# Environmental and Social Monitoring Report

Project No. 58017-001
Loan and Grant Numbers: L4624-SRI / G1032-SRI(EF)

Semi-Annual Report
Period Covering July to December 2025

# SRI: Strengthening Integrated Health Care and Governance for Universal Health Coverage Program

## ABBREVIATIONS

| | | |
|---|---|---|
| ADB | – | Asian Development Bank |
| BIQ | – | Basic Information Questionnaire |
| BOQ | – | Bill of Quantities |
| CEA | – | Central Environmental Authority |
| CIDA | – | Construction Industry Development Authority |
| DS | – | Divisional Secretary |
| DSD | – | Divisional Secretariat Division |
| EA | – | Executing Agency |
| EIA | – | Environmental Impact Assessment |
| ESMP | – | Environmental and Social Management Plan |
| EPL | – | Environmental Protection License |
| GN | – | Grama Niladhari |
| GND | – | Grama Niladhari Division |
| GoSL | – | Government of Sri Lanka |
| GRM | – | Grievance Redress Mechanism |
| GSMB | – | Geological Surveys & Mines Bureau |
| IEE | – | Initial Environmental Examination |
| LKR | – | Sri Lanka Rupees |
| MEP | – | Mechanical, Electrical & Plumbing |
| MSL | – | Mean Sea Level |
| NEA | – | National Environmental Act |
| NWSDB | – | National Water Supply & Drainage Board |
| O&M | – | Operation and Maintenance |
| PD | – | Project Director |
| PHI | – | Public Health Inspector |
| PIU | – | Project Implementation Unit |
| PCO | – | Project Coordination Office |
| PPE | – | Personal Protective Equipment |
| PS | – | Pradeshiya Sabha |
| STP | – | Sewage Treatment Plant |
| SPS | – | Safeguard Policy Statement |
| UDA | – | Urban Development Authority |

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# 1. INTRODUCTION

## 1.1 Overall Program Description and Objectives

### 1.1.1 Background: National Strategic Framework for the Development of Health Services 2016-2025 (extended to 2030)

1. The RBL program will finance components of National Strategic Framework for the Development of Health Services (NSFDHS) on (i) supporting the provision of integrated secondary curative health care services, (ii) enhancing the control and prevention of communicable diseases and future pandemics, and (iii) improving health sector governance for better health administration. The RBL program is aligned with the geographic scope and implementation arrangements of NSFDHS as both cover secondary hospitals nationwide. With respect to implementation arrangements, as the secondary hospitals are managed and delivered within the nine provincial councils, the RBL program will support results achieved at both the central and provincial levels. It will also strengthen the government program to improve coordination and integration at the local primary and tertiary healthcare levels and with non-healthcare stakeholders for providing elderly care including palliative and rehabilitation services, disease surveillance and prevention of diseases. It will also support governance improvement measures on pharmaceutical, finance, and procurement to achieve better governance results, which will be jointly delivered by provinces and Ministry of Health and Mass Media (MOHMM).

### 1.1.2 Program Outputs

2. The RBL program's impact will be to attain a healthier population with UHC that contributes to the economic and social development of Sri Lanka, which aligns with the impact of the SLNHP. The outcome will be efficiency and quality of secondary health services improved as first referral care. The outcome progress will be measured by two indicators: (i) tracking the efficiency improvement through the percentage reduction in the waiting time of patients requiring selected elective surgical procedures (cataract surgeries, hernia repairs, and hysterectomies) (DLI 1); and (ii) tracking the quality of care improvement through the percentage reduction of hospital-acquired infections (surgical site infections and cannula infections) reported at secondary hospitals (DLI 2) Three outputs will support the stakeholders to achieve the outcome. The program's outputs as described in the Project Administrative Manual (PAM) are;

3. **Output 1: First referral care services enhanced**. This output will address the gaps in services at secondary hospitals that provide first referral services across the country. Secondary hospitals cater to the elderly patients, noncommunicable disease (NCD) patients, patients requiring surgeries, laboratories, and imaging services, and vulnerable population services like gender-based violence and related support, adolescent and youth services, elders and disabled persons support services. This output will support secondary care hospitals to provide a comprehensive package of services. To deliver comprehensive service packages, they require adequate staff, facilities, and patient information services to support referrals from primary care. The facilities should be upgraded and designed for staff and patient convenience and climate- and disaster- resilient. This output will introduce measures to reduce the bypassing of primary health care facilities to secondary health care and beyond by formalizing the referral pathways. These initiatives will improve the service availability aspects of UHC in Sri Lanka. There are three DLIs under this output: (i) DLI 3 to strengthen multiyear and annual planning and budgeting for decentralized health services, technical capacity for new equipment and pharmaceutical products, introduction of national guidelines for secondary health services, and human resource management capacity; (ii) DLI 4 to enhance patient-centered secondary care services, including rehabilitation and NCD diagnostic services, especially for women and vulnerable groups, and introduce improved

biomedical waste management and climate resilience measures in secondary hospitals;6 and (iii) DLI 5 to strengthen continuum of care by implementing the shared care cluster service delivery approach between secondary and primary health care facilities, institutionalizing the patient referral and back-referral care pathways, supported by the digital patient information system. The list of type A and B base hospitals that are within the scope of the RBL program is provided in Appendix 1.

4. **Output 2: Pandemic prevention, preparedness, and response enhanced**. This output will address identified gaps in pandemic prevention, preparedness, and response related activities. Sri Lanka is lagging in adopting technology like geographic information systems (GIS) and comprehensive electronic systems, for public health surveillance and diagnostic laboratory capacity and disease surveillance capacity. This output includes interventions to develop a state-of-the-art centre for disease control with GIS or e-system based disease surveillance system linking hospitals to communities for early detection of notifiable diseases and for advancing the quality assurance of laboratory services. DLI 6: notifiable disease surveillance and quality assurance of public health laboratories improved will address the gaps by establishing Sri Lanka Centre for Disease Control, enabling early warning of notifiable diseases, and improving quality assurance of pathology, biochemistry, haematology and microbiology laboratories.

5. **Output 3: Health sector technical capacity and pharmaceutical supply chain management improved.** This output will address measures related to improving transparency and governance in the sector through introduction and/or improving inter-operability of digital systems for managing and monitoring human resources for health, procurement, and finance services at both the MOHMM and nine provincial councils. It also includes interventions to further strengthen the pharmaceutical staff capacity, storage, and quality assurance facilities in the pharmaceutical supply chain system in the country. There are two DLIs under this output: (i) DLI 7: logistics capacity and quality assurance of the pharmaceuticals enhanced through improving the storage condition of pharmaceuticals with climate proofing measures and expanding capacity of quality assurance laboratories of National Medicines Regulatory Authority and its network; and (ii) DLI 8: procurement management capacity enhanced by expediting the digitization of government procurement and introducing good procurement practices in the health sector.

6. **Program results framework:** The RBL program is defined as the secondary health care program with governance strengthening measures of the country. This includes first referral services for patients who can come as a referral or if the patient comes directly to a base hospital type A and B.

