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Report No: PAD5433

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT
ON A
PROPOSED LOAN

IN THE AMOUNT OF US$190 MILLION

TO THE

DOMINICAN REPUBLIC

FOR A

PROGRAM TO SUPPORT THE STRENGTHENING OF THE NATIONAL HEALTH SYSTEM

November 10, 2023

Health, Nutrition & Population Global Practice
Latin America And Caribbean Region

CURRENCY EQUIVALENTS

Exchange Rate Effective September 30, 2023

Currency Unit =	Dominican Pesos
US$1=	DOP$56.77
RD$1 =	US$0.018

FISCAL YEAR
January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AM	Accountability Mechanism
ARS	Health Risk Administrators (*Administradoras de Riesgos de Salud)*
CEMI	Maternal and Infant Centers of Excellence *(Centros de Excelencia Materno-Infantil)*
CPF	Country Partnership Framework
CPN	First Level Centers (*Centros de Primer Nivel)*
CUNA	Unified Strategy for Quality of Maternal and Neonatal Care (*Cuidado Unificado para la Calidad de la Atención Materno-Neonatal)*
DAS	Directorates of Health Areas (*Dirección Area de Salud)*
DCS	Directorate Sector Management (*Dirección de Conducción Sectorial)*
DPS	Directorates of Health Provinces (*Dirección Provincial de Salud*)
DR	Dominican Republic
EIB	European Investment Bank
E&S	Environmental and Social
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
ESRS	Environmental and Social Review Summary
FM	Financial Management
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GRS	Grievance Redress Service
HDI	Human Development Index
HQ	Headquarters
IAU	Internal Audit Unit
ICE	Internal Combustion Engine
ICR	Implementation and Completion Results
IDB	Inter-American Development Bank
IFR	Interim Financial Reports
IRR	Internal Return Rate
LAC	Latin America and Caribbean
LMP	Labor Management Procedures
M&E	Monitoring & Evaluation
MEPYD	Ministry of Economics, Planning, and Development *(Ministerio de Economia, Planificación, y Desarollo)*
MISPAS	Ministry of Public Health and Social Assistance (*Ministerio de Salud Pública y Asistencia Social)*
MIVHED	Ministry of Housing and Construction (*Ministerio de la Vivienda y Edificaciones*)
NCDs	Non-communicable Diseases
NDC	Nationally Determined Contribution
NPV	Net Present Value
OHS	Occupational Health and Safety
PAHO	Pan-American Health Organization

PAI	Expanded Immunization Program (*Programa Ampliado de Inmunización)*
PDO	Project Development Objectives
PEU	Project Execution Unit
PHC	Primary Healthcare
POM	Project Operational Manual
PPSD	Project Procurement Strategy for Development
PwD	Persons with Disabilities
RMNCH	Reproductive Maternal Newborn and Child Health
RPF	Resettlement Planning Framework
SeNaSa	National Health Insurance (*Seguro Nacional de Salud)*
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
SIHA	Habilitation Information System (*Sistema Informático de Habilitación)*
SNS	National Health Service (*Servicio Nacional de Salud)*
STEP	Systematic Tracking of Exchanges in Procurement
TSA	Treasury Single Account
UHC	Universal Health Coverage
UNAP	Primary Health Care Units (*Unidades de Atención Primaria de Salud)*
UNICEF	United Nations Children's Fund
WB	World Bank
WHO	World Health Organization
YLLs	Years of Life Lost

TABLE OF CONTENTS

DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Dominican Republic	Program to Support the Strengthening of the National Health System	
Project ID	**Financing Instrument**	**Environmental and Social Risk Classification**
P180349	Investment Project Financing	Substantial

Financing & Implementation Modalities

[ ] Multiphase Programmatic Approach (MPA)	[ ] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[ ] Fragile State(s)
[ ] Performance-Based Conditions (PBCs)	[ ] Small State(s)
[ ] Financial Intermediaries (FI)	[ ] Fragile within a non-fragile Country
[ ] Project-Based Guarantee	[ ] Conflict
[ ] Deferred Drawdown	[ ] Responding to Natural or Man-made Disaster
[ ] Alternate Procurement Arrangements (APA)	[ ] Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
11-Dec-2023	30-Nov-2029

Bank/IFC Collaboration

No

Proposed Development Objective(s)

To improve the capacity of public healthcare providers to deliver quality services, with an emphasis on maternal and neonatal care, and to strengthen the stewardship capacity of the Ministry of Public Health and Social Assistance.

Components

Component Name	Cost (US$, millions)
Strengthening the Capacity to Deliver Quality Public Healthcare Services	89,900,000.00

Strengthening the Stewardship and Public Health Oversight Function of the MISPAS	64,400,000.00
Reinforcing Health Information Systems and Digital Health Tools	27,700,000.00
Project Management	8,000,000.00

Organizations

Borrower:	Dominican Republic
Implementing Agency:	Ministry of Housing and Constructions Ministry of Public Health and Social Assistance

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	190.00
Total Financing	190.00
of which IBRD/IDA	190.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	190.00

Expected Disbursements (in US$, Millions)

WB Fiscal Year	2024	2025	2026	2027	2028	2029	2030
Annual	0.00	10.00	30.00	50.00	60.00	35.00	5.00
Cumulative	0.00	10.00	40.00	90.00	150.00	185.00	190.00

INSTITUTIONAL DATA

Practice Area (Lead)

Health, Nutrition & Population

Contributing Practice Areas

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	Substantial
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Low
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Moderate
7. Environment and Social	Substantial
8. Stakeholders	Low
9. Other	
10. Overall	Substantial

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes [✓] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

Schedule 2. Section I. A1(a). The Borrower, through MISPAS, shall: (a) Hire or appoint, no later than two (2) months as of the Effective Date, and thereafter maintain throughout Project implementation, an environmental specialist, a social specialist, and a complaints specialist (in charge of Project's grievance mechanism), all with qualifications, resources, terms of reference, and functions acceptable to the Bank and as further set forth in the POM.

Sections and Description

Schedule 2. Section I. A1(b). The Borrower, through MISPAS, shall: (b) Establish no later than three (3) months as of the Effective Date, and maintain throughout Project implementation, a MISPAS PEU responsible for the MISPAS parts of the Project with composition, staff in numbers and with qualifications, resources, terms of reference, and functions acceptable to the Bank, as further set forth in the POM, including, at least, (i) Project coordinator; (ii) technical assistant; (iii) financial management specialist; and (iv) procurement specialist.

Sections and Description

Schedule 2. Section I. A1(e). The Borrower, through MISPAS, shall: (e) Create no later than six (6) months after the Effective Date, and thereafter maintain throughout each calendar year of Project implementation, specific budget lines entries in the national annual budget to keep track of the corresponding Eligible Expenditures financed out of Loan proceeds incurred during Project implementation.

Sections and Description

Schedule 2. Section I. A1(f). The Borrower, through MISPAS, shall: (f) Contract no later than four (4) months after the Effective Date, and retain throughout Project implementation, independent auditor(s) in number and with experience and qualifications acceptable to the Bank, for purposes of carrying out audits of the Project in accordance with terms of reference set forth in the POM, and consistently applied auditing standards, all acceptable to the Bank.

Sections and Description

Schedule 2. Section I. A2(a). The Borrower, through MIVHED shall: (a) Hire or appoint, no later than two (2) months as of the Effective Date, and thereafter maintain throughout Project implementation, an environmental specialist and a social specialist with qualifications, resources, terms of reference, and functions acceptable to the Bank, as further set forth in the POM.

Sections and Description

Schedule 2. Section I. A2(b). The Borrower, through MIVHED shall: (b) Establish no later than three (3) months as of the Effective Date, and maintain throughout Project implementation, a MIVHED PEU responsible for the MIVHED parts of the Project with composition,staff in numbers and with qualifications, resources, terms of reference, and functions acceptable to the Bank, as further set forth in the POM, including, at least a (i) Project coordinator; (ii) financial management specialist; and (iii) procurement specialist.

Sections and Description

Schedule 2. Section I. A2(d). The Borrower, through MIVHED shall: (d) Create no later than six (6) months after the Effective Date, and thereafter maintain throughout each calendar year of Project implementation, specific budget lines entries in the national annual budget to keep track of the corresponding Eligible Expenditures financed out of Loan proceeds incurred during Project implementation.

Conditions

Type	Financing source	Description
Effectiveness	IBRD/IDA	Article V 5.01.(a) Project Operational Manual (“POM”) referred to in Section I.B of Schedule 2 to this Agreement has been prepared and adopted by the Borrower, through MISPAS and MIVHED, in a manner satisfactory to the Bank
Type	Financing source	Description
Effectiveness	IBRD/IDA	Article V 5.01.(b) Interinstitutional Agreement has been entered into and incorporated as an annex to the POM, in a manner satisfactory to the Bank.

I. STRATEGIC CONTEXT

A. Country Context

1. **The Dominican Republic (DR) is an upper middle-income country with one of the fastest growing economies in Latin America and the Caribbean (LAC).** The country's economy expanded by 5.3 percent on average between 2000 and 2019, driven primarily by capital accumulation and total factor productivity growth. This growth has been complemented by important progress in poverty reduction and most human development indicators. The prevalence of chronic malnutrition among children under the age of 5, for example, is low and decreased between 2012 and 2022 (from 7.9 percent to 5.6 percent respectively).[1] Likewise, the DR continues to steadily rise in the Human Development Index (HDI),[2] from an HDI value of 0.58 in 1990 to 0.77 in 2021, positioning the DR at 80 out of 191 countries and territories. Socioeconomic inequality remains relatively high but has been substantially reduced over time: the Gini index for income inequality in 2000 was 51.5 compared to its lowest level of 39.6 in 2020.

2. **Growth is expected to decelerate from 4.9 percent in 2022 to 3.1 percent in 2023 as domestic investment and consumption remain weak, and high input costs impact manufacturing and construction.** On the sectoral side, industry and construction contracted, affected by elevated borrowing costs and high input prices, while the hotels, bars, and restaurants sector expanded by 14.2 percent in 2023Q1, cushioning the economic slowdown. In fact, the country recorded 4.5 million arrivals, with a year-on-year growth of 15.9 percent in the first semester of 2023 (2023S1). Remittances grew 3.3 percent in 2023S1, showing a stabilization of inflows above pre-pandemic figures. As a result, the 2023Q1 current account deficit narrowed to 2.8 percent of GDP, down from 4.5 percent of GDP in 2022Q1, financed by robust foreign direct investment and increased long-term capital inflows. Reserves rose to 13.2 percent of GDP by June 2023, up from 12.7 percent of GDP in 2022.

3. **The DR, due to its geographical position, is considered highly vulnerable to climate disasters and natural hazards, as evidenced by its ranking of 40 out of 192 countries in the 2022 World Risk Index.[3]** Hurricanes, cyclones, and tropical storms are the most threatening natural hazards facing the country, posing significant destructive potential due to high wind speeds, heavy rains, and powerful storm surges that produce flooding. Moreover, this situation is set to worsen in the coming decades in light of climate change, which will further increase the frequency and intensity of these events. Climate vulnerability was identified as a binding constraint to the country's economic stability and to the safety and well-being of its population in both the 2018 Systematic Country Diagnostic and the FY22-26 World Bank (WB) Country Partnership Framework (CPF) for the DR.

B. Sectoral and Institutional Context

4. **The DR's health system is governed by distinct institutions, each serving a specific purpose encompassing stewardship and public health oversight, insurance, and care provision.** Overseeing stewardship and public health oversight is responsibility of the Ministry of Public Health and Social Assistance (*Ministerio de Salud Pública*

[1] Prevalence of stunting (modeled estimate, % of children under 5). https://data.unicef.org/resources/jme-report-2023/
[2] The HDI is a summary measure by the United Nations Development Programme aimed at assessing long-term progress in human development based on life expectancy, mean/expected years of schooling, and GNI.
[3] https://weltrisikobericht.de/wp-content/uploads/2022/09/WorldRiskReport-2022_Online.pdf

y Asistencia Social, MISPAS), which exercises this function at the subnational level through Directorates of Health Provinces (*Dirección Provincial de Salud, DPS*) and Health Areas (*Dirección Area de Salud,* DAS). The DPS/DAS are responsible for, *inter alia*, monitoring and reporting on plans and strategic objectives, implementing public health surveillance activities, and collecting public health information. Insurance covers a vast majority of the population, with approximatively 97 percent having insurance coverage. This coverage is divided into a subsidized scheme managed by the public National Health Insurance (*Seguro Nacional de Salud*, SeNaSa), benefiting approximatively 54 percent of the population, and a contributory regime where about 43 percent are affiliated with SENASA and private Health Risk Administrators (*Administradoras de Riesgos de Salud*, ARS). The responsibility of care provision falls under the National Health Service (*Servicio Nacional de Salud*, SNS), an autonomous public institution attached to MISPAS.[4]

5. **The DR's public health system is articulated along two main levels of care.** As of 2023, 1226 first level centers (*Centros de Primer Nivel*, CPN) constitute 86.7 percent of the SNS provision system, while 189 specialized level centers (e.g., hospitals) account for 13.3 percent.[5] In terms of primary healthcare (PHC) service structure, each CPN includes one or more Primary Health Care Units (referred to as UNAP), which are the basic unit of health care provision for approximately 500 to 700 families (2,500 to 3,500 people) within a specific geographical area. These units consist of at least one general practitioner, one nurse, and one or more health promoters.

