



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 24-Mar-2020 | Report No: PIDA29016



BASIC INFORMATION

A. Basic Project Data

Country Sri Lanka	Project ID P173867	Project Name Sri Lanka COVID-19 Emergency Response and Health Systems Preparedness Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 25-Mar-2020	Estimated Board Date 06-Apr-2020	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Democratic Socialist Republic of Sri Lanka	Implementing Agency Ministry of Health, Nutrition and Indigenous Medicine	

Proposed Development Objective(s)

To prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in Sri Lanka

Components

- Component 1: Emergency COVID-19 Response
- Component 2: Strengthening National and Sub-national Institutions for Prevention and Preparedness
- Component 3: Strengthening Multi-sectoral, National institutions and Platforms for One Health
- Component 4: Implementation Management and Monitoring and Evaluation
- Component 5: Contingent Emergency Response Component

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	128.60
Total Financing	128.60
of which IBRD/IDA	128.60
Financing Gap	0.00

DETAILS



World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	35.00
International Development Association (IDA)	93.60
IDA Credit	93.60

Environmental and Social Risk Classification

Substantial

Decision

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Sri Lanka has shown steady growth over the last decade although key macroeconomic challenges persist.** Sri Lanka is an upper-middle-income country with a gross domestic product (GDP) per capita of US\$4,102 (2018) and a total population of 21.7 million. Following 30 years of civil war that ended in 2009, Sri Lanka’s economy grew at an average of 5.6 percent during 2010–2018, reflecting a peace dividend and a determined policy thrust toward reconstruction and growth. However, economic growth witnessed a slowdown in the last few years.

2. **Social indicators rank among the highest in South Asia and compare favorably with those in middle-income countries.** Economic growth has translated into shared prosperity with the national poverty headcount ratio declining from 15.3 percent in 2006/07 to 4.1 percent in 2016. Extreme poverty is rare and concentrated in some geographical pockets. However, a relatively large share of the population subsists on slightly more than the poverty line. Female labor force participation at 34.9 percent was less than half of men (73.4 percent) by 2019 and needs to increase to facilitate sustained economic growth.

3. **However, low fiscal revenues combined with largely nondiscretionary expenditure in salary bill, transfers, and interest payments have constrained critical development spending on health, education, and social protection, which is low compared to peer countries.** Macroeconomic vulnerabilities remain high due to weak fiscal buffers, high indebtedness and large refinancing needs. Reviving growth is a key priority in the new administration’s policy agenda, with the objective of raising growth to 6.5 percent in the medium-term. The outbreak of Covid19 is however expected to dampen growth significantly through reduced export earnings, private consumption and investment in the short-run.

Sectoral and Institutional Context



4. **Sri Lanka’s health system has been known globally as one of the best performing in the world, having achieved “good health at low cost”.** This reputation largely remains, and for good reason: it has already achieved maternal, under-five and neonatal mortality rates that are less than half the 2030 SDG targets. These achievements have been made despite Sri Lanka allocating a lower share of its GDP to public health sector spending than countries at similar income levels (about 1.57 percent of GDP compared to an average in other countries, based on data from 2017). This is primarily due to the small size of the overall government budget (partly a result of low revenues) and not due to low prioritization of the sector within the budget.

5. **Reforms to address emerging issues in the health sector, however, have been slow in the making.** The health sector has been showing signs of stress in responding to growing and changing health needs reflective of the ongoing demographic and epidemiological transition. Non-communicable diseases (NCDs) already account for 81 percent of total deaths and 77 percent of disability-adjusted life years (DALYs). Sri Lanka is also one of the fastest aging populations given the successes in reducing premature mortality, in reducing the fertility rate and due to out-migration. The growth of the elderly population is far faster – almost double – than that of other countries in the South Asia Region. By 2030, one in five Sri Lankans are expected to be over the age of 60. A rapidly aging population is expected to accelerate the stress on the health system and is also indicative of the need for a health system that can respond to the new demographic. This is particularly important in the context of infectious diseases such as COVID-19, with the elderly and those with chronic conditions (such as diabetes, heart disease, and lung disease) being most at risk of morbidity and mortality.

6. **Currently, the public health system has limited capacity to deal with impacts from pandemics and other public health emergencies that may arise from other natural disasters.** In 2016, Sri Lanka conducted the Joint External Evaluation (JEE) of the International Health Regulations (IHR) core capacities to prevent, detect, and rapidly respond to public health threats, whether occurring naturally, or due to deliberate or accidental events. While it scored highly (4 out of 5) on national legislation and policies for implementation of required responses, surveillance and workforce development, it scored poorly on emergency preparedness and response planning and operations (1 out of 5), biosafety and biosecurity (1 out of 5) and personnel deployment and management during a public health emergency (1 out of 5), suggesting limited capacity to respond to public health emergencies. Laboratory infrastructure, which is a critical element of a well-functioning disease surveillance system is also weak. A more recent assessment of the laboratory services under the ongoing World Bank assisted Primary Health Care Systems Strengthening Project (P163721) highlighted issues in supply chain, gaps in biosafety, especially personal and protective equipment, emergency equipment and poor decontamination practices and sample transport systems.

