Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 06/03/2023 | Report No: ESRSA02845

I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P180306	Investment Project Financing (IPF)	Modernization and Improvement Project	2024
Operation Name	Modernization and Improvement of Rehabilitation Services Project		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Moldova	Moldova	EUROPE AND CENTRAL ASIA	Health, Nutrition & Population
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Republic of Moldova	Ministry of Health	13-Nov-2023	05-Mar-2024
Estimated Decision Review Date	Total Project Cost		
14-Jun-2023	65,600,000.00		

Proposed Development Objective

The PDO is to strengthen NCD care by improving prevention and rehabilitation services for NCDs, with a focus on stroke and heart attacks, at all levels of the health system.

B. Is the operation being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities

The Moldovan health system is centralized, with the National Health Insurance Company (Compania Nationala de Asigurari in Medicina, CNAM) serving as the single purchaser of publicly financed health services since 2004. CNAM covers 86 percent of the population with a package of emergency, primary, and inpatient services without payment at the point of access. In 2021, primary health care (PHC) accounted for approximately 25 percent of CNAM's overall expenditure, reflecting a hospital-centric system. Strengthening PHC has been a priority since 1998 and there has been some progress in recent years. The number of publicly financed PHC providers has grown steadily from 67 in 2008 to

293 in 2021. Nevertheless, the unfinished agenda remains significant across financial protection and service delivery. Weaknesses in service delivery for people with NCDs, particularly cardiovascular diseases, are apparent across three areas: primary care services for those at risk; post-acute services immediately following an acute event, such as a stroke or heart attack; and primary care services for post-acute follow-up and prevention of recurrent events. The Ministry of Health estimates that the unmet need for rehabilitation services is 70 percent. Lack of service provision is driven by a previous lack of prioritization in recent decades, and as a result quality of care is significantly compromised. Adult rehabilitation services are challenged by poor infrastructure and the lack of appropriate facilities and equipment, defined clinical protocols and pathways, and an adequately trained workforce. The limited and low-quality rehabilitation services provided through the public sector have given rise to private sector rehabilitation services. This project is responding with the objective to improve the quality and accessibility of rehabilitation services and strengthen primary care services for addressing non-communicable diseases (NCDs) under the following components: Component 1: Integrated care at the hospital level for NCD patients (US$30 million). This component will focus on patients facing catastrophic health events, primarily strokes and heart attacks. This component will: (1) strengthen emergency response capabilities following catastrophic health events, with a focus on strokes and myocardial infarction; and (2) develop and upgrade health facilities and equipment. It will support improvements in the quality, efficiency, and accessibility of rehabilitation services, with a focus on patients following an acute episode requiring intensive rehabilitation services. The component will finance equipment, infrastructure improvements, and transportation, with an initial focus on three facilities: the Clinical Hospital of the Ministry of Health in Chisinau, the Clinical Hospital in Balti, and the Comrat District Hospital. The renovations including modifications of rooms and facilities, such as the introduction of railings and non-slip flooring, are to provide appropriate facilities and the conducive environment to support patients, including those with disabilities, in need of restorative rehabilitation. This component will also finance equipment and service improvements for other selected service lines, where doing so would constitute a cost-effective investment alongside stroke and cardiac care rehabilitation improvements. Additionally, the component will finance the development and uptake of protocols to triage, assess, and manage the care of patients immediately following a substantial trauma, such as a stroke or heart attack; training to support health care workers in rapidly identifying strokes and heart attacks; diagnostic equipment; and emergency transport for patients in need of complex care—to safely transfer them in a timely manner to the appropriate level of the health system. Component 2: Integrated prevention and rehabilitation services at the primary care and population-level (US$ 22.5 million). This component will support services to prevent NCDs through primary care and population-level interventions. The purpose of these interventions at the individual level is to limit the likelihood of an initial acute episode, and at the system level, to limit the use of costly tertiary services. It will focus on patients at risk of strokes and heart attacks and, recognizing the presence of comorbidities, will also include programming for other NCDs. The component will also strengthen preventive and supportive rehabilitation services to support patients following a stroke or heart attack. The purpose of this investment is to address a gap in service provision and better preserve the human capital of patients who have experienced an acute episode. In addition, preventive and supportive rehabilitation are two areas where integration within and across sectors stands to improve the service quality. Subcomponent 2.1. Primary care and population-level interventions for NCD prevention and management (US$ 19 million). This subcomponent will finance prevention and disease management programs for NCDs including screening and treatment; training for healthcare workers to better manage chronic disease conditions and to detect the early signs of strokes and cardiac episodes; public awareness campaigns to address the major risk factors for stroke and heart attacks, including hypertension, salt consumption, physical inactivity and diet; and scale up existing telemedicine and digital health programs to improve access to counselling to address risk factors for vulnerable populations. Subcomponent 2.2. Preventive and supportive rehabilitation services (US$ 3.5 million). This subcomponent will finance the development of materials and training to support utilization of protocols for integration of multidisciplinary care for cardiac and stroke patients; strengthening of

