



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Bosnia and Herzegovina	EUROPE AND CENTRAL ASIA	P171150	
Project Name	Bosnia & Herzegovina health sector reform project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Health, Nutrition & Population	Investment Project Financing	6/8/2020	7/30/2020
Borrower(s)	Implementing Agency(ies)		
Ministry of Finance, Federation of Bosnia and Herzegovina, Ministry of Finance, Republika Srpska	Ministry of Health and Social Welfare, Republika Srpska, Ministry of Health, Federation of Bosnia and Herzegovina		

Proposed Development Objective(s)

To support improvement in the efficiency of resource management in the health sector, including a road map for the clearance of arrears, to enhance the delivery of care in Bosnia and Herzegovina.

Financing (in USD Million)	Amount
Total Project Cost	75.00

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

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The 2016-2020 Country Partnership Framework for Bosnia and Herzegovina identified an efficient public sector as a priority investment, and specifically noted the importance of targeted interventions to improve health care services.

This project aims to improve the quality and efficiency of health care services, an help ensure the sustainability of the health care system. The project will offer a package of technical and financial assistance that invests in quality and



efficiency improvements in front line services, alongside the flexible financing needed to stop the accumulation of health sector arrears without compromising service access and quality. Crucially, the project will construct a network of incentives, both financial and non-financial, positive and negative, short and longer term, in the areas of financial management and service quality, thereby laying the foundations for longer-term and more challenging reforms in RS and FBiH, such as functional or structural integration of the health insurance funds.

Three components are envisaged: Component 1: Short term interventions to tackle selected sources of inefficiencies and arrears; Component 2: Supporting focus on results; and Component 3: project implementation. Component 1 will support investments to improve financial management, service design and delivery and, facility-level management in the health care sector. Component 2 will provide incentives that reward the government and other relevant health system authorities for making changes that strengthen governance and accountability in the sector. This will include, financing, technical assistance and training to strengthen quality monitoring and assurance in hospitals, monitoring and improvement of management quality.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The project will target improvement of the resource management in the health care sector, and will be implemented throughout the country of Bosnia and Herzegovina.

The environment of Bosnia and Herzegovina consists of diverse climates, flora and fauna, natural landmarks and landscapes. The climate ranges from continental, oceanic, subtropical and Mediterranean throughout different regions of the country. Most of the Dinaric Alps are located in Bosnia and Herzegovina, the highest elevation point is the mountain Maglic at 2,386 (7,828 ft), while the lowest point of elevation is the Adriatic Sea in the South of the country. 42.8% of the land is covered in thick forests. The country is rich in water resources, and in certain places, rivers and springs may be used without previous filtration. Significant rivers are the Drina, Neretva, Sava, Bosna and Una. Important national parks include Kozara National Park, Sutjeska National Park, and Una National Park, all nationally protected areas.

Shortfalls in waste management is one of the biggest environmental issues in Bosnia and Herzegovina. Between 35% and 90% of the population is covered by some system of waste-collection. However, much of the equipment is outdated, and in poor condition. There is a limited number of sanitary landfills throughout the country while a number of local municipalities still use the unsanitary local dumpsites. A number of companies for management of specific waste streams exist and operate within the country. Only about 5% of total waste is recycled. There are no functioning incinerators in the country. There is no treatment facility or disposal area designated for management, storage and disposal of hazardous wastes.

Air quality remains an issue, particularly in Sarajevo, Tuzla and Zenica. There are very limited number of monitoring stations that measure particulate matter, PM 2.5. Approximately one third of the total generated wastewater is



treated countrywide that has negative impact on surface water bodies, which are an important natural resource together with forests.

Bosnia and Herzegovina has an aging population. By 2030, one in four citizens will be above 65 years. People retire early because of lifestyle-related chronic conditions such as back pain, diabetes or heart disease. The country is losing quality healthcare workers to other healthcare systems in Europe and incentives for retaining medical staff are being tested (including through this project). Citizen dissatisfaction with the health care system is widespread with waiting times and staff being rude and not knowledgeable being the top two reasons for dissatisfaction. Sociodemographic factors influence satisfaction with health care services received. A study from Zenica-Doboj showed that rural population, elderly and lower educated are more likely to buy drugs for medical treatment. Lower educated groups are also more likely to report dissatisfaction with the patient relationship. Nurse:doctor ratio is low, with little training for nurses beyond secondary schools. Nurses have ambiguous roles: they are undervalued and underutilized. There are regional disparities in terms of access (in some cantons up 30% of population live without health insurance) and certain vulnerable groups (e.g., Roma) have worse access than others.

