



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 21-Jun-2022 | Report No: PIDA33932

**BASIC INFORMATION****A. Basic Project Data**

Country St. Vincent and the Grenadines	Project ID P176559	Project Name Saint Vincent and the Grenadines Strengthening Health System Resilience Project	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 01-Jun-2022	Estimated Board Date 29-Jul-2022	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Saint Vincent and the Grenadines	Implementing Agency Ministry of Finance, Economic Planning and Information Technology	

## Proposed Development Objective(s)

The project aims to increase the scope and quality of hospital service and health system resilience and provide immediate and effective response to an eligible emergency in Saint Vincent and the Grenadines (SVG).

## Components

Component 1: Development and launch of a new acute care hospital  
 Component 2: Strengthening Health System Resilience  
 Component 3: Project Management, Coordination and Evaluation  
 Component 4: Contingency Emergency Response Component CERC

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

<b>Total Project Cost</b>	98.00
<b>Total Financing</b>	98.00
<b>of which IBRD/IDA</b>	68.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**



International Development Association (IDA)	68.00
IDA Credit	68.00

**Non-World Bank Group Financing**

Other Sources	30.00
OPEC FUND	30.00

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. **Saint Vincent and the Grenadines (SVG), a member of the Organization of the Eastern Caribbean States (OECS), is comprised of 32 small islands and cays spanning an area of 389 km with a population of 110,947.** SVG is a small island developing state and an upper middle-income island economy that depends primarily on services, mainly related to tourism. SVG has a gross domestic product (GDP) of US\$7,879 per capita (IMF 2021) (Atlas method) with a life expectancy of 73 years (2019). Over the past decade, the population has increased at an average annual rate of 0.2 percent, reflecting a downward trend in fertility rates from 2.4 percent in the early 2000s to 1.9 percent in 2019.

2. **With a Human Capital Index of 0.53<sup>1</sup>, SVG does not fulfill its human capital potential, a critical determinant of economic success.<sup>2</sup>** This score is below the averages for Latin America and the Caribbean (LAC) Region and upper middle-income countries. The HCI shows that 83 percent of 15-year-olds will survive until age 60. NCD-related deaths for the population between ages 30 and 70 is 23 percent (2016), which is higher than the regional average (18 percent) and the income group average (20 percent).

3. **SVG is highly vulnerable to climate change, having a health system impacted by current and projected climate-related hazards.<sup>3</sup>** Increased intensity of and continuous exposure to climate events

<sup>1</sup> HCI measures the amount of human capital that a child born today can expect to attain by age 18. It conveys the productivity of the next generation of workers compared to a benchmark of complete education and full health.

<sup>2</sup> [https://databank.worldbank.org/data/download/hci/HCI\\_2pager\\_VCT.pdf?cid=GGH\\_e\\_hcpexternal\\_en\\_ext](https://databank.worldbank.org/data/download/hci/HCI_2pager_VCT.pdf?cid=GGH_e_hcpexternal_en_ext)

<sup>3</sup> Projections indicate a rise in mean annual temperature of 1.5 degrees Celsius by 2050, changes in precipitation patterns, sea level rise.



such as hurricanes, flooding, and sea-level rise, is not only destroying health care infrastructure and service facilities, but also degrading them over time. High winds and rainfall brought by storms, coupled with the mountainous terrain, are principal risk factors and increase the risk of landslides, mainly on the larger islands. Moreover, coastal flooding is a major concern due to sea-level rise, storm surges and high wave action. The Grenadines is more vulnerable to drought because they have no rivers and rainwater; harvesting is their main source of water.

4. **Climate change is impacting health outcomes;** rising temperatures and changes in rainfall patterns are expected to increase the range and prevalence of vector-borne diseases such as malaria and dengue and the incidence of water-borne illnesses and increase risks for the population affected by NCDs. SVG's most vulnerable population is at particular risk from these impacts. SVG overall has a 5 percent chance each year of a hurricane event causing US\$50 million or more in losses. SVG health facilities require improvements to enhance their long-term resilience by integrating adaptation and mitigation measures in future construction, governance and service delivery. Such measures will have financial and social benefits and positive impacts on health outcomes.

5. **While climate change impacts and extreme weather events are unavoidable, improvements in preparedness can help mitigate their impact.** Climate-related health risks such as vector-borne and water-borne diseases, are a major constraint on the health, education, and potential earnings of people living in the Caribbean region. Moreover, the high volume of travel within the Caribbean and the ease by which disease carrying vectors can cross border increases the exposure and propagation. A recent Chikungunya outbreak demonstrates the rapid disease spread in the Caribbean, affecting over 350,000 people between December 2013 and July 2014. Weak preparedness and lack of adaptive capacity to handle extreme weather events and communicable disease outbreaks is exacerbated by the imminent threat of climate change, which is expected to impact already weak national systems. Hence, the rationale for investing in strengthening the country's ability to mount a robust response to these crises is key to mitigating the economic impact and health burden on the population of SVG and at the regional level, while also strengthening the adaptive capacity of SVG to climate change.

