



The World Bank

Health System Resiliency Strengthening Project (P150481)

REPORT NO.: RES47550

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RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
HEALTH SYSTEM RESILIENCY STRENGTHENING PROJECT
APPROVED ON JANUARY 21, 2015
TO
MINISTRY OF FINANCE

HEALTH, NUTRITION & POPULATION
MIDDLE EAST AND NORTH AFRICA

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I. BASIC DATA

Product Information

Project ID P150481	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 21-Jan-2015	Current Closing Date 31-Dec-2021

Organizations

Borrower Ministry of Finance	Responsible Agency Ministry of Health
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Project Development Objective (PDO)

Original PDO

The project PDO is to support the Palestinian Authority in securing continuity in healthcare service delivery and building its resilience to withstand future surge in demand for effective healthcare coverage.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-18986	04-Feb-2015	04-Feb-2015	16-Feb-2015	31-Dec-2021	8.50	7.11	1.39

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES



1. This restructuring paper seeks the approval of the Country Director for an extension of the closing date of the project by an additional five months, to enable the Project to respond to the recent escalation of violence in Gaza through the reallocation of undisbursed funds in procuring urgently needed drugs, medical supplies, and medical equipment.
2. The Project was approved on January 21, 2015 and declared effective on February 16, 2015 with a closing date of June 30, 2020. An extension of the closing date from June 30, 2020 to December 31, 2021 at no additional cost was approved in January 2020. The extension was approved to enable the Ministry of Health (MOH) to complete key project activities and carry out complementary activities under Component 2 (Rationalizing Outside Medical Referrals) agreed upon with the Bank to contribute to achieving the Project's Development Objective (PDO).
3. The PDO is to support the Palestinian Authority (PA) in securing continuity in healthcare service delivery and building its resilience to withstand future surge in demand for effective healthcare coverage. The PDO and Implementation Progress (IP) ratings have remained between Satisfactory and Moderately Satisfactory throughout implementation. Project disbursement is at 84 percent and fiduciary performance (both procurement and financial management) continues to be rated as satisfactory with no outstanding audits.
4. Despite numerous challenges, many beyond MOH's control, significant progress was made on project implementation across all project components, especially in adopting modern tools for more strategic purchasing of Outside Medical Referrals (OMRs) and digitalizing the health insurance system. As of August 2021, the utilization rates (out-patient, emergency and obstetrics) in the hospitals of Shifa, Rafedia and Alia Hospital have remained steady. However, some services have registered a decrease in utilization due to the decreased provision as a result of COVID-19; and the impact of the economic situation on the patients' willingness and ability to visit health facilities. To help minimize costs, referrals to Israeli hospitals have been limited to follow up cases or critical emergency conditions where there are no other alternative service providers available. The eReferrals system is operational and contributes to improving the availability of data, enabling a more rigorous tracking of volumes and costs. Additionally, new contracts have been established with two Jordanian hospitals and two Egyptian hospitals with better prices for specialized and advanced health care services. Eighteen Memoranda of Understanding were signed with service providers to better organize the purchasing and bundling of services for OMRs, starting the process of price and clinical guideline standardization.

The progress against each component is provided below:

5. **Component 1: Emergency and Rapid Response Window:** This component covered much needed recurrent expenditures during the aftermath of the 2014 Gaza Crisis. The cost of hospital cleaning services was covered, helping to lower the increase of infections and the outbreak of communicable diseases. An impact assessment conducted in August 2016 showed positive impact with over 65 percentage point increase in satisfaction rates by the MOH employees and patients. Even though this component is completed and fully disbursed, the Project Management Unit (PMU) continuously reports on the additional needs of hospitals in Gaza, given the prevailing dire conditions. As of August 2021, utilization rates (outpatient, emergency, and obstetrics) in the hospitals of Shifa, Rafedia and Alia have remained steady. Following the recent escalation of violence in Gaza, there has been a relative increase in utilization of select services in these hospitals.
6. **Component 2: Rationalizing Outside Medical Referrals:** The activities for improving OMR management system continue to be implemented successfully. Institutional support to the Services Purchasing Unit was provided with