6. **Health outcomes in the DR have shown improvements over the last two decades, but still lag the LAC regional average, particularly in maternal and neonatal outcomes.** Despite global declining trends in maternal mortality, the maternal mortality ratio in the DR increased from 79 deaths per 100,000 live births in 2000 to 107 deaths in 2020, surpassing the LAC regional average of 88 deaths per 100,000 live births in the same year.[6] Similarly, the DR suffers from an under-five mortality rate that is more than double the LAC regional average, with 33 deaths per 1,000 live births in 2021, compared to a regional average of 16. The neonatal mortality rate is 2.5 times higher, with the DR reporting 23 deaths per 1,000 live births in 2021, compared to LAC's average of nine in the same year. These concerning figures take place in the context of an epidemiological transition where non-communicable diseases (NCDs) and climate change impacts are increasingly placing stress on the health system.[7]

7. **Evidence suggests that DR's poor maternal and neonatal health outcomes are better explained by the limited capacity of the health system to deliver quality services, rather than its coverage capacity.** The most recent UHC (Universal Health Coverage) Service Coverage Index (2021) showed a high coverage score (86) in the DR sub-index for Reproductive, Maternal, Newborn, and Child Healthcare (RMNCH). The index (ranging from 0 to 100) shows that most of the population receive appropriate basic health services for RMNCH. This score is supported by national statistics: 98 percent of pregnant women received at least one antenatal care visit and 92.6 percent received the recommended standard of care of at least four antenatal care visits.[8] Whilst coverage rates are satisfactory, concerns remain about the capacity of the health system to deliver quality care. In 2021, the United Nations Children's Fund (UNICEF) indicated that more than 80 percent of the DR's maternal and neonatal deaths were preventable.[9] The latest available evidence for the DR confirms that the main causes of maternal mortality are likely to be associated with quality of care, as they include hypertensive disorders (36 percent),

[4] https://sns.gob.do/sobre-nosotros/quienes-somos/
[5] *https://repositorio.sns.gob.do/tableros-dinamicos/otras-informaciones-de-salud/*
[6] Maternal mortality ratio (modeled estimate, per 100,000 live births) https://data.worldbank.org/indicator/SH.STA.MMRT?locations=DO-ZJ
[7] In 2020, NCDs accounted for 72 percent of all deaths, and NCDs account for four of the top five leading causes of death (i.e., ischemic heart diseases, stroke, neonatal disorders, diabetes, and cirrhosis). https://www.paho.org/sites/default/files/2020-03/NCDS-PROGRESS-MONITOR-2020-DominicanRep.pdf https://www.healthdata.org/research-analysis/health-by-location/profiles/dominican-republic
[8] República Dominicana/ ENHOGAR-MICS (2022)
[9] https://www.unicef.org/dominicanrepublic/comunicados-prensa/mas-de-un-80-de-las-muertes-maternas-y-neonatales-son-evitables

hemorrhages (18 percent), and sepsis (16 percent).[10] Similarly, most newborn deaths in the DR are caused by bacterial sepsis (20 percent) and respiratory distress syndrome (32 percent).[11]

8. **MISPAS has implemented a series of evidence-based programs to improve maternal and neonatal care.** For instance, MISPAS introduced a navigation program for pregnant women, which utilizes "navigators" to support expectant mothers in a pre-defined care pathway. This program incorporates the promotion of healthy behaviors, education and support regarding nutrition and hygiene practices. Additionally, an externally financed project "Maternal and Infant Centers of Excellence" (*Centros de Excelencia Materno-Infantil*, CEMI), supported the implementation of a strategy based on managerial and care improvements in select hospitals. The strategy focused on training, regular monitoring, and supervision to ensure compliance with standards and protocols, and the promotion of best practices for mothers during pregnancy, childbirth, postpartum and puerperium. Despite achieving impressive results (a 25 and 43 percent reduction in maternal and neonatal mortality, respectively, in participating hospitals from 2015-2019), the CEMI program did not continue beyond the close of the project, probably due to, among others, the limited involvement of SNS in its design and implementation.

9. **The limited capacity to deliver quality public health care services begins at the primary level of care.** The MISPAS certifies that healthcare providers are licensed or "habilitated" based on their capacity to meet minimum standards related to infrastructure, equipment, human resources, and documentation (e.g., permits, certificates).[12] However, not all SNS health centers possess a license, indicating a significant gap in basic quality assurance. Common concerns cited include infrastructure that does not meet minimum required standards (insufficient space, storage, warehouses, etc.) and multiple occupational hazards for workers. Promoting habilitation is needed not only to improve the capacity to deliver quality health services, but also to strengthen the financial sustainability of the SNS as this licensing would enable SNS hospitals to receive financing from SENASA (and private ARS) and for SENASA to pay lower tariffs than if it were to purchase the same services in the private sector.

10. **In July 2023, the Government of the DR launched its National Strategic Health Plan 2030 with the aim of addressing the existing health and healthcare challenges.** The National Strategic Health Plan has four main strategic objectives: (a) social inclusion, network and services, which highlights *inter alia* the need for strengthening CPN and increase patient safety; (b) governance and public-private and community articulation, which reflects the need to, among others, strengthen the MISPAS steering role, implement a unified electronic health record system, and enhance MISPAS digital transformation and technological infrastructure; (c) environment, risk management and climate change, which includes, among others, improving sanitation and energy efficiency in health facilities; and (d) health economics and financing, which reflects the need to review the budgetary programs for the health sector and financing management capacity, among others.

11. **The National Strategic Health Plan suggests that the MISPAS needs to strengthen its stewardship and public health oversight function.** To better implement its stewardship role at the local level, the MISPAS needs to improve the operational capacity of its DPS/DAS. Of the 40 DPS/DAS in the DR, the MISPAS owns the physical infrastructure for only 16 (15 DPS and 1 DAS), while the remaining 24 (17 DPS and 7 DAS) are rented. These rented

[10] National Strategic Health Plan 2030.

[11] Evidence suggests that many of the causes of maternal or neonatal deaths would be reduced by targeted interventions during pregnancy (i.e., antenatal visits, appropriate administration of calcium supplements and aspirin), delivery (i.e., clean and safe delivery care practices with qualified personnel, appropriate administration prophylactic antibiotics in caesarean section, active management of the third period of labor) and detection and management of postpartum endometritis.

[12] "Habilitation" means the process through which MISPAS grants a license to health facilities that meet the applicable requirements in terms of physical, human, structural and functioning conditions to ensure they provide adequate quality and safe health services to the population.

facilities often face a 10 percent annual rent increase, resulting in substantial fixed costs for the constrained MISPAS budget and posing serious financial sustainability concerns. A MISPAS assessment highlighted the precarious conditions of the physical infrastructures in both owned and rented DPS/DAS and MISPAS Headquarters (HQ), including high vulnerability to climatic events and equipment shortages. The assessment also emphasized the need to strengthen storage capacity for goods, supplies, medicines, and vaccines. Furthermore, it recommended renovating the vehicle fleet of MISPAS HQ and DPS/DAS, which is considered outdated and inappropriate to sustain MISPAS's distribution and supervision needs. Finally, there are very limited opportunities for staff at both MISPAS HQ and DPS/DAS to acquire or expand their leadership, managerial, administrative, technical, and digital skills. MISPAS acknowledges that the effective implementation of activities related to its stewardship function depends on elements beyond inputs and processes, such as comprehension and acceptability from MISPAS staff. For this reason, MISPAS considers activities on capacity building and change management as priorities.

12. **The Government of the DR is actively promoting investments in digital health transformation and health information systems to enhance healthcare quality and strengthen the stewardship role of the MISPAS.** In October 2022, the program "Zero Bureaucracy" was launched to allow users in the DR to access and use several government services online, including for the health sector, aimed at decreasing waiting times and increasing transparency. Likewise, in 2022, the DR published *Agenda Digital 2030,* [13] a national strategy and roadmap guiding technological adoption and digital transformation that includes priority actions related for the health sector. These include, among others, the development of a national digital health strategy, the implementation of a unified electronic health record system, and a health sector dashboard. While previous attempts to interconnect health information systems faced challenges,[14] the DR's nominal COVID-19 vaccine registry (*Vacunate RD*), which provides continuous information on vaccination coverage, was a success. This experience motivated MISPAS and the Expanded Immunization Program (*Programa Ampliado de Inmunización*, PAI) to develop a nominal registry for all immunizations by making the relevant information systems interoperable. Additionally, recognizing the pivotal role of human resource development in digital health, particularly as staff turnover and change management hurdles can impede technological uptake, *Agenda Digital 2030* also recommends that adequate funding be dedicated to training and capacity building.

13. **Further strengthening of the MISPAS's health information systems and digital health tools, as well as its technological infrastructure, is also necessary to effectively exercise its stewardship function.** For example, there are currently two systems related to habilitation: (a) the old Habilitation Information System (*Sistema Informático de Habilitación, SIHA*), which only allows to assess whether a provider is habilitated and is manually updated after periodic inspection; and (b) the new SIHA, which provides additional details but does not allow for continuous monitoring. These dual habilitation systems underscore the need for MISPAS to have a live, comprehensive habilitation information system that can identify relevant gaps in habilitation and understand the measures that must be taken to address them. Similarly, a MISPAS dashboard encompassing health system performance at national or sub-national tiers is currently lacking. Furthermore, MISPAS's technological infrastructure urgently demands upgrades, given the imminent obsolescence of servers,[15] expired software licenses, and weakened data center infrastructure.

[13] https://agendadigital.gob.do/wp-content/uploads/2022/02/Agenda-Digital-2030-v2.pdf
[14] Previous challenges related to interoperability, lack of investment, and the lack of a gradual implementation approach.
[15] The most recently substantial update of MISPAS's technologic infrastructure was in 2014. 87 percent of the current MISPAS servers have already reached or will reach the end of their useful life in CY2023, and 62 percent of these servers have already completed 3+ years beyond their useful lives.

14. **The impacts of climate change continue to place an increasing stress on health infrastructure, service delivery and health outcomes.** The DR's 2021 Health and Climate Change Country Profile[16] details how the country is likely to suffer from sea-level rise, reductions in precipitation and related droughts, substantial increases in hot days,[17] and greater intensity of tropical cyclones. For example, in 2007 Tropical Storm Noel affected directly and indirectly around 70 percent of the population (6 million people), displacing around 130,000 people, followed by Tropical Storm Olga, that displaced another 62,000 people. Key sectors such as agriculture and health suffered damages in infrastructure and overall economic losses.[18] Notably, under a high emissions scenario around 95 percent of days will be considered on average as "hot" by the end of the century, cyclones will experience an increase in wind speed between 2 and 11 percent and expected to experience more intense category 4 and 5 hurricanes. Additionally, sea-level rise is expected to be around 0.5-0.6m by the end of the century, increasing the risks for livelihoods, communities, and infrastructure along the coastal zones. Overall, these events result in frequent and severe damage to critical health infrastructure, including first-level health facilities and hospitals, and pose considerable challenges to last-mile service delivery and threats to human health. For example, approximately 2.5 million people in the DR live in flood prone areas (poor households are particularly vulnerable with 30 percent subject to flooding versus 14 percent for the richest households),[19] whereas droughts worsen the state of malnutrition in the country.

15. **The DR's low public expenditure on health as a share of GDP, coupled with the cited quality challenges, underscores the need for increased investments in health.** With per capita spending at 573.7 power purchasing parity (current international $) (2020), the country's public spending on health as a share of GDP was only 3.2 percent, which is lower than the LAC average of 4.8 percent.[20] Out-of-pocket expenditure accounts for 24.6 percent of total health spending, in line with the LAC average of 26.2 percent; whereas the public share of current expenditure represents 65.5 percent of total health spending, which is higher than the LAC average of 55.1 percent. These statistics, coupled with the substantial current healthcare quality challenges, underscore the need to keep increasing public health investments, prompting the Government's request for WB financing.

C. Relevance to Higher Level Objectives

16. **The proposed Project is fully aligned with the DR's 2030 National Strategic Health Plan and is considered by MISPAS as essential for achieving the National Strategic Health Plan objectives.** Project financing would be directed towards activities that increase the share of habilitated public health facilities and their resilience to climate change impacts, improve maternal and neonatal health outcomes, strengthen MISPAS's stewardship role, and support the digital transformation of the health sector. In this sense, the Project would support the National Strategic Health Plan. The proposed Project would also contribute to the National Development Strategy 2030, which aims to guarantee health and quality services to all population as part of its strategic axes 2, as well as to the Pluriannual Nacional Plan of the Public Sector 2021-2024, which includes `universal access to health' as part of its prioritized policies.

17. **Furthermore, the Project is consistent with the WB's FY22-26 CPF[21] for the DR, discussed by the WB's Board**

[16] Climate Change and Health. (2021). Health and climate change: country profile 2021: Dominican Republic. https://www.who.int/publications/i/item/WHO-HEP-ECH-CCH-21.01.02

[17] Hot days refers to those days when the maximum temperature exceeds the 90th percentile threshold for that time of the year.

[18] https://www.worldbank.org/en/results/2017/10/19/contributing-post-storm-recovery-dominican-republic

[19] World Bank. Dominican Republic - Second DRM Development Policy Loan with a Catastrophe Deferred Drawdown Option (English). Washington, D.C.: World Bank. http://documents.worldbank.org/curated/en/099120011092214083/BOSIB04c431f950c90b3700d2e3791f06da

[20] https://data.worldbank.org/indicator/SH.XPD.GHED.GD.ZS?locations=DO-ZJ

[21] Report No. 167896.

of Executive Directors on March 29, 2022. It builds on the recommendations of the 2018 Systematic Country Diagnostic for the DR[22] for accumulating human capital by strengthening access to, and quality of, the essential health services needed to protect and build human capital. The proposed Project would contribute to High Level Outcome 1 of the CPF (Improved Access to Quality Public Service Delivery) by supporting improvements in the delivery of quality public health services. More specifically, the Project would support CPF Objective 1.3, 'Enhanced Coverage and Quality of Health' by: (a) improving the capacity of prioritized CPN and hospitals to deliver quality public health services; (b) supporting a unified strategy for quality of maternal and neonatal care in targeted health facilities; and (c) reinforcing health information systems and digital health tools. The Project is also consistent with the WB's 2021-2025 Climate Change Action Plan and the WB's 2021-2025 LAC Regional Climate Change Action Plan and would contribute to High Level Outcome 3 of the CPF (Increased Resilience to Climate Change) and the WB's Green, Resilient, Inclusive Development approach by strengthening the health system's resilience, including for climate change-induced health emergencies.

18. **Acknowledging the severe risks to lives and livelihoods posed by climate change, the Project is consistent with the DR's Climate Change long-term commitments, including the DR's 2011-2030 Strategic Plan for Climate Change,[23] the Nationally Determined Contribution (NDC) and National Adaptation Plan for Climate Change.[24]** The DR's NDC, submitted to the United Nations Framework Convention on Climate Change in 2015 and most recently updated in 2020,[25] commits to adapt to climate impacts by improving health services for vulnerable groups, health facility infrastructure to ensure it is in accordance with environmental and climate resilient standards, and early warning systems for the detection and management of risks associated with extreme weather events. A key objective of the adaptation strategy outlined in the DR's updated NDC is to promote healthy and resilient communities. The Project would contribute to the achievement of the DR's NDC by financing investments that build health system resilience to climate-related changes in the DR, including actions that will (a) strengthen the capacity of the MISPAS, including for monitoring diseases and other environmental risks, (b) enable greater coordination at the national and local levels, and (c) promote resilient health infrastructure. On mitigation, DR committed to enhancing its mitigation target from 25 percent to 27 percent emissions reductions by 2030 relative to business as usual. The activities financed under this project consider high energy efficiency standards in line with the targets in the NDCs. Consequently, the Project is not expected to have negative impacts on DR's low-emissions development pathways.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

To improve the capacity of public healthcare providers to deliver quality services, with an emphasis on maternal and neonatal care, and to strengthen the stewardship capacity of the Ministry of Public Health and Social Assistance.

[22] Report No. 128208.
[23] https://www.preventionweb.net/files/61012_planestrategicopecc20112030.pdf
[24] https://adaptacion.cambioclimatico.gob.do/wp-content/uploads/2022/07/Plan-Nacional-de-Adaptacion-para-el-Cambio-Climatico-en-RD-2015-2030-PNACC.pdf
[25] 2020. NCD-RD. https://unfccc.int/sites/default/files/NDC/2022-06/ominican%20Republic%20First%20NDC%20%28Updated%20Submission%29.pdf

PDO Level Indicators

19. The PDO will be measured via the following PDO-level indicators:
    a. Prioritized healthcare facilities that receive their habilitation certificate from MISPAS (Number)
    b. Hospitals participating in a Unified Strategy for Quality of Maternal and Neonatal Care (*Cuidado Unificado para la Calidad de la Atención Materno-Neonatal, CUNA*) with at least a 20 percent improvement in their maternal and neonatal care quality score (Percentage)
    c. DPS/DAS using the electronic habilitation information system developed under the Project (Percentage)

B. Project Components

20. **The Project is structured around four components:** (1) strengthening the capacity to deliver quality public health care services; (2) strengthening the stewardship and public health oversight function of MISPAS; (3) reinforcing health information systems and digital health tools; and (4) project management. A short description of each component is presented below.