digital infrastructure between facilities to support the integration of rehabilitation services; discharge planning and protocols from secondary to primary care; rehabilitation support materials; and the development of home-based care models to minimize unnecessary and prolonged hospital-based treatment. Furthermore, it will support the development of policies and financing mechanisms to improve service delivery and the integration of care for rehabilitation services across and within the health and social care sectors. It will also support enhancements to primary care facilities to improve their accessibility, including the provision of ramps, rails, and other modifications for patients with disabilities. Component 3: Pandemic preparedness (US$ 10 million) This component finances activities relating to the refurbishment of the National Agency for Public Health infrastructure and building additional storage facilities, as well as refurbishing the public health laboratory network infrastructure and endowing it with necessary equipment to ensure early warning and surveillance functions. These interventions will result in an improvement of the national public health surveillance while aligning with national and international standards. The component finances equipment and infrastructure improvements in selected regional facilities, as well as technical assistance activities including training and the development of materials, protocols and guidance documentation. This component is financed through a grant from the Pandemic Fund, a Financial Intermediary Fund, and implemented by the World Bank and WHO. Component 4: Project management (US$ 3 million). This component will provide support for the execution of project management, coordination, and monitoring and evaluation activities, including third party monitoring. It will finance the Project Implementation Unit (PIU), consulting services, office equipment, training, audits, filing systems, and operating costs. Component 5: Contingent Emergency Response (US$0). The objective of this component is to improve Moldova's capacity to respond to disasters. Following an eligible crisis or emergency, the Recipient may request the Bank to reallocate project funds to support emergency response and reconstruction. This component would draw from the uncommitted grant resources under the Project from other project components to cover emergency response. An emergency eligible for financing is an event that has caused or is likely imminently to cause a major adverse economic and/or social impact on the Recipient, associated with a disaster. The Project Operations Manual (POM) will include a specific annex for the Contingent Emergency Response Component, which lays out the provisions for activating and implementing the component. Relationship to Country Partnership Framework (CPF): The Project seeks to address the binding constraints identified in the 2021 Systematic Country Diagnostic (SCD) Update and is aligned with the upcoming Country Partnership Framework (CPF) for FY23–27. The Project contributes to Pillar 5 (Impro ving resilience, efficiency and equity in service delivery) of the SCD and the upcoming CPF's Higher-level Objective 2 on Improved Human Capital. By improving the provision of services for: patients at risk of cardiac and stroke events, post-acute, and follow-up care, the proposed project contributes to CPF Objective 2.2. – improving the efficiency of health service delivery.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

Project activities involve financing the infrastructure and equipment investments of existing medical facilities as well as more systemic inputs such as procurement of medicines, services, training, IT tools, public awareness campaigns, and home-based care practices across the country. The initial focus on the finance of equipment and infrastructure will be on three existing regional facilities, the Clinical Hospital in Chisinau, the Clinical Hospital in Balti, and the Comrat District Hospital. These are well established urban locations and all proposed works will be carried out within these existing facilities. Other facilities to be identified during project implementation will also be existing facilities. There will be no new construction of healthcare facilities. Environmental conditions associated with the three identified facilities include access (emergency and universal) waste management, wastewater management, water and sanitation services. Rehabilitation services take place at regionally located acute stroke centers under the institute of Emergency Medicine, the Institute of Neurology and Neurosurgery, clinical hospitals, and district hospitals. Project interventions aim to

