



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 21-Oct-2021 | Report No: PIDA32802



BASIC INFORMATION

A. Basic Project Data

Country Ukraine	Project ID P177894	Project Name AF to Ukraine Emergency COVID-19 Response and Vaccination project	Parent Project ID (if any) P175895
Parent Project Name Ukraine Emergency COVID-19 Response and Vaccination Project	Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 25-Oct-2021	Estimated Board Date 14-Dec-2021
Practice Area (Lead) Health, Nutrition & Population	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance of Ukraine	Implementing Agency Ministry of Health of Ukraine

Proposed Development Objective(s) Parent

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

Components

- Strengthen public health system
- Support service delivery

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	150.00
Total Financing	150.00
of which IBRD/IDA	150.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	150.00
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Environmental and Social Risk Classification



Substantial

B. Introduction and Context

1. **This Project Paper seeks the approval of the World Bank’s Board of Executive Directors to provide a loan of US\$150 million for an Additional Financing (AF)** to the Ukraine COVID-19 Emergency Response and Vaccination Project (P175895).¹ The US\$90 million parent Project was approved on May 10, 2021 and is effective and disbursing. On September 23, 2021, the Government of Ukraine (GoU) requested the US\$150 million AF to scale-up existing activities, including purchase of COVID-19 vaccines and vaccine deployment, among other things. Vaccination in Ukraine remains voluntary, except for education staff and public servants, who were mandated to vaccinate within one month after the regulation was approved on October 7, 2021. Access to vaccines for all population groups is free of charge.
2. **The parent Project was approved immediately following Ukraine’s second major surge in COVID-19 cases (March-April 2021).** With the support of investments to-date in testing and treatment, including through the ongoing Serving People, Improving Health (SPIH) Project (P144893), cases were largely under control through the summer of 2021. The GoU began to implement the National Vaccination Roadmap, which is an equivalent to the National Deployment and Vaccination Plan (NDVP), approved in December 2020 and later updated.²

Country Context

3. **As of October 20, 2021, Ukraine had 2.6 million COVID-19 cases and 61,843 cumulative COVID-coded deaths** and is the eighth most affected country in the region in terms of an absolute number of deaths.³ After the second wave of surge COVID-19 cases in March-April 2021 with an average of 11,943 daily cases and the peak number of 20,341 cases on April 3, 2021, the situation has abated during summer 2021. However, the recent increase of COVID-19 cases in October 2021 indicates that Ukraine experiences a new surge of cases, which may be more damaging, as the vaccination coverage in the country is still low.
4. **The GoU has invested significant resources to tackle the COVID-19 pandemic.** To mitigate the negative consequences of the COVID-19 pandemic, the GoU has invested significant resources to finance COVID-19 measures. In response to the emerging global recommendations precipitated by the emergence of more contagious and virulent variants, the Government plans to vaccinate 70 percent of the adult population (or 60 percent of total population). Currently, messenger ribonucleic acid (mRNA) vaccines, a novel technology used in the VAC-compliant vaccines commercialized by Moderna and Pfizer BioNTech, are widely available in Ukraine. This type of vaccine has shown to be effective against new emerging virus

¹ The parent Project was prepared under the COVID-19 SPRP using the MPA, approved by the Board of Executive Directors on April 2, 2020, and the vaccines AF to the SPRP approved on October 13, 2020.

² The updated National Vaccination Roadmap was approved by the order of the Ministry of Health of Ukraine dated July 12, 2021, No. 1423 (<https://moz.gov.ua/en/article/ministry-mandates/nakaz-moz-ukraini-vid-12072021-1423-pro-vnesennja-zmin-do-dorozhnoi-karti-z-vprovadzhenja-vakcini-vid-gostroji-respiratornoi-hvorobi-covid-19-sprichinenoi-koronavirusom-sars-cov-2-i-provedennja-masovoi-vakcinacii-u-vidpovid>).

³ Behind Russia, the United Kingdom, Italy, France, Germany, Spain, and Poland.



variants.⁴ To date, it has invested US\$378 million to finance the procurement of vaccines in 2021 – a total of 36 million doses – in addition to the planned allocation of 8.1 million doses through COVAX and 3.3 million doses donated by the EU countries during 2021. This will make a total 47.3 million doses expected in 2021, which will be enough to vaccinate approximately 23.6 million people, or 70 percent of adult population. In addition, the GoU has invested resources to provide access to COVID-19 testing and treatment. It is estimated that the Program of Medical Guarantees (PMG) was expanded in 2020 by approximately US\$964 million to cover expenditures of COVID-19 care and increase the salary of staff engaged in the providing of care to patients with COVID-19.