## Table 2: Results-Based Lending Program Results Framework

(as of 4 April 2025)

| Disbursement-Linked Indicators | DLI/ Non DLI | Baseline Value | Baseline Year | Target Values | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Prior Results | Period 1 (effective date to March 2027) | Period 2 (April 2027 to March 2028) | Period 3 (April 2028 to March 2029) | Period 4 (April 2029 to March 2030) |
| **Outcome: Efficiency and quality of secondary health services improved as first referral care** | | | | | | | | |
| **DLI 1:**<br><br>Average waiting time of patients for 3 elective surgeries (cataract, hernia repair and hysterectomy) (disaggregated by sex) at first referral hospitals (type A and B base hospitals) reduced by 30%[i] | **DLI** | M:103 days<br><br>F: 88 days | 2024 | | | | | 30% from baseline |
| **DLI 2:**<br><br>Surgical site hospital-acquired infections per 10,000 admissions (disaggregated by sex) at first referral hospitals (type A and B base hospitals) reduced by 40% [ii] | **DLI** | M:816 per 10,000 admissions<br><br>F:628 per 10,000 | 2024 | | | | | 40% from baseline |

| Disbursement-Linked Indicators | DLI/ Non DLI | Baseline Value | Baseline Year | Target Values | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Prior Results | Period 1 (effective date to March 2027) | Period 2 (April 2027 to March 2028) | Period 3 (April 2028 to March 2029) | Period 4 (April 2029 to March 2030) |
| | | admissions | | | | | | |
| **Output 1: First referral care services enhanced** | | | | | | | | |
| **DLI 3: Planning, monitoring, budgeting and human resource management capacity of health sector strengthened** | | | | | | | | |
| 3a. Concurrence by the Finance Commission and the DGHS of the costed 5-year action plan by each province and from MOHMM for BHs under MOHMM respectively for first referral hospitals development (BHs A&B) for 2025–2029. | **DLI** | NA | 2024 | Yes | | | | |
| 3b. Concurrence by the Finance Commission and DGHS of the 10 costed detailed annual plans for next year's investments in first referral hospitals (BHs A&B) under 9 provinces and MOHMM respectively.[iii] | **DLI** | NA | 2024 | Yes | Yes | Yes | Yes | Yes |
| 3c. Health technology assessment process for new medical equipment and new pharmaceuticals institutionalized with the introduction of 7 of the 8 initiatives.[iv] | **DLI** | NA | 2024 | | At least 2 | | At least 4 | At least 7 |

| Disbursement-Linked Indicators | DLI/ Non DLI | Baseline Value | Baseline Year | Target Values | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Prior Results | Period 1 (effective date to March 2027) | Period 2 (April 2027 to March 2028) | Period 3 (April 2028 to March 2029) | Period 4 (April 2029 to March 2030) |
| 3d. Approved 8 national guidelines for the provision of services at BHs A&B.[v] | **DLI** | No | 2024 | | Yes | | | |
| 3e. Health human resource (i) databases adopting the national ID number (with sex disaggregated data) operational at MOHMM and provinces, and (ii) HRH unit functional at MOHMM | **DLI** | NA | 2024 | | | Yes | | |
| **DLI 4: Patient-centred secondary care services with quality, safety, and climate resilience measures enhanced.** | | | | | | | | |
| 4a. % of BHs A&B implementing quality and safety measures.[vi] | **DLI** | 38% with 3 initiatives | 2024 | | 50% with 3 initiatives | | 50% with 5 initiatives | |
| 4b. % BHs A&B providing identified services related to women, children, youth, elderly, and persons with disabilities.[vii] | **DLI** | 0% | 2024 | | | 25% | | 50% |
| 4c. % BHs A&B with facilities available for lipid profile, HBA1c and troponin I tests. | **DLI** | 28% | 2024 | | | At least 50% | | |

| Disbursement-Linked Indicators | DLI/ Non DLI | Baseline Value | Baseline Year | Target Values | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Prior Results | Period 1 (effective date to March 2027) | Period 2 (April 2027 to March 2028) | Period 3 (April 2028 to March 2029) | Period 4 (April 2029 to March 2030) |
| 4d. % of BHs A&B with functional physiotherapy and/or rehabilitation unit.[viii] | **DLI** | 18% | 2024 | | | | At least 40% | |
| 4e. % of BHs A&B that have obtained environment protection license and scheduled waste management license from the Central Environmental Authority. | **DLI** | 12% | 2024 | | | | At least 50% | |
| 4f. % of identified BHs A&B that have renovated/ expanded/repaired staff quarters.[ix] | **DLI** | 0 | 2024 | | | | At least 20% | At least 40% |
| 4g. % of secondary hospitals (BHs A&B) that provide day surgical services.[x] | **DLI** | 0 | 2024 | | | | At least 20% | At least 40% |
| 4h. Number of BHs A&B that have met the criteria of the National Laboratory Quality Standard of MOHMM (1 per province)[xi] | **DLI** | 0 | 2024 | | | | At least 5 labs | At least 9 labs |
| 4i. % of BHs A&B that have introduced at least 8 of the 9 climate resilient measures.[xii] | **DLI** | 6% | 2024 | | | | 20% | 30% |
| **DLI 5: Care pathways linking first referral hospitals for selected high burden diseases formalized.** | | | | | | | | |

| Disbursement-Linked Indicators | DLI/ Non DLI | Baseline Value | Baseline Year | Target Values | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Prior Results | Period 1 (effective date to March 2027) | Period 2 (April 2027 to March 2028) | Period 3 (April 2028 to March 2029) | Period 4 (April 2029 to March 2030) |
| 5a. % of BHs A&B that have defined clusters, including for sharing of laboratory services, for empaneled populations based on cluster circular.[xiii] | **DLI** | 0 | 2024 | | At least 75% | | | |
| 5b. % of clusters (with BHs A&B as Apex) with a functioning digital information system.[xiv] | **DLI** | 0 | 2024 | | 10% | At least 20% | | |
| 5c. % of BHs A&B that have a functional Patient Information Centre.[xv] | **DLI** | 0 | 2024 | | | At least 50%, 3 criteria | | |
| 5d. % of BHs A&B that have improved facilities (infrastructure, equipment, training, linkages) for at least 5 care pathways out of the identified 15 areas.[xvi] | **DLI** | 0 | 2024 | | | | At least 60% | |
| 5e. The number of care pathways that have at least 1 circular and/or guideline defining the standard package of care that includes gender-sensitive care provision, [xvii] 1 referral and back referral guideline and 1 training programme | **DLI** | 0 | 2024 | | | | | 10 |

| Disbursement-Linked Indicators | DLI/ Non DLI | Baseline Value | Baseline Year | Target Values | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Prior Results | Period 1 (effective date to March 2027) | Period 2 (April 2027 to March 2028) | Period 3 (April 2028 to March 2029) | Period 4 (April 2029 to March 2030) |
| developed and uploaded to the continuous professional development (CPD) system. | | | | | | | | |
| **Output Pandemic prevention, preparedness, and response enhanced 2:** | | | | | | | | |
| **DLI 6: Notifiable disease surveillance and quality assurance of public health laboratories improved.** | | | | | | | | |
| 6a. Sri Lanka Centre for Disease Control functional. | **DLI** | NA | 2024 | Detailed design | 10% constructed | Functional | | |
| 6b. Medical Research Institute (MRI) building renovations completed. | **DLI** | NA | 2024 | | Detailed cost estimates | 100% | | |
| 6c. % of BHs A&B hospitals updating / reporting notifiable diseases via the GIS based early warning system.[xviii] | **DLI** | 0 | 2024 | | At least 30% | At least 60% | | |
| 6d. % of BHs A&B that use the external quality assurance system of the MRI at all 4 labs of the pathology, biochemistry, hematology and microbiology. | **DLI** | 0 | 2024 | | At least 50% | At least 75% | | |

| Disbursement-Linked Indicators | DLI/ Non DLI | Baseline Value | Baseline Year | Target Values | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Prior Results | Period 1 (effective date to March 2027) | Period 2 (April 2027 to March 2028) | Period 3 (April 2028 to March 2029) | Period 4 (April 2029 to March 2030) |
| 6e. National Investment Plan for Strengthening Health Emergency Prevention, Preparedness, and Resilience developed with gender sensitive measures included.[xix] | **Non DLI** | NA | 2024 | | | | | Plan developed |
| **Output 3: Health sector technical capacity and pharmaceutical supply chain management improved** | | | | | | | | |
| **DLI 7: Logistics capacity and quality assurance of the pharmaceuticals enhanced.** | | | | | | | | |
| 7a. % of identified stores of MSD and FHB that have renovated pharmaceutical storage facilities. | **DLI** | 0 | 2024 | | Cost estimates available | | | At least 50% |
| 7b. The National Quality Assurance Laboratory of NMRA has obtained ISO/IEC 17025. | **DLI** | No | 2024 | | Cost estimates available | | | Yes |
| 7c. The % change of number of tests that can be performed by the NMRA (NMQAL) directly or via laboratories under MOUs and/or agreements in line with the established risk-based sampling and testing approach. | **DLI** | 57 tests | 2024 | | | | 90% increase from baseline | |