6. **Given its past performance, the economy of SVG is likely to continue to fluctuate due to external shocks, climate and natural disasters, which will put constraints on health expenditures. At the same time, the increasing likelihood of shocks is calling for investments to strengthen health system resilience.** The Government's fiscal package to address humanitarian and healthcare needs are estimated at \$55 million, about 7 percent of GDP (2021). The shock of the COVID-19 pandemic, the volcanic eruption and the hurricane landfall has underscored the importance of a resilient health sector; showing that there is no economic recovery without health recovery. This development adds further thrust and urgency to the "health system redevelopment and modernization" and "resilience" agendas. This project will support the construction of a resilient hospital and will also support health sector reforms that strengthen the sector's adaptive capacity to climate change.

7. **The concept of health system resilience is used with the goal of strengthening health systems to avoid service disruption or collapse.** Health systems are based on 6 functions<sup>4</sup> that need to always work together to effectively deliver safe and quality health services. These functions are vulnerable to

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<sup>4</sup> Governance, information, health workforce, financing, medical products and supplies, and service delivery (WHO).



shocks and changes; if a health system is unable to withstand the pressure from a shock, it may cease to function or collapse. A health systems resilience approach will support the sector's ability to protect human lives from the public health impact of disasters, and support good health outcomes before, during, and after disasters. Resilient health systems should have a sense of their strengths and vulnerabilities in the 6 core functions and understand exposure to hazards and risks. They need to be diverse and have the capacity to respond to a range of public health issues before or during a disaster or other shocks. Resilient health systems aim to maintaining core functions in terms of access and quality of care when managing a shock. Adaptation is critical to show that health systems can respond and transform to changing health contexts.

8. **Climate resilience of the health system, a narrower concept, is also essential for SVG so that the health sector can cope with, recover from and adapt to climate-related shocks and stress**, through improved emergency preparedness and contingency arrangements during climate events. In addition, the emphasis on mitigation and adaption in the design and construction of an acute care hospital and improved governance measures that will boost the Government's portfolio of investment in climate resistance and adaptable health infrastructure.

## Sectoral and Institutional Context

### Health Outcomes: Progress towards the Health SDG Targets is Challenged by Shocks

9. **SVG has met key health targets of the Sustainable Development Goal's (SDG) in areas such as maternal and child mortality rate, incidence of tuberculosis, traffic deaths, and births attended by skilled health personnel. Yet, progress for the health SDG targets is uneven and the COVID-19 pandemic had impeded this progress.** In particular, the rise of noncommunicable diseases (NCDs) and lack of continuous service coverage of essential services in the event of climate-related risks and shocks, such as hurricanes, heatwaves, and floods, pose increasing risks to population health and to the economy. Given the aging population and life-style choices, the country's disease profile has changed over the past several years, with chronic NCDs<sup>5</sup> increasing as a cause of mortality and disability. For 2019, the Global Burden of Disease study estimated that NCDs accounted for approximately 85% of all deaths in SVG. While the Universal Health Coverage (UHC)<sup>6</sup> service index is 90 for reproductive, maternal newborn and child health, for NCDs it is significantly lower (74). Substantial changes need to be made in the profile of the health sector, including shifting the focus to prevention, diagnosis and treatment of NCDs.

10. **Due to the health system's limited resilience to climate and non-climate shocks, the combined impact of COVID-19, the volcanic eruption and Hurricane Elsa on health care delivery has been jeopardizing health gains and threatening the country's ambition for UHC.** Primary care services have been disrupted nationwide and, in some geographical areas, suspended altogether. For example, twelve District Clinics (32% of total), two Rural Hospitals (40% of total), and the newly commissioned Modern Medical and Diagnostic Centre were closed; while outpatient consultations at the country's principal hospital, the Milton Cato Memorial Hospital (MCMH) fell by 32.2% in 2020.

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<sup>5</sup> E.g., heart disease, stroke, diabetes, and cancer

<sup>6</sup> Under UHC, people can access quality essential health care irrespective of their ability to pay.



