Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 18-Oct-2023 | Report No: PID031

BASIC INFORMATION

A. Basic Program Data

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Bangladesh	SOUTH ASIA	P180283	Health, Nutrition and Population Sector Development Program
Financing Instrument	**Estimated Appraisal Date**	**Estimated Approval Date**	**Practice Area (Lead)**
Program-for-Results Financing (PforR)	20-May-2024	18-Sep-2024	Health, Nutrition & Population
Borrower(s)	**Implementing Agency**		
Economic Relations Division, Ministry of Finance	Ministry of Health and Family Welfare		

Proposed Program Development Objective(s)

Support the Government of Bangladesh to enhance access and utilization of quality health services by strengthening the public health systems and building its resilience in select geographical areas.

COST & FINANCING (US$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?	No
Is this project Private Capital Enabling (PCE)?	No

SUMMARY

Government program Cost	**2,000.00**
Total Operation Cost	**2,000.00**
Total Program Cost	2,000.00
Total Financing	**2,000.00**
Financing Gap	**0.00**

FINANCING

Total World Bank Group Financing	**378.78**
World Bank Lending	378.78
Total Government Contribution	**1,596.22**
Total Non-World Bank Group Financing	**25.00**
Trust Funds	25.00

Concept Review Decision

The review did authorize the preparation to continue

B. Introduction and Context

Country Context

1. **Bangladesh has made rapid social and economic progress in recent decades, reaching lower middle-income status in 2015.** Stable macroeconomic conditions drove 6.4 percent average annual real Gross Domestic Product (GDP) growth between 2010 and 2022. Over the same period, poverty and extreme poverty declined by 19.6 and 6.8 percentage points to 30 percent and 5 percent, respectively.[1] However, the pace of poverty reduction has slowed.

2. **The country navigated the COVID-19 pandemic shock with prudent macroeconomic policies.** However, elevated commodity prices and synchronous global monetary policy tightening contributed to a widening balance of payment deficit and a sharp decline in foreign exchange reserves from the second half of FY22. Domestic policies exacerbated the impacts of external pressure, including the introduction of multiple exchange rates, and de facto caps on lending rates.

3. **The fiscal deficit widened to an estimated 5.3 percent of GDP in FY23.** Tax revenues remained among the lowest in the world at an estimated 7.4 percent of GDP in FY23. Expenditure growth accelerated with higher subsidy spending due to elevated commodity prices, while revenues declined with lower imports. Real GDP growth is expected to reach 5.6 percent in FY24 before accelerating to its long-term trend. Inflation is projected to remain elevated in the near term and gradually subside over the medium term. The fiscal deficit is expected to stay within 5.5 percent of GDP, with a moderate increase in revenues.

4. **Bangladesh is highly vulnerable to the effects of climate change.** The Global Climate Risk Index ranks it the seventh most affected country in 2000-2019, highly susceptible to extreme weather events such as cyclones, floods, and storm surges. Addressing these climate risks will support sustainable economic development and prevent vulnerable populations from being left behind.

Sectoral (or multi-sectoral) and Institutional Context of the Program

5. **Bangladesh has been one of the world's top performers on the Millennium Development Goals but the rate of progress of some of the Sustainable Development Goals (SDG) targets has stagnated**. Women's Life Expectancy in

[1] Based on the international poverty line of US$ 3.65 and US$ 2.15 per day (using 2017 purchasing power parity) for poverty and extreme poverty, respectively.

Bangladesh increased from 59.5 years in 1990 to 74.6 years in 2017, and from 57.3 to 71.8 for males over the same period. While Bangladesh is "on track or maintaining SDG achievement" in seven out of fourteen indicators for SDG-3, six have stagnated or not increased at the required rate. Similarly, the SDG indicators pertaining to stunting or wasting among under-five children are not on track.

6. **The secondary and tertiary level facilities generally provide most health services despite representing only 20 percent of the health infrastructure**. While these facilities provide basic primary healthcare and specialized care, the high volume of patients results in overcrowding and exhaustion of the system, leading to high out-of-pocket expenses and impeding access to specialized care for those in need. At the upazila levels and below, the facilities are typically fraught with HR vacancies and inadequate supply of medications, among other issues. This merits a reorientation and refocus of service delivery through the primary health facilities with requisite financing.

