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Report No: PAD3819

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED INTERNATIONAL DEVELOPMENT ASSOCIATION GRANT
IN THE AMOUNT OF SDR 2.70 MILLION
(US$ 3.65 MILLION EQUIVALENT)
IN CRISIS RESPONSE WINDOW RESOURCES

AND A

PROPOSED INTERNATIONAL DEVELOPMENT ASSOCIATION CREDIT
IN THE AMOUNT OF SDR 2.70 MILLION
(US$ 3.65 MILLION EQUIVALENT)
IN CRISIS RESPONSE WINDOW RESOURCES

TO THE
REPUBLIC OF MALDIVES

FOR A
MALDIVES COVID-19 EMERGENCY RESPONSE AND
HEALTH SYSTEMS PREPAREDNESS PROJECT

UNDER THE

COVID-19 STRATEGIC PREPAREDNESS AND RESPONSE PROGRAM (SPRP)

USING THE MULTIPHASE PROGRAMMATIC APPROACH (MPA)
WITH A FINANCING ENVELOPE OF
US$2.7 BILLION IBRD AND $1.3 BILLION FROM IDA CRISIS RESPONSE WINDOW
APPROVED BY THE BOARD ON APRIL 2, 2020

Health, Nutrition & Population Global Practice
South Asia Region

CURRENCY EQUIVALENTS

Exchange Rate Effective February 29, 2020

Currency Unit =	Maldivian Rufiyaa
MVR 15.46=	US$1
US$ 1.37328000=	SDR 1

FISCAL YEAR
January 1 - December 31

Regional Vice President:	Hartwig Schafer
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ABBREVIATIONS AND ACRONYMS

CAT-DDO	Catastrophe Deferred Drawdown Option
CERC	Contingent Emergency Response Component
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
CPRP	Contingency Preparedness and Response Plan
DLI	Disbursement-Linked Indicators
DO	Development Objective
EID	Emerging infectious diseases
EOC	Emergency Operations Centre
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
ESRS	Environmental and Social Review Summary
EVD-WA	West Africa Ebola virus disease
FA	Framework Agreement
FDI	Foreign Direct Investment
FM	Financial Management
FTF	Fast Track COVID-19 Facility
GDP	Gross Domestic Product
GOM	Government of Maldives
GRS	Grievance Redress Service
HDI	Human Development Index
HEOC	Health Emergency Operations Center
HIV	Human immunodeficiency virus
HPA	Health Protection Agency
HRH	Human Resources for Health
IBRD	International Bank for Reconstruction and Development
ICU	Intensive Care Unit
IDA	International Development Association
IHR	International Health Regulations
IMF	International Monetary Fund
IPC	Infection prevention and control
IPF	Investment Project Financing
JEE	Joint External Evaluation
M&E	Monitoring and Evaluation
MDB	Multilateral Development Bank
MCEP	Maldives Clean Environmental Project
MEERY	Maldives Enhancing Employability and Resilience of Youth Project
MIC	Middle-income countries
MOH	Ministry of Health
MPA	Multiphase Programmatic Approach

NCDs	Non-communicable diseases
NDMA	National Disaster Management Authority
OIE	World Organization for Animal Health
PAD	Project Appraisal Document
PDO	Project Development Objective
PFM	Public Financial Management
PIU	Project Implementation Unit
PMU	Project Management Unit
PPE	Personal protective equipment
PPSD	Project Procurement Strategy for Development
RAHS	Regional and Atoll Health Service
RFQ	Request for Quotation
SARS	Severe acute respiratory syndrome
SBCC	Social and behavior change communication
SDG	Sustainable Development Goals
SOP	Standard Operating Procedure
SPRP	Strategic Preparedness and Response Program
STC	Short-term Consultants
STEP	Systematic tracking of Exchanges in Procurement
STO	State Trading Organization
TB	Tuberculosis
UN	United Nations
WBG	World Bank Group
WHO	World Health Organization

TABLE OF CONTENTS

DATASHEET

BASIC INFORMATION

Country(ies)	Project Name
Maldives	Maldives COVID-19 Emergency Response and Health Systems Preparedness Project

Project ID	Financing Instrument	Environmental and Social Risk Classification
P173801	Investment Project Financing	Substantial

Financing & Implementation Modalities

[✓] Multiphase Programmatic Approach (MPA)	[✓] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[ ] Fragile State(s)
[ ] Disbursement-linked Indicators (DLIs)	[✓] Small State(s)
[ ] Financial Intermediaries (FI)	[ ] Fragile within a non-fragile Country
[ ] Project-Based Guarantee	[ ] Conflict
[ ] Deferred Drawdown	[✓] Responding to Natural or Man-made Disaster
[ ] Alternate Procurement Arrangements (APA)	

Expected Project Approval Date	Expected Project Closing Date	Expected Program Closing Date
26-Mar-2020	31-Dec-2023	31-Dec-2025

Bank/IFC Collaboration

No

MPA Program Development Objective

The Program Development Objective (PDO) 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)

The proposed project development objective is to respond to and mitigate the threat posed by COVID-19 and strengthen national systems for public health preparedness in Maldives.

Components

Component Name	Cost (US$, millions)
Component 1. Emergency Response for COVID-19 Prevention	3.00
Component 2. Emergency Health System Capacity Strengthening for COVID-19 Case Management	4.10
Component 3. Implementation Management and Monitoring and Evaluation	0.20
Component 4. Contingent Emergency Response Component	0.00

Organizations

Borrower:	Republic of Maldives
Implementing Agency:	Ministry of Health

MPA FINANCING DETAILS (US$, Millions)

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

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	7.30

Total Financing	7.30
of which IBRD/IDA	7.30
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	7.30
IDA Grant	3.65
IDA Credit	3.65

IDA Resources (in US$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Maldives				
Crisis Response Window (CRW)	3.65	3.65	0.00	7.30
Total	**3.65**	**3.65**	**0.00**	**7.30**

Expected Disbursements (in US$, Millions)

WB Fiscal Year	2020	2021	2022	2023	2024
Annual	4.80	2.00	0.20	0.20	0.10
Cumulative	4.80	6.80	7.00	7.20	7.30

INSTITUTIONAL DATA

Practice Area (Lead)

Health, Nutrition & Population

Contributing Practice Areas

Education; Governance; Environmental and Natural Resources; Urban, Resilience and Land

Climate Change and Disaster Screening

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	High
6. Fiduciary	High
7. Environment and Social	Substantial
8. Stakeholders	Low
9. Other	
10. Overall	High
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	Not Currently Relevant
Cultural Heritage	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

Conditions

I. STRATEGIC CONTEXT

1. This Project Appraisal Document (PAD) describes the emergency response to Maldives under the COVID-19 Strategic Preparedness and Response Program (SPRP) using the Multiphase Programmatic Approach (MPA), with an overall Program financing envelope of International Development Association (IDA) US$1.3 billion and of International Bank for Reconstruction and Development (IBRD) 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 25, 2020, the outbreak has resulted in an estimated 414,179 cases and 18,440 deaths in 169 countries.

