COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED SAFEGUARDS DATA SHEET (PID/ISDS)
CONCEPT STAGE

Report No.: PIDISDSC15369

Date Prepared/Updated: 16-Nov-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Cambodia	**Project ID:**	P157291
		Parent Project ID (if any):	
Project Name:	Cambodia Health Equity and Quality Improvement Program (H-EQIP) (P157291)		
Region:	EAST ASIA AND PACIFIC		
Estimated Appraisal Date:	07-Dec-2015	**Estimated Board Date:**	17-Mar-2016
Practice Area (Lead):	Health, Nutrition & Population	**Lending Instrument:**	Investment Project Financing
Sector(s):	Health (60%), Other social services (15%), Central government administration (10%), Sub-national government administration (10%), Co mpulsory health finance (5%)		
Theme(s):	Health system performance (55%), Population and reproductive health (15%), Administrative and civil service reform (10%), Child heal th (10%), Participation and civic engagement (10%)		
Borrower(s):	Kingdom of Cambodia		
Implementing Agency:	Ministry of Health		

Financing (in USD Million)

Financing Source	Amount
BORROWER/RECIPIENT	30.00
International Development Association (IDA)	30.00
Cambodia - Free-standing Trust Fund Program	50.00
Total Project Cost	110.00

Environmental Category:	B - Partial Assessment
Concept Review Decision:	Track II - The review did authorize the preparation to continue
Is this a	No

Repeater project?	
Other Decision (as needed):	

B. Introduction and Context

Country Context

Cambodia has experienced remarkable economic growth and macroeconomic stability over the past decade. The economy grew at an average 7.9 percent per year between 2003 and 2013 and per capita income in current prices more than doubled over the past decade—from US$367 in 2003 to US$1,036 in 2013 and is projected to increase by 7.5 percent in 2015. The economy is driven by the garment, construction, and services sectors, especially tourism.

Cambodia has made impressive progress in reducing poverty. A recent assessment by the World Bank found that the poverty rate decreased from 53.2 percent in 2004 to 17.7 percent in 2012. Gains, however, are fragile as the near-poor (those who live on less than US$2.30 per day) remain vulnerable to small economic shocks.

Sectoral and Institutional Context

Cambodia has witnessed steady improvements in health status during the past decade and is on track to achieve the health-related Millennium Development Goals. The maternal mortality ratio decreased from 472 per 100,000 live births in 2005 to 206 in 2010 and 170 in 2014. Under-five mortality decreased from 83 per 1,000 live births in 2005 to 54 in 2010 and 35 in 2014. The total fertility rate has also fallen from 3.4 in 2003 to 2.7 in 2014. Remaining challenges include neonatal mortality, poor nutrition outcomes (32.9 percent of children were stunted in 2010, a measure of chronic malnourishment), a double disease burden of communicable and noncommunicable diseases, and high rates of adolescent pregnancy. There are also significant concerns around quality of care and persisting inequalities in health outcomes by socioeconomic status and between urban and rural populations.

The Cambodian health system is financed by both demand- and supply-side financing interventions. Demand-side schemes aim to remove financial barriers to access and increase utilization of health services. These schemes include health equity funds (HEFs) for the poor, voucher schemes, and community-based health insurance. Supply-side schemes aim to increase access to services to the poor while improving the overall service quality. These schemes include the regular budget, user charges with exemptions for the poor, special operating agencies and service delivery grants, midwifery incentive, and government subsidies for the poor.

Out-of-pocket spending accounts for more than 60 percent of total health expenditures, 40 percent of which goes for pharmaceuticals and 60 percent as fees to the private sector. There are considerable financial barriers to essential curative services, in particular for the poor.

HEFs were introduced in 2000 to pay hospital user fees to health providers, on behalf of the identified poor population, and also subsidize treatment-related travel and subsistence costs. Expansion into health centers began later, covering an estimated three million people and 100 percent of the poor in 2014. While coverage of HEFs has been expanded, there are design, management, and implementation bottlenecks that result in poor utilization of the scheme.

A key policy decision for Cambodia is how to finance the (public) health service in the longer term. The present mix of input-based budgets, supply-side financing, and demand-side financing is complex and difficult to manage and monitor. It can provide conflicting incentives to provide specific services and not others and can be confusing for clients to use and understand.

The RGC's third Health Strategic Plan (HSP-3), covering the period from 2016 to 2020, is currently undergoing stakeholder discussions in its draft form. HSP-3 is expected to be finalized by December 2015 for dissemination at the next Annual Health Congress to be held in March 2016. The policy priorities that have so far been identified in the HSP-3 are: (a) increasing equitable access to effective and efficient health services; (b) reducing maternal death; newborn, infant, and child mortality; and malnutrition; (c) reducing the burden of communicable diseases; (d) reducing the burden of noncommunicable and chronic disease; and (e) reducing the impact of major public health concerns on human health.

