INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE

I. Basic Information

Date prepared/updated: 02/23/2011 Report No.: AC5795

1. Basic Project Data

Country: Argentina	Project ID: P106735
Project Name: Provincial Public Health Insurance Development Project	
Task Team Leader: Rafael A. Cortez	
Estimated Appraisal Date: February 23, 2011	Estimated Board Date: April 28, 2011
Managing Unit: LCSHH	Lending Instrument: Specific Investment Loan
Sector: Health (100%)	
Theme: Health system performance (60%);Child health (20%);Population and reproductive health (20%)	
IBRD Amount (US$m.): 400.00 IDA Amount (US$m.): 0.00 GEF Amount (US$m.): 0.00 PCF Amount (US$m.): 0.00 Other financing amounts by source: Borrower 0.00 0.00	
Environmental Category: C - Not Required	
Repeater []	
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)	Yes [ ] No [X]

2. Project Objectives

The PDOs are to: (a) increase utilization and quality of key health services for the uninsured target population, and (b) improve institutional management by strengthening the incentives for results in participating provinces and among service providers. The latter will be achieved through capacity building, monitoring and evaluation systems, and fiduciary arrangements.

The project will have the following specific targets: (a) increase heath care coverage among targeted groups; (b) ensure the financial sustainability of the provincial health care insurance programs; (c) improve the results-based financing mechanism at the provincial level to achieve quality and health equity targets; and (d) reinforce the target populations access to health services. The targeted groups include uninsured children under 10, youth 10-19 and women 20-64 years of age.

Progress towards the objectives and intermediate indicators will be evaluated by bi-monthly technical audits of results including: (a) health service coverage; (b) enrollment of the eligible population and the usage rate of health services in each participating

province; and (c) the observed quality of services provided by a sample of eligible health providers.

The baseline for these indicators and the design of the monitoring system will be defined at appraisal, and progress will be supervised during project implementation.

Around 9.5 million people will directly benefit from the Project, in 23 provinces and the Autonomous City of Buenos Aires

3. Project Description

The project will focus on: (a) enhancing health protection policies by expanding population coverage under provincial health insurance, and (b) improving the health system#s performance by strengthening incentives at the provincial and health service provider levels. With regard to (a), the project would produce results at the provincial level that can be verified by achievement of tracer targets. These targets will be established in the annual performance agreements signed between the MSN and MSPs. With regard to (b), the provincial public insurance programs will be coordinated and developed within the national health strategy of improving MSN#s capacity to manage results-oriented health insurance. The project will include three components to improve health sector performance and governance.

Component 1: Supporting Provincial Public Health Insurance (US$286 million). This component includes financing to assure capitation payments by MSN to participating provinces on a declining basis. These transfers are intended to finance a share of insurance costs that covers two groups of health interventions for eligible population: (a) general health service interventions for primary health, prevention and in-patient care; and (b) health services interventions for catastrophic diseases. The health service package will contribute to improve the quality of services as well as extending coverage on a per capita basis. Results will be monitored using supervision protocols and information systems, and will be verified by an external, independent auditor.

The MSN carried out an actuarial calculation in order to estimate the incremental cost of the health service package considering (i) estimated target population, (ii) the incidence and prevalence of the pathologies that covers the Project through a health service package to the target population; (iii) the utilization rates and (iv) quality guidelines. The unit cost was estimated on the basis of a strategy that finances a selected group of health care interventions including the direct expenses (human resources and inputs) and indirect that considers the incidence of the administration costs and depreciation of the medical equipment and the infrastructure in the interventions that form the health service package.

The project will implement incentives at the provincial level. The project supports incentives that encourage each level of the health care system to take steps to improve coverage, quality, and results. The province will receive a payment (that will function somewhat like an insurance premium) for each eligible beneficiary enrolled. The MSN will transfer the payments on a per capita basis to the provincial ministries in two steps: a share of the financing (60 percent) will be provided after the enrollment is verified, and the remaining share (40 percent) will be transferred when the specified health tracers are

achieved. Tracers and targets will be equal for all provinces: The Project Coordination Unit (PCU) will define, for each tracer, a set of targets to be met in each four-month period, with three thresholds (minimum, medium, and high), that will be linked to three levels of payments. Each province will then receive a payment based on the threshold level achieved for each tracer. The targets will be included in the Performance Agreements to be signed by the provinces, and will be agreed upon by the Bank.