7. **The disease pattern in Bangladesh has changed over the years.** Currently, the country is suffering from a double burden of disease, with an increase in the burden of non-communicable diseases (NCDs) and an increase in emerging and reemerging infectious diseases. There are substantial gaps in NCD service provision with only 52 percent of facilities providing services for common NCDs (diabetes, hypertension, cervical cancer, and chronic obstructive pulmonary disease). Among all men and women living with hypertension, less than half of women and one in three men get diagnosed. Even when diagnosed, not all patients initiate treatment.

8. **Gaps in coverage and poor quality of care are the primary reasons for the stagnating progress particularly in terms of women's healthcare needs.** Several factors contribute to inequalities in access to maternal and reproductive health in Bangladesh, including geographical gaps in coverage – particularly in Sylhet and Chattogram division. Though coverage of four ante-natal care (ANC) checkups increased to 38.3 percent in 2022, only 21 percent women receive quality ANC. Around 70 percent of deliveries take place public and private health facilities. Ninety-four percent of public facilities provide basic maternal and child services.[2] About 45 percent of deliveries occur in private facilities of which 85 percent are through Caesarian section. The majority (73 percent) of maternal deaths occur during the first two days of delivery though 78 percent of women deliver in facilities. Regional inequalities are observed in contraceptive prevalence rate as well with eastern regions lagging behind.

9. **Nutrition and emerging health challenges remains.** Bangladesh has made considerable strides in improving child nutrition outcomes over the past decades by improving food security and dietary diversity, mainstreaming nutrition services through the health system, educational attainment, women's empowerment, and environmental conditions. Stunting has halved from 48 to 24 percent in the last two decades. Despite this progress, poor nutrition remains a challenge.

10. **Low and inefficient public financing is hampering progress in the health sector.** The low spending has resulted in insufficient service coverage, inefficient service provision, and weak financial risk protection leading to high out-of-pocket expenditure. This is compounded by inadequate allocation of resources away from primary to tertiary healthcare. Ongoing challenges in the financial management system, such as slow release of funds, poor planning, and weak public financial management (PFM) capacity and delay in procurement, hinder efficient utilization of resources.

11. **The limited availability of skilled health workforce is leading to poor quality and coverage of health services.** The limited availability of healthcare providers such as doctors, nurses, and midwives at the primary care level is a source of significant concern. Over 75 percent of doctors and nurses work at the tertiary level compared to only 10.2 percent and

[2] Bangladesh Health Facility Survey 2017

8.2 percent at the primary level, respectively.

Relationship to CAS/CPF

12. **The Program is consistent with the World Bank Bangladesh Country Partnership Framework (CPF) FY23–27**. Human development is one of the foundational priorities in the CPF. The Program will contribute to (i) improved socioeconomic inclusion and (ii) enhanced climate resilience.

Rationale for Bank Engagement and Choice of Financing Instrument

13. **The Government and development partners (DPs) (including the World Bank) have supported the Ministry of Health and Family Welfare (MoHFW) through a sector-wide approach (SWAp) since 1998, adopting a series of multiyear strategies, programs, and budgets**. The ongoing Fourth Health Population and Nutrition Sector Program (HPNSP) (January 2017 to June 2024) has a financing of US$14.0 billion, the majority of which (83 percent) is financed by the Government. The ongoing Health Sector Support Project (P160846) is supporting the fourth sector program using an Investment Project Financing with disbursement-linked indicators approach. This has helped the MoHFW prepare for the results-based financing approach.

14. **PforR is considered the appropriate financing instrument for this operation.** The PforR will enable the much-needed shift in focus from inputs to outcomes, through a stronger alignment of financing with results. The government has already outlined these results focus through clearly defined results areas and a Program framework with prioritized interventions for the fifth health sector program.

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

Support the Government of Bangladesh to enhance access and utilization of quality health services by strengthening the public health systems and building its resilience in select geographical areas.

PDO Level Results Indicators

15. The following are proposed at the concept stage and will be further refined in discussion with the government during preparation.