improve prevention and rehabilitation services for NCDs with focus on patients immediately following an acute episode, such as a stroke or cardiac arrest by strengthening hospital-based services, providing equipment-intensive care in settings that need to be accessible for patients with limited mobility and functional ability. They also support patients at-risk of an acute episode, and services following an acute episode through lower-intensity, cost-effective primary care interventions, which can be delivered in community settings that are amenable to outpatient, ambulatory and community provision, as the project will improve services for vulnerable segments of the population, specifically the elderly and persons with disabilities. The rehabilitation of facilities is intended to improve ability to gain physical access to facilities, easy egress in event of emergency, and ability to benefit from services. Provision of services by skilled healthcare workers who are experienced and tolerant to specific needs are key challenges for persons with disabilities. Institutional forms of care for vulnerable patients poses some risks of neglect and abuse (gender and age-based violence), particularly for refugee women, those with disabilities, the elderly and those from poor rural settings.
While geographical access to healthcare facilities can generally be considered good, recent studies on the quality of infrastructure of facilities showed that those ranking lowest in terms of quality were located disproportionately in rural areas and included problems with water and sewage systems as well as shortages of basic equipment. More remote facilities also found it difficult to attract medical graduates and overall health staff availability and motivation to provide quality care in rural areas is limited by hardship and heavy workloads. A share of the population is also not covered by the National Health Insurance Company, despite improved coverage. People who are self-employed (particularly in agriculture), unemployed or on lower incomes are less likely to be insured. High out-of-pocket expenses for procuring prescription medicines and the need to pay more through a culture of informal payments to secure shortcuts to services are also reported to disadvantage the most vulnerable, particularly retired elderly. There may also be processes of exclusion present in the system due to discrimination and stigma based on ethnicity or sexual orientation, lack of culturally appropriate or age-specific services, and biases based on previous negative experiences with health services.
The project is being prepared and implemented during a time of heightened social and economic pressure. The cumulative toll of years of economic contraction due to the COVID-19 pandemic, combined with the current inflation and energy crisis spurred by the Russian invasion of neighboring Ukraine, has resulted in greater fragility of living conditions and health outcomes for large portions of the Moldovan population. In particular, those living in rural areas, especially in the south, have been affected. The influx of refugees from Ukraine to Moldova has resulted in additional resource pressure on local governments and host communities. Many refugees residing in both urban and rural centers depend on the same local healthcare as their host populations. The war has generated an unprecedented refugee crisis, particularly for vulnerable women, children and other dependents who fled to neighboring countries or have been internally displaced. More than 670,000 refugees from Ukraine – mostly women, children and older people – have crossed into Moldova since the start of the conflict in late February 2022, and approximately 80,000 remain in the country.
Significant inequity in access to healthcare services and variations in quality of services exists between rural and urban parts of the country.

D.2 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts
The national health service is centralized with the National Health Insurance Company (Compania Nationala de Asigurari in Medicina, CNAM) serving as the single purchaser of publicly financed health services since 2004. The Ministry of Health (MoH) is primarily responsible for health policy, development of legislation and regulations, organization and provision of services, and oversight of the National Agency for Public Health (NAPH). The Agency for Medicines and Medical Devices regulates and supervises medicines and medical devices, and the Center for Centralized Public Procurement in Health plans and conducts public procurement of medical and protective equipment. The project will be implemented by the MoH and an existing integrated sector level Project Implementation Unit (PIU) with cumulative

experience since 2014 in managing World Bank projects through the Program-for-Results (PforR) Health Transformation Operation (P144892), the Emergency COVID-19 Response Operation (P173776) and its Additional Financing to support COVID-19 vaccine delivery (P175816). Overall ES performance has remained moderately satisfactory due to progress of achievements with committed actions associated with updating stakeholder engagement actions during challenging Covid-19 lockdown restrictions. The PIU has applied Bank operational safeguards and the ESF under emergency financing circumstances, butconsultant resources with skills and experience to undertake effective social assessment and engagement actions with vulnerable groups are increasingly difficult to identify and hire due to pressures from the regional crisis and war in neighboring Ukraine. Discussions were held during project preparation to define capacity needs and the PIU agreed to hire a full time social specialist to manage the project's ongoing stakeholder engagement and grievance management needs. The PIU has an existing environmental specialist who will be retained for the new operation. This specialist is also involved in the ongoing Covid-19 operation listed above. Given recent restructuring and reduced requirements the PIU has confirmed that the environmental specialist is able to manage the additional workload associated with the new operation. Specific training and hiring needs for construction-related and institutional operational activities, including E&S specialist roles in supervision contracts, have been identified in the ESCP. As determined during the course of project implementation, the PIU may need to supplement capacity by hiring additional consultants to work alongside the E&S specialists for specialized activities associated with engagement of vulnerable stakeholders and design of awareness raising and other activities to target their needs.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC) — Moderate