The provinces will transfer funds to the contracted health care providers based on services provided to beneficiaries, with a fee-for health care service mechanism that support payments for quality of care. A list of eligible health interventions will be identified to respond to specific diseases in a cost-effective manner and payments to health providers will be made through a fee-for-service mechanism subject to quality and utilization goals. Beneficiaries have to be identified and certified as eligible. Payments made to health facilities will serve as incentives to facilities managers who will have ample autonomy to decide how to use these funds. These arrangements are important for the project to operate as a quasi-insurance scheme and continue to represent a break from the traditional supply-driven model of health care provision to target populations.

The health services included in the health benefits plan will be provided according to performance agreements and contractual or quasi-contractual agreements, as appropriate, signed between MSPs and authorized provincial health care providers (public and private). The performance agreement will guide the provision of the package of health services and their pricing; quality standards and control measures; payment mechanisms; expected results; reporting and document support requirements; and modalities for supervision and inspection by the independent technical auditors and the project supervision and monitoring units within the PCU and the PHIUs.

The project will promote institutional improvements in information systems, accountability and transparency, as well as focus on results. Independent external auditors provide detailed reports to the MSN every two months. The feedback from these audits and management reports should help to correct any mismanagement, reduces bottlenecks and improves the way the insurance program functions.

Component 2: Institutional and Management Strengthening of the National and Provincial Ministries of Health (US$55 million). This component will provide health ministries at the national and provincial levels with the tools and information they need to improve their governance and their organizational/stewardship capacity. It will comprise the following two subcomponents: (a) improving the management capacity of national and provincial ministries of health, and (b) supporting management, monitoring and evaluation practices.

Sub-component 2.1: Improving the management capacity of National and Provincial Ministries of Health (US$25 million). This sub-component will finance the following consultant and training services to the MSN and participating provincial ministries (Ministerios de Salud Provinciales, or MSPs): (a) technical assistance and training programs to help MSPs develop the necessary systems, instruments, and skills to manage

the PHIP, including the development and implementation of annual performance agreements between MSPs and MSN, and between MSPs and authorized providers, new contracts and payment systems (with the providers), outreach and service delivery strategies and mechanisms for rural and indigenous people and other excluded populations (promoting community participation, user rights, and services sensitive to cultural differences), and financial support for the management/operating costs of Provincial Health Insurance Units (PHIUs); (b) strengthening the health workers skills and developing pilot models to help retain staff in rural areas; (c) improving epidemiological information, financial M&E, and human resource management systems; (d) streamlining regulatory and planning capacity within public health program units; (e) completing studies that will help MSN and MSP devise policies; (f) improving communication strategies to disseminate information about health plans, change behavior among beneficiaries and staff, and promote social participation; (g) and supporting the design and implementation of an Observatory of Health System and Policies that will monitor health indicators, health utilization, and health expenditures data and assessments; promoting knowledge and transparency for improved sector governance and accountability. The Observatory will report directly to the health minister office, acting as a think tank within the MSN, and will coordinate its activities with the Federal Health Council (COFESA).

Sub-Component 2.2: Supporting management, monitoring and evaluation practices (US$30 million). This sub-component will finance the national staff under contracts to perform specific tasks, consulting services, operating costs, office equipment, and in-country travel of central project managers; it will also support financial management and procurement services. In addition, it will cover the cost of the independent external audits of capitation payment transfers, as well as of project evaluation activities, including impact indicators and midterm and end-of-project impact evaluations.

Component 3: Building capacity of the National and Provincial Ministries of Health to deliver services (US$59 million). This component will improve the supply capacity at the provincial and national ministries of health, as required by the public health insurance system. To help implement the project, it will finance: (a) equipment and maintenance services needed to upgrade and expand the information and communication systems at the provincial health ministries, and M&E; and (b) medical, transportation, and communications equipments.

4. Project Location and salient physical characteristics relevant to the safeguard analysis

Nationwide; there are no mayor physical characteristics relevant to the safeguard analysis.