5. **The GoU published its NDVP on December 24, 2020, which continues to be updated as the in-country pandemic situation and the supplies of vaccines evolves.** The latest iteration of the NDVP was adopted by the Ministry of Health (MoH) on July 21, 2021. The continuous development of the NDVP is led by the GoU, coordinated by the MoH, and includes the participation of the different government agencies and international organizations through the regular meetings of the Taskforce on Immunization (the World Bank is an observer on this Taskforce) and the participation of experts from different areas. The MoH worked with the World Bank to update the NDVP to include information and requirements on cold chain, waste management, and social safeguards. The NDVP defines the essential aspects of the deployment of COVID-19 vaccination in Ukraine, including the priority groups for vaccination and vaccine delivery scenarios, platforms, and modalities. The procurement and deployment of COVID-19 vaccines is being coordinated with the GoU, UN agencies, and other international organizations, including the European Union (EU) and the United States Agency for International Development (USAID). WHO and UNICEF have provided technical assistance to the MoH for the development of the NDVP and have coordinated with COVAX.

6. **Vaccinations began in February 2021, focused largely on select priority groups and organized teams and was progressively opened to the entire population** and rolled out throughout the country as vaccine supplies increased. On the supply-side, the GoU managed to negotiate rapid procurement of vaccines, organize vaccination sites at primary health facilities, as mobile vaccination teams, and as walk-in points of mass vaccination, as well as launch communication campaign, prepare information system and address other challenges like cold chain –and capacity building. On the demand-side, the slow up-take of vaccines and regular population surveys revealed higher than originally expected levels of hesitancy.³ In response, the MoH, in cooperation with partners, is systematically reviewing the reported barriers to vaccination and subsequently implementing additional interventions to alleviate these barriers and address sources of disinformation. In addition, the GoU redoubled its commitment to vaccination efforts and, most recently, enacted a vaccination mandate for educational staff and public servants, as noted above. As a result of these measures, vaccination of priority groups has improved – approximately 83 percent of medical staff, 38 percent of staff and residents of long-term care facilities, and over 81 percent of education staff have received at least one dose.

7. **Although the implementation pace of the NDVP has recently increased, further improvement in the vaccination rates, especially for priority groups, is necessary.** As of October 20, 2021, 8,373,552 people (or 20 percent of the total population) have received at least one dose, and 6,743,615 people are fully vaccinated (16 percent of the total population). About 130,000 inoculations per day were administered during the first week of September 2021, reaching more than

⁴ <https://www.biorxiv.org/content/10.1101/2021.05.09.443299v1>



220,000 on October 19, 2021, which is ten (sixteen) times higher speed than before summer 2021, but still much lower than in, for example, neighboring Poland similar in population size to Ukraine with over 360,000 daily vaccinations during the peak months of vaccination rollout in June 2021.

Sectoral and Institutional Context

8. **The proposed AF will help close the GoU financing gap for vaccines.** The COVID-19 Vaccines Global Access (COVAX) Facility⁵ has committed to provide vaccines for 20 percent of the country's population, or approximately 16 million doses of a two-dose vaccine regimen, of which about 4.5 million doses already received. In addition, the parent Project is in the process of expanding vaccination coverage to cover an additional five percent of the population. The GoU has an existing contract with several suppliers of vaccines, including Sinovac, which delivered 8.3 million doses, and Pfizer which will deliver 20 million doses in 2021. US\$30 million of the latter contract is being processed as retroactive financing under the parent Project, covering approximately four million doses. A total of US\$120 million of this AF will partially cover the financial gap for the GoU's vaccine purchasing plans and will retroactively finance doses sufficient to vaccinate an additional 20 percent of the population,⁶ including additional 15.7 million doses of Pfizer vaccine and 0.8 million doses of Sinovac vaccines. The additional procurement of vaccines will support the achievement of the PDO and PDO indicator 2, which is that 10 million individuals from priority population groups have received full COVID-19 vaccination from eligible providers according to the agreed procedures. The importance of scaling-up procurement and deployment of vaccines is critical, particularly in view of the emergence of new virus variants,⁷ including the Delta variant, which is considerably more transmissible than previously dominant variants⁸ and for which different vaccines have been shown to differ in terms of their effectiveness.

