INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Bhutan	Project Title:	Health Sector Development Program
Lending/Financing Modality:	SDP Program Grant	Department/ Division:	South Asia Department Human and Social Development Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The proposal is in line with the objectives of the current government's Eleventh Five-Year Plan (2013–2018), which highlights "sustainable and equitable socioeconomic development"—"reducing inequality and improving lives of the most vulnerable sections in society"— among the key result areas. The plan raised the need for addressing regional disparities in income and multidimensional aspects, including health, of poverty, which is supported by this proposed assistance to improve health systems and services for underserved peripheral areas and populations (under output 2). It also supports the plan's health sector priorities to develop sustainable health care financing (under output 3), and improve the quality of health services through the provision of adequate human resources, infrastructure, and medical supplies (under output 2). The proposal further reinforces the National Health Policy vision of Bhutan's health system, which is grounded on a "comprehensive approach to primary health care and provision of universal access with emphasis on disease prevention, health promotion, and community participation." The proposal's outcome statement is also aligned with the National Health Policy's objective of a health system capable of providing quality and equitable health services that efficiently meets the needs of all Bhutanese citizens. The program is included in the country operations business plan for Bhutan, 2016–2018 of the Asian Development Bank (ADB)[a] and reinforces ADB's increasing investments in health systems and health security, acknowledged as critical for inclusive growth in the Midterm Review of Strategy 2020.[b]

B. Poverty Targeting

☐ General Intervention ☐ Individual or Household (TI-H) ☐ Geographic (TI-G) ☒ Non-Income MDGs (TI-M1, M2, etc.)

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Bhutan has made significant investments in developing its health system from a low base and achieved remarkable progress in key health outcomes over the past several decades. Despite these impressive gains in key health outcomes, and a high government priority given to health, challenges remain in Bhutan's health sector performance, including rural–urban disparities in health status (e.g., under-5 mortality rate per 1,000 live births is 81 in rural areas and 41 in urban areas; deliveries by skilled birth attendance is 90% in urban areas and 54% in rural areas), and wide district-level variations in health outcomes and service coverage. The sector also needs to evolve to effectively deal with growing health security threats and epidemiological and demographic transitions, including increasing burden of noncommunicable diseases, and rapid urbanization with increasing rural–urban migration. Long-term sustainability of health care financing needs critical attention, given rising population expectations and planned introduction of new technologies and services. The need for solutions to address the critical shortage of human resources is a further underlying challenge for sustainably improving the quality of care in Bhutan's health sector. Investments towards overall health system strengthening and health security measures will directly or indirectly benefit the entire Bhutanese population (officially about 760,000), especially the underserved in targeted periphery areas. The health security investments would contribute to shared regional health security, with direct benefits possibly also spilling over to populations in neighboring Indian states (northeastern states and West Bengal). Improved health security measures and district health system strengthening investments will especially benefit the populations living in or near districts hosting major points of entry with India (Phuentsholing, Gelephu, Samtse, and Samdrup Jongkar) and in Paro, which hosts the international airport. The establishment of urban satellite clinics in the periphery of Thimphu will directly benefit urban migrants and informal settlers. (Thimphu's official population is 7,000, but unofficially 180,000.)

2. Impact channels and expected systemic changes. The proposed assistance will support the strengthening of Bhutan's health system and national health security through (i) improving the overall disease surveillance and response capacity; (ii) expanding access and quality of health services in peripheral areas, focused on improving district health systems and referral linkages; and (iii) enhancing fiscal resources and financial sustainability. These investments will ensure that the health gains of Bhutan will be sustained and further improved upon, while also advancing Bhutan's national health security and compliance with international health regulations.

3. Focus of (and resources allocated in) the project preparatory technical assistance or due diligence. Project preparatory technical assistance (TA) of $500,000 is proposed for due diligence, which will include (i) review of health information system enhancement requirements at facility levels; (ii) review of key health security gaps and measures to strengthen them; (iii) review of human resources imbalances and corrective measures; (iv) review of service delivery gaps from the perspective of equity and quality; (viii) review of health sector financing, including the

Bhutan Health Trust Fund, and options to improve sustainability; (ix) review of community mobilization and information, education, and communication requirements.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?
The maternal mortality ratio per 100,000 live births improved from 777 in 1984 to 86 in 2012 and skilled birth attendance rose from a mere 11% in 1994 to 75% in 2012. Despite impressive gains, rural–urban disparities in health status and access to child and reproductive health services remain. There are wide district-level variations in health outcomes and service coverage. There is also a need to monitor morbidity trends and effects of different health conditions and diseases by sex and by age group. For example, in 2014, more males than females under the ages of 1–4 years and over 65 years fell ill. However, in the reproductive age group (15–49 years), more women than men experienced illness episodes, resulting in higher overall percent (52.8%) of women falling ill than men.[c] There are also imbalances in the health workforce, in particular a shortage of women health workers. Safety and security of women health workers may also be issues in border areas with Assam.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?
☒ Yes ☐ No

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?
☐ Yes ☒ No

4. Indicate the intended gender mainstreaming category:
☐ GEN (gender equity) ☒ EGM (effective gender mainstreaming)
☐ SGE (some gender elements) ☐ NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

Primary stakeholders are the Ministry of Health, the Ministry of Finance, district health offices, civil society organizations, health workers, and project beneficiaries. During project preparatory TA, stakeholder consultations will be held and their views and recommendations will be incorporated when and where possible. The team will organize consultations and workshops with communities, nongovernment organizations, and other stakeholders when and as needed.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable, and excluded groups? What issues in the project design require participation of the poor and excluded?

