



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF

UZBEKISTAN EMERGENCY COVID-19 RESPONSE PROJECT

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TO THE
REPUBLIC OF UZBEKISTAN

HEALTH, NUTRITION & POPULATION
EUROPE AND CENTRAL ASIA

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ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
COVID-19	Coronavirus disease
EMS	Emergency Medical Services Project
ESCP	Environmental and Social Commitment Plan
ESS	Environmental and Social Standards
FM	Financial management
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IPC	Infection prevention and control
M&E	Monitoring and evaluation
MoF	Ministry of Finance
MoH	Ministry of Health
MPA	Multiphase Programmatic Approach
PDO	Project Development Objective
PEF	Pandemic Emergency Financing Facility
PIU	Project Implementation Unit
POM	Project Operational Manual
PPSD	Project Procurement Strategy for Development
SOE	Statement of Expenditures
STEP	Systematic Tracking of Exchanges in Procurement
TSA	Targeted social assistance
WB	World Bank



BASIC DATA

Product Information

Project ID P173827	Financing Instrument Investment Project Financing
Environmental and Social Risk Classification (ESRC) Substantial	
Approval Date 24-Apr-2020	Current Closing Date 30-Jun-2022

Organizations

Borrower Republic of Uzbekistan	Responsible Agency
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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)

As of May 16, 2022, 88 MPA-projects had been approved with a total commitment of US\$4.3 billion. One operation (Guatemala) was canceled in mid-September 2021, at the request of the Government. Six parent projects have been restructured to include vaccine-related procurement.

Total disbursements as of May 16, 2022, amount to US\$3.56 billion or 83% of overall commitments. This amount does not include disbursements under MPA-V operations which are reported together with AF-V operations. **Sixty-seven (67) country projects or 77% of projects approved have reached 70-100% disbursement** (reasons for >100% disbursements relate to fluctuations between the Euro and the SDR against the US\$). **Out of the 67 operations, 48 operations or 72% have disbursed over 90% of commitments. Of these, 30 operations are fully disbursed. There are twelve (12) operations with disbursements under 50%.** The projects are benefitting around 3.7 billion people or 50% of the global population. Of the 87 active projects: (i) 33 are in Africa – 12 in AFE and 21 in AFW; (ii) 12 in East Asia; (iii) 14 in Europe and Central Asia; (iv) 11 in Latin America and the Caribbean; (v) 8 in the Middle East and North Africa; and (vi) 9 in South Asia. Eighty-six (86) or 99% of projects approved are disbursing. **Two operations**



closed last CY. Closing dates for several operations have been extended beyond the end of the FY; twelve (12) operations have closing dates by the end of FY22. Country teams for operations, which have been under implementation for twelve months or more by June 30, 2022, are preparing Mid-Term Review (MTR) ISRs to inform the Global MPA MTR, which will be prepared early next FY.

Streamlined procedures, and delegated approvals, coupled with flexible project design and intensified efforts across the Bank have contributed to the progress. Implementation is being guided by Bank teams working in parallel with other health related projects, including Additional Financing operations supporting vaccine procurement and deployment efforts. Implementation continues to face challenges as several countries are still under different levels of mobility restrictions, and counterparts and Bank teams are operating from home or partially from home. Some Bank teams continue to conduct implementation support missions virtually, which is challenging for both Bank teams and counterparts. Bank staff is operating in a hybrid environment with some days at the office and others at home. Notwithstanding the challenges, the MPA is on track to achieve its PrDO, which is 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 attests to the strong implementation of the Bank's response thanks to the commitment of counterparts supported by Bank country teams.

