



# Concept Environmental and Social Review Summary

## Concept Stage

### ( **ESRS Concept Stage** )

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**BASIC INFORMATION**

**A. Basic Operation Data**

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P180811	Investment Project Financing (IPF)	ID HSS Project	2024
Operation Name	Indonesia Health Systems Strengthening Project		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Indonesia	Indonesia	EAST ASIA AND PACIFIC	Health, Nutrition & Population
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
The Republic of Indonesia	Ministry of Health	04-Oct-2023	19-Dec-2023

Public Disclosure

Proposed Development Objective

To strengthen health and laboratory facilities' service readiness and improve access to quality public health services across Indonesia

Financing (in USD Million)	Amount
<b>Total Operation Cost</b>	<b>3853.50</b>

**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 Operation [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

Spanning 5,100 km from west to east and with a population of over 273 million people, Indonesia is the largest archipelagic nation in the world. It is also a vastly diverse nation, with nearly 1,300 ethnic groups spread across 17,500



islands, speaking about 700 different languages. Against this backdrop, it has been difficult for the Government of Indonesia (GoI) to achieve economic growth equitably across the nation. Indonesia has achieved significant gains in health outcomes but continues to lag behind regional and economic peers. Over the past two decades, the nation's life expectancy at birth grew from 66 to 71 years between 2000 and 2019, while maternal mortality ratio declined from 272 to 177 per 100,000 live births between 2000 and 2017. However, there are regional disparities in healthcare access and quality leading to widely varied health outcomes across the nation. Insufficient access to referral-level health services also exists across Indonesia, contributing to low health outcomes and high healthcare costs. Equitable access to referral-level care is particularly important to manage the rise in burden of non-communicable diseases, yet there is widespread lack of access to referral-level hospital services, especially in remote and rural areas of Indonesia. Currently, the facilities with the capability to deliver standardized services for critical non-communicable diseases are still concentrated on the island of Java. Further, the COVID-19 pandemic exposed and exacerbated significant shortcomings and spatial and socioeconomic inequities in Indonesia's public health system, which need to be urgently, comprehensively, and concertedly addressed. These shortcomings emerged both in terms of the capacity of primary and referral-level care to provide high-quality and equitable health services to all Indonesians, especially when confronted with public health shocks and peak demand, as well as in the coverage and surveillance capacity of its public laboratory system to detect, monitor, and report on known and newly emerging public health threats. MoH, based on the mandate of President Joko Widodo, has initiated a Health Transformation Agenda (2021 to 2024) in the wake of the COVID-19 pandemic. This comprehensive transformation of the country's health system comes in response to the pressing gaps in the Indonesian public health and surveillance system that, although previously in existence, were highlighted by the pandemic. Given the pressing equipment needs of Indonesian public health facilities, the proposed Project seeks to contribute to the provision of equipment to all public health facilities across Indonesia to ensure the filling the critical service delivery gaps identified through the MoH gap assessment, aligned with both the Indonesian Health System Transformation Agenda led by MoH and the directions and policies of the health development strategy in the GOI's National Medium Term Development Plan (RPJMN) for 2020-2024. The gap assessment demonstrated that the total public health system facility equipment needs total US\$3.85 billion. Of this, the primary care facility needs total US\$1.49 billion, the hospital care facility needs total US\$1.78 billion, and the laboratory facility needs total US\$590 million. Under the leadership of MoH, Bappenas, and MoF, the decision was made to close the equipment gaps through a single-phased, comprehensive investment, without phasing over time or geographic slicing, with all procurement to be completed by the end of the first project year at the end of 2024. MoH has opted for a partnership of four MDBs to deliver on this project with the World Bank as coordinator. The partnership of MDBs includes the World Bank (WB), Asian Infrastructure Investment Bank (AIIB), Asian Development Bank (ADB), and Islamic Development Bank (IsDB), will jointly support the Government to deliver on this transformative operation. MoH and the MDBs have agreed on (i) a joint co-financing between WB, AIIB, and ADB for the primary care component, (ii) a joint co-financing between WB and ADB for the laboratory component, and (iii) a joint co-financing between WB and AIIB, as well as parallel co-financing from IsDB, for the referral hospital component. As guided by MoH, all MDBs that form part of the joint co-financing arrangement have agreed to use World Bank procurement regulations. Though the final project amount and the respective share of financing is still being determined by MoH, the expected financing share of the World Bank is estimated at US\$1.4 billion. The proposed Project is also closely aligned with the World Bank Group's Indonesia Country Partnership Framework (CPF) for Fiscal Year (FY) 2021-2025. Its development objective, which seeks to strengthen health and laboratory facilities' service readiness and improve access of all Indonesians to integrated, quality health services in the country, resonates strongly with the CPF Objective 3.2 on strengthening the quality and equity in nutrition and health. This is part of Engagement Area 3, 'Nurture Human Capital'. The Project sets out to contribute to addressing the critical health sector challenges identified in the CPF. The proposed Project will have the following key components and activities:



