



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
RWANDA COVID-19 EMERGENCY RESPONSE PROJECT
APPROVED ON APRIL 7, 2020
TO
MINISTRY OF FINANCE (MINECOFIN)

HEALTH, NUTRITION & POPULATION

AFRICA EAST

| | |
|---------------------------|-------------------------------|
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ABBREVIATIONS AND ACRONYMS

| | |
|----------|---|
| COVID-19 | Coronavirus Disease 2019 |
| IBRD | International Bank for Reconstruction and Development |
| IDA | International Development Association |
| IFRS | International Financial Reporting Standards |
| MPA | Multiphase Programmatic Approach |
| NEPRCC | National Epidemic Preparedness & Response Committee |
| OPCS | Operations Policy and Country Services |
| PAD | Project Appraisal Document |
| PDO | Project Development Objective |
| RBC | Rwanda Biomedical Center |
| RCCE | Risk Communication and Community Engagement |
| SARS | Severe Acute Respiratory Syndrome |
| SOEs | Statements of Expenditures |
| SPIU | Single Project Implementation Unit |
| SPRP | Strategic Preparedness and Response Program |
| SPRP | Stunting Prevention and Reduction Project |
| WB | World Bank |
| WHO | World Health Organization |



BASIC DATA

Product Information

| | |
|------------|------------------------------|
| Project ID | Financing Instrument |
| P173855 | Investment Project Financing |

Environmental and Social Risk Classification (ESRC)
Substantial

| | |
|---------------|----------------------|
| Approval Date | Current Closing Date |
| 07-Apr-2020 | 30-Jun-2022 |

Organizations

| | |
|---------------------------------|--------------------------|
| Borrower | Responsible Agency |
| Ministry of Finance (MINECOFIN) | Rwanda Biomedical Center |

Multiphase Programmatic Approach (MPA) Program Development Objective

The Program Development Objective is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness

Multiphase Programmatic Approach (MPA) Status (Public Disclosure)

Status and Key Decisions (Public Disclosure)

The implementation of the MPA-funded projects is progressing well. As of January 18, 2021, 84 MPA-projects have been approved providing a total commitment of US\$ 4.15 billion. In addition, 14 PEFF grants have been approved to complement the COVID-19 response. Disbursements have continued to increase at a rapid pace. Thirty country projects or 36% of projects approved have reached 70-100% disbursements. The projects benefit around 3.7 billion people or 50% of the global population. Of the 84 approved projects: (i) 32 are in Africa – 11 in AFE and 21 in AFW; (ii) 12 in East Asia; (iii) 12 in Europe and Central Asia; (iv) 12 in Latin America and the Caribbean; (v) 7 in Middle East and North Africa; and (vi) 9 in South Asia. Seventy two projects are disbursing. Total disbursements as of January 18, 2021 under these projects amount to US\$ 1.887.6 million or 46% of overall commitments. In addition, US\$ 714 million has been committed under signed contracts with UNICEF (\$582 million) and BFP (\$132 million) representing 63% of the US\$ 4.15 billion committed. Streamlined procedures, delegated approval, coupled with flexible project design and intensified efforts across the World Bank have contributed to the progress. The MPA-Program is on track to achieving its PDO – to prevent, detect and respond to the threat posed by COVID-19 and strengthen national



systems for public health preparedness. The significant level of disbursements in just over nine months attest to the strong implementation of the World Bank response thanks to the commitment of counterparts supported by country teams.

Project Development Objective (PDO)

Original PDO

The objective of the Project is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in the Republic of Rwanda.

