



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 12-Feb-2018 | Report No: PIDISDSC23662



BASIC INFORMATION

A. Basic Project Data

Country Bolivia	Project ID P164453	Parent Project ID (if any)	Project Name Health Service Delivery Network Project (P164453)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Mar 12, 2018	Estimated Board Date May 24, 2018	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Plurinational State of Bolivia	Implementing Agency Ministry of Health, Ministry of Health - Agencia de Infraestructura en Salud y Equipamiento Medico (AISEM)	

Proposed Development Objective(s)

The project development objective (PDO) is to improve access and quality of health service delivery in select health networks.

Financing (in USD Million)

Financing Source	Amount
International Bank for Reconstruction and Development	300.00
Total Project Cost	300.00

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track II-The review did authorize the preparation to continue
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Other Decision (as needed)



B. Introduction and Context

Country Context

1. **Bolivia made remarkable economic and social progress during the commodity boom (2004-2014).** Boosted by gas and mining exports and public investment, economic growth averaged roughly five percent during this period. Strong economic growth and prudent macroeconomic management allowed for sizeable fiscal and current account surpluses that contributed to accumulating considerable macroeconomic buffers: international reserves and public savings at the Central Bank increased from 13 to 46 percent of GDP and from 8.6 to 24 percent respectively over this period. This macroeconomic performance, in combination with the Multilateral Debt Relief Initiative¹, resulted in a sharp decrease in public debt from 98 percent of GDP in 2003 to less than 40 percent in 2014. High economic growth and high commodity prices nearly tripled the per-capita income (Atlas method) in one decade; from US\$970 in 2004 to US\$2,800 in 2014. This improvement was especially pronounced for the bottom 40 percent as higher commodity prices and growing domestic demand favored rural economic activities and non-tradeable sectors. As a result, Bolivia experienced one of the largest reductions in poverty and inequality in the Latin American and Caribbean (LAC) region. Between 2002 and 2014, the national poverty rate among the country's estimated 11 million population declined from 63 percent to 39 percent. National extreme poverty fell from 39 percent to 17 percent, and the Gini coefficient dropped from 0.60 to 0.48.

2. **Although the Government has managed to cushion the effect of lower commodity prices on economic growth, the new normal has resulted in sizeable macroeconomic imbalances and a slowdown of poverty reduction.** A less favorable external context has reduced GDP growth from a peak of 6.8 percent in 2013 to an estimated 4.2 percent in 2017; however, the Government of Bolivia has cushioned the slowdown through expansionary fiscal and monetary policies. This policy stance has caused substantial current account and fiscal deficits, estimated at 5.9 and 6.5 percent of GDP in 2017 respectively, which were financed by external debt, Central Bank financing to State Owned Enterprises, and the reduction of macroeconomic buffers. Public debt increased from 37 percent of GDP in 2014 to an estimated 50 percent in 2017, Central Bank international reserves fell from 46 percent to an estimated 29 percent, and public savings at the Central Bank declined from 20 percent to an estimated 14 percent. In this context, poverty reduction lost momentum as labor income in sectors that employ the poor (agriculture, mining, and construction) saw little or no growth. Poverty has hovered around 39 percent between 2013 and 2015, as the reduction of rural poverty (from 60 to 55 percent) was offset by an uptick of urban poverty (from 29 to 31 percent). Similarly, after having decreased by 0.12 points between 2006 and 2011, the Gini coefficient has fluctuated around 0.47 since 2011.

3. **Bolivia's low human development indicators reflect the challenges of the country's complex social structure.** In 2016, Bolivia ranked 118 out of 188 countries on the Human Development Index and life expectancy at birth is 68 years and has continued to steadily increase over the past 30 years with a literacy rate of 95 percent.² Bolivia has historically been divided geographically and ethnically, with wide income gaps between the poorer highlands and the wealthier lowlands. Many indigenous groups have been subject to social and economic exclusion for decades. The effects of these divisions persist, reflected in dramatic variances in health indicators in different areas of the country, and substantial

¹ The Multilateral Debt Relief Initiative (MDRI) provided for 100 percent relief on eligible debt from the IMF, IDA and AfDF to a group of low-income countries, including Bolivia. The initiative aimed to help eligible countries advance toward the Millennium Development Goals (MDGs) focused on halving poverty by 2015.

