/Coordinated by the World Bank and WHO/

Den Sooluk National Health Reform Program
Joint Review Summary Note
April 10-14th, 2017

Overall Summary

A Joint Annual Review (JAR) was carried out during the period April 10-14, 2017. The objectives of this JAR were to (i) assess the main achievements and implementation of the Action plan of the "Den Sooluk" Program for 2016; (ii) discuss the implementation of recommendations developed at the Thematic Meetings and the Mid-Term Review (MTR) in 2016; (iii) agree on priorities for the remaining two years of Den Sooluk, 2017-2018; and (iv) launching the process of new strategy development. The JAR was jointly conducted by teams from the Government of the Kyrgyz Republic (KR) and development partners (DPs), most notably the MoH, MHIF, MoF, KfW, GIZ, Swiss/SDC, GFATM, GAVI, UNFPA, UNICEF, UNAIDS, USAID, WHO, and the World Bank. The current note summarizes the discussions during the 2017 JAR and connected issues related to the Sector Wide Approach (SWAp) implemented with pooled financing from the KfW, SDC, and the World Bank in support to the Den Sooluk program.

The 2017 JAR was the opportunity to focus on the key areas of the Den Sooluk program to be tackled within the remaining two years before the program's closure. Priority has to be set on monitoring final steps of implementation and gathering lessons to inform the next health sector strategy (4th generation). All these discussions took into consideration the overall development for health context: Development Agenda 2030 and Sustainable Development Goals (SDGs), Universal Health Coverage (UHC) and the structure of Official Development Aid (ODA) for health with the importance of increasing efficiency in the use of domestic resources.

As the current Den Sooluk program is finishing by end of 2018, the 2017 JAR was also the opportunity to initiate discussions around the development of the next health sector strategy for Kyrgyzstan. There are several benefits which can be achieved through the development and implementation of the next phase of a strategy for health system in Kyrgyzstan such as convening the sector and coordinating the many different health programs in place; continuing the tradition of regular policy dialogue to review achievements and challenges (including JAR and other meetings); ensuring there is a contribution to broader government development strategy for sustainable development concept 2040 and taking advantage of opportunities that come from this; agreeing on a clear set of priorities, including priorities for system strengthening; and aligning all resources (domestic and external) as the system moves towards Universal Health Coverage. The JAR served as an important platform for discussing these issues and agreeing on the steps forward.

1. Key Policy and Programmatic Issues

a. International development context and sustainable donor transitioning in Kyrgyzstan

Globally, the minimum additional investment required in the health sector for countries to attain the SDGs by 2030 amounts US$55 billion per year. Between US$35-40 billion of these US$ 55 Billion per year must be spent on health system strengthening (HSS) efforts. In 2013, ODA for funding HSS reached US$ 2.3 Billion (only 6% of total ODA for health), whereas funding for disease-specific programs (e.g. fighting HIV/AIDS or malaria) amounted to US$34 billion. Even in fragile states, about 75% of total health spending comes from domestic sources (95% in middle income countries). While the call to mobilize and reallocate domestic sources to finance HSS is strong, there remains a prominent role for external assistance in supporting countries to better manage and efficiently use current and future domestic resources. The Ministry of Health has conducted with the support of WHO the 2015 ODA mapping that shows similar topics in Kyrgyzstan, where majority of the funds are domestic and the external aid constitutes around up to 10% from overall health financing (public and private including OOP – preliminary results). The external aid has been catalytic, enables constant policy dialogue and compared to global situation is more oriented towards health system strengthening. Further, due to engagement with Sector Wide Approach principles majority of the partners surveyed report to be aligned to national Den Sooluk program and further up to 30% of the total external aid in health is pooled under SWAp-2 project.

At the global level since 2016 the International Health Partnership (IHP) for UHC 2030 is revitalized to support a movement for accelerated, equitable and sustainable progress towards universal health coverage as well as the other health targets in the SDGs, including global security and equity. One of the areas where Kyrgyzstan can continuously benefit is the coordination in countries receiving external assistance through adherence to IHP+ principles and behaviors.

All low- and middle-income countries face a number of critical pressures on their health systems. Some of these are particularly salient for countries that are currently or will soon be “transitioning” to much lower levels of external financial support. A common guiding principle is to maintain or even increase effective coverage for priority health services, including those currently supported with external funds. This does however not mean simply channeling government revenues to pay for a previously donor-funded program. Rather, transition provides an opportunity for countries to assess how governance, financing and service delivery are configured to ensure the sustainability of effective coverage for priority interventions.

The Kyrgyz Republic is faced with the phasing out of several traditional donors, which brings about important changes in the way the delivery and financing of essential services is being done. In next 5-10 years the most critical shift comprises the support from Global Fund and GAVI. For the Global Fund, the Ministry of Health (MOH) has initiated the preparations to take over some functions as principal recipient, in particular the financing of TB drugs. In 2016, the inter-sectoral working group developed a transitioning plan from the donor supply of medicines to government funding. On the other hand, other areas such as fiscal and programmatic responsibilities are not yet evaluated. The GF has also started its own plan to strengthen MOH capabilities. For GAVI, the country has also entered the so-called “preparatory transition” phase for GAVI graduation and is projected to enter “accelerated transition phase” within the next few years. Similarly, the area that would require much support especially in procurement and financing of vaccines, and management of supply chain. Transition away from donors to country ownership provides an opportunity for Kyrgyz to assess the readiness of the health care system and essential functions

(governance, financing functions, and service delivery), to ensure the sustainability of effective coverage for services.

The phasing out of donor financing calls for a serious assessment of the fiscal space for the health sector. The assessment will help identify the most prominent sources of improving fiscal space, either through additional financing or freeing up existing resources by improving efficiency in the current system. Initial assessment reveals that both options are applicable in the case of Kyrgyzstan, although there is more room for maneuver as regards efficiency gains. Donor support for transitioning should also facilitate the execution of measures to improve efficiency, as highlighted in the Thematic Meeting on Health Financing last September. More detailed guidance will be clarified later this year as part of an ongoing in-depth fiscal space analysis.

b. Development of the next health sector program in the context of SDG and UHC

The JAR was the opportunity to initiate discussions around the development of the next health sector program for Kyrgyzstan in the context of Sustainable Development Goals. The strategy needs to be developed by early 2018 to allow time for the process for parliament and government and other stakeholders to discuss it and to ensure continuous donor support. At the time of the JAR, the selection of secretariat and working group personnel had not been started, which will affect the adherence to the expected timetable and could put some further donor support at risk.

Stakeholder engagement in the development and implementation of the strategy will be critical. The health sector needs to do better work to tell the story of its successes, both to maintain donor support and to reduce the risk of key stakeholders – including others within the Kyrgyzstan government – developing parallel strategies in response to frustration at the perceived slowness of delivering improvements. It is important that the next phase strategy is agreed by Government and Parliament, and that process may add further delay. Attention should be given now to the mechanisms through which individual MPs and committees will be involved as the strategy and implementation plan are developed, rather than it being presented to them as a fait accompli for acceptance.

The new strategy will build on Den Sooluk and previous successes, and many of the goals are already agreed. It will be important to develop a strong narrative about the health system in 2030 and what this will be like for patients, citizens and staff. The strategy should also bring a number of different strands together e.g. showing the connections between the hospital master plan and future primary care and public health services, with human resources and infrastructure plans which underpin all, as well as responding to disease burden. There should be particular emphasis on:

- Primary care development and its likely impact on the use of hospital services
- Workforce development & education
- The interface between mental & physical health
- Measurement of – and improvement in - the quality of care achieved as well as the quantity delivered
- The development of sufficient management capacity in the MOH and throughout the healthcare system to be able to implement the strategy successfully.