| Disbursement-Linked Indicators | DLI/ Non DLI | Baseline Value | Baseline Year | Target Values | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Prior Results | Period 1 (effective date to March 2027) | Period 2 (April 2027 to March 2028) | Period 3 (April 2028 to March 2029) | Period 4 (April 2029 to March 2030) |
| **DLI 8: Procurement management capacity enhanced.** | | | | | | | | |
| 8a. % of procurement entities of the MOHMM and 9 PDHS offices that complete all 3 of these steps: (i) has the master procurement plan updated in the e-GP system PROMISe.lk, (ii) has the annual procurement plan in the e-GP system PROMISe.lk, and (iii) utilizes PROMISe.lk for all RFQ contracts identified in the annual procurement plan. | **DLI** | 0 | 2024 | | At least 50% MOHMM PEs | At least 50% Provinces PEs | | |
| 8b. No. of framework agreements signed for pharmaceuticals and medical supplies (excluding buy back). | **DLI** | 0 | 2024 | | | At least 10 | | |
| 8c. Standard bidding documents (SBDs) for pharmaceuticals and medical equipment (i) developed; (ii) 50% of pharmaceutical and medical equipment contracts have used the pharmaceutical and medical equipment SBDs (excluding buy back). | **DLI** | 0 | 2024 | | Developed | 50% | | |
| 8d. % change in the average time taken from request to initiation of repairs/service, etc. of a | **DLI** | 90 days | 2024 | | | 20% reduction | | |

| Disbursement-Linked Indicators | DLI/ Non DLI | Baseline Value | Baseline Year | Target Values | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Prior Results | Period 1 (effective date to March 2027) | Period 2 (April 2027 to March 2028) | Period 3 (April 2028 to March 2029) | Period 4 (April 2029 to March 2030) |
| building or a medical equipment at centrally managed hospitals. | | | | | | from baseline | | |

A&B = type A and type B, BH = base hospital, CPD = continuous professional development, DGHS = district general hospitals, e-GP = electronic government procurement, FHB = Family Health Bureau, HAI = Hospital Acquired Infection, HBA1c = hemoglobin A1c test, HRH = human resource for health, ISO/IEC = International Organization for Standardization/International Electrotechnical Commission, MOHMM = Ministry of Health and Mass Media, MOU = memorandum of understanding, MRI = Medical Research Institute, MSD = medical supply division, NA = not applicable, NMRA = National Medicines Regulatory Authority, NMQAL = National Medicines Quality Assurance Laboratory, SBD = standard bidding documents

[i] Secondary care hospitals, known as first referral hospitals, refer to health care facilities that provide four basic specialties (medicine, surgery, pediatric, obstetrics and gynecology) and other defined specialties such as psychiatry, orthopedic, ear, nose, throat (ENT) and eye care to manage patients needing specialist care that are not available in primary medical care institutions (PMCIs), while tertiary hospitals provide added specialties. Based on the treatment capacity, the secondary care hospitals are further classified by Based Hospital Type A and Type B. There are 82 Base Hospitals to be supported by the RBL program

[ii] The baseline calculation for surgical site infections (defined as infections that develops at the site of a surgical site, within 30 days of the procedure, or within one year if an implant or foreign body is involved) reported from Base Hospitals were calculated using a few methods as there is large scale underreporting of this indicator due to both lack of resources and poor follow up of all cases of surgeries following discharge from hospitals up to 30 days following the surgery. The number reported from the hospitals was adjusted 20-fold to reflect the numbers from surveys carried out at tertiary and secondary care hospitals in Sri Lanka and in India and from the number of reported caesarian section related surgical site infections reported to the Quality unit of the MOHMM.

[iii] The progress report should indicate expenditure statement showing more than 80% allocation utilization and reporting of the relevant results achievement of the previous year and the completed safeguard checklist for proposed activities in the implementing year should be included.

[iv] Implementation achievement will be measured for at least 7 of the 8 areas: (i) approved organization structure,(ii) Technical expert panel appointed, (iii) a dedicated budget line in the MOHMM, (iv) Essential medicines List (EML) revised and updated, (v) Technical specifications of medical equipment uploaded in MOHMM website, (vi) use of the web-based Need Assessment and Prioritization Model (NAPM) for new medical equipment, (vii) mechanism identified to request new pharmaceuticals, and (viii) Cost accounting system in place.

[v] The guidelines include: (i) Elderly and women friendly services, (ii) Hospital laboratory quality enhancement, (iii) Provision of day surgical services, (iv) Mithuru Piyasa and Yowun Piyasa, (v) Guidelines on establishing Green, Healthy and Safe Hospitals, (vi) services as a cluster of hospitals linking with preventive services and population, (vii) Guidelines on establishing norms for standardizing facilities at Base Hospitals, and (viii) Patient Information Centre.

[vi] Relates to five areas: (i) pharmaceutical labelling, (ii) good pharmaceutical storage practices, (iii) early warning score (Patient Observation Chart), (iv) adverse events submission box, and (v) antibiotic prescription chart.

[vii] Includes the provision of 7 areas guided by the relevant circulars issued by the MOHMM: (i) availability of male, female, disability access toilets in OPD, clinic waiting areas; (ii) holding bars in walking areas in OPD area, clinic area and corridors leading to wards and labs; (iii) access to drinking water in OPD and clinic waiting areas; (iv) adequate seating available at clinics and OPD; (v) special easy access options for people with special needs at registration, pharmacy, laboratory; (vi) provision of gender-based violence care services (Mithuru Piyasa) that includes, but not limited to, initial assessment of survivor's physical and mental condition, addressing her immediate medical needs, processing her intake, including referral services provided, especially to social workers, shelters, and police or local enforcement agencies tasked with supporting GBV survivors, all the while ensuring her privacy and safety from retaliation by her perpetrator; and (vii) Provision of adolescent health care services (Yowun Piyasa) with adequate privacy.

[viii] Functional physiotherapy or rehabilitation unit will have defined equipment for physiotherapy and for speech therapy and occupational therapy (as appropriate), physical space, patient friendly convenient access with mechanisms for integration with primary medical care institutions, and link to social service officers and assistive device providers.

[ix] The staff quarters renovated/expanded/repaired needs to be guided by the currently available staff facilities by staff category and should ensure that staff accommodation is available for minimum of 4 specialist consultants, for Intern medical officers (in relevant BHAs), for House officers, nurses, supplementary staff and support staff as guided by MOHMM and/or province circulars. New constructions for staff quarters will not be approved and only existing staff quarters can be renovated/expanded/repaired. Staff quarters will be designed with women's safety in mind.

[x] Definition of "Day surgical services" will be based on the new guidelines and will include: availability of staffing arrangements, reporting arrangements with a new register in place, and facilities for day surgeries with patient admissions, pre-op, post-op and discharge occurring within the day for a surgical procedure (e.g. eye surgery/lump removal/wound toilet, etc.) and facilities for day surgical service theatre accessible for day procedures under Eye, ENT, General Surgery, Gyne and Obstetrics, and dental, with waiting area, recovery area, with access to the Central Sterile Supplies Department (CSSD), pre-op room, and changing rooms or staff resting rooms by gender.

[xi] Will be guided by the new Circular which will be based on the ISO 15189 standard managed via the Sri Lanka Accreditation Board, and the WHO Laboratory Quality Standard of 2011.

[xii] Climate resilience is defined as the process of integrating climate change adaptation and mitigation strategies into development plans to have hospitals defined as a green, healthy and safe by the MOHMM new guideline that will be issued. Initiatives are related to (i) reducing greenhouse gas emissions; (ii) improving water management; (iii) sourcing food locally and reducing food waste; (iv) improving water, sanitation and hygiene (WASH) measures; (v) improving energy efficiency by purchasing energy efficient appliances and lighting systems, utilizing renewable energy sources like solar power, conducting energy audits to identify inefficiencies, and investing in building renovations to enhance insulation, ventilation and thermal comfort; (vi) building stronger infrastructure to withstand extreme weather;(vii) relocating infrastructure from vulnerable areas are considered; (viii) availability of a Disaster Response Plan for activating during a climate related disaster situation affecting the hospital; and (ix) promoting behavioral changes among staff.

