

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: AB575

Project Name	HEALTH SECTOR REFORM II
Region	EUROPE AND CENTRAL ASIA
Sector	Health (100%)
Project ID	P078971
Borrower(s)	MINISTRY OF HEALTH AND FAMILIES
Implementing Agency	
	Government of Romania
	Ministry of Health Str. Ministerului Nr. 1-3 Romania 70109 Tel: +40 1 314 1526 Fax: +40 4 312 4916 acarmen@ms.ro
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Safeguard Classification	<input type="checkbox"/> S ₁ <input type="checkbox"/> S ₂ <input type="checkbox"/> S ₃ <input type="checkbox"/> S _F <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	February 3, 2004
Estimated Date of Appraisal Authorization	August 21, 2004
Estimated Date of Board Approval	March 17, 2005

1. Key development issues and rationale for Bank involvement

A. Main Issues and Borrower's Policies, Strategies and Commitment

The proposed project would continue the support provided to the Government of Romania by the World Bank in the implementation of the program outlined in the 1999 Letter of Sector Development Strategy. The strategic purpose of this program is a healthy Romania, with lower morbidity and fewer premature deaths, equitable access to health services and improved efficiency of the health system. The reform strategy, elaborated in 1997-1998, identified as main issues: weaknesses in governance of the system and the legislative framework; shortcomings in the efficiency, equity and transparency of sector financing; inefficient use of physical capacity and human resources in health care delivery; critical inadequacies in infrastructure through years of lack of maintenance and investment, exacerbated by ad-hoc processes of making new investment decisions; mismatch between the health needs of the population and the distribution and priorities of health services; and consumer dissatisfaction with the health services. The goals of the program were reaffirmed in the 2001-2004 Program of the Romanian Government. The Romania 2001-2004 CAS includes improvement of delivery of health services as one of its objectives. The Letter of Development is currently being updated, and will be discussed during the next Bank mission.

One issue of significant concern for the Government and the development community is the substantial difference compared to neighboring countries and all EU accession countries with respect to infant and maternal mortality in Romania. These indicators also vary substantially across districts of the country. As part of a more comprehensive response to these issues, a strategy for rehabilitation and reorganization of hospital based obstetrics and gynecology and neonatology care was approved by the Government, a detailed assessment of existing maternity services was conducted and a plan for rationalization was prepared.

B. Bank Involvement

To date, the Bank has had two investment operations in the health sector. The first project, with a total cost of \$224 million (including \$150 million WB loan) was implemented in 1992-1999 and supported upgrade of selected primary health care, maternity and emergency medical services, procurement of essential drugs, tuberculosis control and capacity building. The second project, Health Sector Reform phase 1 is currently under implementation and scheduled to close in June, 2004. The \$69 million project (including \$40 million WB loan, disbursed over 80%) covers the upgrade of essential hospital care (operating room and intensive care services), further improvements in emergency medical services, support for primary care in six judet, strengthening of a planning capacity within the MOH and the judets, including the development of judet-level rationalization plans, and selected public health interventions.

The long history and credibility of the Bank is seen by Government as essential to continued progress on the health reform agenda. Through a combination of adjustment lending conditions and related TA, investment lending and policy dialogue, the Bank helps the Government to address the critical issues of restructuring health facilities and services, establishing a stable and sustainable financing plan, and addressing critical service delivery issues.

With respect to the trigger indicators for moving from Phase I to Phase II, these have been taken seriously and progress has been made in all areas, with one indicator fully met, three expected to be met by June 2004, and one subject to discussion with the MOH regarding relevance and the most appropriate response. As required, an independent review of the trigger indicators will be undertaken prior to appraisal.

C. Support from Donors and International Agencies

To date, the Government has worked with a number of partners in the health field —IBRD, DFID, USAID, SDC, UN agencies – but it is interested in broadening this base, both to access EU structural funds and loans from other EU financial institutions. Project design will be coordinated with ongoing technical and training support for reproductive and mother and child health activities provided to Romania by WHO, UNFPA, UNICEF and USAID. SDC is already supporting improvement of neonatal care in two regions. Other donors, including the Humana Foundation and SDC, have expressed an initial interest in funding some of the training activity. Opportunities will be pursued to utilize the Bank's and other donors comparative advantages to maximize the combined impact of the various programs.