(a) Component 1: Procurement, installation, operation, and maintenance of equipment to primary care facilities across Indonesia “Strengthening of Primary Healthcare in Indonesia” or SOPHI component. This component seeks to contribute to the procurement of equipment for all Posyandu, Pustu, and Puskesmas, as well as Tier 1 public health laboratories across Indonesia. The types and numbers of equipment, as well as the facility location where these pieces of equipment will be delivered will be based on the updated gap assessment from MoH, supported by the World Bank, during project preparation. (b) Component 2: Procurement, installation, operation, and maintenance of equipment to referral hospital facilities across Indonesia “Strengthening Indonesia’s Healthcare Referral Network” or SIHREN component. This component seeks to contribute to the procurement of equipment for all Madya, Utama, and Paripurna-level hospitals across Indonesia. (c) Component 3: Procurement, installation, operation, and maintenance of equipment to tier 2, 3, 4, and 5 public health laboratory facilities across Indonesia “Indonesia – Public Laboratory System Strengthening” or InPULS component. This component seeks to contribute to the procurement of equipment for all tier 2, 3, 4, and 5 public health laboratories across Indonesia. The centralized, single procurement at the central Government level and economies of scale also allow to tackle challenges around the maintenance and operation of the equipment, which traditionally poses barriers to sustained health service delivery due to equipment downtime because of faulty equipment or incorrect operation. The large volumes of procured equipment, packaged, and bundled into lots whereby a single equipment type and lot is sourced from a single vendor, allows to commit vendors to its maintenance over a period of 4 years while ensuring the transfer of operational skills training to health workers. The cost of maintenance and operational skills transfer by the vendor to health workers upon installation of the equipment at the facility will be enclosed in the bidding documents and be part and parcel of the contract.

#### D. Environmental and Social Overview

D.1. Detailed operation location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The COVID-19 pandemic has impacted Indonesia on human health, livelihoods and economy. The impacts to health have exposed and exacerbated the nation considerable gaps in the health care system and pandemic preparedness and response. With the recession and crisis that this pandemic caused and its dire impact on lives and livelihoods, MoH has initiated a comprehensive transformation of the country’s health system with the aim of strengthening its ability to effectively detect, monitor, and respond to public health threats in a timely manner.

Indonesia, as the largest archipelago nation in the world, is a vastly diverse nation with population of over 273 million people, and nearly 1,300 ethnic groups spread across 17,500 islands speaking about 700 different languages. However, country development and people wealth heavily centralized in the west portion of Indonesia. While over 99.6 percent of Indonesians in 2022 have access to electricity, many Eastern provinces have much lower access: less than 93% of Indonesians in East Nusa Tenggara, Maluku and North Maluku have electricity. In terms of Health Access and Quality (HAQ) index, the east show significantly lower HAQ values compared to those in the west. Eastern Indonesia also has the lowest percentage of puskesmas, very lowest tier of health facilities, with a complete health workforce, with easternmost provinces Papua, West Papua, Maluku and North Maluku having less than 20 percent of their puskesmas fully staffed. Low access to quality primary care is particularly concerning for the double burden of disease that Indonesia faces. The disparity in access to quality care contribute to widely varied life expectancies across provinces. In 2019, the difference in life expectancy for males between the highest-ranked (Bali) and lowest-ranked (Papua) provinces was 9.9 years. For females, the difference in life expectancy between the highest-ranked (North Kalimantan) and lowest-ranked (North Maluku) provinces was 13.7 years.