Summary Status of Financing (US\$, Millions)

| Ln/Cr/Tf | Approval | Signing | Effectiveness | Closing | Net | | |
|-----------|-------------|-------------|---------------|-------------|------------|-----------|-------------|
| | | | | | Commitment | Disbursed | Undisbursed |
| IDA-66150 | 07-Apr-2020 | 09-Apr-2020 | 20-Apr-2020 | 30-Jun-2022 | 14.25 | 13.43 | 1.68 |
| TF-B4324 | 30-Nov-2020 | 06-Dec-2020 | 06-Dec-2020 | 31-Jan-2021 | .94 | .85 | .09 |

Policy Waiver(s)

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

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project Status

1. Background

1. The objective of this Project Paper is to seek Country Director approval for the proposed restructuring of the Rwanda COVID-19 Emergency Response Project (P173855). The proposed restructuring will entail the one-month extension of the original closing date of the Pandemic Emergency Financing Facility (PEFF) grant (TF0B4324), which is co-financing the Project, from January 31, 2021 (current closing date) to February 28, 2021, along with the reduction of grace period by one month from the closing date to end-disbursement date, resulting in March 31, 2021 as the new end-disbursement date of the PEFF grant. The proposed extension of the original closing date will provide additional time for the completion of outstanding financial transactions at the Project’s implementing agency, the Single Project Implementation Unit of the Rwanda Biomedical Center. The proposed change has been concurred by the approved by: World Bank Group Financing and Accounting (WFA); Development Finance (DFI), and; the Program Manager of the Trustee Account. Along the change in the closing date, the restructuring will also include the amendment of the Disbursement and Financial Information Letter (DFIL) dated December 6, 2020 which revises the designated account currency and ceiling to Euro 700,000 to allow the project to use the existing IDA designated account.



2. **The Rwanda COVID-19 Emergency Response Project (IDA US\$14.25 million, P173855) was approved on April 7, 2020 and became effective on April 20, 2020.** The Project was prepared and delivered at record speed to support the government to prevent, detect and respond to the threat posed by the pandemic and strengthen national systems for public health preparedness. A first Additional Financing (AF) (P175252) to the Project was provided from the insurance window of the Pandemic Emergency Financing Facility (PEFF), which was approved on November 30, 2020 in the grant amount of US\$942,857¹, with the expectation that the grant funds would be fully utilized by the TF closing date of January 31, 2021. The overall pace of implementation has been excellent with strong results on the ground and a solid disbursement performance (i.e. 89 percent of the IDA Credit and 90 percent of the PEFF grant disbursed as of January 26, 2021) with the IDA credit likely to be fully disbursed well ahead of the project closing date of June 30, 2022. Both the Project Development Objective (PDO) and overall implementation are rated as Satisfactory, as seen in the latest Implementation Status and Results Report (ISR) archived on January 26, 2021. The project continues to be effectively implemented through an experienced implementation unit which has a long-standing solid track record working with the World Bank.

3. **The Project has contributed to the implementation of the Government's National COVID-19 Plan, funding about 20 percent of the total plan and providing the speed and flexibility required for a rapid response.** The Bank financing has contributed to the following key achievements: (i) established a strong national COVID-19 command post with a multidisciplinary team of over 400 people to spearhead the government's response; (ii) set up provincial level command posts to accelerate decentralization of the COVID-19 response; (iii) implemented swiftly and enforced forcefully a comprehensive set of public health measures (i.e. social distancing, mask wearing, hand washing); (iv) introduced an effective COVID-19 testing strategy with a total of roughly 800,000 tests performed and a cumulative positivity rate of only 1.3 percent (one of the lowest in the region); (v) expanded the number of laboratories with capacity for COVID-19 PCR testing from one to ten; (vi) increased rapidly the number of treatment centers from one to 26; and (vii) introduced a home-based care strategy for asymptomatic and mild cases to minimize the impact on the health system. As per the request from the Government of Rwanda, the PEF payout of US\$942,857 has been allocated to the procurement of SARS-CoV-2 test kits under Component 1 of the Project, which has contributed to the Government's efforts in increasing their testing capacity to manage the transmission of COVID-19.