## Health Sector Development – Key Challenges

### Sector Policy and Regulatory Framework, and Governance

11. **Limitations in sector policy and regulatory framework and governance challenges impede sector modernization at the system and facility levels. Notable constraints include programmatic fragmentation,<sup>7</sup> inadequate decision space for hospitals, and weak planning systems.** The rigidity and duplications associated with programmatic planning hamper the efficient production of quality health services. At the hospital level, performance challenges at the MCMH point to the lack of statutory autonomy, that is, limited decision scope related to key service production inputs, such as funding, human resources,<sup>8</sup> procurement, and maintenance. Centralized decision-making prevents flexible planning and organization that would enable dynamic adjustments to changing needs, as well as suppresses accountability for results by facility managers. Despite past efforts, limited progress has been made reforming the governance and management arrangement for hospital services. Still, the process remains an inescapable prerequisite to improved efficiency and effectiveness in health services delivery. Recognizing these constraints, the MOFEP has provided funding to the MOHWE for 2022-23 to support hospital-level governance and management reform. Given limited experience in this area, the ministry of health expressed need for support with developing a new hospital governance model.

12. **The health sector does not benefit from a functional and integrated health information system (HIS), hampering data-driven decisions-making at policy, operational, and clinical levels.** Although a HIS has been in place for several years, it has never achieved full functionality (only the supply chain module is actively used). Currently, patient's information is being recorded in paper-based registries, with a small fraction digitalized. A comprehensive review of the HIS has been initiated to enhance its current capabilities. The Health Information Medical Records Bill requires revisions to update data protection policies, medical record ownership, and the confidentiality of patient records. Government efforts are underway to upgrade overall digital systems and interoperability, including through the OECS regional Digital Transformation Project (P171528).

13. **The GOSVG has been ramping up efforts to strengthen governance for climate, disaster resilience and public health emergencies management and recognizes that further investments are required.** With a score of 33.5 (on a scale of 100), and a ranking of 110 out of 195 countries, the Global Health Security Index (GHSI) report for SVG<sup>9</sup> shows gaps in several areas of emergency preparedness and management capacity. While the OECS Regional Health Project is supporting epidemiological surveillance, public health laboratory capacity and emergency response, critical gaps remain that require investment, such as Infection Prevention and Control (IPC) and Emergency Medical Teams (EMTs). Of note, the MOHWE has adopted a Comprehensive Disaster Management approach, underpinned by the National Multi Hazard Response Plan (2019). However, an updated sector strategy and capacity strengthening for

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<sup>7</sup> The following seven budgetary units are used for programmatic planning: 652-Policy, Planning and Support Services (PPSS); 653-Hospital Services; 654-Community Health Services; 666-Geriatric Health Services (Lewis Punnett Home for the Elderly); 667-Mental Health Services; 678-Environmental Health Services; and 681-Laboratory Services.

<sup>8</sup> The health system lacks specialized doctors and nurses and struggles to attract and retain these skills on the island. With 6.7 nurses and midwives per 1,000 people, SVG exceeds the average ratio of 2.33 for small Caribbean States. On the other hand, with a ratio of 1.1 medical doctors per 1,000 population, SVG is below the 1.88 average relative to its peer group.

<sup>9</sup> <https://www.ghsindex.org/country/st-vincent-and-the-grenadines/>



units central to system resilience are required to support effective governance, planning and monitoring of emergencies. At the facility-level, standardized and actionable facility-specific contingency and service continuity plans are essential.

### Health Service Delivery

14. **The health service delivery network is composed of a dated public sector model and unregulated private sector.** The public sector includes 45 primary healthcare (PHC) facilities (37 district clinics, 5 rural hospitals and 3 polyclinics), 2 secondary level facilities (the MCMH in the capital, Kingstown and the Modern Medical Complex in Georgetown), and 2 long-term facilities (Lewis Punnett Home for the Elderly and the Mental Health and Rehabilitation Center). There is no tertiary level facility in the country. Patients requiring tertiary level care can receive such services through *ad hoc* visiting medical missions or travel abroad.<sup>10</sup> Informal assessments indicate that there are more than 40 private health facilities of varying size and complexity, including three small private hospitals that offer outpatient and inpatient care. The private sector operates under limited regulatory control and there is little transparency on the flow of patients between public and private facilities.

15. **The GOSVG has identified formidable constraints with regards to the capacity and organization of its public health service network to deliver quality health care efficiently.** Hospital service capacity is limited due to major infrastructural challenges, a narrow service profile and lack of qualified personnel. A regional study<sup>11</sup> shows that compared to its regional peers, the density of nurses (22.9 per 10,000 people) and physicians (9.5 per 10,000 people) is low, both below 30<sup>th</sup> percentile. As a result, the limited availability of specialist care, particularly for NCDs, drives demand for overseas treatment, estimated to be around 15-20 million annually. A recent Health Services Mapping exercise,<sup>12</sup> indicates that primary facilities are underutilized given trust and quality issues. The population also distrusts service quality in the referral hospital. The MOHWE recognizes these challenges and aims to leverage the development of the new hospital to update the service delivery model and strengthen health care quality management and the referral system across the primary and hospital levels.

