



Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 06-Jul-2020 | Report No: PIDC226848



BASIC INFORMATION

A. Basic Project Data

Project ID	Parent Project ID (if any)	Environmental and Social Risk Classification	Project Name
P174452		Substantial	Kosovo Pandemic Emergency Financing RETF
Region	Country	Date PID Prepared	Estimated Date of Approval
EUROPE AND CENTRAL ASIA	Kosovo	06-Jul-2020	
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Ministry of Finance	Ministry of Health	

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PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	2.12
Total Financing	2.12
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	2.12
Pandemic Emergency Financing Facility	2.12

B. Introduction and Context

Country Context

Kosovo has made progress in transitioning to a market-based system and has maintained relatively stable economic growth since 2008. Kosovo has maintained an average growth rate of 3.6 percent over the last decade, albeit from a lower base compared to the rest of the Western Balkans, and has maintained a stable headline fiscal policy, with low deficit and public debt levels. However, its economy is largely consumption-based, with significant dependence on diaspora-driven remittances, exports of services, and foreign direct investment in residential construction. Almost 50 percent of value-added is generated by service activities, dominated by wholesale and retail trade. Against this background, the country's merchandise trade deficit



has averaged about 40 percent of GDP over the last decade, sustained predominantly through diaspora financing flows.

Poverty fell by more than 1 percentage point per year between 2012 and 2017 but remains high, with 18 percent of the population living under the moderate poverty line (under Euro 1.85 per person per day). Importantly, most of the reduction in national poverty was driven by welfare improvements in rural areas, and thus the gap between rural and urban poverty narrowed from 7.1 percent in 2012 to 3.4 percent in 2017. Consistently overrepresented among the poor are women and children, households in which the head has not completed secondary education, households with three or more children, and larger households (especially those with six or more members). In 2017, poverty was highest among persons with disabilities, followed by those who were unemployed and occasionally employed. There is also a clear relationship between education and poverty incidence: the poverty headcount rate in Kosovo is four times higher among individuals with primary and incomplete primary education than among individuals with tertiary education.

Kosovo's health outcomes remain modest and lag significantly behind those of other countries in the region. Life expectancy is 4 years lower than in neighboring countries and 10 years lower than the European average. Kosovo is faced with a double burden of disease: the persistent prevalence of some important communicable diseases and the increasing incidence of noncommunicable conditions. The incidence of tuberculosis in 2017 was 43 per 100,000 people, more than twice the rate in neighboring Albania and nearly four times higher than in Serbia. In 2014, more than three in five deaths were attributable to circulatory system diseases, the most frequent cause of death. Noncommunicable diseases (NCDs) affect a large share of the population: about 21.6 percent of adults (18 years and above) reported having a chronic disease in 2017. More than one in three individuals aged 50 and above report suffering from high blood pressure and about 8 percent from diabetes, the two most frequently reported conditions. The global evidence is that groups with NCDs and elderly people are among the most vulnerable populations and at higher risk for severe illness.

Sectoral and Institutional Context

Kosovo was hit with the global pandemic of COVID-19 in mid-March, with 1047 confirmed cases and 30 deaths as of May 27, 2020. The first case reported in Kosovo was imported from Italy on March 13, 2020. Since then, Kosovo's epidemic curve showed increasing numbers of new cases confirmed, with the peak during the early weeks of April. Today confirmed cases are spread across more than 20 municipalities in Kosovo, with the greatest concentrations in Prishtina, Ferizaj, and Prizren. More than 500 people are under mandatory quarantine, and more than 6,000 others are under public health surveillance. Around 13,500 tests have been carried out. Most cases are among people 20-29 years of age, followed by those who are 10-19, 40-49, and 50-59 years of age.

The Government of Kosovo reacted quickly by immediately establishing a National Committee for COVID-19 Coordination and Monitoring, which has been working with health institutions, the United Nations Agencies, local security authorities, and international donors to set up quarantine arrangements, border controls, and medical evacuation of returning citizens. The Ministry of Health (MoH), the lead agency for the



COVID-19 national planning and response, has put in place action plans to respond to the epidemic, including a National Preparedness and Response Plan for COVID-19, which was initiated in January 2020. The national plan initially involved conducting awareness activities among health professionals and the public while building potential scenarios for epidemic management, foreseeing the need to respond to different levels of country risk posed by the number of cases. The plan also established procedures for case detection, isolation, and case management, as well as national protocols for testing, case treatment, and case tracing. According to the National Institute of Public Health (NIPH), Kosovo's approach to testing is in line with WHO recommendations. All suspected cases (those who show clinical symptoms and all close contacts of confirmed cases) are tested. Suspected cases are asked to self-isolate for two weeks and are regularly monitored by the NIPH. A more advanced version of the plan includes a communication flow diagram between MoH and other levels of care and other agencies, clear sets of responsibilities for each stakeholder, and an assessment of stocks of personal protective equipment (PPE), disinfection, and disposable materials, and of the isolation capacities of health facilities.