² Plan Sectorial de Desarrollo Integral Para Vivir Bien 2016-2020



variations in health care among income quintiles.

Sectoral and Institutional Context

5. **Despite progress, Bolivia's human development indicators remain among the lowest in LAC.** While infant mortality has markedly declined from 82 deaths per 1,000 live births in 1990 down to 24 deaths per 1,000 live births in 2015, Bolivia's infant mortality rate remains the highest in South America (EDSA 2016). As of 2012, 59% of deaths are caused by non-communicable diseases, namely cardiovascular diseases (CVDs) (23.5%); cancers (10%); digestive diseases (7.6%); kidney disease and diabetes (4%). Given this epidemiological profile, it is imperative that primary care facilities as the principal gateway to higher level care, have a solid referral system in place to refer more complex cases for care at secondary and tertiary levels. Without this option, primary health care facilities lose credibility by not being able to refer complex cases to higher level facilities. This scenario undermines the overall quality and access to health services.

6. **More than eighty percent of Bolivia's health service delivery system is comprised of public facilities, complemented by social security (5.7%), private organization (5.7%), NGOs (3.2%), churches (2.3%), and other smaller government entities.** Primary health care facilities make up 92% of all public health facilities in the country, followed by 6.3% secondary and only 1.9% tertiary facilities. Highly qualified medical personnel are scarce: in 2015, there were an estimated eight medical doctors for every 10,000 population, and five licensed nurses for every ten medical doctors. Most medical specialists are concentrated in tertiary care (45%); 20% at secondary and 35% in primary care. The National Health Sector Plan 2016-2020 (Plan Sectorial de Desarrollo Integral Para Vivir Bien 2016-2020) estimates that 65% of medical human resources are in urban areas and 35% in rural areas. The density of human resources in health in Bolivia is 14.1 per 10,000 inhabitants (including doctors and nurses) in the public subsector.

7. **Access to secondary and tertiary care across the country varies substantially.** For example, the use of Caesarean sections (tracer for access to tertiary care) reveal significant disparities: 56% of women with high levels of education gave birth by Caesarean section compared to 15% of women with no education.³ Over the past two decades, solid progress has been made in terms of access to prenatal care (from 79% to 96%), births in health facilities (from 57% to 88%) and births attended by health personnel (from 61% to 90%). Nevertheless, the referral system for emergency obstetric care is still a challenge and this barrier is responsible for many maternal and infant deaths today. While critical and ongoing health issues in Bolivia still include high mortality rates for maternal and infant mortality, Bolivia is faced with a new challenge of an increasing incidence of non-communicable diseases (NCDs), their complications and related deaths. The proposed project will address these issues by improving access and quality to primary care networks and to secondary and tertiary care services in select areas. The proposed project is in line with the National Hospital Plan 2015-2020 and the Government has expressed its strong commitment to improving the health network system in the country.

8. **Over the past decade, investments in primary health care have increased access to basic services, but continuity of care is still a significant issue.** Hospital infrastructure is old and inadequate resulting in limited access to good quality secondary and tertiary care. Previous World Bank investments in the health sector mainly focused on improving primary health care and maternal and child health, but these investments also face the same network challenges in terms of supporting continuity of care. Only two previous projects⁴ targeted the hospital sector including a maternity hospital, small specialized pediatric oncology unit and twenty-two health centers. These facilities are functioning well and providing services despite human resource challenges.