7. **The increasing incidence of COVID-19 in Sri Lanka is placing the existing public health system under tremendous pressure.** The country has only one institution – the National Institute of Infectious Disease (NIID), Muleriyawa with the facility to handle isolation and treatment of suspected and confirmed cases of COVID-19. It has only 30 beds in isolation cohorts, and since the onset of the recent COVID 19 outbreak more than 1,000 patients have been referred to the NIID for conformation, isolation and treatment. Currently a majority of confirmed patients (which was 72 as on March 22, 2020) are being treated and quarantined in this facility and as the situation evolves and numbers increase, there will be an urgent requirement of capacitating additional facilities to support treatment and care.

8. **Sri Lanka has initiated actions to prevent COVID-19 from moving to the community transmission stage and subsequently into an epidemic.** These include mandatory quarantine for anyone coming from countries



affected by COVID, closing borders to prevent transmission from further travelers, contact tracing of those found positive, stopping mass gathering, imposing self-quarantine through curfews and creating awareness. The Ministry of Health (MoH) has made all guidance, information and updates related to COVID-19 response available on its website¹ for easy access. A coordination mechanism to respond to this rapidly evolving situation has been set up at the level of the His Excellency the President of Sri Lanka for assessing the situation and implementing critical measures. In addition, at an operational level a national response mechanism has been set up under the leadership of Director General of Health Services (DGHS), MoH, with relevant Deputy Director Generals, Directors and Chief Epidemiologist represented; as well as a development partners coordination mechanism to ensure cohesive, coordinated and complementary support to the Government of Sri Lanka.

9. **There is however, a need to further scale up its health infrastructure and strengthen systems to contain the outbreak and enhance preparedness for the current and future emergency response.** In addition, strategies to strengthen social measures to support vulnerable communities, particularly, the elderly who are most at risk from the disease, people with special needs, orphans, women and children need to be put in place.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

To prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in Sri Lanka

Key Results

The Project Development Objective (PDO) will be monitored through the following PDO level outcome indicators:

- (i) Emergency Operations Centre for COVID-19 and pandemic responses established
- (ii) Percentage of districts with a tertiary or secondary care hospital with isolation capacity
- (iii) Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents

D. Project Description

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

¹ http://www.health.gov.lk/moh_final/english/



Summary of Assessment of Environmental and Social Risks and Impacts

10. The focus of the project is to stop/slow transmission, reduce case numbers and prevent community outbreaks as well as to support long term health systems strengthening for pandemic preparedness to ensure sustained responsiveness of the system. Key activities are reflected in the following five components:

11. **Component 1: Emergency COVID-19 Response:** This component will focus on limiting local transmission of COVID-19 through containment strategies and strengthening systems to mitigate future risks. It will (a) support establishment of an Emergency Operation Center at the Disaster Response and Management unit at the National level to improve coordination and timeliness of national level activities in emergencies of pandemic nature; (b) strengthen systems for contact tracing, case finding, confirmation, reporting and follow up; (c) strengthen the capacity of secondary and tertiary hospitals to respond to surge capacity through trained and well-equipped health workers and medical officers and equipped facilities; (d) set up isolation wards and intensive care units in select tertiary and secondary care hospitals; (e) implement a community engagement and risk communication strategy; (f) train social welfare workers, particularly those supporting elder care homes, centres with special needs people and orphanages to ensure proper isolation, treatment and transportation of suspected cases and avoid spread within homes; (g) support provision of psycho-social support and community-level outreach to women and children who are experiencing domestic violence when confined to their houses.

12. **Component 2: Strengthening National and Sub-national Institutions for Prevention and Preparedness:** This component will support strengthening the capacity of national and sub-national institutions to respond to the ongoing COVID-19 pandemic and any public health emergencies that may occur in the future. In particular, it will (a) strengthen the National Institute of Infectious Diseases (NIID) by setting up a new isolation center within the premises of the NIID and expand isolation units within the institute to build capacities for future responsiveness; (b) establish Regional Quarantine and Testing Centers (QTCs) equipped with testing facilities to augment the capacity of the NIID; (c) establish Bio-Safety Level (BSL) 3 Laboratory Facilities at the National Medical Research Institute (MRI) to improve the capacity to run investigations for highly contagious diseases; and (d) strengthen laboratory facilities, infection control and waste management systems in secondary and tertiary hospitals.

