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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 18-Jan-2023 | Report No: PIDA34768



BASIC INFORMATION

A. Basic Project Data

Country Timor-Leste	Project ID P179592	Project Name Timor-Leste Healthcare Action Through Rapid Infrastructure Improvements (“HARI”) Project	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 05-Jan-2023	Estimated Board Date 28-Mar-2023	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Health	

Proposed Development Objective(s)

To strengthen health infrastructure and referral system in project target areas in Timor-Leste

Components

- Component 1: Strengthening supply-side readiness for a well-performing health referral system
- Component 2: Ensuring the availability of management costs at the primary health care level
- Component 3: Project Management and Monitoring & Evaluation
- Component 4: CERC

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	50.00
Total Financing	50.00
of which IBRD/IDA	50.00
Financing Gap	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	50.00
IDA Credit	50.00

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

Since achieving independence in May 2002, Timor-Leste has made great strides towards lasting peace and stability. Security and living standards have improved and the long process of strengthening institutions and reducing poverty in the country is underway. Nonetheless, the long-term impacts of weak institutional frameworks, poor health indicators, human capital shortages, extreme poverty, hunger, and violence leave their legacy today, and most sectors still suffer from significant capacity gaps.

Timor-Leste is a lower-middle income country with a per-capita GDP of US\$1,626.40, and a total GDP of US\$2.19 billion (2021 data). After an 8.6 percent decline in 2020, the country’s non-oil economy grew by 1.5 percent in 2021. This growth was limited due to the effects of the ongoing COVID-19 pandemic and heavy flooding caused by Tropical Cyclone Seroja. The oil economy grew by 8.3 percent, bringing the total economic growth to 4.4 percent for 2021⁶. Yet despite this growth, two in five people lack the minimum resources needed to satisfy basic needs. Major disparities in welfare, development outcomes, and service accessibility are observed across the thirteen municipalities in the country. 80 percent of the country’s poor live in rural areas, home to 68 percent of the population in 2021. Poverty remains highest in the Western region, and particularly its rural areas. Rural populations record lower levels of access to, and use of, health services, education, water and sanitation, and transport infrastructure.

The population of 1.34 million (37 percent under the age of 15, growing annually at 1.9 percent) face a human capital crisis. Despite some progress over the last decade, a child born in Timor-Leste today will only be 45 percent as productive as an adult as they could be if they enjoyed complete education and full health. Moreover, the population is expected to age quickly from 2050 onwards, as the fertility rate continues its ongoing drop from 6.2 in 2002 to 3.9 in 2020. With this demographic transition underway, Timor-Leste may face a higher dependency ratio that will pose social and economic challenges.

Timor-Leste is highly vulnerable to natural disasters, including cyclones, earthquakes, tsunamis, heavy rainfall, droughts, floods, landslides, and soil erosion. These extreme events also disrupt access to essential services by damaging or destroying roads during extreme events and emergencies and have major impacts on population



health. Moreover, this situation is set to worsen in the decades ahead in light of climate change, which will further increase the frequency and intensity of these extreme events relative to this already concerning baseline.

Government expenditure has been very high during the past decade however, the allocative efficiency of public spending should be improved to better reflect stated priorities and existing challenges. Public spending has grown substantially since the mid-2000s, averaging 86 percent of GDP between 2008 and 2019. Public expenditure has been skewed towards economic infrastructure – mainly electricity and roads. However, the country continues to face large human development challenges, implying there is scope for an improved allocation of resources beyond physical strategic infrastructure, particularly due to very limited spending on social infrastructure relating to health, education, and water and sanitation.

Sectoral and Institutional Context

Since its independence, through this health system, Timor-Leste has made significant efforts to advance its health service delivery, resulting in the partial improvement of key population health outcomes. Life expectancy has increased by 8.7 years since 2002, under-five mortality rate has declined from 97 to 42 per 1,000 live births between 2002 and 2020, and maternal mortality reduced from 668 to 142 per 100,000 live births between 2002 and 2017. Progress has also been made in infectious disease incidence.

These improvements are in part due to an increase in health spending which has enabled important investments in the health sector. A large share of this increased health spending has gone towards a higher wage bill for the increased number of medics. The ratio of nurses and midwives to population rising from 0.1 per 1,000 population in 2004 to 1.8 in 2019, while the number of physicians increased from 0.1 to 0.8 per 1,000 population during the same timeframe. The wage share increased from about 20 percent in 2008 to 49 percent in 2019.

