

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC1029

Date ISDS Prepared/Updated: 16-Apr-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Nepal	Project ID:	P150801
Project Name:	Nepal Health Sector Support: Towards UHC (P150801)		
Task Team Leader(s):	Preeti Kudesia,Vikram Menon		
Estimated Appraisal Date:	18-Apr-2016	Estimated Board Date:	15-Sep-2016
Managing Unit:	GHNDR	Lending Instrument:	Investment Project Financing
Sector(s):	Health (50%), Non-compulsory health finance (10%), Compulsory health finance (10%), Public administration- Health (30%)		
Theme(s):	Health system performance (50%), Public expenditure, financial management and procurement (25%), Managing for development results (2 5%)		
Financing (In USD Million)			
Total Project Cost:	1850.00	Total Bank Financing:	100.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			1330.00
International Development Association (IDA)			100.00
UK British Department for International Development (DFID)			80.00
Bilateral Agencies (unidentified)			340.00
Total			1850.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

Improve the efficiency, effectiveness and accountability of public sector management and public spending in the health sector to reduce inequality in access to health services and increase financial protection.

C. Project Description

The proposed project aims to assist Nepal to move towards Universal Health Coverage (UHC) by improving the efficiency, effectiveness and accountability of public sector management and public spending in the health sector to reduce inequality in access to health services and increase financial protection through the following two components:

Component I. Results based financing to support the move towards UHC by:

(A) Improved efficiency, effectiveness and accountability of public sector management and public spending in the health sector; and

(B) Supporting the achievement of results of key initiatives implemented under NHSP 3 focusing on reducing inequity and improving financial protection; and

Component II. Advisory services and analytic activities.

Under Component I, results based financing will provide incentives for undertaking critical public management reforms in the health sector and achieving results of key interventions to reduce inequality and improve financial protection. Results-based financing will be disbursed to Government of Nepal against the execution of an agreed to Eligible Expenditures Program (EEP) and the achievement of key results as measured by Disbursement Linked Indicators (DLIs). The indicators and verification protocols measuring the results will be defined and agreed during the preparation of the project. Details on sub-components A and B are provided below:

A. Improved efficiencies in public sector management and public spending will be achieved by focusing on the following:

(i) Improved Public Financial Management: The project will support improved public financial management for better systems performance focusing on the key challenges identified. The project will focus activities in the following key result areas:

- Development of a medium term health financing plan, with the goal of improved equity, access to quality and affordable health services thereby ensuring adequate financial protection.
- Strengthen capacity to prepare comprehensive sector budgets
- Enable comprehensive and timely reporting of sector expenditure
- Improve compliance with applicable internal controls and regulations

(ii) Improved Public Procurement: The project will support reforms along the value chain of procurement as articulated by the Ministry of Health and Population (MoHP) in a Procurement Action Plan. The project will focus on activities in the following key result areas:

- Strengthen the capacity of LMD with the right mix of professionals;
- Establish the use of standard specifications for the basic package of drugs;
- Institute the use of e-procurement for the entire procurement process through the Public Procurement Monitoring Office (PPMO) portal;
- Establish a functional logistics and supply chain management system;
- Strengthen quality assurance system for drugs

B. Supporting the achievement of results of key initiatives focusing on inequity of access and financial protection. In order for Nepal to demonstrate its movement towards UHC, the project will

focus on supporting:

(i) Achievement of results for the following activities that will be implemented/scaled up under NHSP 3:

- Piloting and scale up of the national health insurance scheme
- Nation-wide implementation of the gender equity and social inclusion strategy
- Expanding performance based grants to hospitals

(ii) Enhanced citizen engagement

While the above result areas focus on supply side aspects of sector governance there are a number of demand side barriers that need to be addressed if Nepal is to meet its goal of equity. Based on the Gender Equality and Social Inclusion (GESI) strategy, strengthened citizen engagement can improve access by: (i) providing citizens with the information and capabilities they need to access a given service; and, (ii) 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. This component will focus on informational asymmetries and develop appropriate citizen feedback mechanisms which combine various social accountability tools. The project will focus activities in the following key result areas:

- a. Developing a focused IEC strategy to fill specific information gaps in order to achieve the PDO.
- b. Developing a locally appropriate multi-channel feedback mechanism to support better planning and resolution of institutional bottlenecks and measure out of pocket expenditures.
- c. Strengthening social accountability tools to hold local providers more accountable for service deliver. This could include social audits and strengthening existing channels for redress.