A number of recent health sector reviews and studies were reviewed as part of the social due diligence. This includes the World Bank Bosnia and Herzegovina Functional Review of the Health Sector (2019), Health Policy Note (2019) and journal articles on patient's satisfaction with healthcare (Spasojevic, et al, 2015) and attitudes towards nurses (Racic, et al, 2019).

D. 2. Borrower's Institutional Capacity

In Republika Srpska, the Ministry of Health and Social Welfare (MoHSW), as an overarching authority in the health sector, will be responsible for implementation and oversight of the proposed Project. The MoHSW will develop, steer, coordinate, implement and monitor Project activities. Other institutions involved in the Project implementation will include the Health Insurance Fund (HIF), the Institute of Public Health (IPH), the Agency for Certification, Accreditation and Health Care Quality Improvement (ASKVA) and Ministry of Finance. When the Project implementation starts, the Department for Planning, Analysis, Financing and Project Implementation (DPAFPI) of the MoHSW, headed by the Assistant Minister, will have a key role in providing all functions specific to the day-to-day implementation of the Project, including and not limited to, overall coordination, financial management arrangements, disbursements and procurement arrangements. The DPAFPI has already had experience with implementation of various World Bank-financed projects and has been mainstreamed within the structure of the MoHSW for several years. The DPAFPI is, therefore, expected to assume the Project implementation responsibility.

In Federation of Bosnia and Herzegovina, the Project will be managed by the Ministry of Health (MoH) . The existing capacity of the MoH will be used for day-to-day management of the Project, including ensuring adequate human resources to coordinate the technical content of Project implementation at the national and cantonal levels. The MoH will formally appoint members of the Project Implementation Unit, headed by the Assistant Minister, who will be responsible for all fiduciary tasks of procurement and financial management, as well as for the monitoring and reporting on the implementation of project activities. This will be condition for effectiveness.

Both, the PIU and DPAFPI have experience in implementing World Bank projects, including the Health Sector Enhancement Project (HSEP) that included reconstruction of a number of health care facilities (closed in 2014) and preparation of the dropped Health Sector Improvement Project recently. Under HSEP all works were carried out according to World Bank environmental guidelines and safeguards compliance was satisfactory. HSEP did not trigger OP 4.12 and the PIUs did not handle any other social issues, and therefore did not have this expertise on board. Due



to the mandate and staffing of the ministries, there are no environmental specialists working in the ministry, but the condition to hire a part-time environmental and social specialist as part of the PIU and the DPAFPI will be included as a condition to effectiveness, in particular since formation of a PIU is already a condition.

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

A. Environmental and Social Risk Classification (ESRC)

Low

Environmental Risk Rating

Low

The Project, at this stage, does not include any activities that may have a physical footprint or have direct or indirect environmental impacts. The main aim is to improve financial management of the sector, focusing mostly on arrears. Furthermore, the Project would improve quality assurance and monitoring of the services in the sector and overall improved governance in the publicly funded health care sector. There is a possibility that the hospital improvement and reform plans would include activities with temporary environmental impacts (in case refurbishment of facilities is to be undertaken to offer new medical services, for example) and these would be addressed, if need be, through the development of site-specific checklist Environmental and Social Management Plans. The possibility of including refurbishment works will be more defined until the Appraisal stage ESRS.

Social Risk Rating

Low

The Project will introduce patient-centered and performance-focused health care system through improvements of financial management, monitoring of management and facility quality and use citizen feedback to improve accountability. These activities are generally anticipated to have positive impacts on the efficiency and quality of health care services and ultimately, the patients. The Project may finance minor refurbishment of health care facilities to accommodate for health care service efficiency within existing premises. Impacts on private land/assets are unlikely because all refurbishment is anticipated to take place within the existing facilities. Through its citizen engagement mechanism, the Project will give citizens the possibility of influencing health care services. The Project does not anticipate direct impacts on any other vulnerable groups as access to healthcare services is not within the scope of the Project. Meaningful engagement of stakeholders will continue throughout the Project live to facilitate public receptiveness to potential changes in the delivery of medical services. Given the low risk of the operation, the lack of adverse social material impacts, and the integration of citizen engagement mechanisms in key project activities (see section on ESS 10 below), the Project’s social risk is considered to be low.

