

**PROJECT INFORMATION DOCUMENT (PID)  
ADDITIONAL FINANCING**

Report No.: PIDA21630

<b>Project Name</b>	Additional Financing to TJ Health Services Improvement Project (P153975)
<b>Parent Project Name</b>	Tajikistan Health Services Improvement Project (HSIP) (P126130)
<b>Region</b>	EUROPE AND CENTRAL ASIA
<b>Country</b>	Tajikistan
<b>Sector(s)</b>	Health (53%), Other social services (47%)
<b>Theme(s)</b>	Health system performance (36%), Child health (32%), Population and reproductive health (12%), Injuries and non-communicable disease s (12%), Rural services and infrastructure (8%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P153975
<b>Parent Project ID</b>	P126130
<b>Borrower(s)</b>	Ministry of Finance
<b>Implementing Agency</b>	Ministry of Health & Social Protection
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	02-Apr-2015
<b>Date PID Approved/Disclosed</b>	02-Apr-2015
<b>Estimated Date of Appraisal Completion</b>	02-Apr-2015
<b>Estimated Date of Board Approval</b>	25-Jun-2015
<b>Appraisal Review Decision (from Decision Note)</b>	The review did authorize the team to appraise and negotiate

**I. Project Context**

**Country Context**

Tajikistan is a small landlocked country in Central Asia with an estimated population of 8.2 million in 2013. While it is blessed with abundant water resources, contributing to its specialization in cotton production, Tajikistan is vulnerable to natural disasters and external economic conditions.

Tajikistan's growth averaged 7.5 percent during 2000-2014 leading to a significant reduction in headline poverty rates (from 96 percent in 1999 to an estimated 34.5 percent in 2013-2014).

Tajikistan's economic growth moderated to 6.7 percent in 2014 from 7.4 percent a year earlier due to spillover effects from the slowdown in Russia, weak global demand and falling prices for key export commodities. The recession in Russia will affect significantly the prospects for growth and poverty reduction in Tajikistan in 2015 and 2016. Economic growth is projected to slow to 3.2 percent in 2015 and recover to 4.4 percent in 2016. The expected sharp fall in remittances (40

percent in US\$ terms) will have a particularly adverse impact on the service sector that accounts for over 40 percent of Tajikistan's economy. The shock to the dollar value of remittances and weak export has pushed Tajikistan's external balance into deficit, thus requiring an exchange rate adjustment. The Tajik Somoni lost 18 percent against U.S. dollar during January 2014-March 2015, much less than other currencies in the region. The lower growth has affected government revenues. The Ministry of Finance's response so far has been to prioritize expenditures and maintain tight fiscal discipline. The Ministry of Finance plans to revise the 2015 budget in May. Falling revenues and tightening budget expenditures is posing high risks to the Government of Tajikistan's ability to provide effective social public goods including health care. Hence the Government of Tajikistan will need significant additional resources to maintain and improve the effective delivery of health service to the population.

### **Sectoral and institutional Context**

Maternal and Child Health (MCH) outcomes in Tajikistan are worse than the average in Central Asia and Caucasus regions. The coverage of priority MCH and Reproductive Health (RH) services in Tajikistan is low. This is also true for critical areas such as counseling on nutrition, which is an important problem for children under the age of five. At the same time, critical gaps persist in the quality of care. Despite the many efforts to improve the financing, capacity and physical infrastructure at the Primary Health Care (PHC) level, in the absence of incentives to providers, these have not translated into better service quality.

A number of health financing and organizational reforms have been piloted over the last decade in Tajikistan. The main objective of the reforms was to improve the effectiveness and financial sustainability of the health sector by strengthening PHC and restructuring the oversized and unaffordable hospital delivery network inherited from the Soviet period that was absorbing an increasing share of Government resources.

Results Based Financing (RBF) strategies have achieved remarkable results in health service delivery and health outcomes in various contexts with diverse health systems-low and high income, as well as fragile states. RBF is defined as "a cash payment or non-monetary transfer made to a national or sub-national Government, manager, provider, payer or consumer of health services after predefined results have been attained and verified. Payment is conditional on measurable actions being undertaken." Performance Based Financing (PBF) –a subset of RBF– remunerates health care providers for delivering specific services, provided the services follow explicit protocols, with a system of inspection and auditing to assure compliance and to raise quality where necessary. Performance-based payments are also provided for the teams that carry out these inspections, to motivate them to be thorough and accurate.

## **II. Proposed Development Objectives**

### **A. Current Project Development Objectives – Parent**

The Project Development Objective (PDO) is to contribute to the improvement of the coverage and quality of basic primary health care (PHC) services in rural health facilities in selected districts.

