

INTEGRATED SAFEGUARDS DATA SHEET

APPRAISAL STAGE

Report No.: ISDSA16399

Date ISDS Prepared/Updated: 12-Apr-2016

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Nepal	Project ID:	P150801
Project Name:	Nepal Health Sector Management Project (P150801)		
Task Team Leader(s):	Preeti Kudesia, Vikram Menon		
Estimated Appraisal Date:	04-Apr-2016	Estimated Board Date:	16-Jun-2016
Managing Unit:	GHN06	Lending Instrument:	Investment Project Financing
Sector(s):	Health (50%), Public administration- Health (30%), Non-compulsory health finance (10%), Compulsory health finance (10%)		
Theme(s):	Health system performance (50%), Public expenditure, financial management and procurement (25%), Managing for development results (2 5%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	150.00	Total Bank Financing:	150.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			150.00
Total			150.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The objective of the project is to improve efficiency in public resource management systems of the health sector in Nepal.

3. Project Description

This project will support improved systemic efficiencies in the public resource management system in the health sector through the following components:

Component 1: Improve Public Financial Management and Procurement in the Health Sector (US\$ 115 million).

Component 1 will have two sub-components:

A. Improving Public Procurement (US\$ 65 million): The structural and institutional arrangements for managing health sector procurement are weak which impacts the quality and timely availability of drugs. The aim of this sub-component is to support the Government's reform plan for system and supply chain improvements in order to improve efficiency and transparency. Enabling proper planning, budgeting and execution of procurement, and quality assurance would lead to reductions in drug stock outs and enable the timely availability of the basic package of drugs at all health facilities and to all populations.

B. Improving Public Financial Management (PFM) (US\$ 55 million): This sub-component focuses on reforms to improve the entire cycle of planning, budgeting, expenditure execution and monitoring. Improved PFM in the health sector will reduce existing inefficiencies in public expenditure planning and spending, and thereby facilitate better redistribution of resources through more evidence-based resource allocation to ensure that affordable and appropriate health services are available to the Nepali population, particularly the disadvantaged.

Component 2: Improve Reporting and Information Sharing for Enhanced Accountability and Transparency (US\$ 35 million).

Component 2 will improve reporting and information sharing. Public resources are not necessarily targeted to populations and geographic areas with the poorest health outcomes. Robust disaggregated data (based on income, ethnicity, gender and geographical location) is not available on a regular basis, and is definitely not presented to, or used by, policy makers for decision making. At the same time there is no system/mechanism in place to provide reliable and timely information to citizens that would enable them to hold the health system accountable for accessibility, affordability and quality of service delivery. This component will support NHSS to design and strengthen systems for regular data capture and monitoring of disaggregated data. Mechanisms for public access to information in keeping with the GESI Strategy and Nepal's Right to Information Act will also be developed. Strengthened citizen engagement can improve access by providing citizens with the information and capabilities they need to access a given service; and capturing information from citizens, via voice and feedback, to improve state responsiveness in addressing access constraints. Improved accountability can help ensure that service providers 'supply' the service as agreed, thus ensuring that affordable access is provided and maintained. At present, there is no formal mechanism in the health sector in Nepal that enables this process. International experience shows that to establish such processes, particularly in fragile and unstable countries, this endeavor is unlikely to be institutionalized during the short life of a project. However, this should not hinder initiating the establishment of such systems. This will include, citizen feedback mechanisms for key areas such as availability of drugs and health care providers as well as appropriate citizen grievance redress processes.

A series of disbursement linked indicators (DLIs) within each of the components will form the basis

of disbursement against eligible expenditures.

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

As the project supports supply and demand-side interventions to improve public resource management in the health sector, project related activities will potentially be carried out across all the 75 districts of Nepal. The geographical contexts of these 75 districts range from the mountainous areas to foothills and flood plains of the Terai region of Nepal. However, to meet the project's stated objectives, IDA financing would be used by the government for institutional system strengthening by improving the accountability and efficiency of public sector management and better measurement and monitoring of inequity in access to health services. The project does not envisage direct support to activities relating to infrastructure development and as such, negative environmental and social impacts are not anticipated.

