

**INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE**

Report No.: 86174

Date ISDS Prepared/Updated: March 19, 2014

I. BASIC INFORMATION

A. Basic Project Data

Country: Republic of Moldova	Project ID: P144892	
	Additional Project ID (if any):	
Project Name: Health Transformation Operation		
Task Team Leader: Son Nam Nguyen		
Estimated Appraisal Date: March 10, 2014	Estimated Board Date: May 27, 2014	
Managing Unit: ECSH1	Lending Instrument: PforR (US\$28 million) and IPF (US\$2 million)	
Sector: Health		
Theme: Health		
IBRD Amount (US\$m.):		
IDA Amount (US\$m.): 30 million		
GEF Amount (US\$m.):		
PCF Amount (US\$m.):		
Other financing amounts by source:		
Environmental Category: C		
Simplified Processing	Simple []	Repeater []
Is this a transferred project	Yes [x]	No []

B. Project Objectives:

The proposed Program Development Objective (PDO) is to contribute to reducing key risks for non-communicable diseases and enhancing efficiency of health services in Moldova.

C. Project Description:

The project is a hybrid Program-for-Results operation which includes two components:

Component 1: Program for Results (US\$ 28 million)

Government's program

Health sector development in Moldova is guided by the 2007-21 National Health Policy (the Policy). The Policy is further elaborated and operationalized by the 2008-17 National Health System Development Strategy (NHSDS) which forms the Government program for the coming

years with the following objectives: (a) continuous improvement of population health; (b) enhancement of financial risk protection; (c) reduction of inequalities in the use and distribution of health care services; (d) increase in user satisfaction; and (e) restructuring of the health system to improve performance and population health in the context of limited resources.

A three-year Medium-Term Budgetary Framework (MTBF) is prepared on a rolling basis to finance the implementation of NHSDS. MTBF has five programs:

- (i) “Health Policy and Management” which supports policy development, implementation management and monitoring through MOH, CNAM and other state institutions;
- (ii) “Priority Public Health Interventions” which focuses on disease surveillance and control for infections as well as for non-communicable diseases;
- (iii) “Personal Health Services” which concentrates on the delivery of a range of personal health care services rendered by family medicine, hospitals, specialized outpatient and community care providers;
- (iv) “Development of health system resources” which focuses on investments in the health sector and rational drug management, and
- (v) “Special medical programs” which focuses on special issues such as forensic services, Tuberculosis, HIV/AIDS etc.

MTBF’s five programs are further divided into 19 sub-programs. The main sources of financing for MTBF are the state budget (59 percent) and health insurance fund (40 percent). Total cost of MTBF for the next four years (2014-17) has been estimated at 26,115 million Moldovan Lei or US\$1,964 million.

Health Transformation Program-for-Results

The proposed four-year Health Transformation Program-for-Results (HTP) will support a subset of NHSDS activities. Its boundaries are defined by selected MTBF subprograms and, in some cases, portions of selected subprograms. HTP corresponds to 7 of 19 sub-programs of the MTBF, namely:

- (i) *Sub-program I - “Policies and management in health care”* (Implementing agency: Ministry of Health or MOH). This sub-program represents the operating budget for the MOH to carry out its functions which include: (a) health policy and strategy formulation; (b) coordination, regulation and quality assurance for all health providers; (c) planning of health resources; (d) management of national health programs; and (e) coordination of multi-sectoral collaboration in health.
- (ii) *Sub-program II - “Administration of mandatory health insurance fund”* (Implementing agency: National Health Insurance Company or CNAM). This sub-program represents the operating budget for CNAM central and regional offices to carry out its functions which include: (a) managing the health insurance fund; (b) contracting health providers for the provision of services; and (c) verifying the provision of services by providers to be in line with the contracts.
- (iii) *Sub-program III - “Monitoring and evaluation of health system and quality management”* (Implementing agency: National Center for Health Management or NCHM, a

