



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 15-Sep-2023 | Report No: PIDA35989



**BASIC INFORMATION**

**A. Basic Project Data**

Country Dominican Republic	Project ID P180349	Project Name Program to Support the Strengthening of the National Health System	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 25-Sep-2023	Estimated Board Date 30-Nov-2023	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Dominican Republic	Implementing Agency Ministry of Housing, Habitat and Buildings, Ministry of Public Health and Social Assistance	

Proposed Development Objective(s)

Improve the capacity of public healthcare providers to deliver quality services, with an emphasis on maternal and neonatal care, and strengthen the public health stewardship capacity in the Dominican Republic.

Components

Strengthening the Capacity to Deliver Quality Public Healthcare Services  
Strengthening the Stewardship and Public Health Oversight Function of the MISPAS  
Reinforcing Health Information Systems and Digital Health Tools  
Project Management

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	200.00
<b>Total Financing</b>	200.00
<b>of which IBRD/IDA</b>	200.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**



International Bank for Reconstruction and Development (IBRD)	200.00
Environmental and Social Risk Classification	
Substantial	
Decision	
The review did authorize the team to appraise and negotiate	

Other Decision (as needed)

## B. Introduction and Context

### Country Context

1. **The Dominican Republic (DR) is an upper middle-income country with one of the fastest growing economies in Latin America and the Caribbean (LAC).** The country’s economy expanded by 5.4 percent on average from 2005 to 2022, driven primarily by capital accumulation and total factor productivity growth. This growth has been complemented by important progress in poverty reduction and most human development indicators. The prevalence of chronic malnutrition among children under the age of 5, for example, nearly halved between 2002 and 2020 (from 11 percent to 5.9 percent respectively). Likewise, the DR continues to steadily rise in the Human Development Index (HDI)<sup>1</sup>, from an HDI value of .58 in 1990 to .77 in 2021, positioning the DR at 80 out of 191 countries and territories. Socioeconomic inequality remains relatively high but has been substantially reduced over time: the Gini index for income inequality in 2000 was 51.5 compared to its lowest level of 39.6 in 2020.

2. **Growth is expected to decelerate from 4.9 percent in 2022 to 3.1 percent in 2023 as domestic investment and consumption remain weak, and high input costs impact manufacturing and construction.** On the sectoral side, industry and construction contracted, affected by elevated borrowing costs and high input prices, while the hotels, bars, and restaurants sector expanded by 14.2 percent in 2023Q1, cushioning the economic slowdown. In fact, the country recorded 4.5 million arrivals, with a year-on-year growth of 15.9 percent in the first semester of 2023 (2023S1). Remittances grew 3.3 percent in 2023S1, showing a stabilization of inflows above pre-pandemic figures. As a result, the 2023Q1 current account deficit (CAD) narrowed to 2.8 percent of GDP, down from 4.5 percent of GDP in 2022Q1, financed by robust FDI and increased long-term capital inflows. Reserves rose to 13.2 percent of GDP by June 2023, up from 12.7 percent of GDP in 2022.

3. **The DR, due to its geographical position, is prone to climate-related and other disasters from natural hazards and was ranked 32 out of 181 countries in the 2021 World Risk Index.** The DR’s 2018 Systematic Country Diagnostic (SCD) and the World Bank Group (WBG) FY22-26 Country Partnership

<sup>1</sup> The HDI is a summary measure by the UN Development Programme aimed at assessing long-term progress in human development based on life expectancy, mean/expected years of schooling, and GNI.



Framework (CPF) for the DR identified the country's high exposure to climate/natural adverse events as a binding constraint to its economic stability and the safety and well-being of its population. Hurricanes and tropical storms are the most threatening natural hazards facing the country, posing significant destructive potential due to high wind speeds, heavy rains, and powerful storm surges that produce flooding. Approximately 2.5 million people or one quarter of the DR's population live in high-risk flood prone areas, and poor households are twice as vulnerable to flooding in the DR, especially in urban areas (30 percent versus 14 percent for the richest households)<sup>2</sup>. The DR's 2021 Health and Climate Change Country Profile<sup>3</sup> details how the island country is likely to suffer from sea-level rise, reductions in precipitation and related droughts, substantial increases in hot days<sup>4</sup>, and greater intensity tropical cyclones.

## Sectoral and Institutional Context

4. **Health outcomes in the DR have shown improvements in the last two decades, but the country still lags behind the Latin America and Caribbean (LAC) region, particularly in maternal and neonatal outcomes.** Despite declining trends in maternal mortality globally, the maternal mortality ratio in the DR has been increasing (from 80 in 2000 to 95 in 2017) and is higher than the LAC regional average of 74 deaths per 100,000 live births in the same year. This high maternal mortality ratio can lead to far-reaching and long-lasting effects on women's health, economic opportunities, and social and political power. Likewise, the DR suffers from an under-five mortality rate that is more than double the LAC regional average (34 per 1,000 live births in 2020, compared to a regional average of 16) and a neonatal mortality rate that is 2.5 times higher (the DR had 23 deaths per 1,000 live births in 2020, compared to LAC's average of nine the same year). This worrying performance takes place in a context of epidemiological transition, and as non-communicable diseases (NCDs) place increasing pressure on the health system, there is an even greater need to improve these basic health outcomes.

