Health, Nutrition and Population

Sector Note on Applying the World Bank Group Paris Alignment Assessment Methods



This Sector Note outlines sector-specific issues for applying the World Bank Group (WBG) Paris Alignment (PA) assessment methods¹ to operations with health, nutrition, and population sector activities. This Note is not a stand-alone document and should be used in conjunction with the applicable WBG PA assessment methods for demonstrating alignment. The Note will be updated from time to time to capture lessons learned; incorporate progress, breakthroughs, and developments in technologies, policies, practices, and consumer behavior; and reflect the evolving pipeline of the WBG's health, nutrition, and population-related operations. The relevant activity types for health, nutrition and population covered by other Sector Notes are (i) Waste management and buildings covered by the Urban, Disaster Risk Management, Resilience, and Land Note; (ii) Water supply and Sanitation covered by the Water Note and (iii) Digital infrastructure, including Data Centers covered by the Digital Development Note. Health systems focus on ensuring that people have access to the health care they need without suffering unnecessary financial hardship. They aim to achieve this through financial risk protection; access to quality, essential health care services; and access to safe, effective, quality, and affordable essential medicines and vaccines for all. In doing so, health systems need to account for climate considerations from both an adaptation and a mitigation perspective to meet the goals of the Paris Agreement.

1. Investment operations: Main considerations in assessing Paris Alignment of Health, Nutrition and Population Sector Operations

Mitigation

The majority of health, nutrition and population sector operations are not likely to have significant contributions to greenhouse gas (GHG) emissions. However, some activities such as those related to construction of new healthcare facilities and major expansion of existing facilities, the use of cooling equipment, optimized pharma manufacturing and responsible sourcing of energy, water and raw materials and health waste management may have GHG implications. Therefore, teams need to ensure that health, nutrition, and population sector operations supporting such activities are not at a material risk of having negative impacts on the country's low-GHG-emissions development pathways. Climate considerations and lower-carbon design options specific to the country and development context should be incorporated in the design of such interventions to the extent possible.

The PA assessment includes assessing that the activity being financed is consistent with (does not hinder) the country's Nationally Determined Contribution (NDC), Long-Term Strategy (LTS), or other climate-related strategies and policies, taking into account WBG's own climate analysis such as Country Climate and Development Reports (CCDRs) and checking if the activity is universally aligned or non-aligned according to the respective lists. Health, nutrition, and population sector-related activities on the universally aligned list that meet the relevant conditions defined in the WBG PA assessment methods will be considered aligned on mitigation and no further assessment is needed. For operations with activities that are not on the list, the mitigation assessment approach laid out in the WBG PA assessment methods will be followed to assess the operation's alignment with the Paris Agreement's mitigation goals to determine the risk of an operation having a negative impact on the country's low-GHG emissions development pathways and modify the activity design if needed. The risk assessment considers the

operations under Direct Investment Operations, Financial Intermediaries, and Corporate General Purpose (CGP) Financing. The MDB PA Methodological Principles for CGP Financing applies only to IFC and MIGA.

¹ WBG PA assessment methods are conceptually consistent with the joint MDB Paris Alignment Approach (MDB PA Approach) and consist of the following: (a) For the **World Bank**, the <u>World Bank Paris Alignment (PA) Methods</u> (WB PA Methods) applicable to operations under three financing instruments— (i) Investment Project Financing (IPF), including operations using Financial Intermediaries; (ii) Programs for Results (PforR), and (iii) Development Policy Financing (DPF). (b) For **IFC** and **MIGA**, the assessments apply the <MDB PA Methodological Principles> to

country and sector context, including that low- and middle-income countries (LMICs) have essential development needs to be addressed, typically have low GHG emission trajectories, and have historically contributed little to global GHG emissions. As such, the risk assessment should consider the specific country and project/program development context, including economic, institutional, and technical feasibility and market considerations, as well as the specific private sector considerations. The risk assessment of projects includes consideration of feasible lower-GHG emissions alternatives,² carbon lockin risk, and transition risk.³ The appropriate risk assessment approach and risk mitigation measures will depend on both the nature of the WBG operation and the level of the broader WBG country engagement with the private or public counterparts (e.g., in applying system-wide or asset-level assessment).

