

**INTEGRATED SAFEGUARDS DATA SHEET  
APPRAISAL STAGE**

**Report No.: ISDSA2760**

**Date ISDS Prepared/Updated:** 21-Feb-2013

**Date ISDS Approved/Disclosed:** 24-Jan-2013, 21-Feb-2013

**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	Vietnam	<b>Project ID:</b>	P122629
<b>Project Name:</b>	North East and Red River Delta Regional Health System Support Project (P122629)		
<b>Task Team Leader:</b>	Kari L. Hurt		
<b>Estimated Appraisal Date:</b>	22-Jan-2013	<b>Estimated Board Date:</b>	30-May-2013
<b>Managing Unit:</b>	EASHH	<b>Lending Instrument:</b>	Specific Investment Loan
<b>Sector:</b>	Health (85%), Compulsory health finance (15%)		
<b>Theme:</b>	Health system performance (100%)		
<b>Financing (In USD Million)</b>			
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			7.50
International Development Association (IDA)			150.00
Total			157.50
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

**2. Project Objectives**

The Project Development Objective is to increase the efficiency and equity in the use of hospital services in selected provinces of the North East and Red River Delta Regions.

**3. Project Description**

Component One: Strengthening the capacity of lower level hospitals to deliver quality services (\$119.5 million): Component One aims to increase the capacity of the Provinces to provide more and better quality services. It would consist of two subcomponents.

(a) Subcomponent 1a - Provincial Sub-projects for the Development of Medical Services and Quality Improvement (US\$116 million). This subcomponent would provide technical and financial

support directly to the Provinces to increase their capacity to deliver quality health services at their general provincial hospitals or specialized pediatric or obstetrics and gynecology hospitals as well as at least three district hospitals. This would be implemented as a “Fund” and not specifically allocated to the Provinces. Provinces would apply to receive these funds to support their “sub-project” through the development of a Provincial proposal undertaking the needs analysis, ensuring that the support does not duplicate other sources, and defining exactly which services the hospitals would be able to perform after the assistance with support from the Project. The proposals would cover five specialty areas (obstetrics/gynecology, pediatrics, cardiology, oncology, and trauma) at the provincial hospital level and three specialty areas at the district hospital level (obstetrics/gynecology, pediatrics, and trauma) as well as the auxiliary services at the hospitals in support of these services (laboratory, intensive care). Additionally, the proposals would define specific measurements of quality or management improvement that they want to implement in certain defined areas (at least 5% of subproject cost). The sub-projects would be implemented through the Provincial Department of Health (DoH) and its Provincial Project Management Unit (PPMU). In case of poor implementation by the Provinces including improper management and significant delays, the sub-project can be reduced or cancelled in order to reallocate the funds to well-performing provinces. In the case of oncology, the Bank will not support radiation therapy equipment until such time as the Guidelines are available to pilot the service on an outpatient basis. The ESMF and ISDS would be updated at that time taking into account the risk and mitigation measures with respect to the radiation therapy equipment.

(b) Subcomponent 1b - National Policy and Technical Support for Reducing Hospital Overcrowding and Quality Improvement (US\$3.5 million). This subcomponent would support the Ministry of Health and the other national level stakeholders to provide the quality technical support to the Provinces to achieve the Components goals. This component would be implemented by the Ministry of Health and its Central Project Management Unit (CPMU). This would include two Technical Advisory Groups (teams of national experts, including from national institutions and hospitals). One would support the Provinces in the preparation and implementation of transfer of medical services and the second Technical Advisory Group would support the Provinces in the preparation and implementation of the hospital quality and management improvement activities. The component would also support the Ministry of Health in defining national level strategies and policies for implementation in the hospitals, research on the hospital overcrowding issue. The subcomponent would also include direct support to the central hospitals in development of their training capacity and the training programs in support of the technical transfer.