³ 2016 Household survey (EDSA)

⁴ Health Sector Reform APL II (P074212) approved in 2001; and Expanding Access to Reduce Health Inequities Project (APL III) -- Former Health Sector Reform - Third Phase (APL III) (P101206) approved in 2008.



9. **The proposed project will contribute to the Government's broad reform program of hospital networks supported by multiple sources of financing.** In this context, the proposed World Bank Project will support interventions that will have a national scope and others with a targeted geographic focus as agreed upon with the Government of Bolivia (GoB).

Relationship to CPF

10. **The proposed Project is fully aligned with the Country Partnership Framework 2016-2020** and directly contributes to Pillar 1 (Promoting Broad-based and Inclusive Growth), Objective 2 (Increase Access to Selected Quality Basic Services for the Poorest Rural and Urban Communities). The CPF notes that outcome indicators in health and education have improved for all Bolivians, significant gaps persist in terms of access to health services, namely access for women and children, notably during the stages of pregnancy, post-natal and childhood.

11. **The proposed Project will contribute to the achievement of higher level objectives of the GoB.** In 2013, the GoB launched the 2025 Patriotic Agenda, a national plan that establishes medium-term policy objectives to eradicate extreme poverty and improve the well-being of the country's population. The Patriotic Agenda prioritizes the improvement of infrastructure, basic health and education services and the role of Government to stimulate inclusive economic growth. To operationalize the thirteen pillars of this strategy, the Social and Economic Development Plan 2016-2020 has set specific targets. The Project is directly contributing to targets set out in the objectives of Pillar 1 (eradicate extreme poverty), and Pillar 3 (health, education and sports).

12. **The Project will also support the World Bank Group's Twin Goals of ending extreme poverty and boosting shared prosperity.** It has a strong pro-poor focus and is directed to Bolivia's most vulnerable by working to improve access and quality of health services. Efforts will focus jointly on tertiary care as well the strengthening of existing secondary and primary health care facilities, which is often the first point of care for rural populations. The proposed project will benefit the populations residing within the targeted health service delivery networks. Other activities aimed at improving standards, quality and availability of specialized medical personnel will also benefit the quality of health services provided nationwide. Furthermore, the proposed interventions will address severe illnesses and in several cases catastrophic diseases that have higher economic impacts among the poor. The updated health service delivery networks are expected to have greater benefits for the poor as these strengthened networks will substantially reduce the current gaps in access to services across levels of care thereby ensuring smoother continuity of care.

C. Proposed Development Objective(s)

The project development objective (PDO) is to improve access and quality of health service delivery in select health networks.

Key Results (From PCN)



The proposed key results are:

- Number of new hospitals and rehabilitated networks fully operational⁵ in select health networks
- Establishment of accreditation standards in use across the supported health networks
- Increased capacity of national medical residency program (number of residents graduated in the last year)
- Increased number of clinical protocols for prevalent health problems⁶ updated, disseminated and in use

Potential intermediate indicators:

- Use of hospital management information systems or establishment of systems (*or other related indicator that shows greater efficiency/quality from use of hospital information management system*)
- Application of quality checklist across select health networks
- Number of medical specialists supported/financed and trained by the project

D. Concept Description

13. **The proposed Project in the amount of US \$300 million will strengthen Bolivia's health services network, mainly access to secondary and tertiary levels in select areas, and improve the quality of health service delivery nationwide.**

The project will support the strengthening of health service delivery through the design, construction and equipping of select department and municipal level hospitals and their networks. The project will also support human resource capacity development in specialized medicine, hospital management and other areas, updating of clinical norms and standards, including implementation of quality checklists using ICT, and support to linking the national Health Information System (SNIS) with newly developed/established hospital management information systems.

14. **Five selected health service delivery networks will be supported by the proposed project** through the rehabilitation of existing facilities and equipment, and building of five new referral hospitals. Currently, these five networks cover an estimated population of over 1 million who do not have a referral hospital in place. The health service delivery networks were selected based on the following criteria: (i) population; (ii) distance to an alternative referral hospital; and (iii) epidemiological profile and health indicators that merit the proposed intervention.