21. **Component 1. Strengthening the Capacity to Deliver Quality Public Health Care Services (US$89.9 million).** This component will finance activities aimed at improving the capacity of public health care providers to deliver quality services. Project financing will mainly support: (a) investments for SNS providers to obtain their MISPAS habilitation certification (i.e., licensing);[26] and (b) a unified strategy for quality of maternal and neonatal care in targeted health facilities.

22. **Subcomponent 1.1 (US$81.9 million): Habilitation of public healthcare providers.** The Project will finance infrastructure, equipment,[27] and the printing and distribution of requisite documentation (e.g., permits) for prioritized public healthcare providers across the country[28] to support their habilitation. Whilst investments primarily target CPN[29] due to the need to strengthen PHC and promotion services, select hospitals located in the same catchment areas of the targeted CPN are included to promote an integrated network approach based on PHC.

(a) Subcomponent 1.1(a) (US$71.8 million): Infrastructure of public healthcare providers for habilitation. With regards to infrastructure, the Project would finance primarily renovation[30], although some new constructions would be supported in cases where land has already been identified and/or the price to renovate the existing infrastructure is significantly high. The health facilities to benefit from Project financing were selected jointly with SNS according to infrastructure and equipment needs and considering investments already being done in other health facilities to avoid duplications. This list of

[26] Health care facilities must meet defined standards in terms of infrastructure, equipment, human resources, and documentation to obtain a habilitation certification. SNS will prepare a dedicated staffing plan and will be responsible for independently financing staffing expenses to ensure the necessary human resources are in place to obtain the habilitation certification (salaries of public personnel are not an eligible expense under a World Bank IPF). SNS, and MISPAS as needed, will also be responsible to meet the documentation standards (e.g., permits, certificates) necessary to obtain the habilitation certification. The POM will further elaborate on the responsibilities of each institution.
[27] Equipment includes, for example, medical equipment, information and communication technology (ICT) equipment, and furniture.
[28] As habilitation is a challenge across the country, geographical equality was ensured by including investments in all Regional Health Services.
[29] For example, the list of prioritized health facilities currently contains 269 CPN and 2 hospitals (renovation of 253 CPN/2 hospitals, and construction of 16 CPN).
[30] "Renovate" means any action oriented towards improving existing infrastructure to, inter alia, (i) recover, increase, or improve its capacity to deliver services; and/or (ii) recover from the loss or damage occurred during the course from its normal use; and/or (iii) enhance its aesthetics.

prioritized health facilities will be included in the Project Operational Manual (POM) and is subject to change based on evolving needs after prior agreement with the Bank. All new constructions, and renovations to the extent feasible, will incorporate universal access design principles to promote access for persons with disabilities, as well as climate adaptation and mitigation measures (further described in the Climate section).

(b) Subcomponent 1.1(b) (US$10.1 million): Equipment of public healthcare providers for habilitation. The Project will finance the equipment needed to support the habilitation of the prioritized public healthcare providers. These investments will consider energy-efficiency standards[31] and mitigation measures related to waste management, particularly for solid waste management (i.e., needles, vaccine vials).[32] The Project will also fund the printing and distribution of requisite documentation (e.g., permits, certificates) that need to be physically available in health care facilities.

23. **Subcomponent 1.2 (US$8 million): CUNA.** The Project will support integrated actions to strengthen the quality of maternal and neonatal services, which are crucial to improve women and newborn's health outcomes by financing the design and implementation of CUNA in prioritized[33] hospitals, as well as the in CPN part of the same networks. CUNA will serve as an integrated strategy based on continuous quality improvement cycles that incorporates training of health staff on quality care practices,[34] supervision, monitoring of results, and adjustments based on supervision and monitoring. CUNA would also include support for the implementation of the navigators' program for pregnant women (*Programa de Acompañantes*), which would actively support expectant mothers in navigating a pre-defined care pathway that incorporates the promotion of healthy behaviors, education and support regarding nutrition and hygiene practices. The navigators will act in a coordinated fashion with CPN health promotors to help promote early detection of morbidity and timely referrals when necessary. To implement the CUNA, including this navigators' program, the Project will finance, among others, the services needed for its design[35] (e.g., technical assistance), implementation (e.g., trainings of health staff, hiring and training of navigators, continuous supervision and monitoring, and communications activities with an emphasis on people with disabilities), as well as its equipment, supplies, transportation needs, and operating costs.

24. **Component 2. Strengthening the Stewardship and Public Health Oversight Function of the MISPAS (US$64.4 million).** This component focuses on investments that aim at strengthening the stewardship and public health oversight function led by MISPAS at the central level and implemented through its DPS/DAS at the local level.

(a) Construction, renovation, and equipment of DPS/DAS and MISPAS Headquarters. The Project will strengthen DPS/DAS as a strategic measure to facilitate MISPAS' steering role at the local level, as well as MISPAS' headquarters. Expected investments consider the intervention of approximately 22 prioritized[36]

[31] This refers to energy efficiency standards such as the International Electrotechnical Organization 60601-1-9.
[32] These include, for example, the installation of temporary waste storage sheds or booths and improvements in personal protection equipment.
[33] An indicative prioritization has already been conducted, with hospitals and CPN jointly selected by MISPAS and WB. This list of hospitals and CPN for the CUNA program will be outlined in the POM.
[34] Training of health staff on quality care practices can include, for example, clean and safe delivery care practices, adequate use of prophylactic antibiotics in caesarean section, labor and delivery supervision, active management of the third stage of labor.
[35] The design of CUNA, including an update of the Navigators' program, will seek to promote culturally sensitive practices for the inclusion of foreigners and humanization of care.
[36] The list of prioritized DPS/DAS will be available in the POM and may be revised as needed during implementation, after prior agreement with the WB.

DPS/DAS: 13 DPS/DAS for new construction and equipping,[37] 6 DPS/DAS, as well as of the MISPAS Headquarters, for renovation and equipping, and the remaining 3 selected DPS/DAS - (i) DPS Duarte; (ii) DPS Maria Trinidad Sanchez; and (iii) DAS Area 3 of the Metropolitan Region – for the purchasing of the land and/or buildings to facilitate the envisioned remodeling and equipping.[38] Civil works will include climate considerations such as energy-efficiency measures and drinking and wastewater filter systems, as well as considerations of universal access for people with disabilities.[39] No resettlement is anticipated.

(b) Storage and distribution capacity of MISPAS. The Project will also strengthen the storage and distribution capacity of goods, supplies, medicines, and sanitary products of the MISPAS through a series of activities including: (i) the development of at least a management model for storage and distribution, (ii) the construction and equipment of approximately 3 storage centers[40] in prioritized provinces, (iii) the procurement of lifts and vehicles to enhance MISPAS's distribution and supervision capacity.

(c) Capacity building. The Project will support a multipronged approach to strengthen the leadership, managerial, administrative, and technical capacity of personnel at MISPAS and DPS/DAS, in accordance with their job profiles, to improve both individual and institutional performance. The Project will finance both the design and implementation of a comprehensive capacity building plan, which is likely to encompass a combination of tailored courses and workshops provided by MISPAS, universities, or other institutions, including training related to emergency management and climate disaster management.

(d) Management and care models. To effectively enhance the MISPAS stewardship role, the Project will finance technical assistance to improve management and care models, as well as related communications and trainings. These will include: (i) the finalization of design, as needed, and implementation and socialization of the National Health Policy and (ii) the design of care models and protocols for maternal and neonatal care, such as the one for referral and counter-referrals. Other possible investments may include, for example: (i) the design of a management model to improve the quality of care; (ii) the design of a governance model for the network of the national health system; (iii) the design of a management model and registry to follow-up high-cost patients;[41] and (iv) the design of a model for waste management.

(e) Knowledge generation. This component will fund strategic health research and analytical works rooted in priorities identified by MISPAS and that support the overall objectives of this Project. Knowledge generation activities might include: (i) a national health survey that would include questions on disability, health behaviors and risk factors, nutritional status, self-report of chronic diseases, healthcare utilization, among others, to assess the general health status of the DR population, (ii) an analysis of the causes of maternal mortality with the related methodology, and (iii) an impact evaluation of the CUNA strategy.

25. **Component 3. Reinforcing Health Information Systems and Digital Health Tools (US$27.7 million).** This component is transversal, as it contributes to enhancing the capacity to deliver quality public health care services, as well as to strengthening the stewardship and public health oversight functions of the MISPAS. It is also aligned

[37] Equipment includes, for example, medical equipment, information and communication technology (ICT) equipment, and furniture.
[38] On August 19, 2023, the WB's Regional Vice President for Latin America and the Caribbean approved an exception to allow up to US$2.4 million of the Project's loan proceeds to finance land expenditures.
[39] Universal access will be ensured in all new constructions and, to the extent possible, any renovations.
[40] These will also include climate resilient considerations.
[41] The management model on high-cost patient should aim for the identification of both high-cost patients and patients that might turn into high-cost patients, offering the opportunity to implement prevention strategies.

with *Agenda Digital 2030*.

(a) Unified electronic health record system. The Project will contribute to the MISPAS efforts towards developing and implementing a unified electronic health record system. Specifically, it would strengthen the interoperability of the Borrower's health system platforms by, among others, procuring goods and information and technology services and providing technical assistance on, for example, cybersecurity and process management, to inform the development of related implementation guides and protocols. To ensure a gradual and smooth rollout of the unified electronic health record system, Project-financed activities would start by supporting use cases prioritized by the MISPAS, including for maternal and neonatal care and immunization. Regarding immunization, the Project will also support the adoption of the nominal immunization registry through, inter alia, the procurement of technological equipment. Dedicated resources will be allocated under the Project to change management for healthcare professionals and communication campaigns.

(b) MISPAS digital transformation. The Project will bolster MISPAS's stewardship by (i) strengthening the MISPAS information systems and digital health tools and (ii) improving MISPAS's technological infrastructure.

(i) **Information systems and digital health tools**. The identified priority investments will include at least (1) the upgrading and implementation of the information system for habilitation, which will permit continuous updates and monitoring of the habilitation status of health facilities and contribute to better resource management and (2) the development of a dashboard for MISPAS. Other investments may include, for example, strengthening of a health information system or module for human resources, which would facilitate a better management of MISPAS staff, establishing a nominal registry of high-cost patients, and deploying tools for the MISPAS automatization of processes. The Project would also finance the capacity building and change management activities that are needed to effectively use these information systems and digital health tools.

(ii) Technological infrastructure. The Project will enhance MISPAS's data networks that favor information exchange through the acquisition of digital equipment and technologies (e.g., distribution switches, switches for servers, wireless access points and network meshes, data cabinets, etc.). The Project will also strengthen the MISPAS's institutional data centers, including through: (1) the acquisition of technological equipment and solutions such as, *inter alia*, servers, hardware, software,[42] high-speed storages, cybersecurity and other solutions contributing to the development of hyper-converged infrastructure;[43] and (2) civil works to ensure their functioning.

26. **Component 4. Project Management (US$8 million).** This component would finance the coordination, implementation, management, and supervision of project activities.

(a) Subcomponent 4.1: MISPAS Project Execution Unit (PEU) (US$5 million). This subcomponent will finance the staffing and training of the MISPAS PEU, as well as other operating cost, goods and services necessary for carrying out project supervision, fiduciary and E&S safeguards functions, monitoring and evaluation, reporting and communications-related areas, and the carrying out of the Project's financial audit, as well as technical audits for all Project activities, except for those under Subcomponent 1.1.

[42] Software license expenditures will be incurred on solutions that won't go beyond the Project's scheduled closing date.
[43] Hyper-converged infrastructure combines common data center hardware using locally attached storage resources with intelligent software to create flexible building blocks to replace conventional infrastructure based on separate servers, storage networks and storage arrays.

(b) Subcomponent 4.2: MIVHED PEU (US$3 million). This subcomponent will finance staffing and training of the MIHVED PEU, as well as other operating costs, goods and services necessary for carrying out project supervision, fiduciary and E&S functions, monitoring and evaluation, reporting and communications-related areas, and the carrying out of technical audits for activities under Subcomponent 1.1.

C. Corporate priorities

27. **Gender.** The Project adopts a comprehensive approach to improve the quality of maternal and neonatal care and help close identified gaps in maternal and neonatal health outcomes. This includes the development and implementation of CUNA, which includes, among others: (a) the implementation of a navigation program for pregnant women to promote healthy behaviors, educate and support pregnant women and new mothers regarding nutrition and hygiene practices and (b) the provision of trainings for health care workers, which will be the basis for continuous improvement cycles. The Project would also finance the development of protocols[44] aimed at strengthening care practices, as well as activities to improve data collected on maternal care and outcomes (through reinforcements of information systems, including the use cases for the unified electronic health record system). These activities would be informed by a study, to be financed under the Project and carried out during the first year of implementation, that seeks to fill in evidence gaps surrounding the key drivers of the high maternal mortality ratio. The Project's Results Framework includes a PDO indicator that measures the closing of gender gaps through these activities by tracking improvements in the maternal and neonatal score assigned to those hospitals implementing the CUNA strategy.

28. **Climate Change.** The Project aims to contribute to both adaptation and mitigation to climate change. The Project has been screened for climate change and disaster impacts, and specific potential resilience-enhancing measures have been identified and incorporated into all components of the Project's design to adapt to the health impacts of climate change while mitigating against greenhouse gas (GHG) emissions. A related climate indicator has also been included in the Results Framework. Refer to the *Paris Alignment* section and *Annex 2* for details.

29. **Citizen Engagement.** Through trainings and workshops of CUNA, especially the navigator program for pregnant mothers, the Project utilizes a citizen-oriented design with approaches tailored to targeted areas and groups. Given the sizable investment foreseen for trainings and other capacity building activities, the Project emphasizes the solicitation and use of staff feedback to inform all training events. Following each training financed by the Project, participants will have an opportunity – via an anonymous survey – to provide feedback and suggestions for improvements. This feedback will be collected, collated, and used to inform future training events. The Project's Results Framework includes a beneficiary feedback indicator that measures the percentage of training participants that are highly satisfied with the trainings.

30. **Inclusion of People with Disabilities and Universal Access.** There are an estimated 1.24 million persons with disabilities (PwD) in the DR, which equates to approximately 11.9 percent of the national population. Following consultations with MISPAS, SNS, and the DR's National Council on Disability, the Project includes specific measures to facilitate access to health services and inclusion in project activities for PwD. Under Subcomponent 1.1 and Component 2, these include: (a) the provision of technical assistance to incorporate the principles of Universal Access into new infrastructure and, to the extent possible, the renovation of existing infrastructure;[45] (b) the

[44] This would include, for example, protocols for referrals and counter-referrals, and for the follow-up of the indication and application of caesarian sections.