16. **The challenges of the MCMH hospital are both structural and functional. Structurally, there is an urgent need to replace the existing building due to major defects.** The MCMH was originally built in the early 19<sup>th</sup> century.<sup>13</sup> The building is structurally deficient with heightened vulnerability to damage from hurricanes, heavy rainfall, earthquakes, and exposure to tsunamis. Located in a flood plain, the hospital has suffered repeatedly from severe flooding during periods of poor weather, exacerbated by design and construction defects. The worst flooding on record occurred in 2013 and resulted in the forced evacuation of patients and a loss of 86 beds (~40% of the total capacity of MCMH at the time). The cost

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<sup>10</sup> The small size and population of SVG makes the in-country provision of tertiary care services costly and inefficient, but some specific services could probably be incorporated in the future new hospital.

<sup>11</sup> Pan American Health Organization/World Health Organization. 2019. Health Workers Perception and Migration in the Caribbean Region. <https://www.paho.org/en/documents/health-workers-perception-and-migration-caribbean-region>

<sup>12</sup> A World Bank led exercise used the Health Services Mapping used Disease Control Priority 3 (DCP3) and the Health Intervention Prioritization (HIP) statistics to assess the provision of care in SVG by level of care relative to a normative package “Extended UHC” for middle income countries.

<sup>13</sup> The hospital was originally called the Colonial Hospital, built by the British government, later renamed Kingstown General Hospital. In 2020, it was renamed in honor of the first Prime Minister of SVG, Robert Milton Cato. <https://businessviewcaribbean.com/milton-cato-memorial-hospital-saint-vincent/>



of restoring functionality and electrical safety was estimated at more than EC\$1 million.<sup>14</sup> The building is also space constrained, with an estimated total area of 12,408 m<sup>2</sup>, curbing the possibility of service expansion, on-site storage, and health care waste management (HCWM). Equipment maintenance and care is costly, around 16% of procurement costs, much higher than the standard average of 3-7% of procurement costs. Lack of equipment standards, particularly for donated items, causes further challenges for adequate maintenance and management. At the same time, the layout of the facility poses challenges for service delivery, flow of staff, and movement of patients.

**17. In response to the service network limitations at the MCMH hospital and primary levels, the GOSVG is pursuing a two-pronged approach to redevelop and modernize the health sector.**

- At the hospital level, the GOSVG will expand the scope and improve the quality of secondary care services. Central to this vision is the construction of **the new Arnos Vale Acute Care Hospital (AVACH)**. The MOHWE is considering the provision of some categories of tertiary care within the AVACH based on a market assessment and cost-efficiency. A Hospital Strategic Plan (HSP) is being prepared to define AVACH's service profile, building on Sint Maarten's Medical Center (SMMC) experience.
- The MCMH will serve as a Maternal and Child Health Hospital (MCHH) and provide maternity and pediatric services. It will house the pediatric surgical center of excellence, operated by the World Pediatric Project, financed mainly through grants.<sup>15</sup>
- At the system level, the Government aims to use the AVACH and repurposing of MCMH to leverage primary care, specifically, by improving service quality, the referral and counter-referral system and the NCD care management model.

**18. The capital costs for hospital development and the operational costs of the new AVACH hospital are being calculated as part of the HSP.** The GOSVG and the Bank are currently undertaking technical assessments to ensure that the investment through IDA20 is financially grounded and fits the current macro-fiscal context, including the cost of capital expenses and operating costs.

- **Capital Costs.** The hospital design, supported by the World Bank-financed Regional Disaster Vulnerability Reduction Project (RDVRP) (P117871 and AF P146768), was completed in February 2022.<sup>16</sup> The latest available estimates from a design review conducted in June 2022 indicate that the infrastructure cost of the planned 134-bed hospital with a total surface of 18,500 m<sup>2</sup> is estimated at US\$61.25 million, exclusive of value added tax (VAT). This figure reflects an increase in costs to strengthen the foundation in response to findings from a geotechnical report. However, this cost does not include contingency resources to absorb changes in input prices or higher inflation. Using industry standards for contingency of around 20% of the infrastructure costs, the cost estimate increases to around US\$73.5 million. The updated preliminary estimates for equipment costs are US\$15.5 million, which includes a buffer to accommodate for 2022 prices. The ongoing assessment indicates that several items on the equipment list are overpriced, and some are duplicative, suggesting scope for cost reduction. As part of the strategic planning, a detailed equipment review is necessary to identify

<sup>14</sup>PAHO, Rapid Assessment Report for Saint Vincent and the Grenadines, 2014, Available at: [https://reliefweb.int/sites/reliefweb.int/files/resources/Rapid\\_Needs\\_Assessment.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/Rapid_Needs_Assessment.pdf)

<sup>15</sup> The physical space occupied by these wards was refurbished and upgraded in 2017 and 2014, respectively and are structurally sound. Under an MOU with the GOSVG, the World Pediatric Project (WPP) has developed a pediatric surgical center of excellence that provides advanced surgical care to children in the Eastern Caribbean.