[xiii] The guideline to be issued by the MOHMM will give further guidance on defining clusters with empaneled populations linking BHs as the apex with lower referral facilities, MOHMM services for basic primary care and preventive services and inter sectoral services. This will include a laboratory cluster.

[xiv] The ongoing ADB financed HSEP is supporting the development of a software (OpenMRS based) and a pilot of it in 2 clusters Thambuthegama and Dambulla clusters in Anuradhapura and Matale districts. The same software or another software should be adopted to interconnect the cluster hospitals to provide better continuity of care. A functioning system will be defined as a system that (i) links all feeder hospitals with the Apex hospital, (ii) is able to give a Patient health number to all registered patients, (iii) and allows a patient can go to any hospital in the cluster where all previous tests and records can be extracted via the digital system. This will be measured using the following five criteria. All hospitals in the cluster should adopt this system (i) for patient registration, (ii) to report notifiable disease to relevant medical officer of health area, (iii) for authorized health professionals to retrieve patient information, laboratory testing information and radiology related information (iv) use the outpatient department module and (v) use the Clinic modules.

[xv] A functional Patient Information Centre will be managed by a dedicated Development Officer/s and/or Nursing Officer/s and will have a hotline phone number. It will (i) provide appointment services to patients referred from PMCIs, other hospitals, Well Women Clinics, Healthy Life Style Centers (HLCs), family planning services, school medical inspections, dental inspections, sexually transmitted disease clinics, antenatal clinics, and medico legal units, (ii) link to other sectors for social services, legal services for women's medico legal issues, non-governmental organizations for key population services; (iii) provide disability support for special needs patients includes and (v) complaints and/or suggestions box or another mechanism to receive, review and act on complaints and suggestions.

[xiv] Care Pathways: (i) Accident and emergency care service package; (ii) Comprehensive emergency obstetric care facilities EMOC, Special Baby Care units, adolescent reproductive services; (iii) Medical care package for managing heart diseases and CVAs; (iv) Medical care package for managing lung diseases; (v) Medical, rehabilitative and palliative care package; (vi) Medical care package for managing diabetes mellitus; (vii) Medical care package for managing selected cancers; (viii) Comprehensive package of surgical services; (ix) Comprehensive package for Nephrology services; (x) Care Package for dental services; (xi) Care package for Eye and ENT services; (xii) Care package for Mental Health and Supporting services (xiii) Comprehensive package for laboratory and imaging services; (xiv) Antibiotic Stewardship Programme; and (xv) Comprehensive Medico legal services.

[xvii] Gender-sensitive care is an integral part of patient-centered care, where the biological and cultural context of a patient's needs are considered, to understand the medical interventions required for a patient, e.g., stigma/discrimination faced by women/adolescent girls in seeking reproductive health-related services, or blame experienced by married women for uncontrolled pregnancies, or social limitations of women in seeking health care, or refusal of some women to be seen by male doctors, among others

[xviii] The epidemiology unit of Sri Lanka monitors 28 notifiable diseases. Currently notification from hospital to the respective medical officer of health area is via the postal system for Group B diseases. A GIS based system that can manage disease surveillance is currently developed under TA funds and the disease surveillance module under OPEN MRs is available.

[xix] The gender sensitive measures are defined to include 3 aspects in the plan: (i) population aspect: The plan will identify interventions / role of the female led community groups (eg. mothers' clubs and village societies). (ii) health worker aspect: measures need to be addressed related to female health worker safety when working within emergency health situations and (iii) health sector aspect where notification of the 28 notifiable diseases of Sri Lanka will be reviewed from a sex differentiated manner to early identify sex-related differences in notifiable diseases in Sri Lanka.

Source: Annual Health Bulletin 2023, Completed Data collection tool for the baseline calculations developed by ADB staff and personal communications with relevant units, Directorate of the Provinces.

### 1.1.3 Scope of the Report

7. This report presents the status of environmental safeguards compliance with respect to each activity, for the period from July to December 2025. Information presented in this report is mainly based on the records of the PCO. The assessment of the compliance focused on the RBL program's environmental requirements, including the possible environmental impacts of the program activities on soil, water, air, biodiversity, habitats and eco-system, potential presence of physical cultural resources, and health and safety of program's workers and community and social environment during the reporting period.

## 1.2 Details of site personnel and/or consultants for environmental monitoring

**Table 1.1: Details of RBL program safeguards team (as at 31 December 2025)**

| Name | Designation | Contact details |
|---|---|---|
| **PCO** | Program Director – **Dr Asela Gunawardena DGHS** | 011-2669192, 011-2675011, or 011-2694033<br>dghs@health.gov.lk |
| | Environmental Safeguards Specialist (program engineer) – **Eng. P.G.I.M Nawarathne**<br>(program engineer will oversee social and environmental safeguards aspect) | +94 077 988 0725<br><br>isurumn.moh@gmail.com |
| | Gender – While there is no designated Gender Officer within the PCO, the Gender Focal Point of the Ministry of Health, the Director of the Family Health Bureau**, Dr. Chandima Sirithunga**, will oversee and address gender-related aspects of the RBL program. | +94 112 696 508, +94 112 681 309, +94 112 696 677.<br>dmch@fhb.health.gov.lk |
| **MOH** | Additional Secretary (Engineering Services), **Eng. (Dr.) Salinda Bandara,** Ministry of Health and Mass Media. | 011-2694033, 011-2675011, 011-2675449, 011-2693493<br>info@health.gov.lk |
| RBL pandemic fund | | |
| **MRI** | Director **Dr A.D.U Karunarathne** | 0777372822<br>director@mri.gov.lk,<br>adukarunarathna@gmail.com |
| | Deputy Director – **Dr V.P.N.P Amarasinghe** | 0718174741<br>prabathav@gmail.com,<br>prabathav@yahoo.com |
| ~~**CDC**~~ **Epidemiology unit** (CDC building) | **Dr Palitha Karunapema,** Chief Epidemiologist MOH | +94-11-2695112 or +94-11-2681548 or 077 770 8487<br>pkarunapema@gmail.com |
| Engineering Division for CDC building and MRI renovations | **Eng. (Dr.) Salinda Bandara,** Additional Secretary, (Engineering Services) | +94 713622246<br>Salinda2012@gmail.com |
| ADB RBL Loan | | |
| **MOH** | | |
| **NMRA**<br>Renovation of NMRA building | **Ms Prabha Kuruppu** , Director , NMQAL | 071 945 13 64<br>shb@nmra.gov.lk |

| | | |
|---|---|---|
| NMRA: Renovation of Lab building | **Ms Gowrie Kathriarachchi,** Chief Pharmaceutical Analyst | 071 439 8090<br>shc@nmra.gov.lk |
| **Medical Supplies Division (MSD)** | **Mr K.H.T Danith Madhu** | 071 840 2492<br>msdebci2025@gmail.com |
| **Education Training Research Unit (ETR)**<br>a. National Institute of Health Sciences (NIHS) Kalutara<br>b. Training center renovations | DDG Logistics **Mr. Dinipriya Herath**<br><br>Director Training, **Dr Samantha Ranasinghe,** | +94 71 447 1140<br>ddglogistics@health.gov.lk<br><br>+94 77 149 8000<br>gspr73@gmail.com |
| **Line Ministry Managed Based Hospitals (08)** | DDG Logistics **Mr. Dinipriya Herath**<br><br>Director Medical Services Dr. Ayanthi Karunarathna | +94 71 447 1140<br>ddglogistics@health.gov.lk<br><br>+94 77 315 3432<br>Ayanthi_sk@yahoo.com |
| BH Mulleriyawa (CEBH) | Dr. Eranga Rajapaksha | +94 714439804<br>eranga2rajapakshe@gmail.com |
| BH Gampola | Dr. Duminda Dias | +94 718097442<br>diasduminda74@gmail.com |
| BH Kalmunai South (AMH) | Dr. I.L.M Rifaz | +94 773960445<br>amhmskalmunai@gmail.com |
| BH Kalmunai North | Dr. G Sukunan | +94 773417477<br>gsukunan@gmail.com |
| BH Akkaripattu | Dr. M.A Mashooth | +94 776176177<br>bhakkaraipattu@gmail.com |
| BH Kanthale | Dr.M.D.U Gunathilake | +94 718396029<br>gunathilakeudara@gmail.com |
| BH Beruwala (covering up) | Dr.G.T.R. Suranga | +94 718284086<br>rumeshsuranga@gmail.com |
| BH Pottuvil | Dr. Karhtik | +94 77 0212765<br>thirumagal@gmail.com |
| **Provincial Councils (Deputy Chief Secretary Engineering)** | | |
| **Central Province** | Eng W.M.I.S.K Wijekon | 812233725<br>070 553 3795<br>ccdcseng@gmail.com<br>dcscpeng@gmail.com |
| **Eastern Province** | Eng. K. Chandramoha | 0262222509<br>engineering@ep.gov.lk |
| **North-central Province** | Eng Mr Sisira Disanayaka | 071 44 59007<br>usbdissa@yahoo.com |
| **Northern Province** | Eng.N.Suthakaran | 0777235566<br>021 222 0697<br>dcsengnp@gmail.com |
| **North-western Province** | Eng Palitha Nawarathne | 077 367 22 35<br>mpnawar9@gmail.com |
| **Sabaragamuwa Province** | Eng Ms Chandani Pushpakumari | 071 443 13 24<br>esbnewtown@gmail.com<br>chandanipu@yahoo.com |