- Women of reproductive age who have their need for family planning satisfied with modern methods at the upazila level and below (proportion)
- Normal deliveries by skilled birth attendants in public health facilities at the primary level (number)
- Registered children below 2 years who received age-appropriate nutrition counselling (proportion)
- Upazila-level facilities with an uninterrupted supply of medications for diabetes and hypertension (number)
- Front-line workers trained to detect and treat climate-sensitive diseases (number)

D. Program Description

PforR Program Boundary

16. **The GoB's fifth HPNSP (p) (June 2024 to July 2029) aims 'to expand quality HNP services and strengthen required**

systems along with governance for improved efficiency and equity'. The strategic investment plan of the program proposes two major components: (i) Service Improvement and (ii) Systems Strengthening.

17. **The estimated budget envelope for the fifth HPNSP is approximately US$ 17 billion, 85 percent to be sourced from the GoB and the remaining from DPs.** The Services Improvement component proposes to continue addressing the unfinished agenda of reducing maternal-newborn mortality and upholding the gains in child health. The systems strengthening component encompasses improving critical systems for quality and efficient service delivery. It includes but is not limited to fiduciary, human resources and information management systems, procurement and supply chain and asset management systems.

PforR Program ("P")

18. **The proposed Health, Nutrition, Population, Sector Development Program has three results area which will support the GoB reorienting the current system for health service delivery towards PHC system**. It will address the unfinished agenda of RMNCAH, NCDs, nutrition, emerging and re-emerging diseases and build resilience of the health system to address the effects of climate change, health emergencies, and shocks. The program will also strengthen the fiduciary, HR, and asset management mechanisms while facilitating a coherent MIS system for evidence-based decision-making. The proposed Program (''P'') is a well-defined subset of the government's program (''p'').

Result Area #1: Strengthening quality PHC to address the unfinished agenda of RMNCAH, Nutrition and emerging NCDs and disparities.

19. **HNPSDP will strengthen systems and capacity for RMNCAH, nutrition, and non-communicable diseases.** Comprehensive primary health care will be provided to include service provision geared towards RMNCAH, nutrition, communicable diseases and NCDs. This will include integration of midwifery care, upgrading the provision of service packages for treatment, and establishing a patient referral system in primary health at upazila and union-level facilities. Improvements will also be made to maternal health and sexual and reproductive health and rights.

Result Area #2: Health system strengthening, responsive to the population's evolving needs

20. **HNPSDP will support the strengthening of critical systems necessary for quality and efficient PHC level service delivery.** From the governance perspective, citizen engagement through the GRM system and implementation of the appropriate governance and stewardship mechanisms will support the achievement of this result area. The Program will also aim to strengthen the Health Management Information System (HMIS) to facilitate effective evidence-based decision-making. Strengthening the fiduciary system will involve reforming financial management, procurement, supply chain management, and asset management systems.

Result Area #3: Building resilient health systems to prepare and respond to climate change, and emerging health shocks.

21. **The proposed Program will support building resilient systems and mitigating and adapting to the effects of climate change on health.** Potential activities will include using renewable energy sources in new healthcare facilities, improving the ability of healthcare workers to identify and treat select climate-related health conditions. Emphasis will also be given on rapid response, testing, and tracking arrangements and treatment at the PHC levels to improve preparedness for emerging infectious diseases and potential pandemics.

E. Initial Environmental and Social Screening

30. The Program will not support civil works. There will be no land acquisition, physical and economic displacement of people. Impact on biodiversity, cultural heritages and ethnic minorities is also unlikely. However, there may be a slight increase in healthcare and electronic waste from some of the interventions during the operational phase, which must be managed appropriately. From the social perspective, the PforR will have positive impacts due to improved access to and use of healthcare and nutrition service. However, risk of exclusion from consultation and access to services may be of concern. To address potential exclusion program activities, consultation with the beneficiaries will be monitored to ensure the inclusion of vulnerable and disadvantaged groups. For sexual exploitation and abuse (SEA)/sexual harassment (SH), adequate training on SEA/SH detection and prevention, awareness raising campaign, strict monitoring will be in place. The initial assessment of both environmental and social risk levels is considered moderate. During the appraisal stage, the World Bank will assess the client's environmental and social systems and prepare an Environmental and Social System Assessment (ESSA) report. This report will help understand the client's capacity to address potential environmental and social issues and provide recommendations for filling gaps in their measures.

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