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 and pre-existing chronic health problems that make viral respiratory infections particularly dangerous.[1] 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.[2] 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 COVID-19 Response financed under the Fast Track COVID-19 Facility (FCTF). Maldives is exceeding its IDA FTCF allocation by up to 37 percent, and the exceeded amount will be returned to the FTCF from the country's Fiscal Year 2021 IDA Performance-based Allocation (PBA) envelope.

B. Updated MPA Program Framework

5. Table-1 provides an updated overall MPA Program framework.

Table 1. MPA Program Framework

[1] Fauci, AS, Lane, C, and Redfield, RR. 2020. "Covid-19 — Navigating the Uncharted." New Eng J of Medicine, DOI: 10.1056/NEJMe2002387
[2] Del Rio, C. and Malani, PN. 2020. "COVID-19—New Insights on a Rapidly Changing Epidemic." JAMA, doi:10.1001/jama.2020.3072

Phase #	Project ID	Sequential or Simultaneous	Phase's Proposed DO*	IPF, DPF or PforR	Estimated IBRD Amount ($ million)	Estimated IDA Amount ($ million)	Estimated Other Amount ($ million)	Estimated Approval Date	Estimated Environmental & Social Risk Rating
1.	P173801	Simultaneous	Please see relevant PAD	IPF		US$7.30		April 2, 2020	Substantial

6. All projects under SPRP are assessed for ESF risk classification following the Bank procedures and the flexibility provided for COVID-19 operations.

C. Learning Agenda

7. The country project under the MPA Program will support adaptive learning throughout the implementation, as well as from international organizations including WHO, US Centers for Disease Control (CDC), UNICEF, ADB and others. Given the limited experience with this pandemic, the exchange of information across countries, facilitated by international partners such as the World Bank, will be instrumental. Learning needs to include methods on supply chain approaches during times of emergencies and disrupted global supply chains, including assessments for timely distribution of medicines and other medical supplies. Another area of learning is how to control the spread of the disease by implementing social distancing, engaging in the right communication strategies to the public, and how to implement appropriate policies for testing, triage and isolation of patients.

II. CONTEXT AND RELEVANCE

A. Country Context

8. **Maldives is an island state comprising nearly 1,200 coral islands grouped into 26 atolls, spread across roughly 90,000 square kilometers of the Indian Ocean.** The Maldivian population, about 515,696 as of 2018, is widely dispersed across the islands, many of them remote, and physically vulnerable to rising sea levels. Eighty percent of the total land area of the country, which is less than 300 square kilometers, is lower than 1 meter above mean sea level. The country's exposure to natural hazards and climate variability poses a threat to lives and the economy. More than 30 percent of the population live in the capital city Male, while the rest are distributed among just under 200 other inhabited islands. Basic human development indicators are high. Maldives ranks 101 out of 189 countries in the Human Development Index (HDI) for 2017, the second-highest HDI rank in South Asia after Sri Lanka.

9. **Maldives is a middle-income country with gross domestic product (GDP) per capita of US$10,331 (2018).**[3] Real GDP grew by 6.9 percent in 2018. The sustained growth performance has translated into significant gains in poverty reduction and Maldives performs well on poverty outcomes compared to its regional, income, and small island peers. The economy is dependent on a small number of sectors, with the following having the largest share to GDP in 2018: tourism (20.2 percent), transport and communication (11.1), construction (9.3 percent), and trade (9.0 percent).[4] The high share of tourism in the economy is both a strength and a limitation. The rapid rise in economic standards and living conditions in Maldives over the last three decades has been driven by fast growth in tourism. However, it also makes the Maldivian economy highly vulnerable to fluctuations in global economic turmoil through their effects on tourism and the direct and indirect transmission of these effects to other sectors. Periods of global recession, when tourist

[3] WDI.
[4] Calculated as a share of nominal GDP.

arrivals have fallen, have been particularly difficult for Maldives. The high dependence on tourism, and its economic benefits and risks, are typical of several small island economies.

10. **The extremely dispersed population has led to a high cost of service delivery.** The Government of Maldives (GOM) is emphasizing decentralization and the development of the atolls to facilitate improved service delivery for citizens. The GOM is seeking to improve the efficiency and effectiveness of public services, promoting the development of regional hubs where necessary, while also exploiting economies of scale and scope in larger urban areas to enable agglomeration benefits. Under this strategy, the GOM is developing infrastructure, housing and public services, and promoting economic development on the larger islands. These upfront investments have led to a rapid increase in public and publicly guaranteed external debt.

B. Sectoral and Institutional Context

11. **The Maldives health system has far outperformed nearly all its South Asian neighbors in terms of health outcomes.** Health-related MDGs and mortality-based SDGs have been achieved ahead of time. Infant, under-5 and maternal mortality all declined by over 90 percent between 1990 and 2015. Immunization coverage and institutional births are close to 100 percent. The total fertility rate is 2.1. Tuberculosis (TB) incidence and human immunodeficiency virus (HIV) prevalence are low. Stunting among children under five is 15 percent. As in other upper middle-income countries, the key health challenge relates to non-communicable diseases (NCDs), especially prevention, primary care, and quality of care.

12. **These achievements have come at high cost.** There has been rapid cost escalation in recent years, and government health expenditures stand at over 7 percent of GDP and almost 20 percent of the budget, much higher than comparators in the region, among middle income countries (MICs), or other small-island states. The main causes are over-investment in hospitals, high drug prices and a lack of strategic purchasing by the insurance program ("Aasandha"). As a result, health expenditures are a major contributor to overall fiscal imbalances. As it looks towards a future with an aging population and rising burden of NCDs, the sustainability of its health system and its ability to afford human capital investments will be increasingly in doubt unless key system reforms are undertaken. These include hospital management reform (with a focus on the Indira Gandhi Memorial Hospital the apex hospital in the Maldives), optimizing service delivery with a focus on primary care, procurement and purchasing reform for pharmaceuticals, and modernization of Aasandha's operations.

13. **Human Resources for Health (HRH).** Lack of adequately trained local human resources is still a concern, and the sector heavily relies on expatriate health professionals to deliver health services both in the public and private sectors. Counting the large expatriate workforce, the population for every practicing doctor was 447 in 2014 (about the same as in Korea), and the population per practicing nurse was 147 in 2014 (about the same as in Portugal) and close to OECD averages. In 2014, for every 10,000 population there were 9 specialists available.

14. **Disease Outbreak Preparedness.** A Joint External Evaluation (JEE) of the core capacities in the International Health Regulations (IHR) assessed the strengths and weaknesses in Maldives in 2016 and provided a set of recommendations on areas requiring attention in preparedness for an outbreak. These areas included: reviewing existing legislation, especially the completion and enforcement of the Public Health Protection Act for IHR implementation; formulation of a national laboratory framework which embraces policy, guidelines, standard operating procedures (SOPs); and merging of various laws and regulations into one piece dealing with all aspect of food safety, etc. A Health Emergency Operations Plan was prepared in 2018 alongside the existing National Influenza Pandemic Preparedness Plan in 2009.