Despite these efforts, some health outcomes and service indicators continue to lag regional and income peers, and significant challenges remain. Forty-two percent of all deaths of women aged 15-49 are related to pregnancy. Nearly half of children in the lowest four income quintiles are stunted and maternal and child health indicators are still much higher than the rest of the East Asia and Pacific (EAP) region. In addition, the absolute and relative share of non-communicable diseases (NCDs) is on the rise, accounting for 53 percent of the deaths in 2019, up from 30 percent in 2000. Demand for cardiac services is also rising exponentially. With an outpatient utilization rate hovering around 2.5 visits per year, Timor-Leste misses the target of 3 visits per year on average established in the NHSSP. The factors affecting utilization of health care include lack of medicine, a shortage of health care workers, distance to the health facilities, as well as transportation costs – especially for referral cases.

Large disparities in health service availability, delivery, quality, accessibility, utilization, and outcomes are also observed along the urban-rural and socioeconomic spectrum. Under-five mortality per 1,000 live births ranges from 25 in the highest income quintile to 55 in the lowest²⁰. There is significant variation across municipalities in the share of the population that has ever sought care. Compared to urban residents, rural residents are more likely to seek care in a Primary Health Care (PHC) facility than in a hospital.

The distribution of health facilities is also uneven. The observation that proximity to care drives health-seeking behaviour in Timor-Leste is a strong impetus to ensure the provision of high-quality hospital-level care at the municipal level across the country, as proposed in the NHSSP through the introduction of municipal hospitals. The majority of health facilities are currently clustered in the central-northern municipalities. This leads to patients elsewhere not seeking care, exploring alternative medicine options, or to traveling directly to Dili for tertiary care rather than visiting gatekeeper primary care in Health Posts (HPs) and Community Health Centers (CHCs). This swamps the already precarious tertiary-level facilities – causing a breakdown of the current referral system. Beyond physical infrastructure, these disparities are also seen in the availability and management of fully



trained staff, medical products, vaccines, and technology to operate, maintain, and ensure quality health service delivery in these facilities.

Supply chain management of and expenditure on medication, including distribution and stock management, also differs greatly across the country. While hospitals have basic equipment for primary care, this is less so in CHCs and even less in HPs. Only 2 out of 3 CHCs and HPs has access to 24-hour electricity, and with constant water supply only available in 32 percent of CHCs without beds (71 percent in those with beds) and 42 percent of HPs. Rural and poorer households thus have reduced access to poorer-quality care, driving major disparities in health outcomes. The MoH PHC Guidelines include standards for readiness of primary, secondary, and tertiary health facilities, but only 17 percent of CHCs and 4 percent of HPs meet these standards.

Several Development Partners are working towards strengthening the quality, scope, and efficiency of Timor-Leste’s health service delivery. This includes, among others, Australia’s Department of Foreign Affairs and Trade (DFAT) and the Partnership for Human Development (PHD), the United States Agency for International Development (USAID), the United Nations Population Fund (UNFPA), and the World Health Organization (WHO).

Following the establishment of autonomous agencies and the decentralization of selected health functions to municipalities, planning and budgeting have become fragmented, and there is now even greater budget uncertainty than under the previous centralized model. In Autonomous agencies have limited budget control and municipalities struggle to spend effectively while confronted with complex funds flows, reporting requirements, and substantial delays on provision of operating budget to peripheral health facilities.

Timor-Leste’s health management information system (HMIS) is comprehensive and collects a lot of data, but it is not used to its full capacity. Timor-Leste’s health information system (TLHIS) captures data at the individual and household level, complementing the District Health Information System 2 (DHIS2) collection of data by facility. Saude na Familia’s eHealth platform ‘Registo Saude Eletronico Timor-Leste’ (RESTL, ‘Timor-Leste Electronic Health Record’) and the ‘mSupply’ platform for pharmaceutical management and health facility restocking are currently not integrated into DHIS2. While DHIS2 has been rolled out to all hospitals and CHCs and some HPs, health workers are overburdened by lack of access to WIFI or cable internet and adequate IT equipment, resulting in continued paper-based data and reporting demands from two uncoordinated data platforms.

The COVID-19 pandemic demonstrated the vulnerability of the current health system, underlining the need for upgrading of health facilities, innovations in health service delivery and introduction of affordable but game-changing technologies that can support access to quality care. Only 31 percent of CHCs were found to be prepared for isolation thus leading to significant disruptions in the delivery of essential health and nutrition services, internal displacement, and deaths. Subsequently, serious disruptions were reported in critical maternal and child health services recording 10 to 25 percent decline in already low utilization rates⁶.