Some work will be required to prioritize areas for focus within the strategy, in particular priorities for health system improvement, and there is a need to understand and show the links to other programs, institutions and initiatives in the health system and to other cross government strategies.

The main focus of discussion as the strategy is developed should be ensuring robust implementation plans are agreed. The key task is to identify the actions required and who will carry these out. It is very likely that management capability will need to be strengthened in order to implement the actions, and a plan to achieve this should be a high priority. Any changes in law, policy, payment and regulation to support the actions need to be identified, and a clear timetable agreed for such changes to be put in place. The indicators that will show progress and allow communication of change need to be agreed, and a communications strategy needs to be in place, which includes the identification and sharing of early wins.

Risks to the development and effective implementation of the strategy must be identified, and plans to mitigate the risks need to be agreed. Finally, but very importantly, the governance structures to oversee the development and delivery of the strategy need to be established with some urgency.

Next steps in coming months:

- MoH to establish the secretariat and facilitate drafting process to discuss topics during thematic week in June 2017
- Facilitate dialogue with appropriate authorities on how to ensure alignment between the new health sector strategy and 2040 development concept
- The secretariat to take stock on evidence, reviews and materials available on health sector and development in Kyrgyzstan
- Start providing coordinated inputs from the DPs managed by WHO

c. Increasing attention to service delivery reform

Despite the ongoing process of reform on health service delivery and PHC strengthening in Kyrgyzstan, the major challenges have still not been resolved. The PHC Strengthening Plan for 2016-2018 provides correct vision of system reform in Kyrgyzstan focusing on shifting from centralized system with excessive hospital capacity towards a system based on strong and high quality PHC that ensures continuity, comprehensiveness, family- and community-orientation and more cost-effective use of resources. However, the actual action to correspond this vision is lacking efficiency and does not bring yet the desired results.

The three key factors behind it are: 1) fragmentation and lack of systemic approach to PHC reform where too many activities are project-dependent, external donor-funded and implemented only in pilots, 2) low investment in human resources resulting in a very low prestige of family doctors' work that leads to catastrophic shortage of family doctors/GPs in PHC level, and 3) excessive centralization and vertical approach to health system management with a high level of formalism and bureaucratization and, at the same time, low level of autonomy granted to health facilities that eventually impacts on quality assurance and improvement.

Addressing these factors will ensure successful implementation of the reform. Therefore, in 2017-18 all possible efforts should be made to start moving, step-by-step, from donor-supported PHC pilot projects to their nationwide regular-budget rollout in order to institutionalize good practices at the systems level before development funding runs out.

Decentralization of health facilities management, providing them with more autonomy and establishing an efficient local inter-sectoral collaboration mechanism with local (rayon) municipal authorities – through village health committees, district health facilities and health protection councils – shows a good example of how to integrate grassroots interventions at population level through multi-sectoral action with individual interventions at health facility level.

Exploring the mechanisms to proactively address the issue of lack of family doctors/GPs at PHC level by tackling the roots of the problem is the main pre-requisite of a successful PHC reform in Kyrgyzstan.

The Kyrgyz Republic faces a triple burden of aging health infrastructure, excess hospital capacity and insufficiently trained and skilled health workforce. In order to optimize hospital capacity, ensure effective use of resources and invest in infrastructure in a systematic and phased manner, the need for a health facility masterplan was identified. The Ministry of Health, with technical assistance from an international expert, is finalizing the terms of reference for developing a comprehensive masterplan taking into account the infrastructure, equipment, laboratory and human resources for health (HRH) needs of the country. The masterplan is also expected to create a vision for future expenditure outlays for the health sector; outline the enabling factors needed for provision of services conforming to international patient safety and quality standards; and explore the feasibility of alternative models of care delivery such as ambulatory surgery centers, nursing care units etc.

2. 2016 Budget Figures and 2017 Revised Budget Targets

Rule #1 – 2016 actual and 2017 revised health sector budgets. The Joint Review Team noted that the health budget as % of government budget is at 13.03 % in actual preliminary 2016 Budget, compared to the target of 13%. The approved budget for 2017 is 13.2%.

Rule #2 – Budget execution. The budget execution as was 96.4% in 2016 actual preliminary Budget and was 92.9% in 2015. The target for this is 95%.

Monitoring Indicator. Non-salary expense as percent of the health budget was 35.6% in 2016, and 38.8% in 2015 Revised Budget. The target for this is 35%.

3. Den Sooluk Priority Areas: Review of Implementation Progress for 2016 and Plans of Work for 2017-2018

a. Maternal and Child Health (MCH)

A good progress has been observed in reduction of maternal mortality in Kyrgyzstan in 2016. The MMR for 2016 is 30.3 per 100 000 live births. A reduction of maternal mortality ratio from 2015

to 2016 constituted 21.3% and 40% from 2012 to 2016. By the end of 2016, Kyrgyzstan has achieved its set target on reduction of maternal mortality in the frame of "Den Sooluk."

Postpartum hemorrhage was the leading cause of maternal mortality in the structure of the causes of maternal mortality during the last 10 years. The analysis of main causes of maternal mortality shows that percentage of hemorrhage in the structure of causes of maternal mortality has decreased from 29.5% in 2012 to 18% in 2016 which indicates improvement of management of this complication of pregnancy. Septic complications among MMR causes remain unacceptably high and requires further attention in coming years including thorough analysis of causes of this situation in the country. Maternal deaths mostly occurred in the hospitals at the secondary and tertiary levels, including Osh and Bishkek cities, which is associated with a concentration of pregnant women and parturient women from risk groups in hospitals of higher levels. It should be highlighted that the proportion of maternal death cases was increased on route to a healthcare facility and at home from 3,8% in 2012 to 10.4% in 2016 every year, there are 2 - 4 deaths from abortions which account from 3 to 5% of all maternal deaths and 2 deaths were registered from abortions in 2016. The level use of contraceptives among women of reproductive age was declined from 33.0 to 27,9. In 2016, infant mortality and child mortality have decreased to 16.6 and 19.8 respectively.

Achievements:

The main achievements in maternal and newborn health in 2016 were as follows:

- Completion of review of 148 maternal death cases for the preparation of the second cycle on Confidential Enquiry into Maternal Death which include main drawbacks of quality of care for pregnant women to determine where improvements can be made. Electronic database of audited maternal deaths cases for 2014-2015 has been developed and used for analysis of maternal deaths.
- Eleven clinical protocols on effective neonatal care, 2 clinical protocols on emergency obstetric care were developed as well as capacity of healthcare providers on various elements of emergency obstetric care was increased.
- A model for referring of pregnant women with complications and newborns that includes referral criteria has been piloted in Chui oblast and Bishkek.
- Strategic plan for the development of midwifery services for 2017-2018 was elaborated

The main achievements in child health in 2016 were as follows:

- Introduction of WHO pocket book on management of common childhood illnesses is continuing in hospitals.
- Introduction of 1-day stay in the hospital for sick children significantly reduced unjustified hospitalization of children and improved the quality of care. It also provided an improvement of knowledge and skills on provision of emergency care for children according to the monitoring and supportive visits to the hospitals conducted in 2016.
- Adaptation and external review of IMCI booklets made in 2016 provide an opportunity to improvement of the quality of care for children at PHC level too.
- In 2016 a pneumococcal vaccine was successfully introduced into immunization calendar. In line with global process, country made successful transition from tOPV to bOPV.