<sup>16</sup> The RDVRP costs were based on a Bill of Quantities using market prices from 2018-2020.



missing equipment and to align the equipment list with the service profile of the new hospital. Furthermore, given that equipment maintenance costs are currently around 16% of the equipment cost, an in-depth appraisal of equipment procurement and maintenance options is required. An HMIS rapid assessment is underway. The preliminary analysis foresees a total investment of US\$1.5 million. In addition, health care waste management for the hospital is projected to cost US\$0.2million. Procurement of emergency vehicles (ambulance) for the hospital, not envisioned in the original equipment list, will cost around US\$ 0.2 million.

- **Operating Costs.** Considering the new service profile envisioned for the hospital, with a broader scope of services and improved quality of care, a preliminary conservative scenario analysis for the operation of the 2 hospitals indicates about an EC\$21.5 (US\$7.9) million financing gaps, equivalent to approximately quarter (24.9%) of the health sector’s recurrent budget. The HSP will provide additional analyses<sup>17</sup> for options and choices regarding service profile, hospital financing, and the overall business model. The MCMH service profile will be reduced from 213 beds to 79 and the transition plan will assess opportunities for reduction in duplication in hospital administration functions and interdependencies in clinical areas and service delivery.<sup>18</sup> The HSP will also present long term scenarios for a full transition to one hospital as AVACH functionality expands.

## Health Financing

19. **SVG spends a relatively small proportion of its GDP on health – between 4-4.5% since 2000 – 60% of which comes from the government budget (on average 2.7% of GDP).** Both are lower than the average for Caribbean States (6% and 3.3% respectively), LAC countries (7.8% and 4.2%), or similar Upper-Middle Income Countries (5.6% and 3.2%). Although no in-depth evaluation of funding needs has been done since the 2015 health public expenditure review (PER), there is Government-wide consensus that the public health sector is under-funded.<sup>19</sup> The public sector applies line-item budgeting to finance health care with no linkage between inputs and outputs, and therefore no financial incentive on performance. Establishing a National Health Insurance Plan was considered based on assessments in 1999. However, the plan has not moved forward, due in part to concerns about the limited size of the local population pool and the financial viability of the scheme.

20. **The NHSSP notes that financing strategies must include identifying new sources of funding for the sector while, at the same time, introducing mechanisms to boost cost-recovery and cost-containment.** However, there is no clear policy that would outline a vision for revenue mobilization and how to attain improved efficiency in the use of resources within the sector. In real terms, the sector budget has been stagnant since 2019, despite the increased demand for health services over the past two years. Therefore, the MOHWE has prioritized analytical work and policy development to guide decisions on how to leverage additional resources and attain more in the sector for the money spent.

21. **With over 40% of total recurrent budgetary allocations going toward hospital services, strengthening hospital financing will be important to improve the efficiency of sector expenditures and outcomes.**

<sup>17</sup> Ongoing assessments include (a) SVG Hospital Costing Study, including scenario analysis; (b) Hospital Strategic Plan.

<sup>18</sup> Including lab, pathology, transfusion, diagnostic imaging, pharmacy, transportation, sterilization, catering, and laundry.

<sup>19</sup> The last PER was done in 2015. With support from the Korea World Bank Partnership Facility, a PER is planned in FY23.



- **Hospitals are predominantly general government revenue financed, using historic line-item budgeting, which has limitations.** Firstly, line items are largely inflexible and do not allow reallocation across categories as needed, thereby resulting in inefficient input mix for service production. For example, around 77% of the MCMH's budget goes to non-discretionary HRH expenditures, leaving limited resources for other service inputs. Secondly, as budgetary allocations are not linked to outputs or performance, the budget does not serve as a financial incentive to perform.
- **Revenues from fees are insignificant due to an outdated fee schedule and lack of incentives at the facility level to collect fees.** The 1995 act introduced a limited official co-payment regime with an EC\$5 co-payment or 'stamp' on prescriptions and with many defined exemption categories. MCMH has limited charges for bed days (EC\$10/day) and some fees for laboratory and radiology procedures determined by the MOHWE in consultation with MOF. The revenues from these sources account for a modest source of financing for the public health system. Revenues from fees at the MCMH account for around 8 % of operating costs. Because fees are not retained at the hospital level or in the sector, there is limited incentive to collect fees. Estimates indicate that about 80 % of the patients that are expected to pay do not contribute due to weak revenue collection. The co-payment law that regulates revisions to the fee schedule and exemption rules limits financial flexibility.
- **The funding of the new hospital is expected to be a combination of government funding, private insurance and out of pocket payments, as well as innovative revenue sources.** A Master Plan was developed under the European Development Fund (EDF) for the period (2013-2020) to address inefficiencies in current hospital operations. However, the recommendations have not been implemented, nor would they be sufficient to ensure the financial sustainability of the new hospital model. The HSP will propose a financing model that will provide scenarios for maintaining a limited operation at MCMH and a fully-fledged operation at AVACH.