The proposed project should be placed in the context of the entire govern ment program, where the project will support a part of the larger program—in this case, specifically related to financial protection and quality of health services which the Ministry of Economy and Finance confirmed were their priorities for the new project. Hopefully the existing and planned contributions of development partners will be mapped to HSP-3 and along with the RGC provide sufficient financing for the priorities identified in HSP-3.

Relationship to CAS/CPS/CPF

The World Bank Group recently conducted consultations and engaged with the Royal Government of Cambodia (RGC) and stakeholders across Cambodia to inform the forthcoming Country Engagement Note (CEN). The RGC and stakeholders identified health as a top developmental priority for Cambodia. Social health protection for the poor and other vulnerable groups emerged as a key theme. The proposed project will be prepared in parallel with the development of the CEN.

C. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The proposed Development Objective is to improve access to quality health services for the targeted population groups with protection against impoverishment due to cost of health services in the Kingdom of Cambodia.

Key Results (From PCN)

The key results expected are improved financial protection of the poor and improved quality of health services nationwide. While project development indicators will focus on the two results of financial protection and quality of health services, intermediate results indicators will include those related to health systems strengthening in line with Component 3.

RESULT 1: Improved financial protection of the poor

- Reduced estimated number of households that experienced impoverishing health spending during the year.
- Reduced share of out-of-pocket health expenditure in total household expenditure, incurred by HEF beneficiaries.
- Increased utilization of health services by HEF beneficiaries.

RESULT 2: Improved quality of health services

- Improved average score on the Quality Assessment of health facilities.
- Increased percentage of citizens satisfied with health center services.

D. Concept Description

The activities envisaged under the proposed project are based on specific policy objectives already articulated by the government: universal coverage for the poor, improving efficiency and quality of service delivery, moving to government systems, and reducing reliance on donor funding. The proposed project coverage will be national and will utilize investment project financing, blending input-based investments with performance-based financing.
Project Component Descriptions

COMPONENT 1: Financial Protection and Equity (Estimated amount US$30 million)

The objective of this component is to maintain and strengthen the existing financial protection scheme for the poor—HEFs—and provide flexible funding for health facilities. This component will finance (a) performance-based payments to health facilities for services used by HEF beneficiaries and (b) management costs. To ensure sustainability of the scheme beyond project closure, a detailed costing and sustainability analysis will be done during preparation as well as during project implementation to understand the budget implications.

COMPONENT 2: Quality of Health Service Delivery (Estimated amount US$20 million)

The objective of this component is to help improve the quality of health service delivery. This component can build upon the country's experience in using service delivery grants, with a stronger focus on priority health issues and quality. It can support the Ministry of Health (MoH) to revise the service delivery grants to become more results-oriented, transforming these to quality improvement grants that can be designed for the central, operational district, and/or facility level. Performance will need to be independently verified and the recipient of the quality improvement grants will need to have sufficient flexibility in how the grants are used to be able to improve quality, for example, staff incentives, in-service training, equipment, small civil works, and operating costs. To emphasize the results focus, a disbursement-linked indicator approach will be introduced for this component. In addition, this component can also potentially support investment in pre-service training depending on the outcome of the ongoing assessment and costing of the study on quality of education at the University of Health Science.

COMPONENT 3: Sustainable and Responsive Health System (Estimated amount US$30 million)

The objective of this component is to help strengthen MoH's own systems and support the management of the project. The component can, for example, support: (a) investments in designing and implementing licensing and accreditation systems for the country's health sector, covering public and private providers, facilities, and training institutions; (b) development of any needed regulatory and legal frameworks; (c) strengthening of planning, information, and surveillance systems, including civil registration and vital statistics and surveys to monitor progress in key results; (d) training in the new RGC financial management system and other public financial management reforms (procurement, internal auditing, budgeting, and so on); (e) investments to improve the quality of pre-service training; (f) investments needed to establish and maintain an independent contracting authority for HEFs that can potentially be expanded to

service other social insurance schemes in the future; and (g) preparation of a roadmap to achieve Universal Health Coverage (UHC). Possibility of using a mix of regular investment lending approaches and disbursement-linked indicators will also be considered for this component.

COMPONENT 4: Contingent Emergency Response (Estimated amount US$0 million)

The objective of the contingent emergency response component, with a provisional zero allocation, is to allow for the reallocation of financing in accordance with the IDA Immediate Response Mechanism to provide an immediate response to an eligible crisis or emergency, as needed.

II. SAFEGUARDS

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

The project will be national in coverage and scope. It is anticipated that many project support activities will be ongoing support. However, locations and type of investments, specifically for subprojects and project investments financed under Component 2 and Component 3 will not be known before appraisal.

The project support will include minor civil works for selected health facilities which will be identified during the project implementation, such as maternity wards and health centers. The generic construction impacts from small scale civil works are expected to be minor, temporary and site-specific. While impacts from incremental health care waste will occur in the longer term but are site-specific and can be mitigated by preparation and implementation of good environmental management plan.

