



Initial Poverty and Social Analysis

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Armenia: Healthcare Quality Improvement Program

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CURRENCY EQUIVALENTS

(as of 12 September 2023)

Currency unit	–	dram (AMD)
AMD1.00	=	\$0.0026
\$1.00	=	AMD385.65

ABBREVIATIONS

ADB	–	Asian Development Bank
CSO	–	civil society organization
DLI	–	disbursement-linked indicator
GAP	–	gender action plan
PHC	–	primary health care

NOTE

In this report, "\$" refers to United States dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Armenia	Program Title:	Healthcare Quality Improvement Program
Lending/Financing Modality:	Results-based lending	Department/ Division:	Central and West Asia Department/ Social Sector Division, Armenia Resident Mission

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

Armenia graduated to an upper-middle income country in mid-2018 with a per capita gross domestic product of more than \$4,000 in 2017. Armenia's economic growth preceding 2020 allowed the country to make good progress in reducing poverty. Despite the progress, about one-fourth of the population live below the national poverty line. The latest household income and expenditure survey (2021) showed that the average poverty line in 2021 was 26.5%, 0.5 percentage points lower than the respective indicator of 27.0% in 2020.^a The extreme poverty rate increased 2.1 times from 0.7% in 2020 to 1.5% in 2021. Based on the international poverty thresholds, 0.5% of the population lived on less than \$2.15/day (2017 Purchasing Power Parity) in 2021, compared to 0.4% in 2020. The poverty rate measured at the lower middle-income class poverty line (\$3.65 per capita/per day) affected 8.7% of the population in 2021 versus 6.9% in 2019. On the other hand, the poverty rate at the upper-middle income class poverty line (\$6.85 per capita/ per day) has decreased to 51.7% in 2021 from 53.5% in 2020.

The government's development program for 2021–2026, seeks to eradicate extreme poverty by 2026.^b It is structured across six areas: (i) security and foreign policy, (ii) economy, (iii) infrastructure development, (iv) human capital development, (v) law and justice, and (vi) institutional development. The strategic objective of the country partnership strategy (CPS) for Armenia, 2019–2023, is to support the government's efforts to ensure diversified economic growth and increased inclusiveness through three strategic pillars: (i) priority infrastructure investments in transport, energy, and urban development; (ii) knowledge and policy-based assistance and investments for service delivery reforms in education, health, and financial services; and (iii) support for regional cooperation and integration.^c Although the CPS was aligned with the previous national development program for 2019–2023, ADB's strategic directions have not changed and priority areas ii, iii, iv, and vi in the government's program are in line with CPS strategic pillars.

The proposed program supports the government's reforms agenda in human capital development and institutional reforms which aim to improve quality and access to health care services. It builds on the reform momentum propelled through ADB's policy-based loan for human development enhancement in 2019.^d The program is also aligned with the government-approved Health Sector Strategy 2023–2026,^e and Concept Note for Universal Health Insurance (UHI).^f It supports the CPS' strategic pillar 2, which aims to improve health sector governance, coverage, and service delivery. The proposed program is consistent with ADB's Strategy 2030 operational priority (OP) 1 (addressing remaining poverty and reducing inequalities), OP2 (by improving gender-responsiveness of health services), OP3 (by promoting climate change adaptation and mitigation measures) and OP6 (by strengthening governance and institutional capacity in the health sector).^g It is included in the Indicative Country Program and Monitoring Report for 2022–2024 for Armenia.

B. Poverty Targeting

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

The program targets the achievement of Sustainable Development Goal 3. It is designed across structural elements of quality (infrastructure, equipment, and human resources) to improve the availability of services, enhance quality of care governance, capacity, processes, and monitoring, to measure performance and outcomes. The program will also benefit poverty reduction as it is expected that better quality of care will lead to better health outcomes, a lower likelihood to suffer from illness-related productivity losses, and better quality of life and economic opportunities.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Data from the household income and expenditure survey 2021 indicates that 61.9% of non-poor and 63.2% of poor cited self-treatment as the main reason for not visiting a PHC facility indicating issues related to trust and quality of care.^h The proposed program is expected to benefit the entire population, especially the population in the regions that will benefit from the constructed and/or upgraded and equipped PHC facilities. Health workers are expected to benefit from training programs on the equipment and the infrastructure to be supported by the program, to improve the quality of care provided to patients.

2. Impact channels and expected systemic changes.

The proposed program is expected to impact: (i) improved availability of health services through constructed and/or upgraded health facilities in the regions and expansion of telemedicine services; (ii) enhanced quality of care and monitoring; and (iii) strengthened institutional capacity for governance and quality management of health services. The reforms under the program will result in improved quality of health care for better health outcomes for the entire population.

3. Focus of (and resources allocated in) the transaction TA or due diligence.

The proposed program is supported by an ongoing transaction technical assistance (TA) facility.¹ The TA funds will support preparation of relevant due diligence (e.g., fiduciary risk assessment, monitoring and evaluation assessment, safeguards system assessments), program documents, and a health facility masterplan. Poverty, gender, and social issues will be reviewed during program preparation. Part of the TA funds will support achieving prior results.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this program?