4. **The Government's swift and efficient response to the pandemic has minimized cases and fatalities but there has been a recent surge in cases and deaths.** As of mid-January 2021, Rwanda reported a total of roughly 11,000 COVID-19 cases and about 140 deaths with a Case Fatality Rate of 1.3 percent. Similar to other countries, males are disproportionately affected by COVID-19 and represent over 60 percent of total confirmed cases. The majority of severe cases and deaths comprise of adults suffering from non-communicable diseases who represent 40 percent of the target population to vaccinate, underscoring the importance of identifying these individuals who often go undiagnosed and untreated but are at greater risk of poor outcomes, as found in various studies.²

5. **While the curve had flattened by end November 2020, Rwanda is now experiencing a second wave.** The most affected areas/districts are Kigali with 56 percent of all cases; followed by Musanze (8 percent) and Rubavu (8 percent), Huye (6 percent) and Muhanga (4 percent) districts. The bulk of cases come from local transmission with imported cases representing only 7 percent of the total cases reported over the past six weeks. The main clusters have occurred at local

¹ The PEF Steering Body met on April 27, 2020 and determined the allocation of the PEF funds. The entire amount of US\$195.84 million available under PEF for the COVID-19 response being allocated to 64 of the world's lowest income countries that are members of the World Bank's International Development Association with reported cases of COVID-19 (as on April 22, 2020). Specific funding allocations were determined by population size and reported cases, with a minimum of US\$1 million and maximum of US\$15 million going to each country, and a heavier weight given to countries classified as fragile or conflict-affected. An allocation of US\$1.0 million was made available to Rwanda. This was resulted in an Additional Financing of US\$942,857 after deducting the World Bank administrative fees.

² A comprehensive review of the literature found hypertension to be the most prevalent co-morbidity in COVID-19 populations globally. Bajgain, K.T., et. al., *Prevalence of co-morbidities among individuals with COVID-19. A rapid review of current literature*, American Journal of Infection Control, July 9, 2020.



markets, banks, schools and prisons. With testing remaining critical, Rwandese authorities are bolstering diagnostic capacity at 42 private health facilities recently accredited to provide SARS-CoV-2 Antigen Rapid Tests. Rapid testing has been deployed at all public hospitals. Furthermore, an RT-PCR testing laboratory was established at the Kigali International Airport to reduce the turnaround time for getting results for incoming travelers. As of mid-January 2021, Rwanda has performed a cumulative total of roughly 800,000 tests (i.e. roughly 62.6 tests per 1,000 population) with about 21 percent of these tests done during the recent surge over the past six weeks.

2. Rationale for Restructuring

6. As indicated earlier, the objective of the proposed Level 2 project restructuring is to process an extension of the current closing date of the PEFF grant from January 31, 2021 to February 28, 2021 as requested by the Government of Rwanda in a letter dated January 28, 2021 and to reduce a grace period by one month from the closing date to end-disbursement date, resulting in March 31, 2021 as the new end-disbursement date of the PEFF grant, to align with the PEFF parent TF end-disbursement date of April 30, 2021. By the time the RBC/SPIU approached the task team, the PEFF grant disbursed already 90 percent, and the procured goods and related invoices have been delivered by the supplier to the RBC/SPIU. Given that the remaining required actions are deemed minimal, in discussions with the RBC/SPIU, the task team has determined that the additional timeframe would be adequate. The Bank team agreed with the RBC/SPIU on a set of actions necessary to meet the revised closing date. The client is confident to complete all transactions within one month. The extension will allow the completion of activities financed by the PEFF grant by the new closing date and finalization of all financial transactions associated with the procurement of the testing kits.

II. DESCRIPTION OF PROPOSED CHANGES

7. **The proposed project restructuring will entail the changes in the PEFF grant on (1) the extension of the original closing date of February 28, 2021 to March 31, 2021 and (2) the reduction of grace period by one month from the closing date to end-disbursement date, resulting in March 31, 2021 as the new end-disbursement date of the PEFF grant, to align with the PEFF parent TF end-disbursement date of April 30, 2021, respectively.** In accordance with World Bank Trust Fund guidelines, all grant-financed activities will need to be completed by these agreed dates. In order to achieve this goal, the RBC/SPIU has committed to the following: (a) completion of transferring the remaining balance of US\$91,000; while the SPIU managed timely receipt of goods and invoices from the supplier, the SPIU management realized that there is a pending Withdrawal Application for the remaining balance of US\$91,000 and its transfer to the account, which needs to be finished before the closing date; and (b) completion of financial transactions associated with the payment of the procured goods (testing kits) with the supplier - Once the RBC/SPIU gets replenished with US\$91,000, they will make the payment in full and close the invoice with US\$91,000.