| | | |
|---|---|---|
| **Southern Province** | Eng Mr. K. K. Samanthilaka | 071-4457115<br>091-2234503<br>ksamanthilake@gmail.com |
| **Uva Province** | Eng P.M Amarasekara | 071 44 20 542<br>055 222217/18<br>Amarasekara35@gmail.com |
| **Western Province** | Eng Ms Arthi Gunawardena | 071 85 71 054<br>011-209 25 01<br>dcs@eng.wpc.gov.lk<br>p_gunawardena@yahoo.com |

* Focal person

## 1.3 Approach and methodology for environmental monitoring of the program

### 1.3.1 ADB Safeguards Policy

8. ADB's Safeguard Policy Statement (SPS, 2009) applies to the RBL program, covering three safeguard areas; environment, involuntary resettlement, and Indigenous Peoples. The program has been categorized as Category B for environmental safeguards, and Category C for involuntary resettlement and Indigenous Peoples. Under the RBL modality, the program uses the country and program safeguard systems, as assessed through the Program Safeguards System Assessment, to achieve the objectives and principles of the SPS.

The detailed safeguards system assessment is provided in **Annex 3(vii) of the RRP**.

Based on the assessment, the following program action plan has been prepared for safeguards within this program.

Please refer to the following table for more information:

**Safeguards System-Related Program Actions**

| Actions | Responsible Agency | Time Frame for Implementation |
|---|---|---|
| **Safeguard** | | |
| **Screening and categorization.** | | |
| • MOHMM (for line ministry activities) and PDHS (for provincial level activities) to submit screening and categorization checklists to ADB for all activities | MOHMM, PDHS | Annually upon submission of annual costed RBL Program action plan |
| • Submit the duly filled BIQ to the relevant District office of CEA | MOHMM, PDHS | Annually upon submission of annual costed RBL Program action plan |
| • Submit EIA/IEE reports according to the TOR issued by the CEA | MOHMM, PDHS | Continuous from Q3 2025 |
| **Capacity building.** | | |
| • Nominate focal points within the MOHMM and PDHS on E&S safeguards | MOHMM, PDHS | Continuous from Q2 2025 |
| • Training of program staff of the MOHMM, PDHS and Provincial Technical Committee with E&S responsibilities and HCW management | PCO, ADB | Continuous from Q3 2025 |
| **E&S Safeguards implementation.** | | |

| Actions | Responsible Agency | Time Frame for Implementation |
|---|---|---|
| • The ESMP shall form part of the civil/E&M works contract documents. | MOHMM, PDHS | Continuous from Q3 2025 |
| • Establish a safeguard monitoring system, Prepare semi-annual E&S monitoring report, and disclosure | MOHMM, PDHS, ADB | Continuous from Q3 2025 |
| • Establish a robust, public-friendly, accessible and functional GRM. | MOHMM, PDHS, ADB | Continuous from Q2 2025 |

ADB = Asian Development Bank, BIQ = Basic Information Questionnaire, CEA = Central Environmental Authority, EIA = Environmental Impact Assessment, E&M = electrical and mechanical, E&S = environmental and social, ESMP = environmental and social management plan, GRM = grievance redress mechanisms, HCW = health care waste, IEE = initial environmental examinations, MOHMM = Ministry of Health and Mass Media, PCO = program coordiantion office, PDHS = provincial director of health services, Q = quarter.

9. The loan/ program documents require safeguards monitoring and reporting as part of the RBL implementation arrangements. The PID includes an outline for the semi-annual Environmental and Social Monitoring Report (ESMR).

**Overall Safeguards Workflow (In Sequence)**

1. Include activity in annual RBL plan
2. Conduct safeguard screening and categorization
3. Submit checklist to ADB
4. Submit BIQ to CEA
5. If required, prepare and submit IEE/EIA per CEA TOR
6. Integrate ESMP into contracts
7. Implement and monitor safeguards
8. Submit semi-annual monitoring reports
9. Operate GRM throughout implementation
10. Continue capacity building and staff training

### 1.3.2 National Environmental Regulation

10. The National Environmental Act (NEA) No. 47 of 1980 is the law that incorporates and covers all aspects of the environment in Sri Lanka. The NEA is the basic national decree for protection and management of the environment. The NEA has gone through several amendments in the past in a bid to continually improve and to respond to the challenging conditions. There are two main regulatory provisions in the NEA through which impacts on the environment from the process of development are assessed, mitigated and managed. These are: a) The Environmental Impact Assessment (EIA) procedure for the development projects and b) The Environmental Protection License (EPL) procedure for the control of pollution.

11. **a) The Environmental Impact Assessment (EIA) procedure for the development projects.** Regulations pertaining to this process are published in Government Gazette Extraordinary No.772/72 dated 24 June 1993 and in several subsequent amendments.

12. EIA Procedure: According to Section 23AA (1) under Part IV C (Approval of projects) of the National Environmental Act all “Prescribed Projects” that are being undertaken in Sri

Lanka by any Government Department, Corporation, Statutory Board, Local Authority, Company, Firm or an Individual will be required to obtain approval under this Act for the implementation of such prescribed projects. The prescribed projects are included in a schedule in an Order published in the Gazette (Extraordinary) No.772/22 of 24 June 1993 and No. 859/14 of 23 February 1995[1].

13. However, none of the proposed subprojects fall into a prescribed RBL program category under definitions of Part I (activities based on the magnitudes) and Part III (activities within a sensitive area) which are applicable for the project. Therefore, environmental clearance through EIA/IEE procedure were not required for the subprojects. But with respect to other regulatory controls (water, air & noise pollution, land degradation and hazardous substances and waste management), the RBL program is still required to obtain approval in the form of environmental recommendation for each subproject.

14. **b) The EPL procedure for the control of pollution.** Regulations pertaining to this process are published in Government Gazette Extraordinary No. 1533/16 dated 25 January, 2008 and amended in Gazette Extraordinary No. 2264/17 and No. 2264/18 dated 27 January, 2022.

15. EPL Procedure: The EPL is a regulatory/legal tool under the provisions of the NEA that was introduced to: (i) prevent or minimize the release of discharges and emissions from industrial activities in compliance with national discharge and emission standards; (ii) provide guidance on pollution control for polluting processes; and (iii) encourage the use of pollution abatement technology such as cleaner production, waste minimization etc.

16. Activities are classified as A, B, C or D according to lists provided in Government Gazette Extraordinary No 2264/18 of 27 January 2022. List A comprises 33 high polluting industries; List B comprises 71 medium polluting industries; and List C and List D comprising 56 and 39 low polluting industrial activities respectively. A duly filled Basic Information Questionnaire shall be submitted to the CEA in order to issue environmental recommendations after their evaluation. According to the prescribed activities listed in the 27 January 2022 Gazette, wastewater treatment plants proposed in each PIU are required to obtain EPL from the CEA.

