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Report No: PAD3802

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN  
IN THE AMOUNT OF US\$ 35 MILLION

TO THE  
ARGENTINE REPUBLIC

FOR A  
AR: COVID-19 EMERGENCY RESPONSE PROJECT

UNDER THE  
COVID-19 STRATEGIC PREPAREDNESS AND RESPONSE PROGRAM (SPRP)

USING THE MULTIPHASE PROGRAMMATIC APPROACH (MPA)  
WITH A FINANCING ENVELOPE OF  
US\$2.7BILLION IBRD AND \$1.3BILLION FROM IDA CRISIS RESPONSE WINDOW

APPROVED BY THE BOARD ON APRIL 2, 2020

Health, Nutrition & Population Global Practice  
Latin America And Caribbean Region

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## CURRENCY EQUIVALENTS

Exchange Rate Effective {Mar 20, 2020}

Currency Unit = AR\$

AR\$ 63.46 = US\$1

US\$ 1.348 = SDR 1

FISCAL YEAR

January 1 - December 31

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## ABBREVIATIONS AND ACRONYMS

|          |   |
|----------|---|
| ACG      | Anticorruption Guidelines   |
| BCR      | Benefit-to-Cost Ratio   |
| CAF      | Andean Development Corporation<br><i>Corporación Andina de Fomento</i>  |
| COFESA   | Federal Health Council<br><i>Consejo Federal de Salud</i>   |
| COVID-19 | Coronavirus Disease 2019  |
| CPF      | Country Partnership Framework   |
| DA       | Designated Account  |
| DGPPSE   | General Directorate of Sectoral and Special Programs and Projects<br><i>Dirección General de Programas y Proyectos Sectoriales y Especiales</i> |
| EID      | Emerging infectious diseases  |
| ESF      | Environmental and Social Framework  |
| ESRS     | Environmental and Social Review Summary   |
| EVD-WA   | West African Ebola Virus Disease  |
| FM       | Financial Management  |
| FTCF     | Fast Track COVID-19 Facility  |
| GDP      | Gross Domestic Product  |
| GRS      | Grievance Redress Service   |
| IBRD     | International Bank for Reconstruction and Development   |
| ICR      | Implementation Completion Report  |
| ICU      | Intensive Care Units  |
| IDA      | International Development Association   |
| IDB      | Inter-American Development Bank   |
| IFC      | International Finance Corporation   |
| IFR      | Interim Financial Report  |
| IHR      | International Health Regulations  |
| IPF      | Investment Project Financing  |
| IT       | Information Technology  |
| MPA      | Multiphase Programmatic Approach  |
| NMOH     | National Ministry of Health   |
| PAD      | Project Appraisal Document  |
| PAHO     | Pan-American Health Organization  |



|         |   |
|---------|---|
| PCT     | Project Coordination Team   |
| PDO     | Project Development Objective   |
| PPSD    | Project Procurement Strategy for Development  |
| SARS    | Severe Acute Respiratory Syndrome   |
| SHA     | Secretariat of Health Access  |
| SINAGIR | National System for Comprehensive Risk Management and Civil Protection<br><i>Sistema Nacional para la Gestión Integral del Riesgo</i> |
| SIVILA  | Laboratory Surveillance System<br><i>Sistema de Vigilancia de Laboratorios</i>  |
| SNVS    | National Health Surveillance System<br><i>Sistema Nacional de Vigilancia en Salud</i>   |
| SPRP    | Strategic Preparedness and Response Plan  |
| STEP    | Systematic Tracking of Exchanges in Procurement   |
| TA      | Technical Assistance  |
| UAC     | Undersecretariat of Administrative Coordination   |
| UHS     | Undersecretariat of Health Strategies   |
| UN      | United Nations  |
| WB      | World Bank  |
| WBG     | World Bank Group  |
| WHO     | World Health Organization   |



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DATASHEET

**BASIC INFORMATION**

|              |   |  |
|--------------|---|--|
| Country(ies) | Project Name                            |  |
| Argentina    | AR: COVID-19 Emergency Response Project |  |
| Project ID   | Financing Instrument                    | Environmental and Social Risk Classification |
| P173767      | Investment Project Financing            | Moderate                                     |

**Financing & Implementation Modalities**

|  |  |
|--|--|
| <input checked="" type="checkbox"/> Multiphase Programmatic Approach (MPA) | <input type="checkbox"/> Contingent Emergency Response Component (CERC)        |
| <input type="checkbox"/> Series of Projects (SOP)                          | <input type="checkbox"/> Fragile State(s)                                      |
| <input type="checkbox"/> Disbursement-linked Indicators (DLIs)             | <input type="checkbox"/> Small State(s)  |
| <input type="checkbox"/> Financial Intermediaries (FI)                     | <input type="checkbox"/> Fragile within a non-fragile Country                  |
| <input type="checkbox"/> Project-Based Guarantee                           | <input type="checkbox"/> Conflict  |
| <input type="checkbox"/> Deferred Drawdown                                 | <input checked="" type="checkbox"/> Responding to Natural or Man-made Disaster |
| <input type="checkbox"/> Alternate Procurement Arrangements (APA)          |  |

|                                |                               |                               |
|--------------------------------|-------------------------------|-------------------------------|
| Expected Project Approval Date | Expected Project Closing Date | Expected Program Closing Date |
| 02-Apr-2020                    | 29-Apr-2022                   | 31-Mar-2025                   |

Bank/IFC Collaboration

No

**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

**MPA Financing Data (US\$, Millions)**



|                                |          |
|--------------------------------|----------|
| MPA Program Financing Envelope | 4,000.00 |
|--------------------------------|----------|

**Proposed Project Development Objective(s)**

To strengthen preparedness and response efforts against the COVID-19 pandemic and national systems for public health preparedness in Argentina

**Components**

| Component Name                            | Cost (US\$, millions) |
|---|-----------------------|
| Emergency COVID-19 Response Efforts       | 33.90                 |
| Implementation, Monitoring and Evaluation | 1.10                  |

**Organizations**

Borrower: Argentine Republic

Implementing Agency: National Ministry of Health

**MPA FINANCING DETAILS (US\$, Millions)**

|   |          |
|---|----------|
| <b>Board Approved MPA Financing Envelope:</b> | 4,000.00 |
| <b>MPA Program Financing Envelope:</b>        | 4,000.00 |
| <b>of which Bank Financing (IBRD):</b>        | 2,700.00 |
| <b>of which Bank Financing (IDA):</b>         | 1,300.00 |
| <b>of which other financing sources:</b>      | 0.00     |

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

|                           |       |
|---------------------------|-------|
| <b>Total Project Cost</b> | 35.00 |
| <b>Total Financing</b>    | 35.00 |
| <b>of which IBRD/IDA</b>  | 35.00 |
| <b>Financing Gap</b>      | 0.00  |



**DETAILS**

**World Bank Group Financing**

|  |       |
|--|-------|
| International Bank for Reconstruction and Development (IBRD) | 35.00 |
|--|-------|

**Expected Disbursements (in US\$, Millions)**

| WB Fiscal Year | 2020  | 2021  | 2022  |
|----------------|-------|-------|-------|
| Annual         | 22.00 | 12.00 | 1.00  |
| Cumulative     | 22.00 | 34.00 | 35.00 |

**INSTITUTIONAL DATA**

**Practice Area (Lead)**

Health, Nutrition & Population

**Contributing Practice Areas**

**Climate Change and Disaster Screening**

This operation has not been screened for short and long-term climate change and disaster risks

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

| Risk Category   | Rating      |
|---|-------------|
| 1. Political and Governance                                     | Moderate    |
| 2. Macroeconomic  | High        |
| 3. Sector Strategies and Policies                               | Moderate    |
| 4. Technical Design of Project or Program                       | Substantial |
| 5. Institutional Capacity for Implementation and Sustainability | Substantial |
| 6. Fiduciary  | Moderate    |
| 7. Environment and Social                                       | Moderate    |
| 8. Stakeholders   | Low         |





9. Other

10. Overall

● Substantial

**Overall MPA Program Risk**

● High

## COMPLIANCE

### Policy

Does the project depart from the CPF in content or in other significant respects?

Yes  No

Does the project require any waivers of Bank policies?

Yes  No

Have these been approved by Bank management?

Yes  No

Is approval for any policy waiver sought from the Board?

Yes  No



**Environmental and Social Standards Relevance Given its Context at the Time of Appraisal**

| E & S Standards   | Relevance              |
|---|------------------------|
| Assessment and Management of Environmental and Social Risks and Impacts                       | Relevant               |
| Stakeholder Engagement and Information Disclosure   | Relevant               |
| Labor and Working Conditions  | Relevant               |
| Resource Efficiency and Pollution Prevention and Management                                   | Relevant               |
| Community Health and Safety   | Relevant               |
| Land Acquisition, Restrictions on Land Use and Involuntary Resettlement                       | Not Currently Relevant |
| Biodiversity Conservation and Sustainable Management of Living Natural Resources              | Not Currently Relevant |
| Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities | Relevant               |
| Cultural Heritage   | Not Currently Relevant |
| Financial Intermediaries  | Not Currently Relevant |

**NOTE:** For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

**Legal Covenants**

Sections and Description

The Borrower shall carry out the Project through NMOH in accordance with the provisions of Article V of the General Conditions and Schedule 2 of the Loan Agreement. Section 3.01 of the LA.