[45] This can include, for example, ramps, handrails, bathrooms, adequate door sizes, appropriate furniture for the attention of people with mobile disabilities, adequate signage in buildings and/or elevators.

procurement of equipment and furniture appropriate to care for PwD; and (c) inclusion of questions[46] for PwD in the national health survey. Under Subcomponent 1.2 (CUNA), measures include: (a) the inclusion of PwD in protocols and models; (b) the provision of trainings that promote the inclusion and quality of care for PwD (i.e., trainings for selected health personnel in sign language or on humanization in care delivery); and (c) the development of communication materials to ensure that health personnel are aware of the rights of PwD and, likewise, that PwD know to access maternal and neonatal care.

D. Project Beneficiaries

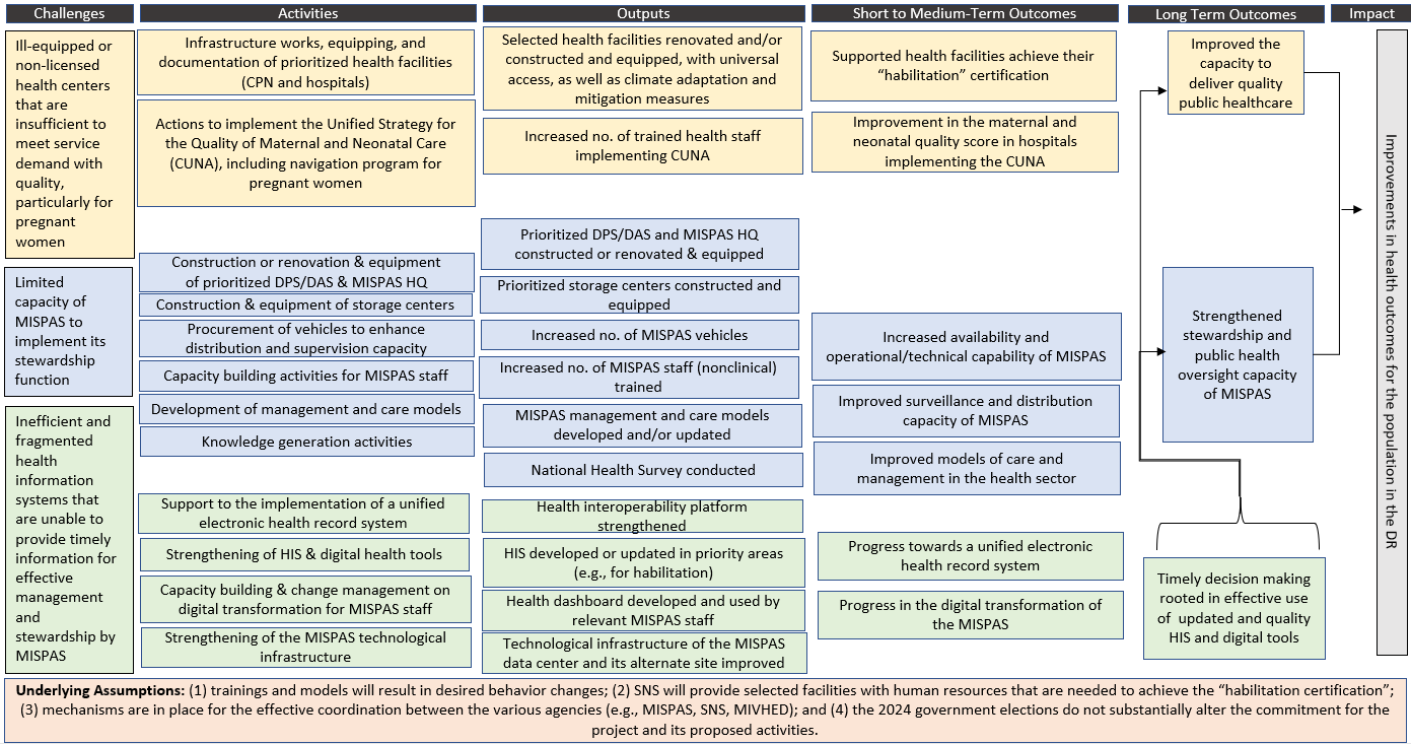
31. By focusing on public health care providers and public health stewardship, the Project would directly benefit the poor and other vulnerable populations in the DR, given their reliance on the public health system. Direct beneficiaries include: (a) users of the public healthcare facilities that will benefit from an improved capacity to deliver quality healthcare services; (b) mothers and infants that will benefit from improved quality of maternal and neonatal services through CUNA; (c) MISPAS staff that receive dedicated training and have access to stronger management and care models, improved infrastructures (both physical and digital), and greater storage and distribution capacity; and (d) SNS staff in hospitals and CPN supported by the Project because they will operate in safer and better working conditions. The whole population of the DR (about 11.1 million people as of 2021)[47] would indirectly benefit from the Project, namely from a MISPAS with a stronger stewardship and public health oversight function, as well as from reinforced health information systems and digital health tools.

E. Results Chain

32. The Project's Theory of Change is presented in Figure 1.

[46] These would be in line with the "Washington Group Short Set of Disability Questions".
[47] *https://data.worldbank.org/indicator/SP.POP.TOTL?locations=DO*

Figure 1: Theory of Change



F. Rationale for Bank Involvement and Role of Partners

33. **The rationale for WB support for the proposed Project stems from its extensive global expertise and comprehensive understanding of complex health systems derived, in part, from its relevant experience in health system strengthening projects in Central America and the Caribbean.** Specifically, the WB has extensive technical and operational experience in projects aiming at improving quality of care, including maternal and neonatal care, as well as health information systems and digital health tools. In the DR, for example, the WB-financed Health Sector Reform Second Phase Adaptable Program Loan,[48] which helped increase the reported coverage and quality of maternal and child health services, brought to bear in this Project many important lessons related to sustainability.

34. **The WB also benefits from close partnerships with other international organizations that can bring value to the design and implementation of the proposed Project.** As part of the ASA "Strengthening the health system of the Dominican Republic through digital health data and information systems" (P178396), the WB and the Pan-American Health Organization (PAHO) have collaborated on the implementation of the maturity model "Information System 4 Health" and realized a joint dedicated workshop in June 2023. The WB has also held regular meetings with other relevant international organizations and donors, such as the Inter-American Development Bank (IDB), the United Nations Population Fund, United States Agency for International Development, and the Global Fund, to ensure coordination of activities and identify synergies that would benefit the population of the DR.

[48] P106619, closed in 2016.

G. Lessons Learned and Reflected in the Project Design

35. **Several lessons learned from previous WB-financed engagements and other projects are also incorporated into the Project's design.** Under Component 1, these include: (a) the incorporation of conservative cost contingencies into remote infrastructure works to help avoid cost overruns; (b) the early involvement of SNS,[49] including in activities related to the habilitation and the CUNA strategy to promote sustainability; and (c) the adoption of a network approach for the CUNA quality improvement cycles to improve antenatal care and promotion activities. Under Component 2, they include increased investments and a strong emphasis on capacity building given evidence highlighting the important role of staff in strengthening health systems. Furthermore, the scope and design of Component 3 activities are informed by prior digital health investments, such as the 2011 rollout of the clinical management system in the DR, which evidenced the importance of: (a) well-coordinated logistics, such as including for the equipment rollout and the handling of repairs; (b) regular change management activities, technical trainings and troubleshooting support for staff; (c) prioritizing interoperability; and (d) a gradual rollout of the unified electronic record system by beginning with select use cases in priority areas identified by the MISPAS such as maternal and neonatal care, and immunization. The Project will also include maintenance for, and training on, all equipment financed under the Project to avoid service delays and to protect investments.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

36. **The Project will be implemented by two institutions: MISPAS through its Directorate of Sector Management *(Dirección de Conducción Sectorial*, DCS) and the Ministry of Housing and Constructions (*Ministerio de la Vivienda y Edificaciones*, MIVHED).**[50] Under each institution, a PEU will be established to implement Project activities**.** The MIVHED PEU will be responsible only for the construction and renovation of all CPN and hospitals under Subcomponent 1.1a, including planning, executing, supervising, and providing quality assurance for these civil works. The MISPAS PEU will be responsible for the implementation of activities related to equipment under Subcomponent 1.1b and all other Project-financed activities. Both PEUs will be responsible for day-to-day management of the Project activities under their purview, including: (a) preparation and timely implementation of an annual operational plan, a Project Procurement Strategy for Development (PPSD), and procurement plans; (b) overseeing the technical aspects of implementation; and (c) ensuring the efficient use of Project funds and resources.

37. **The MISPAS PEU will be responsible for coordination and reporting on the whole operation to the WB; whereas the MIVHED PEU will be responsible for properly recording and submitting timely inputs related to Subcomponent 1.1(a) to MISPAS.** To facilitate effective coordination among these two PEUs, and the other institutions involved in project implementation, coordination mechanisms will be implemented. These will include: (a) an inter-institutional agreement, considered acceptable by the WB, between MISPAS, MIVHED, and SNS that clarifies, among others, the implementation responsibilities of these institutions, and which will be a requisite part of the POM; and (b) the establishment of a Steering Committee that counts on the participation of

[49] SNS's role will be highlighted via an inter-institutional agreement.
[50] The MIVHED PEU is the result of Law No. 160-21, which creates the MIVHED and establishes policies, principles, programs, planning, strategies and instruments related to housing, habitat, decent human settlements, construction and equipment of public buildings in the DR, including in the health sector.

representatives from these institutions, and others as relevant, to help with coordinating plans and implementation, especially during the first half of project implementation.

38. **Although MISPAS and MIVHED have prior experience implementing development projects with external financing**, **neither counts on experience implementing WB-financed projects in the last 5+ years.** A visual overview of the proposed staffing structure for MISPAS and MIVHED PEUs is provided in Annex 1, and these roles and responsibilities will be further detailed in the POM. The MISPAS PEU is expected to be composed of qualified staff with experience in projects financed by the WB or other international development partners. MIVHED's existing structure counts on the requisite technical units needed to oversee the civil works, including architects, civil engineers and an entire unit (*Direccción de Construcción de Obras de Salud*) focused on the construction of health works, which will support the MIVHED PEU to implement the construction and renovation of CPN and hospitals under Subcomponent 1.1(a).

39. **The POM will further detail the composition, roles, and responsibilities of the PEUs and the arrangements for institutional coordination and the day-to-day execution of the Project.** The POM would also include: (a) monitoring and evaluation (M&E), reporting, and communication processes; (b) administration, financial management (FM), and procurement procedures; (c) number and profile of the requisite staff members for each PEU; (d) implementation processes of E&S instruments: Environmental and Social Management Framework (ESMF), Labor Management Procedures (LMP), Resettlement Planning Framework (RPF) and Stakeholder Engagement Plan (SEP); and (e) other administrative, technical, and organizational arrangements and procedures required for Project implementation. Any changes to the POM during project implementation require the WB's prior no objection.

40. **FM arrangements will rely upon country systems and administrative procedures in place for accounting and budgeting execution.** The Project will use the Treasury Single Account (TSA) to manage resources and payments, which provide adequate segregation of duties on approvals, processing, recording and verifications. MISPAS will be responsible for collecting financial inputs from MIVHED and for preparing consolidated unaudited interim financial reports on a semi-annual basis. The Project´s financial information will comprise the use of funds on all the activities executed by both PEUs. Annual audits on the activities carried under the Project will be performed in accordance with WB policy, under terms of reference and by an independent auditor acceptable to the WB.

B. Results Monitoring and Evaluation Arrangements

41. **MISPAS, through the PEU, will have overall responsibility for monitoring and evaluation of project implementation, including reporting on the Project's Results Framework.** MISPAS will be responsible for the development of progress reports focused on tracking the achievement of project results outlined in Section VII. MIVHED will be responsible for collecting all the information necessary for results monitoring and evaluation related to the construction and renovation of all CPN and hospitals under Component 1.1(a), and for sharing this information in a timely manner with MISPAS. The PEU in MISPAS will count on the support of a dedicated M&E specialist who will be responsible for coordinating with the relevant entities (i.e., SNS, MIVHED) to gather regular reports and to compile this information into a consolidated report for the WB to be submitted within 45 days after the end of each calendar semester. The contents of these semi-annual reports will be further detailed in the POM, but would include information on Project indicators, beneficiaries, implementation of environmental and social instruments, procurement, FM, disbursements, and other outputs. A mid-term review will be held in the middle of the implementation period to provide a dedicated opportunity for the same. Details on M&E arrangements, including M&E responsibilities, data collection requirements, and reporting frequency will be further outlined in

the POM.

C. Sustainability

42. Since considerable Project resources are designated for infrastructure development, it is important to note that intervened facilities are expected to be on public land and in properties owned by the Government. In addition, the MISPAS and SNS are covering the key operational costs (i.e., human resources, basic services, etc.) not financed under the Project but that are necessary to ensure the operational continuity of these interventions. Furthermore, the SNS has been fully involved during project preparation and will continue to serve as key partner during implementation, particularly for those activities under Components 1 and 3, thereby promoting the continuity of these activities. Finally, MIVHED's engagement will assure the highest standards and sustainability of the civil works of new and renovated CPN.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis (if applicable)

(a) Technical Analysis

43. **The technical content of the Project is designed based on consultations with stakeholders and assessments financed by MISPAS and by the WB**. The health sector engagement, as well as recent and ongoing WB-led analytical work in the DR, is being leveraged to inform the design and implementation of the operation. These include: (a) *"Public Health Preparedness Assessment Central America Part 2"* (P177199), which contains a thorough revision of the preparedness and response capacities in the DR, along with policy recommendations and a costing exercise about the key investments required that were used to inform Project activities; (b) "*Strengthening the health system of the Dominican Republic through digital health data and information systems"* (P178396), which provides an assessment of health data governance and analytics in the DR and will ultimately supply recommendations for the design and implementation of a health sector dashboard that is proposed under Component 3; and (c) "*Disruption of routine health services during the COVID-19 pandemic in the country"* (P178299), as this study identified areas where essential services (e.g., immunization, cancer, and cardiovascular diseases care) were not maintained during the pandemic and where recovery has been difficult, pointing to health system weaknesses in access to and quality of services that the Project aims to address. Also, the project was informed by the preliminary assessment undertaken by MISPAS to inform the National Strategic Health Plan. Such assessments include (a) analyses on the habilitation status and the need to for improvement for a better capacity to deliver quality services, (b) analyses on the structural deficiencies of MISPAS, which hampers the institutions from effectively implementing its steering function, and (c) assessments on the information systems and digital health in the DR.

44. **Technical underpinnings for the proposed Project activities draw upon evidence-based practices in the field of health systems strengthening**, with a focus on promoting primary health care in line with technical recommendations by the World Health Organization (WHO) and work on primary health care conducted globally and regionally by the WB. This is the technical basis for the habilitation of CPN and hospitals to improve quality of care as a key component of universal health coverage in the DR.

45. **Proposed maternal and neonatal health activities under the Project draw upon evidence-based practices**

and are grounded in recent available analyses, including inter alia: (a) recommendations from the WB/PAHO Regional Task Force for the Reduction of Maternal Mortality; (b) reports on the CEMI program; (c) the 2016 Situational Analysis of Maternal Mortality in the DR; (d) UNICEF's 2019 MICS survey results; (e) WHO technical guidelines and recommendations to improve maternal and neonatal care and health outcomes.