One of the critical initiatives that has emanated from the JEE recommendations and HEOP provisions include the establishment of a National Emergency Operations Centre, which is now fully operational in responding to COVID-19.

15. **COVID-19 Context.** As of March 22, 2020, the Maldives already reported 13 confirmed cases of the novel coronavirus COVID-19, mostly among tourists. Three people remain hospitalized with another 420 people were quarantined in seven facilities and 16 in isolation at Farukolhu. With a high population density in Male and tourists from all over the world, it is crucial to effectively prevent, control and respond to public health emergencies in a timely manner. The GOM has been proactive in its COVID-19 response and has increasingly been implementing travel restrictions. Measures have taken by the GOM relating to the entry of passengers and crew with a travel history to Mainland China, Iran, two provinces of South Korea, Italy, Bangladesh, Spain, two regions of France, three regions of Germany, Malaysia, United Kingdom, USA and Sri Lanka to minimize the risk of spread of COVID-19 in the Maldives. Furthermore, all passengers travelling to Maldives by air (except for tourists checking-in to resorts) are quarantined for 14 days at a designated facility, travel between resorts and inhabited islands have been banned, and hotel check-ins halted country-wide for a period of 14 days. The situation related to COVID-19 is fluid and these measures are subject to ongoing reviews and changes. A national public health emergency was declared on March 12, 2020. Most recently, some measures of social distancing have been put in place, including temporary park, school and cinema closures.

16. **Economic impact of COVID-19.** Maldives is very vulnerable to a more widespread outbreak with severe economic consequences due to its economic dependence on the tourism sector. Travel restrictions – imposed by outbound countries and Maldives as well—to contain the global outbreak are already having a broad impact on the Maldives economy. In 2019, Maldives received 1.7 million tourists. Announced restrictions on tourists flows, as of March 15, account roughly for 40 percent of total arrivals. Consequently, real growth for the Maldives will be substantially negatively affected. Furthermore, the decline in tourist arrivals is expected to sharply reduce revenue collection since most tax and non-tax revenue originate directly or indirectly from tourism (Airport Service Charge, Airport Development Fee, green tax, rent from resorts, tourism GST, business profit tax, import duties). Additional social distancing measures, while aimed at controlling the outbreak, are expected to further slowdown aggregate demand. The severity of the impact will depend on the speed at which the outbreak is contained across the globe and in Maldives, and the time it takes for tourism flows to return to normalcy.

17. **Status of Public Health Capacity and Preparedness.** The Maldives have been preparing well ahead of the arrival of COVID-19 on their island state. The country has elaborated standard operating procedures (SOPs) which are regularly revised and has a workable case definition.[5] The Ministry of Health (MoH) has a dedicated website to the COVID-19 response[6] with good public information, including access to all key documents related to the COVID-19 response.[7] Partners have supported the elaboration of a recently developed and costed Contingency Preparedness and Response Plan (CPRP) based on the eight pillars[8] of the WHO's global COVID-19 Strategic Preparedness and Response Plan. The Maldives CPRP takes stock of the status of preparedness along each of these pillars and identifies gaps. The CPRP is valid for three months and has prioritized the following gaps: (i) boosting disease surveillance capacity, including decentralized capacity on two to three locations outside Male', and diagnostic capacity for COVID-19; (ii) making operational temporary structures to function as quarantine facilities, including at decentralized locations; (iii) equipping

[5] COVID-19 quick reference SOPs, Health Protection Agency, 11 March 2020, version 7.
[6] https://covid19.health.gov.mv/en/
[7] http://www.health.gov.mv/
[8] Pillar 1: Country-level coordination, planning and monitoring; Pillar 2: Risk communication and community engagement; Pillar 3: Surveillance, Rapid Response Teams and case investigation; Pillar 4: Points of entry; Pillar 5: National laboratories; Pillar 6: Infection prevention and control; Pillar 7: Case management; Pillar 8: Operational support and logistics.

health staff with personal protective equipment (PPE) and training them on its use; and (iv) boosting intensive care capabilities, including at decentralized locations.

18. **Making PPEs and other supplies available, enhancing testing capacity, boosting intensive care capabilities and human resources capacity are currently the most urgent needs for battling COVID-19 in the Maldives.** This assessment is based on not only the CPRP but also feedback from atoll hospitals and health centers. Hospital management teams have trained their staff, are implementing the Government's SOPs and executing advanced public health quarantine measures and have designated buildings for future quarantine and treatment of patients. However, there was also indication that further efforts for quarantine, community communication efforts, training, enhanced testing capacities (including localized testing) and health care worker protection could buttress existing efforts. Whereas the GOM's response and the United Nations (UN) support have been exemplary so far, areas where immediate large public health impacts can be achieved are more stringent social distancing measures.

C. Relevance to Higher Level Objectives

19. **The project is aligned with World Bank Group strategic priorities, particularly the WBG's mission to end extreme poverty and boost shared prosperity.** The Program, focused on preparedness, 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 through three key actions under preparedness: improving national preparedness plans, including organizational structure of the government; promoting adherence to the International Health Regulations (IHR); and utilizing international framework for monitoring and evaluation of 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 World Bank 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 (IDSR), and the World Organization for Animal Health (OIE) international standards, the Global Health Security Agenda, the Paris Climate Agreement, the attainment of Universal Health Coverage and of the Sustainable Development Goals (SDG), and the promotion of a One Health approach.

20. **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.** 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 Strategic Preparedness and Response Plan (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 emerging infectious diseases.

21. **This project was not included in the Country Partnership Framework (CPF)[9], but the emergency has further increased the priority of health protection and treatment in Maldives.** The project is aligned with the country's 10 National Health Policy Goals, specifically the goal to "enhance the response of the health system in emergencies" including those related to natural disasters and severe disease outbreaks. It is critical for the GOM to continue to invest in improved emergency preparedness, including resources to rapidly respond to public health emergencies before they

[9] CPF; Report No. 103724-MV and updated by the Performance Learning Review; Report No. 123696-MV

escalate beyond control. With a fragile ecological profile, high population density in Male, and tourists from all over the world, it is crucial to effectively prevent, control and respond to public health emergencies in a timely manner.

III. PROJECT DESCRIPTION

22. **The Government is working closely with technical and financial partners, including WHO, the United Nations (UN) agencies, the Asian Development Bank and bilaterals.** This operation would support a combination of emergency response and health system capacity building efforts consistent with the CPRP recently developed by the MOH with support from WHO. The government is organizing requests to development partners based on the CPRP, which will help ensure coordinated support to the government and avoid duplication of efforts. Specifically, WHO is supporting the MOH with technical and policy framework support to Pillar 1 of the CPRP, including development of the CPRP and standard operating procedures. WHO has also supported Pillars 6 and 8 through the procurement of some supplies, including for laboratory testing, contact tracing, COVID-19 test kits as well as personal protective equipment (PPE) kits. UNICEF has also been an active partner on Pillar 2 with support on risk communication and community engagement activities. The Asian Development Bank will also be providing financial support to the implementation of the CPRP. The Government of India has provided medications, and the Islamic Development Bank has also offered assistance. The World Bank support would be complementary to the support being provided by other partners. The GoM has been effectively coordinating with the various partners to ensure that their needs (based on the CPRP) are met in an efficient manner.