A.1 Environmental Risk Rating — Moderate

Environmental risks and impacts are mostly associated with project-related civil works (for rehabilitation/installation of infrastructure/equipment) and issues associated with operations of healthcare facilities. The renovations including modifications of rooms and facilities, such as the introduction of railings and non-slip flooring, are to provide appropriate facilities and a conducive environment to support patients, including those with disabilities, in need of restorative rehabilitation. The project will also finance activities relating to the refurbishment of the NAPH infrastructure and building additional storage facilities, as well as refurbishing the public health laboratory network infrastructure and endowing it with necessary equipment to ensure early warning and surveillance functions. The list of health facilities to be upgraded will be identified during the implementation, and therefore the exact locations of these interventions are yet to be determined, but all works will be interior and carried out within the scope of existing facilities. Potential environmental impacts and risks associated with the civil works and construction-related activities include dust and noise generation, vehicle and machines emissions, generation of construction waste, hazardous material (potentially of asbestos containing material) and waste including oil, grease, hydrocarbons, old electrical appliances, lead-based paints, traffic safety issues, community and workers' health and safety incidents, temporary access restrictions to patients, visitors and medical staff. Since the construction activities will be carried out within the existing health facilities, no impacts on biodiversity and habitats are expected. Upgrading health facilities and installing of equipment (medical, HVAC, etc.) if not environmentally sustainable might also generate negative impacts by increasing the CO2 emissions, increasing the generation of waste, electric-electronic waste and hazardous substances. Potential operational-related risks depend on the layout and design of proposed facilities, such as universal access (e.g. entrances and approaches with gradient slope and proper width, spacious toilets rooms, proper handrails, and individual elevating systems, etc.) and the procedures to manage infections and epidemics. Other

healthcare operations and maintenance (O&M) risks include medical waste management; contaminated wastewater from medical and chemical disinfection; contaminated PPE and equipment; human exposure to infections/ diseases; occupational radiation risks of healthcare workers from radiology and fire safety risks from chemicals, pressurized gases and their flammable substrates. Moldova presently has a medical waste management legal framework which covers all the measures regarding this kind of waste and its treatment, but it needs to be applied properly in every healthcare facility. All these risks are expected to be low in magnitude, predictable, site-specific and temporary and can be mitigated by existing construction and healthcare management best practices. One of the main challenges would be minimizing disruptions to the users of the health care facilities, and organizing work around the health care schedules. The Borrower has experience implementing WB projects both under safeguard policies and ESF requirements. Considering all of the above, the Environmental Risk is rated as Moderate. High Risk and Substantial Risk sub-projects will be ineligible for financing under this project.

A.2 Social Risk Rating Moderate

Project activities are aimed at increasing access to services for individuals at risk of non-communicable diseases (NCDs). These services are particularly important for vulnerable populations, the elderly, disabled and isolated rural poor, return migrant populations and refugees from the war in Ukraine, and members of cultural minority groups such as the Roma. While the project interventions will improve physical access and quality of care for many of these vulnerable groups, there is risk that without targeted awareness and support certain groups may be excluded. Upgrades of existing healthcare facilities are expected to involve minor site-specific civil works that are easily manageable with available occupational health and safety (OHS) measures and safe separation of workers and equipment from patients and surrounding communities. Works will need to be planned and phased so that patients are not denied service due to construction activities or can seek care at alternative locations. Principles of universal access will inform physical design, safety and emergency protocols, and access to health services to facilitate improvements in inclusion of patients with different needs. There is some risk that the most vulnerable patients may suffer neglect or abuse in institutionalized medical settings during the provision of healthcare services, though incidents are likely to be isolated and preventable through Codes of Conduct, labor management procedures and grievance mechanisms and the project design's focus on extension services. Healthcare workers charged with providing institutional and extension services to patients in circumstances of extreme vulnerability will need to be trained to provide dignified treatment and adopt Codes of Conduct for prevention of all forms of interpersonal violence. A strategy for communication of project benefits in appropriate local languages that reflect the cultural diversity in the country will aim to increase likelihood of accessing services among more isolated groups, thus ensuring their inclusion in the project's objectives. A system level Grievance Mechanism linking all participating institutions to online and place-based avenues for delivering feedback, complaints and receiving responses has been designed to ensure transparency, monitoring effectiveness of services provided, and respond to any potential for harm. This mechanism, along with measures for engaging and incorporating the needs and concerns of vulnerable stakeholders in project design and delivery is described in the project Stakeholder Engagement Plan (SEP) and Environmental and Social Management Framework (ESMF) and will be managed by a dedicated social specialist in the PIU.

