



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 07-Mar-2023 | Report No: PIDC35407



**BASIC INFORMATION**

**A. Basic Project Data**

Country Dominican Republic	Project ID P180349	Parent Project ID (if any)	Project Name Strengthening the National Health System of the Dominican Republic (P180349)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Jun 15, 2023	Estimated Board Date Oct 19, 2023	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Dominican Republic	Implementing Agency Ministry of Public Health	

**Proposed Development Objective(s)**

Improve the capacity of public healthcare providers to deliver quality services and strengthen the public health stewardship capacity in the Dominican Republic.

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	200.00
<b>Total Financing</b>	200.00
<b>of which IBRD/IDA</b>	200.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	200.00
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Environmental and Social Risk Classification  
Substantial

Concept Review Decision  
Track II-The review did authorize the preparation to continue



Other Decision (as needed)

## B. Introduction and Context

### Country Context

- 1. The Dominican Republic (DR) is an upper middle-income country that has achieved high economic growth in the recent decades.** 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, nearly halved between 2002 and 2020 (from 11 percent to 5.9 percent respectively). Likewise, the DR continues to steadily rise in the Human Development Index (HDI)<sup>1</sup>, from an HDI value of .58 in 1990 to .77 in 2021, positioning the DR at 80 out of 191 countries and territories. Socioeconomic inequality remains relatively high but has been substantially reduced: the Gini index for income inequality in 2000 was 51.5 and has been steadily reduced in time reaching its lowest level of 39.6 in 2020.
- 2. The COVID-19 pandemic, and the related lockdowns and job losses, threaten to reverse these social gains.** The poverty rate increased during 2021, reaching 23.4 percent, representing over a 300,000 people falling into poverty since the pandemic crisis began. The crisis also prompted food insecurity in one in every three households by the end of 2021. This rate is almost 10 percentage points higher than the levels of food insecurity observed before the pandemic and can be explained by: (i) the informalization of the labor market; (ii) higher inflation; and (iii) the downscaling of the emergency social assistance launched during the peak of the pandemic crisis.
- 3. Increased government spending on targeted social assistance programs helped cushion the worst of the pandemic and the DR's economy now shows signs of recovery.** GDP rebounded 12.3 percent in 2021, supported by a solid Government response to COVID-19. The DR rose to twelfth place in 2021 in terms of GDP per capita in the Latin American and Caribbean (LAC)<sup>2</sup>. However, the war in Ukraine poses important immediate risks, primarily through higher prices of goods and services (the DR is a net importer of oil, natural gas, soybeans, sorghum, wheat, and corn), and a decrease in tourism revenues by about US\$34 million per month.<sup>3</sup> Rising inflation is reducing household disposable incomes, primarily of the more vulnerable population.<sup>4</sup>
- 4. The DR, due to its geographical position, is prone to climate-related and other disasters from natural hazards and was ranked 32 out of 181 countries in the 2021 World Risk Index.** The DR's 2018 Systematic Country Diagnostic (SCD) and the World Bank Group (WBG) FY22-26 Country Partnership Framework (CPF)<sup>5</sup> for the DR identified the country's high exposure to climate/natural adverse events as a binding constraint to its economic stability and the safety and well-being of its population. Hurricanes and tropical storms are the most threatening

<sup>1</sup> The HDI is a summary measure by the UN Development Programme aimed at assessing long-term progress in human development based on life expectancy, mean/expected years of schooling, and GNI.

<sup>2</sup> <https://databank.worldbank.org/source/world-development-indicators>

<sup>3</sup> Pro Dominicana, 2022

<sup>4</sup> The inflation rate of 8.6 per cent year on year in September 2022 remains well outside the target range of 4±1 percent. It is driven by the impact of disruptions in international supply chains and increasing commodity prices for food and transport.

<sup>5</sup> Report No. 167896-DO.



natural hazards facing the country, posing significant destructive potential due to high wind speeds, heavy rains, and powerful storm surges that produce flooding. In the DR, 2.5 million people or one quarter of the country's population live in high-risk flood prone areas, and poor households are twice as vulnerable to flooding, especially in urban areas (30 percent versus 14 percent for the richest households)<sup>6</sup>.