The Additional Financing (MPA AF-V) to the COVID-19 Strategic Preparedness and Response Program utilizing the Multiphase Programmatic Approach ("Global COVID-19 MPA") was approved by the Board on October 13, 2021. The AF-V is significantly expanding Bank support to client countries for COVID-19 vaccination, with the aim to support the vaccination of 1 billion people globally. The AF-V was approved with an envelope of US\$12 billion (\$6 billion from IDA and \$6 billion from IBRD) in financing. **On June 30, 2021, President Malpass announced the expansion of financing available for COVID-19 vaccine financing to \$20 billion over the next 18 months, adding \$8 billion to the previously announced \$12 billion.** This financing is critical to expanding affordable and equitable financing for vaccine purchase and deployment. The AF-V is expected to enable vaccination for up to 750 million people, with potential surge capacity for an additional 250 million people in the poorest countries (depending on the delivered price of approved vaccines) while scaling support to strengthen immunization delivery, with design flexibility at the country level. The AF-V is a scale-up of planned vaccination activities anticipated and supported under the Global COVID-19 MPA and a key contribution to the WBG's overall COVID-19 response.

As of May 16, 2022, the Bank has approved 96 operations (including MPA-V operations) to support vaccine procurement and rollout in 73 countries amounting to \$8.1 billion. The 96 operations approved, include 6 operations that involved restructuring of parent projects (Bhutan, Cameroon, North Macedonia, Philippines, and Pakistan) and in the case of Lebanon, restructuring of the Health Resilience Project. Of the 96 approved operations: (i) 54 are in Africa – 24 in AFE and 30 in AFW; (ii) 9 in East Asia and the Pacific; (iii) 10 in Europe and Central Asia; (iv) 8 in Latin America and the Caribbean; (v) 7 in the Middle East and North Africa; and (vi) 8 in South Asia. Fifty (50) projects are disbursing. Twenty-two (22) new operations are under various stages of processing. **Total disbursements as of May 16, 2022, under these projects, amount to US\$3.3 billion or**



40% of overall commitments. Disbursements under MPA-V operations are included in this total while disbursements under the six restructured projects are not included in this total as they are counted under parent projects. Fifteen (15) operations have disbursed over 70% of their commitments. As with the MPA operations, streamlined procedures delegated approval, coupled with flexible project design, and intensified efforts across the Bank have contributed to the rapid design and processing of the operations. Eighty-five (85) loan/financing agreements have been signed. Also, eighty (80) loan/financing agreements have become effective; several others are expected to become effective in the coming weeks. Implementation of the AF-V operations, as with MPA operations is facing challenges as several countries are still under different levels of mobility restrictions and counterparts and Bank teams are operating in a hybrid environment with some days at the office and some at home. Countries are dealing with new waves of infections, as the Omicron variant continues to spread rapidly among populations.

Project Development Objective (PDO)

Original PDO

The Project development objective is to prevent, detect, and respond to the threat posed by COVID-19 in the Republic of Uzbekistan.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-66370	24-Apr-2020	10-Jul-2020	14-Jul-2020	30-Jun-2022	95.00	77.35	17.65
TF-B4315	19-Nov-2020	05-Dec-2020	07-Dec-2020	28-Feb-2021	4.07	4.07	0

Policy Waiver(s)

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

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

Project Status

1. Uzbekistan COVID-19 Response Project (the Project) was approved on April 24, 2020, in the amount of US\$95 million of credit proceeds from International Development Association (IDA), and became effective on July 14, 2020, with the closing date of June 30, 2022. The Project Development Objective (PDO) - to prevent, detect and respond to the threat posed by COVID-19 in the Republic of Uzbekistan – remains relevant. Progress towards achieving the PDO and overall implementation progress (IP) have consistently been rated Moderately Satisfactory. However, due to delays in procurement and slow disbursement of funds under Component 1, the IP was rated as Moderately



Unsatisfactory in the most recent Implementation Status & Results Report (ISR) of February 2022. Delays in the procurement of medical equipment were in part due to global logistical delays in the first phase of the pandemic and complex and lengthy Government approval and tendering processes.

2. **Component 1. Strengthening National Health System to respond to COVID-19** (US\$41.82 million; implemented by the Ministry of Health).