B. Environment and Social Standards (ESS) that Apply to the Activities Being Considered

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts Relevant

The project involves a number of mostly site-specific, easily manageable environmental and social risks and impacts associated with project-related civil works (for rehabilitation/installation of infrastructure/equipment) and those associated with healthcare operations. Key potential impacts include possible air/soil/water pollution, vegetation clearance, noise/dust, negative impact on ecosystems, waste management issues, traffic safety issues, potential economic displacement, community and workers' health and safety risks. The risks from the healthcare facilities' during operations include the potential spread of chemical, biological, and medical infections. These risks will be mitigated through a proper design and functional layout of the refurbished facilities to ensure adequate separations, sterilization, and storage procedures and practices. Other healthcare operations and maintenance (O&M) risks include medical waste management; contaminated wastewater from medical and chemical disinfection; human exposure to infections/ diseases; occupational radiation risks of healthcare workers from radiology and fire safety risks from chemicals, pressurized gases and their flammable substrates, emergency situations (such as fires, power outages, etc.). Each healthcare facility to be rehabilitated under the project will be equipped with fire safety equipment and emergency response plans will be developed. Existing medical waste management system for each of the facilities be assessed during the site-specific assessment, and as needed a medical waste management plan be prepared, based on procedures and guidance provided in the ESMF. Project social risks are mainly associated with access to services and benefits from the project activities being enjoyed equitably across a range of vulnerable groups including the elderly, disabled, ethnic minorities, and refugees. Physical rehabilitation works on the project will not require land acquisition and are likely to involve preventable community health and safety risks associated with interaction with project workers and equipment. There may be a risk of isolated incident of abuse or neglect associated with project activities given the vulnerability of beneficiaries and the institutional setting. However project design and benefits are intended to mitigate this risk by improving services and extending them to homecare. It will be important to ensure that the principles of Universal Access are incorporated into the design of physical components of the project as well as into the delivery of services since this will directly influence the impacts and benefits of vulnerable groups. Activities under this project are not intended to include mechanisms to address the underlying barriers for Roma participation (poverty, poor housing, poor access to jobs and social protection) but rehabilitation of centers and facilitation plans should promote equal opportunity and rights to services. Interventions that have encouraged young professionals to work in rural areas have reportedly provided evidence that they treat vulnerable populations better, attempt to understand their situation and avoid apportioning blame. Since the details of most of the sub-project sites are not yet known, the risks and impacts outlined above have been further assessed in an Environmental and Social Management Framework (ESMF). The ESMF provides selection and environmental and social risks and impacts screening criteria to be applied for the identified of sub-project sites, a list of non-eligible activities, defines the environmental and social risks likely to occur during the project implementation, specifies the legislative and regulatory framework for addressing these, defines procedures and institutional responsibilities and provides an outline for site-specific Environmental and Social Management Plans (ESMPs) to be developed by the client for each specific site. Following the identification of specific locations and design of facilities to be rehabilitated, the client will prepare site-specific ES tools commensurate with sub-project's ES impacts and risks. ES tools, such as Environmental and Social Impact Assessments (ESIA) and/or ESMPs/ESMP Checklists, will be developed in accordance with the national legislation, requirements of ESF and the World Bank's Environmental, Health, and Safety (EHS) General Guidelines, and relevant GIIPs, which will address specific environmental and social impacts and determine adequate mitigation measures. The ESMP/ESMP Checklist will be an integral part of bidding documents for contractors carrying out works and supplying equipment and machinery under the Project. Contractors will also be required to prepare their C-ESMP before the start of the construction works, which will be reviewed and approved by the PIU. The environmental and social