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

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The Project, at this stage, does not include any activities that could have a physical footprint or have lasting direct or indirect environmental impacts. The main aim is to improve financial management of the sector, focusing mostly on arrears. Furthermore, the Project would improve quality assurance and monitoring of the services in the sector and overall improved governance in the publicly funded health care sector. By increasing citizen interface with health care facilities, the Project aims to use public pressure to improve accountability and quality of health care services.



The hospital improvement and reform plans may include activities that may have temporary environmental impacts (in case refurbishment of hospital premises is required to offer new medical services, for example) and these would be addressed by development and implementation of site-specific checklist ESMPs. Provided that potential repurposing would take place within the existing health care facilities, it is unlikely that impacts on private land/assets would occur. The Project Operational Manual would need to specify that if any works are proposed under the improvement plans, they are subject to an environmental and social due diligence and will be conducted in line with the World Bank’s Environmental and Social Standards and the World Bank Group Environmental, Health and Safety Guidelines, both general and the Guidelines for the Health Care Facilities. The actual possibility of such refurbishment to be included in the overall project will be better defined and known by the Appraisal stage ESRS.

The area of healthcare that affects vulnerable groups the most is access. Improving access is not within the scope of The Project and therefore does not anticipate direct impacts on vulnerable groups.. However, service quality feedback will be disaggregated by sociodemographic factors to inform future service improvements. This is particularly important given differences in care and patient-provider relationship between social groups.

The Project may introduce changes to medical services that could be negatively perceived, such as job reprofiling that expands role of nurses and pharmacists to take on tasks currently performed by doctors, more day-care surgery, etc. To mitigate this risk, stakeholders will be consulted on appropriate ways of introducing service changes in the context of Bosnia and Herzegovina and ensuring that job reprofiling is accompanied with training.

Areas where “Use of Borrower Framework” is being considered:

The Borrower framework is not considered for any part of this project.

ESS10 Stakeholder Engagement and Information Disclosure

Direct beneficiaries of the Project will be the MoH of Bosnia and Herzegovina, Ministry of Health and Social Welfare of the Republika Srpska, Health Insurance Funds and health facility management staff that will gain access to databases, methodologies and capacity building for improved financial and human resource management. Efforts to improve quality and efficiency of health care through monitoring, improved internal management procedures and use of citizen feedback to strengthen accountability will benefit health facilities at all levels (Public Health Institutes, Hospital and Primary healthcare facilities) and ultimately the users of the publicly-funded BiH’s health care systems, that is, the general public.

Other interested parties include Pharma Association, Medical Chambers, Sarajevo Cantonal Public Health Institute, Sarajevo Institute for Student Health, Sarajevo Institute for Sports Health, RS Ministry of Local Administration, RS Association of Municipalities, Medical Universities and key development partners/donors working on health care in the country, such as the European Commission and numerous embassies.

The Project concept was developed based on a series of engagements over the past 18 months with relevant stakeholders in each entity. These have included interviews with users of the health care systems, roundtable discussions, presentations and bilateral meetings with key stakeholders as identified above. At the core of these engagements were the policy recommendations of the Bosnia and Herzegovina Functional Review of the Health Sector (World Bank 2019), which have been widely discussed with identified stakeholders, endorsed by major political parties and the Health Donors Coordination group. A Stakeholder Engagement Plan (SEP), which will be



prepared by the Borrower before Appraisal, will provide a summary of past engagement and proposed activities for continued engagements with different stakeholders throughout the project cycle.

As part of component 2, the Project proposes to utilize citizen feedback to strengthen public accountability for performance. The proposed mechanisms include a citizen report scorecard and a real-time SMS satisfaction survey to capture patient feedback on quality of services. Additionally, the project proposes to develop a standardized methodology for grievance management and establish grievance mechanisms at the facility level to enable aggregated monitoring of grievances by MoH. The SEP will include details on how relevant stakeholders can provide feedback on the design of the proposed citizen engagement mechanisms to ensure they are fit for purpose and adapted to the country context.