The COVID-19 pandemic thereby underscored the need for upgrading, equipping, and adequately financing HPs and CHCs, with the geography of Timor-Leste requiring innovative solutions to bridge the last-mile for service delivery, as well as the necessity of establishing municipal hospitals to ensure the continued availability of essential services within reach of the rural population, even in times of health crises or natural disasters.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

To strengthen health infrastructure and referral system in project target areas in Timor-Leste



Key Results

The proposed Timor-Leste Healthcare Action through Rapid Infrastructure Improvements (“HARI’I”¹) Project, in the amount of US\$50 million, will contribute to establishing a functioning health referral system in Timor-Leste through strengthening supply-side readiness from the PHC level to secondary care in three project municipalities selected by MoH based on the NHSSP, and up to tertiary care level in the capital, Dili. It will also support efforts to improve the overall performance and efficiency of health service delivery systems in Timor-Leste from the perspective of data management, financing, and human resources for health through (i) strengthening the current health information systems setup by establishing connectivity between the DHIS2, *Sauda Na Familia*/RESTL, and mSupply into the integrated national Timor-Leste Health Information System (TLHIS); and (ii) providing facility management cost to improve service readiness, including operation and maintenance of health facilities and equipment of some basic health services (iii) ensuring the provision of basic clinical in-service and Public Financial Management (PFM) training needed to manage and operate health care infrastructure, data, and strengthen financial accountability at municipal level in collaboration with Development Partners. Moreover, MoH agreed to supply the required human resources for health (HRH) and funding for tertiary hospital infrastructure, equipment maintenance. This joint and coordinated efforts will be critical in building the country’s health care referral system. While the financial and technical support under the HARI’I project is dedicated to the three target municipalities - Ermera, Lautem, and Viqueque – notable positive spill-over effects are expected that will benefit the health sector nationwide. These include replicable capacity building for enhanced financial management and clinical capacity, a strongly improved integrated HMIS data infrastructure, and scalable guidelines for health service delivery and health facility management and operation, alongside the detailed engineering design for municipal hospitals to be constructed across Timor-Leste. Nonetheless, given the project’s focused geographic scope, the implementation of these scalable activities will only be monitored in target municipalities. The multifunctional ambulances and operational vehicles procured under the WBG’s HEPR-TF project will also enable appropriate transportation as part of creating this functional referral system. WBG will support the development of protocols and, if necessary, decree laws to substantiate the functioning of the referral system, underpinned by analytical and advisory work and other development partners’ contributions and achievements.

D. Project Description

The proposed HARI’I Project has the following four components:

Component 1: Strengthening health infrastructure for a well-performing health referral system (IDA US\$42.0 million + Government counterpart financing of US\$3.5 million for Lahane Hospital equipment Sub-component 1.2)

In line with Government’s priorities, this component will serve the climate shock-prone municipalities Ermera, Lautem, and Viqueque, as well as the population nationwide referred to HNGV and Lahane hospital for specialist services. Three sub-components will together result in the establishment of the physical infrastructure for a functional, referral health care system. The World Bank will provide technical assistance (TA) to support establishment of referral system through analytical and advisory work.

¹ “Hari’i” in Tetum, one of Timor-Leste’s official languages, means to ‘build up’.



Sub-component 1.1: Strengthening health referral systems at the municipality level (IDA US\$ 31.4 million). This sub-component will finance the construction of a new gender-sensitive and climate shock-resilient and energy-efficient municipal hospital in the urban centres of Gleno (Ermera municipality) and Lospalos (Lautem municipality) and the expansion of an existing CHC Level 2 in Viqueque Vila (Viqueque municipality) to become a municipal hospital, offering services in line with the ESP. A feasibility study as part of the DED development (Sub-component 1.3) will confirm the suitability of the identified sites. Funds will be provided conditioned on conducting the feasibility study and developing municipal hospital building standards, which will explicitly focus on energy-efficient infrastructure and their climate shock-resilience and MoH providing the operational and management plan as well as the HR plan for these municipal hospitals for the project implementation period. The infrastructure development work to be financed under the Project will be in full compliance with the World Bank’s Environmental and Social Framework (ESF), and the ESF requirements need to be met prior to the commencement of civil work activities.