#### Relationship to CPF

22. **The dual ambition of universal health coverage and system resilience is reflected in the National Health Sector Strategic Plan (NHSSP 2019-2025)**, which states that the mission of the Ministry of Health and Wellness and Environment (MOHWE) is to *"Provide and promote quality, resilient, and sustainable health and environmental services that are accessible and affordable to all Vincentians."*<sup>20</sup>

23. **The proposed project is consistent with the World Bank Group (WBG) strategies for the Organization of Eastern Caribbean States.** The project responds directly to the priorities within the recently approved OECS Regional Partnership Framework (RPF) for FY 22-25 (Report 160349-LAC), which emphasizes the importance of health systems preparedness, and strengthening health systems in St. Vincent and the Grenadines.

24. **The project also complements donor and partnership activities (investments and technical assistance)** that are being undertaken through support from the Pan American Health Organization (PAHO), the United Kingdom, Canada, Taiwan, China, United States Aid for Development (USAID), the Caribbean Development Bank, and the COVAX facility. These interventions are supporting health sector investments and reforms, activities, and donations to respond to the COVID-19 pandemic crises and volcano relief support. The project also will be complemented by analytical work financed through the

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<sup>20</sup> National Health Sector Strategic Plan (NHSSP) 2019- 2025. Ministry of Health and Wellness (MOHWE)



Korea World Bank Partnership Facility (KWPF<sup>21</sup>) to support targeted reforms in the hospital sector to strengthen clinical outcomes and financial sustainability; support the design and implementation of strategic purchasing of health services; and strengthen NCD management. The project builds on the OECS Regional Health Project and related Additional Financing I (P168539; P174096) to improve preparedness capacities of health systems for public health emergencies in the OECS region and provide a response in the event of eligible crises or emergencies; complements efforts to improve resilience undertaken by the Fiscal Reform and Resilience DPC (P165220) and supplemental financing (P176822). The project will explore synergies with the Caribbean Digital Transformation Project (P171528), as the project seeks to digitize health information and administration, support connectivity for health centers and enhance digital skills. The project will also coordinate with activities being implementing by the OECS Data for Decision Making Project (P174986) to improve statistical data capacity building, and join activities related to data collection through household surveys, particularly for health data needs.

### C. Proposed Development Objective(s)

25. **PDO Statement.** The project aims to increase the scope and quality of hospital service and health system resilience and provide immediate and effective response to an eligible emergency in Saint Vincent and the Grenadines (SVG).

#### Key Results

26. The following key results will be monitored:
- 1) AVACH hospital ready for service delivery, as per the Hospital Strategic Plan (Percentage)
  - 2) Number of patients receiving consultations in the 5 priority specialties identified by the MOHWE (Number)<sup>22</sup>
    - Number of female patients receiving consultations in the 5 priority specialties identified by the MOHWE (Number)
  - 3) Hospital governance model has been informed through technical assistance (Yes/No)
  - 4) Percentage of Health Facilities that adopted Contingency Manuals at facility level with updates every other year (Percentage).

### D. Project Description

27. **The project will assist the GOSVG to strengthen hospital services and health system resilience to climate related hazards and climate change projections, support project management and provide flexible financing for contingent emergencies through four components.** With the new hospital (AVACH) at its center as the catalyst for sector reform, the project will support SVG in tackling comprehensive aspects of resilience including the ability of the health sector to manage shocks, the adaptability of health services to provide high quality care during and after crises, the maintenance of core functions, the absorption capacity of the hospital to efficiently manage additional resources and increasing the sector's ability to respond to crises. The project is expected to play a transformative role in strengthening the

<sup>21</sup> ASA: "Saint Lucia and SVG: Accelerating Progress toward UHC in the Era of COVID-19" (P176662), closing on December 31, 2023.

<sup>22</sup> The list of specialties is integrated in the definition of the indicator. Particular attention has been paid in the selection of the specialties to reflect a positive increase in capacity to treat, versus increased number of services provided due to failure at the PHC level.



sector's adaptive capacity, including its ability to effectively respond to costly disease outbreaks, devastating climate and natural disasters, and the rising burden of chronic NCDs. The project will finance: (a) the development of a modern, safe and "smart"<sup>23</sup> acute care hospital with a service profile that responds to the burden of diseases and manages higher complexity cases; while contributing to (b) strengthening the health system's capacity to plan and respond to emergencies and maintain core functions when crises hits; and (c) support the implementation of the NHSSP's vision of "redevelopment and modernization of the sector" to improve the quality and sustainability of the health system.