Sections and Description

The Borrower shall: (a) ensure that the Project is carried out in accordance with the ERP; and (b) maintain, at all times during the implementation of the Project, adequate public health emergency coordination and management arrangements, all in a manner acceptable to the Bank. Schedule 2, Section I.A.1 of the LA.

Sections and Description

The Borrower, through NMOH, shall operate and maintain, throughout Project implementation the SHA (including



the UHS) and the UAC, which shall be responsible for Project implementation, in coordination with the MSPs through COFESA; Schedule 2, Section I.A.2 (a) of the LA

Sections and Description

The Borrower, through NMOH, shall operate and maintain, throughout Project implementation a Project coordination team (“PCT”) staffed with personnel in number and with qualifications and experience acceptable to the Bank, and with functions and responsibilities acceptable to the Bank, including responsibility for Project coordination and overall administrative and fiduciary matters, including financial management, procurement, social and environmental standards, and monitoring and evaluation. Schedule 2, Section I.A.2 (b) of the LA.

Sections and Description

The Borrower shall, no later than one (1) month after the Effective Date, prepare and adopt a Project implementation manual (“Project Implementation Manual”) containing detailed guidelines and procedures for the implementation of the Project Schedule 2, Section I.B.1 of the LA

Sections and Description

The Borrower, through NMOH, shall furnish to the Bank each Project Report not later than forty-five days after the end of each calendar year, covering the calendar year. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Borrower, through NMOH, shall ensure that such information, report, or document does not include Personal Data. Schedule 2, Section II of the LA

**Conditions**

Type

Disbursement

Description

No withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed fourteen million Dollars (\$14,000,000) may be made for payments made prior to this date but on or after December 1, 2019 (but in no case more than one year prior to the Signature Date) , for Eligible Expenditures Schedule 2, Section III.B.1 of the LA.



## I. PROGRAM CONTEXT

1. **This Project Appraisal Document (PAD) describes the emergency response to the Argentine Republic under the COVID-19 Strategic Preparedness And Response Program (SPRP) using the Multiphase Programmatic Approach (MPA)**, approved by the World Bank's Board of Executive Directors on April 2, 2020 with an overall Program financing envelope of International Development Association (IDA) funds of US\$1.3 billion and of International Bank for Reconstruction and Development (IBRD) funds of US\$2.7 billion.

### A. MPA Program context

2. **An outbreak of the coronavirus disease (COVID-19) caused by the 2019 novel coronavirus (SARS-CoV-2) has been spreading rapidly across the world since December 2019, following the diagnosis of the initial cases in Wuhan, Hubei Province, China.** Since the beginning of March 2020, the number of cases outside China has increased thirteenfold and the number of affected countries has tripled. On March 11, 2020, the World Health Organization (WHO) declared a global pandemic as the coronavirus rapidly spreads across the world. As of March 21, 2020, the outbreak has resulted in an estimated 311,988 cases and 13,407 deaths in 169 countries<sup>1</sup>.

3. **COVID-19 is one of several emerging infectious diseases (EID) outbreaks in recent decades that have emerged from animals in contact with humans, resulting in major outbreaks with significant public health and economic impacts.** The last moderately severe influenza pandemics were in 1957 and 1968; each killed more than a million people around the world. Although countries are now far more prepared than in the past, the world is also far more interconnected, and many more people today have behavior risk factors such as tobacco use<sup>2</sup> and pre-existing chronic health problems that make viral respiratory infections particularly dangerous<sup>3</sup>. With COVID-19, scientists are still trying to understand the full picture of the disease symptoms and severity. Reported symptoms in patients have varied from mild to severe, and can include fever, cough and shortness of breath. In general, studies of hospitalized patients have found that about 83 percent to 98 percent of patients develop a fever, 76 percent to 82 percent develop a dry cough and 11 percent to 44 percent develop fatigue or muscle aches<sup>4</sup>. Other symptoms, including headache, sore throat, abdominal pain, and diarrhea, have been reported, but are less common. While 3.7 percent of the people worldwide confirmed as having been infected have died, WHO has been careful not to describe that as a mortality rate or death rate. This is because in an unfolding epidemic it can be misleading to look simply at the estimate of deaths divided by cases so far. Hence, given that the actual prevalence of COVID-19 infection remains unknown in most countries, it poses unparalleled challenges with respect to global containment and mitigation. These issues reinforce the need to strengthen the response to COVID-19 across all IDA/IBRD countries to minimize the global risk and impact posed by this disease.

4. **This project is prepared under the global framework of the World Bank (WB) COVID-19 Response financed under the Fast Track COVID-19 Facility (FTCF) and key activities supported under the Project are aligned with the COVID-19 SPRP developed by the WHO.** The Pan-American Health Organization (PAHO) is providing technical support to the Argentina National Ministry of Health (NMOH) on the management of the pandemic. In addition, the NMOH has requested financial support from other international organizations such as the Inter-American

<sup>1</sup> Coronavirus COVID-19 Global Cases by the Center for Systems Science and Engineering (CSSE) at Johns Hopkins University (JHU).

<sup>2</sup> Marquez, PV. 2020. "Does Tobacco Smoking Increases the Risk of Coronavirus Disease (Covid-19) Severity? The Case of China." <http://www.pvmarquez.com/Covid-19>

<sup>3</sup> Fauci, AS, Lane, C, and Redfield, RR. 2020. "Covid-19 — Navigating the Uncharted." *New Eng J of Medicine*, DOI: 10.1056/NEJMe2002387

<sup>4</sup> Del Rio, C. and Malani, PN. 2020. "COVID-19—New Insights on a Rapidly Changing Epidemic." *JAMA*, doi:10.1001/jama.2020.3072



Development Bank (IDB) and the Andean Development Corporation (CAF, for its acronym in Spanish), mostly through the restructuring of their existing operations to support the strengthening of the country response capacity to deal with the COVID-19 pandemic.

**B. Updated MPA Program Framework**

5. **Table 1 provides an updated overall MPA Program framework, including the proposed project for the Argentine Republic.**

**Table 1. MPA COVID-19 Response Program Framework**

| Phase | Project ID/ Country | Sequential or Simultaneous | IPF, DPF or PforR | IBRD Amount (US\$ million) | IDA Amount (US\$ million) | Other Amount (US\$ million) | Approval Date | Environment & Social Risk Rating |
|-------|---------------------|----------------------------|-------------------|----------------------------|---------------------------|-----------------------------|---------------|----------------------------------|
| 1.    | P173767/ Argentina  | Sequential                 | IPF               | 35.00                      | 0                         |                             | April 2, 2020 | Moderate                         |

6. **The Program framework will be updated as more countries join the WB SPRP.** All projects under WB SPRP are assessed for Environmental and Social Framework (ESF) risk classification following the Bank procedures and the flexibility provided for COVID-19 operations.

**C. Learning Agenda**

7. **The need for interchange of experiences across countries is essential as Argentina and other countries grapple with a pandemic that is still relatively new, and for which financial and especially physical resources are increasingly limited given the rapid spread of the pandemic.** Like other affected countries, Argentina will have to deal with questions such as how to deal with global supply chain constraints and global shortages for key supplies; how to implement appropriate policies for testing; how to engage in appropriate communication strategies to the public, including differential messages for males and females when required; how to effectively engage in triage at hospitals and acute care facilities; and how to increase effective treatment capacity given the possibility of a surge in hospital cases, among others.

8. **In this regard, the WB and other key partners will provide continuous support to facilitate learning on best practices coming from other countries, and on dealing with supply chain constraints.** The proposed Project will also finance, under Component 2, clinical research as well as other forms of research and studies to determine best practices, given existing constraints, based on the Argentinian experience. The findings from this research, in turn, will be disseminated to the international community for others to learn from.

**II. CONTEXT AND RELEVANCE**

**A. Country Context**

9. **The COVID-19 pandemic hits the Argentine economy in a moment of significant macroeconomic imbalances and a highly uncertain outlook.** Macroeconomic volatility, intensified after the sell-off of Argentine assets in August 2019, triggered an acceleration of inflation and a fall in real wages, which declined by 7.5 percent in 2019. This - coupled with fiscal consolidation and a general context of high uncertainty - slowed consumption and investment, dragging the economy down for the second consecutive year. Gross domestic product (GDP) fell an estimated 2.1 percent in 2019, and unemployment and poverty rates increased. According to latest official



estimates (mid-2019), 35.3 percent of Argentines living in the main urban areas are poor, and 7.6 percent are extreme poor. Even under a positive scenario of macroeconomic stabilization and gradual economic recovery, a return to positive growth rates is not expected before 2021.