3. **Disbursement under Component 1.** The Pandemic Emergency Financing (PEF) grant in the amount of US\$4.07 million has been fully disbursed and closed. The PEF funds were used to procure imaging, monitoring, and laboratory equipment to strengthen emergency/intensive care services. Of the remaining amount, US\$17.08 million have been disbursed, with approximately 655 units of various medical and diagnostic equipment delivered to date and US\$3.02 million committed in contracts. The contracted equipment, however, is unlikely to be delivered by the current Project closing date. The current undisbursed balance of US\$17.65 million includes five lots in a contract awarding stage totaling US\$10.3 million. The Ministry of Health (MoH) has also approved procurement of additional equipment under the existing contracts for the remaining US\$7.35 million in savings and submitted it to the Cabinet of Ministers. Once approved (expected during the week of May 30, 2022), the additional equipment is to be delivered within the proposed new closing date.

4. **Subcomponent 1.1: Surveillance and rapid response capacity strengthening.** The surveillance and response capacity strengthening activities have primarily focused on infrastructure strengthening, with investments in laboratory equipment for viral infection detection (polymerase chain reaction machines) totalling approximately US\$ 1.8 million. The remaining amount of the US\$ 12 million initially envisaged for this subcomponent was used by the Government to support care capacities for the management of severely and critically ill COVID-19 patients (Subcomponent 1.2).

5. **Subcomponent 1.2: Strengthening the capacity for management of severely and critically ill COVID-19 patients.** There has been a shift in the Project focus from aggressive testing envisaged in the early stages of the pandemic toward strengthening care (treatment) capacities. Specifically, the Government prioritized strengthening the health system capacity for critical care at the *inter-district level*. This approach is complementary to the existing Emergency Medical Services Project (EMS), which focuses on enhancing critical care capacity at the *district and regional levels*. As part of this critical care capacity-building effort, the Project-supported inter-district critical care centers were expected to serve as reserve capacity for the management (treatment) of severely ill COVID-19 patients during epidemic surges. In non-surge and post-pandemic times, the enhanced capacity would help address the population's routine critical care needs. The vision was formalized by the Presidential Resolution (№ 5189) issued on July 26, 2021, which established 35 inter-district critical care centers. The resolution indicated the Project as the main financing source for equipping the 35 inter-district critical care centers. In line with the Presidential resolution, most of the Component 1 funds were reprogrammed and mobilized to strengthen treatment capacities at inter-district critical care centers. Specifically, to date, all medical and diagnostic equipment planned or procured is provided to support over 1,500 intensive care beds in 35 inter-district critical care centers.

6. **Subcomponent 1.3: Risk communication and community engagement strengthening.** Communication activities are in progress. The contract has been signed with the company for the production of short videos on COVID-19 to be broadcasted by July 2022 (US\$ 20,000). A software development company was contracted (US\$ 36,000) to develop a communication tool to deliver targeted information to various healthcare worker groups (with July 2022 as the



expected deployment date). The remaining funds (US\$ 1 million) originally envisaged for risk communication and community engagement strengthening have been mobilized to support critical care capacity strengthening activities (Subcomponent 1.2).

7. **Component 2. Financial Support to Individuals and Households** (US\$56.9 million; implemented by the Ministry of Finance). Funds under this component have been fully disbursed. Benefits have been provided to over 1.6 million low-income families (as compared to the end-target value of 902,000). Similarly, over 90,000 unemployment benefits (as compared to the end-target value of 80,000) have been provided through the Project. Thus, two related PDO indicators are overachieved.

8. **Component 3. Implementation Management and Monitoring and Evaluation** (US\$0.35 million; for both components). The funds are used for incremental operating costs carried by the respective PIUs.

9. **Procurement and FM performance under the Project are rated Moderately Satisfactory.** Contracted by the Project Implementation Unit (PIU), a medical equipment expert has helped expedite the technical specifications preparation process and the evaluation of the bids. The FM specialists are well experienced and ensure due and acceptable FM arrangements within both PIUs implementing the two components. The audit reports for fiscal year 2021 for both components are expected to be received by June 30, 2022.

10. **Environmental and Social Standards (ESS).** Progress is noted in addressing issues with implementation of the Environmental and Social Commitment Plan (ESCP) raised during the February 2021 mission. Both PIUs have prepared and shared monitoring reports on environmental and social performance.

11. **Audits.** There are no outstanding audits.

12. **Legal Covenants.** All legal covenants are in compliance.