Component Two - Reducing the financial barriers to access by the economically vulnerable (\$29 million). Component 2 aims at reducing the financial barriers to access by expanding access to health insurance for a specific vulnerable group largely not covered by the insurance system as well as providing direct access to certain high cost services support by Component 1 as well as generally increasing the awareness of the rights under the insurance system. It would achieve this through three subcomponents:

(a) Subcomponent 2a - Direct subsidy to support purchase of health insurance card by the near poor (US\$23.0 million): Like other regional health support projects, this subcomponent would support an additional subsidy of 20% of health insurance premiums (on top of the 70% subsidized by the state) for the Near Poor household members, conditional upon whole family enrollment. Those who enroll individually would not receive any support from the project. The support to household enrollment will help to increase the coverage more quickly than individual enrollment, improve risk sharing and reduce adverse selection, the core principles of social health insurance. The support will

provide good experience and lesson learnt for the Ministry of Health to later expand it to a national policy.

(b) Subcomponent 2b - Supporting catastrophic health care expenditure at provincial hospitals (US\$2 million). This subcomponent would provide seed funds to the Provinces in the re-establishment of the Health Care Funds for the poor in accordance with the Government policy. The Government has issued Decision 14 revising the Decree 139 re-establishing health care funds for the poor; however, the guiding circular for implementation is still under development. Among other things, Decision 14 has identified the Government support to vulnerable groups, including the poor, ethnic minorities, social assistance beneficiaries, and patient having cancer, dialysis, heart operation and other high cost treatment without ability to pay. Each province has to establish the fund with Government budget and other possible mobilization from different sources. However, in poor provinces with large number of beneficiaries, financial resources are limited. The available resources will spur the issuance of the Guidelines and help set up the funds in the participating project provinces.

(c) Sub-component 2c: Information, Education and Communication support to inform the insured and uninsured about the benefits under the national health system system (US\$4 million). This sub-component will promote awareness of and enrollment in health insurance by the near poor by improving IEC activities in provinces. It would also target the currently enrolled to improve the understanding and awareness of the benefits available. Innovative IEC measures are encouraged to effectively target beneficiaries, particularly ethnic minority population.

Component Three - Project management, monitoring and evaluation (\$9.00 million): The aim of this component is to ensure adequate management structure, processes and human resource capacities for the project, and to setup mechanisms for effective monitoring of activities and evaluation of results. Under this component, the project would fund the operation of project management units at the central and provincial levels. To the extent possible, existing health information systems and data collection mechanisms in the MOH and in provinces will be relied upon in order not to impose an unnecessary burden on the country. However, for certain information, it will be necessary to design specific data collection instruments and conduct independent data collection and auditing (e.g. small scale household surveys, patient exit interviews, hospital surveys). M&E will consist of two components: (i) monitoring of the project's implementation progress, and (ii) monitoring of the project's results indicators. Where the project support pilot initiatives, the project may fund specific evaluations of the pilots.

#### **4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

Project location and salient physical characteristics relevant to the safeguard analysis (if known)  
The Project will be implemented in 13 provinces in the Red River Delta and North East Region as listed below:

Red River Delta:

1. Hai Duong
2. Hung Yen
3. Ha Nam
4. Nam Dinh
5. Thai Binh
6. Ninh Binh

North East

1. Lang Son
2. Tuyen Quang
3. Yen Bai (2 districts: Mu Cang Chai, Tram Tau)
4. Thai Nguyen
5. Phu Tho (1 district: Tan Son)
6. Bac Giang (1 district: Son Dong)

North West

1. Hoa Binh

\* Note: districts in bracket are among the 61 most disadvantaged districts.

## 5. Environmental and Social Safeguards Specialists

Nghi Quy Nguyen (EASVS)

Thuy Cam Duong (EASVS)

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

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

<p><b>1. Describe any safeguard issues and impacts associated with the Restructured project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b></p> <p>Environment:</p> <p>OP/BP 4.01. Environmental Assessment. The Project triggers safeguard policy OP/BP 4.01 Environmental Assessment due to the potential environmental impacts associated with the activities of medical equipment purchase and minor civil work/rehabilitation of provincial and</p>
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district level hospitals under subcomponent 1a. The activities of equipment purchase and minor civil works for district/provincial level hospital of the participating provinces are included in the corresponding provincial subproject. So far, the detailed activities of subprojects of participating provinces have not yet been fully identified.