**10. Against this backdrop, the government has enacted a package of fiscal measures aimed at increasing revenues and protecting the most vulnerable and engaged into a sovereign debt restructuring process.** The Government enacted in December 2019 a package of fiscal measures to increase revenues and redistribute public resources to lower income groups, aiming at alleviating poverty and stopping the economic contraction. Preliminary estimates by the Bank indicate that taken together these measures would be fiscally neutral. The Government has also engaged in a sovereign debt restructuring process with private creditors (under foreign law), in response to large debt obligations coming due over the following months. This process follows an ambitious timetable and is conducted in parallel with discussions with the Fund on the future of the Stand-by Agreement program, which is currently on hold. The successful conclusion of these processes is critical for reducing the large uncertainty dominating Argentina's economic outlook, and for creating the fiscal space needed to confront the large expected fallout of the COVID-19 outbreak.

## B. Sectoral and Institutional Context

**11. Argentina is one of the Latin American countries especially at risk for the spread of COVID-19 due to its links with the two countries with the highest number of COVID-19 cases to date globally – China and Italy – and it is the first country in the region to register a death due to COVID-19.** Since Argentina has had large waves of Italian immigrants in the past, it has an especially high number of visitors to and from Italy. It has also developed strong commercial and migratory ties with China. As of March 21, 2020, Argentina has 158 confirmed cases of COVID-19<sup>5</sup> and likely many more with the disease but without it being detected so far. There have already been four deaths in the country from COVID-19. The number of cases as well as deaths are expected to rise rapidly.

**12. The risks of rapid spread of COVID-19 are enhanced by the demographic profile of the population.** Argentina's population has been aging steadily, and around 15.4 percent of the population are aged over 60, while around 7.6 percent are aged over 70. In Italy – a high-income country where most people have relatively good access to health care – point estimates for the fatality rate of the virus appear to be about 4.6 percent for people aged between 60 and 69 years, and about 9.8 percent for those aged 70 years and above.

**13. All of this is worsened, in turn, by the ongoing economic and fiscal crisis.** Argentina is still in the midst of its worst economic crisis in almost 20 years, and there have been substantial budget cuts in the public sector, including for health. This has had a substantial negative impact on the public health services provided across the country, as well as in the provision of supplies for basic public health (including for HIV and tuberculosis treatment, and vaccines). The current situation has led to challenges in addressing an ongoing outbreak of dengue in the North (the poorest region with the worst health outcomes) and in the Central region. These budget cuts affect the public health system and could have substantial adverse impacts on attempts to control the spread of COVID-19, in the absence of adequate and intensive additional control efforts.

**14. Argentina has formulated a comprehensive COVID-19 Preparedness and Response Plan, which is aligned with the WHO's SPRP and with the critical steps listed above (Box 1).** The Plan aims at slowing transmission,

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<sup>5</sup> This includes individuals who had travelled recently to other countries with significant incidence of COVID-19 as well as secondary cases with infections due to contact with these individuals.



delaying outbreaks and providing optimized care for all patients, especially the seriously ill, as well as minimizing the impact of the epidemic on health systems and social services and, consequently, on the economic activity. The Plan – underpinned by the newly issued National Decree 260/2020 – has nine strategic pillars: (1) country-level coordination; (2) planning and monitoring; (3) risk communication and community engagement; (4) surveillance, rapid-response teams and case investigation; (5) control at points of entry; (6) support for national laboratories; (7) infection prevention and control; (8) case management; and (9) operations support and logistics. The Government has requested financial and technical support to help assure an appropriate and timely implementation of key activities under this Plan, in particular the provision of specific supplies and logistical support for the health system for containment of the epidemic, as well as mitigation of its effects including appropriate treatment to minimize morbidity and mortality due to the epidemic.

**Box 1: Critical Steps of Argentina Preparedness and Response Plan for COVID-19**

- **Find out more about how Covid-19 spreads, how deadly it is and what can be done to reduce its harms.** As many as half of people with infection have no symptoms, and at least 80 percent of those who do feel ill have only mild symptoms.
- **Reduce the number of people who get infected. If it turns out that a significant percentage of those infected become severely ill; this would justify drastic measures such as closing or curtailing hours of schools, limiting public gatherings and reducing social contact.** Spread can be minimized by quickly isolating those who are ill, cleaning potentially contaminated surfaces often and changing common routines, such as washing hands, covering coughs and, if a person is sick, staying home or wearing a mask when he/she goes out.
- **Protect health care workers.** Even before COVID-19, far too many health workers and patients got infections in health care facilities. Fast and drastic improvements are needed in triage, treatment, cleaning and overall infection prevention. A shortage of medical masks is likely so there is a need to ensure health care workers have enough, as should household members – especially women – caring for people who are ill.
- **Improve medical care and prevention of COVID-19.** A vaccine is at least a year away, and success is uncertain. Treatments that hold promise need to be evaluated rigorously. In a moderately severe pandemic, there would not be enough ventilators to support patients' breathing. Health facilities and health departments can prepare for a worst-case scenario by preparing -- with training, equipment, and detailed operational plans -- for a surge in the number of patients who seek care and for the subset of those who need to be mechanically ventilated.
- **Protect health services.** During the 2014-2016 Ebola epidemic in West Africa, more people died because of disruptions of day-to-day health care than died from Ebola. Telemedicine needs to become much more accessible, and people with chronic conditions should receive three months of medications whenever possible, in case there are supply disruptions. Routine vaccinations and other preventive services need to be preserved.
- **Support social needs.** Patients and their families will need support, especially those who are isolated and less familiar with virtual or delivery services. Continuing to support individuals and groups ranging from community centers to nursing homes will require detailed plans. Communication campaigns will need to include messages to reduce stress, which can lead to increased violence against women and girls.

15. **The Government relies on a number of inter-ministerial and support mechanisms that are helping to support its COVID-19 response efforts.** Following the 2005 International Health Regulations (IHR) and the Global Health Safety Agenda, Argentina has been developing, reinforcing, and maintaining the necessary capabilities to prevent and/or mitigate the impact of outbreaks, focused on early detection, transparency, and effective response to limit the spread of infectious diseases, mitigate human suffering and loss of life, and reduce economic impacts. The Commission for the Implementation and Monitoring of the IHR and Basic Capacities, coordinated by the



NMOH, was established in 2019. Through the Commission, the NMOH coordinates actions with other line ministries as well as with the provinces regarding the implementation of strategies to promptly respond to public health emergencies. In addition, in 2016 Argentina created the National System for Comprehensive Risk Management and Civil Protection (SINAGIR, for its acronym in Spanish), aimed at seeking integrated actions and coordinating the activities of national, provincial and municipal government agencies, as well as non-governmental actors, regarding crisis risk reduction, crisis management and recovery.

### C. Relevance to Higher Level Objectives

16. **The project is aligned with World Bank Group (WBG) strategic priorities, particularly the WBG's mission to end extreme poverty and boost shared prosperity.** The Program is focused on preparedness which is also critical to achieving Universal Health Coverage. It is also aligned with the support provided by the WB for national plans and global commitments to strengthen pandemic preparedness through three key actions under Preparedness: (i) improving national preparedness plans including organizational structure of the government; promoting adherence to the IHR; and utilizing international framework for monitoring and evaluation of the IHR. The economic rationale for investing in the MPA interventions is strong, given that success can reduce the economic burden suffered both by individuals and countries. The project complements both WBG and development partner investments in health systems strengthening, disease control and surveillance, attention to changing individual and institutional behavior, and citizen engagement. Further, as part of the proposed IDA19 commitments, the WB is committed to “support at least 25 IDA countries to implement pandemic preparedness plans through interventions (including strengthening institutional capacity, technical assistance, lending and investment).” The project contributes to the implementation of IHR (2005), Integrated Disease Surveillance and Response, and the World Organization for Animal Health international standards, the Global Health Security Agenda, the Paris Climate Agreement, the attainment of Universal Health Coverage and of the Sustainable Development Goals, and the promotion of a One-Health approach.

17. **The WBG remains committed to providing a fast and flexible response to the COVID-19 epidemic, utilizing all WBG operational and policy instruments and working in close partnership with government and other agencies.** Grounded in One-Health, which provides for an integrated approach across sectors and disciplines, the proposed WBG response to COVID-19 will include emergency financing, policy advice, and technical assistance, building on existing instruments to support IDA/IBRD-eligible countries in addressing the health sector and broader development impacts of COVID-19. The WBG COVID-19 response will be anchored in the WHO's COVID-19 global SPRP outlining the public health measures for all countries to prepare for and respond to COVID-9 and sustain their efforts to prevent future outbreaks of EID.