Health Systems, Disease control, One Health, Demographics and Ageing

This may include construction or rehabilitation of health care facilities, delivery of health services, purchase and installation of cold chain equipment and vaccine distribution, production of pharmaceuticals and other medical products, upgrading, or constructing laboratories, health-related transportation, developing health information systems, or water and sanitation systems. Some key GHG emission drivers in these activities may include the operation of energy-intensive equipment, use of off-grid non-renewable energy sources by health care facilities, generation of substantial waste, or disposal of waste without segregation, recycling, and adequate treatment. Health-related transportation investments mainly comprise vehicles for ambulatory services and transportation of goods. The assessment of such activities should consider lower GHG emission options that are feasible in the project and country context. Investments in health information systems primarily comprise hardware and software needed to organize health sector data, which are considered universally aligned. Projects supporting data centers should be assessed using the guidance in the Digital Development Note. Investments in buildings (hospitals, warehouses, vaccine distribution centers, etc.), health waste management, and water and sanitation systems should be assessed using the guidance on 'Buildings' and 'Solid Waste Management' water supply and sanitation respectively in the Urban, Disaster Risk Management, Resilience and Land, and Water Note.

Nutrition and Food Security

Health, nutrition and population sector investments in nutrition and food security comprise activities such as community food gardens and food fortification and supplementation programs. Such activities are not expected to have an impact on GHG emissions and can therefore be considered aligned.

Main measures to address risks on mitigation: Risks identified could be mitigated or managed through enabling activities that support the adoption of lower-carbon alternatives and practices, such as green building design, energy efficient equipment, and use of renewable energy sources in health facilities and low Global Warming Potential (GWP) refrigerants where this is economically viable, technically feasible and developmentally appropriate. Health, nutrition, and population sector operations supporting the construction or rehabilitation of healthcare facilities or including waste management should refer to the guidance on 'buildings' and 'solid waste management' in the Urban, Disaster Risk Management, Resilience and Land Note. Health service delivery, disease control and One Health operations involving surveillance and outbreak control activities which are likely to need cooling technologies for medical purposes (vaccine distribution, pharmacological products, and cooling equipment in laboratories) should use low GWP refrigerants where feasible, including Solar Direct Drive Refrigerators. Low carbon procurement practices may be employed to reduce GHG emissions through sustainable supply chains for pharmaceuticals and

² The assessment should focus on feasible lower-GHG emissions alternatives. "Feasible" means "commercially available, technically and financially viable" for IFC and MIGA and "technically feasible and economically viable" for the World Bank.

³ For World Bank investment operations, the question of the economic viability after accounting for transition risks, is not applicable to Technical Assistance components.

other chemicals, food and agricultural products, medical devices, hospital equipment, and instruments. Improving access to health care facilities and innovations in service delivery may also be an emissions reduction driver provided this will reduce transportation use through health services being located closer to patients and the use of technological innovations such as telemedicine. Investments in telemedicine or digital health should be assessed using the relevant guidance in the Digital Development Note.

Adaptation and resilience

Assessment of Risk from Climate Hazards consists of assessing the operation's level of exposure to current and future climate hazards and its vulnerability to such hazards, considering relevant adaptive capacities of human and natural systems, particularly health systems. Health, nutrition and population sector investments and the populations they serve can be severely impacted by climate-related hazards such as extreme temperature and precipitation/flood events, drought and desertification, and sea level rise and storm surge. These relationships can be very complex. For example, extreme precipitation and floods can pose i. direct health risks through drowning or traumatic injury, ii. ecosystem-mediated health risks through changes to vector or water-borne disease ecologies including malaria and dengue or diarrhea risks, iii. indirect health risks though mental health, nutrition and food security and safety, migration, and changes to socioeconomic status as a result of flood damage to property, iv. health system mediated risks through destruction or impairment of health infrastructure. Hazards such as local air pollution also have complex interactions with climate-related human health risks such as during extreme heat events. It is important to underscore that while health, nutrition and population sector investments may directly or indirectly reduce climate related health risks through a variety of adaptation and resilience measures, the focus of the PA risk assessment is on whether the health, nutrition and population sector investments and the services they provide are at risk in their own right (e.g., hospital to be constructed under the operation may be washed away due to floods).