Under Component II, specific advisory services and analytic activities would focus on:

- (i) Supporting the achievement of the key results under DLIs.
- (ii) Activities related to measuring and monitoring of key initiatives to be implemented/scaled up during NHSP 3.
- (iii) Additional specific activities identified during project preparation.

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

As a project that seeks to assist Nepal in achieving UHC, 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, better measurement and monitoring of inequity in access to health services and financial protection. The project does not envisage direct support to activities relating to infrastructure development and as such negative environmental and social impacts are not anticipated. However, issues such as the management of health care waste (HCW) or increase in the volume of waste, which the ongoing Nepal Health Sector Program (NHSP II) has tried to address, may have adverse impacts.

Given that the exact location of project activities will be known only during implementation, and the precise nature of impacts are unavailable at this stage, a Strategic Environmental and Social Assessment (SESA) has been proposed to assess the potential environmental and social impacts of proposed project interventions.

Considering this, the World Bank's Environmental Assessment Operational Policy OP 4.01 is triggered and the project is categorized as "B".

E. Borrowers Institutional Capacity for Safeguard Policies

The implementing agency, the Ministry of Health and Population, has limited implementing capacity for safeguards, especially environmental safeguards. The effective oversight and management of health care waste by the MoHP remains an area requiring strengthening. While the government has initiated efforts to replicate good health care waste management practices in several additional tertiary care hospitals, more remains to be done in terms of establishing, implementing and monitoring a functioning hospital waste management system throughout the country. MoHP has developed a health care waste management plan, and will need enhanced capacity to implement the plan. This issue is reflected in the NHSP 3 documentation and will receive support from other development partners.

On the social side, the MoHP has taken a number of steps and initiatives to improve social outcomes related to the project, including preparation of guidelines for voluntary land donation and a Gender Equality and Social Inclusion strategy. Considering that one of the main objectives of the project is to assist Nepal reduce inequality in access to health services, the project will focus on strengthening the institutional capacity of the health sector related agencies in improving the social impact related to the project.

F. Environmental and Social Safeguards Specialists on the Team

Annu Rajbhandari (GENDR)

Bandita Sijapati (GSURR)

Drona Raj Ghimire (GENDR)

Jun Zeng (GSURR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	While the proposed project will not finance any rehabilitation or construction, a Strategic Environmental and Social Assessment (SESA) will be prepared to assess both potential positive and negative impacts of proposed project interventions. In addition, the study will identify, analyze and assess the existing legal and institutional aspects and the safeguard issues in the health sector and recommend broad measures to strengthen the environmental management in the sector. Based on this analysis, appropriate action plans will be developed as needed.

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 proposed project would not negatively impact Indigenous Peoples (IPs) but they are intended beneficiaries. As such, OP 4.10 is triggered and an Indigenous Peoples Development Plan (IPDP) that draws on the Gender and Social Inclusion strategy of the MoHP will be prepared to account for their inclusion and to target them and other vulnerable disadvantaged group in the consultation and feedback mechanism.
Involuntary Resettlement OP/ BP 4.12	No	The project will not 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	

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 31-Mar-2016

B. Time frame for launching and completing the safeguard-related studies that may be needed.
The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

The following safeguards related documents will be prepared prior to Appraisal: i) a Strategic Environmental and Social Assessment (SESA) and an Indigenous Peoples Development Plan that draws on the existing Gender and Social Inclusion Strategy of the MoHP.

IV. APPROVALS

Task Team Leader(s):	Name: Preeti Kudesia,Vikram Menon	
<i>Approved By:</i>		
Regional Safeguards Advisor:	Name: Francis V. Fragano (RSA)	Date: 16-Apr-2015
Practice Manager/ Manager:	Name: Albertus Voetberg (PMGR)	Date: 17-Apr-2015

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.