



Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 23-Nov-2021 | Report No: PIDC257265

**BASIC INFORMATION****A. Basic Program Data**

Country Romania	Project ID P178288	Parent Project ID (if any)	Program Name Emergency Response and Preparedness Program-for-Results
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 19-Jan-2022	Estimated Board Date 24-May-2022	Does this operation have an IPF component? No
Financing Instrument Program-for-Results Financing	Borrower(s) Ministry of Finance	Implementing Agency Department for Emergency Situations, Ministry of Health	Practice Area (Lead) Urban, Resilience and Land

Proposed Program Development Objective(s)

To strengthen the capacity of Romanian institutions to respond to the COVID-19 pandemic and to ensure adequate emergency surge capacity and safety of public health infrastructure.

COST & FINANCING**SUMMARY (USD Millions)**

Government program Cost	1,160.00
Total Operation Cost	288.65
Total Program Cost	288.65
Total Financing	288.65
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	288.65
World Bank Lending	288.65

Concept Review Decision

The review did authorize the preparation to continue



B. Introduction and Context

Country Context

- 1. The Romanian economy performed better than anticipated in the challenging years of the prolonged world-wide COVID-19 crisis, contracting by 3.9 percent in 2020 and recovering strongly at 7 percent in the first half of 2021.** Recovery was driven by private consumption, up 5.7 percent year-on-year (yoy) in the first half of 2021 on the back of robust demand for durable and household goods. Increased business and consumer confidence also supported higher investment (up 12.3 percent yoy). The trade deficit marginally decreased as both exports (up 17.5 percent yoy), and imports (up 20.8 percent yoy) recovered, benefiting from the gradual reopening of the European Union (EU) economies and the low base effect. On the supply side, growth was led by industry (up 10.6 percent yoy), as new industrial orders recovered strongly, signaling continued output expansion. Up 14.4 percent yoy, the information communication technology (ICT) sector proved to be more resilient to the crisis, bolstered by increased remote work needs. Strong economic recovery and labor supply constraints reduced unemployment to 5 percent in September 2021 from as high as 5.9 percent in January 2021. Labor shortages coupled with higher inflation expectations led to wage increases, with nominal net wages up by 6.5 percent yoy in August 2021.
- 2. However, poverty risks rose in 2020 for the first time in seven years, and inequality is expected to have widened.** The initial wave of the pandemic had stark impacts on household incomes: rapid assessments showed that nearly one in three households reported a decline in incomes between February and May 2020, resulting in a short-term nearly 50 percent rise in the population at risk of poverty. The second and third waves of the pandemic had a milder economic and social impact than the first wave, as people and firms adapted their structures to the pandemic, and government programs extended protection to typically more vulnerable segments. As a result of these measures together with a robust economic rebound, poverty is expected to decline to 11 percent in 2021, yet remains above the pre-crisis level.
- 3. Despite significant progress in some critical health measures, Romania lags on health outcomes and has among the highest avoidable mortality rates in the EU.** Standardized death rates from avoidable causes have been twice as high in Romania than the average of EU 27 over the past decade, and the second highest after Latvia. While the link between the healthcare system and general mortality is commonly weak, the link with avoidable mortality is stronger. The latter consists of preventable deaths, which are events that can be avoided through better public health interventions, such as immunization, and treatable deaths, which are events that can be avoided if the health care systems provide timely and effective medical treatments. Therefore, Romania's high avoidable mortality is to a large degree a consequence of the performance of its healthcare system. Moreover, early deaths from preventable diseases and their complications are concentrated in the poorest 40 percent of the population.¹
- 4. Geophysical and hydro-meteorological disasters and climate change pose considerable risks to Romania's population, poverty alleviation efforts, and sustainable economic growth.²** Between 1970 and 2019, 90 catastrophic

¹ Eurostat.

² World Bank analysis shows that a 200-year earthquake in Bucharest-Ifov could push some 168,000 residents of the capital (7 percent of the regional population) into transient consumption poverty, due to reconstruction costs and access to savings; this represents a threefold increase in the local poverty rate. See Brian Walsh, Stephane Hallegatte, and Yann Kerblat, 2020, "Socioeconomic Resilience to Disasters in Romania: Assessment of Natural Disasters' Impact on Poverty and Well-being," World Bank.



events were recorded in Romania, including 50 floods, 20 extreme temperature events, 10 storms, four earthquakes, and two droughts, which resulted in over US\$6.1 billion of losses and damages and affected more than 2 million people.³ In 1977, a magnitude 7.2 earthquake caused more than 1,500 fatalities and left 11,321 injured, 156,000 residential apartments collapsed or were severely damaged, and more than 2,274 schools and 459 hospitals were severely damaged. A similar earthquake today is expected to result in more than 4,000 fatalities, tens of thousands injured, and 120,000 homeless in Bucharest alone.⁴ Disaster impacts are also increasing, due to the (a) concentration of people and economic assets, (b) insufficient funding for risk reduction, and (c) climate change. Beyond damaging assets, disasters also affect people's well-being, with disasters pushing families into poverty.⁵