## Sectoral and Institutional Context

- 5. As the pandemic recedes, investments in the quality of public health services will be vital to the DR's continued growth.** The DR has made great strides in expanding access to healthcare, but the poor capacity to deliver quality health services remain a major obstacle to broad-based economic growth and human capital development, with the country faring worse on health outcomes than other countries in the Region. For instance, the DR has among the highest maternal mortality rates (MMR) in the LAC Region with 95 deaths per 100,000 live births<sup>7</sup>, despite a very high service coverage score (88 out of 100) for Reproductive Maternal Neonatal and Child Healthcare (RMNCH). Although 93% of pregnant women receive at least 4 antenatal visits and nearly all births are attended to by skilled health workers, the DR suffers from an under-five mortality rate that is more than double the LAC regional average (34 per 1,000 live births in 2020, compared to a regional average of 16) and a neonatal mortality rate that is 2.5 times higher (the DR had 23 deaths per 1,000 live births in 2020 compared to LAC's average of nine the same year).<sup>8</sup>
- 6. The functions of DR health system (i.e., stewardship and public health oversight, insurance, and care provision) are separated and part of a governance model involving different institutions.** The Ministry of Health and Public Assistance (*Ministerio de Salud Pública y Asistencia Social*, MISPAS) is responsible for stewardship and public health oversight. At the subnational level, the MISPAS exercises its stewardship and public health oversight function through Directorates of Health Provinces and Health Areas (*Direcciones de Provincias de Salud*, DPS, y *Direcciones de Áreas de Salud* DPS/DAS). The functions of DPS/DAS include, among others, monitoring and reporting on plans and strategic objectives at the local level, implementing surveillance activities, and collecting public health information. The insurance function is divided into the subsidized scheme that is managed by the public National Health Insurance (*Seguro Nacional de Salud*, SENASA) and the contributory regime where private Health Risk Administrators (*Administradoras de Riesgos de Salud*, ARS) compete in a seldom regulated market. SENASA pays for services at both public and private providers, while the private ARS purchases services mainly at private providers. The provision function in the public sector was devoted to the National Health Service (*Servicio Nacional de Salud*, SNS), which is an autonomous public institution. In 2016, only 65.6 percent of the population was affiliated with an insurance; however, a 2020 targeted effort by the government to enroll as many people as possible resulted in 98.5 percent of the country's population affiliated with an insurance scheme by November 2022: 43.4 percent in the contributory regime and 55.1 percent in the subsidized regime<sup>9</sup>.
- 7. There is a lack of information about quality of care and, where data does exist, it indicates a weak provision of public health service quality.** With regards to licensing or "habilitation" of SNS providers according to basic standards related to infrastructure, equipment, human resources, and compliance with regulations, only 21

<sup>6</sup> World Bank. *Dominican Republic - Second DRM Development Policy Loan with a Catastrophe Deferred Drawdown Option (English)*. Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/099120011092214083/BOSIB04c431f950c90b3700d2e3791f06da>

<sup>7</sup> World Bank Data (2017, latest available).

<sup>8</sup> World Development Indicator <https://data.worldbank.org/indicator/>

<sup>9</sup> Dominican Association of Health Risk Administrators (*Asociación Dominicana de Administradoras de Riesgos de Salud*) <http://adars.org.do/index.php/datos-estadisticos/>



percent of the SNS health centers (390 of 1887) had attained a license by end-2022, underscoring the substantial gap in basic quality assurance. Common concerns cited include infrastructure that does not meet minimum required standards, multiple occupational hazards for workers, and limited equipment. Insufficient information about quality of care, for instance about patient's experience and outcomes when receiving services, represents another weakness in the system.