Challenges:

The challenges in MCH work plan implementation and achieving better MCH outcomes were identified as:

- Weak continuity of care between different levels of healthcare which significantly affects treatment outcomes;
- Irrational distribution of human resources with lack of specialists in the remote areas is another challenge;
- Lack of implementation and financing mechanisms hinders implementation of activities.
- Weak legal and regulatory policies on delegation of powers for mid level specialists does not allow using full potential of midwives who play important role in providing care to women and newborns;
- Low commitment of local governments in addressing the health issues does not facilitate application of multi-sectoral approach to tackling the MCH problems;
- Low awareness, understanding and attitude of the population on maternal and child health issues often negatively affect treatment outcomes and pose health risks
- Lack of emphasis on practical skills in the curricula for pre- and postgraduate training of medical specialists results in inability of healthcare providers to provide good quality care to pregnant women and newborns;
- OPV vaccine has been introduced into immunization schedule but yet not available due to shortage at international market;
- Increasing number of refusals from vaccination on religious beliefs and intensification of propaganda against vaccination including through social media hinders efforts of the partners to increase immunization coverage.

Priorities for 2017-2018:

- Continue awareness-raising activities on safe motherhood, maternal nutrition, immunization, child health, and family planning to ensure good understanding of MCH issues among the population;
- Improve quality of emergency obstetric care, institutionalization of CEMD;
- Ensure access of vulnerable women to modern contraceptives;
- Strengthen capacity of healthcare providers on antenatal care, family planning, infection control, services for children under 5 years old;
- Improve regulatory normative policies for midwives is required for delegation of responsibilities to midwives for provision of care for women and newborns;
- Start development of the next reproductive health program and revise the existing perinatal program as priorities;
- Provide supplements such as routine fortification of home food with Gulazyk for children of 6 to 24 months, zincs for children, and folic acid for pregnant women;
- Develop a module for emergency pre-hospital care to children with severe conditions;
- Continuously strengthen the national immunization program, including the management, cold-chain, integration to the health system and population awareness; and
- For the implementation of the development strategy of the laboratory service, the Coordination Laboratory Council (CLC) has selected 10 laboratories of children hospitals

as Pilot Project under the Maternal and Child Health Protection (MCH) section of the National Program "Den Sooluk". Start development and implementation of the National Quality Guidelines and SOPs for the main areas of laboratory diagnostics in pilot hospitals.

b. Cardiovascular diseases (CVD)

Mortality from CVD in Kyrgyzstan is one of the highest in Europe, with rates for men more than twice rates for females. There are some positive trends with reductions in mortality (all ages) for both acute myocardial infarction and stroke according to national statistics. Leading risk factors are tobacco (half men smoke), nutritional (salt and saturated fats) and there are high rates of uncontrolled hypertension. Priority interventions need to be implemented that focus on prevention of risk factors, prevention of acute events and their recurrence, prevention of mortality and disability.

Achievements:

During 2016 actions were successfully carried out at population and individual levels. Some tobacco control measures were undertaken. Production of cigarettes in the country stopped in 2014. The country implemented the pictorial warnings and established the Quit hot line to consult those who are willing to stop smoking, covering all the expenses with MoH funds. Taxation increased but was not to a sufficiently high level to impact on tobacco consumption - excise taxes have not yet reached FCTC's recommended level of 70% and rates are not even achieving the level suggested within the Eurasian Economic Union.

Community-level interventions included strengthening the work of Village Health Committees on CVD prevention and promoting healthy lifestyles among the population. There were also various mass media activities to raise awareness such as press conference, celebration of themed days. At individual level, actions included CV disease prevention in primary care for example through implementation of WHO PEN protocols, introduction of incentive mechanisms for early detection of arterial hypertension by family doctors. Support to acute care included training of doctors on stroke care and procurement of essential cardiologic equipment in all regions.

Challenges:

MoH needs to play more leading role in the Government and work closely with the Parliament to ensure more strong measures to better comply with the requirements of the Framework Convention of Tobacco control. Hypertension detection rates remain low (4%) compared with population prevalence levels (43%). Access and affordability of medicines are key barriers for disease control. Around 80% of those with raised blood pressure are not on medication. Low motivation of patients and doctors to register were cited as reasons. During 2016, WHO conducted evaluations of PEN protocol implementation, acute care and rehabilitation of heart attack and stroke, NCD Program and action plan. Recommendations for improvement have been made for each, and are being followed up to increase effectiveness and efficiency.

Priorities for 2017-2018:

- Revise the NCD program and Action Plan based on the recommendations from MTR/2016, particularly revising the national NCD targets and harmonize them with the global ones and establish the NCD unit within MoH.
- Raising public awareness of CVD risk factors (Tobacco, Alcohol, salt, transfats) and promoting healthy lifestyles, and support through measures such as salt reduction strategy.
- Strengthening coordination and control of implementation of measures both at the MoH and the Governmental levels.
- Combat smoking and facilitate revision of the laws and regulations of the Kyrgyz Republic on tobacco control to comply with FCTC requirements (and Eurasian Customs Union); develop and approve the national program on Tobacco control.
- Increase the knowledge and skills of doctors and nurses to control NCD's and risk factors;
- Develop the roadmap for improving implementation of essential NCD interventions at the PHC level, and sustainable approaches suitable for scale up all over the country; and integrate them with the interventions on strengthening the PHC services.
- Conduct the surveys (STEPS, COSI others) to assess the risk factors.
- Develop a roadmap/action plan and implement change to improve care for heart attack and stroke, integrating with the hospital master plans and other health systems strengthening measures.
- Ensure the inclusion of the relevant medicines into the new revision of the Essential Drug List and facilitate the reimbursement mechanisms.

c. Tuberculosis

Achievements:

Joint efforts of the KR Government and donors have produced measurable improvements in key impact TB indicators: a decline in the TB mortality from 6.3 to 5.8, TB incidence from 98.2 (per 100,000 populations) to 94,8. Dramatic changes have been taking place in TB care in the Kyrgyz Republic since 2016. MoH finalized the Road Map for TB System Restructuring, which sets the stage for streamlining of the TB hospital system over coming years. While streamlining of the costly, oversized, post-Soviet TB hospital network has been a topic of discussion for many years, this Road Map represents a blue print for actual change and a move toward WHO-recommended fully outpatient treatment for the majority of TB patients. Implementation of the Road Map will generate savings amounting to an estimated 2 million USD annually, planned to be reallocated to the procurement drugs for TB patients, as well as for improvement of TB care at the primary level.

The Ministry of Health of KR is actively working on improving the quality of TB diagnostics and treatment at the PHC level. To address low coverage rates with rapid molecular diagnostics and culture, a new courier-based sputum transportation system was developed and rolled out in four pilot sites of the Chui Oblast. This is expected to improve timely detection of MDR TB and improve overall TB case detection rates. Results-based financing to motivate PHC providers to detect TB and provide quality treatment is being tested in three rayons of Issyk Kul oblast. The country developed key regulations to prepare for nationwide implementation of new TB drugs and a shortened MDR regimen. To date, 58 patients have been enrolled on short courses and 29 on individualized course at NTP and Kara Balta. By end of 2017, 300 patients are expected to start treatment on short courses and 98 on individualized courses. Broad population-based activities to

reduce TB-related stigma and discrimination took place under the leadership of the Republican Center for Health Promotion.

