

Document of
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Report No: 58370-RO

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF THE
HEALTH SECTOR REFORM PROJECT - PHASE II (APL2)

LOAN NO. 4760-RO
BOARD APPROVAL DATE
December 16, 2004

TO
ROMANIA

December 17, 2010

ABBREVIATIONS AND ACRONYMS

APL	Adaptable Program Lending
EIB	European Investment Bank
PDO	Project Development Objective
WB	World Bank

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**ROMANIA
HEALTH SECTOR REFORM PROJECT – APL 2**

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LOAN NO. 4760-RO

Restructuring Paper

1. The closing date for *Romania, Health Sector Reform Project (Loan 4760-RO)* will be extended from December 31, 2010 until February 28, 2011.
2. As of today, almost EUR 40 million have been disbursed (56% of the WB funds); together with commitments, that amount is above 80%. The Project's overall performance is rated as *Satisfactory*. Many of the technical assistance activities initially included in the Project for neo-natal care (quality assurance, referral system, training of medical staff) as well as the development of the National Health Accounts have been completed, and most of the medical equipment was purchased and delivered to the beneficiary hospitals. The tenders for civil works were launched, and the works for 11 out of the 22 maternities included in the Project have commenced. However, the civil works process was hampered by the initial inadequacy of the technical designs for some of the maternities, requiring their revision. The revisions have now been completed. Most of the PDO indicators have been achieved or exceeded, and by the proposed revised closing date, the PDOs are expected to be fully met.
3. This two month extension of the Closing Date will be followed by a Project Restructuring, to be operated before February 28, 2011. The said restructuring will include also an additional 10 month extension of the Closing Date. The aggregate proposed extension of 12 months is necessary to enable the completion of the remaining rehabilitation of the above mentioned maternities, including finalizing the ongoing procurement of medical equipment for neonatal care and emergency health services. Additionally, the additional twelve months will allow for the completion of the technical assistance activities related to the development of the primary Health Care Strategy and the implementation of the Public Awareness Campaign on co-payments. A thorough analysis and planning of the implementation of the remaining activities has been conducted and agreed with the Borrower, and all the prerequisites for their proper completion by the revised closing date have been secured.
4. There are currently no outstanding audits for this Project. The audit for the year closing in 2009 did not identify any serious issues (i.e. it was unqualified).

5. This will be the second extension of the Project. The first extension of 12 months was granted in 2009, from December 31, 2009 to December 31, 2010.