Rationale for Restructuring



13. Through its letter dated March 16, 2022, the Ministry of Finance (Recipient) has requested an extension of the closing date by 12 months to complete the planned Project activities. The task team followed the CMU's recommendation to extend the closing date by six months but has received a request for an additional month from the Client for the CMU's consideration. On April 23, 2022, in a separate letter, MoH has requested revisions to the results framework of the Project.

14. Considering the shift in focus from aggressive testing to strengthening critical care capacity in 35 centers and significant delays in the procurement of medical equipment due to COVID-19 pandemic, (i) the timeline for delivery of the contracted equipment and (ii) the end targets of the two health-related PDO indicators are unlikely to be met by the current Project closing date of June 30, 2022. Furthermore, the current end-target values and definitions of these PDO indicators and intermediate results indicators were set at the project design stage and, thus, will need to be adjusted to better reflect the Project's contributions in support of the PDO.

15. Given the emergency nature of the operation and following several in-depth discussions with the PIU team and MoH management, the proposed restructuring would entail: (i) an extension of the Project closing date by up to 7 months, i.e., to January 31, 2023; and (ii) revisions to the PDO-level and intermediate results indicators.

II. DESCRIPTION OF PROPOSED CHANGES

This will be the second, Level 2, restructuring of this Project. First restructuring was processed in January 2021 and involved a one-month extension of the closing date of the PEF Grant.

16. Closing Date Extension. An extension of the Project closing date by seven months (from June 30, 2022 to January 31, 2023) is needed to provide sufficient time to complete ongoing/planned procurement activities and better capture the Project contributions to the PDO, measurement of progress with the revised PDO indicators, and initial delays in implementation. The disbursement estimates and implementation schedule are also revised to reflect these changes. The delivery and installation of the equipment will take place before the closing date, with disbursement of the remaining proceeds expected to happen within the Grace Period (until May 2023). The following are key timed actions that help ensure timely delivery and installation of equipment.

- a. Cabinet of Ministers approval for the revised procurement plan: May 30 – June 3, 2022
- b. Amendments to the existing contracts signed and registered in respective Government agencies: July 7, 2022
- c. Equipment delivered and installed: November/December 2022

17. Revision of the Results Framework. The target values of the two health-related PDO indicators are revised to reflect PDO indicators' adjusted definitions, implementation progress based on the adjusted definitions, and the proposed extension of the Project closing date. In addition, a new intermediate results indicator is proposed to be added to better reflect the Project contributions. Specifically, the following changes are proposed:



- 1) PDO Indicator 1: *Number of male and female tested for COVID-19* – **aggregate target value is to be revised from 200,000 to 7,000.**

Justification: Given that the 35 critical care centers are not designated as COVID-19 testing centers, COVID-19 testing in these centers is limited to hospitalized patients only. Importantly, given the lengthy government approval and procurement processes, most of these critical care centers only became operational at the end of 2021 and early 2022. As a result, at the time of reporting, the total number of patients tested for COVID-19 in the Project-supported laboratories is approximately 5,000. As such, achievement of this indicator's end target of 200,000 people tested for COVID-19 in Project financed facilities is unattainable by June 30, 2022. As the latest wave of the pandemic has now ebbed, testing of hospitalized patients in critical centers for COVID-19 is likely to be limited. Low testing numbers in the critical care laboratories that have been operational were also in part due to the limited supply of COVID-19 reagents. Therefore, the end-target values of the PDO Indicator 1 are revised given (i) the change in focus from nationwide testing at Project design to strengthening intensive care bed capacity during Project implementation, (ii) delays in procurement of equipment due to lengthy government approval and procurement processes, and (iii) the easing of the latest pandemic wave (e.g., only 11 newconfirmed cases reported on May 26, 2022).