18. **The proposed Project is also aligned with the global Bank strategy and objectives of the latest Argentina Country Partnership Framework (CPF).** On March 17, 2020, the Executive Directors endorsed the Bank's proposal to launch a Fast Track COVID-19 Facility to provide up to US\$14 billion in immediate support to assist countries coping with the impact of the global outbreak, including US\$6 billion from IBRD and IDA resources. This Project is also aligned with the goals defined in the CPF FY19-FY22 (Report No. 131971-AR) discussed by the Board on April 25, 2019. In particular, it would contribute to CPF Focus Area 2 (Addressing Key Institutional Constraints for Better Governance and Service Delivery) and CPF Objective 7 (Improving the Service Delivery Model for Effective Health Services), which are key for the country to respond to the COVID-19 pandemic.

19. **The proposed Project's activities are consistent with the priorities of the WB Health, Nutrition and**





**Population Global Practice, in particular with the priorities of strengthening of health systems and generating global knowledge for pandemic preparedness.** In addition, the proposed Project is aligned with the WB's Human Capital Project, which calls for countries to make greater investments in health and education to improve the productive capacities of their populations.

### III. PROJECT DESCRIPTION

20. **The Argentine NMOH has requested a financial support of US\$ 35 million to help finance COVID-19 response and health system strengthening activities, focused on addressing health-related aspects of the pandemic.** The Project's activities are based on Argentina's COVID-19 Preparedness and Response Plan and the COVID-19 SPRP prepared by the WHO.

#### A. Project Development Objective

21. The Project objectives are aligned to the results chain of the COVID-19 Strategic Preparedness and Response Program (SPRP).

22. **PDO Statement:** The Project Development Objective (PDO) is to strengthen preparedness and response efforts against the COVID-19 pandemic and national systems for public health preparedness in Argentina.

23. **PDO Level Indicators<sup>6</sup>:** The PDO-level indicators are listed below:

- a) Percentage of suspected cases of COVID-19 reported and investigated per approved protocols;
- b) Percentage of diagnosed cases treated per approved protocols<sup>7</sup>;
- c) Percentage of acute healthcare facilities with increased isolation capacity.

#### B. Project Components

24. **The proposed Project consists of two components.** The first component will support detection and response activities, while the second will help strengthen health systems in the fight against COVID-19, via activities to: (i) identify, isolate, and provide care to patients with COVID-19 in a timely manner to minimize disease spread, morbidity and mortality; (ii) prepare and strengthen the health system for increasing levels of demand for care; and: (iii) provide timely, transparent and evidence-based information to support healthcare interventions. The Project's components and activities will include gender considerations as needed. The total Project cost is US\$ 35 million; further details are provided in Annex 1.

25. **Component 1: Emergency COVID-19 Response Efforts (US\$ 33.9 million).** This component will support the enhancement of disease detection capabilities through the strengthening of the public laboratory network for cases reporting and diagnosis; strengthening of clinical care and isolation capacity; and mobilizing trained and well-equipped frontline health workers. The component will have two sub-components, as follows:

26. **Sub-Component 1.1: Case Detection, Case Confirmation, Contact Tracing, Case Recording, Case Reporting (US\$ 3 million).** This sub-component will support: (i) strengthening of the public health laboratory network and

<sup>6</sup> PDO level indicators 1 and 2 will be disaggregated by gender.

<sup>7</sup> Approved protocols mean formal clinical guidelines or protocols approved by NMOH.



overall epidemiological capacity for early reporting and diagnosis of cases; (ii) epidemiological investigation activities and strengthening of risk assessment capabilities; (iii) provision of on-time data and information for guiding decision-making and for response and mitigation activities; and (iv) contact tracing and other activities to control the spread of COVID-19. The sub-component will finance, among others: (i) medical and Information Technology (IT) equipment, supplies and IT systems; (ii) supplies and reagents for the diagnosis of COVID-19, influenza-type illnesses and other respiratory diseases; and (iii) relevant training activities.

27. **Sub-Component 1.2: Health System Strengthening** (US\$ 30.9 million). This sub-component will support efforts to strengthen the public health system's capacity to provide optimal medical care to patients at risk as well as maintain essential health care services and minimize risks for patients and health personnel.<sup>8</sup> The sub-component will finance, among others: (i) medical supplies, specific equipment for intensive care units<sup>9</sup> and medical equipment for public health facilities; (ii) protective equipment and goods for health personnel involved in patient case management; and (iii) relevant types of training of health personnel including on the application of the defined national protocols for managing the pandemic.

28. **Component 2: Implementation, Monitoring and Evaluation (US\$ 1.1 million)**. This component will finance: (i) technical assistance to strengthen the capacity of the National Project Coordination Team (PCT) under the Undersecretariat of Administrative Coordination (UAC) and the Secretariat of Health Access (SHA) for implementing the project; and (ii) financial audits for the Project. In addition, the component will finance relevant monitoring and evaluation activities including clinical research and public health research, among others.

29. **Large volumes of personal data, personally identifiable information and sensitive data are likely to be collected and used in connection with the management of the COVID-19 outbreak under circumstances where measures to ensure the legitimate, appropriate and proportionate use and processing of that data may not feature in national law or data governance regulations or be routinely collected and managed in health information systems.** In order to guard against abuse of that data, the Project will incorporate best international practices for dealing with such data in such circumstances. Such measures may include, by way of example, data minimization (collecting only data that is necessary for the purpose); data accuracy (correct or erase data that are not necessary or are inaccurate), use limitations (data are only used for legitimate and related purposes), data retention (retain data only for as long as they are necessary), informing data subjects of use and processing of data, and allowing data subjects the opportunity to correct information about them, etc. In practical terms, operations will ensure that these principles apply through assessments of existing or development of new data governance mechanisms and data standards for emergency and routine healthcare, data sharing protocols, rules or regulations, revision of relevant regulations, training, sharing of global experience, unique identifiers for health system clients, strengthening of health information systems, etc.

### C. Project Beneficiaries

30. **The expected project beneficiaries will be the population at large given the nature of the disease;** infected people; at-risk populations, particularly the elderly and people with chronic conditions; medical and emergency

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<sup>8</sup> As COVID-19 would place a substantial burden on inpatient and outpatient health care services, support would be provided for equipping selected health facilities for the delivery of critical medical services and to help them cope with the increased demand of services likely to arise due to the pandemic, while strengthening intra-hospital infection control measures. Steps would be taken to increase hospital bed availability, including deferring elective procedures, more stringent triage for admission, and earlier discharge with follow-up.

<sup>9</sup> Including support for the isolation of confirmed cases or suspected cases as needed.

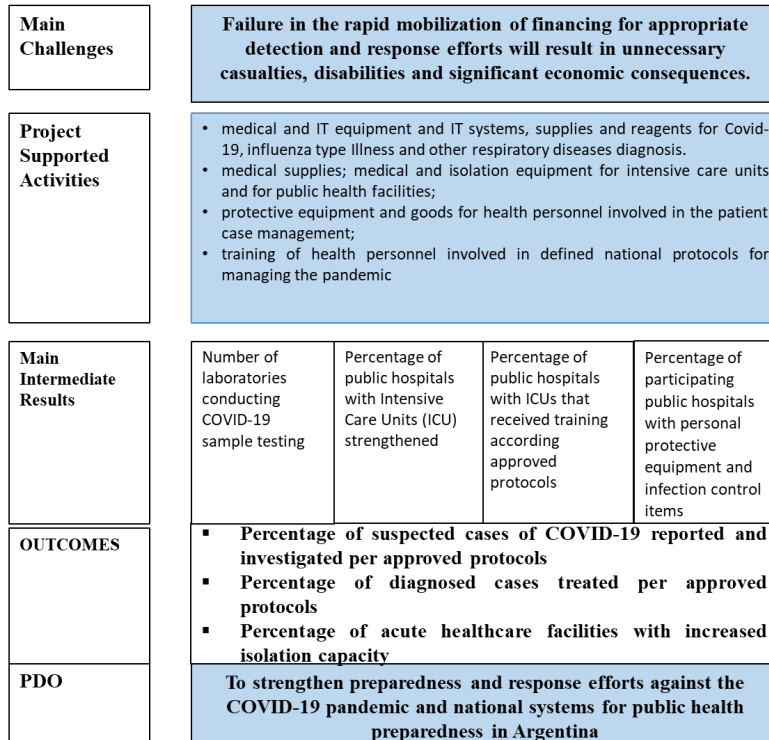


personnel; medical and testing facilities; and public health agencies engaged in the response in participating countries.

D. Results Chain

31. The Project will achieve its PDO by coordinating financing and response actions needed to reduce avoidable mortality and morbidity and reduce the economic, social, and security impacts of the pandemic. Failure in the rapid mobilization of financing and coordination of response efforts would result in unnecessary casualties and significant socioeconomic consequences. By focusing on the containment, diagnosis and treatment of patients, this Project seeks to help control the pandemic and limit socioeconomic losses. In addition, by strengthening the public health subsystem’s capacity to provide health services, the Project will also contribute to enhancing citizens’ access to proper health care. The Project’s theory of change is presented in Figure 1 below.