### **Component 1: Development and launch of a new acute care hospital (Estimated US\$85.95 million)**

**This component will co-finance the contract to construct and equip the new AVACH hospital.** Specifically, the component will co-finance the following activities: (a) construction of the new hospital; (b) procurement of the related medical and non-medical equipment, and maintenance contracts for complex equipment; (c) equipment for a facility-specific Health Care Waste Management (HCWM). The new hospital will be constructed in the envisioned "Modern City" on the site of the decommissioned E.T. Joshua Airport in Arnos Vale, about 4.8 km<sup>2</sup> (3 miles) from the existing MCMH. Meanwhile, the MCMH will continue to function as a hospital specialized in maternal and pediatric care.

28. **The new hospital will incorporate a climate-resilient structure, as well as smart workflow that will support efficiencies for service delivery and organization of the hospital** to ensure continuity during climate events, such as hurricanes, heat waves and floods. Regarding climate-resilient measures, it will consider measures for lightning strikes, high-speed winds from hurricanes, and energy and water management measures. For the green features it will also aim to minimize healthcare waste, water consumption, and confirm safe disposal of hazardous materials, ensuring that all refrigerant-containing equipment and appliances do not use CFCs.

### **Component 2. Strengthening Health System Resilience (Estimated US\$5.55 million)**

29. **This component will finance technical assistance, hands-on capacity building and infrastructure to create a safe, resilient, and transparent environment for sustained health service delivery and strengthened hospital performance.** Component 2 is critical to ensure that the new hospital is operationally efficient, sustainable; resilient, and responsive to patients. This component will finance a HCWM hospital-level strategy and the development of a Health Information System Action Plan, and procurement of the hospital management information system and related capacity building. In addition, the component will finance activities for the hospital and health sector levels to strengthen the health system's adaptive capacity. **Hospital Level: Strengthening the Capacity and Resilience of Hospital Services.** This component will support the implementation of the Hospital Strategic Plan and related transition plan, including the hospital-specific plan for contingency and service continuity planning to effectively respond to public health emergencies, such as outbreaks, pandemics, disasters, and climate related extreme weather events.

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<sup>23</sup> "Smart" is used both in terms of energy efficiency ("green" building) and the use of digital solutions to improve organization efficiency (e.g., care pathways) and patient experience.



30. This component will also improve the Management Information Systems to Strengthen Hospital Services, including a blend of capital investments and services. Specifically, the project will support the (a) development and implementation of an HIS action plan; (b) procurement of a hospital information system for the AVACH; and (c) related training. Furthermore, it will support (d) maintenance of the hospital MIS for the first two years after installation; (e) upgrade of the Lab Information System currently utilized at the MCMH; and (f) development of integration interface the current and the new system.

31. **System Level: Improving Quality of Care and System Resilience.** This component will focus on strengthening health system resilience to effectively manage shocks, prepare for and respond to emerging health conditions and public health emergencies and climate events. Focused investments will target critical areas to strengthen the resilience of the health system to shocks and its responsiveness to patients, including through: (a) supporting the development and implementation of an enabling sector policy and regulatory framework; (b) improving the quality of health care services including best practices for Infection Prevention and Control (IPC) and Emergency Medical Teams (EMT) as well as referral systems and (c) strengthening the resilience of service delivery, with focus on facility-level application of contingency plans, and hands-on capacity building.

### **Component 3: Project Management, Coordination and Evaluation (US\$9.55 million)**

32. **Given the scale and complexity of the construction and investment, a Construction Management and Supervision Consultant (CMSC) will be hired to provide project management functions that are limited on-island.** Specifically, the firm will manage the procurement and supervision of the construction contract. This firm will provide technical supervision to ensure that construction is being implemented according to appropriate standards. The CMSC will ensure that transition arrangements for equipment are in place between MCMH and AVACH. The CMSC will also manage the procurement of equipment and transition arrangements for equipment from MCMH to AVACH and develop a maintenance and operational plan for equipment.

33. **The proposed project will be implemented by the Ministry of Finance, Economic Planning and Information Technology jointly with the MOHWE.** This component will support capacity building in the areas of contract management, procurement, environment and social safeguards, financial management (FM), and monitoring and evaluation, including project audits. In addition, related operating expenses, equipment, and personnel necessary for the execution of the project will be supported. At this time, overall institutional capacity risk is rated as substantial due to limited government procurement capacity, lack of construction skills on island, the small construction market, and the establishment of a new arrangement with a coordinated team between the MOHWE and the MOFEP.