2. Proposed project development objective(s)

The project will have the following objective: provide more accessible services, of increased quality and with improved health outcomes for those requiring maternity and newborn care, emergency medical care and rural primary health care. The principal beneficiary groups would be the users of services targeted for improvement by the project: pregnant women and newborn, rural populations, and those needing emergency services. This objective is consistent with the overall program objectives defined at the beginning of APL phase 1.

In addition to the obvious benefits of reducing maternal and infant mortality, general mortality in rural areas, and overall improvement of quality of care, this project would demonstrate the impact of the rationalization approach across a vertical program throughout Romania. This would support more extensive implementation of rationalization plans developed in Phase I.

Proposed project performance indicators would include:

1. Decreased perinatal mortality rate

2. % of deliveries attended at appropriate level of care
3. Increased occupancy and reduced length of stay in maternity services
4. % of rural population reporting difficulties in access
5. Increased utilization rate of primary care services in rural areas
6. Reduced differences in utilization rate of primary and emergency care according to residence and income status
7. Improved survival rates of major emergencies arriving alive at the hospital emergency department
8. Improved response times and dispatch effectiveness through x (number to be determined) dispatch centers linked to both the new 112 system and the related ambulance services

3. Preliminary project description

This investment project would be the second phase of an agreed program. It is closely linked to the overall program objectives and builds on activities initiated in the first phase. The project would be implemented over a three year period, and the responsible agency would be the Ministry of Health, who has established project implementation capacity. This would be the third World Bank financed project managed by the same unit that has acquired significant experience, in particular on procurement and fiduciary procedures. This has resulted in selection of the unit to manage large projects supported by other financiers (e.g. GFATM grant).

Needed investments exceed the indicative size of the Bank loan (US\$20 million), but discussions have been initiated with EIB and EBRD regarding parallel and co-financing possibilities.

The project components are as follows:

1. Health Policy Development and Monitoring of Health Sector Performance Component: will support the development of National Health Accounts, and improve the capacity of the Ministry of Health to monitor health sector performance, through regular surveys and other analytical techniques. It will also provide continued technical assistance in the development and implementation of regional health care rationalization plans.

2. Maternity and Neonatal Care Component: will fund facility rehabilitation for maternity and neonatal care units, as well as medical and other equipment necessary for high quality neonatal and maternity services. Technical assistance and training will be provided to ensure implementation of best international practices, building on already existing partnerships between the Government and WHO, UNICEF and UNFPA.

3. Primary Health Care Component: will focus on medical services in rural areas. Access to PHC services in rural and remote areas, as well as the need to provide 24-hour emergency coverage in these areas are of particular concern to the MOH. Using service plans developed in the Phase I, workable model(s) will be selected and scaled up to a substantial proportion of the rural population. The component will also support better coordination of health and social services.

4. Emergency Care Services Component: would help develop and implement integrated automated ambulance dispatch capability and upgrade hospital emergency areas. Both interventions are essential to maximizing the impact of the investments that have been made to date, and the effectiveness of the emergency medical services system generally.

5. Project management Component: would support the operation of the Project Management Unit, continuing the existing arrangements for management of the first phase project.

4. Safeguard policies that might apply

[Guideline: Refer to section 5 of the PCN. Which safeguard policies might apply to the project and in what ways? What actions might be needed during project preparation to assess safeguard issues and prepare to mitigate them?]

Environmental Assessment. An Environmental Management Plan will be developed by project appraisal. It is expected that no special safeguard-related studies will be needed.

5. Tentative financing

Source:	(\$m.)
BORROWER	10
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	20
FOREIGN MULTILATERAL INSTITUTIONS (UNIDENTIFIED)	20
Total	50

6. Contact point

Contact: Silviu Calin Radulescu

Title: Health Specialist

Tel: 202 473 2565

Fax:

Email: Sradulescu@worldbank.org

Location: Washington, DC (IBRD)