23. **Complementarity of WB financing.** The Bank is supporting a Disaster Risk Management development policy financing with a Catastrophe Deferred Drawdown Option (Cat DDO) instrument to provide immediate liquidity in the aftermath of a disaster due to an adverse natural event including public health emergencies. Among the prior actions, the Government has established a Health Emergency Operations Center (HEOC) and has endorsed its Health Emergency Operations Plan (HEOP)[10], a multi-hazard plan that establishes a single, comprehensive framework for the management of public health emergencies and disaster related health incidents in the Maldives. A full disbursement of a US$10 million Cat DDO, triggered by the declaration of the national public health emergency, will complement the FTF and existing Government's allocations to address the immediate needs for the COVID-19 response. While the FTF will support financing of immediate needs for the health sector to respond to COVID-19, the Cat DDO will provide budget support to mitigate the economic effects felt by loss of tourism revenues. The Ministry of Environment is implementing the Maldives Clean Environment Project (MCEP), part of which aims to support some of the more basic aspects of biomedical waste management in the atolls such as introduction of autoclave equipment. Aside from the complementary nature of this proposed project with the MCEP, advancing the implementation schedule of the already planned biomedical waste management activities will be important. Additional measures may also be required as a risk mitigation measure for safe and sustainable treatment of waste associated with service delivery during the COVID-19 outbreak.

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

[10] *http://www.health.gov.mv/Uploads/Downloads//Informations/Informations(124).pdf*

A. Project Development Objective

25. **PDO Statement:** The proposed project development objective is to respond to and mitigate the threat posed by COVID-19 and strengthen national systems for public health preparedness in the Maldives.

26. **PDO Level Indicators:** The PDO will be monitored through the following PDO level outcome indicators:

- GOM has activated its public health Emergency Operations Centre (EOC) or a coordination mechanism for COVID-19
- Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents
- GOM adopted personal and community non-pharmaceutical interventions (school closures, telework and remote meetings, reduce/cancel mass gatherings).

B. Project Components

27. The PDO will be achieved through the implementation of activities that support further prevention of COVID-19 transmission combined with activities that strengthen the health system's capacity for disease management. Both approaches are essential to the immediate response and will serve the dual purpose of simultaneously strengthening the health system beyond the current crisis for the medium term. The project will have 4 components:

- **Emergency Response for COVID-19 Prevention:** procurement of essential protective equipment and other essential items to protect healthcare workers and patients; risk communication, community engagement and behavior change, including social distancing measures and associated mitigation strategies.
- **Emergency Health System Capacity Strengthening for COVID-19 Case Management:** Strengthening the centralized and decentralized health system capabilities for disease surveillance, case management and infection prevention and control (IPC).
- **Implementation Management and Monitoring and Evaluation:** Strengthening of public structures for the coordination and management of the project, including central and regional arrangements for coordination of activities, financial management, procurement and social and environmental management.
- **Contingent Emergency Response Component:** This zero-dollar component is being added to ensure additional flexibility in response to the current and any potential other emergency that might occur during the lifetime of this project.

28. The proposed financing amount for project is US$7.3 million equivalent from the World Bank's COVID-19 Fast-Track Facility through the IDA's Crisis Response Window. The project duration is expected to be three years.

29. **Component 1: Emergency Response for COVID-19 Prevention (Indicative US$3.0 million from COVID-19 FTF).** The aim of this component is to prevent the disease taking hold in the country for as long as is reasonably possible and slow the spread in the country. This will be achieved through providing immediate support to:

- **Procurement of essential protective equipment and other essential items in support of Pilar 8 of the CPRP.** While the government has already secured some PPE and supplies, more is needed. This component will enable Maldives to procure essential protective equipment, diagnostics and other essential items. The enhanced supply of these critical items is a key part of preventing the spread of COV-19.

- **Risk communication, community engagement and behavior change.** Given the stage of epidemic that Maldives is in, the most powerful approach to slow the spread is through social distancing. Enhancing implementation of social distancing measures such as schools, restaurant, religious institution, and café closures will have substantial positive impact, some of which are already in place (e.g., closure of schools, government offices, banks, cinemas, dine-in services in Greater Male, spas except for those in resorts). In addition, reducing large social gatherings such as weddings will be beneficial to slowing the spread of disease. This sub-component will support Pillar 2 of the CPRP (Risk Communication and Community Engagement) with a comprehensive SBCC strategy, including the promotion of behaviors to complement social distancing (e.g. personal hygiene promotion, including promoting handwashing and hygiene, and distribution and use of masks, along with increased awareness and promotion of community participation in slowing the spread of the pandemic) and with a special emphasis on Male where the population density is so high that transmission is much more quickly to spread. Community mobilization will take place through credible and effective institutions and methods to ensure that information reaches not only the national level but also the local population. School closures will have implications for the education sector at large, and this component will support measures to mitigate these effects as well as other effects of long-term social distancing.

30. **Component 2: Emergency Health System Capacity Strengthening for COVID-19 Case Management (Indicative US$4.1 million from COVID-19 FTF).** The aim of this component is to provide the best care possible for people who become ill, support hospitals to maintain essential services despite a surge in demand and ensure ongoing support for people ill in the community to minimize the overall impact of the disease on society, public services and on the economy.

- **Laboratory and diagnostic capacity.** This Component supports Pillar 5 for the fortification of disease detection capacities through strengthened laboratory and diagnostic systems to ensure prompt case finding and local containment. Enhanced detection capacities will be supported through updated training to health workers and other frontline stakeholders and strengthened laboratory capacities. Laboratory capacity to diagnose COVID-19 at both national and atoll levels will be strengthened, including increased volume of testing kits and expansion of special panel kits; expansion of testing capacity to five regions; training for laboratory technicians; enhanced transportation of samples established; and certification of safety cabinets.

- **Containment and treatment efforts.** Assistance will be provided to the health care system for local containment through the establishment of local isolation units in hospitals and the establishment of quarantine and isolation facilities in other existing spaces (e.g. hotels, former hospitals, etc.). This component will also support intensified contact tracing of known cases. Given the country's rising burden of non-communicable diseases, there may be high numbers of people who are particularly vulnerable to the effects of COVID19 infection, requiring intensive care if they become infected with COVID-19. Thus, treatment capacity needs to be further strengthened to prepare for a potential surge in cases. This component will finance the expansion of intensive care unit (ICU) capacity, including the establishment of additional ICU beds and the necessary equipment and supplies to make them functional. Detailed guidelines and SOPs have already been developed by the government. However,

training on implementation of these guidelines and SOPs will be provided to frontline health workers, hotel and resort staff, airport personnel and other frontline stakeholders. These containment efforts are a core element of Pillar 7 of the CPRP (Case Management).