Priorities for 2017-2018:

- The MOH should prioritize careful implementation of the approved road map for restructuring the TB system in a manner that ensures continued access to essential TB services in regions where TB facilities are closed. Particular attention should be directed toward implementing a system of case management at the PHC level to support all TB patients to successfully complete treatment.
- In 2017, the MOH should prioritize implementation of the WHO-recommended shortened treatment regimen for MDR TB and rational use of new TB drugs (bedaquiline, linezolid, delamanid, and others) for treatment of MDR/XDR TB which should positively impact MDR/XDR treatment outcomes. It will be necessary to implement a comprehensive, sustainable model of medical and psychosocial support through the entire course of treatment to ensure quality outcomes for such patients.
- It remains critically important to improve timely detection and treatment of MDR TB. To this end, the MOH should complete piloting of the new sputum transport system in Chui Oblast, analyze its effectiveness, and plan for nationwide scale-up, if effective. This system should close the gap between the PHC system and oblast- and national-level TB labs, ensuring a system of timely feedback of results to PHC providers.
- To promote case detection and quality treatment at the PHC level, the MOH should pursue approaches to improving motivation of PHC providers, including testing of results-based payment systems for PHC facilities focused on detection of biologically confirmed TB cases and successful treatment. Funds for such a payment system could come from downsizing of TB hospitals.
- Improving the system of TB case registration and reporting remains critical for providing quality care and managing the national TB program. The MOH should take the necessary steps to ensure that an electronic TB management system is used that meets all reporting requirements and can be integrated into the existing health information system.

d. HIV

Achievements:

The HIV epidemic in Kyrgyzstan continues to be concentrated among key affected populations (KAP). National response outlined in the draft State program on HIV for 2017-2021 has the 90-90-90 strategy as the cornerstone, include HIV treatment benchmarks, incorporate domestic funding sources for the first time, and institutionalization of OST into the national health program.

Challenges:

Punitive and discriminatory laws and policies toward KAP; stigma and discrimination from communities, health providers, and law enforcement officials limit access to and uptake of HIV-

related services, which is evidenced by low number of PLHIV on ARV and critical number of clients of OST.

Priorities for 2017-2018:

Endorsement of the State program, ensuring service delivery mechanisms to KAP (e.g. through social contracting) and increasing domestic funding of HIV prevention and treatment programs are the top priorities for 2017. Addressing sustainability and transition issues, treatment gap and programs implementation efficiency, stigma and discrimination are priority actions in 2017 and onwards.

4. Den Sooluk Cross Cutting Health System Components: Review of Implementation Progress for 2016 and Plans of Work for 2017-2018

a. Health financing

Achievements:

Several significant developments took place in 2016 which have profound implications on the health financing landscape. A series of study results on out-of-pocket (OOP) health expenditure were released by WHO which demonstrated that financial burden of seeking health services was reduced in the early years of reform but the trend appeared to be reversed recently. Specifically, during 2003-2009, the share of total OOP spending on health in the per capita household budgets decreased from 5.3% to 3.5%. After 2009, however, the rate of growth in OOP spending began to accelerate and increased much faster than the total per capita household budget, in particular for the two poorest groups of the population and in the two largest cities, Bishkek and Osh. Spending on outpatient medicines (prescribed and not prescribed) is the driver of OOP expenditures. Between 2013 and 2015, the number of medicines dispensed under the Advanced Drug Package (ADP) in the public outpatient sector decreased by 14%. Compared to the 2013 figures, co-payments for medicines prescribed and dispensed under the ADP increased by 20% in 2015. Informal payments during hospitalization, although not a big portion of OOP, followed very similar trends as the total OOP. The observed patterns point to a need to review and potentially revise the State Guaranteed Benefit Package with a bigger attention to its depth, as well as a need to take a better control of the pharmaceutical market in the country.

Considering the MHIF central role in executing health financing policy in the country as single purchaser, WHO provided TA to MHIF to strengthen the governance of health system financing. In 2016 the support guided the organization throughout all important steps of self-assessment and defining of institutional mission, functions revisions as well matching with organizational structure, and finally assessment of existing governance practices. The discussions thru the year covered topics as organization's purpose, its outcomes for citizens and service users, effectiveness of performance, organizational and personal values of good governance through behavior, decisions, delivering practices, transparency, managing risks, capacity and capability of the governing body to be effective. During the second half of 2016 the WHO TA concentrated the support to MHIF leadership and core team on development of institutional strategy, the short term and long terms actions, management framework, measurement and indictors. The strategy for 2017 – 2020 is being finalized by MHIF in early 2017.

As per the Law of the KR «On the enactment of the Budget Code of the Kyrgyz Republic as of May 16, 2016, №60» the Budget Code has been introduced into force since January 1, 2017. The Government of the KR is obliged to submit proposals to the Jogorku Kenesh of the KR on harmonization of legal framework with the Budget Code within six months. The Budget code classifies health among 10 state budget obligatory expenditures defined as of national importance, the responsibility for which is entirely imposed on the Government through the relevant government bodies. The structure of the budget system of the Kyrgyz Republic comprises the republican and local budgets and separate budgets of the Social Fund and the Mandatory Health Insurance Fund (MHIF). The budget of the MHIF is a consolidated fund intended for the financial support of tasks and functions of the state body that implements the state policy in the sphere of basic state and mandatory health insurance. Compulsory insurance contributions from insurant and insured persons are collected as revenue by the Social Fund. The new budget code defines the MHIF budget structure in revenue part as the state budget allocations for the basic state and mandatory health insurance and as expenditures – the funding of Basic State Health Insurance (BSHI) and MHI; supporting and developing the health care; ensuring financial sustainability and minimization of health facilities financial risks. MHIF competences includes accumulation of the MHI contributions and the Single Payer system's funds; implementation of BSHI and MHI programs; ensuring financial stability, sustainability and minimization of financial risks of health facilities; and allocation of funds for health development.

To date the MHIF prepared the draft of the Law "On the budget of the MHI Fund under the Government of the Kyrgyz Republic for 2018 and the forecast for 2019-2020." The structure of the Law “On the budget of the MHI Fund under the Government of the KR for 2018 and the forecast for 2019-2020”includes 11 articles and 4 annexes to define:

- Total amount of consolidated funds of the Single Payer System;
- Forecasted amount of consolidated budget for the coming year and next two years;
- The budget amount for the formation of insurance (reserve) stock on MHI;
- Amounts of funds for administration of budget programs.

With support from SWAp basket funding, MHIF arranged a tender to contract national experts for development of draft Laws of the Kyrgyz Republic (1) «On the budget of the Mandatory Health Insurance Fund under the Government of the Kyrgyz Republic for 2018 and forecast for 2019-2020» and (2) «On the introduction of amendments into some legal acts of the Kyrgyz Republic». Currently, the contracts are being concluded with the selected experts. While the implications of introduction of new budget code and its requirements are not yet clear, MHIF will require support to prepare the legal framework. The current PFM arrangements in the health sector generate high transaction costs and inefficiencies affecting the delivery of services. WB secured a TA supported by the Japan Policy and Human Resource Development (PHRD) Trust Fund to help to improve the sustainability and efficiency of Universal Health Coverage (UHC) in KR and support MHIF to improve Public Financial Management (PFM).