13. **Component 3: Strengthening Multi-sectoral, National institutions and Platforms for One Health:** This component will support investments in the one-health approach which will strengthen emergency response systems in the long term. This will entail a convergent approach that covers food safety, the control of zoonoses (diseases that can spread between animals and humans) and combatting antibiotic resistance. Specific focus will be placed on (i) conducting a needs assessment of national protocols for detection, surveillance, and response systems for animal and human health infections; (ii) establishing a mechanism for detection of priority existing and emerging zoonoses; and (iii) conducting awareness on anti-microbial resistance among human health, agricultural, and veterinary and enforcement of related legislations. Activities under this component would be implemented in collaboration with the related Ministries and stakeholders.

14. **Component 4: Implementation Management and Monitoring and Evaluation:** This component will support coordination and management of the project, including central and provincial arrangements for coordination of activities, financial management and procurement. This component would also support monitoring and evaluation of prevention and preparedness, building capacity for clinical and public health research, and joint-learning on pandemic preparedness across and within countries.



15. **Component 5: Contingent Emergency Response Component (CERC) (US\$0 million).** In the event of an Eligible Crisis or Emergency, the project will contribute to providing immediate and effective response to said crisis or emergency. The allocation to this component is to minimize time spent on a reallocation of funds from programmed activities. The unused amount can be reallocated to other components if the CERC component is not triggered a year prior to project closing.

E. Implementation

Institutional and Implementation Arrangements

16. **The Ministry of Health Nutrition and Indigenous Medicine (MoH) will be the implementing agency for the project.** The MoH will be responsible for setting policy and standards and updating protocols for managing the COVID-19 response and emergency response of health services for any future infectious disease outbreaks. The Project Management Unit (PMU), MoH which was established under the World Bank assisted PSSP will be responsible for all administrative functions as an immediate measure to fast track implementation. However, as the current capacity of the PMU is insufficient to support this complex, emergency response, a separate Director/Deputy Director will be deputed from the MoH to support the administration of the project. The Director/Deputy Director will coordinate with the Medical Services Department (MSD) for the procurement of required essential supplies, the Directorate of Environment, Occupational Health and Food Safety, MoH for the preparation and implementation of health care waste management under the project, the Health Promotion Bureau for risk communication and social safeguard measures, the Directorate of Laboratory Services for laboratory improvement, the Directorate of Disaster Management for strengthening of national coordination for emergency response, the National Epidemiology unit for strengthening disease surveillance and related capacities, the Directorate of Quarantine services for strengthening the national response for quarantine services and other Directorates as per requirements of the project.

17. **To facilitate implementation in the immediate term, technical specialists from the relevant departments will be deputed to work with the PMU.** However, over a period of three months, additional staff will be recruited for financial, procurement, environment and social safeguards, monitoring and reporting functions required to implement the project. If needed, a separate unit within the MoH may also be established to administer the project. The enhanced staffing structure will be based on the high level of effort required to manage the substantial implementation risk of the project and will be reviewed and updated from time to time to ensure that the staffing is consistent with the workload and requirements.

18. **A Project Sub Committee (PSC) at the MOH will be established to provide oversight, monitor implementation progress and decide on critical actions to address implementation challenges.** For the first six months, the committee will meet monthly, following which, depending on the containment of COVID-19, the committee will quarterly. The committee will be co-chaired by DGHS, MoH and a representative from the Secretary, MoH's office. Members will include representatives from the Finance Commission, Ministry of Disaster Management, Ministry of Women, Child Affairs and Social Security, National Secretariat for Elders, National Secretariat for Persons with Disability, Department of Probation and Childcare, Ministry of Provincial Councils and Local government, representatives of the Nine provincial Chief Secretaries, and others as per the Management Circular 1/2016 of the GoSL.

19. **An Emergency Response Coordination Committee (ERCC) will also be established,** chaired by the Secretary



to the President. The ERCC will provide overall guidance and clearances to the technical team and its implementation plans. It will meet at least quarterly to provide oversight, monitor the implementation progress and outline actions to address implementation challenges. The ERCC will be responsible for coordinating with other line ministries including the Ministry of Provincial Councils and Local government as it is important for provincial and regional project staff to be an integral part of the project response and implementation. The ERCC will also coordinate with the Ministry of Power and Energy (MoP&E) on renewable energy systems to be installed, the MWCASS for social safety measures for the elderly, people with special needs and children on probation and orphanages, and the Ministry of Disaster Management, for coordinated emergency response. Representatives of these different Ministries will be members of the committee and additional members will be added considering their role in the implementation of project activities.

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