The country is currently at level 4 of the public health emergency situation, with clusters of localized transmission of COVID-19. Kosovo does not currently have any Law on Emergencies. The MoH and the National Institute for Public Health (NIPH) have established a *modus-operandi* within the National Strategy for COVID-19, with five stages of emergency. Kosovo is currently at the fourth level, considering the number of cases as well as fatalities. Under emergency level 4, all primary health care (PHC) centers are expected to conduct screening for symptoms at the community level and at borders, referring suspected cases to the Infectious Disease Clinic at the University Clinical Center of Kosovo (UCCK). Mobile health centers have been set up at all of Kosovo's borders. Hospitals were asked to set up separate areas for routine cases and cancel all non-urgent procedures. One main quarantine area has been set up in Prishtina student campus, accommodating all returning citizens and suspected cases for two weeks, initially, and for one week after the country entered phase 2 of re-opening. Kosovo government started implementation of the second phase of re-opening as of May 18, 2020. All planned steps under phase 2 are conditioned by the improvement of epidemiological situation determined by the MoH. Activities will open gradually and may be postponed should compliance be lacking, or should the epidemiological situation not allow. Under phase 2 of re-opening most retail businesses have re-opened with specific compliance measures on physical distancing, use of masks, etc. All businesses must adopt a standard operating procedure in accordance with the re-opening protocol published by the MoH. Big gatherings are still forbidden, and schools remain closed.

The public health response to the pandemic is led by the country's health system, which has limited capacity to surge as demand rises. Although the role of the primary levels is preventive care, PHC centers in Kosovo are not acting as gatekeepers of care and are therefore missing an opportunity to positively affect the health outcomes of the poor population. With existing public funds and resources, it is difficult for Kosovo to incentivize any quality improvement and also respond to the surging demand for health care services arising from COVID-19. Kosovo's health expenditure, both in total and as a share of the Government's health budget, is low relative to both regional and GDP per capita comparators. Total health expenditures have risen from an estimated 169.1 million Euros in 2015 to about 180.3 million Euros in 2017 but has stayed at 4.0 percent of GDP. In addition, the Kosovo health system is predominantly tax-funded (97% of public spending on health comes from the general budget), but a significant share of contributions comes from private out-



of-pocket payments. The implementation of the recently initiated health insurance reform has been delayed, leaving Kosovo's health system under the direct-provision model. Currently, the financing, risk pooling, and provision of health care are integrated and managed by the central Government. Public health facilities are owned by the state, and all health care personnel are salaried state employees, governed by civil service law and budget rigidities. Moreover, healthcare facilities in the country are characterized by an aging medical equipment, using imaging tests, treatment equipment, and maintenance activities which are insufficient. Some patients, who are in need of further medical services are often transferred to private hospitals or neighboring countries. Kosovo spends fewer public resources in health compared to other Western Balkan countries and the EU average. Wages and salaries account for over half of the total budget, leaving limited resources for investments in equipment and quality improvement in public healthcare.

A limited capacity in the country's healthcare system is undermining Kosovo's ability to respond to COVID-19.

The number of physicians and nurses per patient, and the number of beds, among other things, are among the lowest in Europe. The country has a severe shortage of qualified medical staff; over the last five years, the number of physicians has decreased by more than one-third. There are also reports of unavailable drugs and services, long waiting times, lack of diagnostics and lab services, and absence of specialists. The existing public health emergency staff is under-resourced, and their working hours have been doubled to meet the surging demand for public health services, contact tracing, and diagnosing and treating COVID-19 cases. The Government of Kosovo had to mobilize additional workforce by recruiting temporary medical staff to meet the emergent needs to prevent, detect, and treat COVID-19.

As part of its previous and ongoing involvement in the sector, the World Bank is well positioned to effectively support the Government's rapid response to COVID-19.

Under the current World Bank-financed Kosovo Health Project (P147402) (KHP), two major components focus on strengthening primary care and developing the key building blocks for social health insurance. Recently, under the ongoing project, the Government has used Euro 1 million to purchase PPE and medical supplies to respond to the immediate COVID-19 emergency. In addition, the KHP is being restructured to accommodate the Government's request to use Euro 4 million to further respond to the needs arising from COVID-19. The Bank has actively supported the country in capacity-building and analytical work while introducing social health insurance reform and technical support to improve targeting mechanisms for health insurance subsidies. In addition, the World Bank has recently approved a fast-track facility emergency response project, pending Government's ratification and effectiveness, to respond to GoK's needs for COVID-19 prevention, detection, and treatment needs. The World Bank is thus well positioned to support the Government in strengthening its surge capacity for COVID-19. Through this work, the World Bank has established itself as a leading donor in the sector and it is the only development partner providing technical assistance to the Government's healthcare policy reforms and capacity strengthening.