### **B. Proposed Project Development Objectives – Additional Financing (AF)**

The revised Project Development Objective (PDO) is to contribute to the improvement of the coverage and quality of basic primary health care (PHC) services in selected districts.

## **III. Project Description**

**Component Name**

Component 1: Performance-based Financing

**Comments (optional)**

This component would support the implementation of a performance-based financing (PBF) pilot at the PHC level in one additional rayon (district) in Khatlon Oblast and one rayon in RRS. The costs associated with the first level verification and independent verification of the PBF scheme would also be covered. Additional technical assistance to support the implementation of comprehensive PHC financing reforms, including fine tuning the model for implementing PBF in central rayon health centers and city PHC facilities would also be financed . Lastly, to strengthen social accountability and improve outcomes, discussions between communities and PHC providers of feedback received through citizen scorecards (CSCs) would be undertaken and facilitated by local non-government organizations (NGOs).

**Component Name**

Component 2: Primary Health Care Strengthening

**Comments (optional)**

Sub-component 2.1: Quality Improvement sub-component would expand activities aimed at improving the skills and competencies of PHC personnel through training in the six-month Family Medicine program and continuous medical education on clinical protocols on MCH care & selected non-communicable diseases.

Sub-component 2.2: Physical Infrastructure Improvements sub-component would support the improvement of PHC facility infrastructure through reconstruction of additional rural health centers and provision of basic medical equipment to additional primary health care facilities in the existing eight Project districts and two new districts, according to previously agreed criteria. Minor rehabilitation of & provision of teaching equipment to the Khatlon and Sogd Family Medicine Training Centers.

**Component Name**

Component 3: Project Management, Coordination and Monitoring & Evaluation

**Comments (optional)**

The component would support the expenses associated with the implementation and management of the Project at the central, regional and district levels. These would include recurrent costs, office equipment and furniture, vehicles for Project supervision, consultant salaries, travel expenses, study tours to enhance the knowledge on PBF schemes, and training for the Coordination Group (CG) members and project implementation staff at regional and district levels, monitoring and evaluation, and project audits. All activities would also cover the two new districts included through the AF.

**IV. Financing (in USD Million)**

Total Project Cost:	10.20	Total Bank Financing:	10.00
Financing Gap:	0.00		
<b>For Loans/Credits/Others</b>			<b>Amount</b>
BORROWER/RECIPIENT			0.20
International Development Association (IDA)			5.50
IDA Grant			4.50
Total			10.20

## V. Implementation

The institutional arrangements will remain the same as under the original Project. Therefore, activities to be undertaken as a result of this AF would be executed under the direction of the MoHSP CG. The CG consists of MoHSP technical, fiduciary, administrative staff, and local consultants at the central level who manage implementation of Project activities, including M&E. Similar arrangements already in place in the Khatlon and Sogd Oblast (regional) health departments, will continue under the proposed AF. The proximity of Khatlon and RRS oblasts to Dushanbe will make it possible for the CG to closely monitor and support the implementation of activities. Implementation of the citizen engagement activities will be done by the MoHSP public relations team in collaboration with facilitators from local NGO's. The implementing agency capacity and technical expertise has improved over the last two years, and it is therefore well positioned to utilize additional resources, as well as implement activities in the proposed new districts. Capacity building activities, such as training and technical assistance for the new districts, would be discussed during appraisal to ensure that they will catch up with other districts on implementation as soon as the AF becomes effective. The full details on operation procedures that guide Project implementation are outlined in the Project Operations Manual (POM), adopted by Order #671 of the MoHSP on November 18, 2013. The POM is being updated to include the AF activities. Updating and amending of the POM by the Recipient in a manner satisfactory to the Association would be a condition for the AF Project Effectiveness.

## VI. Safeguard Policies (including public consultation)

<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
Environmental Assessment OP/BP 4.01	<b>x</b>	
Natural Habitats OP/BP 4.04		<b>x</b>
Forests OP/BP 4.36		<b>x</b>
Pest Management OP 4.09		<b>x</b>
Physical Cultural Resources OP/BP 4.11		<b>x</b>
Indigenous Peoples OP/BP 4.10		<b>x</b>
Involuntary Resettlement OP/BP 4.12		<b>x</b>
Safety of Dams OP/BP 4.37		<b>x</b>
Projects on International Waterways OP/BP 7.50		<b>x</b>
Projects in Disputed Areas OP/BP 7.60		<b>x</b>

**Comments (optional)**

## VII. Contact point

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