8. **The original DFIL will be amended under the restructuring to reflect the change of the PEFF TF's designated account (DA) currency from US dollar to Euro** to expedite the disbursement transactions given the short implementation period in December 2020 and allow the advance to be paid to the existing IDA DA. All other provisions of the DFIL remain the same.

9. The Bank task team will provide due diligence and monitoring to ensure the remaining activities are on track, against the revised timeline. There are no other changes to be made in the proposed project restructuring.



III. SUMMARY OF CHANGES

| | Changed | Not Changed |
|--|---------|-------------|
| Loan Closing Date(s) | ✓ | |
| Disbursements Arrangements | ✓ | |
| Implementing Agency | | ✓ |
| DDO Status | | ✓ |
| Project's Development Objectives | | ✓ |
| MPA Program Development Objective | | ✓ |
| MPA Expected Results and Indicators | | ✓ |
| Results Framework | | ✓ |
| Components and Cost | | ✓ |
| Cancellations Proposed | | ✓ |
| Reallocation between Disbursement Categories | | ✓ |
| Disbursement Estimates | | ✓ |
| Overall Risk Rating | | ✓ |
| Legal Covenants | | ✓ |
| Institutional Arrangements | | ✓ |
| Financial Management | | ✓ |
| Procurement | | ✓ |
| Implementation Schedule | | ✓ |
| Other Change(s) | | ✓ |
| Economic and Financial Analysis | | ✓ |
| Technical Analysis | | ✓ |
| Social Analysis | | ✓ |
| Environmental Analysis | | ✓ |

IV. DETAILED CHANGE(S)



MPA PROGRAM DEVELOPMENT OBJECTIVE

Current MPA Program Development Objective

The Program Development Objective is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness

EXPECTED MPA PROGRAM RESULTS

Current Expected MPA Results and their Indicators for the MPA Program

Progress towards the achievement of the PDO would be measured by outcome indicators. Individual country-specific projects (or phases) under the MPA Program will identify relevant indicators, including among others:

- Country has activated their public health Emergency Operations Centre or a coordination mechanism for COVID-19;
- Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents;
- Number of acute healthcare facilities with isolation capacity;
- Number of suspected cases of COVID-19 reported and investigated per approved protocol;
- Number of diagnosed cases treated per approved protocol;
- Personal and community non-pharmaceutical interventions adopted by the country (e.g., installation of handwashing facilities, provision of supplies and behavior change campaigns, continuity of water and sanitation service provision in public facilities and households, schools closures, telework and remote meetings, reduce/cancel mass gatherings);
- Policies, regulations, guidelines, or other relevant government strategic documents incorporating a multi-sectoral health approach developed/or revised and adopted;
- Multi-sectoral operational mechanism for coordinated response to outbreaks by human, animal and wildlife sectors in place;
- Coordinated surveillance systems in place in the animal health and public health sectors for zoonotic diseases/pathogens identified as joint priorities; and
- Mechanisms for responding to infectious and potential zoonotic diseases established and functional; and
- Outbreak/pandemic emergency risk communication plan and activities developed and tested



LOAN CLOSING DATE(S)

| Ln/Cr/Tf | Status | Original Closing | Revised Closing(s) | Proposed Closing | Proposed Deadline for Withdrawal Applications |
|-----------------|---------------|-------------------------|---------------------------|-------------------------|--|
| IDA-66150 | Effective | 30-Jun-2022 | | | |
| TF-B4324 | Effective | 31-Jan-2021 | | 28-Feb-2021 | 31-Mar-2021 |