funds of the Project by training staff on the use of modern tools for strategic purchasing; the financial module of the e-referral system was strengthened to help generate complete and more reliable data and training was delivered to health specialists on top referral conditions (such as pediatric pulmonology; neonatology; ophthalmology) as well as on the management of the National Price List (NPR) tool. The e-referral system was developed and is based on the digitalization of key OMRs activities with all non-MOH service providers. The E-Referral system is considered instrumental in achieving enhanced management and monitoring of OMRs by the Services Purchasing Unit (SPU) and other decision-makers of the MOH. Eight referral protocols have been developed and disclosed, while two remain to be developed, reflecting significant progress. A National Price List (NPR) tool was developed and piloted with 50 of the costliest referral procedures with five non-MOH hospitals. This pilot allowed the Ministry to negotiate better payment conditions with incentives for efficiency, using a bundling system with a unified standardized set of codes for a set of complex diagnostic and therapeutic interventions. As of August 2021, the MOH has negotiated 25 new referral contracts with service providers. Substantial progress has been made in the area of infection prevention and control. Training activities aimed at having ten certified infection preventionists and ten quality improvement practitioners by the Health Care Accreditation Council were stopped due to COVID-19 lockdown. A training program is planned to target 12 people, scheduled to start in the last quarter of this year to last for a period of 6 months. As of August 2021, there has also been a reduction in device associated infections to 11/1000 catheter or ventilator days, as well as a reduction in surgical site infection from 12% to 11% of all surgeries.

7. Component 3: Supporting Health Coverage to Strengthen Sector Resilience: The Palestinian National Institute of Public Health (PNIPH) under WHO's umbrella was contracted by the MOH to carry out activities in three areas of work: (i) health care workforce availability and mapping in the public and private sectors; (ii) digitalization of clinical files and other modern tools to support the progressive introduction of the Family Health Model to all primary health care (PHC) facilities; and (iii) universal health coverage (UHC) financing. Substantial progress has been made in these areas and the targets have been reached. An observatory for all human resources for Health (HRH) was created along with a comprehensive database providing the Ministry oversight of the current HRH situation in West Bank and Gaza, allowing the adoption of sound policies to better manage the health workforce, including those that have been instrumental in COVID-19 response such as enabling the reallocation of health workforce. Additionally, the preliminary plans for the Electronic Health Records system have been prepared and will be rolled out to a few selected health facilities over the next few months. The health insurance MIS system has also been developed under the project and is now fully operational with linkages and interoperability with other essential governmental records such as civil records.

8. The Project went through three restructurings so far: (i) Level II restructuring in September 2015 for the additional funding of US\$1,250,000, resulting in the total grant Amount of US\$8,500,000; (ii) Level II restructuring in January 2018 following the recommendations of the Mid Term Review mission conducted in July 2017; revising two PDO indicators; one intermediate indicator and two intermediate indicators' end targets; and (iii) Level II restructuring in January 2020 to extend the closing date from June 30, 2020 to December 31, 2021 at no additional cost.

9. Since the onset of the COVID-19 outbreak in March 2020, the MOH had to prioritize the COVID-19 emergency response over the project activities. Per the MOH's official request in March 2020, the project re-allocated US\$800,000 from Component 3 (Supporting health coverage to strengthen sector resilience) to Component 2 (Rationalizing Outside Medical Referrals) to strengthen COVID-19 case management capacity at the MOH health facilities. This reallocation of funds supported the procurement of medical equipment and supplies, such as ventilators, personal protective equipment and other items for intensive care. In response to the COVID-19 pandemic, the World Bank prepared the US\$5 million COVID-19 Emergency Response Project which became effective on April 8,



2020, geared towards supporting the acquisition of medical equipment. US\$ 3.75 million Additional Financial preparation is currently underway, which will further improve the resilience of the health system.

10. As detailed in the recent Rapid Damage and Needs Assessment (RDNA), health infrastructure in Gaza has suffered from significant damage, including the damage to 6 hospitals, 7 clinics, one health center, and two laboratories. Total estimated impact of the conflict includes US\$10-15 million in damages, US\$15-20 million in losses, and US\$30-40 million in recovery and reconstruction needs in the next two years just for the health sector.⁵ This demonstrates the significant and persisting financing needs in Gaza.

11. With this context, this restructuring paper seeks the approval of the Country Director for an extension of the closing date of the project by an additional five months. The World Bank received a request from the MOH dated September 22, 2021 for an extension of the project closing date to enable MOH to proceed with the procurement of emergency medicine and supplies towards closing the key supply gaps in Gaza in the aftermath of the last escalation of violence. While the needs identified in the RDNA require significant resources, the uncommitted funds under this grant will help provide urgent relief by addressing the urgent needs of life saving medicine and supplies in Gaza.

12. The change introduced under this Level II restructuring entails an extension of the closing date from December 31, 2021 to May 31, 2022, at no additional cost. The extension will enable MOH to complete the procurement process of emergency medical supplies and medicines in Gaza using uncommitted funds under the grant.

III. DETAILED CHANGES

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-18986	Effective	30-Jun-2020	31-Dec-2021	31-May-2022	30-Sep-2022