

TC Document

I. Basic Information for TC

▪ Country/Region:	BRAZIL
▪ TC Name:	Support for Digital Transformation in the Health Sector in Brazil
▪ TC Number:	BR-T1520
▪ Team Leader/Members:	Goes Shibata, Leonardo (SCL/SPH) Team Leader; Nelson, Jennifer A (SCL/SPH) Alternate Team Leader; Avila, Krysia A (LEG/SGO); Casco, Mario A. (ITE/IPS); De Assis Bueno, Fabia Maria (VPC/FMP); De Freitas Severino, Ligia (CSC/CBR); Guerra, Martha M. (SCL/SPH); Mac Arthur, Ian William (SCL/SPH); Ochoa, Francisco Jose (SCL/SPH); Orefice Sobrera, Pablo Jose (SCL/SPH); Roberta Felix (CSC/CBR); Rocha, Marcia Gomes (SCL/SPH); Villela De Toledo Estevanato, Leise (VPC/FMP)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.N/A
▪ Date of TC Abstract authorization:	06 Jul 2022.
▪ Beneficiary:	Brazil's states and municipalities through their Health Departments
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Social Development(W2E)
▪ IDB Funding Requested:	US\$200,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	October 2022
▪ Types of consultants:	Individual consultants and consulting Firm
▪ Prepared by Unit:	SCL/SPH-Social Protection & Health
▪ Unit of Disbursement Responsibility:	SCL/SPH-Social Protection & Health
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Institutional capacity and rule of law; Social inclusion and equality

II. Objectives and Justification of the TC

- 2.1 The objective of this Technical Cooperation (TC) is to support various clients and operations in Brazil¹ to: (i) improve the quality, efficiency and equity of health services through the adoption of digital interventions; (ii) support adoption and adaptation of regional (Latin America and the Caribbean) approaches and best practices for digital transformation of the health sector, related to the design and implementation of electronic health records, telehealth and implementation of international standards for interoperability in health in Brazil; and (iii) document lessons learned from the Brazil context.

¹ Including the state of Paraíba (BR-L1518; 4740/OC-BR), the municipality of Belo Horizonte (BR-L1519; 4696/OC-BR), the municipality of Santo André (BR-L1568), the state of Sergipe (BR L1583), and the municipality of Ourinhos (BR L1606).

- 2.2 **Brazil has published its National Digital Health Strategy 2020-2028 (ESD28)**² whose main goal is to implement the National Network for Health Data (RNDS)², a digital platform for innovation, information, and health services. Some of the ESD28 priorities are: (i) the use of digital tools to capture and share data for clinical care (including connectivity); (ii) the expansion of telehealth services; (iii) the implementation of interoperability between healthcare services, laboratories, and pharmacies; (iv) providing support services such as electronic prescription; and (v) providing an ecosystem for Digital Health innovation.
- 2.3 **There are still gaps between the current situation and the targets set by the ESD28.** The ESD28 includes a monitoring plan with indicators to continuously track its priorities. The Federal Government has so far released two monitoring reports with the following results. Regarding the goal to fully digitalize and connect all Primary Health Care (PHC) centers, there are still 4,956 centers without internet connectivity (12% out of a total of 40,010). In addition, 14 states have less than 25% of its PHC centers integrated to the RNDS, while 11 states have no PCH center integrated to the RNDS. And only 72.9% of the PHC teams were fully digitalized while the target for 2023 is to have at least 92% of teams digitalized.
- 2.4 Although the subnational governments have a relative autonomy³, states and municipalities depend heavily on the Federal Government, both financially and in terms of policy guidance, to implement changes in healthcare organization and delivery. This dependency is also due, in part, to the lack of qualified personnel in subnational governments, particularly the poorer ones. This situation hinders these governments from advancing the Digital Health agenda, especially without funding from the Federal Government.
- 2.5 **The impact of the COVID-19 pandemic on the ESD28.** The COVID-19 pandemic also impacted the achievement of the goals as some of the priorities had to be shifted. On the one hand, the pandemic has driven the implementation of the interoperability of laboratory results for Sars-Cov-2 infections⁴, and the implementation or expansion (mainly by state governments) of telehealth services. On the other hand, the development of the interoperability between different levels of care had to be postponed⁵.
- 2.6 **Strategic Alignment.** This TC is consistent with the Second Update of the Institutional Strategy (AB-3190-2), and is aligned with the following strategic priorities: (i) Social Inclusion and Equality, by supporting the improvement of the access and quality of public health and healthcare services, thus enabling people to improve their welfare⁶;

² The acronyms are in Portuguese and mean, respectively, *Estratégia de Saúde Digital para o Brasil 2020-2028* and *Rede Nacional de Dados em Saúde*.