B.2. Specific Risks and Impacts

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

ESS2 Labor and Working Conditions

ESS2 is relevant to consultants engaged as part of the PIUs (direct workers). Majority of PIUs' personnel will be existing staff of the ministries and employees of consultancies and contractors (contracted workers) engaged to provide services under the Project (e.g. establish information management systems, curriculum for health care staff, etc.) and if applicable, conduct minor refurbishment of healthcare facilities. The Project does not anticipate engagement of any other project workers. None of the identified project workers are considered vulnerable and no labor risks are identified at the moment. The use of community workers is also not anticipated. The Borrower will prepare Labor Management Procedures (LMP), which will outline the Borrower's responsibilities for enforcing ESS2 requirements.

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is currently not relevant, but the team may want to consider to also look at a pilot initiative for decreasing the operational costs of the health care facilities through limited interventions on energy and resource efficiency and possible improved waste management activities, including separate selection of recyclables and their separate collection or reuse where possible.

ESS4 Community Health and Safety

Although health care facilities generate medical waste which carries a varying degree of risk both within the facilities and upon leaving the facility for final management, the scope of the Project does not involve any activities that would target the provision of medical services and, therefore, generation of such wastes. Hence, the risk to waste collection workers (formal and informal) from improper handling of medical waste is outside of the scope of this Project. The team will explore the possibility of including recommendations on sound medical waste management, including handling, storage and final management, although final management is beyond the scope of the institutions involved in the Project. Such recommendations should also consider health and safety of waste workers. In case of refurbishment of existing healthcare facilities, principles of universal access for people with disabilities will need to be included in the design as appropriate.



ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The Project may involve minor civil works in form of refurbishment of current health care facilities to enable improvement in health care efficiency (e.g. provide more day-case surgery). If refurbishment is included in the Project, is anticipated to take place within existing premises. The actual possibility of such refurbishment to be included in the overall project will be better defined and known by the Appraisal stage ESRS. There is a possibility that the Project will contribute to concentration of care in fewer specialized centers, but no new construction. Land acquisition that may have involuntary resettlement impacts is not anticipated. This standard is currently not relevant.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This standard is not relevant, because all activities will be conducted within the existing facilities with no implication on the natural resources and habitats.

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

Bosnia & Herzegovina does not have distinct social and cultural groups as covered by ESS7. Thus, this standard is not relevant.

ESS8 Cultural Heritage

There is a potential for minor repurposing of existing health care facilities to accommodate new health care practices. There are no project implications on cultural heritage and this standard is not considered relevant at this stage.

ESS9 Financial Intermediaries

This standard is not relevant because the Project does not envision involvement of financial intermediaries.

B.3 Other Relevant Project Risks

There is always a risk of medical wastes when dealing with the health care facilities, but based on the assessment of the previously prepared health project, all of the facilities have some sort of waste management plan in place, at least until the waste leaves their facilities. The overall disposal of such wastes remains questionable but is also under the jurisdiction of the ministries of environment and the public utilities for waste management.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

Public Disclosure



III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered?

No

Financing Partners

None.

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

Actions to be completed prior to Bank Board Approval:

- 1. The Borrower will prepare, in consultation with the Bank and key stakeholders, the SEP consistent with ESS10.
- 2. The Borrower will prepare the LMP consistent with ESS2.

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

- 1. If the Project supports physical works within the existing health care facilities, the Borrower is to inform the Bank team and to comply with the World Bank’s Environmental and Social Standards. For small-scale refurbishment works inside existing facilities, the Borrower will be obliged to use the Checklist ESMP.
- 2. The Borrower will adhere to the World Bank Group Environmental, Health and Safety Guidelines for Health Care Facilities.
- 3. Implement SEP throughout the Project life.
- 4. Hire and maintain part-time Environmental and Social Specialist with experience on IFIs’ social and environmental standards.
- 5. Implement Labor Management Procedures through the Project life.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

01-Jun-2020

IV. CONTACT POINTS

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Public Disclosure



Borrower/Client/Recipient

Borrower: Ministry of Finance, Federation of Bosnia and Herzegovina

Borrower: Ministry of Finance, Republika Srpska

Implementing Agency(ies)

Implementing Agency: Ministry of Health and Social Welfare, Republika Srpska

Implementing Agency: Ministry of Health, Federation of Bosnia and Herzegovina

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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Practice Manager (ENR/Social)	Robert Wrobel Recommended on 11-Nov-2019 at 12:56:56 EST
Safeguards Advisor ESSA	Nina Chee (SAESSA) Cleared on 11-Dec-2019 at 10:00:51 EST