17. **c) The Scheduled Waste Management License (SWML) procedure.** Regulations pertaining to this process are published in Government Gazette Extraordinary No. 1534/18 Dated 01.02.2008 As per the regulations stipulated under the Part II of the National Environmental (Protection & Quality) Regulations No DI of 2008 all persons involved in the handling of (Generate, Collect: Transport, Store; Recover or Recycle and Disposal of waste or establish any site or facility for the disposal) Scheduled Waste specified in the Schedule VIII of the regulation should obtain a license from the Central Environmental Authority. The list

[1] With the above-mentioned gazettes, the prescribed projects/activities are defined in three parts. Part I has identified 31 projects/activities by considering the magnitude of the projects that require an EIA/IEE. Part II has specified 21 industries which need an EIA/IEE if the project is located wholly or partly within an environmentally sensitive area specified in Part III. Further to that, projects specified in Part I need an EIA/IEE if the project is located within an area identified under Part III, irrespective of the magnitude of the project or being situated within a coastal zone. The specified environmentally sensitive areas in Part III are: Within 100m from the boundary of or within any area declared under National Heritage Wilderness Act, No. 3 of 1988 or the Forest Ordnance; Any erodible area declared under the Soil Conservation Act; Any Flood area declared under the Flood Protection Ordinance; Any flood protection area declared under Sri Lanka Land Reclamation and Development Cooperation Act; 60 meters from the bank of a public stream as defined in the Crown Lands Ordinance and having a width of more than 25 meters at any point of its course; Any reservation beyond the full supply level of a reservoir; Any archeological reserve, ancient or protected monuments as defined and declared under Antiquities Ordinance; Any area declared under Botanic Gardens Ordinance.

of schedule waste is provided in Schedule VIII of the above regulation and there are two categories: PART I - Scheduled wastes from Non-Specific Sources (30 waste codes) and PART II - Scheduled Wastes from Specific Sources (28 waste codes).

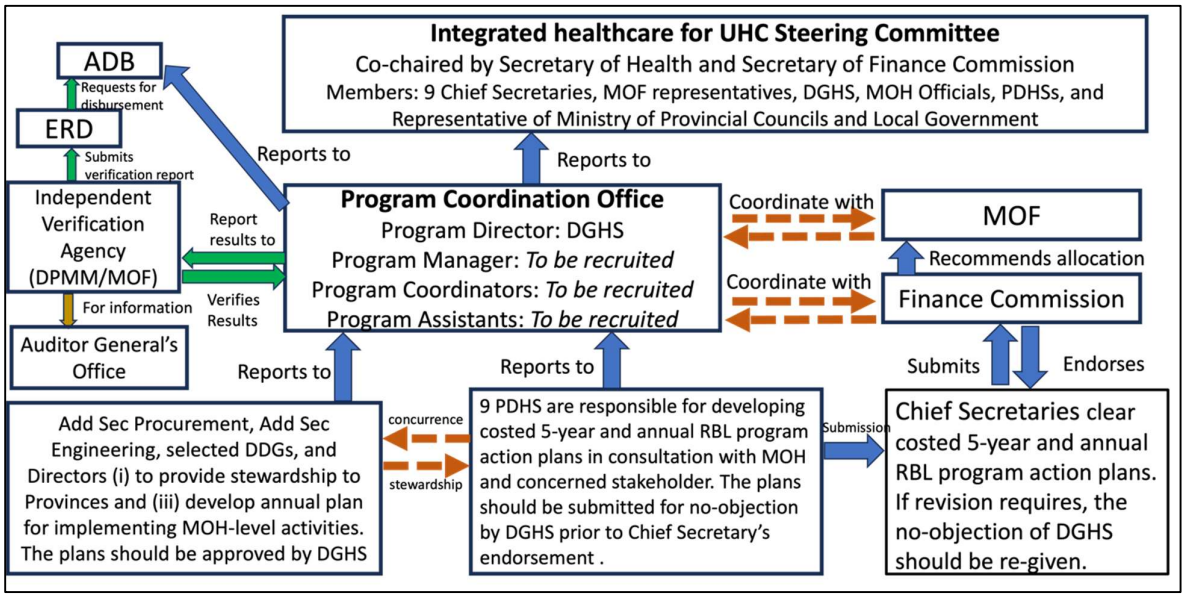
## 1.4 Description of activities and Status of Implementation

### 1.4.1 Program execution

**Table 3.1: Responsibilities of Key Agencies in Planning, implementation and monitoring of EMP**

| Agency | Responsibility |
|---|---|
| EA (executing agency- MOHMM) | Dr. Anil Jasinghe is the Secretary to the Ministry of Health and Media in Sri Lanka |
| PCO | Dr. Asela Gunawardena, Director General of Health Services (DGHS) and Program Director, provides direct supervision of all safeguard-related activities under the Program and oversees the implementation and monitoring of the Environmental Management Plan (EMP).<br>Eng. P.G.I.M. Nawarathne serves as the designated Engineer for the Program, supporting the planning, technical oversight, and implementation of infrastructure-related activities in compliance with safeguard and engineering standards. |
| Deputy chief secretaries of Engineering (all 09 provinces) | The Deputy Chief Secretaries of Engineering of all nine provinces are responsible for the direct supervision of safeguard-related activities at the provincial level and for overseeing the implementation and compliance of the Environmental Management Plan (EMP) in all construction and renovation works undertaken within their respective provinces. They ensure adherence to approved environmental standards, technical specifications, and regulatory requirements, while coordinating with provincial health authorities and engineering teams for effective monitoring and reporting. |
| Project Management Consultants (PMC) | Three ADB consultants Buddhika De Silva, Ananda Dissanayake, and Ms. Hansika Premarathna provide support in monitoring report preparation, offer hands-on assistance, and contribute technical guidance to ensure effective implementation and reporting of program activities. |
| Contractor | Not identified as of Dec 2025. |

**Program Organizational Structure**




ADB = Asian Development Bank, Add Sec = Additional Secretary, DDG = deputy director general, DGHS = Director General of Health Services, DPMM = Department of Project Management and Monitoring, DST = Deputy Secretary Treasury, ERD = External Resource Department, MOF = Ministry of Finance, Planning, and Economic Development, MOHMM = Ministry of Health and Mass Media, PDHS = Provincial Department of Health Services, UHC = universal health coverage.

Source: PID, ADB RBL UHC

### 1.4.1 Status of Program Implementation

The Strengthening Integrated Health Care and Governance for Universal Health Coverage Program, financed by the Asian Development Bank, received ADB Board approval in August 2025. The Financing Agreement was formally signed in October 2025 between the Ministry of Finance of Sri Lanka and ADB, and the program became effective in November 2025. The implementation period is effectively from January 2026 to June 2030, with a total financing envelope of USD 106.9 million, comprising a USD 100 million loan and a USD 6.9 million grant. The program adopts the Results-Based Lending (RBL) modality, linking disbursements to the achievement of agreed performance indicators and system strengthening milestones.

Following effectiveness, the necessary institutional and financial arrangements were initiated. A dedicated Budget Line (BL) has been created under the Ministry of Health and Mass Media (MOHMM) to operationalize program-related expenditures at the central level. Unit-specific implementation plans have been developed and finalized by all relevant implementing units and directorates of MOHMM, aligning with the program's Disbursement-Linked Indicators (DLIs) and results framework. These plans outline timelines, responsible officers, procurement schedules, and monitoring mechanisms to ensure systematic implementation.

At the provincial level, all nine provinces have prepared draft five-year provincial health development plans aligned with the program objectives, along with the Annual Action Plan for 2026. However, as of now, provincial Budget Lines for 2026 have not yet been established, which has delayed the formal initiation of program activities at subnational level. Upon allocation of provincial budget provisions and necessary administrative approvals, implementation of planned activities particularly those related to secondary care strengthening, infrastructure improvements, and communicable disease control will commence in line with the agreed program timeline.