In addition, this sub-component will provide funds for the upgrading and equipping of all CHCs and HPs in the same three municipalities in line with the ESP for PHC. Individual facility needs will be determined through a comprehensive gap assessment in each CHC and HP. Infrastructure and equipment gaps will be identified and costed during the first year of implementation and addressed in each facility on a priority basis.

Sub-component 1.2: Tertiary care equipment (IDA US\$3.8 million for HNGV + IDA US\$3.8 million for Lahane Hospital + Government counterpart financing US\$3.5 million for Lahane Hospital). This sub-component includes the procurement of equipment and the associated maintenance capacity development for tertiary health facilities. Maternal, child, and perinatal health services and haemodialysis are supported through the procurement of energy-efficient equipment (according to energy star criteria to be introduced for tertiary health facilities in Timor-Leste) and the provision of in-service operational capacity building for HNGV. The procurement of essential energy-efficient equipment to equip the new cardiac ward at Lahane Hospital is also foreseen under this sub-component. Larger equipment will be procured through a lease-purchase contract which also includes initial instruction in use of equipment as well as maintenance. The cardiac equipment for Lahane Hospital is co-financed by Government, contributing US\$3.5 million. In addition, the Project will support the establishment of telemedicine services for the management of patients with cardiac conditions from Lahane Hospital.

Sub-component 1.3: Feasibility Study and Detailed Engineering Design (DED) for HNGV expansion and municipal hospitals (US\$1.5 million). This sub-component will deliver the feasibility study and building standards and specifications for the three remaining phases of HNGV expansion, as well as for the municipal hospitals, ensuring these will meet the highest construction, safety, energy-efficiency, disaster resilience, and safeguards standards, aligned with the requirements in the ESP. This includes the incorporation of building adaptation measures to withstand and provide shelter from flooding, landslides, extreme heat, and drought. Moreover, considerations of Occupational Health and Safety (OHS), healthcare waste management, grievance mechanisms, and ensuring continuous utility (electricity and water) access are pivotal in this DED, alongside maintenance guidelines ensuring sustainability of these infrastructure investments.

Sub-component 1.4: Digital Infrastructure Improvements (IDA US\$1.5 million). The Project will support the strengthening of DHIS2 use in 3 municipalities to ensure full operational functionality, which has the potential for national upscaling. Such support will include IT equipment as well as a contract with a firm to provide ongoing technical support and skills development. Support will also be provided to link the RESTL and mSupply systems to DHIS2, which includes the recording of climate-sensitive infectious diseases and utility access, including electricity.

Component 2: Management Cost for Primary Healthcare Facilities (IDA US\$4.0 million)



To address the limitations leading to less than adequate service delivery at primary health care level in Timor-Leste, the Project will support the management cost of CHC and HP and the associated PFM capacity building of staff in 3 project municipalities to appropriately manage funds. This will ensure the continued maintenance of health facility infrastructure and equipment provided under Component 1.

Sub-component 2.1: Facility Management Cost (IDA US\$3.0 million). This Project will finance the facility management cost, estimated to be approximately US\$3 million for 3 municipalities for the project duration. The size of fund provided to each CHC will be determined by MoH based on facility catchment area and population, and geographic accessibility and associated service utilization. The Project Operations Manual (POM) will include the details of the methodology and amounts. The Facility Management Cost will cover the basic expenses at facility level, including medical supplies, communication expenses, fuel, utilities, contractual staff (cleaner, driver, etc.), routine repair/maintenance of equipment and vehicles, facilities and office supply. The facility management cost will not replace the existing annual operating budget provided by Ministry of State Administration. The MoH will monitor the expected improvements in each facility’s service indicators due to full availability of its management cost.

Sub-component 2.2: Public Financial Management (PFM) capacity building (IDA US\$1.0 million). Strengthening the Government’s PFM capacity especially at municipality and CHC levels is a critical condition for funds to be utilized in accordance with the World Bank Financial Management guidelines. Selected CHC staff in 3 municipalities will undergo in-service training in the PFM, with an eye for its future upscaling nationwide. The Project will utilize the training modules and materials prepared with support from DFAT/PHD.

Component 3: Project Management and Monitoring & Evaluation (IDA US\$4.0 million)

To strengthen the Special Project Management Unit (SPMU) in MoH, additional consultants will be contracted to form a Project Management Consultant (PMC) team.