Indonesia needs a comprehensive health system reform to strengthen its capacity to provide equitable, high-quality care, and cope with emerging health shocks that require surge capacity and a performant referral system. To further optimize the Health Transformation Agenda and ensure an equitable improvement in health service delivery across Indonesia, an in-depth needs analysis was conducted by MOH that identified two core gaps preventing the Indonesian health system from delivering quality services: there is insufficient availability of health equipment to carry out necessary services, and a shortage of human resource for health (HRH) that are fully trained to deliver standardized, quality care and operate necessary equipment.

The project is designed to be nationwide in scope and is expected to support procurement, installation, operation, and maintenance of equipment to primary care facilities, referral hospital facilities, and public health laboratory facilities across Indonesia. The specific facility location where the equipment will be set up will be based on the updated gap assessment from the Ministry of Health (MoH) in 2022 relying on 2019 Health Facility Research (Riset Fasilitas Kesehatan or Rifaskes) data. These cover facility-level data in all 514 district/city health offices in Indonesia including 532 hospitals, 9,821 Puskesmas, 419 pharmacies, 411 doctor practices, 402 midwife practices, 403 independent laboratories and 417 clinics.

#### D. 2. Borrower's Institutional Capacity

A Central Project Management Unit (CPMU) will be established under the leadership of the Secretary General of MoH to oversee three Project Management Units (PMUs) for the three Project Components, i.e., a PMU for the SIHREN referral hospital component, a PMU for the SOPHI primary care component, and a PMU for the InPULS public health laboratory component. The PMU for SIHREN will be led by Directorate General of Health Services (Pelayanan Kesehatan or Yankes), while the PMUs for SOPHI and InPULS will be led by at Directorate General of Public Health (Kesehatan Masyarakat or Kesmas). The PMU will be responsible for the day-to-day coordination and implementation of project activities.

The MoH has prior experience in implementing Bank financed projects. MoH is currently implementing five World Bank-funded projects in the health sector through Program for Result (PforR) mechanism: (i) Indonesia - Supporting Primary Health Care Reform (I-SPHERE), aiming to strengthen the performance, quality, and spending of Indonesia's primary health care nationally with additional focus on mostly rural Eastern Indonesia; (ii) Investing in Nutrition in Early Years, aiming to increase the utilization of priority health- and nutrition-specific interventions at the primary care level in Posyandu, Pustu, and Puskesmas, with particular attention to 1,000-day households and in priority districts with high stunting rates; (iii) COVID-19 Strategic Preparedness and Response Program, an emergency operation aiming to prevent, detect, and respond to the threat posed by COVID-19, and to strengthen national systems for public health preparedness; (iv) Jaminan Kesehatan Nasional (JKN, Indonesian national health insurance system) Reforms and Results Program, aiming to strengthen the quality and efficiency of JKN, and (v) Strengthening National Tuberculosis Response.

However, the project implementation is expected to be challenging due to its involvement in complex logistics, resource management, large geographical scope, and coordination efforts. Additionally, it requires ensuring the readiness of end users to receive the equipment. As part of the readiness criteria, the government will be responsible for hiring staff and providing general occupational health and safety (OHS) training. To enhance the workforce's abilities in utilizing specialized equipment and conducting maintenance, the Project will offer support through supplier extended liability agreements. These agreements will facilitate the development of specific competencies, providing training and technical assistance to the staff.



Further assessment on MoH’s capacity to manage the environmental and social implications will be done by appraisal and a capacity building plan included in the Environmental and Social Management Framework (ESMF) and ESCP. MoH will appoint ES Focal Point(s) responsible for the coordination of the project components in preparing the required ES instruments and overall environmental and social management oversight during project implementation. MoH through its ES focal point(s) will provide a monitoring report of the environmental and social performance to ensure application of the national Environmental and Social regulations and relevant ESSs.