In 2016, MHIF works on tracking of all health spending, National Health Accounts platform, through the WHO accounting framework System of Health Accounts (SHA). The preliminary results of 2014 data were presented at JAR: GDP share on health in 2014 was 7.6%, or 30 billion

Som, that counts 5 254 Som per capita and takes 51% of the population's expenditures. Financing sources divided between 96% of local expenses and 4% foreign aid. The health services buyers were households- 53%, the state- 43% and 3% others. The bigger drivers of health expenditures were over-the counter medicines – 35% and inpatient treatment – 35%, services at PHC level took 22%, prevention – 3% and administration – 0.4% . By diseases groups allocation of expenditures as following: CVDs -13%, reproductive health and respiratory diseases by 9%, vaccine preventable diseases – 1%, HIV/AIDS-05%. Households expenditures on health was 2,824 some per capita, the biggest portion (62%) was spent on medicines, 19% on outpatient and 18% on inpatient services.

WB Health Result-based financing project presented the results of two years of project implementation in 43 pilot hospitals across the country with the theme of modernizing of payment mechanisms at the hospital level that is on the agenda for several years. The RBF monitoring data shows a steady improvement of hospital performance measured by the balanced score-card criteria with corresponding trends between hospitals with payment for results and hospitals without payment (although with differences in absolute terms). During discussions MHIF raised concerns with the sustainability of RBF project achievements once the project finishes in 2018. The moving from pilots to system needs further in depth discussions.

To develop unified approaches, design and methodology of the RBF PHC pilot model, the MOH and MHIF made a single technical group comprised by four stakeholders: HFA/SDC, RBF/WB, Defeat TB/USAID projects and a team for implementation of PEN-protocol / WHO. In 2016 RBF designed principles of PHC RBF that includes 2 interrelated lists of quantity and quality indicators based on MHIF indicators for monitoring FMC/FGP/CGP contracts.

Challenges:

- A short time-frame for draft of the Law "On the budget of the MHI Fund under the Government of the Kyrgyz Republic for 2018 and the forecast for 2019-2020" approval by the Government Decree in accordance with the procedures set by the statutory law.
- The development of strong and reasonable by-laws in such a short time looks like an impossible task and can affect the quality of draft documents
- The current PFM arrangements in the health sector generate high transaction costs and inefficiencies affecting the delivery of services
- Implications of introduction of new budget code and its requirements are not yet clear
- Institutionalization of System of Health Accounts to set up a harmonized, integrated platform for annual and timely collection of health expenditure data
- Sustainability of achievements of WB RBF project in light of potentials for scaling up of suggested approach
- High level of out-of-pocket payment for health services and medicines

Priorities for 2017

- Assessment of implications of introduction of new budget code and its requirements and seek opportunity on introduction of new set of by-laws to tackle high transaction costs and inefficiencies of current PFM arrangements;

- The SHA institutionalization requires revision and development of options for its institutionalization and close involvement of National Statistical Committee that has more authority to collected data from the private provides, donors and OOPs. By June 2017 MHIF will complete the production of first SHA based on 2014 data and re-visit the data sources mapping exercise to draft the challenges and lessons learned of SHA preparation.
- The Round Table on results of SHA 2014 data, mapping exercise, challenges and lessons learned should be organized with participation of key stakeholders by August 2017. This will be important to define the next phase in SHA institutionalization with possible sharing the responsibilities to produce SHA between the MHIF and State Statistics Committee.
- To conduct a stock take of piloted and existing health services purchasing arrangement at primary and secondary level, its implications to derive conclusions and lessons learnt to inform the further discussions on identification of direction of strategic purchasing arrangement revision
- To implement MHIF institutional strategy 2017 – 2020 through strengthening the governance practice, building organization capacity and implementing new tools.
- Integration of four specialized services (oncology, mental health, cardio-surgery, hematology) into the single payer system should be continued and this process shall be monitored closely and evaluated by the end of year 2017.
- The Master plan for improvement and optimization of service delivery system needs to be developed and finalized.

b. Human resources for health

Achievements:

The Ministry of Health has been making a lot of efforts to solve the human resource crisis at the primary health care level. The internship program got cancelled and since 2016 the General Practitioner specialty has been promoted by the postgraduate medical education (PGME) in a decentralized way in the rayon health facilities. In 2016, a total of 18 (4 in 2015) graduates had selected this specialty for their postgraduate education. The high level policy dialogue platform was established in 2016 with participation of Parliament members, and representatives of the Ministry of Health, of the Ministry of Education and of High Medical Education Institutions (HMEI).

Challenges:

Still, there are numerous challenges regarding the improvement of medical education quality and the shortage of family doctors in the regions. There are political and technical issues to be addressed by the Kyrgyz Government. Major political issues are the absence of a Human Resources Strategy, the excessive number of high medical education institutions as well as the exceeding number of students in the country, which hampers the quality of trainings. Technical issues are related to the implementation of the new curriculum at pregraduate level, relations between HMEI medical faculties and clinical basis, independent accreditation and evaluation of students and institutions, approval of the regulation on the PGME and its financing mechanisms.

Priorities for 2017:

- This year, the Ministry of Health should start preparing the Human Resources Strategy with a long term perspective to be presented and approved during the next JAR;
- The Regulation on the new decentralized PGME on Family Doctor/General Practitioner (FD/GP) speciality should be approved as soon as possible (previous deadline was by April 2016). This regulation should be compulsory for all HMEI in the country (Kyrgyz Slavic University, Osh State Medical Faculty and others);
- State budget resources should be used only to fund FD/GP specialty and the PGME should take place in rural health facilities with distance coaching from HMEI (Naryn and Issyk-Kul oblast are prepared to receive them). The PGME for narrow specialties should be on commercial basis only – cost for education should be paid by graduates and not funded by the state;
- The narrow specialties need to be regulated with a minimum of 4 years of residency training (2 years of GP residency plus a minimal 2 years for the narrow specialty). This way, young residents will no longer be able to "escape" the 2 years residency program on GP and go for a narrow specialty with only 1 year of training;
- The role of the Kyrgyz Medical Association should be strengthened (PGME on narrow specialists, CME system, and independent accreditation of students, doctors and nurses).

c. Pharmaceuticals

Achievements:

First, activities in the area of quality assurance have been undertaken. WHO supported the drafting and revision of the health technology (medicines and medical devices) regulatory framework. This update of the legislation is a critical point which will significantly improve the regulatory environment and ensure the quality and safety of medicines circulating throughout the country. A self-evaluation of the National Regulatory Authority, with support from international experts, will also be conducted in 2017. A training plan will be envisaged based on the results of this assessment.

Second, the selection of medicines is being addressed. The National Essential Medicines List has been subject to a revision and update (the first one since 2012) and WHO EML model list has been used as a reference. In addition, support will be provided to define the national procedures for revision of this NEML in order to develop a fair, transparent and predictable environment which will contribute at increasing the general governance of the system.

Finally, pricing and reimbursement issues are being tackled. In 2016, an in-depth analysis of out of pocket payments on medicines has been conducted. Reasons explaining recent trends were investigated and the absence of price regulation has been mentioned as having a major impact on it. A set of recommendations to address this issue have been drafted, some to be considered in the short term and other more for the medium/long term as they require significant design and preparation.

Challenges:

Reforming the pharmaceutical sector remains a challenging task. First, it requires a set of legal changes and updates. The complexity of the topics requires thorough preparation and explication of actions taken to ensure adhesion from stakeholders (government, members of parliament, and other development partners). In addition, a lot of divergent interests are gathered which try to influence on the directions to take. It is important that government remains strong on its position in order to deliver the needed transformations. Finally, it is also very important to check for alinement between actions in the medicines area and actions in other sectors (health service delivery, autonomy/decentralization, etc.).

