



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
IRAN COVID-19 EMERGENCY RESPONSE PROJECT
APPROVED ON MAY 26, 2020
TO
THE ISLAMIC REPUBLIC OF IRAN

HEALTH, NUTRITION & POPULATION

MIDDLE EAST AND NORTH AFRICA

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ABBREVIATIONS AND ACRONYMS

COVID-19	Coronavirus Disease 2019
CT	Computed Tomography
E&S	Environment and Social
EUR	Euro
FMFA	Financial Management Framework Agreement
GoIRI	Government of the Islamic Republic of Iran
PDO	Project Development Objective
TPVA	Third-Party Verification Agency
UN	United Nations
WHO	World Health Organization



BASIC DATA

Product Information

Project ID P173994	Financing Instrument Investment Project Financing
Environmental and Social Risk Classification (ESRC) Substantial	
Approval Date 26-May-2020	Current Closing Date 31-May-2021

Organizations

Borrower The Islamic Republic of Iran	Responsible Agency World Health Organization
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Project Development Objective (PDO)

Original PDO

To improve the availability of selected essential, life-saving medical equipment for COVID-19 response.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IBRD-91160	26-May-2020	14-Jun-2020	16-Jun-2020	31-May-2021	50.00	51.51	.14

Policy Waiver(s)

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

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

PROJECT STATUS:

- 1. Implementation:** The project is on track to achieve its objective. Both progress towards the Project Development Objective (PDO) and overall Implementation Progress were rated 'Satisfactory' by the Mid-Term Review in March 2021 and in the Implementation Status and Results report in May 2021. The environment and social (E&S) assessment was completed for all selected health facilities. Out of a total of 182 beneficiary health facilities (137 hospitals and 45 laboratories), all have been categorized as 'green flag' indicating 'ready' facilities. 100 percent of the procured equipment has been delivered to the beneficiary facilities and 98 percent have been installed. Training on the use of equipment has been completed for 95 percent of the equipment.
- 2.** The World Health Organization (WHO), which is the project implementing agency, has submitted comprehensive progress reports for the project's first three quarters, from mid-June 2020 to mid-March 2021 in a timely manner. The Third-Party Verification Agency (TPVA) has also fulfilled its verification mandates so far, with one last TPVA report pending. It is important to note that the project has delivered more equipment than its original plan. This is due to an efficient procurement process that resulted in savings that allowed the acquisition of additional equipment from the positive list. In total, 451 medical equipment and 8.7 million laboratory kits for COVID-19 response have been procured under the project. The number of beneficiary facilities also increased from 159 in the original plan to 182.
- 3. Disbursement:** All project funds (EUR 45,685,000) have been utilized as of March 8, 2021. The interim unaudited financial reports for the project's first three quarters (mid-June 2020 to mid-March 2021) have been submitted. The full utilization of funds within nine months of effectiveness demonstrates the project's commendable efficiency and responsiveness to the crisis.
- 4. Audit:** Under the Financial Management Framework Agreement (FMFA), the World Bank is relying on the audit carried out by the WHO/United Nations (UN) audit oversight committee that is appointed under UN rules and regulations, based on the "Single Audit Principle". This arrangement satisfies the World Bank audit requirements.

**RATIONALE FOR RESTRUCTURING:**

5. Iran's current COVID-19 wave, which started in end-March 2021, is the biggest since the onset of the pandemic. The country saw the highest number of daily new cases (20,000 – 25,000) in April 2021 and an increased number of deaths. This slowed down completion of pending tasks despite the efforts of the WHO, the Government of the Islamic Republic of Iran (GoIRI) and beneficiary facilities by the current closing date of May 31, 2021. This also affected the ability of the TPVA to complete the verification. So far, the TPVA has conducted verification for 196 pieces of equipment (with 8 pieces subject to the implementation of corrective actions). They are yet to complete the verification of the remaining 255 pieces of equipment and review the progress of the identified corrective actions, which was hampered by the current wave.
6. Given the above, the GoIRI, in consultation with WHO and the World Bank team, have requested an extension of the project closing date by two months, from May 31, 2021 to July 31, 2021. The proposed extension will allow completion of all pending tasks and reports.

II. DESCRIPTION OF PROPOSED CHANGES

7. **Extension of the Closing Date:** The project closing date is being extended from May 31, 2021 to July 31, 2021. The implementation schedule is correspondingly being updated with new timelines for the completion of installation and training for all the procured equipment and corrective measures as identified by the TPVA as well as the submission of the Final Project Progress report from WHO and the Final TPVA report.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Loan Closing Date(s)	✓	
Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓



Overall Risk Rating		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IBRD-91160	Effective	31-May-2021		31-Jul-2021	30-Nov-2021