Component 4: Contingent Emergency Response Component (CERC) (US\$0)

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

The project’s environmental and social risk classification (ESRC) is assessed as Substantial, with environment risk being assessed as Substantial and social risk as Moderate. By design, the project is envisaged to generate positive outcomes through health system strengthening and improved equity of health services, particularly at the primary and referral healthcare levels in underserved areas. Direct investments with potential environment, occupational and community health and safety risks and impacts include provisions of medical equipment in two select national hospitals, infrastructure upgrading in three municipal hospitals, and infrastructure upgrading for community health centers and health posts in three municipalities. No new land acquisition is anticipated since



such upgrading will be either in-situ or use the government existing land. Loss of natural habitat or conversion of wetland are not anticipated. While the scale of upgrading is yet to be determined, hospital upgrading may involve medium-scale civil works based on the proposed financing envelope (12 million distributed across three municipal hospitals, including equipment) and GoTL’s estimates. The capacity of typical municipal hospitals in peri-urban and rural areas in Timor-Leste is expected to range between 25 - 58 bed capacity, with an area footprint between 1400 to 3000 sqm (Essential Service Package for Secondary and Tertiary Care for Timor-Leste, 2022). The project will also support DED preparation for upgrade of the HNGV which will anticipate downstream medium scale construction impacts. Potential risks associated with civil works activities for hospital upgrade are currently assessed as moderate considering the potential scale and nature of activities. The potential impacts from civil works activities are localized, predictable, temporary, site-specific, small to medium in scale, and not complex nor unprecedented. However, the civil works activities and the future hospital operation may result medium to low probability of serious adverse effects to human health and/or the environment, particularly in the location with inadequate basic infrastructure services and when resources is not sufficient to ensure proper operational capacity and maintenance of equipment. Additionally, an increase in the volume of health services attributed to the project is expected to moderately increase the volume of medical waste generated by the health facilities supported by the project, in comparison to the volume of waste in the country. The current medical waste management practices and enforcement of existing legislation are currently weak, and this reflects a systemic issue on the handling of medical waste management affecting the whole country and warrants attention during project implementation. Risks associated with labor influx, including risks of Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH), are assessed as moderate based on a risk screening. Municipal hospital upgrading will be situated in and/or near the municipal capitals where there is a supply of local labor and availability of basic services. No labor influx is anticipated as a result of the operation.

Environmental and social requirements for the civil works will address both applicable ESS provisions as well as the national law. In line with the GoTL’s environmental licensing regulation as stipulated in the GoTL Law-Decree 05/2011 on Environmental Licensing Law (ELL), the project will be required to develop an environmental assessment proportional to the scale of impacts, along with an environmental management plan for each municipal hospital. These include an environmental impact assessment (EIA) or initial environmental examination (IEE), depending on the level of likely impact of the project, followed by a site-specific Environmental and Social Management Plan (ESMP). The environmental and social assessments and the ESMPs will need to address requirements of relevant Environmental and Social Standards (ESSs) of the World Bank’s Environmental and Social Framework. An environmental license shall be obtained prior to the start of construction. Further, relevant requirements of Environmental, Social, Health and Safety (ESHS) will be incorporated in bidding documents and contracts for civil works. Potential risks associated with procurement of medical equipment with radioactive materials, establishment of hospital waste treatment facilities for infectious and non-infectious wastes, including their supporting equipment (i.e., autoclaves, incinerators, etc.) which may present potential health hazards will be addressed as part of the overall planning, design, and operations/maintenance of such equipment. Further considerations on climate-resilient design, universal access, energy efficiency, and community health and safety will be integrated as part of the feasibility and detailed designs of each hospital supported by the project. Going forward, the project will include institutional capacity strengthening for the adoption of these measures within MoH.

Fit-for-purpose environmental and social risk mitigation measures will be prepared with time-bound actions to be agreed in an Environmental and Social Commitment Plan (ESCP). The ESCP includes relevant actions, including preparation of environmental and social assessment and instruments prior to specific project