To ensure the effective gender mainstreaming and gender-related outcomes, the program team will discuss with stakeholders and include gender elements in the program's results framework and disbursement-linked indicators. The gender elements will also be aligned with gender equality commitments outlined in the government's program for 2021–2026 and in the relevant government strategies for health, quality of care and gender equality.

2. Does the proposed program have the potential to contribute to the promotion of gender equity and/or empowerment of women by providing women access to and use of opportunities, services, resources, assets, and participation in decision-making?

Yes No

The program will address gender issues by improving quality of health care services through physical improvements to health facilities, the provision of medical equipment, quality monitoring and improved capacity of health workers.

3. Could the proposed program have an adverse impact on women and/or girls or widen gender inequality?

Yes No

The program will neither adversely impact women and/or girls, nor widen gender inequality.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERING THE POOR

1. Who are the main stakeholders of the program, including beneficiaries and affected people? Explain how they will each participate in the program's design.

Primary stakeholders are the Ministry of Health and its agencies (National Institute of Health, State Health Agency and Health Project Implementation Unit), the Ministry of Finance, Ministry of Environment, Urban Development Committee, health workers and facility managers, regional administrations, and patients. During program preparation, stakeholder consultations with listed stakeholders will be held and their views and recommendations incorporated where possible. The program team will conduct consultations/workshop with stakeholders during program implementation as needed.

2. Who are the key, active, and relevant CSOs in the program area?

3. Are there issues during the program design for which participation of the poor and vulnerable is important?

Yes No If yes, what are these issues?

The program design will include interventions toward improving i) quality of care and the experience of the poor and vulnerable when accessing health services, and ii) the attitude of health providers. The TA facility will support due diligence assessments disaggregated by income level, sex, and age to understand needs of poor and vulnerable.

4. How will the program ensure the participation of beneficiaries and affected people, particularly the poor and vulnerable and/or CSOs, during the program design to address these issues?

Program design will incorporate feedback from consultations with identified stakeholder groups.

5. What level of CSO participation is planned during the program design?

(M) Information generation and sharing (M) Consultation (L) Collaboration (L) Partnership

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C

<p>1. Does the program have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>No resettlement issues are expected, as most, or all facility upgrades under the program will be conducted at existing sites. If any new sites are included in the program, locations involving involuntary resettlement will be avoided.</p> <p>2. What actions are required to address involuntary resettlement as part of the transaction TA or assessment process? <input type="checkbox"/> Program safeguard system assessment and actions <input checked="" type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C</p> <p>1. Does the proposed program have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Will the program require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What actions are required to address risks to indigenous peoples as part of the transaction TA or the program assessment process? <input type="checkbox"/> Program safeguard system assessment and actions <input checked="" type="checkbox"/> None</p>
<p>V. OTHER SOCIAL ISSUES AND RISKS</p>
<p>1. What other social issues and risks should be considered in the program design? <input checked="" type="checkbox"/> (L) Creating decent jobs and employment <input checked="" type="checkbox"/> (L) Adhering to core labor standards <input checked="" type="checkbox"/> (L) Labor retrenchment <input checked="" type="checkbox"/> (L) Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input checked="" type="checkbox"/> (L) Affordability <input type="checkbox"/> Increase in unplanned migration <input checked="" type="checkbox"/> (L) Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the program design? The program design will address issues and risks relating to the creation of decent jobs and employment and adherence to core labor standards. The program will ensure that (i) no child labor will be used, (ii) there is no discrimination in employment, and (iii) equal pay will be given for work of equal value. Affordability should improve once policy reforms on UHI are implemented. The program will help mitigate spread of communicable diseases and reduce vulnerability of natural hazards through upgrading/constructing and equipping climate resilient health facilities.</p>
<p>VI. TRANSACTION TA OR ASSESSMENT RESOURCE REQUIREMENT</p>
<p>1. Do the terms of reference for the transaction TA (or program assessments) contain key information needed to be gathered during the transaction TA or the program assessment process to better analyze (i) poverty and social impact, (ii) gender impact, (iii) participation dimensions, (iv) social safeguards, and (v) other social risks? Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. What resources (e.g., consultants, survey budget, and budget for workshop(s)) are allocated for conducting poverty, social, and/or gender analyses; and the participation plan during the transaction TA or the program assessments? A national gender and social development consultant will be engaged to conduct due diligence on poverty, social impacts, and gender analysis.</p>

Source: Asian Development Bank.

^a Statistical Committee of Armenia. 2022. [Social Snapshot and Poverty in Armenia](#). Yerevan.

^b Government of Armenia. 2021. [Government Program for 2021–2026](#). Yerevan

^c ADB. 2019. [Country Partnership Strategy: Armenia, 2019–2023—Fostering Inclusive, Diversified, and Transformative Growth](#). Manila.

^d ADB. 2019. ADB. 2019. [Report and Recommendation of the President to the Board of Directors: Proposed Policy Based Loan to Armenia for the Human Development Enhancement Program](#). Manila.

^e Government of Armenia. 2023. [Strategy and Action plan for Health Sector Development, 2023-2026](#). Yerevan.

^f Government of Armenia. 2023. [On Approval of Concept Paper for Universal Health Insurance](#). Yerevan.

^g ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila

^h Statistical Committee of Armenia. 2022. [Social Snapshot and Poverty in Armenia](#). Yerevan.

ⁱ ADB. [Social Sectors Reform Program](#).