34. **The MOHWE and MOFEP will create a Project Coordination Team (PCT)** consisting of a lead Project Manager and an Assistant Project Manager that will be responsible for planning and monitoring; a part-time Project Engineer/Architect, 2 Environment and Safeguards specialists (one each), a Procurement Specialist, and a Financial Management Specialist. The PCT may consider the support of the Health Promotion Unit to manage public relations. The PCT will be responsible for managing the CMSC to oversee the procurement and supervision of the construction of the hospital for Component 1 and a Health Sector Consultancy for Component 2. Additionally, the PCT will conduct all other procurement and supervision of all activities under Component 2.



**35. Component 4. Contingency Emergency Response Component (CERC) (US\$0 million)**

**This fourth, zero cost component aims to provide funding in the event of a public health emergency.** The CERC is only triggered in the case of a national emergency and when certain actions, as agreed by the Government and Bank teams, are met. These actions can include: (a) the country declares a national emergency; and (b) presents a sound and actionable country-level response plan. Having the CERC in place provides a compelling platform for country-level discussions on the importance and need for country-level readiness to respond to emergencies such as disease outbreaks, climate events or other disasters.

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

36. Both environmental and risk ratings of the project are substantial. The construction of AVACH is considered a large construction in the country with its limited experience with this scale of construction. Given that the project may have significant impact on the environment and human health, some issues need to be addressed carefully. The potential environmental risks during construction will be from dust, noise, air and noise emissions, and runoff into the Warrow River and Caribbean Sea. Community health and safety risks include access and traffic. The site is a brownfields development, therefore there are potential concerns with soil or groundwater contamination that will be assessed during the detailed design review phase. During operations the main environmental concerns will include biomedical waste management, and the health and safety of workers and nearby residents. The hospital design and ESIA will include provisions for adequate collection, storage, on-site treatment, transportation, and ultimate disposal of treated health care waste.

37. The new hospital will have significant social benefits, including a country-wide hospital and a strengthened health system resilience against climate change impacts and other crises reducing disruption in essential health care services. Other benefits include increasing focus on maternal and pediatric care, giving greater voice to patients through patient surveys, including segregating feedback by sex, and implementing protocols and training of frontline workers and police officers to respond to Gender Based Violence (GBV) cases.

38. Key social risks to the project to be mitigated are related to: (i) potential impacts on the vulnerable Pole Yard community; (ii) labor and working conditions; (iii) health and safety; and (iv) access of vulnerable groups to the hospital and other project benefits. Although the draft Environment and Social Impact Assessment (ESIA) indicates that that there will be no land acquisition, particular attention should be paid to potential social impacts on the Pole Yard community, which is an informal vulnerable community living adjacent to the proposed project site (including 62 dwellings). In addition, there are potential risks related to labor and working conditions such as: impacts of foreign influx on community health and safety;



discrimination; forced labor; and unequal pay. Other impacts include possible health and safety risks on workers and adjacent communities during both the construction and hospital operational phase. Finally, there are risks related to not ensuring access of vulnerable communities to the hospital and other project benefits, including on communities such as the LGBT community, the elderly, women head of households and people with disabilities (physical, visual, etc.).

39. Relevant instruments have been being prepared to mitigate these impacts including: an Environment and Social Impact assessment (ESIA) and Environmental and Social Management Plan (ESMP); Stakeholder Engagement Plan (SEP); Labor Management Procedures (LMP); and CERC Environment and Social Management Framework (CERC-ESMF). To address community concerns, a project level Grievance Redress Mechanism (GRM) has been designed, as detailed in the SEP, and a separate labor GRM as detailed in the LMP. Both GRMs specify special channels and procedure to address Grievances related to Sexual Exploitation, and harassment linked to the project.

40. Both the MoFEP and MoHWE are familiar with the World Bank’s requirement on the Bank’s environmental and social requirements. The staff of PSIPMU under MoFEP received the training on the ESF. In order to strengthen the institutional capacity for implementation, the PCT will develop and implement an Environmental and Social Training Plan (ESTP) acceptable to the Bank to ensure the required capacity for environmental and social implementation of the Project. The plan shall include a schedule, budget, goals, and indicators. The training shall be focused on project workers, contractors, and community-based organizations.

## E. Implementation

### Institutional and Implementation Arrangements

41. **The proposed project will be led by a Project Coordination Team (PCT)** housed within the Division of Economic Planning and the Public Sector Investment Project Management Unit of the Ministry of Finance, Economic Planning and Information Technology, in close coordination with the sectoral line ministry (MOHWE) that will lead on technical matters.

42. **Project Steering Committee (PSC).** The PSC will provide high-level oversight to steer key decisions and policies on reforms required to develop (construct and operationalize) an improved hospital system and a resilient health system. The PSC will be co-chaired by MOFEP and MOHWE

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