**II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS**

**A. Environmental and Social Risk Classification (ESRC)**

Moderate

**Environmental Risk Rating**

Moderate

The overall potential environmental risk associated with this IPF operation is assessed as moderate. However, it is important to note that the moderate environmental risk does not stem necessarily from intrinsic environmental impacts, as they are considered temporary and easily mitigated, neither significant or irreversible. Instead, the risks primarily arise from the pressure on the healthcare sector related to the procurement of equipment from four MDBs and the capacity of the health sector to effectively manage occupational health issues, waste management, chemicals, hazardous substances, and other related aspects. When evaluating the risk, it is crucial to consider the joint support of the four MDBs, which have a combined value of over 4 billion USD as the procurement process is jointly executed among the four MDBs and determined by a predetermined percentage. The key environmental concern is associated with the procurement, installation, operation, and maintenance of equipment in primary care facilities (Posyandu, Pustu, and Puskesmas), referral hospital facilities (Madya, Utama, and Paripurna-level hospitals), and public health laboratory facilities across Indonesia. This expansion is expected to increase the volume of medical and other types of waste (including e-waste), energy consumption, quantities of chemical and hazardous substances to be managed, and occupational health and safety risks such as chemical exposure, noise, electrical safety, and infection control. To effectively address these risks, extensive training and competency development among healthcare workers will be crucial. Insufficient training can lead to errors during equipment operation, maintenance, or troubleshooting, potentially compromising worker safety. The project will not finance any reconstruction or adaptation of facilities for equipment installation, as this responsibility lies with the government and will be included in the Readiness criteria. Facility readiness which includes the availability of trained staff, infrastructure readiness (electricity, waste water, water supply, etc.), established waste management systems, and other factors, will be part of the readiness criteria. While the specific type of equipment is not yet confirmed, ionizing equipment, radiological equipment, and incinerators will not be supported through the Bank financing. To address these risks effectively, the project's ESMF will be prepared. The ESMF will guide the preparation of readiness criteria, explore various avenues for continuous training, capacity building, and maintenance, and support the preparation of ESCOP (Environmental and Social Code of Practice) for minor rehabilitation activities supported by the government for equipment installation. Additionally, extended supplier liability will be considered to ensure the proper management and maintenance of the equipment.

**Social Risk Rating**

Moderate

By design, the project is envisaged to generate positive outcomes through health system strengthening and improved equity of health services, through addressing issues on unequal distribution, poor maintenance of medical equipment, and low capacity of health workers to operate the equipment. These will be major contributors to lifting

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the constrained capacity of Indonesia’s health public system to deliver health service to the country, especially to rural and remote communities. The social risk rating is Moderate by considering that the project type and nature itself constitutes a low social risk, associated with providing funding for logistic on procurement, installation, operation and maintenance of medical equipment to primary care facilities, referral hospital facilities and public health laboratory facilities across Indonesia, but since in the significant number this will increase the risk. The project will give benefit to the country through enhancing access to integrated health quality in Indonesia particularly in underserved areas. Overall no adverse social impacts are expected regarding the project activity. Social risks are minor and may involve health and safety risks to primary supply workers during the distribution, installations, and maintenance of the equipment that will be conducted nation wide, and to project beneficiaries (e.g. HRH, patient) due to potential operation failure of the new medical equipment. Risks of social exclusion issue are not envisaged, as the project design and its goal focus on expanding access to essential health services, including to underserved areas. The project has acknowledged that many health facilities, especially those in remote/rural areas, lack the human resource capacity and utilities (stable internet and electricity connection) to correctly operate and maintain the delivered equipment. Addressing lack of utilities may be beyond project’s scope, but to ensure the entire health facilities in Indonesia will equally benefit from the project, the project design envisions has ensured through a rapid procurement process during the first year of project implementation covering the needs of the entire recipient candidates. To ensure a meaningful consultation and inclusive engagement of the project, a Stakeholder Engagement Plan (SEP) will be prepared, proportionate to the nature and scale of the project and its potential risks and impacts, for an effective stakeholder engagement and contribute to the project design and its implementation that can improve the environmental and social sustainability of the project, enhance project acceptance, and make a significant contribution to successful project design and implementation. Given the scope of the a provision of goods-types project, the SEP will also include elements on procurement transparency and public disclosure of the purchase of medical equipment and the distribution plan. As social risks are low MoH is expected to have adequate capacity to manage these risks. SEP document can contribute to improve capacity of the project in engaging with the relevant stakeholder systematically.

**Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Risk Rating**

Low

Project activity will include procurement, operation, and maintenance of equipment activities that will be conducted in public space, will not engage female workers in close proximity to male workers with limited supervisions and will not involve significant labor influx.