³ Brazil is a federation composed of the Union (or federal government), 26 states, the Federal District, and 5,568 municipalities. States and municipalities, have autonomous administrations, collect their own taxes and receive a share of taxes collected by the Union (the municipalities also receive a share of the taxes collected by the states).

⁴ With public and private laboratories being required to inform the Ministry of Health, through the RNDS, the results of COVID-19 tests.

⁵ The different types of health care services are classified into levels of care according to the profile of cases they serve and the technology and specialists they have. They are usually classified in Primary Health Care, specialized/ambulatory care, and hospital care.

⁶ The Brazilian public health system is universal, free at the point of care and its services are used by 80% of the population that does not have access to paid services. This share of the population, which also

- 2.7 (ii) Institutional Capacity and Rule of Law, by improving the subnational capabilities to provide public health and healthcare services with adequate volume, accessibility and quality, through trainings that improve the human capital in the public sector, the modernization of administrative processes and services, and strengthening institutional frameworks for digital transformation of the health sector. Additionally, it will contribute to the IDB Group Corporate Results Framework 2020-2023 (GN-2727-12) by strengthening the digital technology and managerial capacity of subnational government agencies. This TC is also aligned with the Health Sector Framework (GN-2735-12) in its line of action 3 “Improving the organization and quality of healthcare service delivery particularly for diverse, marginal, and disadvantaged groups”. Finally, this operation will contribute to the objectives of the Ordinary Capital Strategic Development Program (GN-2819-14) to improve the effectiveness and efficiency of social services, and to promote and foster social inclusion.
- 2.8 This TC will support the IDB Group Strategy with Brazil 2019-2022 (GN-2973) by promoting the following priority areas: (i) Build a more effective public sector that promotes fiscal sustainability, by facilitating the adoption of electronic solutions to foster efficiency in delivering public health and health care services to citizens; (ii) Reduce social inequality and inequality of opportunity by enhancing public policy efficiency, by improving the management and the quality of spending in the health sector.

III. Description of activities/components and budget

- 3.1 As mentioned in ¶2.1, this TC will support various projects in the digital health portfolio in Brazil. Currently there are two operations in execution with a Digital Health component or products (4740/OC-BR; 4696/OC-BR) and three projects in preparation in the Digital Health portfolio (BR-L1568; BR-L1583; BR-L1606). The products funded by this TC will support the implementation of the components/products of the aforementioned projects. This TC will also eventually support new projects started during its course.
- 3.2 **Component 1: Digital Health assessments (US\$50,000).** This component will fund assessments of the current state of different Digital Health domains in the subnational governments (such as EHR, Information Systems, and Telemedicine maturity models, among others). The main result of this component is an updated and improved diagnosis of current state of the Digital Health of the subnational governments to inform a roadmap for transformation.
- 3.3 **Component 2: Technical support and Capacity Building (US\$130,000).** This component will fund institutional strengthening activities related to digital health: (i) preparation of a roadmap to guide investments in digital health; and (ii) technical assistance and/or training(s) to strengthen technical, institutional, and operational capacities within subnational governments. The main result of this component is the improved human capital for digital health and interoperability.
- 3.4 **Component 3: Knowledge sharing (US\$20,000).** This component will fund publications and events to disseminate the results of this TC, as well as the organization of a community of practice of subnational governments. The main result of this component is the dissemination of the knowledge produced by the activities of

corresponds to its poorest part, will be the end beneficiaries in the states and municipalities that will receive the TC intervention.

this TC, allowing it to be used to lead change in other states and municipalities, thus multiplying the potential reach of the TC.

- 3.5 The total cost of this TC will be US\$200,000, which will be financed by The Ordinary Capital Strategic Development Program (OC SDP) – Social Development (W2E). There will be no local counterpart resources. The execution and disbursement period will be 36 months.

