



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
HEALTH SYSTEM PERFORMANCE STRENGTHENING PROJECT  
APPROVED ON AUGUST 6, 2021  
TO  
REPUBLIC OF CHAD  
  
HEALTH, NUTRITION & POPULATION  
WESTERN AND CENTRAL AFRICA

Regional Vice President:	Ousmane Diagana
Country Director:	Clara Ana Coutinho De Sousa
Regional Director:	Dena Ringold
Practice Manager/Manager:	Magnus Lindelow
Task Team Leader(s):	Jean Claude Taptue Fotso, Andy Chi Tembon, Nicolas Rosemberg



**ABBREVIATIONS AND ACRONYMS**

CD	Country Director
CMU	Country Management Unit
E&S	Environmental and Social
FA	financing agreement (
CDVA	Contract Development and Verification Agency
GFF	Global Financing Facility
GoC	Government of Chad
IDA	International Development Association
INSEED	<i>Institut National de la Statistique, des Etudes Economiques et Démographiques</i> (National Institute of Statistics, Economic and Demographic Studies)
MPHNS	Ministry of Public Health and National Solidarity
MoU	Memorandum of Understanding
PBF	Performance-based Financing
PDO	Project Development Objective
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PPA	Project Preparation Advance
SDR	Standard Drawing Rights
US\$	US Dollar



**Note to Task Teams:** The following sections are system generated and can only be edited online in the Portal.

**BASIC DATA**

**Product Information**

Project ID P172504	Financing Instrument Investment Project Financing
Environmental and Social Risk Classification (ESRC) Moderate	
Approval Date 06-Aug-2021	Current Closing Date 31-Dec-2026

**Organizations**

Borrower Republic of Chad	Responsible Agency Ministry of Health and National Solidarity
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**Project Development Objective (PDO)**

Original PDO

The Project Development Objective is to improve the utilization and quality of service delivery of essential health services with a particular focus on reproductive, maternal, child and adolescent health, and nutrition services for the population of Chad in project-supported areas

**Summary Status of Financing (US\$, Millions)**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Commitment	Net Disbursed	Undisbursed
IDA-D8070	06-Aug-2021			31-Dec-2026	90.00	0	89.16

**Policy Waiver(s)**

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

No



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## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

*Note: Formatting instructions for this document.*

### A. Header

1. [All sub-sections must have a continuous paragraph numbering for the entire main text or for each annex per institutional standard.]

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## A. PROJECT STATUS

The Health System Performance Strengthening Project (Project) was approved by the World Bank Board of Directors on August 6, 2021 and the Financing Agreement (FA) was signed by the Government of Chad (GoC) and the World Bank on September 21, 2021. The total budget of the Project is US\$106.5 million (IDA grant: US\$90 million and GFF TF: US\$16.5 million). The Project is not yet effective, and the effectiveness deadline is 90 days after the signing of the FA. The conditions of effectiveness are: (i) the Project Implementation Manual (PIM) has been adopted in accordance with Section I.B of Schedule 2 of the FA; and (ii) the co-financing agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the GoC to make withdrawals under it (other than the effectiveness of the FA) have been fulfilled.

The draft PIM was prepared by the GoC and shared with the World Bank team, which has reviewed it and provided comments which was integrated by the government. The revised version received at the Bank on November 12, 2021 is under reviewed. In terms of the co-financing agreement, it was signed by the GoC and the World Bank on September 21, 2021. In addition, the legal opinion was issued by the Supreme Court on October 5, 2021 and it was reviewed and cleared by the legal team. Based on the above, it is expected that the Project will be declared effective prior to the effectiveness deadline.

### Governance structures

The Minister of Public Health and National Solidarity (MPHNS) issued on October 14, 2021 an "arrete" establishing the steering committee of the Project. The committee is co-chaired by the General Secretary of the MPHNS, and it includes representatives of relevant ministries and development partners, as stated in the FA.