5. Environmental and Social Safeguards Specialists

Ms Ximena B. Traa-Valarezo (LCSHE)
Ms Isabel Tomadin (LCSTR)
Ms Tuuli Johanna Bernardini (LCSEN)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)		X
Natural Habitats (OP/BP 4.04)		X
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)		X
Physical Cultural Resources (OP/BP 4.11)		X
Indigenous Peoples (OP/BP 4.10)	X	
Involuntary Resettlement (OP/BP 4.12)		X
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts: The PHIP will have a positive social impact, as it supports Argentina health strategy for 2010-2016, which aims to provide adequate health protection to uninsured groups. For the proposed Project, the focus will be on children, women, and population groups at risk, seeking to improve the effectiveness of provincial health insurance programs and expand the supply, monitoring and evaluation capacity of the health ministries. The OP/BP 4.10 for indigenous peoples is triggered as described under item 4.

Some of the main activities carried out under the Strategic Communication Plan for 2010 are: (i) Graphic Material graphic on Universal Child Allocation and health conditions, (ii) Audiovisual and graphic material and audiovisual on the coverage of integral attention for congenital heart disease, (iii) Call free communication with beneficiaries, (iv) Systematization of information for institutional public (authorities and the media), (v) Design of a new brand for the extension of the Plan.

Some activities under the Strategic Communication Plan for 2010 are pending or had to be rescheduled for 2011: (i) Radio Guidelines , pending authorization from the ministry's press area and the Media Secretary for its implementation, (ii) diptych rights, this version includes the right to health and new benefits of the Plan Nacer, pending bid for printing of material, (iii) re-edition of the rights agenda, due to the expansion of the Plan the material will be rewritten and its release will be reschedule , (iv) web page, has been completed but it should solve some incompatibilities with the website programming of Plan Nacer and the current Ministry server, (v) e-newsletter's first edition was in November 2010 and is currently in it the fifth edition.

In terms of Environmental Assessment, the proposed project is rated as Category C based on the limited scope and severity of potential impacts. Adverse environmental impacts are not expected.

Would any need for EA application occur, the project will benefit from full safeguard support by the Environmental Unit of the Second Essential Public Health Functions and Programs (FESP II) project expected to reach effectiveness in early 2011. It has a proven Environmental Management Framework built upon the work and experience of the FESP I including a special focus on health care waste (RES) management nationwide.

The PHIP will complement a FESP II aim, which is to build and promote RES regulations at primary health care centers. This will be done through (a) a study using a sample of primary health care centers that focuses on current RES management in both urban and provincial settings to define gaps and capacity-building needs, and (b) distributing a new best practices manual for RES management, including aspects of training and capacity building as considered feasible by the Environmental Unit of the FESP II. Overall, the project will serve as an additional communications channel for FESP II environmental management efforts.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
Despite of being a Category C project in terms of Environmental Assessment, the PHIP will contribute to on-going nationwide efforts to improve environmental management of the health care sector. In particular, the PHIP will serve as an additional support and communication channel of the environmental management work carried out by the Second Essential Public Health Functions and Programs (FESP II) project expected to reach effectiveness in early 2011. Therefore, the project is expected to provide positive environmental impacts at the sectoral level beyond the project implementation period.

The project benefits from Argentina's broad experience in the management of safeguards, particularly considering Phases I and II of the Essential Public Health Functions project (FESP) and Plan Nacer. Under these programs the Government has developed indigenous peoples' plans, which have been found to be well elaborated by different Bank evaluations, and are considered good practice in the region.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
N/A

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
The project builds on the experience of the Indigenous Peoples Plans (IPPs) implemented by 15 provinces where indigenous peoples live (Catamarca, Chaco, Chubut, Formosa, Jujuy, La Pampa, Mendoza, Misiones, Neuquén, Río Negro, Salta, San Juan, Santiago del Estero, Tierra del Fuego, and Tucumán). These Plans were prepared under the FESP and the Plan Nacer projects. As agreed by the Borrower, an Indigenous Peoples Planning Framework (IPPF) has been developed for the PHIP by the National Ministry of Health and was published in December 2010.