During implementation, the minor civil works/rehabilitation of district/provincial level hospitals may result in potential environmental impacts related to generation of noise, dust, vibration, construction waste, wastewater, localized flooding and safety issues at a low level and in short-time period. The generation of health care waste is the main, long-term impacts during the operation of beneficiary hospitals.

The various investments of the project are intended to increase the utilization of health services and thus it can be expected there will be an increase in volumes of healthcare waste (HCW) at targeted hospitals. Almost 75-90% of HCW constitutes general waste and has no higher risk than general municipal solid waste. Quantity of solid hazardous HCW from hospital varies from 0.09 to 0.3 kg/bed/day depending on provision of medical services and waste management capacity. The hospitals may generate 0.4 – 0.95 m<sup>3</sup> of wastewater per bed per day depending on its water supply and use.

Healthcare waste can cause soil, water and air pollution. Exposure to hazardous HCW can result in health problems. All individuals exposed to hazardous HCW are potentially at risk, including those within hospitals and those outside these sources. Sharp waste can cause injuries,; infectious waste can cause occupational infections such as HIV, HBV. Anatomical waste results in public sensitivity. Acute or chronic exposure to chemical may cause intoxication. Many chemicals and radioactive waste are cytotoxic and genotoxic. Wastewater from has high content of enteric pathogens which are easily transmitted through water.

The development of oncology services will be supported by the Project. It is agreed with the Borrower that the Project would not specifically invest in radiation therapy equipment until such time as the Ministry of Health has issued guidelines to pilot the provision of radiation therapy treatment on a primarily outpatient as opposed to inpatient basis. In the case that the radiation therapy equipment is financed, there will be a potential significant health risk relating to the exposure to ionizing radiation during the operation of this equipment. Additionally, it was agreed that the environment safeguard documents will be reviewed, updated and re-disclosed as necessary to take into account the potential environmental impact and mitigation measures necessary as a byproduct of this service.

The Project potential adverse environmental impacts at the current stage are expected to be localized, mitigable and manageable through good design, construction practices mitigation measures and close monitoring during implementation and operation. The project is not expected to have significant adverse environmental impacts, and therefore, is classified as a category B Project.

#### Social:

OP 4.10 Indigenous People. Early screening indicated that ethnic minority people are present in the project's area. The percentage of ethnic minority people in total population is different across project provinces, ranging from 2.6% in Ninh Binh to 83.1% in Lang Son. The main and largest ethnic groups living in the project provinces include: Thai, Tay, Muong, Nung, Hmong, Dao, San

<p>Chay and San Dui. Literature revealed number of barriers (e.g. geographical condition, local custom, low level of education and income, limited understanding of Kinh language, and disease burden), limiting the accessibility to basic social services and health seeking behavior among ethnic minority people. It is expected that the project will help reducing the above listed barriers through (i) administering the subsidy for the near poor health insurance premium subject to family enrollment (the subsidy payment) and (ii) the information and education communication activities related to the health insurance, calling on the uncovered to see health insurance coverage and providing relevant benefits information to those who are covered.</p> <p>OP 4.12 Involuntary Resettlement. There is no need for land acquisition as minor civil works will take place within the existing premises.</p>
<p><b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b></p>
<p>The potential long-term impacts could be improper disposal of healthcare waste generated from the operation of the beneficiary hospitals. Unsafe disposal of solid HCW including incinerator ash and sludge from wastewater treatment plant is very problematic as pollutants from landfill sites have been known to seep out, polluting soil and local water sources. Improper design, poor operation and maintenance of incinerators may result in the emission of a wide range of pollutants besides persistent organic pollutants (POPs) such as dioxins and furans, including include heavy metals (lead, mercury and cadmium), fine dust particles, hydrogen chloride, sulphur dioxide, carbon monoxide, and nitrogen oxides. Chemical pollutants, particularly POPs and heavy metal, often exist in environment persistently and have long-term health impacts. It is required that these hospitals shall strictly comply with relevant national requirements on health care waste management.</p> <p>Social:</p> <p>No other negative potential indirect and/or long term social impacts due to future activities are anticipated. The long term positive impacts of the project include improved quality of health services in the project areas.</p>
<p><b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b></p>
<p>Social:</p> <p>- N/A</p> <p>Environment:</p> <p>To avoid unforeseen significant environmental impacts, the Project will not support any new construction of large scale civil work though minor rehabilitation/minor civil work of hospitals is eligible.</p>
<p><b>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.</b></p>
<p>As the detailed activities and participating hospitals of provincial subprojects have not yet been fully identified by appraisal, as part of project preparation, the Project Preparation Unit under MOH has developed an Environmental and Social Management Framework (ESMF) to address potential environmental impacts arising during project implementation and operation. It will be approved by MOH and included in the Project Operation Manual (PIM) to ensure that</p>