### Project Preparation Advance (PPA)

The GoC requested a PPA in March 2020 to launch important activities that would help ensure a smooth implementation of the Project. The implementation of most activities was initially delayed by the COVID-19 pandemic and then by the launch of OP7.30 in Chad following the political events of March 2021. As a result, and in order to enable the completion of these activities during the Project preparation phase, the closing date of the PPA was extended twice and the current closing date is November 30, 2021.

The implementation of PPA activities was mixed. Out of 13 activities planned, 7 were completed and most of the remaining activities are ongoing. The activities that have been completed include: (i) the elaboration of safeguard documents, (ii) the elaboration of a strategic procurement plan, (iii) the development of the Performance Based Financing (PBF) manual, (iv) the costing of the project's PBF mechanism, (v) the organization of planning workshops to reinforce Civil Registration and Vital Statistic, (vi) the organization of a workshop to elaborate the GFF investment Case, and (vii) the procurement of equipment for the GFF team's office. The six activities that are partially completed include: (i) the establishment of a PBF portal for which the recruitment process of a consultant has started; (ii) the collection of baseline data, which is ongoing; (iii) the establishment of regional Contract Development and Verification Agencies (CDVA) for PBF; (iv) the preparation of a Memorandum of Understanding (MoU) between the MPHNS and the *Institut National de la Statistique, des Etudes Economiques et Démographiques* (INSEED) (National Institute of Statistics, Economic and Demographic Studies) to host CDVAs, for which a first draft has already been prepared by the GoC and reviewed by the World Bank team; (v) the training of key stakeholders on PBF<sup>1</sup>; and (vi) the procurement of Project vehicles. The Project Implementation Unit (PIU) has launched the procurement process of 8 vehicle for the Project. This contract will probably be signed after effectiveness. Out of the US\$2 million PPA, US\$0.4 million has been disbursed.

**Environmental and Social (E&S) safeguard:** All the tools required for the Project have been developed and cleared within the World Bank. The Project is not yet effective so only activities financed by the PPA have taken place, hence the E&S assessments remain the same as at appraisal stage. The team will continue to follow-up closely during Project implementation to ensure E&S compliance.

## B. RATIONALE FOR RESTRUCTURING

The GoC sent a request dated November 10, 2021 to the World Bank requesting the restructuring of the Project and amendment of the FA to include the PPA refund category to absorb the refinancing of the withdrawn amount of the Advance, which had not been included earlier. This issue was discussed with LEGAM, WFA and the CMU, and it was agreed to do a level two restructuring to amend the FA.

## II. DESCRIPTION OF PROPOSED CHANGES

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<sup>1</sup> The GoC planned 5 training sessions for around 175 staff from the central, regional and district level of the health system who will be involved in the implementation of the Project. The first session took place in September 2021 where 33 staff were trained; the next training sessions are planned for November and December 2021 and January 2022.



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**B. Header**

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The proposed restructuring would introduce a new disbursement category (category 4) called “Refund of Preparation Advance” in the FA to allow the GoC to refinance the PPA from the Project IDA resources upon effectiveness of the Project. The detailed changes are presented in Table 1 below.

**TABLE 1 - DISBURSEMENT CATEGORIES**

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in SDR)</b>	<b>Revised Amount of the Grant Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, and consulting services, Training and Operating Costs for Parts 2 (except Part 2.1(b), Part 3 of the Project	14,600,000	14,000,000	75%
(2) PBF Payments under Part 1 and Part 2.1(b) of the Project	48,000,000	48,000,000	87.9%
(3) Emergency Expenditures for Part 4 of the Project	0	0	100%
(4) Refund of Preparation Advance		600,000	100%
<b>TOTAL AMOUNT</b>	62,600,000	62,600,000	



**Note:** The Summary of Performance of E&S Risk Compliance is populated from the ESMS and is editable. It flows to the Restructuring paper once. Please remember to update the paper if there are changes to the Summary from the ESMS." *Please delete this note when finalizing the document.*

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### III. SUMMARY OF CHANGES

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



**IV. DETAILED CHANGE(S)**

**REALLOCATION BETWEEN DISBURSEMENT CATEGORIES**

**Current Allocation**

**Actuals + Committed**

**Proposed Allocation**

**Financing %  
(Type Total)**

Current

Proposed

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