Figure 1. Results Chain





## E. Rationale for Bank Involvement and Role of Partners

32. **The WB is well positioned to support response efforts against this pandemic given its global expertise combined with its understanding of country conditions and needs, prior experience in responding to crises (pandemics, natural disasters, economic shocks) while building resilience, and its ability to leverage global partnerships with United Nations (UN) agencies, the WHO, the International Monetary Fund and others.** The proposed response efforts will follow a cross-sectoral One-Health approach within the framework of the FTCF COVID-19 Response Program, allowing a rapid response to short-term needs. Depending on how the pandemic progresses and how its impact on economic activity unfolds, there may be need for a second phase with a greater focus on support for economic and social disruptions resulting from the spread of the virus.

33. **The proposed Project would be processed through the WB's dedicated umbrella FTCF COVID-19 Response Program.** This program, together with the Trade Solutions and Working Capital Liquidity Facilities of the International Finance Corporation (IFC), builds on the experience and credibility of both institutions in responding to global crises. These programs allow the WB and IFC to move nimbly to support countries as they respond to the health and economic impacts of the spread of COVID-19 and are built on the experience and high standards that are needed so that the approaches work well in fast-moving environments.

34. **Key activities supported under the Project are aligned with the COVID-19 SPRP developed by the WHO. The PAHO is providing technical support to the NMOH on the management of the pandemic.** In addition, the NMOH has requested financial support from other international organizations such as IDB and CAF, mostly through the restructuring of their existing operations to support the strengthening of the country response capacity to deal with the COVID-19 pandemic. Within the NMOH, the UAC is consolidating and centralizing the funding needs and requests to ensure that the international financing support received is allocated in a coordinated and efficient manner.

## F. Lessons Learned and Reflected in the Project Design

35. **Swift detection of an outbreak, assessment of its epidemic potential and rapid emergency response can reduce avoidable mortality and morbidity and reduce the economic, social, and security impacts.** Failure in the rapid mobilization of financing and coordination of response efforts results in unnecessary casualties and significant socioeconomic consequences. As highlighted by the Severe Acute Respiratory Syndrome (SARS) and the West African Ebola Virus Disease (EVD-WA) epidemics, the cost of outbreak control and socioeconomic losses rises exponentially with delayed detection, reporting and action, and close technical coordination is needed across countries to prevent and control the transboundary spread of the disease. Although delayed by several months from the onset of cases, the global response to EVD-WA was eventually effective in stopping the outbreak. The failure in the rapid mobilization of financing and the coordination of response efforts resulted in unnecessary casualties of over 11,000 persons, and in significant socioeconomic consequences across the sub-region. These economic and social costs of the EVD-WA crisis are estimated to be US\$53 billion.<sup>10</sup>

36. **For emergency operations where speed is of the essence, it is essential to establish flexible and fast-track**

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<sup>10</sup> Huber C, Finelli L, Stevens W. "The economic and social burden of the 2014 EVD outbreak in West Africa." *The Journal of Infectious Diseases*. 2018; 218 (Suppl. 5):S698-S704.



**procedures from the outset.** A previously streamlined and pre-approved set of guidelines with more flexible fiduciary rules has been established in this case, as part of the COVID-19 FTCF. This Facility is available not just for the present proposed Project, but also for others supporting COVID-19 response efforts. This approach would enable the response activities financed by these Projects to be rapidly implemented, which is essential for COVID-19 control efforts.

**37. It is important to think broadly when designing emergency loans, supporting activities that will contribute to build the country's long-term preparedness and capacity to confront any epidemic, not just for one specific infectious disease.** Along these lines, the proposed Project will provide support to the overall strengthening of the surveillance and laboratory systems, as well as to the health networks and the country's overall capacity to provide clinical and emergency care. These activities will enhance the country's preparedness to confront several types of epidemics in future, not just the current COVID-19 pandemic.

## IV. IMPLEMENTATION ARRANGEMENTS

### A. Institutional and Implementation Arrangements

**38. The project will be implemented by the NMOH, through the SHA and the UAC which are in charge of coordinating COVID-19 response efforts, working in conjunction with the Provincial Ministries of Health.** High-level institutional coordination with the Provinces will be carried out through the Federal Health Council (COFESA, for its acronym in Spanish).

**39. The General Directorate of Sectoral and Specials of Programs and Projects (DGPPSE, for its acronym in Spanish), under the UAC, will be the PCT.** It will be responsible for Project coordination and overall administrative and fiduciary matters such as financial management (FM), procurement and environmental and social standards. The PCT would be responsible for: managing procurement processes; monitoring contract administration; processing payments to suppliers and consultants; managing the Project's finances, including control of the Designated Account (DA) and flow of funds; accounting and financial reporting, collecting information for disbursements; and monitoring the environmental and social activities.

**40. The PCT will coordinate the implementation activities with technical support from the Undersecretariat of Health Strategies (UHS), under the SHA, through its Epidemiological Surveillance and Infectious Diseases Units.** The UHS has demonstrated strong technical and managerial skills in the management of the A/H1N1 pandemic of 2009/2010. Both the UHS and the PCT would receive support for administrative activities (including on technical, FM, procurement and environmental and social standards) from the Project.

### B. Results Monitoring and Evaluation Arrangements

**41. Monitoring and evaluation will be the responsibility of the PCT which will be in charge of tracking progress related to Project activities, outcomes and results.** Among others, the PCT will be responsible for the collection and consolidation of information required to track progress against the monitoring plan as described in the Results Framework. The Project will rely on the country's existing monitoring and evaluation systems. In particular, the Project will use the National Health Surveillance System (SNVS, for its acronym in Spanish) and the Laboratory Surveillance System (SIVILA, for its acronym in Spanish) for tracking the evolution of reported cases and laboratory testing. Both systems have been strengthened under previous WB-financed operations: the Essential Public Health



Functions I Project (P090993) and the Emergency Project for the Prevention and Management of Influenza-Type Illness (P117377).

42. **The PCT will prepare Project reports which will include (among others) information on:** (i) compliance with the planned Project activities under Components 1 and 2; (ii) the updated Procurement Plan; (iii) progress on the achievement of indicators (Project Development Indicators and Monitoring Indicators), as defined in the Results Framework; and (iv) progress on ESF. The PCT will submit to the Bank Project reports twice a year.

### C. Sustainability

43. **Some of the project activities, including those focused on training and capacity building will help strengthen the preparedness of the country to combat other future epidemics, and they are expected to be sustained even after this Project closes.** There is a growing awareness in Argentina of the importance of preparedness against epidemics and pandemics in general, and this is an agenda that is expected to receive growing support and financing in the future.

## V. PROJECT APPRAISAL SUMMARY

### A. Technical, Economic and Financial Analysis

44. **Technical Analysis.** The Government's COVID-19 Prevention and Response Plan, whose implementation will be partially financed by the proposed Project, is aligned with the technical recommendations of the WHO's COVID-19 SPRP Plan (developed in February 2020). As determined by WHO, there are five important stages for successfully addressing epidemics: First is the anticipation of new and re-emerging diseases to facilitate faster detection and response; followed by their early detection of emergency in the second stage.<sup>11</sup> The third stage is the containment of the disease at its early stages of transmission; followed by the control and mitigation of the epidemic during its amplification (stage four); and the fifth stage which is the elimination of the outbreak risk or eradication. The first two stages have passed for COVID-19; but for countries like Argentina where the epidemic is still in its early stages, it is critical to focus intensively on the third stage of containment, as well as the fourth stage of control and mitigation. The Government's Prevention and Response Plan focuses on critical activities that are relevant for these third and fourth stages of epidemic control.

45. **Economic and Financial Analysis.** Although there are very significant gaps in knowledge of the scope and features of the COVID-19 pandemic, it is apparent that one main set of economic effects will derive from increased sickness and death among humans and the impact this will have on the potential output of the global economy. In the Spanish Influenza pandemic (1918-19) 50 million people died -about 2.5 percent of the then global population of 1.8 billion. The most direct impact would be through the impact of increased illness and mortality on the size and productivity of the world labor force. The loss of productivity as a result of illness which, even in normal influenza episodes is estimated to be ten times as large as all other costs combined will be quite significant.

46. **Another significant set of economic impact will result from the uncoordinated efforts of private individuals to avoid becoming infected or to survive the results of infection.** The SARS outbreak of 2003 provides a good example. The number of deaths due to SARS was estimated at "only" 800 deaths and it resulted in economic losses

<sup>11</sup> See "Managing Epidemics: Key Facts About Major Deadly Diseases." WHO, 2018.



of about 0.5 percent of annual GDP for the entire East Asia region, concentrated in the second quarter. The measures that people took resulted in a severe demand shock for services sectors such as tourism, mass transportation, retail sales, and increased business costs due to workplace absenteeism, disruption of production processes and shifts to more costly procedures. Prompt and transparent public information policy can reduce economic losses.

47. **A last set of economic impacts are those associated with governments' policy efforts to prevent the epidemic, contain it, and mitigate its harmful effects on the population.** These policy actions can be oriented to the short, medium or long-term or, in spatial terms to the national, regional or global levels.