requirements of ESSs will be taken into account for all technical assistance to be provided under the project. The terms of reference (TOR) for all such technical assistance will be reviewed and approved by the Bank to ensure that all relevant ESSs requirements are fully incorporated in such TORs, in a manner acceptable to the Bank. The ESMF provides monitoring requirements as well as roles and responsibilities for ensuring effective implementation throughout the project lifecycle. Screening and assessment criteria in the ESMF inform identification and mitigation of risks associated with the design and operation of healthcare facilities, identifying and proposing measures to address risks of exclusion or non-participation, protection against gender-based violence and other needs for targeted assistance associated with vulnerable groups. The ESMF has been disclosed and consulted upon prior to Appraisal alongside Labor Management Procedures (LMP) and a Stakeholder Engagement Plan (SEP) including a project Grievance Mechanism (GM). As the project will also include Contingent Emergency Response Component (CERC), the ESMF respectively provides environmental and social guidelines for such emergency cases. The client, in agreement with the Bank, has developed an Environment and Social Commitment Plan (ESCP), which sets out the measures and actions required for the project to achieve compliance with the ESF over a specified timeframe. The Borrower will provide to the Bank and disclose final or updated documentations as specified in the ESCP.

ESS10 - Stakeholder Engagement and Information Disclosure Relevant

The project SEP contains analysis of key project-affected and interested stakeholders. These include the Ministry of Health and its entities who will largely benefit from improved infrastructure, services and delivery capacity, the aging population for whom the cost and quality of healthcare will be improved, and their families and care givers whose care burden will be reduced. Adult patients recovering from strokes, traumatic brain injuries, spinal cord injuries, severe trauma, and heart and lung diseases will directly benefit from project interventions. Healthcare workers who work in centralized institutional settings and those in more remote rural areas or providers of extension services and home visits will all benefit from the project interventions. Communities in the vicinity of facilities to be upgraded under the project may experience what are expected to be predictable and easily manageable health and safety impacts resulting from various civil works. Project civil workers who will be contracted to work on the rehabilitation activities may experience some site-specific occupational health and safety impacts and should expect fair labor conditions. The SEP identifies the interests of a range of potentially vulnerable groups are who less likely to be able to access services and benefits from the project activities including the rural poor, elderly, disabled, ethnic minorities, and refugees and women who are the victims of gender-based violence. These groups may also be vulnerable to institutional neglect and harm where quality of services is not prioritized or where there may be instances of abuse. The SEP describes the interests of the range of institutional stakeholders supporting vulnerable patients, including local and regional government, insurance providers, non-government organizations specializing in the interests of specific groups, and other development partners such as the World Health Organization, Swiss Agency for Development and Cooperation, Swiss Red Cross, and health providers. The Stakeholder Engagement Plan (SEP) focusses on measures to prevent exclusion and mitigate reticence to participate among populations who harbor negative attitudes toward current health care services based on comparison with systems elsewhere and in the past. The SEP incorporates processes to assess beneficiary satisfaction with service delivery and resource provision under the project and a communications campaign targeting vulnerable groups to raise awareness of services. As described in the SEP and ESMF the operation deploys a systems-wide mechanism embedded in participating institutions for obtaining feedback from patients and affected stakeholders and responding to complaints and concerns. This Grievance Mechanism (GM) also describes processes for referral to specialist third party providers of services for highly vulnerable groups, particularly women and the disabled who may be exposed to forms of SEASH and other forms of violence or neglect. Information on the Project GM will be made available at Project sites and participating

institutions. This will include avenues for referral to third party specialists for sensitive complaints of abuse and neglect also need to be clearly communicated. A consultative approach to health sector development, which engages patients in the design and development of services has been initiated to ensure success of reforms. The project ESF tools are to be disclosed on the MoH website with a timebound request for feedback to an email/mail address and in-person consultations in central and, where possible, regional locations have been announced. Notices/posters in regional facilities providing information and soliciting guidance on the project are also being designed. In-depth interviews and focus groups with experts, physicians and healthcare workers have been conducted between December 2022 and May 2023.