- 8. The Government of the DR is updating its health plans to more effectively achieve universal health coverage (UHC), addressing the existing service delivery and quality challenges.** Specifically, the Government is currently developing its new National Health Plan (*Plan Nacional de Salud*, PLANDES) 2022-2030.<sup>10</sup> PLANDES is aligned with the National Development Strategy 2010-2030 and has four main pillars: (a) strengthening primary healthcare (PHC) with a focus towards care integration, (b) improving human resource capacity, (c) establishing climate change strategies to control damage from future crises, and (d) improving financing and allocation mechanisms of the health system, which implies, among others, promoting efficiency in purchasing processes, reinforcing health information systems, and strengthening the organizational model and the stewardship functions of the MISPAS. The proposed Project would be fully aligned with PLANDES and is designed to contribute to improve strategic areas for the DR health system.
- 9. The DR needs to strengthen the stewardship and public health oversight function of the MISPAS.** Specifically, to better implement its stewardship role at the local level, the MISPAS needs to improve the operational capacity of DPS/DAS, which are responsible for monitoring and reporting on plans and strategic objectives, implementing surveillance activities, and collecting public health information. There are 40 DPS/DAS in the Dominican Republic, of which the MISPAS only owns the physical infrastructure for 16 directorates. The spaces for the other 24 directorates are rented, and these leasing agreements constitute a large share of their operating budget and are confronted with a fixed 10 percent price increase annually, posing financial sustainability concerns. Furthermore, visits to these facilities indicate equipment shortages in both owned and rented facilities. Another critical area of improvement to strengthen the MISPAS stewardship role is human resources. Staff at both MISPAS Headquarters and DPS/DAS have limited opportunities to acquire or expand their managerial, administrative, and technical skills. There is also a need to update strategies and regulations on models of care, especially with a focus on PHC and environmental health, and ensure their alignment with the new PLANDES. Moving to public health oversight, the MISPAS needs to strengthen its surveillance and knowledge generation capacity.
- 10. In addition to the considerable economic and social hardship resulting from climatic events<sup>11</sup>, the DR's health system is extremely vulnerable to both observed and anticipated climate change impacts and climate-induced natural disasters.** Extreme climatic events can exacerbate health threats and limit the health system's functionality by: (a) destroying or forcing health facilities to temporarily close; (b) causing power outages and/or evacuations that disrupt care; and/or (c) limiting access to care because of damaged roads, etc. 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.
- 11. The Government of the DR is promoting investments in digital health transformations and health information systems, as they would contribute to improve the capacity of providing better healthcare quality and strengthen the stewardship role of the MISPAS.** In 2022, the DR published its national strategy for digital

<sup>10</sup> <https://msp.gov.do/web/?p=15027>

<sup>11</sup> Hurricane Fiona, for example, which made landfall in the DR in September 2022, resulted in losses of up to US\$375 million and displaced more than 43,000 people.



transformation (i.e., *Agenda Digital 2023*), which was intended as a road map to guide the country on technological adoption matters, impacting on the productive sector, academy, government, and society as a whole.<sup>12</sup> Digital health is part of Agenda Digital 2023 and priority actions on the digital health transformation process were part of the action plan 2021-2024 of Agenda Digital 2023 and include, among others, developing a digital health strategy to guide future investments, developing management dashboards for the health sector, and strengthening existing health information systems, such as the one for medical emergencies (sistema de informacion de emergencias medicas, SISMED 911).<sup>13</sup> The MISPAS acknowledges that one of the key challenges related to the digital transformation process is human resources and, therefore, proper focus should be dedicated to training and capacity building. This is particularly important in the health sector, where workforce rotation and change management challenges, especially for the older staff, can hamper an effective adoption of technological innovations.

#### Relationship to CPF

**12. The Project is aligned with the WBG’s FY22-26 Country Partnership Framework (CPF) for the DR, discussed by the World Bank’s Board of Executive Directors on March 29, 2022.**<sup>14</sup> It builds on the recommendations of the 2018 Systematic Country Diagnostic for the DR for accumulating human capital by strengthening the capacity of public health providers to deliver 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 financing licensing-related activities that are a critical step for improving in the delivery of quality public health services. More specifically, the Project would support CPF Objectives 1.1 ‘Improved Fiscal Space and Spending Efficiency’ and 1.3, ‘Enhanced Coverage and Quality of Health’ by (a) supporting public health centers to unlock SENASA financing; (b) ensuring public health providers meet minimum qualifications for care provision; and; (c) strengthening health information systems. The Project would also contribute to High Level Outcome 3 of the CPF (Increased Resilience to Climate Change) and the World Bank’s Green, Resilient, Inclusive Development (GRID) approach by strengthening the health system’s resilience, including for climate change-induced health emergencies. Finally, the Project would support Pillars 2, 3, and 4<sup>15</sup> of the WBG’s Global Response and Crisis Framework (GCRF) through its proposed investments to (a) improve the availability and quality of health services, (b) build long-term resilience and enhance crisis preparedness, and (c) further strengthen the institutional capacity of MISPAS.