Priorities for 2017:

- Facilitate and ensure the formal adoption of the regulatory laws by the parliament.
- Contribute to the drafting and adoption of the corresponding bylaws.
- Ensure adoption of the National Essential Medicine Law revision and discuss country support on the procedures and functioning of the committee in charge of revision of the medicines lists.
- Conduct the Drug Regulatory Authority self-evaluation and discuss actions to be taken based on the results of the evaluation.
- Discuss the policy actions to be taken in the area of pricing and reimbursement of medicines (short term actions and medium/long-term changes via conceptualization of a possible pilot project at the oblast level).
- If there is significant traction at the country level, provide technical assistance on the area of centralized procurement of medicines.

d. ICT in health

The government continues improving the environment for eHealth development based on approved "e-Health Program and Action Plan" for 2016-2020 (eHealth Strategy). The Strategy provides clear vision of modern, computerized healthcare system based on coordinated development of central and local systems, and consolidation of currently fragmented development. Within the framework of SWAp, the work proceeds in few directions that complement each other:

- Further technical elaboration of the Strategy through development of a national e-health architecture and optimization of the regulatory framework;
- Institutional and technological Transformation of the Republican Medical Information Center (RMIC) into a modern eHealth Center (including the establishment of a data processing center) to ensure unified approach to the introduction of eHealth information systems in the Kyrgyz Republic.
- Implementation of key central systems: Master register of patients that provides access to basic identification and demographic data; Transition of central registers to work online; Improvement and implementation of clinical IS integrated with the electronic health record; Creation of central systems that ensure the message exchange on referrals, electronic appointment in all HFs, etc.

Based on the "Concept of creating an electronic database of drugs and medical devices in the Kyrgyz Republic for 2016-2020", the work proceeds towards creation of the comprehensive governance and infrastructural capacity to address the WHO recommendations on enhancement of pharma market monitoring and evaluation capabilities, strengthening reimbursement process, and improving enforcement of policies in drug pricing. That involves development of:

- public framework model executed by administration bodies and functions, for creating policies, establishing regulations, taking pricing decisions and designing reimbursement rules, and
- systems supporting implementation of framework model, e.g. national IT solutions with formal registration procedures, classification standards run through effective IT structures.

According to the plan, a single system of registers and classifications to be created by end of 2017 and a new drug purchasing process to be used by hospitals by end of 2018, based on National Governance Framework Models for (i) pricing of pharmaceuticals and medical devices, (ii) reimbursement of pharmaceuticals and medical devices, and (iii) pharmaceutical auditing.

e. Individual service delivery

Achievements:

- In strategic planning:

Under the PHC Strengthening Plan for 2016-2018, pilot PHC facilities have been selected and approved for implementing activities in Tonskiy, Tyupsky and Zheti-Oguzskii districts of Issyk-Kul oblast (MOH Order No.30930/04/2016).
'Councils for health protection' have been established jointly with participation of district local administration, local health departments and health facilities as a test mechanism for strengthening inter-sectoral collaboration (in pilot health facilities of the 'Health Facilities' Autonomy in Kyrgyzstan' Project). Health workers have been trained in quality management under the ''single payer system' in medicines and equipment management and infection control.

- In human resources:
  - Job descriptions for family nurses were revised and approved in order to clarify and expand the duties of family nurses (for 20 pilot PHCs).
  - Catalogue of competencies for family doctors/GPs has been developed.
  - The analysis of work of PHC's narrow specialists was carried out and the norms to optimize workload of narrow specialists were developed and approved (in Bishkek and Issyk-Kul oblast pilot facilities), and staffing standards for FMCs were developed.

- In clinical/medical processes:
  - New clinical protocols and guidelines were developed and approved by Ministry of Health for Pediatric TB, Diabetes Mellitus (4), CVD (6), Pediatrics (5) and Antenatal Care.
  - Ministry of Health adopted the list of diseases to be managed at PHC level.

- In financing:

The PHC performance-based financing model had been under implementation since July 1, 2016 in pilot districts of Issyk-Kul Oblast, where it provides incentives for FGP staff based on performance results. It is aimed at promoting PHC facilities' autonomy as a whole, and expansion of FGP financial rights and powers within FMC/GMCs in particular.

- In laboratory services:

– The National Laboratory Coordination Council was established (KR MOH Order No. 18, January 16, 2015) and National Program and Strategy of Laboratory Service Development in the KR was developed and approved by Ministry of Health (KR MOH Order No. 347 20/05/2016). In addition, costing analysis was carried out to estimate the required expenditures for laboratory service strengthening in the KR.
– Evaluation of laboratories was carried out using LQSI Tool (63 laboratories, including 30 laboratories at PHC level), that included revision of updating of regulatory and legal documents, introduction of external quality assessment programs on infectious diagnostics, biochemical and hematological testing.

- In Health Information Systems:

– IT, communication and office equipment was procured for FMC# 8 in Bishkek and for pilot health facilities of Issyk-Kul oblast, including Internet connection.
– Electronic database for CIF data entry was introduced in pilot PHCs in Issyk-Kul oblast and doctors received on-job training.
– Work was initiated on revising the CIF format and the CIF database for preparation of assessment reports (including recording of nurses' work).

Challenges:

- Human resources problems remain one of the biggest challenges in implementation of reforms on health service delivery and PHC strengthening in KR. Catastrophic shortage of family doctors/GPs coupled with inadequately high workload imposed on them (due to a large number of unnecessary reporting and information recording forms and requirements) is exacerbated by extremely low salaries and, as a result, lack of motivation. Consequently, there is a very high-rate of combined part-time jobs and insufficient level of knowledge and skills among family doctors. In addition, irrational distribution of human resources between different levels of health facilities is due to the fact that the role and need for narrow specialists in PHC level is not clearly defined.
- Inadequate material and technical base (infrastructure, laboratory and diagnostic equipment) in PHCs, excessive amount of low-information recording and reporting forms partly due to inadequately automated system for medical recording medical and accounting documentation.
- Uncertainty about the readiness of health system for transitioning from donors-supported pilots to nationwide coverage in order to institutionalize systems before development funding runs out.
- Patients' experience and prospective are not sufficiently represented.