Main Actions carried out to tackle difficulties found and to reach the new beneficiary groups identified at this stage: (1) External communication: Actions to promote communication with Health Care Providers and Community. At Facility Level: (i) a Quality Care Guide (pocket Nomenclador); (ii) a Training Video for the use of the Guide; (iii) Boards (in hospitals and CAPs); (iv) reissuing of the Providers' Manual; and (v) on-line training. At Beneficiary / Facility Level: (i) radio advertisement; (ii) reissuing of rights agenda; (iii) web page; and (iv) reissuing of rights leaflet, (2) Internal communication: Actions to improve and enhance communication between areas. At Institutional level: (i) web page; and (ii) newsletters, and (3) a budget of US$200,000/year.

The existing IPPs will be adapted to account for the inclusion of the new stage.

It has a proven Environmental Management Framework built upon the work and experience of the FESP I with a special focus on health care waste (RES) management. In turn, the PHIP will serve as an additional support and communication channel of the environmental management work carried out by the FESP II.

Sound practices of environmental management in terms of health care waste management and potential remediation activities will be addressed in the Operational Manual following the procedures articulated in the EMF of the FESP II to make sure proper processes are in place for safe disposal of old equipment and handling of any hazardous materials such as mercury, sharps, or pathological or potentially infectious waste. Worker health and safety standards will be consistent with applicable laws and regulations. All environmental aspects of the project will be addressed through the Environmental Unit of the FESP II.

The PHIU Training Unit, created for Plan Nacer APL II under the MSN acquired experience in social management issues and implementing Indigenous Peoples Plans. However, the Training Unit human resources have limited capacity to deal with the increasing number of projects being prepared and supervised. This risk will be partially mitigated by hiring key social consultants in the two participating levels (national and provincial) together with clear safeguards implementation and supervision arrangements. The project implementation team is expected to agree upon a work plan together with the FESP team and specialized institutions of national and provincial governments as well as NGOs to ensure a successful monitoring of social action plans.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. Consultation and participatory evaluation: A User Satisfaction Survey was carried out in 2009, as well as a Qualitative Study which was based on the incentives for and accountability of health providers. The latter showed that the use of resources promoted autonomy in primary care centers and was a key factor in improving the integration between Plan Nacer and Provincial Health Ministries, strengthening the provision of technical assistance regarding management issues at the health care provider level.

In terms of the OP 4.10, the PHIP has benefitted from on-going consultations carried out as part of the implementation of the IPPs at the provincial level, and related lessons learned and recommendations have been considered. The IPPF of the PHIP was consulted jointly with the FESP project two times during July 2nd and 22nd 2010, providing multiple lessons and recommendations for improvement in this new operation.

In terms of environmental safeguards, the main counterpart of the project related with ensuring proper healthcare waste management are the national and provincial level authorities working on and cooperating with the FESP and this project. In practice, key stakeholders are the overall staff of the participating health care units, as well as provincial authorities responsible for waste management. Mechanisms for consultation with these stakeholders will be identified and applied through the FESP II project.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:	
Was the document disclosed **prior to appraisal?**	N/A
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
Resettlement Action Plan/Framework/Policy Process:	
Was the document disclosed **prior to appraisal?**	
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	
Indigenous Peoples Plan/Planning Framework:	
Was the document disclosed **prior to appraisal?**	Yes
Date of receipt by the Bank	08/04/2010
Date of "in-country" disclosure	12/15/2010
Date of submission to InfoShop	12/29/2010
Pest Management Plan:	
Was the document disclosed **prior to appraisal?**	
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	

*** If the project triggers the Pest Management and/or Physical Cultural Resources, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

If in-country disclosure of any of the above documents is not expected, please explain why:

E.A not applicable for this project, see section II. A. 1

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP 4.10 - Indigenous Peoples	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Sector Manager?	N/A
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes
Have costs related to safeguard policy measures been included in the project cost?	Yes
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes

D. Approvals

Signed and submitted by:	***Name***	***Date***
Task Team Leader:	Mr Rafael A. Cortez	02/22/2011
Environmental Specialist:	Ms Tuuli Johanna Bernardini	02/22/2011
Social Development Specialist	Ms Isabel Tomadin	02/22/2011
Additional Environmental and/or Social Development Specialist(s):		
Approved by:		
Sector Manager:	Ms Maria Eugenia Bonilla-Chacin	02/22/2011
Comments: Signed by Maria Eugenia Bonilla, Acting Sector Manager		