- **University Hospital in La Paz.** This tertiary hospital located in the Southern Zone of La Paz, will be the head hospital network in the Southern District of the department of La Paz that could have an estimated population coverage of more than 750,000 inhabitants. Currently the network in this southern zone of La Paz only has a level two hospital that is not well equipped with the required technology or expertise to handle acute cases. This means there are no facilities nearby to refer complex or acute cases; requiring patients to seek out higher level care in other zones of La Paz or in neighboring municipalities – for which the poor are most often limited from doing given transportation and other implied costs. Given its location, the new hospital will also support the networks of neighboring municipalities and districts. The network of the Southern Zone of La Paz will also be strengthened through the rehabilitation of existing primary care centers, and provision of equipment and clinical and administrative/management training to be able to provide primary and secondary level health services and avoid bypassing primary and secondary facilities and overburdening the new tertiary hospital. This network also includes primary care services (health centers and health posts) and one secondary level hospital that will also be

⁵Fully operational is defined by the health facility being completed as per the technical designs, staffed with up to 60% of the required medical specialists and providing health services.

⁶ These include health problems related to NCDs, issues such as maternal and infant health and infectious diseases such as Chagas and tuberculosis.



supported.

- **Four level 2 hospitals (head hospitals of local networks at department level) and their corresponding networks.**

The project interventions will be turn-key operations in the following urban municipalities: Caranavi (La Paz), Quillacollo (Cochabamba), San Julian and La Guardia (both in Santa Cruz). All of the level two hospitals would become the head hospitals of local primary health care networks, which currently operate without a reference hospital.

15. **In addition to the proposed civil works, the project will also support efforts to improve the overall quality of health service delivery and capacity development of human resources.** Activities to be supported by the project include: (i) training of clinical specialists; (ii) development and updating of clinical care standards including the use of mobile phone technology to apply clinical standards through the employment of quality check lists at hospitals and their networks; (iii) elaboration and implementation of accreditation standards; and (iv) establishment of health information systems in the new hospitals while working to ensure compatibility with the existing National Health Information System (Sistema Nacional de Información en Salud y Vigilancia Epidemiológica, SNIS-VE).

16. **Project management will be strengthened through two Project Implementing Units (PIU):** the Agency for Infrastructure in Health and Medical Equipment (AISEM), and a Project Implementing Unit (PIU), both housed in the MOH, and staffed with MOH officials and external experts as needed to provide support, technical assistance and capacity building.

17. **The Project has three components:**

18. **Component 1: Strengthening Health Service Delivery Networks.** This component will support the hiring of construction firms, as well as the supervision of the infrastructure and equipment activities of the new hospitals. Critical renovations and medical equipment to health centers in the respective networks of the five new hospitals will also be supported as needed. Staff training of these networks will be supported through Component 2. The execution of civil works, provision and installation of medical and non-medical equipment, and related trainings will be financed by the project through turn-key contracts to ensure that the hospitals will be fully operational. The Minister of Planning and Development has communicated that the Bolivian State will guarantee the provision of Government resources to finance the technical design (pre-investment) of the identified hospitals and that Government resources will also finance the recurrent costs of the hospitals.

19. **Component 2: Improving quality of health service delivery and human resource capacity development.** This component will support human resources production and capacity development as well as the development and implementation of tools and standards of practice (SOPs) for the management of the new hospitals and their networks. Activities supported by this component will be implemented on a national level with priority placed on: (i) supporting the training of human resources needed to close the gap to start the operation of the new hospitals, and (ii) increasing the national capacity of medical residency programs to allow these programs to satisfy the country needs of medical specialists. Finally, a citizen engagement survey will be incorporated in the overall design of the project, likely through client feedback surveys.