## 2. COMPLIANCE STATUS WITH NATIONAL / STATE / LOCAL STATUTORY REQUIREMENTS

**Table 2-1: Statutory Clearances / Institutional Services required for the Program**

| Statutory Clearances / Institutional Services | MRI | EPID unit - CDC | NMRA | MSD | ETR |
|---|---|---|---|---|---|
| **Land & Building Construction** | | | | | |
| Letter of land clearance | Not relevant | Received | Not relevant | Not relevant | Not relevant |
| Building approval from the LA | Not relevant | Pending | Not relevant | Not relevant | Not relevant |
| Letter related to land from SLLDC | Not relevant | Pending | Not relevant | Not relevant | Not relevant |
| UDA Approval | Not relevant | Pending | Not relevant | Not relevant | Not relevant |
| **Other Statutory Requirements** | | | | | |
| Permission for removal of trees and site clearance from respective DS | Not relevant | Pending | Not relevant | Not relevant | Not relevant |
| Related to reservations of the irrigation structures from Irrigation Department | Not relevant | Not relevant | Not relevant | Not relevant | Not relevant |
| Related to forest reservations from Forest Department | Not relevant | Not relevant | Not relevant | Not relevant | Not relevant |
| Permission for extraction of sand, metal from soil from GSMB | Not relevant | Not relevant | Not relevant | Not relevant | Not relevant |
| Permission for withdrawal of groundwater for construction from NWSDB/ WRB | Not relevant | Not relevant | Not relevant | Not relevant | Not relevant |
| Health related matters specially the COVID-19, HIV/AIDS and Dengue etc. from PHI | Not relevant | Pending | Not relevant | Not relevant | Not relevant |
| Engagement of Labour from Labour Department | Not relevant | Not relevant | Not relevant | Not relevant | Not relevant |

During the reporting period, initial steps were undertaken in relation to the above mentioned constructions. As this is the early stage of the process, most activities are currently pending and will be progressed in the subsequent reporting periods

Provincial Reporting

Provincial plans have been developed; however, as of 31 December, 2025 formal approval has not yet been granted. Consequently, the building construction and renovation sites for the 82 Base Hospitals (7 Provincial and 08 Line Ministry institutions) have not been finalized.

## 3. COMPLIANCE STATUS WITH ENVIRONMENTAL AND SOCIAL LOAN COVENANTSS

### Table 3-1: Compliance with Project's Loan Covenants

| Schedule No. / Clause No. | Description | Progress as of December 31, 2025 |
|---|---|---|
| Schedule 4; Clause 9 | The Borrower shall ensure that all Program Actions in the area of environmental and social safeguards are implemented in a timely and efficient manner. | Initiated |
| Schedule 4; Clause 10 | (a) The Borrower shall ensure that no construction or rehabilitation works under the Program involve significant adverse environmental impacts that may be classified as category A under the SPS. Prior to commencing any construction or rehabilitation works under the Program, the Borrower shall conduct a screening to ensure that any works that may be classified as category A for environment impacts within the meaning of SPS are excluded from the Program.<br>(b) The Borrower shall ensure that the preparation, design, construction, implementation, operation and decommissioning of all activities under the Program comply with (i) all applicable laws, regulations and guidelines of the Borrower relating to environment, health and safety; (ii) the Environmental Safeguards; and (iii) all measures and requirements, including monitoring requirements set forth in the Program Action Plan | Not Commenced |
| Schedule 4; Clause 11 | The Borrower shall ensure that the Program does not involve any resettlement risks or impacts within the meaning of the SPS. If due to unforeseen circumstances, the Program involves any such impacts, the Borrower shall ensure that the Program complies with (a) all applicable laws and regulations of the Borrower relating to resettlement; (b) Involuntary Resettlement Safeguards; and (c) all measures and requirements, including monitoring requirements set forth in the Program Action Plan. | Not Applicable |
| Schedule 4; Clause 12 | The Borrower shall ensure that the Program does not involve any indigenous people risks or impacts within the meaning of the SPS. If due to unforeseen circumstances, the Program involves any such impacts, the Borrower shall ensure that the Program complies with (a) all applicable laws and regulations of the Borrower relating to indigenous peoples; (b) Indigenous Peoples Safeguards; and (c) all measures and requirements, including monitoring requirements set forth in the Program Action Plan. | Not Applicable |
| Schedule 4; Clause 13 | The Borrower shall ensure that all Program Actions in the area of gender and social equality are implemented in a timely and efficient manner. | Initiated |
| Schedule 4; Clause 14 | The Borrower shall ensure that the Program complies with the Anticorruption Guidelines and that all appropriate and timely measures are taken | Not Reported |

| Schedule No. / Clause No. | Description | Progress as of December 31, 2025 |
|---|---|---|
| | to prevent, detect and respond to allegations of fraud, corruption or any other prohibited activities relating to the Program in accordance with the Anticorruption Guidelines. | |
| Schedule 4; Clause 15 | The Borrower shall (a) promptly inform ADB of any allegations of fraud, corruption or any other prohibited activities relating to the Program; and (b) cooperate fully with any investigation by ADB on such allegations and extend all necessary assistance, including providing access to all relevant records, for satisfactory completion of such investigation. | Not Reported |
| Schedule 4; Clause 16 | Within 90 days of the Effective Date, the Borrower shall update its public website to (a) provide information on progress of the Program; (b) post the annual audited financial statements for the Program, as such financial statements become available; and (c) disseminate other relevant information on Program implementation. | Pending |

## 4. COMPLIANCE STATUS WITH THE ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN

At the current stage of implementation, site-specific Environmental and Social Management Plans (ESMPs) have not yet been finalized, as most civil works activities have not commenced. This document is being prepared as part of the initial safeguard compliance process. A Generic ESMP has been prepared to guide environmental and social management across all program-supported activities. This Generic ESMP provides the standard mitigation measures, monitoring requirements, and institutional responsibilities applicable to anticipated construction, renovation, and installation works. Based on this framework, site-specific ESMPs will be developed for each subproject once the respective sites and scopes are finalized.

It is essential that the relevant site-specific ESMPs are completed, cleared as required, and incorporated into the bidding and procurement documents prior to the commencement of the procurement process. This ensures that environmental and social safeguard obligations form part of the contractual requirements and are binding on contractors during implementation. The Generic ESMP will be updated as necessary to reflect site conditions, regulatory requirements, and any emerging safeguard considerations.