48. **The Argentine economy is highly vulnerable to the large shocks to be produced by the pandemic, which will manifest themselves through external and internal channels.** The observed decline in commodity prices, notably for soy beans, will reduce export values of agricultural products, which are important for revenues through export taxes. The expected economic slowdown in the Argentina's main trading partners (Brazil, the European Union, China and the United States of America), will lower exports, with spillovers to upstream and downstream sectors. Tourism activities, accounting for around 3.5 percent of GDP, will come to a temporary halt. Volatility in global financial markets, and the ensuing "flight to safety" puts further pressure on macroeconomic fundamentals, notably the parallel exchange rate. This is also further eroding the values of Argentine assets and has pushed the country risk (measured by EMBI+) to its highest level in over 15 years.

49. **The recent sharp fall in oil prices – while relieving pressure on internal fuel prices - could also negatively affect investments in the production of shale oil and gas in Vaca Muerta, with consequences for medium and long-term growth.** Most notably, mandatory and voluntary restrictions on movements of people will significantly reduce consumption of services and non-essential consumer goods and may disrupt production value chains. It is difficult at this point to estimate the overall impacts of this shock to the domestic markets and the ripple effects on real incomes, employment and other main macroeconomic variables. The authorities have announced emergency measures to counter the negative economic fallout of the pandemic; yet this is limited by the reduced fiscal space.

50. **Estimating the benefit-to-cost ratio (BCR) or rate of return for the proposed Project's interventions is very challenging given the large number of unknowns regarding COVID-19 and its impact on health, society and the local and global economy.** But some preliminary estimates can be derived from Argentina's interventions against the A/H1N1 influenza pandemic of 2009-10. Both diseases are transmitted via airborne droplets and have very similar "basic reproductive numbers (R-0)"<sup>12</sup>. The country's campaign against the A/H1N1 influenza pandemic was supported by a WB operation (Loan No. IBRD-78430), and the BCR for that operation was estimated to be 1.7<sup>13</sup>. This could be used as a rough lower bound for the BCR of well-designed interventions against COVID-19. The actual BCR for interventions against COVID-19 will likely be much higher as the case-fatality rate is around ten times higher than A/H1N1.<sup>14</sup> Appropriate interventions against COVID-19 will thus likely result in a much larger reduction in mortality compared to A/H1N1. This will translate to much higher benefits and a larger BCR in terms of Years of Life Lost for the same target population. There may also be other positive externalities in terms of

<sup>12</sup> The Basic Reproductive Number (R-0) of an infectious disease is the average number of new cases (newly infected individuals) that will develop in the susceptible population due to each infected individual, without any interventions. The R-0 for COVID-19 appears to be slightly more than 2, while that of A/H1N1 was around 1.4 to 1.6.

<sup>13</sup> According to the Implementation Completion Report (ICR) for that operation. Using a discount rate of 3%.

<sup>14</sup> In both cases, the case-fatality rate is far higher among the old than the young.



reducing risks of other diseases and the economy, which are not captured in the analysis, further increasing the BCR.

## B. Fiduciary

### (i) Financial Management

51. **Project budgeting, accounting and financial reporting, and disbursements will be fully centralized at the PCT and will follow the same internal control processes applied to other Bank operations supported by the PCT as defined in Project Implementation Manual.** This unit has widely experienced FM staff and satisfactory performance in implementing FM arrangements of Bank-financed projects as evidenced by Bank FM supervision reports<sup>15</sup>. Every effort has been made to maximize flexibility in the FM and disbursement arrangements for the present proposed emergency response operation, and a summary of these is presented below.

- a) Budgeting: The Government has approved, via an Emergency Decree, a budget reallocation of funds to respond to the COVID-19 emergency; project budget resources will be executed under this budget line.
- b) Accounting and financial reporting: Financial reports will be prepared by DGPPSE using the government in-house information tool whose use is mandatory for multilateral-agency operations and is adequate for accounting purposes. Interim Financial Reports (IFRs) will be prepared annually during project implementation and will be submitted to the Bank within 45 days after the end of the reported period.
- c) Internal controls: A specific procedure acceptable to the Bank will be applied to ensure that health care devices and supplies purchased by the Project are delivered to the right primary health care providers and hospitals on time.
- d) Flow of funds and disbursements arrangements: The main method for loan disbursements will be advances to the DA; direct payments and reimbursements may also be used. The proposed ceiling for advances to the DA is up to 80 percent (rather than the usual 20 percent to 25 percent) of the loan amount. The Government has requested the use of direct payments; therefore, the minimum value of applications for direct payments has been lowered to US\$50,000 to allow flexibility for the Government to make small payments from the Loan Account for laboratory and detection equipment, respirators and health supplies that are to be imported. Statements of expenditures will be used to document payments of eligible expenditures made from the advances to the DA and Reimbursements. The government has requested, and the Bank team has agreed, to include the option of retroactive financing in the Loan Agreement. Retroactive financing if needed will be up to 40 percent of the total Loan and will be used for reimbursement of eligible expenditures incurred on or after December 1<sup>st</sup>, 2019, but in no case more than 12 months prior to the Signature Date.
- e) Auditing arrangements: A single audit report will be required covering the entire implementation period. The Project audit shall be conducted following acceptable auditing standards and by an auditor acceptable to the Bank. Project one-time audited financial statements will be submitted to the Bank not later than six months after the end of the reporting period. The Borrower will make audited financial statements published following the Bank Access to Information policy.

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<sup>15</sup> For the following WB Projects: (i) the Provincial Public Health Insurance Project – SUMAR (P106735) and its Additional Financing, for a total of US\$600 million (closed on 31 Aug, 2019); (ii) the Protecting Vulnerable People Against Noncommunicable Diseases Project (P133195), for US\$350 million, ongoing; and (iii) the Supporting Effective Universal Health Coverage Project (P163345), for US\$350 million, ongoing.





52. **FM risk is assessed as Moderate.** The main FM-related risks are: (i) financial resources may not be accessible in a timely manner, and fiduciary procedures may be challenging to address in an emergency situation, (ii) there may be inadequate control procedures to ensure medical inputs and equipment are delivered to the right hospitals on time during a pandemic disease; and (iii) due to the health emergency situation, low priority may be given to public accountability and transparency in program management. The FM risk mitigation measures will include: (i) rapid disbursement procedures and simplified public sector procurement procedures to be applied in accordance with emergency operations norms, (ii) specific internal control procedures acceptable to the Bank for the delivery of Project-financed medical inputs and equipment and their reception by health care service providers, (iii) the Project's audited financial statements to be made public on the NMOH website. In response to the uncertainty of access to project facilities due to physical restrictions, the FM risk rating of Moderate will be revisited periodically and adjusted accordingly.

53. **FM implementation support will include on-site and off-site supervisions.** On site missions will be carried out at least once a year and later calibrated following assessed risk and project performance. In case of lack of physical access once implementation begins, virtual FM implementation support monitoring will be conducted using ICT tools. Off-site implementation support will comprise desk reviews of interim financial reports and audited financial statements.

#### **(ii) Procurement**

54. **Procurement for the project will be carried out in accordance with the WB's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 1st, 2016 (revised in November 2017 and August 2018).** The Project will be subject to the WB's Anticorruption Guidelines (ACG), dated October 15, 2006, revised in January 2011, and as of July 1st, 2016. The Borrower will take advantage of Advance Contracting and/or Retroactive Financing, and the Letter of Acceptance of the Bank's ACG and Suspension Framework will be used in the Bidding Documents, Invitations and Contracts/Purchase Orders. Nevertheless, a partial waiver of the ACG may be required in some cases. The Project will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record and track procurement transactions.

55. **The major planned procurement packages include goods and medical equipment for health care workers (e.g., gloves, protective goggles, aprons, alcohol gel, etc.); laboratory equipment and consumables for influenza prevention and cure; and medical/sanitary equipment (Intensive Care Unit equipment and portable ventilators).** The Borrower has prepared a streamlined project procurement strategy for development (PPSD) and will update it as needed during implementation. An initial procurement plan for the first three months has been agreed with the Borrower and will be updated as needed during implementation.

56. **The proposed procurement approach prioritizes fast track emergency procurement for the emergency required goods and services.** Key measures to fast track procurement include use of national procedures for the procurement of goods in emergency situations that mainly include Requests for Quotations (*Compulsas de Precios*) and Direct Contracting, both using national and international market approaches. To this end, the Bank's threshold for the Requests for Quotations will follow national parameters. All competitive processes will be published via national and international means as appropriate, and COMPR.AR (the national e-procurement system) might be used when applicable. Non-competitive processes will be acceptable if properly justified (i.e., continuity of contracts procured under competitive methods and sole source production), and contract prices respond to



market standards. The Borrower may procure certain goods from UN agencies (e.g. WHO, PAHO), depending on the international market conditions for those goods. The Borrower may advance with the processes under these arrangements and, if applicable, request retroactive financing up to the limit established in the Loan Agreement. All processes will be subject to Bank's Procurement post review, although, the Bank, at request from the Borrower, may provide hands-on expanded implementation support to help expedite all stages of procurement – from help with supplier identification, to support for bidding/selection and/or negotiations to contract signing and monitoring of implementation of some of the packages.