31. **Component 3: Implementation Management and Monitoring and Evaluation (Indicative US$0.2 million from COVID-19 FTF**). Support for the strengthening of public structures for the coordination and management of the project would be provided, including within the PMU and possible regional arrangements as appropriate for coordination of activities, financial management and procurement. This component would also support monitoring and evaluation of prevention and preparedness, building capacity for clinical and public health research, and joint-learning across and within countries. Collection, use and processing (including transfers to third parties) of any personal data collected under this Project will be done in accordance with best global practice ensuring legitimate, appropriate and proportionate treatment of such data.

32. **Component 4: Contingent Emergency Response Component (CERC) (US$0 million).** In the event of an Eligible Crisis or Emergency, the project will contribute to providing immediate and effective response to said crisis or emergency. The allocation to this component is to minimize time spent on a reallocation of funds from programmed activities. The unused amount can be reallocated to other components if the CERC component is not triggered a year prior to project closing.

C. Project Beneficiaries

33. **The expected project beneficiaries will be the population at large** given the nature of the disease. The primary project beneficiaries will be infected people, at-risk populations (particularly the elderly and people with underlying comorbidities), medical and emergency personnel, medical and testing facilities, and public health agencies engaged in the response in the Maldives.

IV. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

34. **The implementing unit will be the Administration Division within the MOH**. The Administration Division will have overall responsibility for project implementation and oversight of the project activities. The Administration Division will be responsible for all procurements, trainings and capacity building activities supported by the project. In addition, for certain activities at the community level, the government may partner with Maldivian Red Crescent who have wider local presence to support implementation. A Project Management Unit (PMU) will be established within the Division to ensure effective and efficient implementation of these urgent activities. Composition of the PMU will include a Project Director, Project Coordinator/EOC Liaison, Procurement Specialist, Financial Management Specialist, Environmental Safeguards (biomedical waste management) Specialist, Social Safeguards Specialist and an M&E Specialist.

35. **Given that MoH and its Administration Division have no previous experience in World Bank-financed projects, an interim arrangement to support project implementation will be put in place.** Staff will be seconded from three existing World Bank-financed project PMUs to quickly ensure sufficient capacity and experience implementing World Bank-financed projects: (1) Public Financial Management Systems Strengthening project (P145317) in the Ministry of Finance for coordination, procurement and financial management support; (2) Enhancing Employability and Resilience of Youth project (MEERY) (P163818) for social safeguards support; and (3) Maldives Clean Environment Project

(P160739) and the Maldives Urban Development and Resilience Project (MUDRP) (P163957) for biomedical waste management and overall environmental safeguards support. Additional staff will need be recruited to support financial management, procurement, and social and environmental safeguards. The capacity of the PMU will be strengthened particularly to manage fiduciary and safeguards aspects of the project.

36. **A Project Steering Committee (PSC) will be established comprised of members of the MOH, HPA and NDMA.** These three entities are also members of the Emergency Operations Centre (EOC), which was specifically established for COVID-19 response on March 3, 2020. The EOC ensures multi-sectoral coordination and emergency response oversight over the management of the COVID-19 response in Maldives. The PSC, with strong links to the EOC but potentially more permanent than the EOC (which would be functional only for the emergency period), will provide oversight and guidance for the implementation of project activities.

37. **Procurement of medical supplies, including PPEs, will be preferably procured using the World Bank-UN procurement framework** to mitigate risks of global supply chain shortages for COVID-19 supplies and resulting price gouging in the market. Procurement through the State Trading Organization (STO), a state-owned enterprise that may undertake procurement on behalf of the government, may be considered for some cases that are not hindered by the current stock shortages.

B. Results Monitoring and Evaluation Arrangements

38. **M&E.** Monitoring and evaluation (M&E) activities will be the responsibility of the Regional Atoll and Health Services Division. Monitoring of project activities will be done by the M&E specialist within the PMU. The MoH's routine health management information system (HMIS) will be the primary monitoring and reporting mechanism for project results. The HMIS will be supplemented by project monitoring by the M&E specialist who will facilitate the regular collection, analysis and reporting of the progress of implementation of project activities as well as results achieved.

39. **Reporting.** The MOH will produce a quarterly report based on agreed targets and the progress made on implementation of critical project activities. This report will contain tables of performance against indicators for the proposed project and will be shared with the MOF before being transmitted to the Bank.

40. **Supervision and implementation support**. An experienced World Bank team of health, operational, fiduciary and safeguards specialists will provide implementation support to the MOH through regular implementation support missions. Missions will include the participation of relevant partners. In addition, World Bank team members based in Male' will provide operational support on a regular basis, and implementation will also be supported virtually, especially in early phases of the project when travel restrictions may be in place.

C. Sustainability

41. **The sustainability of the project would largely depend on the capacity of the implementing agency and the specific activities.** Some project activities are not intended to be sustained if the response is adequate and timely (e.g. continued COVID-19 testing.) However, laboratory capacities will be improved at the national as well as at the regional levels such that the system for testing and diagnostics is strengthened and sustained beyond the epidemic period. In addition, the focus of some of the project activities on training and capacity building of health workers and improved biomedical waste management will further enhance the sustainability of the project.

V. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

42. **This project was selected for COVID-19 financing because Maldives is highly vulnerable to natural hazards, including public health emergencies and extreme climatic events with severe economic consequences.** This is due to its fragile ecological profile, low elevation, and economic dependence on the tourism sector. The consequences of climate related events pose a real threat to national development. Climate variability and change have been linked to the emergence and re-emergence of infectious diseases. The effects of climate change, if poorly managed, could cause annual economic losses estimated at more than 12 percent of Maldives' GDP by 2100.

43. **Initial analysis suggests that the COVID-19 is expected to have significant impacts on Maldives' economy.** Country specific characteristics place the Maldives among the countries that will be hit the hardest in the wake of the ongoing COVID-19 outbreak. In addition, the high density of population in Male' –among the most densely populated cities in the world—elevates the risks of contagion through human-to-human contact. The magnitude of the socio-economic impact in the Maldives remains highly uncertain: this will depend on the duration of the outbreak and travel bans, as well as the recovery time for tourism flows to return to normalcy. In addition, the sharp decline in global wealth from stocks markets may reduce tourism flows moving forward.