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

**B.1. General Assessment**

**ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

**Overview of the relevance of the Standard for the Operation:**

ESS1 is relevant. Environmental risks and impacts related to project activities are anticipated to be moderate, while social risks are assessed as low.

The project supports procurement, installation, operation, and maintenance of equipment to primary care facilities, referral hospital facilities, and public health laboratory facilities across Indonesia based on MoH updated gap assessment using facility-level data in all 514 districts including 532 hospitals, 9,821 Puskesmas, 419 pharmacies, 411 doctor practices, 402 midwife practices, 403 independent laboratories and 417 clinics.

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The project will not finance any civil works onsite. However, the Government will finance all reconstruction and adaptation of facilities needed for the equipment installation. No construction of new buildings is envisaged. The readiness of facilities will be the responsibility of the government and will be included in the Readiness criteria. Given that the facility readiness is directly related and necessary for the project to be viable and planned to be carried out contemporaneously with the project, it is considered as associated facility /activity. The project will prepare a set of facility readiness criteria for the equipment rollout at the health care facilities and laboratories and will be finalized during project preparation. A threefold set of criteria will be used: prior availability of equipment in the facility, human resource capacity, and utility access, which will include preparedness of the facility to receive the equipment. Upgrades to the laboratories by MoH may include the establishment of bio-safety BSL-3 or BSL4 facilities, by which the environmental risk rating will be revisited at appraisal based on further information available. At present stage, the types, and numbers of equipment is not finalized and will be based on the updated gap assessment from MoH. However, the procurement of radiotherapy machines will be solely financed by IsDB as continuation of their Oncology project. Support to medical waste incinerator is not envisaged.

The key environmental concern associated with the project relates to the procurement, installation, operation, and maintenance of equipment in primary care facilities, referral hospital facilities, and public health laboratory facilities across Indonesia. This expansion is expected to increase the volume of medical and other types of waste, energy consumption, quantities of chemical and hazardous substances to be managed, and occupational health and safety risks, such as chemical exposure, noise, electrical safety, and infection control.

To effectively address these risks, it will be crucial to provide extensive training and competency development for healthcare workers. This will be supported in parallel by both the Government and the project. The Government will support the hiring and general training related to OHS and maintenance, while the project will support operation and maintenance training for specialized equipment through supplier extended liability contracts.

To ensure the effective management of the aforementioned risks, the project's ESMF will be prepared prior to appraisal. The ESMF will guide the preparation of readiness criteria and ensure their consistency with ESS. It will explore various avenues for continuous training, capacity building, and maintenance, as well as support the preparation of the ESCOP for minor rehabilitation activities supported by the government for equipment installation. The assessment of associated facilities will be documented in the ESMF. The ESMF will also guide the preparation of supplier contracts, ensuring their alignment with ESS, particularly with regard to operation and maintenance activities. The ESMF will examine the relevant elements of the national system that the project can rely upon.

Key national regulations are already in place to manage the environmental impacts of the project. The national regulations related to waste management and OHS in the health care system are harmonized with GIIP, which includes provisions on waste identification, reduction, segregation, storage, transport, disposal, and occupational health and safety for waste handlers, and the management system in hospitals, including risk management, OHS practices, fire prevention, mandatory immunization for workers, mandatory training, and availability of PPE. Valid permits/licenses from relevant agencies are required for all activities related to managing medical (hazardous) waste. The Ministry of Health has made it mandatory for all hospitals to obtain accreditation every three years. The primary healthcare accreditation, which includes medical waste management, is also required for all Puskesmas and clinics. Additionally, waste management in the healthcare system has been successfully implemented in the Covid-19 project by the MoH.





The Concept Note at this stage has not yet provided information on type of activities that are considered eligible under CERC (Contingency Emergency Response Component). In the event the CERC is triggered, a formal project restructuring will be conducted that will include an assessment of potential ES risks upon the emergency response activities and assessment whether the existing ES instruments of the project is sufficient to address the arising risks. Additional instruments will be prepared if the CERC activities create new or additional ES risks. This will be outlined in the ESCP.