**13. The proposed Project would also build on the analytical work that the World Bank is conducting in the country.** Findings from the Bank-financed “*Disruption of routine health services during the COVID-19 pandemic in the country (P178299)*” analytical work highlight the pandemic’s impacts on access to and quality of services and have helped to identify healthcare gaps to be addressed under the Project. Furthermore, the ongoing ASA “*Public Health Preparedness Assessment Central America Part 2*” (P177199) has a specific forthcoming public report about the DR containing a thorough revision of the preparedness and response capacities in the country, along with policy recommendations and a costing exercise about the key investments required. Finally, the ongoing ASA “*Strengthening the health system of the Dominican Republic through digital health data and information systems*” (P178396) provides an assessment of health data governance and analytics in the DR that can inform the design

<sup>12</sup> <https://agendadigital.gob.do/wp-content/uploads/2022/02/Agenda-Digital-2030-v2.pdf>

<sup>13</sup> <https://agendadigital.gob.do/wp-content/uploads/2022/02/Plan-de-Accion-2021-2024-v2.pdf>

<sup>14</sup> Report No. 167896-DO

<sup>15</sup> These pillars are “Protecting People and Preserving Jobs”, “Strengthening Resilience” and “Strengthening Policies, Institutions and Investments for Rebuilding Better” respectively. Whilst the Project would not directly support the GCRF’s Pillar 1 “Responding to Food Insecurity,” it is expected to indirectly support nutrition via the provision of higher quality health services.



and implementation of Component 2 (Strengthening the Stewardship and Public Health Oversight Function of MISPAS) and Component 3 (Reinforcing Health Information Systems for Better Management) of the Project.

### C. Proposed Development Objective(s)

Improve the capacity of public healthcare providers to deliver quality services and strengthen the public health stewardship capacity in the Dominican Republic.

#### Key Results (From PCN)

14. The key PDO results indicators will be further discussed and developed with the Client as project preparation advances. These might include, for example:
- Public healthcare providers receiving the “habilitation” certificate according to the regulations defined by MISPAS (percentage)
  - Directorates of Health Provinces and Health Areas built and functioning according to MISPAS standards (Number)
  - Directorates of Health Provinces and Health Areas using health dashboards to inform decision-making (Number)

### D. Concept Description

15. The Project is currently structured around four components: (i) enabling and strengthening the quality assurance system of public healthcare services; (ii) strengthening the stewardship and public health oversight function of MISPAS; (iii) reinforcing health information systems; and (iv) project management. During Project Preparation, these activities will be further prioritized and streamlined.

16. **Component 1. Strengthening the Capacity to Deliver Quality Public Healthcare Services.** This component would finance activities aimed at improving the capacity of public health providers to deliver quality health services, thereby indirectly strengthening the financial sustainability of the SNS. Project financing would support improvements in health infrastructure, equipment, human resources, and regulatory compliance to enable targeted hospitals and primary healthcare providers in targeted areas to obtain their habilitation certification<sup>16</sup>.

17. **Component 2. Strengthening the Stewardship and Public Health Oversight Function of the MISPAS.** This component would focus on investments aimed 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. Activities envisioned under this component would primarily include: (i) investments in infrastructure and equipment of DPS/DAS to enable MISPAS to deploy its steering role effectively; (ii) technical assistance to develop health strategies and regulations to improve quality of care, especially at the PHC level, as well as environmental health management; (iii) workshops, trainings, and educational opportunities for MISPAS staff; (iv) procurement of goods to enhance their distribution and supervision capacity; and (v) activities that promote a more gender-sensitive stewardship role of the MISPAS. This component would also contribute to knowledge generation by financing analytical work identified by the MISPAS as priority areas.

<sup>16</sup> Securing habilitation certification is a critical step for closing existing funding gaps as this certificate enables hospitals to access financing from SENASA for the health services they provide.





- 18. Component 3. Reinforcing Health Information Systems.** This component can be considered as transversal, as it contributes to enhancing the capacity of public healthcare providers to deliver quality services, as well as to strengthening the stewardship and public health oversight functions of the MISPA. Activities currently considered for project financing under this component include (i) strengthening digital tools for public health care providers; (ii) strengthening the general health information system, which can imply improving existing systems (e.g., for hospital and PHC management, integrated sanitary authorizations, medical emergencies SISMED 911), developing new systems (e.g., for management of the habilitation process), and extending the use of the information platform for management, registration, control, and certification of COVID-19 vaccines (i.e., Vacunate RD) to other immunization programs; and (iii) promoting the digital health transformation of MISPA through better health system infrastructure, equipment and licenses, as well as adequate change management.
- 19. Component 4. Project Management.** This component would finance the coordination, implementation, and management of project activities, including fiduciary tasks, environmental and social risk management, and monitoring and evaluation (M&E).