Subcomponent 2.1: Training medical specialists, other professionals and critical personnel. This subcomponent will support different strategies to reduce the existing gaps of medical specialists, other health professionals, and nurses. To deal with some of the short-term staffing needs, the project will finance training in other countries through implementing mainly grants and other arrangements with residence programs in other Spanish speaking countries. In parallel, the project will finance arrangements with strategic partners (well recognized academic



centers and medical residence programs in other countries) to support and expand the modernization and scale-up of medical education programs in the Plurinational State of Bolivia.

Subcomponent 2.2: Updating and dissemination of national clinical care (care pathways) standards and other governance related regulations. This subcomponent will finance technical assistance (TA), training and support the design of IT tools for dissemination, and use of a database of evidence-based clinical practice guidelines and recommendations on the care of patients with specific conditions. In a country context where medical training is still a significant problem, the use of clinical guidelines will promote interventions of proved benefit (and discourage ineffective ones) that have the potential to reduce morbidity and mortality and improve quality of life.

Subcomponent 2.3: Supporting the link between the SNIS (health information systems) and the new hospitals' information systems. This subcomponent will finance TA, basic IT equipment and training to support the development of an interface between the existing SNIS and the new hospital information systems to be implemented in the new hospitals. The subcomponent will also contribute to updating the SNIS to incorporate international standards (i.e. HL7) which will allow for a more fluid exchange of data between the data and applications running (including a standard clinical record) in SNIS and the hospital information and management systems.

20. **Component 3: Project Management.** This component would finance the related operating expenses, equipment and furniture and personnel necessary for the execution of the Project in the two PIUs, in the areas of contract management, procurement, financial management, technical and monitoring and evaluation.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

Project interventions will be turn-key operations in urban areas of La Paz (La Paz city and the urban municipality of Caranavi), Santa Cruz (urban municipalities of San Julian and La Guardia) and Cochabamba (urban municipality of Quillacollo). The project will build five new hospitals: one Level 3 and four Level 2. For the Level 3 hospital in La Paz, because the final location is still not known, an Environmental and Social Management Framework (ESMF) will be prepared. Given the urban setting of all five hospitals, forests nor natural habitats are of concern.

B. Borrower's Institutional Capacity for Safeguard Policies

During the last two years, the Ministry of Health and AISEM were involved with the design and construction of six Level 3 hospitals (Villa Tunari, Montero, Trinidad, El Alto Sur, El Alto Norte and Potosí) and more than twenty Level 2 hospitals, with resources coming from the National Treasury and bilateral cooperation (IDB), but the Borrower's institutional capacity to deal with Safeguard Policies is still weak. Currently, AISEM has just one environmental specialist whose is also



in charge of social issues, to attend to an increasing portfolio of new projects. The current situation at the Ministry of Health in terms of its capacity to manage environmental and social issues, is also very weak.

Capacity building will be undertaken to strengthen the PIUs and health care staff capacity to implement and monitor safeguard compliance.

C. Environmental and Social Safeguards Specialists on the Team

Juan Carlos Enriquez Uria, Environmental Safeguards Specialist

Angela Maria Caballero Espinoza, Social Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project will finance the construction of one large hospital (Level 3) and four medium sized hospitals (Level 2). For the Level 3 hospital in La Paz, because the final location is still not known, an Environmental and Social Management Framework (ESMF), will be prepared. For the other four level 2 hospitals, an Environmental Impact Assessment will be conducted for each of these hospitals prior to appraisal. Design and construction will follow environmental guidelines as established in national legislation and World Bank guidelines for the environment, for environmental health and safety, and for health care facilities. The construction will be turn-key and include health care waste treatment facilities (autoclave and grinder) thus eliminating any potential issues with health care waste management (HCWM) from the outset.</p> <p>During construction, potential adverse environmental impacts are closely related to changes in project site topography, ground clearing, excavations and leveling for the construction, alterations to surface and ground hydrological characteristics affecting surface and groundwater quality, traffic movement, and obstruction and generation of noise and dust during the operation of heavy project construction machinery. Most of the adverse impacts are short-term, occurring only during the project construction phase.</p> <p>The project will also support the strengthening of local health networks through minor renovations of several level one facilities (e.g. health centers and health</p>