environmental and social issues will be considered together with other requirements during project implementation

The ESMF is in accordance with the Bank's safeguard policies, as well as with Vietnamese environmental protection laws and regulations. It includes: i) a screening mechanism to exclude ineligible activities; ii) identification of potential impacts and development of mitigation measures during project design/construction and operation phases including the Environmental Codes of Practice (ECOPs) for construction/minor construction activities, iii) preparation and clearance of safeguard documents for each participating subproject and hospitals which includes development of Environmental Management Plan (EMP) and Hospital Waste Management Plan as a part of the EMP, iv) safeguard implementation, supervision, monitoring and reporting, vi) institutional arrangements and budget for safeguard implementation and vii) institutional capacity building program for the CPMU and other relevant safeguard implementing entities.

So far, the project support for radiation therapy equipment is still considered until such time as the Ministry of Health has issued guidelines to pilot the provision of radiation therapy treatment on a primarily outpatient as opposed to inpatient basis. However, the ESMF also covers health risk relating to the exposure to ionizing radiation associate with the operation of radiation therapy equipment. Additionally, it was agreed that the environment safeguard documents will be reviewed, updated and re-disclosed as necessary to take into account the potential environmental impact and mitigation measures necessary as a byproduct of this service.

The Project does not support any new construction work. The safeguard policy on Physical Cultural Resources (OP4.11) therefore is not triggered. However, during subproject implementation, chance-find procedures have been included into ECOPs of safeguard documents and construction contracts to guide the subproject owner and contractors on necessary step to be taken in case of finding of archeological artifacts.

The MOH and its corresponding Central Project Management Unit (CPMU), participating provinces and their corresponding Provincial Project Management Unit, provincial/district level hospitals are the key actors responsible for safeguard implementation. CPMU will have the overall responsibility for safeguard implementation including providing guidance, safeguard requirements and carry out environmental monitoring to ensure participating provincial subproject and their hospitals adequately implement safeguard compliance. The PPMUs under Provincial Department of Health (DOH) is responsible for ensuring safeguard compliance of its subproject at provincial level. The beneficiary hospitals under each province will be accountable for implementing safeguard requirements of financed activities.

Vietnam government established legal and institutional framework for environmental protection. Environmental Protection Laws provides the overarching legal framework, meanwhile, the Regulations on hazardous waste management and Regulation on healthcare waste management provide health facilities with detailed guidelines. The Environmental Management Administration under MONRE is responsible for policy development, registration, authorization and inspection. Environmental police under Ministry of Public security is responsible for investigating environmental crimes. The environmental assessment procedures are regulated in MONRE's circulars.

Vietnam Health Environment Management Agency under MOH is established to take responsibilities for environmental protection in health sector. The MOH has carried out several

WB funded project e.g. Mekong Regional Health Support Project, North Central Regional Health Support Project, Northern Upland Regional Health Support Project, and therefore has experience of the World Bank's safeguard policies. In addition, a parallel project of the World Bank "Hospital Waste Management Support Project" has been implemented and created a wealth of capital, expertise and a range of guidelines for different kinds of waste and institutions that will be drawn on.

The health sector gets used to environmental procedures of registration, authorization, monitoring. The challenges for compliance to regulations on healthcare waste management include (i) limited management capacity, (ii) lacking financial resource for investment and operation, (iii) improper maintenance. In addition, the staffs that had experience on safeguard management of these previous projects may not be available to be assigned as Staff Officer for NORRED project. The capacity of CPMU regarding ESMF implementation, therefore, is considered to be limited.