(b) Economic Analysis

46. **The Project aims to improve the capacity of public healthcare providers to deliver quality services, with an emphasis on maternal and neonatal care, and to strengthen the MISPAS stewardship capacity.** These objectives will contribute in the medium term to generate, accumulate, and preserve the human capital of the population served by public health care providers. A cost-benefit analysis was carried out to assess the habilitation and maternal and neonatal care activities of the Project. The analysis considered the discounted stream of benefits over a 10-year horizon. The costs and benefits are discounted at a rate of 5 percent in the base scenario, and the viability is evaluated with the Net Present Value (NPV) and the Internal Rate of Return (IRR). Literature suggests that achieving habilitation improves the health care quality of providers, which should positively affect clinical outcomes for a wide spectrum of clinical conditions.[51] The Project is expected to improve the capacity of public healthcare providers to deliver quality services by supporting the habilitation of approximatively 22 percent of the CPN in the DR. The analysis is conservative since it only considers the reduction of years of life potentially lost (YLLs) due to ischemic heart disease, which is the leading cause of death in the DR.[52] The analysis assumes that the habilitation investments would progressively reduce YLLs for ischemic heart disease and achieve a 4 percent reduction starting from the year 8. In the DR, it is estimated that 80 percent of the maternal and neonatal deaths could be avoided, indicating concerns related to the quality of care.[53] The Project is expected to contribute to a reduction in maternal and neonatal deaths through activities that strengthen the capacity to deliver quality services (CUNA), the MISPAS stewardship capacity (e.g. through models and protocols for maternal and neonatal care, capacity building for MISPAS staff, analyses on the causes of maternal mortality) and the improved health information systems. The analysis assumes an average annual reduction of 0.8 percent in maternal mortality ratio and 2 percent in neonatal mortality ratio.[54] The analysis assumes that the gains in productivity and human capital from the reduction of YLLs associated to the habilitation and to premature deaths avoided among the maternal and neonatal population are equivalent to the GDP per capita (US$8,476). Furthermore, the analysis estimates the savings generated from the reduction of caesarean sections. In this regard, the Multiple Indicator Cluster Household Survey of the National Statistics Office revealed that 62.9 percent of births in 2019 were performed by caesarean section. This figure is expected to be reduced to 28.3 percent at the 10-year period, which still exceeds the WHO recommended threshold.[55] The impact of the Project is reflected from the third year of implementation of the proposed interventions. The cost of the project amounts to US$190 million. Operating and maintenance costs are assumed to be equivalent to 4 percent of the investment costs. Considering the assumptions described and a discount rate of 5 percent, the NPV of the Project amounts to US$152.6 million and the IRR to 7.3 percent for the period 2024-2033. A sensitivity analysis was carried out with alternative discount rates of 3 and 7 percent and the Project remained economically profitable in both scenarios.

47. **The Project will also contribute to reinforced health information systems and digital health tools, including**

[51] Alkhenizan A, Shaw C. Impact of accreditation on the quality of healthcare services: a systematic review of the literature. Ann Saudi Med. 2011 Jul-Aug;31(4):407
[52] Plan Estratégico Nacional de Salud 2030.
[53] https://www.unicef.org/dominicanrepublic/comunicados-prensa/mas-de-un-80-de-las-muertes-maternas-y-neonatales-son-evitables
[54] Evidence suggests that 86 percent of infant deaths in the DR are neonatal deaths.
[55] The WHO recommends the use of cesarean section for 10% to 15% of deliveries (https://www.who.int/news/item/16-06-2021-caesarean-section-rates-continue-to-rise-amid-growing-inequalities-in-access).

the unified electronic health record system. Evidence suggests that a properly implemented unified electronic health record system improves quality and efficiency of care. A systematic review of 47 studies concluded that it improves quality of care, as they are associated with fewer medical errors (risk ratio [RR] = 0.46; confidence interval [CI] = 0.38-0.55) and adverse drug events (HR = 0.66; CI = 0.44-0.99), as well as greater adherence to clinical guidelines (HR = 1.33; CI = 1.01-1.76).[56] In terms of efficiency, information systems and digital health tools can generate savings for healthcare systems and patients, as interoperable systems allow patient information to be shared between different providers and medical specialists, reducing costs and diagnosis times.

Paris Alignment

48. **The operation is aligned with the goals of the Paris Agreement on both mitigation and adaptation.**

49. **Assessment and reduction of adaptation risks:** Climate change impacts in the DR can also have far-reaching consequences for the entire health system, encompassing both health care facilities and health information systems. The main climate and disaster risks likely to affect the DR's health facilities, information systems, and other project activities are flooding, droughts, cyclones, and extreme heat events. Climate change also leads to rising temperatures, changes in rainfall patterns, and more and longer periods of extreme weather, with implications for increased disease prevalence and transmission of vector-borne diseases, like dengue fever and malaria and a higher increase of heat-related illnesses. Extreme climatic events can exacerbate health threats and limit the health system's functionality by: (a) damaging or destroying health infrastructure, resulting in the temporary or extended closure of these facilities, or limiting their functionality; (b) causing power outages and/or evacuations that disrupt care; (c) and/or limiting access to care because of damaged roads, etc. The strain on health care facilities due to increased demand for services, coupled with the challenges of treating climate-related health conditions, can overwhelm the health system's capacity. Furthermore, climate change-induced disruptions can undermine health information systems, hindering data collection, disease surveillance, and effective response planning. Therefore, addressing the impacts of climate change on the health system is crucial to ensure the provision of adequate and resilient healthcare services. The Project design includes adaptation measures within the design of civil works and information systems to respond to these climate change impacts, thereby increasing the capacity of MISPAS to deal with such events and support the vulnerable population. For the civil works under Components 1 and 2, these include, for example, improved drainage to prevent flooding and emergency management plans in the event of climate disasters. Under Component 3, investments will finance a generator for the MISPAS data center, which will ensure that health information stems remain protected from power outages associated with climatic disasters. Additionally, Project investments in digital tools and infrastructure provide the necessary foundation from which to strengthen the capacity of MISPAS to identify climate-related health threats (such as vector-borne disease outbreaks or heatwaves) and to respond in an adequate and timely fashion. Planned mitigation measures (further detailed in Annex 2) bring adaptation risks to an acceptable level.

50. **Assessment and reduction of mitigation risks:** The Project has a low risk of preventing the DR's transition to low-carbon development pathways, given its support to activities that either have a negligible impact on GHG emissions or are universally aligned activities such as maternal health care, capacity building, and data infrastructure such as online platforms and services. Given that the generator for data centers to be financed under Component 3 is intended to ensure the continuity of critical services in the context of crisis response and as such, the use will be temporary, it can also be considered universally aligned according to current Paris Alignment methodologies. Moderate-mitigation risks are associated with: (a) anticipated civil works, particularly

[56] Campanella, P., Lovato, E., Marone, C., Fallacara, L., Mancuso, A., Ricciardi, W., & Specchia, M. L. (2016). The impact of electronic health records on healthcare quality: a systematic review and meta-analysis. The European Journal of Public Health, 26(1), 60-64.

that of the data center and hospitals, including the procurement of high-energy appliances; and (b) the procurement of internal combustion engine (ICE) vehicles under Components 1 and 2. The incorporation of technically feasible and economically viable low GHG emissions measures to improve energy performance (as highlighted below), reduce the risks associated with the low-carbon transition and those of locking in carbon. Therefore, the operation can be considered aligned on mitigation.

(a) Civil works. In the case of civil works, infrastructure under Components 1, 2, and 3 will be designed and built or renovated using climate-smart healthcare approaches. These include incorporating green building code measures to reduce energy consumption such as thermal insulation of ceilings, energy efficient lighting and appliances (e.g., low consumption fluorescent bulbs; heating, ventilation and air-conditioning systems; and other equipment certified as energy efficient), architectural designs that promote natural shading/lighting (e.g., planting of native vegetation, use of lighting sensors and energy storage in energy converters), etc. It is expected that these measures will reduce energy consumption by at least 20 percent compared to older buildings.

(b) Acquisition of vehicles. Whilst all motorcycles procured under Components C1 and C2 to support implementation and supervision would be electric, the acquisition of lower GHG emission alternatives for larger size vehicles are impractical for the DR context, in large part due to: (a) the limited range of these electric vehicles, particularly given the rural terrain and regular need to drive extended distances; (b) the lack of necessary charging infrastructure in rural areas; and (c) limited usage of electronic vehicles during previous roll-out attempts, as reported by MISPAS.

B. Fiduciary

(i) Financial Management

51. **A FM Assessment was conducted by WB staff in August 2023 in accordance with the Investment Project Financing (IPF) and WB Directive:** Investment Project Financing and the FM Manual for WB-Financed Investment Operations (effective March 1, 2010, and revised September 7, 2021).

52. **The PEU to be established under the DCS within MISPAS will retain overall responsibility for the Project including the FM function.** Nevertheless, activities related to the implementation of infrastructure works under Subcomponent 1.1 will be executed by a second PEU to be established under MIVHED. The proposed FM arrangements are designed to adequately support project implementation, properly record all transactions and balances, implement adequate internal controls, support the preparation of regular and reliable project financial statements, safeguarding the Project's assets, and will be subject to acceptable auditing arrangements. The FM Assessment conclusion is that both MISPAS and MIVHED´s proposed FM arrangements, after satisfactory implementation of the time-bound action plan, are acceptable to the WB.

53. **The MISPAS PEU will be responsible for managing the financial management coordination and reporting aspects to the WB on the whole operation**; whereas the MIVHED PEU is responsible to properly record and submit timely financial information on Subcomponent 1.1(a) to MISPAS. Both PEUs will be strengthened by the hiring of qualified and project-dedicated FM staff to handle project FM tasks and provide support on the administrative workload generated by project´s execution. FM arrangements will rely upon country systems and administrative procedures in place for accounting and budgeting execution. The Project will use the TSA to manage resources and payments, which provide adequate segregation of duties on approvals, processing, recording and verifications. The POM will include further details on the flow of financial information from MIVHED to MISPAS including preparation of interim financial reports (IFRs).

54. **The FM risk for this project is assessed as Moderate**. MISPAS and MIVHED have previous experience in the implementation of projects financed by external donors. However, the proposed PEUs are not yet established and hands-on support and a refreshment in the WB´s FM and disbursements policies and procedures will be needed at project inception. In addition, adequate interinstitutional coordination mechanisms between MISPAS and MIVHED will be put in place, under the leadership of MISPAS, to properly record and submit the Project's timely financial information.

55. **To manage and mitigate the FM risk, key measures were defined in a time-bound action plan.** Table 1 summarizes key actions along with their timings.

Table 11: Time-Bound Action Plan

Description of Action/Condition	By When
1. The project operational manual (POM), including FM and flow of funds arrangements to be applied under the project, will be prepared and adopted by MISPAS and MIVHED	By effectiveness
2. MISPAS PEU and MIVHED PEU appoint qualified and experienced FM staff to the Project, hiring at least 1 Financial Management Specialist for each unit.	Within 3 months of effectiveness
3. MISPAS PEU and MIVHED PEU prepare Chart of accounts and contents and format of interim financial reports (IFRs), generated from SIGEF/UEPEX in accordance with project needs, approved by the WB and incorporated in the POM.	Within 3 months of effectiveness
4. External auditors to be contracted by MISPAS PEU to perform annual financial audits.	Within 4 months of effectiveness
5. MISPAS PEU and MIVHED PEU prepare and record the budget in the annual budget law.	Within 6 months of effectiveness

(ii) Procurement

56. **Procurement Arrangements**: Two PEUs with a fiduciary role have been identified for this operation: one under MISPAS (DCS), the other under MIVHED. The MIVHED PEU will be responsible for the procurement of infrastructure activities under Subcomponent 1.1(a), while the MISPAS PEU will be responsible for all other procurement activities. Procurement will be carried out in accordance with the WB's Procurement Regulations for IPF Borrowers dated September 2023 and WB's Anticorruption Guidelines, dated October 15, 2006 (revised January 2011 and July 1, 2016). The Project will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record, and track procurement transactions and each of the identified PEU's will have a separate line in the system to administrate and execute their respective Procurement Plan.

57. **A Procurement Assessment was conducted by WB staff between April and October 2023 to evaluate the capacity of MISPAS and MIVHED to implement procurement activities under the Project**. Capacity within MISPAS was deemed to be adequate for project implementation due to previous experience with other projects funded by multilateral organizations, including the WB. MISPAS recently closed (September 22, 2023) an IDB-financed project and some of their specialists supported project preparation. A new PEU will therefore be established for this operation that would be staffed with qualified personnel. MIVHED has a well-established procurement department with experienced personnel in local procurement law and has been undertaking procurement processes under other-externally-financed operations using their respective procurement guidelines and processes. MIVHED also has an experienced technical team. Nevertheless, considering that MISPAS and MIVHED do not currently have a procurement specialist in place with relevant experience in WB Procurement Regulations, their procurement staffing will need to be strengthened. As such, it will be necessary that both PEUs be staffed with at least a full-time Procurement Specialist with a solid background in WB Procurement Regulations and/or other multilateral organizations (such as IDB) through a competitive process within the first 3-months of effectiveness. Also, due to the expected workload, the PEUs will be strengthened with additional staff to support project implementation as needed. Training and other arrangements to build capacity will be facilitated to strengthen MISPAS and MIVHED performance in procurement.

58. **Project Procurement Strategies for Development and Procurement Plan.** MISPAS and MIVHED have prepared a PPSD and Procurement Plan for the first 18 months of the Project, deemed acceptable by the Bank, that provide the basis for procurement methods and contract arrangements. The Procurement Plan and PPSD will be available on the WB's external website and in STEP or any other system agreed with the WB. The Procurement Plan will be updated through STEP in agreement with the WB, as necessary, to reflect actual implementation needs to achieve the project development objectives in a timely manner. The WB will carry out Procurement Post Reviews on an annual basis with a sample selected activities from STEP. The procurement risk rating will be adjusted periodically during project implementation based on the performance of the PEUs. The WB will also carry out procurement support missions on a semi-annual basis. The PEUs of MISPAS and MIVHED shall upload all procurement and contract information in the STEP system, which will be used to provide the WB with a consolidated list of all contracts for goods, non-consulting services and consulting services awarded under the project. STEP shall be kept up to date with all the documentation generated in each of the procurement processes carried out and the No Objections will be given through the system as required.

C. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

D. Environmental and Social

59. **All Environmental and Social Standards (ESSs) of the WB are relevant except for ESS7 (Indigenous Peoples) and ESS9 (Financial Intermediaries).** The combined Environmental and Social Risk is Substantial.