9. **The AF will also provide additional resources for broader systems strengthening activities to improve vaccine roll out.** US\$30 million will finance IT, communications and social mobilization, capacity building, and investments in cold chain and waste management equipment to strengthen vaccine deployment. These additional needs emerged from the first six months of the COVID-19 vaccination campaign, justifying that additional resources are necessary to strengthen vaccine deployment.

10. **Ukraine has a strong political commitment to mobilize financial resources for the COVID-19 response, including for vaccine purchase, and to strengthen the country's immunization system.** Having the funds through the proposed AF for vaccine purchase will enable the GoU to continue investing in the COVID-19 response and vaccination activities. Investments under the Project are expected to strengthen

⁵ COVAX is a global initiative aimed at equitable access to COVID-19 vaccines led by the Gavi, the World Health Organization (WHO), and the Coalition for Epidemic Preparedness Innovations, among others.

⁶ Bank financing for the COVID-19 vaccines and deployment will follow the Bank's Vaccine Approval Criteria (VAC). As of April 16, 2021, the Bank will accept as threshold for eligibility of IBRD/IDA resources in COVID-19 vaccine acquisition and/or deployment under all Bank-financed projects provided: (i) the vaccine has received regular or emergency licensure or authorization from at least one of the Stringent Regulatory Authorities identified by WHO for vaccines procured and/or supplied under the COVAX Facility, as may be amended from time to time by WHO; or (ii) the vaccine has received WHO Prequalification or Emergency Use Listing. According to the NDVP, Ukraine provides free-of-cost vaccination to the population; vaccines are universally available, regardless of the status of health coverage, nationality, gender, or ethnic group; and vaccination is not mandatory.

⁷ The WHO recognizes four so-called "variants of concern" of the SARS-CoV-2: The P.1 variant (which was first documented in Brazil) commonly referred to as the Gamma variant, the Alpha variant (first documented in the UK), the Beta variant (first documented in South Africa) and Delta variant (first documented in India). The WHO recommends that countries monitor and track these variants and carry out surveillance for new variants and share information with the global scientific community so that when significant variants are detected, countries may be informed about how to react to the variant and prevent its spread.

⁸ <https://www.nature.com/articles/d41586-021-01696-3>



essential aspects of the country's immunization system, such as the development of improved pharmacovigilance systems, the development of standards for vaccine management at the provincial level, the development of a roadmap for management of medical waste at hospitals and primary care level. These activities for health system strengthening will help strengthen the preparedness of the country to combat future pandemics and to deal with immune-preventable diseases, and they are expected to be sustained even after this Project closes.

C. Proposed Development Objective(s)

Original PDO

11. **The Program Development Objective is to prevent, detect and respond to the threat posed by COVID-19 and strengthen the national system for public health preparedness in Ukraine.**

D. Project Description

12. **The AF will expand vaccine financing and strengthen vaccine deployment.** The proposed activities are aligned with the original PDO, which will not change. Changes, described further below, include: (i) activities under Component 1, including scale-up of activities related to vaccine procurement and deployment; (ii) Project costs and financing; (iii) disbursement arrangements; and (iv) Results Framework.

13. **The total value of the AF will support scale-up of activities of Component 1 under Subcomponent 1.1,** increasing overall financing for Component 1 from US\$60 million (original allocation under the parent Project) to US\$210 million.

14. **A total of US\$120 million will support the procurement of vaccines.** As previously noted, US\$110 million will retroactively finance an existing contract for Pfizer vaccines, which will cover approximately 15.7 million additional doses. This contract has already been reviewed by the World Bank and approved for use of retroactive financing under the parent Project. In addition, US\$10 million is expected to retroactively finance approximately 0.8 million doses of vaccines within a contract for Sinovac vaccines, under which 8.3 million doses already delivered to Ukraine. The World Bank team is working with the GoU to initiate the review of the Sinovac contract.