Indicative Budget (US\$)

Component	Description	IDB/W2E	Total Funding
Component 1. Digital Health assessments	Hiring a consultant to perform the Digital Health Assessment	50,000.00	50,000.00
Component 2. Technical support and Capacity Building	Hiring a consultant to develop educational material and conduct training	130,000.00	130,000.00
Component 3. Knowledge sharing	Hiring a consultant for event organization	20,000.00	20,000.00
Total		200,000.00	200,000.00

- 3.6 **Supervision.** The TC will be supervised by Social Protection and Health Division (SCL/SPH), in collaboration with Brazil Country Office (CSC/CBR). Regarding the monitoring and evaluation of this TC, the Bank's technical team will produce an annual report on the execution and results of the TC.
- 3.7 The monitoring and supervision of any activities and products contracted with TC resources will be carried out periodically from HQ or Brazil country office. Supervision activities will be both in person—including through missions—and remotely, by means of teleconference and electronic communications. Any associated costs will be funded by SCL/SPH.
- 3.8 The Bank's systems will be used for the periodic monitoring of the indicators in the results matrix, as well as for all required reporting.

IV. Executing agency and execution structure

- 4.1 This TC will be executed by the Inter-American Development Bank⁷, through SCL/SPH. Given the existing loan operations of the Bank in Brazil—either disbursing or in preparation—with digital health components, the Bank is best placed to coordinate activities among all states and municipalities, thus ensuring a well-coordinated work agenda. Furthermore, as indicated in Annex II of the “Procedures for the Processing of Technical Cooperation Operations and Related Matters” (OP-919-4), IDB's execution is justified by the institutional capacity and technical support the Bank team can provide to the country. TC activities and products are highly complex and require high levels of specific technical expertise. SCL/SPH has specialists in digital health and extensive experience in the implementation of similar processes in the region, which will facilitate the transfer of knowledge and lessons learned to this operation. The Bank will hire external experts on the subjects, as required, to ensure the timely and efficient execution of resources as per project needs.

⁷ IDB in accordance with the Banks Policy for Technical Cooperation (GN-2470-2) and the corresponding Operational Guidelines (OP-619-4).

- 4.2 SCL/SPH has specialists in digital health and extensive experience in the implementation of similar processes in the region, which will facilitate the transfer of knowledge and lessons learned to this operation. In addition to this, the Bank's execution will facilitate coordination among the different subnational governments' institutions responsible for Digital Transformation in Health.
- 4.3 **Letter of non-objection.** The Ministry of Economy of Brazil, IDB's official liaison in Brazil for non-reimbursable Technical Cooperations, is in accordance with the execution of this technical cooperation, as per the letter of no objection in Annex 1.
- 4.4 **Procurement.** The activities to be executed under this TC have been included in the Procurement Plan (Annex IV) and will be executed in accordance with the Bank's established procurement methods, namely: (a) Procurement of consultants, as established in AM-650 (Complementary Workforce); (b) Procurement of consulting firms for services of an intellectual nature in accordance with GN-2765-4 (Policy for the Selection and Contracting of Consulting Firms for Bank-executed Operational Work) and its associated operational guidelines (OP-1155-4); and (c) Procurement of logistical and other non-consulting services in accordance with policy GN-2303-28 (and IDB Corporate Procurement Policy). No procurement of goods is anticipated. Considering that the Bank is executing the project no resources have been budgeted for audit. The Disbursement Responsibility Unit (DRU) will be IDB Country Office in Brazil.
- 4.5 **Intellectual property.** All knowledge products derived from this Technical Cooperation will be intellectual property of the Bank.

V. Major issues

- 5.1 For the TC to achieve its objectives, there is a need for coordination with various health departments of subnational governments as well as within such departments, e.g., with IT teams that will be the main focal points of the activities of this TC. Insufficient levels of coordination could lead to delays in execution as well as sub-optimal decisions. To mitigate these risks, the TC will promote the conduction of regular meetings amongst project's stakeholders to review the TC's implementation plan, to discuss technical aspects related to the interventions, to ensure the quality of decisions, and to identify – and mitigate – any potential execution-related challenges.

VI. Exceptions to Bank policy

- 6.1 This project does not foresee exceptions to any Bank's policy.

VII. Environmental and Social Strategy

- 7.1 This TC will not finance pre-feasibility or feasibility studies of investment projects with associated environmental and social studies; therefore, it is excluded from the scope of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client - BR-T1520](#)

[Results Matrix - BR-T1520](#)

[Terms of Reference - BR-T1520](#)

[Procurement Plan - BR-T1520](#)