- 2) PDO Indicator 2: *Number of diagnosed cases treated in acute healthcare facilities* – **(a) target value is to be revised from 10,000 to 3,000; and (b) definition of 'cases' is to be expanded to include patients with pneumonia.**

Justification: The end-target value of treating 10,000 patients diagnosed with COVID-19 in the Project-financed 35 critical care centers is unlikely to be achieved by the current closing date. The reasons are twofold. First, the critical care centers are not designated as COVID-19 hospitals; therefore, all diagnosed cases are referred to 14 COVID-19 designated hospitals, bypassing all other types of hospitals, including critical care centers. Only the COVID-19 cases that are diagnosed among the already hospitalized patients in critical care centers, which constitutes a very small fraction of all cases, would fit the current definition of this indicator. Second, a body of literature suggests that many COVID-19 cases may go undetected among hospitalized patients, given the current strategy of testing only patients with fever and from upper respiratory tracts in non-COVID-19 hospitals. In a setting of low and upper-respiratory testing, COVID-19 cases are often diagnosed and treated as pneumonia or exacerbation of chronic respiratory conditions. As of May 21, 2022, approximately 120 COVID-19 and over 2,000 pneumonia cases were treated in the Project-financed critical centers since their establishment in 2021.

- 3) New intermediate results indicator: *Number of critical care beds strengthened with improved diagnostic and treatment capacity (equipment) in Project-financed healthcare facilities* – **is added with the end-target value of 1,500.**

Justification: This indicator is added to better reflect the Project contributions given the change in Project focus towards strengthening intensive care capacity.



III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Loan Closing Date(s)	✓	
Disbursement Estimates	✓	
Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
MPA Program Development Objective		✓
MPA Expected Results and Indicators		✓
PBCs		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Overall Risk Rating		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
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-66370	Effective	30-Jun-2022		31-Jan-2023	31-May-2023
TF-B4315	Closed	31-Jan-2021	28-Feb-2021, 22-Apr-2021		

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
0000	0.00	0.00
2020	0.00	0.00
2021	71,441,086.00	71,641,086.00
2022	27,590,000.00	20,063,528.00
2023	0.00	3,295,386.00
2024	0.00	0.00
2025	0.00	0.00
2026	0.00	0.00



Results framework

COUNTRY: Uzbekistan

Uzbekistan Emergency COVID-19 Response Project

Project Development Objectives(s)

The Project development objective is to prevent, detect, and respond to the threat posed by COVID-19 in the Republic of Uzbekistan.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	End Target
To prepare for and respond to the COVID-19 pandemic in the Republic of Uzbekistan			
Number of male tested for COVID-19 (Number)		0.00	3,500.00
<i>Action: This indicator has been Revised</i>			
Number of female tested for COVID-19 (Number)		0.00	3,500.00
<i>Action: This indicator has been Revised</i>			
Number of diagnosed cases treated in acute healthcare facilities (Number)		0.00	3,000.00
<i>Action: This indicator has been Revised</i>			
Number of eligible families provided with targeted cash transfers (Number)		767,459.00	902,459.00
Number of eligible individuals provided with unemployment cash benefits (Number)		18,000.00	80,000.00



Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Emergency COVID-19 Response							
Number of health staff trained in infection prevention and control per MOH-approved protocols (Number)		0.00					20,000.00
Number of laboratories with COVID-19 diagnostic equipment, test kits, and supplies (Number)		0.00					15.00
Number of healthcare workers reached with tailored information (Number)		0.00					20,000.00
Risk-adjusted referral systems to care for COVID-19 patients established and functioning (Yes/No)		No					Yes
Online citizen engagement mechanism: (i) established with outreach and staffing (ii) actively providing information (iii) receiving citizen feedback and (iv) PIU/MoH providing just-in-time responses (Text)		Online citizen engagement channel is not available	Online citizen engagement channel established with outreach and staffing.	Online citizen engagement channel is actively providing citizens with official COVID and project information.	Online citizen engagement channel is receiving feedback from citizens.	PIU/MoH is providing just-in-time responses to citizens on their feedback	Online citizen engagement channel (i) established, (ii) actively providing citizens with official COVID and project information, (iii) receiving feedback from citizens, and (iv) the PIU/MOH reporting back on actions annually.



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Number of critical care beds strengthened with improved diagnostic and treatment capacity in Project-financed healthcare facilities (Number)		0.00					1,500.00
<i>Action: This indicator is New</i>							



The World Bank

Uzbekistan Emergency COVID-19 Response Project (P173827)