5. **The limited capacity to deliver quality public health care services begins at the primary level of care.** The Ministry of Public Health and Social Assistance (*Ministerio de Salud Pública y Asistencia Social, MISPAS*) certifies that healthcare providers are licensed or "habilitated" according to minimum standards related to infrastructure, equipment, human resources, and documentation. However, several public health centers do not have an updated license, underscoring the substantial gap in basic quality assurance. Common concerns cited include infrastructure that does not meet minimum required standards (insufficient space, storage, warehouses, etc.) and multiple occupational hazards for workers. The lack of habilitation also means that a hospital cannot bill insurance for services provided to their beneficiaries, resulting in a net financial loss for both the facility and the National Health Service.

6. **In July 2023, the Government of the DR launched its 2022-2030 National Strategic Health Plan (PLANDES 2023).** The proposed Project is fully aligned with PLANDES 2030 and contributes to achieving the PLANDES objectives. Project financing would be directed towards activities that increase the share of habilitated public health facilities and their resilience to climate change impacts, improve maternal and

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<sup>2</sup> World Bank. Dominican Republic - Second DRM Development Policy Loan with a Catastrophe Deferred Drawdown Option (English). Washington, D.C.: World Bank Group.

<http://documents.worldbank.org/curated/en/099120011092214083/BOSIB04c431f950c90b3700d2e3791f06da>

<sup>3</sup> Climate Change and Health. (2021). Health and climate change: country profile 2021: Dominican Republic. [www.who.int](http://www.who.int). <https://www.who.int/publications/i/item/WHO-HEP-ECH-CCH-21.01.02>

<sup>4</sup> Hot days refers to those days when the maximum temperature exceeds the 90<sup>th</sup> percentile threshold for that time of the year.



neonatal care, strengthen MISPAS's stewardship role, and support the digital transformation of the health sector. In this sense, the Project would support all four pillars of PLANDES.

### C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

Improve the capacity of public healthcare providers to deliver quality services, with an emphasis on maternal and neonatal care, and strengthen the public health stewardship capacity in the Dominican Republic.

#### Key Results

The PDO will be measured via the following PDO-level indicators:

- a. Prioritized healthcare facilities that receive habilitation certificate from MISPAS (Number)
- b. Maternal deaths in the health networks (hospitals and CPN) implementing the Integrated Strategy for Maternal and Neonatal Quality of Care (EIACMN) (Percentage)
- c. DPS/DAS facilities using the electronic habilitation information system developed under the Project (Number)

### D. Project Description

7. The Project is structured around four components: (1) strengthening the capacity to deliver quality public healthcare services; (2) strengthening the stewardship and public health oversight function of the MISPAS; (3) reinforcing health information systems and digital health tools; and (4) project management. By focusing on public health care providers and public health stewardship, the Project would directly benefit the poor and other vulnerable populations in the DR, given their reliance on the public health system.

8. **Component 1. Strengthening the Capacity to Deliver Quality Public Health Care Services.** This component will finance activities aimed at improving the capacity of public health care providers to deliver quality services. Project financing will mainly support (a) investments in health infrastructure, and equipment and documentation that are necessary to enable targeted public health providers (both hospitals and primary health centers) to obtain their MISPAS habilitation certification (i.e., licensing); and (b) an integrated strategy to improve the quality of maternal and neonatal care in targeted health facilities.

9. **Component 2. Strengthening the Stewardship and Public Health Oversight Function of the MISPAS.** This component focuses on investments aimed at strengthening the stewardship and public health oversight function led by MISPAS at the central level and implemented through its DPS/DAS at the local level. The component includes investments to improve DPS/DAS and the MISPAS headquarters in terms of infrastructure and equipment, increase storage and distribution capacity, and strengthen the skills of MISPAS personnel through capacity building. The component also includes strategies to improve management and care models and activities to improve the knowledge generation capacity of the MISPAS.

10. **Component 3. Reinforcing Health Information Systems and Digital Health Tools.** This component can be considered as transversal, as it contributes to enhancing the capacity to deliver quality public



health care services, as well as to strengthening the stewardship and public health oversight functions of the MISPAS. Component 3 activities are aligned with *Agenda Digital 2030* and include contributing to the development of a unified electronic health record system and to the MISPAS digital transformation process.