Sectoral (or multi-sectoral) and Institutional Context of the Program

5. **By early November 2021, Romania has recorded 1.7 million COVID-19 cases and 51,400 deaths.**⁶ Towards the end of August 2021, country experienced a fourth surge in COVID-19 which, by the end of October 2021, had resulted in average daily cases exceeding 15,000, and daily fatality rates of 450 which was more than triple previous waves.⁷ This surge has placed Romania at the top of per capital transmission and mortality rates globally, with hospitals and medical services overwhelmed.⁸ The steepness of the fourth wave was driven by five key factors: (a) reduction of mitigation measures promoting physical and social distancing; (b) start of the school year; (c) low vaccination uptake; (d) insufficient testing; and (e) arrival of the more contagious Delta variant. On October 22, 2021, new restrictions were established to reduce COVID-19 transmission, including curfews and access restrictions for those without a "Green Passport"⁹, reduction in capacity in restaurants, and a two-week mandatory vacation for public schools.

6. **Vaccine hesitancy and reported constraints on getting access to vaccination (distance, convenience, etc.) have significantly reduced uptake.** Vaccine hesitancy has been explored in recent national¹⁰ and local¹¹ surveys. Low vaccination rates reflect a confluence of barriers, beliefs, concerns and expectations regarding the vaccines and the disease. With respect to vaccine access, constraints were noted as a significant deterrent for those with low vaccination intentions. For example, it can be difficult for elderly, poor, Roma and rural residents to physically reach vaccination sites, as vaccination sites are not available in every locality in Romania.

7. **COVID-19 testing rates in Romania are below comparator countries, contributing to high transmission.** COVID-19 testing that informs the government surveillance system can be done at private testing sites in urban areas at cost, and for free for patients of public hospitals and populations with COVID-19 symptoms calling the ambulance (112), the county directorate for public health hotline (or entering an online request—sample analyses are performed by RT-PCR by about 200 public and private laboratories contracted by the Ministry of Health.¹² The combined cost and access challenges mean

³ EM-DAT data for 1900–2019. EM-DAT: The Emergency Events Database, Université Catholique de Louvain–CRED, D. Guha-Sapir, Brussels, Belgium, <http://www.emdat.be/>.

⁴ Scenario modelling by the Civil Engineering University of Bucharest. 2020.

⁵ World Bank, 2020, *Overlooked: Reexamining the Impact of Disasters and Climate Shocks on Poverty in the Europe and Central Asia Region*.

⁶ <https://datelazi.ro/>; last accessed on 9 November 2021.

⁷ <https://ourworldindata.org/coronavirus>.

⁸ As of 9 November 2021, 18,082 people are hospitalized in Romania, with 1,850 in intensive care and 4 spare ICU beds available nationwide. [Link](#).

⁹ The EU Digital COVID Certification or Romanian-issued "Digital Green Certification/Green Pass" which is available to fully vaccinated people, people with proof of recovery from COVID-19 in the last 180 days or a negative RT-PCR test of less than 72 hours/antigen test of less than 48 hours.

¹⁰ The WHO Regional Office for Europe. 2021. Behavioural insights on COVID-19 in Romania Monitoring knowledge, risk perceptions, preventive behaviours and trust to inform pandemic outbreak response. Round 6 of data collection September 2021.

¹¹ World Bank. 2021. Social Perception about Covid-19 vaccination in Bihor County, Romania. Survey report prepared by World Bank. October 2021.

¹² dspb.ro/formular-programare-test-covid-19.



that the country has low testing rates (2,202 weekly tests per 100,000 population) and the highest positivity rate among EU countries (24.4 percent) which contribute to undetected clusters.¹³

8. **The fourth wave has overwhelmed both the emergency response and hospital systems.** The emergency 112 call centers and triage services have faced call volume that are double to quadruple normal call volumes.¹⁴ As hospitals became overwhelmed, temporary field hospitals were established to care for COVID-19 patients in multiple sites in Romania.¹⁵ Furthermore, elective surgeries and hospital care were suspended in public hospitals starting from October 4, 2021, to create space for COVID-19 patients.