**57. The project may be significantly constrained in purchasing critically needed supplies and materials due to significant disruption in the supply chain, especially for personal protective equipment (PPE).** The supply problems that have initially impacted PPE are emerging for other medical products (e.g., reagents and possibly oxygen) and more complex equipment (e.g., ventilators) where manufacturing capacity is being fully allocated by rapid orders from other countries. Upon the Borrower's request, the Bank may agree to provide Bank Facilitated Procurement (BFP) to proactively assist the implementing agency in accessing existing supply chains for the agreed list of critical medical consumables and equipment needed under the project. Once the suppliers are identified, the Bank will proactively support borrowers with negotiating prices and other contract conditions. The Borrower will remain fully responsible for signing and entering into contracts and implementation, including assuring relevant logistics with suppliers such as arranging the necessary freight/shipment of the goods to their destination, receiving and inspecting the goods and paying the suppliers, with the direct payment by the Bank disbursement option available to them.

**58. Procurement will be carried out by the PCT, which has vast experience in the implementation of Bank's financed operations, including emergency related projects such as this one.** Streamlined procedures for approval of emergency procurement to expedite decision making and approvals by the Borrower have been agreed.

**59. The key identified risk is failed procurement due to lack of sufficient global supply of essential medical consumables and equipment needed to address the health emergency as there is significant disruption in the supply chain, especially for PPE.** To help mitigate this risk, the Bank will leverage its comparative advantage as convener and, if requested, facilitate Borrowers' access to available supplies at competitive prices with the BFP described above.

**60. Other risks to procurement are:** (i) lack of specialized procurement staff due to the changes in the PCT in the previous administration combined with the high volume of processes to come during the emergency; (ii) lack of availability of certain goods (other than essential medical consumables and equipment mentioned above) due to increased world-wide demand that may expose weaknesses in the supply chain and/or significant price increases; (iii) problems with the timely distribution of all the procured goods; and (iv) governance-related issues common in emergency situations<sup>16</sup>. These risks will be mitigated by (i) immediate hiring of a Procurement Coordinator for PCT with solid experience in procurement with Bank funded operations and in emergency situations, as well as of appropriate second-line procurement staff; (ii) governmental actions to reserve stock, fix prices and order the increase of production with local suppliers; special procurement arrangements to purchase from multiple suppliers depending on their stock of goods; and procurement via UN agencies of goods not supplied by national suppliers; (iii) procurement arrangements to include distribution as related services included in the contract, and

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<sup>16</sup> Such issues have been noted in operations globally over the past decade, including in relation to the procurement of health equipment and supplies such as pharmaceuticals and testing kits. In the very justifiable rush to get vital medical assistance to communities, the risks can increase and unscrupulous firms (and officials) can take advantage of weaknesses in the fiduciary systems.



full implementation of an existing inter-administrative agreement between the NMOH and the Argentinian Post Office; (iv) publication of all processes, including contracts/purchase orders details; restoring of the Reception of Goods Commission which provides timely and detail reports of the reception of all purchased goods; and (v) hiring of a technical third party audit entity to reinforce the Bank’s post procurement review if needed.

C. Legal Operational Policies

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

D. Environmental and Social

61. **The Project will build on the successful implementation of ongoing and past WB projects with the NMOH, which currently include the Supporting Effective Universal Health Coverage in Argentina (P163345) and the Protecting Vulnerable People Against Non-Communicable Diseases Project (P133193) Projects.** The NMOH has more than 25 years of experience working with WB environmental and social standards through the implementation of twelve investment operations focused on universal health coverage, protection against non-communicable diseases, maternal-child health and nutrition, essential public health functions, provincial public health insurance, management of influenza-type illness and strengthening of Argentina’s epidemiological system, strengthening of surveillance and disease control. The NMOH has a consistently satisfactory record implementing WB environmental and social safeguard policies and has regulations, practices, and oversight mechanisms consistent with the current Environmental and Social Standards of the Bank.

62. **This Project will neither finance nor support any civil works activities and most of the Project investments are planned to take place in existing infrastructure.** In this sense, the activities supported by the Project are not expected to have any negative environmental impacts. Social impacts for the Project are also expected to be positive since it will support prevention, detection and response efforts in the fight against COVID-19, as well as the strengthening of national systems for public health preparedness.

63. **The Environmental risk rating for this Project is Moderate. Risks are limited and manageable and are related to use and disposal of medical supplies, use of cleaning and disinfection chemicals, and waste-related issues that are already managed appropriately with ongoing systems and projects.** The Project funds will support the purchasing of medical supplies and equipment, including lab equipment; test kits; and hospital equipment. The NMOH has in place mechanisms for medical waste management disposal and environmental risk management in general, which have been found appropriate in previous Bank operations. No new elements will be added to this operation that imply that the existing mechanisms may be jeopardized or generate need for additional support.

64. **The Social risk rating for this Project is Low.** The Project is expected to have only positive social impacts, as the supplies acquired through this loan will be directed to the public national healthcare system, which provides care and epidemiological containment for the most vulnerable in the population, including historically excluded groups. The Project will not involve resettlement or land acquisitions and will not include new activities or hiring of additional staff. The funds will be used to prop up existing mechanisms of epidemiological control and health care, through already



established programs and protocols at national and subnational level. In this regard, and due to the activities supported under the Project, the risk on increasing intimate partner violence and violence against children as a result of quarantine measures is expected to be low as well. However, sexual exploitation and abuse (SEA) and social harassment (SH) risks will be reassessed during implementation, including screening and including the corresponding measures to prevent and mitigate the SEA/SH risks, if needed.

**65. The NMOH has experience working with WB environmental and social standards through which it has shown a satisfactory social risk management performance.** NMOH staff have received ESF training and are in constant dialogue with social and environmental specialists from the Bank through two ongoing operations.

**66. The borrower has already prepared and is implementing a COVID-19 Preparedness and Response Plan, which includes protocols and mechanisms for inter-sectorial, inter-country and international collaboration and timely information exchange, dialogue, and mobilization of resources.** The plan also includes provisions and two-way communication mechanisms with beneficiaries, population at risk and vulnerable communities. Currently at the containment phase, the NMOH has already established a platform for multi-sectorial technical collaboration (SINAGIR), which will also coordinate the strategy of communications.

**67. The main actions included in this engagement and communications plan comprise:** (1) generating platforms for communication with key stakeholders; (2) interventions in mass media as needed, tailoring messages for men and women related to sanitation and handwashing, as well as reducing stress which can lead to increased violence against women and girls; (3) reaching out to key stakeholders to harmonize and guarantee the dissemination of correct information; (4) periodic publication of information and public updates (handouts, alerts, recommendations); (5) update of webpage devoted to the crisis; (6) monitoring of social media; (7) availability of information material at entry points in healthcare facilities and government buildings; and (8) generation of ad hoc information for prevention and care of vulnerable groups.

**68. The Containment Phase of the Plan also includes generation of recommendations for different stakeholders (e.g. health workers, general population, population at risk, etc.); strengthening of the epidemiological surveillance system (e.g. homogenize isolation methods and follow up mechanisms, etc.); and laboratory capacity (e.g. assess decentralized diagnostic capacities, monitor diagnostic supplies, etc.); among others.** At the Mitigation Phase, the Operations Plan will assess and propose corrections for ongoing health care strategies; assess supply-demand gaps; assess availability of hospital beds and triage; develop containment strategies at health facilities; prioritize entry points; disseminate self-reporting strategies, etc.

**69. The Environmental and Social Commitment Plan (ESCP) as well as the Stakeholder Engagement Plan (SEP) were prepared with inputs from the Argentina COVID-19 Preparedness and Response Plan and enriched by the interaction with government representatives.** The ESCP and the SEP disclosure was done on the World Bank's external webpage on March 19, 2020. Both documents will be revised, during implementation as needed.

**70. Citizen engagement:** The Project will emphasize citizen engagement aspects, building on mechanisms supported by other WB Projects in the health sector.<sup>17</sup> Measures will include: (i) a grievance redress mechanism, including a toll-free number to provide feedback and register complaints, with stipulated service standards for response times; and (ii) a live chat under the webpage of the Plan, contact details for information, as well as online assistance for early diagnosis and quarantining advice.

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<sup>17</sup> See footnote 16.



71. **Gender.** As mentioned above, the implementation of the Project's activities will take into account gender considerations as needed. Actions to be taken into account include: (i) tailored mass media messaging incorporating gender considerations (see above); and (ii) female participation in training activities as well as female representation in emergency management groups and decision-making committees. In addition, project indicators will be disaggregated by gender, when feasible.

## VI. GRIEVANCE REDRESS SERVICES

72. **Communities and individuals who believe that they are adversely affected by a WB supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## VII. KEY RISKS

73. **The overall Project risk rating is Substantial,** mainly due to the High Macroeconomic risk as well as the Institutional Capacity for Implementation and Sustainability risk and the Project Technical Design risk that are both rated Substantial.