Assessment of risks from climate hazards and their subsequent impact on Health, Nutrition and Population operations is highly location- and development- context driven. Country and location-specific climate information should be used, such as from the World Bank's <u>Climate Change Knowledge Portal</u>, along with other available resources and expert judgment should be used to determine the climate hazards relevant to the operation. Exposure from relevant climate hazards should be assessed under various climate change scenarios over suitable time frames, based on the nature and lifetime of activities and assets being created or services being provided by the project. Teams may also take into account findings of health, nutrition and population sector's Climate and Health Vulnerability Assessments (CHVAs) that have been carried out for specific countries. For example, the exposure of healthcare facilities being constructed in a flood-prone area needs to consider precipitation and flood scenarios over the lifetime of the infrastructure (typically 50 to 75 years).

An operation's exposure to relevant climate hazards is based on two main factors: (i) whether the operation is in a location and setting where (directly or indirectly) the relevant climate hazards are expected to occur, and (ii) whether the assets, systems, beneficiaries, and/or vulnerable groups might be exposed to these hazards. Certain locations and investments could be highly exposed to climate change; for example, health facilities in coastal areas could be highly sensitive to rises in sea levels and the increased frequency and intensity of extreme weather events (e.g., hurricanes). Once an operation's exposure to relevant climate hazards is known, their impact on activities financed by the operation must

⁴ Climate change scenario selection is an important aspect of determining an operation's climate hazard exposure and it is good practice to select at least two climate scenarios, such as a best-case low-GHG emissions scenario and high-GHG emissions scenario.

be assessed considering level of exposure and sensitivity; and the operation's vulnerability to these impacts should be determined based on its adaptive capacity.

Risk reduction measures should be proportionate to the nature and scale of the potential impact(s) of such risks on the operation. Climate vulnerability can be addressed through a combination of hard and soft measures that are appropriate for the project's development context. The risk assessment should be used to prioritize climate hazards that need to be addressed by classifying the hazards that pose the highest potential risk to the operation's success based on their nature and scale of impact on the operation. The below provides a non-exhaustive list of illustrative examples of risk reduction and adaptation measures that can be used across various stages of the project's life cycle.

- Systems Planning: Measures implemented at a system level to ensure investments are climate resilient, for example integrating climate information into the planning and design of health facilities and delivery systems.
- **Engineering and Design:** Climate resilient design measures should be considered to protect assets against climate hazards such as expanding drainage around facilities in low-lying areas to prevent flood inundation, or selecting water-efficient, drought-resistant crops.
- Operations and Maintenance: Changes to the operating procedures of entities managing health
 assets that are supported through health, nutrition, and population sector operations to
 proactively reduce the impact of climate shocks. For example, developing standards for periodic
 maintenance of supported facilities or reduction of risk from climate hazards through restoring
 vegetation, or inclusion of sustainable cooling and waste management.
- Contingency Planning: Measures to better equip entities administering and managing health
 systems and programs to cope with potential disruptions and damages (in case of physical assets)
 due to climate emergencies, such as building early warning systems, establishing emergency
 response and recovery protocols, etc. This can also include capacity building activities, for instance
 providing training on hydro-met data information systems or incorporating capacity building on
 climate risks in skills building.
- Institutional Capacity and Coordination: Measures which can enhance the capacity of decision makers and entities developing and administering health systems and programs to plan for and cope with impacts of climate hazards, for example training on emergency response planning, technical assistance on identifying and treating climate-related risks.

2. Development Policy Financing: Main considerations in assessing Paris Alignment of Health, Nutrition and Population Sector Operations

Mitigation

Most health, nutrition and population-related prior actions are not expected to increase GHG emissions and, introduce or reinforce persistent barriers to the country's ability to pursue a low-emissions development pathway, and hence are considered aligned. However, policies and reforms supporting areas identified above (under IPF/PforR) that could lead to an increase in GHG emissions (e.g., reforms specifying planning and design standards/codes for health infrastructure) may call for more scrutiny. Such reforms should be assessed using guidance on policies for relevant infrastructure-type (e.g., refer to guidance on buildings in the Urban, Disaster Risk Management, Resilience and Land Note for assessing policies on design standards for healthcare facilities).

Adaptation and resilience

While risk from climate hazards is not likely to have an adverse effect on most health, nutrition and population related prior actions, policy actions whose outcomes or intended results create an enabling environment for asset creation or access and connectivity (e.g., reforms seeking to expand healthcare coverage or improve access to health facilities) could be affected by such risks. The impact of climate hazards on such policies should be assessed using the guidance on policies for relevant asset-types (e.g., buildings, roads, etc.). Good practice for building climate resilience through health sector reforms comprises measures that will improve climate resilience of the population either by directly reducing climate related health risks or by indirectly relieving pressure off health systems.