11. **Component 4. Project Management.** This component would finance the coordination, implementation, and management of project activities, including fiduciary tasks, environmental and social risk management, and monitoring and evaluation.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

12. The overall Environmental and Social Risk rating is assessed as Substantial.

13. The Environmental Risk is considered Substantial. Whilst locations for some of the project activities to be financed are already known, investment specifics (type and scale of each infrastructure work) are yet to be defined. In addition, the environmental risk rating for the Project reflects MISPAS and the Ministry of Housing, Habitat and Buildings' (*Ministerio de Vivienda y Edificaciones*, MIVHED) limited capacity on environmental aspects that will require close support from the Bank during the preparation and implementation phases. Key environmental risks and impacts are expected to occur result from activities related to the construction and operational phases, and are expected to be site-specific, short-term, and effectively avoided, minimized or mitigated subject to the establishment of a proper E&S management system within the Project. Some of the key negative potential impacts during the construction and operation phases of the project may include: (i) vegetation and soil loss from construction activities; (ii) generation, management and disposal of non-hazardous and hazardous solid waste, including biomedical waste during operation; residual construction materials waste, and hazardous materials from demolitions; generation of solid waste from residual construction materials; (iii) potential temporary drainage impacts related to excavation and temporary stockpiling of excavated material; (iv) nuisance related to dust generation, vibration, noise and odors; (v) generation and discharge of wastewater from civil works; (vi) temporary disruptions to local traffic during the construction phase; (vii) health and safety risks to the project workforce and local communities in the surrounding areas of the project activities, including from exposure to hazardous materials and wastes and the possibility of additional disease outbreaks as well as risks of spread of the COVID-19 virus and outbreaks of malaria, dengue or cholera; (viii) direct and indirect impacts from natural hazards (earthquakes, tsunamis, landslides, extreme heat, cyclones and floods) that may occur in the project intervention areas; and (ix) occupational health and safety (OHS) hazards for the workforce during construction and operation of infrastructure to be financed by the project.



14. The Social Risk rating is also considered Substantial, due to a combination of the following factors: (a) labor influx caused by the civil works could lead to impacts on the local population, including sexual exploitation and abuse/sexual harassment (SEA/SH) risks, especially if project workers do not strictly adhere to their codes of conduct; (b) potential cases of land acquisition and economic displacement (temporary) required for the carrying out of civil works and construction as foreseen under Components 1 and 2, (c) community health and safety risks, especially the increased risk of accidents for the local population as a result of construction works, movement of vehicles and machinery, and also potential hazards during operation for the surrounding community of the national laboratory for biomedical research to be constructed and equipped; d) the risk of potential exclusion/limited access to public services for those without access to internet (as a result of Component 3 health information activities); (e) supporting integrated actions to strengthen the quality of maternal and neonatal services might encounter cultural barriers, e.g., cultural beliefs and practices may be a barrier to implementing integrated actions, particularly in communities where traditional practices are deeply ingrained; and (f) the need for robust data security and protection protocols and measures, especially in relation to sensitive personal data, particularly given proposed Component 3 investments in extending the use of the information platform for the management and registration of data. In addition to the above, the social risk rating for the Project reflects the limited experience of the PIUs with social risk management and the Bank's ESF.

15. All Environmental and Social Standards are relevant to the Project, except for Indigenous People (ESS7) and Financial Intermediaries (ESS9). Currently the type and scope of the infrastructure work to be financed by the Project, as well as the specific intervention locations, are yet to be confirmed. The following core project instruments to assess and manage environmental and social risks and impacts, have been developed, consulted, and disclosed by the Borrower: (a) a preliminary assessment of environmental and social (E&S) risk and generic mitigation measures (with an annex with the terms of reference (ToRs) for the Project's Environmental and Social Management Framework (ESMF) and the Resettlement Planning Framework (RPF), (b) a draft Stakeholder Engagement Plan (SEP), and (c) a draft Environmental and Social Commitment Plan (ESCP). Additionally, the Borrower will develop, consult and disclose no later than 90 days after the Effective Date the following instruments: (a) an ESMF, (b) RPF, (c) Labor Management Procedures, and (d) an updated SEP. There will be two Project Implementing Units (PIU), one in MISPAS that will have an Environmental Specialist and a Social Specialist dedicated full time to the Project's E&S risk management, implementation of E&S instruments, monitoring, and reporting, as well as a technician in charge of the Project's Grievance Redress Mechanism, and another PIU in MIVHED, that will have appointed full time, at minimum, an Environmental Specialist and a Social Specialist. PIU staffing arrangements, preparation, consultation, disclosure and implementation of the E&S instruments, and monitoring and reporting on the same, and E&S training and capacity building actions are specified in the draft Environmental and Social Commitment Plan (ESCP).

## E. Implementation

### Institutional and Implementation Arrangements

16. **The Project will be implemented by two institutions: MISPAS through its Directorate of Development and Sector Management (*Dirección de Desarrollo y Conducción Sectorial, DDCS*) and the (MIVHED. Under each institution, a Project Implementation Unit (PIU) will be established to implement**



Project activities by effectiveness. The MIVHED PIU will be responsible for the construction and rehabilitation of all first-level care centers (*centros de primer nivel*, CPN) and hospitals under Subcomponent 1.1, including planning, executing, supervising, and providing quality assurance. The MISPAS PIU will be responsible for the implementation of activities related to equipment and documentation under Subcomponent 1.1 and all other Project-financed activities. Both PIUs will be responsible for day-to-day management of the Project activities under their purview, including: (a) preparation and timely implementation of an annual operational plan, a Project Procurement Strategy for Development (PPSD), and procurement plans; (b) overseeing the technical aspects of implementation; and (c) ensuring the efficient use of Project funds and resources.

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**APPROVAL**

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