60. **The environmental risk rating for the project is considered Substantial.** The scope, design, and exact location of the infrastructure activities to be financed will be defined during implementation. The environmental risk rating for the project reflects MISPAS' and MIVHED's limited capacity on environmental aspects that will require close support from the WB during implementation. Key environmental risks and impacts are expected to occur from activities related to the construction and operation phases, and are expected to be site-specific, short-term, and effectively avoided, minimized, or mitigated subject to the establishment of a proper E&S management system within the project. Some of the key negative potential impacts during the construction and operation phases of the project may include: (i) vegetation and soil loss from construction activities; (ii) generation, management and disposal of non-hazardous and hazardous solid waste, including biomedical waste during operation, residual construction materials waste and hazardous materials from demolitions, and generation of solid waste from residual construction materials; (iii) potential temporary drainage impacts related to excavation and temporary stockpiling of excavated material; (iv) nuisance related to dust generation, vibration, noise and odors; (v) generation and discharge of wastewater from civil works; (vi) temporary disruptions to local traffic during the construction phase; (vii) health and safety risks to the project workforce and local communities in the surrounding areas of the project activities, including from exposure to hazardous materials and wastes and the possibility of additional disease outbreaks as well as risks of spread of contagious and communicable diseases, including the COVID-19 virus and outbreaks of malaria, dengue or cholera; (viii) direct and indirect impacts from natural hazards (earthquakes, tsunamis, landslides, extreme heat, cyclones and floods) that may occur in the project intervention areas; and (ix) occupational health and safety (OHS) hazards for the workforce during construction and operation.

61. **The social risk rating is Substantial,** due to a combination of the following factors: (i) labor influx caused by the civil works could lead to impacts on the local population, including sexual exploitation and abuse/sexual harassment (SEA/SH) risks, especially if project workers do not strictly adhere to the code of conduct as described in the LMP and referred to in their contracts; (ii) potential cases of land acquisition and economic displacement (permanent or temporary) required for the carrying out of civil works and constructions; (iii) community health and safety risks, especially the increased risk of accidents for the local population as a result of construction works and movement of vehicles and machinery; (iv) risks of exclusion and discrimination of those who are not locals or people with overlapping vulnerabilities (e.g., migration status, age, gender, disability status, sexual orientation, or gender identity); (v) while activities under Component 3 (Reinforcing Health Information Systems and Digital Health Tools) will benefit many users, the improvement of digital services could lead to limiting access to public services for groups of population without access to Internet; (vi) supporting integrated actions to strengthen the quality of maternal and neonatal services might encounter cultural barriers (e.g., cultural beliefs and practices may be a barrier to implementing integrated actions, particularly in communities where traditional practices are deeply ingrained); and (vii) technical assistance under Component 3 involves strengthening MISPAS health information systems and digital health tools, and contributing to the development of a unified electronic health record system, which implies that robust data security and protection protocols and measures, especially in relation to sensitive personal data, will need to be in place. In addition to the above, the social risk rating for the Project reflects MISPAS and MIVHED's limited experience with social risk management and the WB´s E&S Framework.

62. **Both PEUs will have E&S management responsibilities and E&S specialists**: the PEU in MISPAS will have an

Environmental Specialist and a Social Specialist, both dedicated full-time to the Project´s E&S risk management, implementation of E&S instruments, monitoring, and reporting, as well as a full-time technician in charge of the Project´s Grievance Mechanism. The PEU in MIVHED will have at least a full-time Environmental Specialist and a full-time Social Specialist. In both instances, the E&S specialists are expected to be appointed or staffed no later than 2 months post effectiveness to support the development of E&S instruments, which are due no later than 90 days following project effectiveness. The MISPAS PEU will be responsible for managing the E&S coordination and reporting aspects on the whole project as well as for reporting to the WB, whereas the MIVHED PEU will be responsible for properly recording and submitting timely E&S inputs on Subcomponent 1.1(a) to MISPAS. The Borrower has developed, consulted, and disclosed a draft Environmental and Social Commitment Plan (ESCP), a draft SEP and a Preliminary Analysis of E&S Risks (PAR), including the terms of reference for the ESMF and Resettlement Policy Framework (RPF).[57] Within 90 days of the project effective date, MISPAS and MIVHED shall develop, consult, and adopt an ESMF, an RPF, a Labor Management Plan (LMP), and an E&S Training Plan and update and disclose the Project's SEP. The Project's E&S instruments will detail measures to manage known risks and impacts, including, as part of the ESMF, an exclusion list, a screening tool to screen out those activities with potential to cause high or significant risks and impacts, and a Gender Based Violence plan to mitigate the moderate SEA/SH risks. Key management commitments, timelines and responsibilities for E&S risk management are defined in the ESCP.

V. GRIEVANCE REDRESS SERVICES

63. ***Grievance Redress.*** Communities and individuals who believe that they are adversely affected by a project supported by the WB may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), please visit http://www.worldbank.org/GRS. For information on how to submit complaints to the Bank's AM, please visit https://accountability.worldbank.org

VI. KEY RISKS

64. **The overall risk rating for the Project is assessed as Substantial,** with key risks arising from the upcoming national elections and need to secure congressional approval for the loan, technical complexity of the project design, limited experience of both PEUs with WB policies and procedures, particularly with implementing the Bank's E&S standards.

65. **The political and governance risks are deemed Substantial**. Whilst there is strong client commitment for this project, the upcoming municipal and presidential elections in February and May 2024, respectively, may result in

[57] Disclosed by MISPAS on September 22, 2023 (*https://msp.gob.do/web/?page_id=17503*) and MIVHED on September 28, 2023 (*https://mived.gob.do/proyecto-de-apoyo-al-fortalecimiento-del-sistema-nacional-de-salud-de-la-republica-dominicana/*)

administration changes at different levels of government that could negatively affect PEU staffing and project startup. This risk is being partially mitigated by (a) close coordination between the WB and the Borrower to quickly advance project preparation; (b) heightened focus and efforts by government authorities to expedite the internal and requisite administrative procedures for authorizing countersignature of the Loan Agreement once the Project is Bank-approved and prior to the country's elections; and (c) a formal launch of the Project following approval by the WB that would count on the participation of MISPAS, MIVHED, MEPyD, the Ministry of Finance and other key stakeholders.

66. **Technical Project Design risks are Substantial.** Although the Project is expected to substantially contribute to improving the stewardship role of MISPAS and increase the capacity to deliver high quality health services to the population in the DR, the diversity and complexity of the proposed Project investments could pose significant technical challenges during implementation. The proposed Project includes a variety of activities, including investments to improve infrastructure – through construction and renovation, depending on the facilities – and equipment for health facilities, DPS/DAS, and MISPAS's data centers. For new constructions, the delay between project preparation (during which sites have been identified) and implementation will be more than a year, so the availability of land will need to be reconfirmed. As a mitigation measure, new constructions will be prioritized when land is available and publicly owned by the DR Government. With regards to habilitation, health care facilities need to meet defined standards in terms of infrastructure, equipment, human resources, and documentation (e.g., permits, certificates) to obtain their habilitation certification; however, staffing and related human resources costs will be covered by the SNS given its mandate to provide care and because the salaries of public officials are not considered eligible expenditures under a WB investment loan.[58] Such risk will be mitigated by recording SNS's commitment to cover the necessary human resource requirements to achieve habilitation in an inter-institutional agreement, acceptable to the Bank, which will be a requisite part of the POM. Another technical design risk pertains to Component 2 and 3 activities related to the stewardship function and digital health, as their effective use depends on elements beyond process and technology, such as comprehension and acceptability of users. As a mitigation measure, Components 2 and 3[59] include substantial activities to strengthen the leadership, managerial, administrative, technical, and digital capacity of the MISPAS staff through adequate change management and training.

67. **Institutional capacity risk for implementation and sustainability is Substantial.** There is a substantial risk that the lack of familiarity of the MISPAS and MIVHED with WB policies and procedures could result in delays in reporting and/or project implementation. The MISPAS does not have recent experience implementing WB-financed projects but has recently implemented health sector projects financed by IDB. Similarly, MIVHED was established in 2021 and has no prior experience working with the WB, although their organizational structure is well-suited to effectively support project implementation. This institutional capacity limitation is further exacerbated by the (a) need for MIVHED to submit their reports in a timely manner to MISPAS to ensure that consolidated progress reports to the Bank are not overdue and (b) the need for MISPAS and MIVHED to coordinate with a multitude of partners (including SNS and PAI, for example) for implementation. This institutional capacity risk will be mitigated through: (i) the establishment of dedicated and qualified PEUs within both MISPAS and MIVHED that are adequately staffed with experienced personnel; (ii) the provision of Bank training to PEU staff, as needed, on Project-related areas such as fiduciary or E&S topics; (iii) the inclusion of mechanisms to facilitate effective coordination amongst them and other relevant partners, including the development and adoption of a

[58] SNS, and MISPAS as needed, will also be responsible to meet the documentation standards (e.g., permits, certificates) necessary to obtain the habilitation certification. The POM and an interinstitutional agreement will further elaborate on the responsibilities of each institution.
[59] Component 3 would also be informed by the ongoing ASA *Strengthening the health system of the Dominican Republic through digital health data and information systems"* (P178396), which provides an assessment of DR health data governance and analytics.

POM, which will be an effectiveness condition of the loan, that clearly lays out the processes, roles and responsibilities of each institution; (iv) the development and signing of an interinstitutional agreement, considered acceptable to the Bank, between MISPAS, MIVHED, and SNS, which will be an effectiveness condition of the loan agreement and will be included as an Annex in the POM; and (v) the creation of a Steering Committee comprised of MISPAS, MIVHED, SNS, and other institutions as relevant.

68. **The overall Environmental and Social Risk classification is assessed as Substantial,** namely due to the risks associated with the Project's planned infrastructure investments (i.e., vegetation and soil loss, labor influx, SEA/SH risks, potential cases of land acquisition and economic displacement (permanent or temporary), noise nuisances, generation and disposal of solid waste, temporary traffic disruptions, and OHS hazards), and MISPAS and MIVHED's lack of prior experience with implementing the Bank's E&S standards. A series of Environmental and Social instruments[60] have been prepared, consulted, and disclosed by the Borrower to help identify and manage these risks. Within 90 days following Project effectiveness, additional E&S instruments (ESMF, including an exclusion list that will screen out any activities with the potential to cause high or significant E&S risks and impacts, RPF, LMP) shall be prepared, consulted, and disclosed to ensure that the Project is implemented according to the Bank's E&S standards. To address the lack of experience of the PEUs in implementing the Bank's E&S Standards, some of the funds under Component 4 would finance the provision of technical assistance and training, including on E&S risk management, requirements of all relevant ESSs, implementation and reporting on E&S instruments, and other specific topics, such as hazardous solid waste management (including biomedical waste), gender-based violence, and PwD.

[60] These include draft ESCP, the draft SEP, Preliminary E&S Risk Assessment (PAR) with annex ToR for the ESMF and RPF.

VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Dominican Republic

Program to Support the Strengthening of the National Health System

Project Development Objectives(s)

To improve the capacity of public healthcare providers to deliver quality services, with an emphasis on maternal and neonatal care, and to strengthen the stewardship capacity of the Ministry of Public Health and Social Assistance.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	End Target
Improving the capacity of public healthcare providers to deliver quality services			
Prioritized healthcare facilities that receive their habilitation certification from MISPAS (Number)		0.00	250.00
Hospitals participating in CUNA with at least a 20% improvement in their maternal and neonatal care quality score (Percentage)		0.00	80.00
Strengthen the public health stewardship capacity			
DPS/DAS using the habilitation electronic information system developed under the Project (Percentage)		0.00	80.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
Strengthening the Capacity to Deliver Quality Public Healthcare Services			
Healthcare facilities (CPN and hospitals) renovated or constructed (Number)		0.00	250.00
Of which, number of facilities that incorporate climate adaptation and mitigation measures (Number)		0.00	250.00
Health staff that benefited from at least two training to improve the quality of maternal and neonatal care under CUNA (Number)		0.00	50.00
Strengthening the Stewardship and Public Health Oversight Function of the MISPAS			
National Health Survey conducted (Yes/No)		No	Yes
Of which, the anonymized database of the results has been released and is publicly available for scientific use (Yes/No)		No	Yes
MISPAS Headquarters and DPS/DAS personnel that participated in capacity building activities (Percentage)		0.00	90.00
Of which, MISPAS Headquarters and DPS/DAS personnel satisfied with the capacity building received (Percentage)		0.00	75.00
MIPSAS management and care models developed or updated (Number)		0.00	5.00
DPS/DAS constructed or renovated and equipped under the Project that are operational (Number)		0.00	22.00
Of which, DPS/DAS that incorporate agreed climate adaptation and mitigation measures (Number)		0.00	22.00
Storage centers constructed and equipped that are operational (Number)		0.00	3.00
Reinforcing Health Information Systems and Digital Health Tools			
Habilitation electronic information system supported by the Project (Yes/No)		No	Yes
DPS/DAS that produce monitoring reports using the information contained in the dashboard (Percentage)		0.00	80.00

Indicator Name	PBC	Baseline	End Target
MISPAS data center renovated and operational (Yes/No)		No	Yes
Project management			
Project related grievances addressed within agreed timeframes (Percentage)		0.00	90.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Prioritized healthcare facilities that receive their habilitation certification from MISPAS	Number of healthcare facilities (CPN and hospitals) supported by the project that have obtained their MISPAS habilitation certification.	Semi-Annual	MISPAS habilitation system	MISPAS inspections	MISPAS
Hospitals participating in CUNA with at least a 20% improvement in their maternal and neonatal care quality score	Numerator: Hospitals participating in CUNA that increase their quality score for maternal and neonatal care by at least 20 percentage points. Denominator: All hospitals participating in CUNA. The quality score for maternal and neonatal care (0-100%) will be calculated as the	Annual	Quality scores for maternal and neonatal care	Direct observation, using the SNS methodology	SNS and MISPAS

	average of the five SNS quality scores for antenatal care, care before childbirth, care during childbirth, post-partum care, and newborn care. Each of those scores is based on the fulfillment of criteria established in the regulatory documents.				
DPS/DAS using the habilitation electronic information system developed under the Project	Numerator: Number of DPS/DAS using the habilitation electronic information system developed under the Project to collect habilitation inspection results at least once per month during the previous 6 months. Denominator: Total number of DPS/DAS. Indicator: numerator/denominator*100. DPS/DAS officials can use the system to continuously update information about the habilitation, which enables the MISPAS monitoring process. The use of the system will be registered by the system itself.	Semi-annual	Project monitoring reports.	Habilitation Information System	MISPAS

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Healthcare facilities (CPN and hospitals) renovated or constructed	Number of healthcare facilities renovated or constructed with Project funds. This information will be stratified by number of CPN and hospitals.	Semi-annual	Project monitoring report	Technical audits	MIVHED and MISPAS
Of which, number of facilities that incorporate climate adaptation and mitigation measures	Number of healthcare facilities renovated or constructed with Project funds that incorporate one or more agreed measures to promote climate adaptation and/or mitigation. Agreed climate measures include, for example, the use of fill material from the same land where appropriate; lighting sensors in restroom areas; planting of native vegetation, of medium and high height, in the surroundings of the infrastructure to provide natural shading; energy storage in energy converters (power inverter + batteries); air conditioning with energy efficiency (SEER) greater	Semi-annual	Project Monitoring Reports	Technical audits	MIVHED and MISPAS

	than 15, inverting type, classification A or higher; and/or low consumption fluorescent bulbs.				
Health staff that benefited from at least two training to improve the quality of maternal and neonatal care under CUNA	Number of health staff that benefited from at least two training to improve the quality of maternal and neonatal care under CUNA	Semi-annual	Project monitoring reports	Technical audit and data collection for monitoring of CUNA	MISPAS
National Health Survey conducted	National Health Survey conducted and its results publicly released and disseminated.	The National Health Survey will only be conducted once during Project implement ation, but reporting on the progress towards carrying it out will be provided on a semi-annual basis.	Semi-annual Project reports	MISPAS reporting	MISPAS