44. **Macroeconomic scenario analysis suggests major negative impacts.** The overall impact of the economy will depend on the duration of the outbreak in the Maldives and main source countries of tourists, travel bans, and the time it takes for tourism flows to return to normalcy. On March 17, the Cabinet announced plans to cut the salaries of all political appointees by 20 percent, starting from March 20 and reduce government spending by MVR 1 billion (about USD 65 million) as a precautionary measure to compensate for the potential impact of the ongoing COVID-19 pandemic. Other measures are being evaluated.[11]

45. **Major transmission channels by which COVID-19 is expected to impact the Maldives are:**

- **Tourism flows.** Tourism accounts for about two-thirds of GDP (directly and indirectly) and 80 percent of all exports. The tourism sector is also an important source of jobs. One quarter of employed females and one third of employed males work directly or indirectly in tourism. Until recently, Maldives' tourism sector was characterized by a resort-based high-end enclave model. Rapid expansion of guest houses in local islands have provided new economic opportunities for local inhabited islands. A large negative shock to tourism is expected to result in lower growth and wider fiscal and current account deficits. In addition, it is expected to have a more pronounced effect on the guest house segment. Anecdotal evidence indicate that many guest houses and resorts are being severely impacted by the outbreak and the decline in tourist arrivals. The two countries most affected by COVID-19, China and Italy, make up a quarter of all tourists to the Maldives. Furthermore, tourist arrival restrictions, as of March 15, account for 40 percent of total arrivals. A large number of cancellations have been reported for the since January 26 until March 12: over 161,000 bed nights have been cancelled.[12] Tourist arrivals are expected to decline further given increasing restrictions on international travel (imposed by outbound countries or by the Maldives). In addition, the Foreign Direct Investments (FDI) flows (mainly directed to the tourism sector) could significantly weaken as investor economies will recuperate from their

[12] https://presidency.gov.mv/Press/Article/23225

own crisis.

- **Merchandise trade balance.** Apart from tourism-related services exports, lower demand for fish-related exports from key European markets would negatively impact the trade deficit. Exports of raw fish to Europe have virtually ceased. On the other hand, there could be a slowdown in the imports of material and capital goods, for which the Maldives depends mostly on China and Singapore. Lower prices of crude oil would also reduce the value of fuel imports, which make up 17 percent of all imports.
- **Fiscal.** A significant decline in tourist arrivals would reduce travel receipts from various taxes (airport departure fees and taxes, green tax, tourist GST, import duties) and resort rent revenues. Tourist GST declined 19.3 percent over January-February, year-on-year, and are likely to further decline as the Maldives imposes more entry restrictions.

46. **There is need to invest in underlying health systems during the emergency response to minimize risks of gains being reversed.** This includes a surge in medical personnel, ramping up diagnostic capacity and infrastructure for patient management, including isolation facilities**.** Based on the Ebola Virus Disease outbreaks in West Africa and currently in the Democratic Republic of Congo it is important that interventions under this project should support both COVID-19 health services as well as non-COVID-19 health services.

47. **The project is expected to bring economic benefits in the short- and longer-term.** Project activities will help address the immediate and long-term impacts of COVID-19 on the domestic and international economy by:

- **Safeguarding against the loss of human capital.** Mortality, morbidity and negative impacts on productivity will be mitigated through: i) improving access to life-saving health services through training and equipment; ii) mitigating the spread of COVID-19 through the provision of proper equipment, training, and supplies to health-sector workers; and iii) preventing infection – especially vulnerable populations such as the elderly or those with underlying comorbidities – through SBCC.
- **Limiting the extent and duration of economic disruption.** While short-term containment and prevention measures are already disrupting economic activity, longer-term impacts (e.g. on tourism) could be moderated if the curve of infection transmission pattern can be flattened and the epidemic shortened. Measures to control the spread of COVID-19 in Maldives will also have spillover positive impacts through mitigating risks of further outbreaks internationally.
- **Broader health-system strengthening.** Many measures supported by the project will bring economic benefits through broader health system strengthening. Positive long-run returns are expected from activities related to: i) training of health sector workers; ii) provision of essential basic medical equipment and hospital infectious waste management equipment; and iii) improved capacity in health facilities and on diagnostics. International evidence shows that such investments deliver positive economic returns even in the absence of a major pandemic.

B. Fiduciary

(i) Financial Management

48. **The Administration Division within the MoH will be the main implementing agency & the spending agency for the project.** It has been agreed that a PMU will be established and housed at MoH. The PMU will be staffed with the standard roles, including financial management specialist, and other relevant staff who will be recruited in due course. Payments, including payments for retroactive financing will be initiated & process will be centralized at the PMU with

authorization coming from MoF, and the PMU will manage all Project expenditures and will be the primary accounting center for the project.

49. **However, the MoH has no previous experience in Bank financed projects.** Therefore, as an interim arrangement, it has been agreed that financial management (FM) staff from PFM Systems Strengthening Project (P145317) under the Ministry of Finance, will be seconded to the PMU. The performance of the staff attached to the aforementioned project has had a satisfactory FM performance record & are well versed with Bank FM procedures & processes. This arrangement will be continued until capacity at the PMU can be supplemented with alternate qualified staff, who have been trained in the Bank's FM requirements.

50. **The financial reporting for the project funds will be carried out through the submission of interim unaudited financial reports (IUFRs).** PMU will prepare quarterly IUFRs in the prescribed format which would be submitted to the Bank within 45 days from the end of the quarter and will also form the basis for disbursement by the Bank. A Designated Account (DA) in US Dollars will be set up with the Maldivian Monetary Authority (MMA), which is the Central Bank of Maldives, to receive funds from the Bank. The project would use the report-based disbursement method. The Bank will advance an amount to the DA to meet the estimated expenditures of three quarters, as forecasted in the IUFRs. From this DA, payments will be made to suppliers, vendors, consultants and for incremental operating costs. Mandatory Direct Payment method would be applicable for this project and Direct Payment or Special Commitment disbursement methods will be used by the project, where payments needs to be carried out for international open or limited and direct selection contracts, which would be identified in the procurement plan. The funds flow arrangements will include flexibility of using UN commitments and direct disbursement to UN agencies, with payment modalities as stated in the contract, which is expected to be around 90% of the total IDA Grant and Credit financing. Also, a lower threshold of US$ 50,000 for direct payments is allowed. PMU will closely liaise with MOF to ensure the processing of project payments are executed on a fast track basis not later than five working days.

51. **Financial statements of the project will be prepared by the PMU and will be audited annually by the Auditor General's Office of Maldives.** The audited financial statements included in the auditor's report along with the response from the project on the audit observations if any will be submitted to the Bank within six months (i.e. 30th June each year) of the end of the fiscal year. In respect of components that will be implemented with UN Agencies' support, the UN agencies will account for the funds using their institutional accounting rules and regulations. These agencies will provide quarterly Fund Utilization Reports that show funds received and related expenditure, alongside progress reports, to the Bank and the MoH. There are no overdue audit reports or ineligible expenditures for any projects in the portfolio.

52. **Retroactive financing** up to US$2.92 million of the total financing amount will be allowed for eligible expenditures incurred by the Government from January 1, 2020.

53. **The overall project FM risk is assessed as Substantial**. Table 2 below includes the constituent elements of the risk and their respective mitigation measures. The implementation of the mitigation measures will be reviewed, and the FM risk will be reassessed as part of the continuous implementation support on the project.

Table 2. Financial Management Risks and Mitigation Measures

Risk	Mitigation Measures
Limited or no project implementation experience in MoH in a Bank financed operation.	A PMU will be established with suitable personnel. An interim arrangement of deploying staff from PFM project is agreed.
Possible political interference in awarding contracts, particularly high value contracts.	use of UN agencies for large value contracts.
Incomplete record and misuse of goods (Assets & Inventory) at the health facilities. Unaccounted advances of significant value, incomplete documentation, and use of funds for ineligible expenditure.	Strong monitoring systems to be introduced to i) maintain detailed records of assets and inventory at the health facilities; and, ii) keeping detailed records in the management of any advances iii) Reporting use of advances in a timely manner (iv) Oversight mechanisms including external audit.