15. **Approximately US\$30 million will support eligible deployment expenditures,** including: (i) procurement of additional cold chain and waste management equipment; (ii) scale-up of the ongoing upgrade of existing electronic health system by financing additional modules for electronic appointments and optimization of response time for online data entries; and (iii) further strengthening of the existing COVID-19 vaccination communications campaign by increasing investments in community mobilization and capacity building activities. Initially the Project aimed at supporting modernization of the cold chain and waste management systems for at least 200 health care facilities providing vaccination. With the rollout of COVID-19 vaccination campaign, over 3,100 vaccination point are being deployed to provide COVID-19 vaccination. All vaccination points share refrigerators that are produced for domestic use and are not suitable for the storage of immunization products and has outdated temperature control systems. The AF will provide additional resources to expand modernization of cold chain equipment in these vaccination points. A similar scale-up is needed for the modernization of waste management systems. The AF will therefore provide access to modernized cold chain and waste management equipment for at least



1,000 primary health care centers, to which COVID-19 vaccination points are affiliated. The AF will support development of additional module in the eHealth system that will enable sending automatized invitations to vaccination appointments. The AF will also support additional communication activities to strengthen outreach and engagement with target groups of people for vaccination to address high vaccination hesitancy in these groups.

16. **Given the urgent need for vaccines, AF disbursement will be frontloaded to ensure prompt procurement and timely support to the vaccination process.** Retroactive financing of up to 80 percent of the AF (US\$120 million) will be available to allow financing if needed of eligible expenditures incurred prior to the loan’s signature and after January 1, 2021, but no more than 12 months prior to the signature date. The increased limit for retroactive financing will help the GoU recover costs already incurred for vaccines that meet the WB’s Vaccine Approval Criteria and procurement standards, and that are scheduled to be deployed after the updated Environmental and Social Management Framework (ESMF) for the AF is approved and adopted. The vaccines procured under the AF will be available to all eligible population groups, including priority groups identified in the NDVP. Prioritized access to vaccines is supported in Component 2 of the Project through the use of performance-based conditions (PBCs).

17. **The Project’s Results Framework will be modified to capture the expanded scope of activities under the AF.** The target for PDO Indicator 1 (number of health care facilities participating in the COVID-19 vaccination program that have functional cold chain and waste management equipment) will be increased from 200 facilities to 1,000 facilities. In addition, new intermediate results indicators will be added to allow for tracking and monitoring of an adaptive approach to increase vaccination.

Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

18. **The Environmental risks and Social risks remain Substantial.** The measures to address social and environmental risks include infection prevention and control improvements in health facilities, such as assessment and mitigation measures for medical waste risk management that will be expanded as inoculation sites expand. The social risk is substantial in Ukraine because there is a broader social risk of inequity in access to vaccines due to political pressures to provide vaccines to groups that are not prioritized due to need or vulnerability. This risk will be mitigated through several measures to ensure vaccine delivery targets the most vulnerable populations, particularly women, in accordance with criteria specified in this project. First, the World Bank will support the country to develop and adapt explicit,



contextually appropriate, and well-communicated criteria for access to vaccines. There is consensus to first target health workers, other essential workers, and the most vulnerable populations, which will include a mix of the elderly, people with co-morbidities, and people in residential and long-term facilities. The Bank will also continue to provide technical and implementation support to mitigate this risk. All targeting criteria and implementation plans are appropriately reflected in country's NDVP. This risk will be mitigated through explicit inclusion in robust stakeholder identification and consultation processes, as well as adaptive citizen engagement measures.

E. Implementation

Institutional and Implementation Arrangements

19. **Given the satisfactory pace and quality of implementation of the parent Project to-date, institutional and implementation arrangements will remain unchanged.** The project implementation unit (PIU) will implement the activities financed by the AF under the direction of the MoH. The PIU consists of MoH technical, fiduciary, administrative staff, and local experts at the central level who manage the implementation of Project activities, including monitoring and evaluation. Implementation of citizen engagement activities will be carried out by the PIU team in collaboration with a third-party, independent, non-government organization financed by the World Bank. The full details on operational procedures that guide Project implementation are outlined in the Project Operational Manual (POM). The POM will be updated to include the AF activities. The financial management responsibilities for the AF will remain with the MoH/PIU. The PIU has the required capacity in implementing partner-funded projects; it is adequately staffed, and appropriate controls and procedures have been instituted. There will be no change in FM and disbursement arrangements for the AF. Activities to be supported by the AF do not entail any significant risks beyond those already outlined in the parent Project. Given that the proposed activities are largely a scale-up of activities currently being financed, social and environmental risks remain unchanged.

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APPROVAL

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