Priorities for 2017

- Moving from pilots to nationwide/system. Further national roll-out of PHC financing mechanism (performance-based financing) with introduction of performance incentives for the volume and quality of medical care. Revision of the regulatory and legal framework for further expansion of health facilities' autonomy project in PHCs.
- Human resources. Strengthening the role and function of nurses in PHC level. Revision of curricula for nursing professionals focusing on NCDs (e.g. PEN package for PHC). Exploring the mechanisms to proactively address the issue of lack of family doctors/GPs at PHC level.
- Quality Improvement. Improvement of the mechanisms for continuous introduction of evidence based clinical protocols and guidelines. Development and implementation of national certification standards, national concept and strategy for quality management and improvement.
- Laboratories. Development and introduction of the samples transportation system in all areas of the national laboratory services. Development and implementation of the National Quality Guidelines and SOPs for the main areas of laboratory diagnostics.
- Hospital Master Plan. Development of a comprehensive Master Plan for strengthening and optimization of Hospital Service in KR in order to ensure country-wide delivery of essential services, including review of all relevant aspects such as regulatory and normative framework, geographical network, population coverage, patients' prospective, safety assessment, quality, infrastructure, capacity and costing.

f. Public health

The WHO has actively been involved in the supporting the public health services in Kyrgyzstan, with a view to establishing the foundation for an eventual reform of public health services.
Achievements:

- In the area of public health services
    - With the support of WHO, a comprehensive assessment of essential public health operations (EPHOs) in Kyrgyzstan was conducted, resulting in ten priority recommendations, including one recommendation to develop a strategy for reform and optimization of the public health services.
    - The country received malaria-free status;
    - A memorandum of understanding was signed between the State inspection on veterinary and phytosanitary security under KR Government and affiliated representatives of KR Government in Osh and Naryn oblasts, on conducting of joint activities on zoonosis infections.
    - A draft of a State programme on counteraction to HIV-infection in Kyrgyz Republic for 2017-2021 was prepared
    - An application for financing of programmes on TB and HIV-infection for 2018-2020 to the Global Fund was prepared
    - With the support of the WHO, a joint external evaluation of the implementation of the IHR was conducted
    - With the technical support of CDC Atlanta, activities were conducted with the aim of strengthening epid. surveillance of influenza and preparedness to pandemic influenza in the country

- In the area of laboratory services
    - A strategy for development of the laboratory service of the Kyrgyz Republic for 2017-2025 and a corresponding general budgeted plan of action have been developed, in the framework of Better Labs for Better Health, WHO Europe initiative.
    - With the help of WHO experts, 2 diagnostic laboratories of MoH are implementing Quality Management Systems in preparation for preparing for ISO 15189 accreditation.
    - In Ton, Jeti Oguz and Tyup rayons of Issyk Kul Oblast, centralization of clinical diagnostic lab services is being pursued.
    - Prepared rationale for development and introduction of certification and licensing standards of medical laboratories.
    - Training was conducted for 50 specialists and operation units of the Center for Disease Prevention and State Sanitary Epid.Surveillance “On organization of sanitary-epidemiological surveillance on customs border and customs territory of the Eurasian Economic Union”.

Following the strong efforts of the MoH and the DP’s to combat the Malaria, in 2016 Kyrgyzstan was certified by WHO as Malaria Free but this requires from the country to continue the efforts to maintain Malaria free status. The country has developed the application to the Global Fund for 2018-2020 for the total amount of 23,470 mln USD and the new national program on HIV/AIDS for 2017-2021 outlining the key directions and interventions. Activities conducted at the community level to support the detection of patients with hypertension. Number of information campaigns conducted on healthy life styles etc.

MoH is strengthening the control of Tobacco use and implementation of the pictorial warnings, increasing taxes and establishment of the quit line. More efforts are needed to combat with smoking in public places and increasing the level of taxes in accordance with the FCTC recommendations.

Two laws "On amendments and additions to the Law of the Kyrgyz Republic" On Approval of Technical Regulations "On the Safety of Drinking Water" and “On amendments and additions to the Law "On HIV / AIDS” and 21 sanitarian norms and regulation have been reviewed and developed to comply with the EAEU requirements.

Self-assessment of the essential PH operations have been conducted using WHO EPHO tool and set of final recommendations developed based on the discussions with the leading experts from PH services, MoH, DP’s and representatives from other sectors. Based on the key finding the PH self-assessment the strategy of further reforms of the PH services will be developed.

Joint External evaluation of the national capacities with re to IHR have been conducted in November 2016 and the key recommendations shared with the MoH to develop the Roadmap on strengthening the services/functions, capacity building both in MoH and other sectors, including response capacity. The Village community based project have been closed by SDC and all the responsibilities for managing the work of the VHC is under the responsibility of the Republican Health promotion Centre.

The regulations of the Governmental Coordinating Committee on PH have been reviewed to integrate the functions of the Country Coordinating mechanism on GF. The revised regulations under the consideration of the Government.

Intersectoral collaboration was strengthened by development and signing of the Memorandums on joint control of Zoonosis with the Administrations of Naryn and Osh Oblast and Phytosanitarian and Veterinarian services.

Challenges:

- Insufficient funding for public health services, in particular for health promotion activities targeting to NCDs;
- There is a lack of staffing for PH departments and lack of incentives to attract the young specialists, particularly, in district areas. This requires more integration of the activities with the PHC services.
- Lack of preparation of staff for the certification and accreditation of PH laboratories;
- Insufficient material-technical base (infrastructure, laboratory-diagnostic equipment)

Priorities for 2017

- In the area of public health services
    - Development of a strategy for the development of PH services and relevant legislation:
        - to develop a new structure for PH service and organizations which are included in it, indicating the schedule and financing
        - to develop a package of normative-legal acts for the implementing of Law "On Public Health";
    - Reform and optimization of public health services, with a mind to creating a sustainable source of funding for key public health programs that are currently at risk of being discontinued owing to lack of funding, such as the network of Village Health Committees.
    - Development of a roadmap for short-, medium- and long-term activities based on self-assessment of the main operational functions of public health (EPHO);
    - Continuation of health promotion activities
    - Strengthening of the multi-sectoral approach to addressing the problems associated with antimicrobial resistance and development of the inter-sectoral strategy in this area
    - Certification and accreditation of PH laboratories and training of laboratory specialists;
    - Development and implementation of a sentinel surveillance system for acute respiratory infections, echinococcosis and HH;
    - Development of a risk assessment system for emergency situations with the introduction of new technologies (GIS) on mapping of sources of acute and especially dangerous infections with their ranking.
- In the area of laboratory services
    - Training on quality management in laboratories

- Training of laboratory specialists
- Finalization of national standards for laboratory certification
- Finalization of plans for sample referral systems and implement (TB, HIV, Public Health)
- Standardization of protocols throughout the laboratory systems (defining tests /level - standardizing the methodologies of the tests -writing the corresponding SOPs)

g. Stewardship

The MTR in 2016 recognized that one of the major impediments to the exercising of stewardship by the MOH is the constrained capacity, especially for reaching out to the sub-national levels. An initiative was launched to use a "payment for performance" approach to strengthen the function of reform coordination and implementation by the oblast health coordinators and their teams. In order to strengthen the role and responsibility of health coordinators at the oblast level the "payment for performance" approach system was developed jointly by MoH and MHOF in 2016. Funds for oblast coordination will be provided in the republican budget in form of proceeds to special accounts of the MoH and MHIF in the system of Central Treasury in the following ways: MHIF through the Single Payer System channels funds for the current coordination functions and for incentive payments based on the verification of oblast coordinators' performance. MoH provide coverage of verification costs, and, if necessary, separate payments for the coordination functions also based on the results of performance verification.

Payment from Grant funds for oblast coordination will be done in form of monthly instalments and will be transferred to a special account of the MHIF in the Regional branches of Treasury in the amounts specified by the MoH for coordination functions. Level of incentive payments on the verification results will be adjusted quarterly, based on the performance of oblast coordinators with established targets / indicators. Unused funds at the end of the fiscal year should not be withdrawn and can be used for refinancing. Priorities for 2017-2018 will be: (1) concretizing this initiative with more detailed plan and operational manual, (2) launching the implementation as soon as possible; and (3) monitoring the implementation closely and adjusting the work accordingly. If proved successful, the oblast coordination P4P initiative could carry over to the next project by the current SWAp2 joint financiers.