Social risk may involve health and safety issue to project beneficiaries due to operation failure of new medical equipment. To manage the issue, the project design has already considered this through inclusion in the contract with equipment suppliers on their responsibility to provide capacity building or training to HRH in operations and maintenance of new equipment. Social exclusion risk is not envisaged, as the project objective focus on expanding access to essential health services, including to underserved areas. The project has designed a readiness criteria for the rollout of the delivery of the equipment that will be conducted in staggered based on the readiness of each facility to receive the equipment. The project has acknowledged many health facilities, especially those in remote/rural areas, lack of human resource capacity and utilities to correctly operate and maintain the delivered equipment. Addressing lack of utilities may beyond project's scope, but to ensure the entire health facilities in Indonesia will equally benefit from the project, the project design envisions a rapid procurement process to be completed by the end of 2024 covering the needs of the entire recipient candidates of Indonesia. This will minimize time lag between the well-off and worse off regions of Indonesia. In addition, payments will be made to suppliers after the suppliers fulfilled their obligations outlined in the contract, including providing capacity building to HRH.

Considering that four MDBs will jointly support the procurement of equipment, it is important to closely align the approach to environmental and social risk. During project preparation, it is proposed to form a joint environmental and social team, with representation from each MDB, to align the ES approach and facilitate project implementation.

### **ESS10 Stakeholder Engagement and Information Disclosure**

ESS10 is relevant. A draft Stakeholder Engagement Plan (SEP) will be prepared by the MoH prior to Bank appraisal to provide guidance and to build and maintain, over time, an inclusive process with project's stakeholders, in particular, the local beneficiaries and others interested parties across the project cycle. Despite the environment and social risk and impacts of the project are minor and negligible, the SEP preparation will contribute to the project design and its implementation for an effective stakeholder engagement that can improve the environmental and social sustainability of the project, enhance project acceptance, and make a significant contribution to successful project design and implementation. The SEP will include requirements outlined under ESS10 to engage with stakeholders throughout the project life cycle and as early as possible in the project development process and in a timeframe that enable meaningful consultations on project design, in where the nature, scope and frequency of stakeholder engagement will be proportionate to the nature and scale of the project and its potential risks and impacts.

Beyond provisions of equipment, strengthening primary, referral healthcare facilities and laboratory facilities requires inclusive stakeholder engagement with diverse groups, such as health personnel/practitioners, producers and suppliers of medical equipment /vendors, non-governmental organization, civil society organizations, government



agency, private hospital, academics, donor agencies, community including the poor and vulnerable peoples, and broader public stakeholders.

The SEP will outline general principles, information on previous engagement activities with relevant stakeholders during the project identification and preparation, stakeholder identification including vulnerable communities, and a collaborative strategy as well as engagement process in accordance with ESS10. Given the scope of the a provision of goods-types project, the SEP will also include elements on procurement transparency and public disclosure of the purchase of medical equipment and the distribution plan. The project’s beneficiaries are expected at national level, the SEP will also outline key elements under ESS7 in conducting public meeting with Indigenous Peoples to promote effective engagement.

The SEP will identify and analyze its stakeholders covering various individual or groups who are: i) directly or indirectly affected or likely to be affected (if any) and ii) other interested parties, explains the opportunities for public consultations and grievance redress mechanism, and outlines commitments to periodically disclose information. The SEP will be implemented and updated throughout the project life cycle. This requirement will be established in the draft ESCP. To engage project stakeholders early in project preparation, a public consultation will be conducted prior appraisal to gather initial views on the project proposal and inform project design, as well as encourages stakeholder feedback, particularly as a way of informing project design and engagement by stakeholders in the identification and mitigation of environmental and social risks and impacts. The result of the public consultation will be documented in the SEP document.

A Grievance Redress Mechanism (GRM), as part of the SEP, will be established by the project to let stakeholders lodge grievance or feedback for the project that will be proportionate to the potential risks and impacts of the project and will be accessible and inclusive. The implementation of the SEP will be outlined in the ESCP. The SEP and ESCP will be disclosed on the MOH website and consulted with key stakeholders as early as possible during project preparation process.

## **B.2. Specific Risks and Impacts**

**A brief description of the potential environmental and social risks and impacts relevant to the Operation.**

### **ESS2 Labor and Working Conditions**

ESS2 is relevant. Assessment of the types of workers as categorized by ESS2 will be conducted that may include: i) direct workers (CPMU staffs together with consultants hired directly by PMU; and ii) primary supply workers (from the medical equipment suppliers). As the design of project is still underway, the types of workers will be revisited and final determination on the types of workers as categorized by ESS2 will be done during the project preparation, including the potential involvement of contracted workers and community workers in the project.