The project has been categorized as “Category B” with no impact on the environment, and no provisions for land acquisition. However, the project triggers OP/BP 4.10 on Indigenous People because there are means to include indigenous peoples and other vulnerable groups’ concerns in the overall project design and also enhance citizen engagement. As a result, a Vulnerable Community Development Plan (VCDP) and a Social Management Plan has been prepared and disclosed. Since the Bank's OP/BP 4.01 EA is an umbrella safeguards policy (including OP 4.10), the policy is triggered.

5. Environmental and Social Safeguards Specialists

Annu Rajbhandari (GENDR)

Bandita Sijapati (GSURR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	As OP/BP4.01 EA is the umbrella policy which also covers the social impacts/aspects, the policy is triggered. The project is classified as “Category B” project. However, the project will have no adverse environmental impact. There are no safeguard documents relating to environment that need to be triggered or complied with.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/ BP 4.10	Yes	The project triggers OP4.10 on Indigenous Peoples because there are means to include indigenous people’s concerns and views in the overall project design. Therefore, a Vulnerable Communities Development Plan (VCDP) and Social Management Plan (SMP) have been prepared. NHSS will report on disaggregated data on

		access by different population groups in order to plan more effectively for their needs. The project will also support demand side accountability through citizen outreach including exploring multi-channel feedback loops.
Involuntary Resettlement OP/BP 4.12	No	The project will not involve any form of land acquisition or cause any involuntary resettlement as defined in the Bank's OP 4.12. Therefore, the policy is not triggered.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
The project will only finance specific results linked to improvement of supply and demand side governance, public financial management and procurement processes. There are no potential large scale, significant and/or irreversible impacts. On the contrary, the focus on equality will mean that the positive impacts on human populations, including indigenous people and other vulnerable groups, will be significant.
2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
Not applicable.
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
Not applicable.
4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
A Vulnerable Community Development Plan (VCDP) and Social Management Plan (SMP) have been developed. The objective of the VCDP and the SMP are to serve as a practical tool that will help support the Government's Nepal Health Sector Strategy to respect the dignity, human rights, economies and cultures of vulnerable groups, including the Indigenous Peoples (also known as Adivasi Janajatis in Nepal). The VCDP and SMP detail agreed principles, guidelines and procedures to be integrated into project implementation that would ensure compliance with the applicable Nepali laws relating to indigenous peoples and other marginalized groups, and the relevant World Bank safeguard policies and objectives relating to Indigenous Peoples. The VCDP includes plans for consultation and participation; monitoring; institutional arrangements for implementation; and capacity building. Much of these are also included in the NHSS document as well as the Gender Equality and Social Inclusion Strategy (GESI) of the Ministry of Health (MoH).
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure

on safeguard policies, with an emphasis on potentially affected people.
Key stakeholders include the MoH team at the Center and health managers at the decentralized levels including staff responsible for implementation of components of the GESI strategy. Users of health facilities including vulnerable and disadvantaged groups will be beneficiaries of the project. The VCDP and SMP includes plans for consultation and participation; monitoring; institutional arrangements for implementation and capacity building.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	01-Apr-2016
Date of submission to InfoShop	12-Apr-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Nepal	12-Apr-2016
<i>Comments:</i> Disclosed on Ministry of Health website: http://www.mohp.gov.np/	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	05-Apr-2016
Date of submission to InfoShop	12-Apr-2016
"In country" Disclosure	
Nepal	12-Apr-2016
<i>Comments:</i> Disclosed on Ministry of Health website: http://www.mohp.gov.np/	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.10 - Indigenous Peoples	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Preeti Kudesia, Vikram Menon	
Approved By		
Safeguards Advisor:	Name: Maged Mahmoud Hamed (SA)	Date: 12-Apr-2016
Practice Manager/ Manager:	Name: Rekha Menon (PMGR)	Date: 12-Apr-2016