ESS2 - Labor and Working Conditions Relevant

Small-sized workforces ranging in the dozens are expected on healthcare facility construction sites. These will mainly consist of local labor but with small numbers of national and international specialists working on technical design and supervision aspects and providing services for installation of specialized equipment. There is unlikely to be a need to establish workers camps for these subprojects due to easy geographical access to project sites but, if any are established, then associated camp management procedures will be prepared including for worker accommodation. There is no intent to use voluntary community labor for implementation of activities. The project would source labor and construction materials locally where possible. Subprojects are not expected to involve significant risks to labor rights, health and safety of employees, or child or forced labor which would be prohibited from financing. Project labor will include direct workers and consultants working for the PIU. All Government staff participating in the project from national to local level will remain subject to their current terms and conditions. As project beneficiaries, healthcare professionals remain subject to existing public sector terms and conditions under national labor requirements and any codes of conduct associated with interactions with vulnerable patients deemed necessary will be included in ESMPs and contractual provisions. Moldova's legal frameworks for core labor standards, including freedom of association and collective bargaining, prevention of forced and child labor (minimum working age is 16), discrimination and equal opportunity, and occupational health and safety are broadly consistent with international standards. However, labor is in chronic shortage in Moldova and this has been exacerbated by the COVID-19 pandemic. Weaknesses are recognized in the enforcement and inspection of non-compliances by the labor inspectorate, which lacks sufficient numbers of inspectors to cover the workforce. The cumulative toll of years of the COVID-19 pandemic, combined with the current inflation and energy crisis spurred by the Russian invasion of neighboring Ukraine, has resulted in a significant strain on public services including the healthcare system. This system has weathered the worst predictions of the pandemic but still resulted in significant health impacts. Pressures on the healthcare system are also likely to be affecting health worker morale. OHS risks associated with the project are anticipated to be localized and properly managed through appropriate contractual conditions, preparation of contractors OHS plans, monitoring and enforcement by subproject supervision consultants. These risks include the range of risks associated with construction activities, operation of machinery, storage of equipment and materials, working at heights, and management of interactions with community traffic during transportation of materials. Labor Management Procedures (LMP) have been prepared for the project specify a worker Grievance Mechanism to ensure receipt and response to workplace related concerns. The project LMP outlines the expected number and type of workers, identifies key regulatory requirements that need to be addressed at the project level, as well as monitoring and supervision arrangements. Further measures to monitor and inspection labor conditions during the implementation of project activities are integrated in the project ESMF. Key aspects of the LMP pertaining to contracted workers, such as OHS, adequate working conditions, terms of contract, and redress mechanism for workers, will be included in Contractors' ESMP. The LMP also describes requirement for a Code of Conduct to prevent

and manage incidents of SEA/SH and risk of violence or neglect against workers and patients and measures to ensure that contractors screen for and monitor activities to prevent occurrences of SEA/SH and that grievance mechanisms are available for direct and contracted workers.

ESS3 - Resource Efficiency and Pollution Prevention and Management Relevant

This standard is relevant to the project. The project activities will involve procurement and installation of equipment in selected healthcare facilities and it will be important to ensure that energy-efficient equipment is selected for procurement over less efficient alternatives. It will also be important to use of environmentally friendly coolants in the air-conditioning and cold storage equipment. The recommendations are included in the screening criteria in the ESMF. Project activities also involve civil works for the rehabilitation of existing public healthcare facilities. Typical pollution generated from these activities include: (i) dust and other forms of air pollution from construction site, transportation and auxiliary facilities; (ii) noise and vibration; and (iii) solid waste (medical waste, domestic waste and construction waste including used oil and lubricant). These impacts are temporary, site-specific and can be managed through a set of mitigation measures included in the ESMF and template ESMP/ESMP Checklist. Air emissions will include exhaust from heavy vehicles and machinery, and fugitive dust generated by construction activities. Mitigation measures such as dust suppression, vehicle maintenance etc. will be applied to minimize the impacts. Noise will likely be generated from the use of construction machinery and vehicle movements. The relatively short-term and small-scale nature of the works suggest that noise levels will not be excessive. Liquid and solid waste will mainly include metal and glass pieces from demolished walls, old equipment, excavated soil, oils from construction machinery, concrete blocks, etc. Waste will be segregated, stored and disposed of at approved sites. The ESMF specifies appropriate waste management practices for collection, storage, transportation and disposal of construction waste and medical waste, including hazardous waste and specifies for which cases a separate Waste Management Plan should be prepared. Existing medical waste management system for each of the facilities be assessed during the site-specific assessment, and as needed a medical waste management plan be prepared, based on ESMF guidance. The ESMF also provides clear guidance for site-specific instruments on management and disposal of hazardous materials (e.g., asbestos) and how to manage these waste streams in accordance with the national/EU and international requirements. Required building material will potentially include stones, sand, concrete blocks and timber. Borrow material will be obtained from already existing and licensed borrow pits within Moldova and possibly close to the project area to reduce the transportation distance. Should there be the need to open new borrow pits, the project shall ensure that all national regulations and assessments and permitting requirements are adhered to and pits reinstated as will be required through the site-specific ES instruments. The ESMF includes provisions for site-specific ES instruments to cover mitigation measures for effective use of natural resources, as well as pollution prevention and management, with a focus on those issues which might arise while conducting civil works for facilities reconstruction and rehabilitation activities. Mitigation and monitoring measures will be further elaborated in detail in site-specific ESMPs/ESMP Checklists where required by applicable national regulations, ESS3 and the ESF's mitigation hierarchy, WBG's EHS General, and sector specific (if applicable) guidelines, and GIIP.