Relationship to CPF

The WBG remains committed to providing a fast and flexible response to the COVID-19 epidemic, making use of all WBG operational and policy instruments and working in close partnership with governments and



other agencies. The 2014 Ebola crisis in West Africa highlighted the difficulty in rapidly mobilizing funding from the international community to contain a pandemic outbreak. To address this challenge, the Pandemic Emergency Financing Facility (PEF) – housed at the World Bank – was launched in 2016 to provide an additional source of financing to the world’s poorest countries when they face cross-border, large-scale outbreaks. The PEF financing consists of funding provided by Australia, Germany, the International Development Association, and Japan as well as insurance coverage provided in 2017 through catastrophe bonds issued by the World Bank and sold to capital market investors as well as insurance-linked swaps executed by the World Bank with insurance companies. The project is focused on preparedness, which is also critical to achieving Universal Health Coverage. It is also aligned with the World Bank’s support for national plans and global commitments to strengthen pandemic preparedness.

Besides being a program priority in Kosovo’s strategic documents and the Government’s programmatic agenda, health system strengthening is also a priority for support by the World Bank. The World Bank’s Country Partnership Framework (CPF) for 2017-2021 envisages supporting Kosovo in broadening the coverage and improving the equity of health services. Under Focus area 2 (Strengthening Public Service Delivery and Macro-Fiscal Management), the CPF sets out the aim of supporting targeted interventions to strengthen the public health delivery system. The CPF recognizes that broadened coverage and improved equity in health care are essential inputs to strengthen human capital, reduce poverty, and enhance social inclusion. The CPF also recognizes that improving social protection programming to build human capital and providing equal opportunities are key priorities in the Systematic Country Diagnostic.

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C. Project Development Objective(s)

Proposed Development Objective(s)

The project development objective is to strengthen detection capacities related to COVID-19 in the Kosovo public health system.

Key Results

Key results include:

- An increased capacity of diagnostic tests and functional equipment in public health laboratories around the country;
- Increased testing and contact tracing capacities;

The PCU/MoH will be responsible for M&E activities, overseeing progress related to project activities, outcomes, and results. The PCU/MoH will (a) collect and consolidate all data related to the component indicators; (b) evaluate results; (c) provide the relevant performance information to the Senior Management Committee; (d) provide relevant performance information to the project coordinator at the MoF; and (e) report results to the World Bank before each semiannual implementation support visit (to be carried out virtually during the COVID-19 pandemic).



D. Preliminary Description

Activities/Components

This project will support one component which supports the enhancement of disease detection capacities by providing diagnostic tests, laboratory equipment and supplies to ensure prompt case finding, testing, and contact tracing. The project activities are complementary to the activities requested by the Government under the new Emergency Fast Track Response Project (P173819) approved on May 21, 2020, as well as the recently restructured ongoing health project (P147402). While the new operation supports more sophisticated medical equipment, health workforce training, and hospital refurbishment, and the proposed restructuring allows for an immediate response through the procurement of personal protective equipment, infusion pumps, and reagents, this TF will support equipment and supplies related to disease prevention and strengthening capacities of public health laboratories.

This TF will trigger paragraph 12 of Section III of the IPF Policy to respond to the urgent needs for assistance with the health system response to the COVID-19 pandemic. Kosovo meets the definition of a country experiencing an urgent need of assistance as a result of a natural disaster, given the declarations of a global pandemic by the WHO and a national public health emergency by the Government, as well as the urgent requests for equipment and supplies for prevention and treatment of COVID-19. The application of Paragraph 12 of Section III of the IPF Policy to the “Pandemic Emergency Financing Facility” will facilitate a rapid response by the World Bank to these urgent needs.

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Environmental and Social Standards Relevance

E. Relevant Standards

ESS Standards		Relevance
ESS 1	Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10	Stakeholder Engagement and Information Disclosure	Relevant
ESS 2	Labor and Working Conditions	Relevant
ESS 3	Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4	Community Health and Safety	Relevant
ESS 5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
ESS 7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant



ESS 8	Cultural Heritage	Not Currently Relevant
ESS 9	Financial Intermediaries	Not Currently Relevant

Legal Operational Policies

Safeguard Policies	Triggered	Explanation (Optional)
Projects on International Waterways OP 7.50	No	The project will finance purchase of equipment
Projects in Disputed Areas OP 7.60	No	The project will finance purchase of equipment

Summary of Screening of Environmental and Social Risks and Impacts

The project is expected to result in positive environmental and social impacts as it seeks to improve planning, processes and on ground service delivery for COVID-19 surveillance, monitoring, containment and response. However, project activities also present environmental, social, health and safety risks for the project workforce and communities.

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