milestones. A Stakeholder Engagement Plan (SEP) has been prepared to guide overall engagement during the project preparation and implementation, focusing on inclusive engagement with vulnerable groups. The SEP will be finalized prior to project appraisal. An Environment and Social Management Framework (ESMF) is considered as an appropriate instrument since specific sites and size of physical investments (i.e., civil works, equipment) will only be determined during project implementation, following feasibility assessments. The ESMF is currently being prepared and includes application of a sequenced risk mitigation approach in compliance with the ESF and relevant WBG EHS Guidelines and in consideration of the Good International Industries Practice as well as the institutional arrangement(s) for the management of risks and impacts across applicable ESSs at the sub-project level, such as site-specific environmental and social assessment and impact management, construction safety, labor and working conditions, community health and safety, land due diligence, Indigenous Peoples, pollution prevention and resource efficiency, and cultural heritage. Generic TORs for site-specific environmental and social assessments and ESMPs have been included in the ESMF. A facility-specific medical waste management plan will be developed as part of the ESMP. This will be followed by incorporation of relevant environmental and social considerations, including impact mitigation measures and alternatives as part of the DED (including provision of basic infrastructure services and adequate medical waste treatment equipment) and regular supervision. Applicable measures concerning universal access, energy efficiency, climate resilience, community health and safety will be integrated as part of DED development for each hospital. The use of renewable energy resource (such as Solar PV) may be considered to ensure sufficient energy source. Civil work contractors will be required to develop Contractor Environment and Social Management Plan (C-ESMP) in line with the project’s ESMF prior to implementation of physical activities, including mobilization of equipment and labor. The ESMF, which also covers Labor Management Procedures, will be finalized as a project effectiveness condition.

Inclusive engagement with key stakeholders, including the target community, lays the foundation for equitable access and trust building. While quality of services represents an essential component of access to health care, another equally important dimension is efforts to promote citizens demand for such services. There have been challenges attributed to the government’s capacity to provide equitable and socio-culturally acceptable health services, particularly in communities where such services have been lagging. Beyond provisions of infrastructure and equipment, strengthening primary and referral healthcare facilities requires interface with local norms, practices, and beliefs as part of health demand generation, behavior change and trust building. This may involve engagement with various stakeholders with vested interests, such as traditional healers, community and religious leaders, civil society organizations and the broader public whose views and perceptions will need to be understood to enable inclusive and constructive engagement. Hence, the project will need to address such complexities and dynamics on the ground to promote local ownership and sustainability of its investments.

E. Implementation

Institutional and Implementation Arrangements

MoH will be the implementing agency which has overall responsibility to effectively deliver the proposed Project. In this capacity, MoH will (i) coordinate project activities implemented at the national and subnational levels to make sure they are aligned to achieve the PDO, (ii) liaise with and maintain a strategic link between the Ministry of Finance (MoF) and other key government agencies including Ministry of Public Works (MoPW), Ministry of Planning and Territory (MoPT), and Ministry State Administration (MSA), as well as the National Procurement Commission (NPC) and National Development Agency (ADN), to enable smooth project execution, (iii) ensure close collaboration with the National Agency for Planning, Monitoring and Evaluation (Ajénsia Nasionál ba Planeamentu, Monitorizasaun no Avaliasaun, or ANAPMA) for monitoring and reporting under the



Project, sending regular reports to the World Bank on progress achieved on the indicators of the Results Framework; (iv) monitor project expenditures and costs; (v) ensure that the Project Operations Manual (POM) is followed and updated as may be necessary during implementation; and (vi) prepare and distribute consolidated progress reports and the final report to the World Bank and relevant government agencies.

To assist MoH in fulfilling these responsibilities, the Project will be implemented by MoH’s SPMU. The SPMU is headed by the SPMU Administrator, who will oversee day-to-day supervision of project performance. The SPMU will have core functions including Project Monitoring and Management Services, Administration and Financial Services, Procurement Services, and Environmental and Social Safeguards, alongside Municipal focal points. Under the MoH management oversight, the SPMU will provide day-to-day management to and the implementation of the proposed Project, including overall fiduciary responsibilities, and monitoring of the implementation progress to ensure compliance with World Bank requirements.

The SPMU will be supported by a Project Management Consultant (PMC) unit to further strengthen project implementation under the overall leadership and monitoring by SPMU. The PMC unit will be responsible for (i) providing technical guidance and advice; (ii) ensuring timely production of annual implementation plans and budgets; (iii) tracking the progress of project indicators to monitor the implementation of project components, and (iv) ensuring that the project implementation to be in line with the POM.

At the sub-national level, the municipal administrations will have primary responsibility for supporting implementation of the project at the subnational level. The overall SPMU will include a focal point for each municipality. The Municipal Director of Health, Director of Public Works and Director of Planning will be closely involved in the coordination of the activities implemented at the subnational level. The Municipal Director of Health will involve different agencies, as needed, to ensure effective management of the activities.

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