Of which, the anonymized database of the results has been released and is publicly available for scientific use	The anonymized database of the National Health Survey results has been released and it is publicly available for scientific use through an online portal.	Semi-annual	National Health Survey database	MISPAS portal	MISPAS
MISPAS Headquarters and DPS/DAS personnel that participated in capacity building activities	Numerator: Number of targeted MISPAS Headquarters and DPS/DAS staff included in the capacity building plan developed under the Project that participated in capacity building activities; Denominator: Number of targeted MISPAS Headquarters and DPS/DAS staff included in the capacity building plan developed under the Project. Indicator: numerator/denominator*100.	Semi-annual	Project monitoring reports.	Certificates from capacity building activities	MISPAS
Of which, MISPAS Headquarters and DPS/DAS personnel satisfied with the capacity building received	Numerator: Number of personnel from MISPAS Headquarters and DPS/DAS that are trained through the Project and report an overall satisfaction with the training via a "4 - Very Good" or "5 - Excellent" rating on a 1-5 Likert scale. Denominator: number of MISPAS Headquarters and DPS/DAS	Semi-annual	Ad hoc, anonymous satisfaction survey	After each training financed through the Project, training participants will receive a satisfaction survey about the training	MISPAS

	personnel trained through the Project that complete an anonymous satisfaction survey. Indicator: numerator/denominator*100.				
MIPSAS management and care models developed or updated	Number of MIPSAS management and care models that were developed or updated using Project financing	Semi-annual	Project monitoring report	Models availability	MISPAS
DPS/DAS constructed or renovated and equipped under the Project that are operational	Number of Directorates of Health Provinces and Health Areas (DPS/DAS) constructed and/or renovated and equipped that are operational	Semi-annual	Project monitoring reports	Technical audits	MISPAS
Of which, DPS/DAS that incorporate agreed climate adaptation and mitigation measures	DPS/DAS constructed and/or renovated and equipped that are operational and incorporate climate adaptation and mitigation measures. Agreed climate measures include, for example, the use of fill material from the same land where appropriate; lighting sensors in restroom areas; planting of native vegetation, of medium and high height, in the surroundings of the	Semi-annual	Project monitoring reports	Technical audits	MISPAS

	infrastructure to provide natural shading; energy storage in energy converters (power inverter + batteries); air conditioning with energy efficiency (SEER) greater than 15, inverting type, classification A or higher; and/or low consumption fluorescent bulbs.				
Storage centers constructed and equipped that are operational	Storage centers prioritized by MISPAS that are fully constructed and operational.	Semi-annual	Project monitoring reports	Technical audit	MISPAS
Habilitation electronic information system supported by the Project	Habilitation electronic information system supported by the Project developed.	Semi-annual	Project monitoring report	The habilitation electronic information system itself	MISPAS
DPS/DAS that produce monitoring reports using the information contained in the dashboard	Numerator: Number of DPS/DAS that produce at least one monitoring report every three months using the information contained in the dashboard; Denominator: Number of DPS/DAS. Numerator/Denominator*100	Semi-annual	Project monitoring reports	Monitoring reports informed by the dashboard	MISPAS
MISPAS data center renovated and operational	MISPAS data center as fully functional refers to MISPAS's ability to maintain a stable and secure infrastructure to store and	Semi-annual	Project monitoring report	Technical audits	MISPAS

	process health data.				
Project related grievances addressed within agreed timeframes	Numerator: Number of Project-related grievances received that are addressed within timeframes agreed between MISPAS and the Bank; Denominator: Number of grievances received in the context of Project implementation activities. Numerator/Denominator*100	Semi-Annual	E&S Reports	Grievance reporting mechanism	MISPAS

ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: Dominican Republic
Program to Support the Strengthening of the National Health System

Institutional and Implementation Arrangements

1. The Project's implementation arrangements and support plan were confirmed with both MISPAS and MIVHED during the appraisal, with the expected structures of both PEUs are shown in Figures 1.1 and 1.2 below. A more detailed description of the proposed implementation arrangements follows.

Figure 1.1: Planned PEU Structure within MISPAS

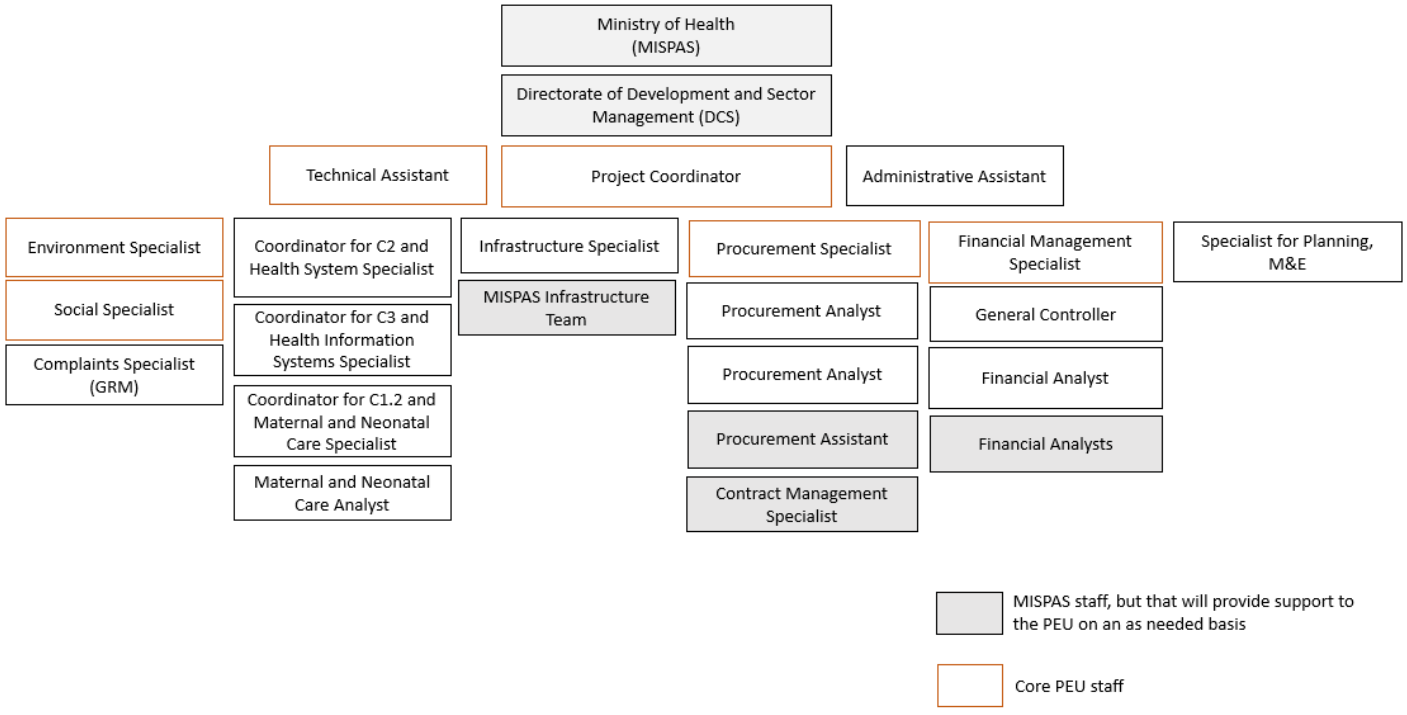
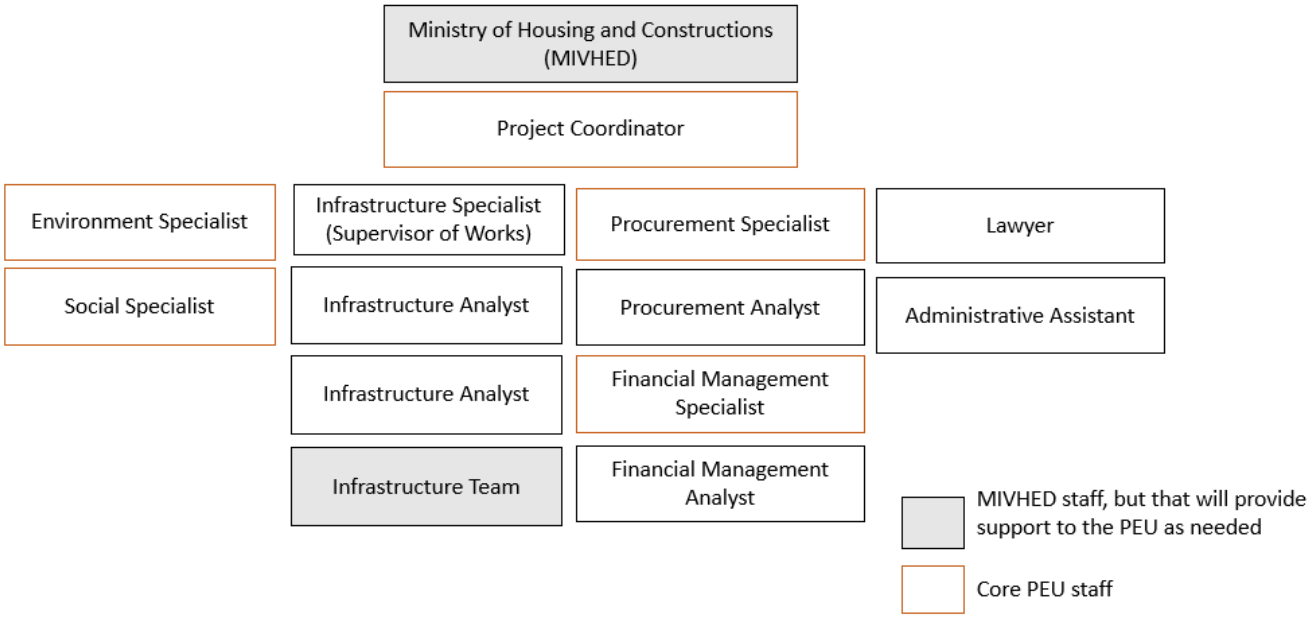


Figure 1.2: Planned PEU Structure Within MIVHED



Financial Management Arrangements

2. **Organization and Staffing.** Staff mapped to DCS under MISPAS has experience with external donor-funded projects and will be managing the Project's accounting, budgeting and treasury activities. A FM staff currently working at DCS with proper qualifications and prior knowledge in externally-funded operations will be assigned to the Project to support its initial phase. The assigned FM staff will support FM of the Project, including (a) ensuring that the Project's fiduciary obligations are met, and that transactions are valid, accurate and completely captured; and (b) acting as counterpart to the WB regarding FM and disbursement issues. Core staff, including a financial management specialist, will need to be in place within 3 months from the Project´s effectiveness. An additional FM analyst is expected to be hired to handle FM tasks and to provide support on the administrative workload generated by the Project´s execution.

3. **MIVHED's organizational structure will be adapted to manage the Project´s activities, including through the establishment of a PEU within MIVHED**. The staff within the PEU will be trained on FM procedures at the Project's inception and the WB will provide continued hands-on FM support, as needed. Core staff, including a financial management specialist, will need to be in place within 3 months from the Project´s effectiveness.

4. Budgeting arrangements. The PEUs in MISPAS and MIVHED will be responsible for the Project´s annual budget programming, implementation and evaluation activities. The Project´s annual budget will follow the government budget structure and procedures, including a classification of the Project components/subcomponents/activities. The PEUs will monitor project's budget using the DR's Government Financial Management Information System (*Sistema Integrado de la Gestión Financiera,* SIGEF/*Unidades Ejecutoras de Proyectos con Financiamiento Externo,* UEPEX module). MISPAS and MIVHED will also assume project disbursements planning, and control of fund transfers and budgetary modifications according to the Annual Operational Plan and Procurement Plan during the year. In this regard, after the Loan is approved by the Congress, MISPAS and MIVHED will need to submit a budget allocation request for the Project.

5. **Accounting system.** SIGEF is an automated modular tool that serves as the instrument to facilitate compliance with the purposes of the State Financial Administration System. SIGEF began operations in 2004 and has been improved in phases and now provides capabilities for modern treasury management, including features to record and control commitments, process payments, account for cash and accrual transactions, and prepare financial statements. SIGEF has a module to execute projects with external financing called SIGEF/UEPEX which has embedded controls providing for the efficiency and transparency in the management of external financing funds. The SIGEF/UEPEX system provides a good ex-ante internal control framework, and it is considered adequate for accounting purposes.

6. **National accounting standards will be used for maintaining the project´s accounting records**. Project transactions will be booked through entries made in the government system SIGEF/UEPEX, using a tailored chart of accounts to allow recording and reporting within SIGEF/UEPEX according to project needs and documented in the POM. Government accounting is on accrual basis, thus and if possible, UEPEX reports will follow this policy, otherwise cash basis reporting is acceptable to the Bank.

7. Financial Reporting. The Project's proposed arrangements will use Cash Basis Accounting for the preparation of semi-annual interim financial reports (IFR) and annual financial statements. IFRs should specify sources and uses of funds, reconciling items (as needed), as well as initial and year-end cash balances, with expenditures classified by component and by disbursement category; and a statement of investments reporting the current semester and the accumulated operations against ongoing plans and footnotes explaining the important variances.

8. **Project´s financial information will comprise the use of funds on all the activities executed by both PEUs.** The MIVHED PEU will submit to the MISPAS PEU progress and financial reports. This information will be consolidated by MISPAS including its own execution and presented in Project IFRs and audited financial statements. IFRs will be prepared on a fiscal semester basis and will be submitted to the Bank no later than 45 days after the end of each calendar semester. The reports will be prepared in US dollars.

9. **Internal control and Internal Auditing.** The internal control environment to be used for the Project is anchored in the country's legal and institutional framework. The internal approval processes and systems allow for a reasonable segregation of duties between the various stages of the expenditure cycle, including purchase orders, receipt and verification of services rendered, requests for payment and the custody of purchased goods. The process relevant to the project will be included in the POM.

10. **The Comptroller General of the Republic (Contraloría General de la República, CGR) is the governing body of the DR Internal Control System.** It is mandated by the Constitution to conduct ex-ante control and ex-post audits across central government, decentralized agencies, and public corporations, including MISPAS and MIVHED. The Internal Audit Units (IAUs) reporting to CGR are responsible for verifying the control, compliance with standards, procedures and applicable laws of the institution's financial processes and fund management. IAUs perform ex ante control of payments; no payment for goods or services is made in the public sector without ex ante approval of these units. Activities implemented under MISPAS IAU and MIVHED IAU could be considered as part of the scope of the IAU annual operational plans and reports issued by this unit will be reviewed by Bank staff during regular supervision missions.