As the project only involves procurement, installation, operation and maintenance of new medical equipment, the project activities only involve minor labor risk. Labor risks may include OHS issue at low level of the primary supply workers in distribution, installation, operation and maintenance of the new medical equipment. OHS issues are key risks associated with the project. Risks are related to chemical exposure, noise, electrical safety, and infection control,



among other. Each healthcare facility will need to prioritize occupational health and safety measures, including training, risk assessments, and adherence to regulations and guidelines. To effectively address these risks, it will be crucial to provide extensive training and competency development for healthcare workers. This will be supported in parallel by both the Government and the project. The Government will support the hiring and general training related to OHS and maintenance, while the project will support operation and maintenance training for specialized equipment through supplier extended liability contracts. ESMF will examine various avenues to support capacity building in OHS area.

The project does not involve any infrastructure activities and only providing funding for goods, including installation, operation, and their maintenance, therefore risks associated with labor influx, forced labor and child labor is not envisaged. Risk on Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) is considered low as project activity will include procurement, operation, and maintenance of equipment activities that will be conducted in public space, will not engage female workers in close proximity to male workers with limited supervisions and will not involve significant labor influx.

Given the scope of the provision of goods-types project with minor and negligible of labor risk in project, applying the principle of proportionality, this project will not have to prepare a separate Labor Management Procedure (LMP), but requirements under ESS2 will be included in the project operation manual (POM) and the ESCP, including provision of the project to provide grievance mechanism specific to workers involved directly or indirectly in project activities to address grievances related labor use and working condition and requirement to borrower to the relevant primary suppliers to introduce procedures and mitigation measures to address safety issues on distribution, installation, operation, and maintenance of the newly medical equipment as outlined in the ESS2. Such procedures and mitigation measures will be reviewed periodically to ascertain their effectiveness. This also include possibility to shift the project's primary suppliers to suppliers that can demonstrate the capacity to meet the relevant requirements under this ESS, where a remedy is not possible within the reasonable period. This provision will be incorporated in the bidding document and POM, and will be outlined in the ESCP.

To address SEA/SH risk, based on the Human Development SEA/SH Good Practice Note, the bidding document will also incorporate requirements of the potential bidders to provide existing behavioral standard that includes general prohibitions against misconduct, harassments and criminal actions related to SEA/SH. If there are no behavioral standard, or if strengthening of the behavioral standards is not possible, project actors will need to agree to project specific code of conduct (CoC). A project specific SEA/SH CoC will be prepared and included in the POM. This requirement will be included in the ESCP.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

This ESS is relevant. The project will support procurement, installation, operation, and maintenance of equipment to primary care facilities, referral hospital facilities, and public health laboratory facilities across Indonesia, and its likely that this increased use will lead to increase in energy consumption. There will also be increased generation of medical waste from the medical consumables and well of increase of chemical and hazardous substances that need to be managed. Waste management shall also be included in the facility readiness criteria for the equipment rollout. The



ESMF will look at the options to build capacity of facilities for handling of waste and chemical and hazardous substances.

Although not supported by WB financing the reconstruction and adaptation of facilities for equipment installation is considered vital for installation equipment, and hence is considered associated activity. The assessment of associated facilities will be documented in the ESMF. As such ESCOP aligned with ESS will be prepared for the reconstruction and adaptation of facilities. In addition, ESMF will examine other readiness criteria and ensure consistency with ESS.

#### **ESS4 Community Health and Safety**

ESS4 is relevant. This is mainly concerning medical waste management at public health facilities located in remote areas or with limited access to medical waste treatment/disposal facilities. While the national regulations are already in place to manage medical waste, in remote areas such requirements are however not completely implementable. Facility readiness which includes established waste management systems will be part of the readiness criteria. ESMF will be prepared to guide the preparation of readiness criteria and ensure their consistency with ESS. The ESMF will also examine the relevant elements of the national system that the project can rely upon.

The facility readiness criteria which includes infrastructure readiness (wastewater connection, water supply, etc.), established waste management systems, and provision of extensive OHS training and competency development among healthcare workers will contribute to preventing or minimizing risks of chemical exposure, noise, electrical safety, and infection to project beneficiaries (e.g., HRH, patient, medical/hospital personnel, devices operators, etc.) due to operational failure.

#### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

This standard is currently considered not relevant. The project will not include any activities which require land acquisition, physical and/or economic displacement, as well as restriction on land use and involuntary resettlement.

#### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

ESS6 is not relevant. The activities that shall be carried out under the program are intended to take place in existing premises or established primary care facilities (Posyandu, Pustu, and Puskesmas), referral hospital facilities (Madya, Utama, and Paripurna-level hospitals), and public health laboratory facilities. The project will not have direct physical footprint, as it does not involve acquiring new areas. Therefore, ESS6 is currently considered not relevant given that the program does not involve any activities that would affect natural habitats of biodiversity importance or depend on biodiversity to achieve the program objectives. The program will be undertaken in modified habitats.

#### **ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

ESS7 is not relevant as the project activities focus on provisions of goods and are not expected to impact way of life, livelihoods, land or assets of indigenous communities. However, since the project will work at national level and ethnic groups (Indigenous Peoples) possessing the four characteristics listed in para 8 of ESS7 are present in the



country; where the project’s benefit through purchasing, installation, and operation of newly medical equipment should be able to benefit Indigenous Peoples; provisions consistent with ESS7 concerning the engagement of Indigenous People engagement in a culturally appropriate manner will be included in the SEP. This will contribute to an effective stakeholder engagement, enhance project acceptance, and contribute to successful project design and implementation.

**ESS8 Cultural Heritage**

This standard is currently considered not relevant. The project will not support any construction or rehabilitation activities that would involve earth works (thereby potentially having an impact on tangible cultural heritage), or other activities that could have an impact on tangible and / or intangible cultural heritage.

**ESS9 Financial Intermediaries**

This standard is considered not relevant for the planned project components as all activities will be implemented by MOH.

**C. Legal Operational Policies that Apply**

**OP 7.50 Operations on International Waterways** No

**OP 7.60 Operations in Disputed Areas** No

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?** No

**Financing Partners**

The partnership of MDBs includes the World Bank Group (WBG), Asian Infrastructure Investment Bank (AIIB), Asian Development Bank (ADB), and Islamic Development Bank (IsDB), will jointly support the MoH to deliver on this project. MoH and the MDBs have agreed on a joint co-financing approach between WBG, AIIB, and ADB for the SOPHI and InPULS components, and a joint co-financing approach between WBG and AIIB, as well as parallel financing from IsDB, for the SIHREN component.

Discussions with MDBs are underway to finalize the agreement on the environmental and social risk management arrangement of the project.

**B. Proposed Measures, Actions and Timing (Borrower’s commitments)**

**Actions to be completed prior to Bank Board Approval:**

- Environmental and Social Commitment Plan (ESCP)
- Stakeholder Engagement Plan (SEP)

Public Disclosure



- Environmental and Social Management Framework (ESMF)
- Environmental and Social Code of Practice (ESCP)

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

- Organizational structure, including provisions to assign E&S focal point(s)
- SEP implementation; including provision project grievance mechanism
- Preparation of POM to include requirements under ESS2, including provision of worker grievance mechanism
- incorporated in the bidding document on requirement for the relevant primary suppliers to introduce procedures and mitigation measures to address safety issues on distribution, installation, operation, and maintenance of the newly medical equipment
- SEA/SH code of conduct or behavioral standards provision
- assessment of potential ES risks upon the emergency response activities and whether the existing ES instruments of the project is sufficient to address the arising risks, including preparing additional instruments if the CERC activities create new or additional ES risks.
- Assessment of associated facilities
- Periodic reports on the environmental performance, incident reports, preparation of management plans (as applicable)
- Possible capacity support

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS**

01-Sep-2023

**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

Borrower: The Republic of Indonesia

**Implementing Agency(ies)**

Public Disclosure



Implementing Agency: Ministry of Health

Contact: Kunta Wibawa Dasa Nugraha

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## V. FOR MORE INFORMATION CONTACT

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## VI. APPROVAL

Task Team Leader(s): Somil Nagpal, Lander Sonia M Bosch, Naoko Ohno

Practice Manager (ENR/Social) Janamejay Singh Recommended on 20-Jun-2023 at 00:57:37 EDT