74. **Macroeconomic risk is High given the current economic environment.** As mentioned above, there are currently many uncertainties and significant macroeconomic imbalances with the Argentine economy. This could adversely affect the country's COVID-19 response efforts, which will need significant contributions from domestic resources if the crisis escalates. This risk will be mitigated by close, continuous support by the Bank and Technical Assistance (TA) to assist in the implementation of measures that take into account cost-effectiveness, so that – if the crisis escalates – funds are directed to the areas where they would have maximum impact on controlling the pandemic in an environment of limited resources.

75. **The Project's Technical Design risk is rated Substantial.** There are many unknown features about this pandemic and how to fight effectively against it, since it is still relatively new. This makes it difficult to design an optimal preparedness and response plan against the pandemic, and the interventions in Argentina's current plan to control COVID-19 – supported by this Project – may prove to be less effective than anticipated. This risk will be mitigated by adopting a very adaptable approach, recognizing that as time goes by, more will be known about how to effectively combat COVID-19. The interventions will be carefully monitored, allowing for modifications and redesign as needed. Adaptations will be made as needed, as more is learnt from the experience of other countries, as well as within Argentina. The WB as well as partners like PAHO will play a key role in disseminating lessons from other countries' response efforts, to underpin an evidence-based approach.



76. **The Institutional Capacity for Implementation and Sustainability risk is rated Substantial.** Fighting the pandemic effectively will require a high degree of coordination and commitment from a range of actors other than NMOH (the implementing agency for this Project) – including other national ministries, various provincial and municipal actors, and key non-governmental entities. This will be challenging, especially in the context of a Federal country like Argentina. Mitigation measures for this risk will include: (i) the high-level political attention now being given to the Government’s COVID-19 response efforts, which will help galvanize the need for a One-Government response strategy; and (ii) the use of key existing inter-ministerial and support mechanisms (described in more detail in the “Sectoral and Institutional Context” above).



**VIII. RESULTS FRAMEWORK AND MONITORING**

**Results Framework**

**COUNTRY: Argentina**

**AR: COVID-19 Emergency Response Project**

**Project Development Objective(s)**

To strengthen preparedness and response efforts against the COVID-19 pandemic and national systems for public health preparedness in Argentina

**Project Development Objective Indicators**

| Indicator Name  | DLI | Baseline | End Target |
|---|-----|----------|------------|
| <b>Support detection and response efforts in the fight against COVID-19</b>                             |     |          |            |
| Percentage of suspected cases of COVID-19 reported and investigated per approved protocols (Percentage) |     | 0.00     | 90.00      |
| Percentage of diagnosed cases treated per approved protocols (Percentage)                               |     | 0.00     | 90.00      |
| Percentage of acute healthcare facilities with increased isolation capacity (Percentage)                |     | 0.00     | 80.00      |



**Intermediate Results Indicators by Components**

| Indicator Name  | DLI | Baseline | End Target |
|---|-----|----------|------------|
| <b>Emergency COVID-19 Response Efforts</b>  |     |          |            |
| Number of laboratories conducting COVID-19 sample testing (Number)  |     | 1.00     | 19.00      |
| Percentage of public hospitals with Intensive Care Units strengthened (Percentage)  |     | 0.00     | 90.00      |
| Percentage of public hospitals with Intensive Care Units that received training according approved protocols (Percentage)                   |     | 0.00     | 80.00      |
| Percentage of participating hospitals with personal protective equipment and infection control products and supplies, provided (Percentage) |     | 0.00     | 90.00      |
| AR COVID-19 Fatality Rate (Percentage)  |     | 0.00     | 2.50       |

**Monitoring & Evaluation Plan: PDO Indicators**

| Indicator Name   | Definition/Description   | Frequency | Datasource        | Methodology for Data Collection  | Responsibility for Data Collection   |
|--|--|-----------|-------------------|--|--|
| Percentage of suspected cases of COVID-19 reported and investigated per approved protocols | Denominator: Total cases suspected of COVID-19 cases reported in phase I<br><br>Numerator: Total cases suspected of COVID-19 cases reported that are investigated per approved | Monthly   | SNVS 2.0 - SIVILA | Refer to the cases identified at the health care facilities that met the criteria to be considered a potential COVID-19 according approved protocols, that are notified at the | National Directorate of Epidemiology & Undersecretariat of Health Strategies |





|   |   |                  |                       |  |  |
|---|---|------------------|-----------------------|--|--|
|   | protocol in phase I.  |                  |                       | surveillance national health system and are analyzed according to approved protocols defined by the NMOH<br><br>This indicator will be disaggregated by gender, and by population groups including prevalent risk factors. Also will be measured by province.  |  |
| Percentage of diagnosed cases treated per approved protocols                | Denominator: Total number of diagnosed cases<br>Numerator: Total number of diagnosed cases that are treated per approved protocols<br>Approved protocols mean: formal clinical guidelines, clinical recommendations, or protocols approved by NMOH. | Monthly          | SNVS 2.0 - DEIS       | Refer to the cases that have been confirmed for COVID-19 and that have been managed by the health personnel according to approved protocols defined by the NMOH.<br>This indicator will be disaggregated by gender, and by population groups, including prevalent risk factors. Also will be measured by province. | National Directorate of Epidemiology & Undersecretariat of Health Strategies |
| Percentage of acute healthcare facilities with increased isolation capacity | Denominator: Number of acute health facilities to be  | Every six months | Directorate of Health | Isolation capacity defined as the  | Directorate of Health Services & Directorate of                              |



|  |   |  |                  |   |                  |
|--|---|--|------------------|---|------------------|
|  | strengthened by the Project<br><br>Numerator: Number of acute health facilities with increased isolation capacity provided by the project |  | equipment Report | availability of single rooms and/or areas for cohorting, and appropriately equipped with personal protective equipment. | Health Equipment |
|--|---|--|------------------|---|------------------|

**Monitoring & Evaluation Plan: Intermediate Results Indicators**

| Indicator Name  | Definition/Description  | Frequency        | Datasource                             | Methodology for Data Collection   | Responsibility for Data Collection                               |
|---|---|------------------|--|---|--|
| Number of laboratories conducting COVID-19 sample testing                       | Refers to the national laboratory network that will be equipped under the Project to conduct sample testing for COVID-19  | Every six months | Directorate of Health equipment Report |   | Directorate of Health Services & Directorate of Health Equipment |
| Percentage of public hospitals with Intensive Care Units strengthened           | Denominator: Total number of public hospitals that require to be strengthened<br><br>Numerator: Total number of public hospitals that require to be strengthened, that received Intensive Care medical equipment financed under the Project | Every six months | Directorate of Health equipment Report | This indicator will measure hospitals for adults and for children that will be strengthened under the Project | Directorate of Health Services & Directorate of Health Equipment |
| Percentage of public hospitals with Intensive Care Units that received training | Denominator: Total number of public hospitals   | Every six months | Health Service Training                | This indicator will measure hospitals for   | Undersecretary of Health Strategies -                            |



|  |   |                  |                |  |  |
|--|---|------------------|----------------|--|--|
| according approved protocols   | with ICU that requires training<br>Numerator: Total number of public hospitals with ICU, that received training under the Project, according approved protocols.                              |                  | Program Report | adults and for children that will receive training under the Project   | Health Service Training Program                                  |
| Percentage of participating hospitals with personal protective equipment and infection control products and supplies, provided | Denominator: Total number of participating hospitals<br><br>Numerator: Total number of participating hospitals with personal protective equipment and infection control products and supplies | Every six months | SIISA          | Participating hospitals refer to those that will be strengthened through the Project   | Directorate of Health Services & Directorate of Health Equipment |
| AR COVID-19 Fatality Rate  | Denominator: Total cases of COIV-19 confirmed in the period<br>Numerator: Total deaths of COVID-19 confirmed in the period  | Monthly          | SNVS 2.0       | This indicator will be disaggregated by gender, and by population groups, including prevalent risk factors. Also, it will be measured by province. | Direction of Epidemiology. NMOH                                  |





**ANNEX 1: PROJECT COSTS**

COUNTRY: Argentina

P173767

**COSTS AND FINANCING OF THE COUNTRY PROJECT**

| Project Components  | Project Cost      |
|---|-------------------|
|   | IBRD US\$ million |
| <b>Component 1: Emergency COVID-19 Response Efforts</b>                     | <b>33.90</b>      |
| Goods including medical and IT equipment and medical supplies, among others | 31.00             |
| Consulting and non-consulting services                                      | 1.40              |
| Training and operating costs  | 1.50              |
| <b>Component 2: Implementation, Monitoring and Evaluation</b>               | <b>1.10</b>       |
| Consulting and non-consulting services, including audits                    | 1.00              |
| Operating cost  | 0.10              |
| <b>Total Project Cost</b>   | <b>35.00</b>      |