(ii) Procurement

54. **Procurement.** Procurement under the project will be carried out in accordance with the World Bank's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 1, 2016 (revised in November 2017 and August 2018). The Project will be subject to the World Bank's Anticorruption Guidelines, dated October 15, 2006, revised in January 2011, and as of July 1, 2016. The Project will use the Systematic tracking of Exchanges in Procurement (STEP) to plan, record and track procurement transactions.

55. **The major planned procurement includes** medical equipment, supplies and commodities, diagnostic reagents, including kits; procurement and distribution of masks; development of risk communication and behavior change messages and materials; additional ICU beds and isolation facilities; strengthening of the centralized and decentralized health system capabilities for disease surveillance; expansion of diagnostic facilities; case management and IPC. Given the emergency nature of the requirements, the Borrower has agreed to develop a streamlined Project Procurement Strategy for Development during the implementation phase of the project and finalize it early during the implementation phase. An initial procurement plan for the first three months has been agreed with the Borrower and will be updated during implementation.

56. **The proposed procurement approach prioritizes fast track emergency procurement for the emergency required goods, works and services.** Key measures to fast track procurement include the following:

- Using framework agreements with international agencies like UNICEF, WHO and other UN agencies for procurement of medicines, medical supplies and equipment for emergency requirements and technical assistance, communications and capacity building.
- Upon the Borrower's request, the Bank has agreed to augment its hands-on support 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 Borrowers 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. If needed, the Bank may also provide hands-on support to the implementing agency(ies) in contracting to outsource logistics.

- The Bank's hand-on support in accessing available supplies may include aggregating demand across participating countries, whenever possible, extensive market engagement to identify suppliers from the private sector, and accessing governments' and UN Agencies' stock, as applicable. The Bank is coordinating closely with the WHO and other UN agencies. UN agencies (specifically WHO and UNICEF) have established systems for procuring medical supplies and charge a fee which varies across agencies and type of service and can be negotiated (around 5% on average.)
- Procurement outside the above-mentioned list will follow the normal project procurement arrangements with the Borrower responsible for all procurement steps. Direct Contracting and/or Limited Competition with identified manufacturers and suppliers for other items
- Increasing the threshold as applied to the Maldives for Goods Shopping to US$100,000 from the existing US$25,000 and for National Procurement to U$400,000 from the existing US$100,000.
- Conducting all emergency procurement under this project for relief phases as post review.
- Other measures like shorter bidding time, no bid security, advance payments, direct payments, etc. will be applied on a case by case basis by the Bank's Accredited Procurement Specialist.

57. **All procurement under the project will be undertaken by the implementing Unit, the Administrative Division, within the Ministry of Health.** However, the Ministry of Health has no active or recent experience of having implemented a Bank financed project. This presents implementation challenges. As an interim measure, the procurement staff from the PFM Systems Strengthening Project under the Ministry of Finance, have agreed to be seconded to the PMU. They are implementing project procurement under the Regulations and have experience in the use of STEP. This arrangement will be continued until capacity at the PMU can be supplemented with alternate qualified staff, who have been trained in the use of the Bank's Procurement Regulations and STEP. In addition, there will be close supervision support provided to project staff by the bank procurement specialists on a regular basis to facilitate smooth procurement

58. **Retroactive Financing.** The State Trading Organization (STO) is a State-Owned Enterprise owned by the Government of the Maldives (82 percent) and the public (18 percent). It is quoted at the stock exchange and operates as an independent and diversified trading company with a wide range of products that include Fuel and lubricants, foods, appliances, building materials etc., as well as the procurement of medicine and medical supplies and the operation of pharmacies. In addition to UN agencies like the WHO and UNICEF, STO has been procuring emergency supplies on behalf of the Ministry of Health to deal with the COVID-19 outbreak. The Bank will review such procurements for eligibility for Retroactive Financing under the provisions of the Regulations and the Financing Agreement.

59. **Fraud and Corruption (F&C) and Audit Rights**: Contracts that were procured in advance of the signing of the Financing Agreement will be eligible for the Bank's retroactive financing if the contractor has explicitly agreed to comply with the relevant provisions of the Bank's Anti-Corruption Guidelines, including the Bank's right to inspect and audit all accounts, records, and other documents relating to the Project that are required to be maintained pursuant to the Financing Agreement. However, there are practical limits to the application of the Anti-Corruption Guidelines in the case of unsuccessful bidders for these retroactively financed contracts. Because procurement has already been completed and contracts awarded, it is not practically possible to secure the agreement to such application from unsuccessful bidders for these contracts. Accordingly, the waiver of paragraph 6 (requiring that the Anti-Corruption Guidelines be applied to all procurement) and paragraphs 9(d) and 10 (requiring agreement by bidders and contractors

to comply with the Anti-Corruption Guidelines) of the Anti-Corruption Guidelines, as requested by the Global MPA, will apply to the Project.

60. **The overall project procurement risk is assessed as High**. **Major risks to procurement and proposed mitigation measures are summarized below (Table 3).**

Table 3. Procurement Risks and Mitigation Measures

Risk	Mitigation Measures
Limited capacity to conduct emergency procurement.	Procurement staff from the PFM Systems Strengthening Project will be seconded to the PMU on an interim basis, until capacity is supplemented with trained staff.
Capacity of the market and supply chain to meet the demand.	Using Framework agreements (FAs) with UN agencies for supply of medicines and medical supplies and early engagement with manufacturers in the region for direct contracting is proposed. Measures for supplier preferencing like direct payments by Bank, advance payments, etc. will be applied on need basis.
Impact of emergency on supply chains and lead times.	Advance procurement and using FAs of UN Agencies are expected to mitigate this to some extent, though the risks are high given no production capacity of most of the items in country and spread of the infection in other countries.
Social impacts of emergency on markets especially on labor markets and acceptability of foreign labor.	There are no known restrictions on use of foreign personnel.

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 have positive environmental and social impacts, insofar as it should improve COVID-19 surveillance, monitoring and containment in the country.** The environmental risks are considered Substantial because of the current uncertainty around project locations and specific activities, occupational health and safety and the issue of medical waste management. The main environmental risks are: (i) the occupational health and safety issues related to testing and handling of supplies and the possibility that they are not safely used by laboratory technicians and medical crews; and (ii) medical waste management and community health and safety issues related to the handling, transportation and disposal of health care waste and emissions, and waste generation due to small scale of construction works. Wastes that may be generated from labs, quarantine facilities and screening posts to be supported by the COVID-19 readiness and response could include liquid contaminated waste (e.g. blood, other body fluids and contaminated fluid) and infected materials (water used, lab solutions and reagents, syringes, bed sheets, majority of waste from labs

and quarantine and isolation centers, etc.) which requires special handling and awareness, as it may pose an infectious risk to health care workers in contact with the waste. It is also important to ensure that sharps are properly disposed of.