		posts) and two level two hospitals, procurement of new equipment and capacity building activities as needed.
Natural Habitats OP/BP 4.04	No	This policy is not triggered as all activities are to be undertaken in an urban setting.
Forests OP/BP 4.36	No	This policy is not triggered as all activities are to be undertaken in an urban setting.
Pest Management OP 4.09	No	The project is not expected to support the procurement of pesticides and therefore the policy is not triggered.
Physical Cultural Resources OP/BP 4.11	Yes	The project does not expect to find physical cultural resources but given the nature of civil works, including excavation, this policy is triggered on a precautionary basis.
Indigenous Peoples OP/BP 4.10	Yes	<p>A Social Assessment (SA) will be prepared by the Borrower considering the health networks' areas of: Southern La Paz Hospital (Third Level Hospital); Quillacollo Hospital (Second Level Hospital); La Guardia (Second Level Hospital); San Julián (Second Level Hospital); and Caranavi (Second Level Hospital). The SA will include gender and intercultural perspectives to analyze socio-cultural issues in the areas where the Project will be implemented. Specific measures to ensure socio-cultural adequacy of the Project (including gender), will be consulted.</p> <p>Given that 51.51 % of the direct project beneficiaries are indigenous people, OP/BP 4.10 is triggered and the elements of an Indigenous People Plan (IPP) such as the cultural pertinence approach (free, prior and informed consultations during the project cycle and participatory planning processes) will be included in the overall project design and reflected in a Social Management Framework (SMF) which will be presented as a separate document that will also include the SA. The SMF/SA will be prepared and published before appraisal.</p> <p>During preparation of the SMF/SA, free, prior and informed consultations will be undertaken with indigenous beneficiaries. Through the consultations, social risks and impacts will be identified and mitigation measures will be addressed.</p>
Involuntary Resettlement OP/BP 4.12	Yes	In compliance with the World Bank Operational Policy Involuntary Resettlement (OP/BP 4.12), and consistent



with Bolivian law, the Borrower will prepare a Resettlement Policy Framework (RPF). If needed, Resettlement Plans for South La Paz Hospital, Caranavi Hospital and other second level health services from the networks, will be prepared during project implementation, if the exact locations are not known by appraisal.

For the subprojects of: Quillacollo Hospital (Second Level Hospital); La Guardia (Second Level Hospital) and San Julián (Second Level Hospital), the policy is not triggered since the Borrower confirmed that land tenancy, assets and economic incomes of the hospitals' land neighbors, will not be affected by the new construction. These three Hospitals will be built on available terrain that is being transferred, to be owned by the utility.

This policy is not triggered given the project will not support the construction or rehabilitation of dams nor will it support other investments which rely on the services of existing dams.

This policy is not triggered as project activities will not be conducted on international waterways.

This policy is not triggered as project activities will not be conducted in disputed areas.

Safety of Dams OP/BP 4.37

No

Projects on International Waterways OP/BP 7.50

No

Projects in Disputed Areas OP/BP 7.60

No

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Mar 05, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

An Environmental Assessment for each of the hospitals being built or reformed will be undertaken prior to Appraisal. Preparation of the social safeguard instruments were initiated in December 2017. The Social Assessment and Social Management Framework for the project, and the Resettlement Policy Framework will be disclosed before Appraisal (mid-March 2018). Consultations will be undertaken after the stakeholder’s mapping included in the SA has been completed (February 2018). The social safeguard instruments of the project will be prepared while the pre- investment activities are being undertaken by the Borrower.



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APPROVAL

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Country Director:	Boris Enrique Utria	14-Feb-2018
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