The Project will require the allocation of qualified environmental staff/consultant under CPMU to oversee environment and social safeguard issues and necessary training will be carried out to strengthen capacity of CPMU, PPMUs and hospitals in implementing safeguard requirements.

#### Social:

Ethnic Minority Development Plan. The Borrower conducted social assessment to identify and characterize key stakeholders' importance in influencing the project objectives and implementation; to identify potential barriers (cultural, institutional, financial, language etc.) for ethnic minority communities in the project area to access the project benefits and services; and to document the 'broad community support' toward the project's activities and define the processes for ensuring the consultation and participation of these stakeholders (especially ethnic minority communities) in project design, implementation, and monitoring and feedback. The findings of social assessment were translated into an Ethnic Minority Development Plan (EMDP) in order to: (a) ensure that the ethnic minority peoples receive social and economic benefits that are culturally appropriate; (b) avoid potentially adverse effects on the ethnic minority communities; and (c) minimize, mitigate, or compensate for such effects. A social staff will be appointed and will be on board at every CPMU and PPMUs to ensure social safeguards implementation and monitoring are in accordance with project's safeguard document (EMDP). Implementing agencies are also responsible for setting up an internal M&E system and external evaluation as well

#### **5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.**

In addition to the MOH, CPMU, PPMUs and beneficiary hospitals who are mainly responsible for the safeguard implementation, other key stakeholders are people's committees, local authorities, local communities, mass organizations, and general public.

#### Environment

During preparation of the ESMF, meaningful consultation has been conducted with participating provinces, MOH staffs. Thirteen provinces conducted rapid assessment on healthcare waste management in their province based on self-administrated questionnaires. The ESMF was disseminated to relevant agencies within MOH including Vietnam Health Environment Management Agency for review. The concerns and feedback during consultation were taken into account and reflected in the final draft ESMF.

Prior to appraisal, the final draft ESMF has been disclosed locally at the MOH office and Vietnam

Development Information Center (VDIC) in Vietnamese language in January 2012. It has been disclosed in WB InfoShop in Washington DC in English language before the departure of appraisal mission.

#### Social

**Consultation:** Consultations with stakeholders have been conducted through a number of provincial workshops in 2012 where safeguard requirements were presented. During the preparation of social assessment and EMDP (in November and December 2012), the Borrower conducted additional consultations with participating provinces, hospitals as well as other stakeholders at local level, including poor patients. Particular attention paid to consultation in areas having presence of ethnic minority people.

**Disclosure:** Prior to project appraisal, all safeguard documents (EMF, EMPs, EMDP) have been disclosed in Vietnamese at the Vietnam Development Information Center, MOH (CPMU), PPMUs and project areas. They have also been disclosed in English at the Bank's InfoShop in Washington DC

### ***B. Disclosure Requirements***

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	15-Jan-2013
Date of submission to InfoShop	23-Jan-2013
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Vietnam	21-Jan-2013
<i>Comments:</i>	
<b>Indigenous Peoples Development Plan/Framework</b>	
Date of receipt by the Bank	15-Jan-2013
Date of submission to InfoShop	22-Jan-2013
"In country" Disclosure	
Vietnam	21-Jan-2013
<i>Comments:</i>	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	

### ***C. Compliance Monitoring Indicators at the Corporate Level***

<b>OP/BP/GP 4.01 - Environment Assessment</b>	
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP/BP 4.10 - Indigenous Peoples</b>	

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?	Yes [ ] No [ ] NA [ × ]
<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ × ] No [ ] NA [ ]
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 [ × ] No [ ] NA [ ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ × ] No [ ] NA [ ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ × ] No [ ] NA [ ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ × ] No [ ] NA [ ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ × ] No [ ] NA [ ]

### III. APPROVALS

Task Team Leader:	Kari L. Hurt	
<b><i>Approved By</i></b>		
Sector Manager:	Name: Toomas Palu (SM)	Date: 21-Feb-2013