- subordinated agency of the MOH). This sub-program provides the operating budget NHCM to carry out its functions which include: (a) collection, analysis and dissemination of data to monitor and evaluate population's health status and health system performance, and (b) development of standards and norms in health.
- (iv) *Sub-program V - "Primary care services"* (Implementing agency: CNAM). This sub-program includes the following activities implemented by CNAM: (a) contracting family medicine providers to deliver primary care services and (b) reimbursing pharmacies for the out-patient drug benefit package. The Program is limited to two categories under this sub-program: (a) performance-based incentives for Family Medicine providers under CNAM contracts, and (b) CNAM reimbursement of hypertensive drugs in the outpatient drug benefit package.
 - (v) *Sub-program IX: "In-patient care"* (Implementing agency: CNAM). This sub-program includes the contracting of hospitals to deliver in-patient care by CNAM. The Program is limited to one category under this sub-program - the performance-based incentive for hospitals. It will provide incentives on top of the DRG payment mechanism for hospitals.
 - (vi) *Sub-program XVII: "Development and modernization of health care institutions"* (Implementing agency: MOH). Planned and managed by the MOH, this subprogram funds capital investment in the health sector. The Program is limited to one category under this sub-program, the development and rollout of the health management information system (HMIS) in family medicine. This HMIS is critical to the management of NCD and the implementation of performance-based incentive scheme in primary health care. Program HMIS activities will include completion of the HMIS design, procurement of computers, installation of the software, training in HMIS for health workers and administrators as well as technical support.
 - (vii) *Sub-program XIX: "National special health programs"* (Implementing agency: MOH). Under this sub-program, the Program is limited to National Tobacco Control Programme (NTCP) which is Moldova's comprehensive tobacco control work plan. NTCP was developed in line with the Framework Convention on Tobacco Control (FCTC) of the World Health Organization (WHO) and approved by the GOM in 2012. Its activities include demand-side and supply-side activities to control tobacco.

Total cost of the Program is US\$155 million or 8 percent of the Government's 2014-17 health program. In the boundaries of the Program, there is no other source of funding from other development partners. IDA financing would be US\$30 million or 19 percent of the Program's cost.

Component 2: Technical Assistance and Capacity Building (US\$ 2 million).

To ensure adequate and timely capacity building for the Program, it was agreed that US\$2 million of IDA credit will be earmarked for technical assistance under a separate component. The preliminary proposed TA activities might include the following: (a) two household health surveys -- one smoking among youth, one on hypertension among adults (each conducted in year 2 and year 4); (b) revision of performance-based incentive scheme in family medicine; (c) design of performance-based incentive scheme for hospital; (d) a costing study using country-based data to revise prices in the current payment system for hospitals; and (e) study on restructuring business processes and workflow for hospitals under common management

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known):

n/a

E. Borrower’s Institutional Capacity for Safeguard Policies: The Ministry of Health has adequate capacity to implement national and World Bank safeguards requirements. Until now, the World Bank has supported several projects in the country’s health sector, including the on-going “Health Services and Social Assistance” project. This project aims to improve the quality of primary care delivered in rural areas by: (i) adopting nationwide structural standards for primary care facilities services; (ii) providing continuing medical education and training for primary care workers; and (iii) funding construction/rehabilitation works and new equipment for existing and new clinics. Under this project, about 60 primary care centers have been constructed or rehabilitated. The World Bank jointly with the MOH representatives has periodically conducted supervision of implemented civil. In this regard, it was concluded that the construction/rehabilitation activities have been in compliance with the provisions of the project Environmental Management Plan (EMP). The EMP environmental requirements have been followed by the constructors and there were no any complaints from the MoH, Environmental Inspectorate and supervising Engineers.

F. Environmental and Social Safeguards Specialists on the Team:

Arcadie Capcelea, Sr. Environment Specialist
 Klavdiya Maksymenko, Social Development Specialist

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies Triggered <i>(please explain why)</i>	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)		x	
Although this is a P4R operation which is not subject to WB safeguards policies, it also contains a small TA component focused on conducting several analytical studies and providing consulting services and thus it is subject to environmental screening process. Based on the proposed TA activities it might be concluded none of them will have any direct or indirect environmental and social impacts and due to that this OP is not triggered.			
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	

Safeguard Policies Triggered (<i>please explain why</i>)	Yes	No	TBD
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	
Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank-Supported Projects (OP/BP 4.00)		x	

III. SAFEGUARD PREPARATION PLAN

A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared:

n/a

B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS:

n/a

C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

n/a

IV. APPROVALS

<i>Signed and submitted by:</i>		
Task Team Leader:	Name: Son Nam Nguyen	Date: 03/06/14
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Name: Agnes Kiss	Date: 03/18/14
Comments:		
Sector Manager:	Name: Daniel Dulitzky	Date: 03/18/14
Comments:		

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal: (i) at the InfoShop; and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.