11. **External audit.** Annual audits on the activities carried under the project will be performed in accordance

with Bank policy, under terms of reference and by an independent auditor acceptable to the Bank. Annual audit reports will be submitted to the Bank up to six months after the audited period. Audit reports will be tagged as publicly disclosable in WB records, and posted in its institutional portals, to comply with Bank policy. The Bank also requires that the Government of the DR discloses the audit report to the public.

12. **Disbursements arrangements.** Disbursements arrangements will follow the WB's disbursement policies and procedures as described in the Disbursement and Financial Information Letter (DFIL). The main disbursement method to be used for the project is the Advance method. Project funds will be advanced into two designated dedicated accounts established in the Central Bank of the DR to be managed by each PEU at MISPAS and MIVHED respectively. In addition, advances will flow to two separate accounts to be established under the TSA in local currency for managing funds and making payments for eligible expenditures to be financed under the project. The PEUs will use Statement of Expenditures in a format agreed with the Bank to document eligible expenditures paid from advances to the designated account. Each PEU will be responsible for the appropriate accounting of the funds deposited into the designated accounts and to document expenses to the WB on the uses of these funds. The reimbursement and direct payment methods will also be available for the project and included in the Disbursement and Financial Information Letter.

13. **Procurement Arrangements.** Procurement will be conducted using the WB's 'Procurement Regulations for IPF Borrowers', issued in July 2016 and updated in September 2023, for the supply of goods, works, and non-consulting and consulting services. The WB's Standard Procurement Documents will govern the procurement of WB-financed Open International Competitive Procurement. For procurement involving National Open Competitive Procurement, the borrower may use procurement documents agreed with the WB.

14. **Procurement activities to be executed under Component 1 will include works, goods, consultant services and non-consulting services**, mainly supporting investments in health infrastructure and equipment, as well as the design and implementation of CUNA. MIVHED will be responsible for the construction and renovation of all CPN and hospitals under Subcomponent 1.1, and MISPAS will undertake the rest of the procurement activities under the cited component.

15. **Components 2 and 3 will include works, goods, consultancy services and non-consulting services as well**. The activities will be executed by the PEU within MISPAS and it will include investments to improve DPS/DAS in terms of infrastructure and equipment, as well as the construction and equipment of approximately 3 storages for goods, supplies and sanitary, purchase of vehicles, the design and implementation of a plan to strengthen the capacity of MISPAS staff that includes tailored courses and workshops, and the development of management and care models and strategic health research. Also, the Project will support the development and implementation of a unified electronic health record system by, *inter alia*, strengthening health interoperability platforms and providing technical assistance on, for example, cybersecurity and process management. Health information systems and digital tools, as well as the related change management and training, will also be financed.

16. **Under Component 4 the Project will finance the expenditures for the coordination, implementation, management, and supervision of project activities**. This last component will finance the staffing and training of both PEUs. Arrangements for advanced contracting will be considered to hire key PEU staff under Component 4 prior to effectiveness of the Loan Agreement (and after approval of Congress) to address capacity constraints and to avoid delays in fulfilling effectiveness conditions and dated covenants to ensure a

smooth start to implementation. The WB will provide support during the hiring process, specifically during the preparation of the TORs for key staff positions, training on STEP to upload the Procurement Plan, and providing technical assistance as necessary.

17. **To address identified procurement risks (as detailed in the Fiduciary Assessment section of the PAD), the following mitigation measures would be applied:** (1) close support from the Bank for the early technical definition of the activities, oriented to support the most critical aspects and activities of the projects in terms of infrastructure, equipment, information systems and technological platform, and technical assistance to strengthen capacity building; (2) provide regular trainings for both PEUs for procurement capacity building based on the type of methods to be applied and also on the use of STEP; and (3) provide support to define a realistic timeline to carry out the procurement processes for the contracting of works. The Project's procurement risk after the proposed mitigating measure is rated Moderate.

18. **Procurement activities expected to be carried out during the first 18 months of project implementation are detailed in the Procurement Plans of MISPAS and MIVHED agreed with the Bank prior to Negotiations.** The rest of the activities will be added to the Procurement Plan once they are defined by the technical areas, and any updates on the PPSD will be reflected during project implementation.

19. **For procurable items, both MIVHED and MISPAS prepared a simplified version of the PPSD** to analyze the procurement operational environment and risks and define mitigation measures to address them. These PPSDs were developed according to the scope of activities under each implementing agency's responsibilities. The Bank will provide additional training and workshops for capacity building to both PEUs once the procurement team has been hired and/or assigned, and the detailed procurement activities have been defined based on the type of methods to be applied. On May 9, 2023, the WB conducted a basic training and regular meetings (both virtual and in person) to support MISPAS and MIVHED in the preparation of the PPSD and the Procurement Plan, and to review the Bank's Procurement Regulations.

Implementation Support Plan

20. **Strategy and Approach for Implementation Support**: The strategy for implementation support has been determined based on the nature of the project and its risks to achieving the PDO. It also takes into account the current physical and human resources available in the MISPAS, which will provide overall Project coordination and oversight, as well as in MIVHED.

21. **Operational support**: The Project will require dedicated implementation support as well as continuous monitoring to adjust its implementation arrangements to reflect the changing subnational context if needed. Implementation support will include supervising monitoring and evaluation systems, tracking progress of the Project's indicators, monitoring progress on the implementation of Project components, reviewing annual action plans ensuring conformity with the POM, and monitoring Project execution and interim unaudited financial reports. The WB team counts on the support of a Health Specialist with a background in operations who will provide day-to-day support in all operational aspects, as well as coordination with the Borrower and among Bank team members. The Bank will conduct regular missions, videoconferences, and periodic fiduciary compliance reviews. A Midterm Review will be conducted after approximately 30 months of implementation to review performance in depth and make any adjustments necessary. The WB team will conduct at least two implementation support missions per year, desk reviews and field visits as required and assess whether any adjustments are needed to the Project design or implementation.

22. **Technical**. The Bank team's technical staff will (i) engage and guide the technical and institutional dialogue, based on known national and international best practices; (ii) advise on the design of activities envisaged within Project components, including processes for the preparation of terms of reference, budget, and bidding documents; (c) participate in field visits to advance the dialogue with the Government and review progress; and (d) engage with the Government to enable knowledge transfer and guidance. The technical team is currently comprised of staff in Washington, D.C., but may be supplemented with in-country technical expertise as needed.

23. **Procurement**: Implementation will include: (i) the training of PEU staff and providing detailed guidance on the Bank's Procurement Regulations and Standard Procurement Documents as needed; (ii) reviewing procurement documents and providing timely feedback; (iii) monitoring procurement progress against a detailed Procurement Plan; and (iii) undertaking procurement post reviews.

24. **Financial Management.** In accordance with the assessed Moderate FM risk, the FM implementation support will include on-site and off-site supervision. On-site missions will be carried out at least twice a year during the first year of project implementation and later calibrated following assessed risk and project performance. Off-site implementation support will comprise desk reviews of interim financial reports and audited financial statements; and ad-hoc support through email, video and phone calls as needed.

25. **Environmental and Social.** The Bank team will closely supervise the implementation of the E&S management instruments. The Bank´s E&S will participate in project supervision and implementation support missions, including site visits and support the strengthening of the implementing agency E&S capacity and respond to their enquiries.

26. **The Implementation Support Plan will be reviewed annually to ensure that it continues to meet the implementation support needs of the Project.** At the halfway point of the operation, a midterm review will be undertaken to make any changes to the design and implementation arrangements, including any changes to the Loan Agreement that would require a restructuring. The WB task team will work with the PEUs and designated officials to clarify the requirements necessary to effect any changes.

27. **At least six months before the Closing Date of the operation, the Government will commence preparation of its Implementation Completion and Results Report (ICR).** The ICR author from the WB will participate in the final implementation review and gather the necessary information to prepare the WB ICR.

Table 1.1: Main Focus of Implementation Support

Time	Focus	Skills Needed	Resources Estimate
First 12 months	Technical, implementation, fiduciary and E&S	Project management; technical skills in health, operational (including M&E), fiduciary, E&S specialists	• Training for PEU staff • Semiannual implementation support missions by WB core team unless Project design and challenges require them more often. • Technical expert support/visits on demand basis • Biannual monitoring of results framework
12–48 months	Technical, implementation, fiduciary and E&S	Project management; technical skills in health/civil works, operational (including M&E), fiduciary, E&S specialists	• Training for PEUs (if needed) • Semiannual implementation support missions, including procurement and FM Specialists • Technical expert support/visits on demand basis • Midterm Review mission, expected around March 2027. • Semi-annual monitoring of results framework
Completion (final 12 months)	Technical, operational, fiduciary and E&S	Project management, technical skills in health and civil works, operational (including M&E for preparing closing reports), fiduciary and E&S specialists	• One mission • Technical expert support/ visits on demand basis • ICR

Table 1.2: Task Team Skills Mix Requirements for Implementation Support

Skills Needed	Number of Staff Weeks (per year)	Number of Trips (per year)	Comments
Project management (Task Team Leaders)	20	4-6	HQ or field-based
Health Specialist/Operations Officer	8	2-3	HQ or field-based
Technical Support Team (e.g., Medical/clinical engineer technical specifications specialist)	4	1-2	HQ or field-based
Procurement specialist	4	2	Field based
Financial Management specialist	3	2	HQ or field based
E&S specialists	4	2	Field based
Administrative support (Program Assistant)	4	0	HQ or field based

ANNEX 2: Climate Adaptation and Mitigation Measures

1. The Project intends to implement the following activities (as outlined in Table 2.1) to adapt to the health impacts of climate change while mitigating against greenhouse gas emissions.

Table 2.1: Summary of Climate Adaptation and Mitigation Measures in the Project

Project Component and Subcomponent Financing	Activity	Climate-Related Action and how it will adapt to or mitigate against climate change
Component 1: Strengthening the Capacity to Deliver Quality Public Healthcare Services (US$89.9 million)		
Habilitation of public healthcare providers (IBRD US$81.9 million)	Construction and renovation of climate-shock-resilient health facility infrastructure (hospitals and CPN)	The Project will use climate-shock-resilient building designs for the design and construction (and renovation wherever feasible) of hospital and CPN infrastructure. The Project will finance technical assistance to develop climate-shock-resilient design to ensure these targeted health facilities are able to serve patients in highly vulnerable geographies and built to withstand the impact of the DR's extreme events including cyclones, hurricanes, and other coastal storms. This design will go beyond current national standards of construction to ensure that specific adaptation measures are integrated in the design such as: (a) use of fill material from the same land where appropriate; (b) planting of native vegetation, of medium and high height, in the surroundings of the infrastructure to provide natural shading; (c) improved drainage to prevent flooding; (d) emergency management plans in the event of climate disasters. **(adaptation)**.
	Construction and renovation of energy-efficient health infrastructure (hospitals and CPN)	Aligned with Criteria 9.1 of the 'Buildings, public installations and end-use energy efficiency' section of the of the Multilateral Development Bank Mitigation Finance Methodology,[61] the Project commits to adopting measures that substantially reduce net energy consumption, resource consumption, and CO_2e emissions of hospitals and CPN that go beyond national standards such as the use of: (a) air conditioning with energy efficiency (SEER) greater than 15, inverting type, classification A or higher; (b) lighting sensors in restroom areas, and (c) low consumption fluorescent energy-star bulb series. (**mitigation**)
	Procuring energy-efficient medical equipment for prioritized health facilities (hospitals and CPN)	Aligned with Criteria 9.5 of the Multilateral Development Bank Mitigation Finance Methodology, medical equipment purchased through this component for the hospitals and CPN will apply energy efficiency standards to promote a substantial reduction of energy consumption, resource consumption, or CO_2e emissions vis-à-vis the current context in the DR. Energy Star efficiency standards and the International Electrotechnical Commission (IEC) energy efficiency standards for medical equipment will be used, with particular reference to IEC 60601-1-9, 'Medical Equipment – General requirements for basic safety and essential performance – Collateral Standard: Requirements for environmentally conscious design'.[62] This will help contribute to reduced greenhouse gas emissions. **(mitigation)**.

[61] AfDB et al. 2021.
[62] IEC. 2020. *IEC 60601-1-9:2007+AMD1:2013+AMD2:2020 CSV - Consolidated version. https://webstore.iec.ch/publication/67382*

Component 2. Strengthening the Stewardship and Public Health Oversight Function of the MISPAS (US$64.4 million)		
Construction, renovation, and equipment of DPS/DAS and Storage and distribution capacity of MISPAS (IBRD US$55.6 million)	Construction and renovation of climate-shock-resilient infrastructure for selected DPS/DAS, storage warehouses, and MISPAS HQ	The Project will use climate-shock-resilient building design for the design and construction (and renovation wherever feasible) of all targeted DPS/DAS, MISPAS, and storage facility infrastructure. This design will go beyond current national construction standards to ensure that specific adaptation measures are integrated in the design of these facilities, such as: (a) use of fill material from the same land where appropriate; (b) planting of native vegetation, of medium and high height, in the surroundings of the infrastructure to provide natural shading; (c) improved drainage to prevent flooding; and (d) emergency management plans in the event of climate disasters. **(adaptation)**.
	Construction and renovation of energy efficient DPS/DAS, storage warehouses, and MISPAS HQ	Aligned with Criteria 9.1 of the 'Buildings, public installations and end-use energy efficiency' section of the of the Multilateral Development Bank Mitigation Finance Methodology,[63] the Project commits to adopting measures that substantially reduce net energy consumption, resource consumption, and CO_2e emissions of the DPS/DAS that go beyond national standards such as the use of: (a) air conditioning with energy efficiency (SEER) greater than 15, inverting type, classification A or higher; (b) lighting sensors in restroom areas, and (c) low consumption fluorescent energy-star bulb series. (**mitigation**)
	Transportation for supervision	Approximately 60 electronic motorcycles would be procured with Project financing to support supervision and distribution under this component.
Capacity Building (IBRD US$3.5 million)	Inclusion of emergency management and climate and disaster management trainings	Targeted trainings for MISPAS staff covering emergency management and climate and disaster management would be provided, with the objective of strengthening their capacity to respond effectively during climatic event or other emergencies. **(adaptation)**.
Component 3: Reinforcing Health Information Systems and Digital Health Tools (US$27.7 million)		
MISPAS digital transformation (IBRD US$9.4 million)	Investments in the health information system data center	The Project will fund civil works and climate-proofing of the physical site of the MISPAS data center, which is currently in critical condition, as rainwater is entering the site and posing a grave risk to the current MISPAS health information systems. Climate investments related to the physical site of the data center include the following: the procurement of a generator, which will ensure that health information systems remain protected from power outages associated with climatic disasters, as well as electric back-ups and air conditioning systems that meet climate sensitive requirements that can prevent disaster via their ability to regulate the humidity of the environment and the temperature, as well as to alert in case of high temperature. **(adaptation)**
Component 4: Project Management and Monitoring & Evaluation (US$8 million)		

[63] AfDB et al. 2021.

Component 4: Project Management and Monitoring & Evaluation (IBRD US$8 million)	Management and monitoring of climate aspects of the Project	This component will monitor the Project's climate mitigation and adaptation aspects and as such should be assessed at the same rate as the Project's other climate activities **(adaptation and mitigation).**