9. **The pandemic has further highlighted challenges associated with the aging hospital and health infrastructure in Romania, with an estimated 75 percent of Romanian public hospitals built prior to 1980.** These hospitals were constructed prior to modern seismic, electrical, fire safety and sanitation standards. The lack of modern fire safety and electrical systems is already putting lives at risk, with hospital fires in eight hospitals in Romania since November 2020, resulting in 38 fatalities and 11 injured.¹⁶ Damage to health infrastructure in an earthquake may be substantial given the age and construction style. Health care buildings also have an oversized contribution to energy consumption, as they contribute to 4 percent of national energy consumption despite making up 1 percent of buildings.¹⁷

Relationship to CAS/CPF

10. **The proposed Program is fully aligned with the objectives of the Romania Country Partnership Framework (CPF) for the period FY19–FY23,¹⁸ which seeks to reduce poverty in Romania and foster sustainable income growth for the bottom 40 percent of the population.** The Program will contribute to the overarching goal of the CPF: improving public service delivery by building the national institutional capacity in the provision of emergency preparedness, prevention and response services for health and natural disasters. The CPF focuses on building better public institutions through three focus areas, and the Program will contribute to two of them: it will contribute to the first focus area, “Ensure Equal Opportunities for All,” by improving access to modern health care, including emergency and hospital care for patients with COVID-19, expanding vaccination and testing services and fostering equitable and universal access to high-quality public infrastructure; and it will contribute to the third focus area, “Build Resilience to Shocks,” through its focus on making improving emergency response surge capacity and by contributing to public health infrastructure that is fire safe, disaster-resilient, climate-resilient, and energy-efficient.

Rationale for Bank Engagement and Choice of Financing Instrument

11. The World Bank is well-positioned to support the Government of Romania (GoR) in implementing an integrated approach to manage the current COVID-19 surge while putting in place measures to prevent and prepare for subsequent pandemic waves and ensure adequate future emergency and disaster response surge capacity and safe and resilient health infrastructure.

¹³ [Link](#). Last accessed on 2021-11-02.

¹⁴ <https://www.sts.ro/ro/statistici-apeluri-112> with daily reports available, as compared to 2019 call volumes

¹⁵ Sites in Pipera, Iasi, and Letcani

¹⁶ Piatra Neamț County Hospital/ November 14, 2020; ICU section of the Medical Clinic III from Tg. Mureș/December 4, 2020; Psychiatric Hospital in Roman /January 2, 2021; Matei Balș National Institute of Infectious Diseases /January 29, 2021; Marius Nasta Hospital/February 21, 2021; St. Mary's Children's Hospital in Iasi /June 22, 2021; Constanța County Hospital/July 24, 2021); Constanța Infectious Diseases Hospital/October 1, 2021.

¹⁷ World Bank, 2020, Reimbursable Advisory Services. Romania National Long-term Building Renovation Strategy.

¹⁸ World Bank, 2018, *Country Partnership Framework for Romania for the Period FY19–FY23*. Report No. 126154-RO.



C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

12. To strengthen the capacity of Romanian institutions to respond to the COVID-19 pandemic and to ensure adequate emergency surge capacity and safety of public health infrastructure.

PDO Level Results Indicators

- Increased vaccination rate
- Testing capacity increased, measured by number of tests per day
- Personnel mobilized in emergency and health care services to respond to, and treat, COVID-19 patients
- Strengthened capacity and resources for disaster preparedness and response
- Improved institutional and analytical foundation for resilience and safety health infrastructure

D. Program Description

PforR Program Boundary

13. The proposed Program contributes to the Government of Romania programs aimed at combating the COVID-19 and achieving the National DRM Plan (NDRMP, 2020-2028), including measures to build surge capacity for disasters and broader emergency response and to ensure safety and resilience of health infrastructure, and contribute to improved inter-sectoral and inter-institutional coordination and collaboration during execution of these programs.

E. Initial Environmental and Social Screening

14. A preliminary environmental and social initial screening was carried out by the Bank task team to identify potential risks as well as opportunities that may be associated with the Program, based on the information available and the ongoing Bank-financed similar projects and operations. Based on the screening exercise, the overall environmental and social risk is assessed as Moderate. The PforR Program would have potential positive environmental and social impacts such as community health improvement, economic recovery, and environmental protection. Furthermore, the PforR has the potential for range of positive social effects through actions that will enable vaccines to be accessible to all, and by identifying and addressing cultural, physical, and administrative barriers as well as those that relate to costs and knowledge.

CONTACT POINT

World Bank

Name :	Alanna Leigh Simpson		
Designation :	Lead Disaster Risk Management Specialist	Role :	Team Leader(ADM Responsible)



Telephone No :	458-2933	Email :	asimpson1@worldbank.org
Name :	Dorothee Chen		
Designation :	Senior Health Specialist	Role :	Team Leader
Telephone No :	5247+327 / 4	Email :	dchen6@worldbank.org

Borrower/Client/Recipient

Borrower :	Ministry of Finance		
Contact :	Boni Cucu	Title :	Director General
Telephone No :	0213122509	Email :	boni.cucu@mfinante.gov.ro

Implementing Agencies

Implementing Agency :	Department for Emergency Situations		
Contact :	Raed Arafat	Title :	State Secretary for Emergency Situations
Telephone No :	0213122547	Email :	arafat@smurd.org

Implementing Agency :	Ministry of Health		
Contact :	Levente Vass	Title :	State Secretary
Telephone No :	0213072581	Email :	levente.vass@ms.ro

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>