The 2016 witnessed number of developments in the area of stewardship as in addition to regular dialogue to steer the Den Sooluk program and the MTR (both internal in Ministry of Health and independent external review) the Ministry of Health conducted two “mini-JARs” at the Oblast level in May and October, as well Ministry reviewed with stakeholders the indicators-targets for period until 2018 for Den Sooluk program. The Thematic Meeting on Health Financing and Senior Policy Forum on Universal Health Coverage were conducted in September 2016. Country has continued to evaluate its national programs and drafted new (e.g. HIV/AIDS, TB, see earlier), first multi-year rolling institutional strategy was prepared for MHIF, and senior officials have participated in capacity building events (e.g. international courses) and meetings to adapt good practices to national context. In the Ministry of Health the coordinators for Den Sooluk program are available (where efforts are made to harmonize the Term of References in 2016 to be continued) and further the relations to other DPs supported consultants and PIUs, as well civil servants needs attention. The discussions during JAR sessions emphasized the importance to ensure coordination

between various committees and structures available in health sector to support individual programs implementation.

5. Joint Assessment Framework

In 2016 MHIF works on tracking of all health spending, National Health Accounts platform, through the WHO accounting framework System of Health Accounts (SHA). The preliminary results of 2014 data were presented at JAR. The main results corresponds with previously reported the fifth round of the KIHS was conducted by Kyrgyz National Statistic Committee with support from WHO in 2015 and indicators on access barriers and household financial burden presented during the Thematic Week on Health Financing in September 2016.

The target indicators of M&E system for 2017-2018 has been discussed and agreed by the priority and component working groups prior to JAR and the package of indicators for monitoring of the National Health Care Reform Program "Den sooluk" for 2017-2018 was developed. The extended M&E system comprises in total 79 indictors, 57 for priority areas of the "Den sooluk" program and 22 indicators for health system strengthening. 22 new indicators agreed and introduced.

In order to maintain routine use of research data and evidence for policy discussion in 2016 WHO with support of SDC Den Sooluk support funds commissioned the Integration of the Sustainable Development Goals 2030 in the strategic programs of Kyrgyzstan's healthcare sector and the country's Development Strategy 2040. Adaptation of SDGs in health sector and country development program till 2030 was conducted by HPAC in close consultations with MoH and National Statistical Committee (NSC). As a result MoH is a leading ministry in preparation to the country wide discussion of adaptation of SDGs. Nevertheless the consultation process is ongoing and health SDGs prioritization is still an open agenda for MoH. Under leadership of Vice-Prime Minister of KR the governmental process on implementation of first phase of SDGs monitoring system in KR stated from March 2017. All sector ministries and agencies assigned to create WG and select SDGs monitoring indicators in close consultations with NSC team.

In 2016 and during the JAR the various surveys and studies coordinated and conducted by WHO have been shared with the participants covering topics as medicines prices, formal and informal payments for health care services, non-communicable diseases (NCDs) program review, evaluating the services to address NCDs at PHC level (PEN), review of acute care and rehabilitation services for heart attack and stroke.

Within the further strengthening capacity of policy makers to use evidence on health system performance to inform policy decisions the HPAC health policy research products promotion and dissemination were improved via development of the Catalog of HPAC publications from 2012-2016, design of standard HPAC cover page; re-design and publication of 10 surveys; re-design of HPAC web-site. Thereby the access to HPAC policy studies has been improved in order to highlight and promote the research findings for evidence-based policy making in the country. During JAR HPAC re branded products were distributed. The other policy papers produced by HPAC with support of the Swiss HR project: Report on the Package of indicators for monitoring and evaluating the reform of undergraduate, postgraduate and continuing medical education (2015-

2016); Review of nursing education in the Kyrgyz Republic; Addressing Underutilized Capacity for NCD Care: new role for Family Doctors/General Practitioners and Nurses?

6. Sector Wide Approach in Support of Den Sooluk *(SWAp-2 project)*

The MTR of the Den Sooluk and SWAp2 project, conducted in June 2016, highlighted a number of achievements while also pointing out the need for reform and donor support to yield concrete results on the ground. With Den Sooluk being extended to December 2018, both program and project now have less than two years for implementation. This puts the pressure to fasten the pace of implementation, focusing on the most critical programmatic areas while reinforcing the underlying institutional mechanism which emphasizes country ownership and capacity building. To enforce the overall coordination and SWAp principles the Joint Statement for the Partnership between the Kyrgyz Government and Development Partners for the National Program on Health Care Reform in Kyrgyz Republic extension until end of 2018 is prepared for signing in the second quarter 2017 by all partners.

The MTR of SWAp2 project also saw a number of justifications for project restructuring. First, the complexity of the design and ambitiousness of the project objectives compared to the funds allocated for project implementation and country capacity require a simpler design. Second, given the persistently high maternal mortality, a shift is required from focus on increasing utilization to improving quality. Third, given the inadequate attention to strengthening the key building blocks of the health system and the need to increase efficiency, a shift is required from supporting vertical programs to integrating their delivery into the health system, especially at primary care level. Finally, there is a strong case for fostering synergy between health and social protection. The proposed restructuring hence is intended to place a greater focus on improving the delivery of quality maternal and child health care services, while strengthening the health systems ensuring the integration of the delivery of services provided under selected vertical programs (Cardiovascular Diseases, Tuberculosis, and HIV/AIDs) within the services delivered at the primary health care level. A defined set of results measuring the progress towards the achievement of the proposed development objectives is introduced taking from the broader government owned Den Sooluk Program.

The restructuring of the SWAp2 project was approved by the Bank's Board of Directors on March 17, 2017. Following the directions of the restructuring, the SWAp2 basket support of Den Sooluk Work Program 2017 – 2018 was agreed with the MOH, and accordingly the procurement plan was provisionally approved by the Bank in behalf of joint financiers. The restructured result framework allows for a possibility to measure project's progress against the revised objectives and components.

The health sector financial management (FM) arrangements continue to perform at the moderately satisfactory level. While there are still a number of weaknesses observed in the internal controls of the health sector, the team noted notable progress made over the last few months. Particularly: (i) about 37% of health facilities prepared annual financial statements using 1C accounting software and submitted online; (ii) financing of unprotected line items of the MOH budget has been improved; and (iii) preliminary activities in relation to audit of the year 2016 have already started. Currently, the most critical issue affecting the FM arrangements constitutes the weaknesses

in the internal control system in a number of individual health facilities. Procurement arrangements of the MoH continue to be rated as moderately satisfactory.

The Joint Financiers have agreed to the following schedule of disbursement, which will be monitored and adjusted as needed down the road.

SWAp2 disbursement, actual and planned (as of May 1, 2017) – USD million

	committed, exchange as of May 2017	actual 2014	actual 2015	actual 2016	planned 2017			planned 2018		
					Q1	Q2	Q3	Q1	Q2	Q3
IDA (H839,5235)	12.1		1.5	4	1	2	1.6	1	1	
SDC (TF)	11.96		3.3	3.16	1	2	1	0.5	1	
KfW - ¾	16.39	5.79	3.8	3.5			3.3			
KfW – 5	8.2							3	2	3.2
Total health SWAp2	48.65	5.79	8.6	10.66	2	4	5.9	4.5	4	3.2

Next Operational Steps

Given the heightened need for accelerating the implementation of the Den Sooluk and SWAp2, as well as developing the next sector reform program, the JAR agreed that more intense support from development partners is warranted in 2017. The remaining three meetings of the year will all devote to the topic of service delivery and new sector reform program development, and are planned for the weeks of 19-23 June, 18-22 September, and 4-8 December 2017.