected six quality indicators).

DLI 2: A national in-service training e-platform is used by primary care physicians to meet CME credit requirements for online training (end of project target – 60% of primary care physicians meet CME requirements for online credits).

DLI 3: Master plan for service delivery is finalized and endorsed, and selected recommendations from the master plan are implemented in selected regions (for example recommendations regarding staff norms, referral rules, TB integration, or day surgery).



Result area 2: Strengthening strategic purchasing for the quality of care

DLI 4: The SGBP at primary care is revised to improve coverage for selected priority services (eg. HbA1c tests, contraceptives).

DLI 5: Provider payment mechanisms for PHC are revised and implemented to strengthen strategic purchasing for quality (end of project targets – blended payment mechanisms introduced that incorporates selected priority services (eg. HbA1c tests, contraceptives); BSC rolled-out in 60% of primary care facilities).

DLI 6: Medications covered by the Additional Drug Package (ADP) program are revised to prioritize spending on evidence-based generic medications for priority conditions and spending on the ADP is increased (end of project target - the number of prescriptions for hypertension, ischemic heart diseases, heart failure, diabetes, and anemia are increased by 60%).

Result area 3: Strengthening health sector stewardship and governance for quality improvement

DLI 7: A unit fully designated to quality improvement (QI) is established within the MOH, it produces and distributes quarterly reports on quality care status and trends (end of project targets - QI unit established; annually, four reports on quality care trends produced and distributed).

28. Additional DLIs relating to fiduciary and safeguard may be included at a later stage as the results of respective assessments.

E. Initial Environmental and Social Screening

29. **Environment:** Thematic areas identified under the Program (service delivery, health financing and governance), focusing on PHC, will largely bring positive environmental effects to the health sector. The country has a comprehensive legislation on environmental protection. Several Government functionaries contribute to implementing the environmental laws/procedures and monitoring of results on the ground. However, adequacy of legislation on healthcare/medical waste management, availability of a human resource (in terms of its capacity, number and technical knowledge) and financial resources proportionate to the scale of health care waste management issue in the country will be assessed in the environmental and social system assessment (ESSA). The ESSA will also identify the adequacy of institutional arrangements recommended in the legislation for handling healthcare waste at the PHC level besides the assessment of environmental effects of the Program. Three priority areas identified under the Program and corresponding DLIs do not recommend activities/actions that will have significant adverse impacts that are sensitive, diverse or unprecedented on the environment. In consultation with the borrower, immediately after the PCN approval, ESSA will be launched and a draft report will be publically consulted prior to appraisal.

30. **Social Systems Aspects:** This operation is to improve the quality of health services and will not involve land acquisition. There will be an overall positive social result as health services improve as well as maintaining more affordable access to pharmaceuticals. Grievance Redress and Feedback Mechanisms will be put in place as a part of the operation monitoring as well as citizen engagement. These mechanisms will be elaborated in the project appraisal and operations manual.



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