## 5. IMPLEMENTATION OF GRIEVANCE REDRESS MECHANISM AND PUBLIC COMPLAINTS

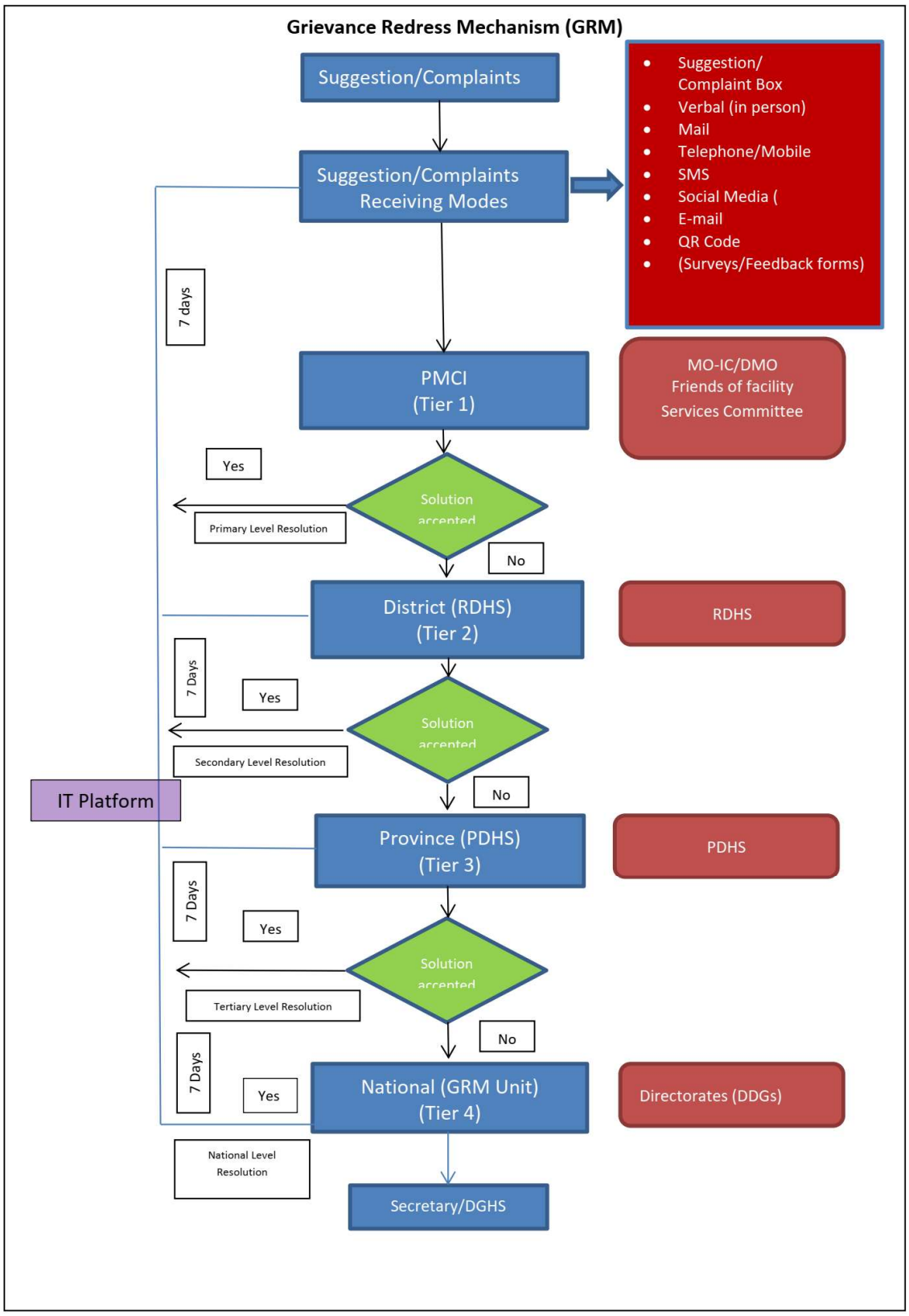
The Grievance Redress Mechanism (GRM) has been discussed, but the appointment of the designated officer has not yet been made. The appointment will be finalized during the second half of the second half of the bi-annual reporting period, once the relevant tenders are called.

A robust, public-friendly, accessible and functional two-tier Grievance Redress Mechanism (GRM) will be established. The two levels will be (i) at site/healthcare facility, (ii) at national / provincial level. A grievance register will be maintained at site/healthcare facility level, and public notices displaying the GRM procedures and contact numbers for lodging complaints must be prominently displayed at construction sites. Implementation is expected to begin in the Q2 of 2026 and continue throughout the program duration.

A grievance redress mechanism (GRM) will be established, at least 2 months before the commencement of program, to receive and manage any public E&S issues that may arise due to the program implementation. For provincial works the GRM will follow three-tier arrangement: at the site, l RDHS levels, and at PDHS level. OH levels. For national level works a two-tier GRM will be established as one at the site and the other at MOHMM level. The MOHMM/PDHS will ensure that potentially affected persons/community groups are informed about the GRM at an early stage of the program implementation. GRM should continue throughout the program implementation.

The Ministry of Health (MoH) currently operates an established Grievance Redress Mechanism (GRM). This existing mechanism will continue to function and will be utilized to receive and address grievances related to the program until a dedicated GRM is developed and implemented specifically for the program: (*Annexure 1 Please see the full MoH GRM system*)

## Grievance Redress Mechanism




Source: MoH GRM system (page 20)

## 6. MONITORING OF ENVIRONMENTAL IMPACTS ON RBL PROGRAM SURROUNDINGS

During the reporting period, no physical construction, renovation, or installation activities were initiated under the RBL program. Therefore, no site-based environmental monitoring activities were carried out, and no direct environmental impacts on surrounding areas were recorded during this period. As construction activities have not commenced during the reporting period, no environmental non-compliance incidents or Corrective Action Plan (CAP) issues have been reported

However, preparatory steps have been undertaken to establish a systematic environmental monitoring framework for future implementation. A Generic Environmental and Social Management Plan (ESMP) has been developed to serve as the guiding document for identifying, mitigating, and monitoring potential environmental impacts associated with program-supported activities. This framework outlines standard mitigation measures, monitoring parameters, reporting formats, and institutional responsibilities to be applied across all subprojects.

Once site-specific activities commence, environmental monitoring will be conducted in accordance with the approved site-specific ESMPs derived from the Generic ESMP, ensuring that potential impacts on soil, water, air quality, noise levels, waste management, occupational health and safety, and surrounding communities are effectively managed and documented. For general ESMP please refer to the page 131 of the Program Implementation Document.

## 7. CONCLUSIONS AND RECOMMENDATIONS

The implementation of the Results-Based Lending (RBL) program under the Strengthening Integrated Health Care and Governance for Universal Health Coverage Program is progressing steadily in line with the agreed institutional and safeguards framework. While unit-specific plans at the central level have been finalized and a dedicated budget line has been established, provincial Budget Lines for 2026 are yet to be released, which has delayed the formal initiation of construction and renovation activities at the subnational level. Provincial draft five-year plans and Annual Action Plans for 2026 are in place; however, final approvals for the 82 Base Hospitals remain pending. It is acknowledged that, at the initial stage of a government-led program of this scale, administrative and procedural processes require a certain period to operationalize fully. Furthermore, the recent devastating impact of the Ditwa cyclone on the country also posed additional challenges to administrative coordination and sectoral priorities. Despite these circumstances, considering the due diligence, preparatory work, safeguard planning, and institutional arrangements already completed, overall program progress is satisfactory and moving forward in a positive direction. However, no civil works have commenced during the current reporting period.

Environmental and social safeguards have been systematically integrated into program planning. Screening and categorization procedures, incorporation of the Environmental and Social Management Plan (ESMP) into contract documentation, and defined monitoring mechanisms are in place. Implementation of civil works, electrical and mechanical (E&M) installations, and the Grievance Redress Mechanism (GRM) is yet to commence, and the formal appointment of designated GRM officers remains pending. Meanwhile the mentioned MoH GRM system will be adopted to the program, till the program specific GRM system is developed.

Compliance with national statutory requirements, including the National Environmental Act (NEA), Environmental Impact Assessment (EIA) procedures, Environmental Protection License (EPL) requirements, and approvals from the Urban Development Authority (UDA) and other relevant authorities, has been communicated to the project implementation parties during the planning stage. At this stage, these regulatory requirements have been identified and discussed as part of the project planning process; however, by the end of the reporting period, most formal submissions or site-specific clearances have not yet been initiated. For the CDC unit renovation of the building, the required documentation for submission to the Central Environmental Authority (CEA) is planned to be prepared during the first quarter of 2026 *(Annexure 2: CEA)*. In the case of the MRI Building Renovations, the CEA form has already been submitted during the reporting period *(Annexure 3: Submitted CEA for MRI Building)*. The remaining regulatory processes and clearances will be undertaken during the subsequent stages of project implementation, expected by the third quarter of the first year.

Recommendations:

- Expedite the approval of provincial Budget Lines to facilitate the timely commencement of infrastructure and secondary care strengthening activities by the first quarter (Q1) of 2026.
- Finalize and operationalize the Grievance Redress Mechanism (GRM), including the appointment of responsible officers and public disclosure of procedures prior to the commencement of works, targeted by the second quarter (Q2) of 2026.
- Strengthen coordination with Medical Research Institute (MRI) and Cosmetics Devices and Drugs Regulatory Authority (CDS) to facilitate the processing and approval of required clearances from the Central Environmental Authority (CEA) by the second quarter (Q2) of 2026.

- Maintain consistent semi-annual environmental and social monitoring and reporting to the Asian Development Bank (ADB) throughout the program implementation period to ensure continued compliance with ESMP requirements and loan covenants.
- Ensure that all site-specific Environmental and Social Management Plans (ESMPs) are finalized, reviewed, and formally cleared prior to the commencement of procurement activities, and that the approved ESMPs are fully integrated into bidding and contract documents by the second quarter (Q2) of 2026 to ensure contractor compliance during implementation.