**Health Sector Development Project**

**Key Dates:**
- **Approved:** August 1, 2002
- **Effective:** May 6, 2003
- **Closing:** June 30, 2012

**Financing in million US Dollars:**

<table>
<thead>
<tr>
<th>Financier</th>
<th>Financing</th>
<th>Disbursed*</th>
<th>Undisbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDA Credit</td>
<td>23.50</td>
<td>23.06</td>
<td>1.86</td>
</tr>
<tr>
<td>Government of Georgia</td>
<td>4.46</td>
<td></td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>27.96</strong></td>
<td><strong>23.06</strong></td>
<td><strong>1.86</strong></td>
</tr>
</tbody>
</table>

*World Bank Disbursements as of March 31, 2012

*Note: Disbursements may differ from financing due to exchange rate fluctuations at the time of disbursement.*

The Government has been implementing a major reform program in the health sector, whereby the private sector role in health financing and service provision was increased by privatizing public health facilities, public funds were prioritized to finance health care for the poor and other vulnerable groups, public health financing has been channeled through private health insurance companies, and the regulatory role of the Ministry of Labor, Health and Social Affairs (MoLHSA) has been strengthened. In light of these reforms, the Government requested that Bank support under the Primary Health Care (PHC) Development Project be revised by increasing funds for additional training on family medicine, to revise financial management guidelines, to strengthen the stewardship functions of the MoLHSA, and to develop a modernized public health information management system covering the entire health system rather than just PHC as was originally envisaged. To meet the new requirements of the reform, the Government and the Bank agreed to restructure the project (restructured in 2009).

**The Project Development Objective** (after restructuring) is to improve coverage, utilization and quality of health care services in Georgia, and to strengthen Government’s stewardship function in the health sector. Under the Project, existing health facilities and regional family medical training centers are being upgraded. The Project also strengthens the capacity of primary healthcare. In addition, the Project supports overall health sector reform by building capacity of MoLHSA and other relevant agencies for health policy formulation, regulation, financing, monitoring and evaluation.

The Health Management Information System will also be strengthened and information and communications campaigns for the sector will be designed and implemented.

**Results achieved to date:**

- The first cohort of 103 PHC facilities in Imereti, Adjara and Shida Kartli are fully operational–rehabilitated, equipped, and staffed with trained personnel. A 25-bed hospital was built in the high mountainous Ambrolauri and represents a good example of a PPP as it has been handed over to a private insurance company for management.
- The world-class clinical practice guidelines were introduced and related capacity building was supported. The new guideline on Acute Stroke has been developed and approved by the Ministry.
- The Family Medicine Faculty, established at the State Medical University, along with the network of five national training centers, is actively involved in the training of PHC personnel. 45 percent of the population is covered with re-trained family medicine providers, compared to 0.6 percent at the beginning of the Project. 78 percent of the rural population has access to a PHC clinic within 30 minutes of transportation/walking–way above the targeted 50 percent.
- 60 percent of trained rural physicians manage cases according to approved treatment guidelines in target areas.
- Immunization rates of Diphtheria, Pertussis, and Tetanus (DPT3) increased and reached about 56 percent in 2011.
- 80 percent of the population is satisfied with PHC services in target areas, as measured by the utilization survey.
- Number of tuberculosis patients managed at the PHC level has increased from 3 to 52 percent.
- Public health expenditure earmarked to programs for the poor has increased from 3.6 to 35 percent.

**Key Partners:**

The Bank team works closely with (i) the Ministry of Labor, Health and Social Affairs, which is responsible for overall implementation of the Project and policy development; (ii) National Center of Disease Control and Public Health responsible for daily oversight and management of Project activities; and other subordinate structures of the MoLHSA. Other development Partners include USAID, the EU, the Global Fund and the UN agencies with which the World Bank team coordinates on a regular basis.