Access to health services that meet the local communities' needs, and disease burdens need to be ensured. Community engagement needs to be ensured for mass education on preventive health and in dealing with public health threats. Health workers need to be given incentives to serve in remote underserved areas, and trained and sensitized on the needs and perspectives of poor and vulnerable groups, and in conducting health education and behavior change to empower and raise health awareness. During project preparation and implementation, participatory processes and community consultations will be incorporated. Consultation and participation will also be managed through behavior change, communication, and marketing activities involving nongovernment organizations, community-based organizations, and other stakeholders.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design? ☐ Information generation and sharing
☐ Consultation ☐ Collaboration ☒ Partnership (H)

The project will partner with a civil society organization for community mobilization and information, education, communication, including training of frontline health workers in community interface.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? ☒ Yes ☐ No

Project preparatory TA due diligence will be conducted and pro-poor and demand-side approaches will be examined.

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category ☐ A ☒ B ☐ C ☐ FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? ☒ Yes ☐ No

New construction will be limited to establishing small urban satellite clinics (four in Thimphu, one in Phuentsholing) on existing government land. There will be no land acquisition, and no involuntary resettlement impact is expected.

Further due diligence will be conducted during the project preparatory TA to confirm any informal settlers on government land and potential impacts to confirm categorization.

2. What action plan is required to address involuntary resettlement as part of the project preparatory TA or due diligence process?

☒ Resettlement plan ☐ Resettlement framework ☐ Social impact matrix
☐ Environmental and social management system arrangement ☐ None

B. Indigenous Peoples Category ☐ A ☐ B ☒ C ☐ FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? ☐ Yes ☒ No

The project has a geographic focus to strengthen disease surveillance and response capacities primarily in the southern belt bordering India, which will include Nepali-speaking monitories. However, Bhutan has no officially defined indigenous peoples. A World Bank report assessed that "there are no groups which can be said to be indigenous people and vulnerable or disadvantaged as a consequence of their identity and ethnicity".[d]

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? ☐ Yes ☒ No

3. Will the project require broad community support of affected indigenous communities? ☐ Yes ☒ No

Bhutan has no officially defined indigenous peoples. However, the project intends strengthening community-based surveillance mechanisms which require local representatives and health workers to recognize, report, and help respond to certain health conditions and disease outbreaks.

4. What action plan is required to address risks to indigenous peoples as part of the project preparatory TA or due diligence process?

☒ Indigenous peoples plan ☐ Indigenous peoples planning framework ☐ Social Impact matrix
☐ Environmental and social management system arrangement ☐ None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

☐ Creating decent jobs and employment ☐ Adhering to core labor standards ☐ Labor retrenchment
☒ Spread of communicable diseases, including HIV/AIDS ☐ Increase in human trafficking ☐ Affordability
☒ Increase in unplanned migration ☒ Increase in vulnerability to natural disasters ☐ Creating political instability
☐ Creating internal social conflicts ☐ Others, please specify _____

2. How are these additional social issues and risks going to be addressed in the project design?

The project will help mitigate spread of communicable diseases and vulnerability of natural hazards through health security interventions. Unplanned migration into urban sprawls will be addressed through increased health services (establishing urban satellite clinics).

VI. PROJECT PREPARATORY TECHNCIAL ASSISTANCE OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the project preparatory TA (or other due diligence) contain key information needed to be gathered during project preparatory TA or due diligence process to better analyze (i) poverty and social impact, (ii) gender impact, (iii) participation dimensions, (iv) social safeguards, and (v) other social risks? Are the relevant specialists identified? ☒ Yes ☐ No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social, and/or gender analysis, and participation plan during the project preparatory TA or due diligence?

Project preparatory TA of $500,000 from ADB's Technical Assistance Special Fund (TASF 6) for preparing the project is proposed.

SDP = sector development program.

[a] ADB. 2016. *Country Operations Business Plan: Bhutan, 2016–2018.* Manila.
[b] ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific.* Manila.
[c] Government of Bhutan, National Statistics Bureau. 2016. *Statistical Yearbook of Bhutan 2015*. Thimphu.
[d] World Bank. 2012. *Social Management Framework, Bhutan Rural Remote Communities Development Project*. Washington, DC.

Source: Asian Development Bank.