ESS4 - Community Health and Safety Relevant

This standard is relevant as the proposed project activities are expected have risks on the health and safety of the staff and patients in the health clinics. These risks include noise, vibration, dust, and the potential exposure of the community to the construction-related hazards due to the failure to safely separate work sites. Works are undertaken during business hours and prior advanced permission and notice is provided of the date and time of the works.

Construction works are likely to involve some temporary disruption to road and pedestrian traffic and road access, and risks to continuity and quality of patient services if not effectively phased and scheduled. All works are done based on permits issued by local authorities, coordinated with police, transport, utilities and telecom services. All mitigation measures required for ensuring health and safety of communities residing in and around sites of the project intervention have been assessed as part of the project ESMF and will be included into component specific ESMPs and made mandatory for adherence by works contractors. Design and rehabilitation of healthcare facilities requires adherence to principles of universal access to ensure that persons with disabilities are not excluded from attending and participating. Universal access should be considered in the physical design of facilities to minimize the need for physical exertion and also to ensure safety of persons with disabilities in the event of emergency and in the regular use of facilities. Procedures and protocols need to integrate consideration of safe egress for patients and others who may require additional assistance. Life and fire safety principles need to be incorporated into the design of the facilities as well as measures to ensure structural safety (geophysical and climate change) in the building design. Universal access should also be considered in the management of healthcare worker and patient relationships. Equitable use of resources, information customized to patient needs, and tolerance of the treatment and healing needs of the elderly should be promoted. These aspects are outlined in the ESMF and should be considered as part of ESMP, contractual obligations and preparation of management plans once specific subprojects are identified. The project activities will involve stakeholders who are vulnerable to harm and neglect including the elderly, disabled, refugees, the rural poor including members of ethnic minorities who may require urgent access to services. Risks associated with SEA/SH, elder abuse, and with privacy, safety and security of vulnerable patients will be addressed in design and management of healthcare facilities, as well as appropriate mitigation measures. Management plans will include Codes of Conduct to prevent violence, mistreatment or discrimination being caused or exacerbated by the range of stakeholders working on the project activities.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement Not Currently Relevant

This standard is not currently relevant. Civil works for the rehabilitation of healthcare facilities are not anticipated to require the acquisition of new land area and the MOH has indicated that it has available state land already allocated within existing healthcare facility compounds for these subprojects. Subprojects will be screened for absence of land acquisition and potential economic and physical displacement as part of screening processes described in the ESMF.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources Not Currently Relevant

This standard is not currently relevant. The proposed Project activities are expected to be restricted to existing facility footprints and therefore impacts on biodiversity is expected to be limited to vegetation clearance and short-term disturbance to local fauna. The ESMF has provisions that vegetation clearance should be kept to a minimum and be done during non-breeding period.

ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities Not Currently Relevant

This standard is not relevant. No indigenous peoples who meet the criteria described under this standard reside in the territory of Moldova.

ESS8 - Cultural Heritage Not Currently Relevant

This standard is not currently relevant. The project is unlikely to pose any impacts or restrictions on access to known built heritage, archaeological sites, intangible heritage practices, or natural features with cultural heritage significance. Buildings recognized as valuable from an architectural, aesthetic, spiritual or socio-cultural perspective are not expected to be impacted by the construction activities (religious buildings for example). Activities under the project will be screened for potential impacts including access restrictions on known heritage buildings and sites and practices and relevant national requirements for protection of these sites will be applied. Chance find procedures are included in the ESMF and will be part of mitigation measures to be provided in site-specific ESMPs/ESMP Checklists.

ESS9 - Financial Intermediaries Not Currently Relevant

This standard is not currently relevant. There is no financial intermediation intended in the design of this project.

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways No

OP 7.60 Operations in Disputed Areas No

B.3 Other Salient Features

Use of Borrower Framework No

The Borrower's framework will not be used for the project. However, the proposed operation will comply with relevant national legal and regulatory requirements.

Use of Common Approach No

A Common Approach is not being considered.

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by implementation?

III. CONTACT POINT

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V. APPROVAL

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