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

Summary of Screening of Environmental and Social Risks and Impacts

- 20. The overall Environmental and Social Risk rating at Concept stage is assessed as Substantial.**
- 21. The environmental risk rating for the project is considered Substantial at this stage.** The project will finance rehabilitation and new infrastructure works related to health investments, technical assistance activities including capacity building, and the preparation of health related studies and strategies aiming to strengthen the country’s public health sector. Based on available information, the scope, design and exact location of the infrastructure activities to be financed will be defined during implementation. In addition, the environmental risk rating for the Project reflects MISPA’s limited capacity on environmental aspects that will require close support from the Bank during the preparation and implementation phases. As more detailed information becomes available about the specific investments during project preparation, the environmental risk rating will be reviewed and adjusted if necessary. Key environmental risks and impacts are expected to occur resulting from activities related to the construction and operational phases and are expected to be site-specific, short-term, and effectively avoided, minimized or mitigated subject to the establishment of a proper environment and social (E&S) management system within the project. Some of the key adverse potential impacts during the construction and operation phases of the project may include: (a) vegetation and soil loss from construction activities; (b) generation, management and disposal of non-hazardous and hazardous solid waste, including biomedical waste; residual construction materials waste, and hazardous materials from demolitions; generation of solid waste from residual construction materials; (c) potential temporary drainage impacts related to excavation and temporary stockpiling





of excavated material; (d) nuisance related to dust generation, vibration, noise and odors; (e) generation and discharge of wastewater from civil works; (f) temporary disruptions to local traffic during the construction phase; (g) 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 the COVID-19 virus and outbreaks of malaria, dengue or cholera; (h) direct and indirect impacts from natural hazards (earthquakes, tsunamis, landslides, extreme heat, cyclones and floods) that may occur in the project intervention areas; and (i) occupational health and safety (OHS) hazards for the workforce. Retroactive financing activities being considered by the project may also generate environmental risks and impacts. During preparation these will be further assessed as more detailed information becomes available about the type of expenditures to be considered for eligibility. Relevant mitigation measures will also be identified and implemented accordingly.

**22. The Social Risk rating is also considered Substantial, due to a combination of the following factors:** (a) 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 their codes of conduct; (b) potential cases of land acquisition and economic displacement (temporary) required for the carrying out of civil works and construction as foreseen under component 1 and 2; (c) community health and safety risks, especially the increased risk of accidents for the local population as a result of construction works, movement of vehicles and machinery, and also potential hazards during operation for the surrounding community of the national laboratory for biomedical research to be constructed and equipped; (d) the risk of potential exclusion/limited access to public services for those without access to internet (as a result of Component 3 health information activities); and (e) the need for robust data security and protection protocols and measures, especially in relation to sensitive personal data, particularly given proposed Component 3 investments in extending the use of the information platform for the management and registration of data. In addition to the above, the social risk rating for the Project reflects the PIU's limited experience with social risk management and the Bank's Environment and Social Framework (ESF). All above-mentioned risks will be further analyzed and discussed with the Borrower during project preparation and robust mitigation measures identified and implemented accordingly.

**23. All Environmental and Social Standards (ESS) are applicable to the Project, except for Indigenous People (ESS7) and Financial Intermediaries (ESS9).** Currently the type and scope of the infrastructure work to be financed by the Project, as well as the specific intervention locations, are yet to be confirmed (with exception of the location of the Psychosocial Rehabilitation Center). Relevant E&S instruments will be developed, consulted, and disclosed to appropriately assess and manage E&S risks. Full implementation of these E&S instruments, and monitoring and reporting on the same, will be specified in the Environmental and Social Commitment Plan (ESCP) to be prepared for the Project. The consultations to be carried out by the Client during preparation will be informed by sufficient information on the project design, project risks and impacts, and strategies for engagement and disclosure; and results will be reported and reflected in the draft Stakeholder Engagement Plan (SEP) and preliminary assessment of E&S risks. The following E&S instruments are envisioned:

- a. Prior to Project appraisal: (a) a preliminary assessment of E&S risks and generic mitigation measures, including an annex with the terms of reference (ToRs) for the Project's Environmental and Social Management Framework (ESMF) and the Resettlement Planning Framework (RPF); (b) a draft and (c) a draft Env ESCP.
- b. Following Project effectiveness, an ESMF, RPF, Labor Management Procedures and updated SEP would



also be developed, consulted, and disclosed, in accordance with the timelines outlined in the concept environment and social risk summary (C-ESRS).

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## APPROVAL

Task Team Leader(s):

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**Approved By**

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