The support for health service delivery is expected to increase the utilization of health services by target populations and may generate incremental health care waste, such as sharps or contaminated waste, which needs to be handled properly. The MoH has prepared the National Guidelines for Health Care Waste Management, which will guide any support related to this aspect provided by the Program.

An Environmental Management Framework (EMF) including specific environmental safeguard mitigation measures, an Indigenous Peoples Planning Framework (IPPF) and Resettlement Policy Framework (RPF) will be prepared to address potential impacts.

B. Borrower's Institutional Capacity for Safeguard Policies

In spite of the fact that type and location of investments will not be known before appraisal, it is anticipated that many of the activities to be supported under this project will be continuation and/or expansion of support currently being provided by the Second Health Sector Support Program (HSSP2) under the responsibility of the MoH. Under the MoH, the Department of Preventive Medicine and the Department of Hospital Service are responsible for social and environmental safeguards, respectively. Although their capacity is limited and they have never had any training on the Bank's safeguard policies, relevant assessments had been prepared and are being implemented, including the following: (a) carried out an Environmental Review (ER) and updated the Environmental Management Plan (EMP) to be implemented during the Third Additional Financing of HSSP2; (b) prepared a Health Care Waste Management Strategy; (c) conducted two social assessments as required for HSSP2; and (d) prepared and updated the Land Acquisition Policy and Framework. During the implementation of HSSP2, the MoH strictly follows the national guideline

set in 2000 for the strict ban on the use of asbestos containing construction materials. Therefore, it is expected that the capacity for safeguard policies implementation under this support will not be different from that experienced in the on-going support.

C. Environmental and Social Safeguards Specialists on the Team

Juan Martinez (GSURR)

Ruxandra Maria Floroiu (GENDR)

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D. POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This policy is triggered due to potential impacts from small scale civil works and incremental health care waste. These impacts are expected to be site-specific and can be mitigated. The Project is therefore assigned as category "B". An EMF that includes health care waste management plan will be prepared to address OP/BP 4.01 requirements since type and location of investment will not be identified before project appraisal. One public consultation will take place to meet appraisal conditions.
Natural Habitats OP/BP 4.04	No	The project interventions are in existing facilities so this policy is not triggered.
Forests OP/BP 4.36	No	The project interventions are in existing facilities so this policy is not triggered.
Pest Management OP 4.09	Yes	The project will support Service Delivery Grant/ Quality Improvement Grants for improving quality and coverage of health service delivery. Therefore, parts of the grants may be used for activities related to pesticides for vector-borne diseases control such as malaria and dengue. A pesticide review has been conducted for the ongoing HSSP2 and a Pest Management Plan will be prepared and updated accordingly, as part of the EMF, before project appraisal.
Physical Cultural Resources OP/BP 4.11	No	The project interventions are in existing facilities so this policy is not triggered.
Indigenous Peoples OP/BP 4.10	Yes	This policy is triggered because of the presence of indigenous peoples in the program area. The safeguards approach will build on the existing social safeguards documentation prepared for the ongoing HSSP2. A social assessment should be prepared before appraisal to inform the preparation of an Indigenous Peoples Planning Framework. Under OP

		4.10, free, prior, and informed consultation leading to broad community support will be applied during the preparation of the program.
Involuntary Resettlement OP/ BP 4.12	Yes	This policy is triggered given the potential for land acquisition that could lead to physical or displacement and land donation as part of the implementation of the H-EQIP. A Resettlement Policy Framework (RPF) will be prepared to address any issues that may occur for sub-projects identified during implementation. Screening criteria and relevant protocols will be included as part of the RPF. RPF will build on the existing resettlement instruments prepared under the AF3 of HSSP2.
Safety of Dams OP/BP 4.37	No	The project will not finance any activities related to the construction of dams nor affect operations of existing dams or affiliated reservoirs.
Projects on International Waterways OP/BP 7.50	No	The project will not affect international waterways.
Projects in Disputed Areas OP/ BP 7.60	No	No activities are planned in any disputed areas.

E. Safeguard Preparation Plan

1. Tentative target date for preparing the PAD Stage ISDS

13-Nov-2015

2. 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 PAD-stage ISDS.

During this project preparation, the task team will work with MoH to prepare safeguards instruments including: (a) an EMF that includes Environmental Code Of Practices (ECOPs) to address generic construction impacts and a simple Health Care Waste Management Plan; (b) a social assessment to inform the preparation of an IPPF; (c) an RPF to be used in event that resettlement occurs due to implementation of the program. Screening criteria and relevant protocols will be included as part of the RPF.

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III. Contact point

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V. Approval

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Approved By		
Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 03-Nov-2015
Practice Manager/ Manager:	Name: Toomas Palu (PMGR)	Date: 03-Nov-2015
Country Director:	Name: Julia M. Fraser (CD)	Date: 16-Nov-2015

1 Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

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