62. **Given that the Maldives has limited experience in managing highly infectious medical wastes such as COVID-19, the project will require that appropriate precautionary measures are planned and implemented.** To mitigate the above-mentioned risks the Ministry of Health (MoH) will prepare an Environmental and Social Management Framework (ESMF) which will be in line with WHO standards on COVID-19 response. The ESMF will include a Health Care Waste Management Plan (HCWMP). As the Maldives has very limited capacity for the management and final disposal of solid waste, the HCWMP will include specific protocols and measures to ensure co-mingling of waste does not occur with municipal solid waste streams. In order to augment final disposal capacity for health care waste the Ministry of Environment in collaboration with the Ministry of Health has also commenced a rapid response to ensure that autoclaves are operational and additional units procured and other equipment such as PPE are adequately available for emergency response operations.

63. **Social risks under the project are also considered 'substantial' with main concern relating to the inability of marginalized and vulnerable social groups to access facilities and services, which could undermine the objectives of the project.** In particular, burdens of unpaid care work fall on women and girls during crises as well as social distancing; yet, women have less access to information around how to provide care and support. Similarly, other vulnerable groups such as the elderly, poor and people with disabilities, do not benefit equally from public awareness campaigns, etc., even whilst some of them are more at risk to contracting the virus. There are also increased risks for GBV and child abuse when women and children are under quarantine and self-isolation. Handling of quarantining interventions, including dignified treatment of patients; attention to specific, culturally determined concerns of vulnerable groups; prevention of sexual exploitation and abuse (PSEA) and sexual harassment (SH) as well as minimum accommodation and servicing requirements; and prevention of social tensions, especially in the vicinity of quarantine facilities and isolation units over relating to concerns over the spread of disease and waste management; are also issues that will require close attention while managing the social risks of the project.

64. **To mitigate the aforementioned risks, the provision of services and supplies will be based on the urgency of the need, in line with the latest data related to the prevalence of the cases.** In addition, the GoM, in the ESCP, has committed to putting in place adequate measures to ensure that the medical isolation of individuals does not increase their vulnerability, especially to gender based violence and sexual exploitation and abuse. The preparation and implementation of SBCC strategy will involve messaging and communication strategies to ensure equal access to women, people with disabilities, foreign workers, and other vulnerable and marginalized groups. Additionally, the MoH will also use the Stakeholder Engagement Plan (SEP) prepared for the emergency project to engage citizens and for public information disclosure while they update it to include more information on the environmental and social risks of project activities and new modalities that take into account the need for improved hygiene and social distancing. The updated SEP will also include a more elaborate Grievance Redress Mechanism for addressing any concerns and grievances raised.

65. **Overall environmental and social due diligence for this project will be carried out under the World Bank's new Environment and Social Framework (ESF).** Five Environmental and Social Standards (ESS) are directly relevant to the project: ESS1 Assessment and Management of Environmental and Social Risks and Impacts, ESS2 Labor and Working Conditions, ESS3 Resource Efficiency and Pollution Prevention and Management, ESS4 Community Health and Safety, and ESS10 Stakeholder Engagement and Information Disclosure. In addition, while impacts on tangible or intangible cultural heritage or natural habitats and biodiversity are not expected under the project, the ESMF includes due diligence

procedures, in line with ESS8 and ESS6, respectively, that include screening for risks and impacts and applying the relevant requirements of these ESSs where subprojects are found to have significant risks and impacts on cultural heritage or natural habitats.

66. **An Environmental and Social Commitment Plan (ESCP) and a Stakeholder Engagement Plan (SEP) were prepared and disclosed for the operation on March 23, 2020, by the MoH and on the World Bank's external website.** The ESMF will be prepared 15 days post-negotiations and updated once again within 30 days from project effectiveness to ensure that the requisite due diligence measures are in place.

67. **The Bank has limited prior experience working with the Maldives Ministry of Health;** therefore, capacity building and implementation support via the existing experienced project management units under other Bank financed operations such as those supported by the Ministry of Environment (MoE) will be achieved via twinning and support arrangements. The project staff in the PMUs of the MoE-supported projects have been trained and have long-term experience in the implementation of Bank safeguard policies for over a decade and are also apprised of the Bank's ESF the requirements. Follow-up capacity evaluation will be conducted during project implementation and additional E&S specialists will be recruited, trained and assigned for successful implementation of the ESMF, ESCP and SEP of the proposed COVID-19 project.

VI. GRIEVANCE REDRESS SERVICES

68. **Communities and individuals who believe that they are adversely affected by a World Bank (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.

VII. KEY RISKS

69. **The overall risk to achieving the PDO is High**. This reflects high macroeconomic, institutional capacity and fiduciary risks combined with substantial technical design and environmental and social risks.

70. **The macroeconomic risk is High.** Maldives is highly vulnerable to macroeconomic shocks due to its small size, lack of economic diversification outside tourism and heavy reliance on imports. The macroeconomic framework's adequacy depends on whether the large downside fiscal, external and political risks can be mitigated in the context of the COVID-19 pandemic. Maldives faces a high risk of external debt distress and a heightened overall risk of debt distress. Maldives is also exposed to external exogenous risks, such as a global downturn, global commodity prices and investor sentiment. Development partners as well as WB financing, in-kind and technical support will help weather to some extent this risk.

71. **The technical design entails Substantial risk**. One of the key challenges with the response to COVID-19 is a

breakdown in the global supply chain and availability (and price) of essential medicines and commodities necessary for the immediate response, such as PPE. The global PSCN (Pandemic Supply Chain Network), of which the World Bank is a co-convener, has identified the list of medical products critical to the response and the Bank will work with MOPH to customize this list further to develop a positive list of goods to be procured with World Bank financing. Furthermore, these essential goods and supplies are expected to be procured with project financing through Memoranda of Understanding to be agreed between the MOPH and UN agencies such as UNICEF, which are engaged in direct discussions with global suppliers. To the extent the project's success in containing the spread of the virus will depend on conducive social behavior. The project will support advocacy and coalition building to sensitize key groups including policy makers, the media, and ensure consistent communication.

72. **Institutional capacity for implementation and sustainability are considered High.** The implementing unit of this project is the RAHS Division in the MOH, which does not have prior experience in managing World Bank-financed projects. A new PMU needs to be established, which will likely need to go through a steep learning curve. This is a significant risk for an emergency project that needs to move quickly. To mitigate this risk, initial staff will be seconded from existing World Bank-financed project PMUs to ensure sufficient capacity at initial stages to ensure prompt implementation.

73. **Fiduciary risks are considered High.** The key procurement 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 facilitate borrowers' access to available supplies at competitive prices with the augmented implementation support described in the procurement section of this document. In providing this augmented hands-on support the Bank will remain within its normal operational boundary.

74. **The environmental and social risks are considered Substantial.** Given that the Maldives has limited experience in managing highly infectious medical wastes such as COVID-19, the project will require that appropriate precautionary measures are planned and implemented. The main environmental risks are: (i) the occupational health and safety issues related to testing and handling of supplies and the possibility that they are not adequately used by the laboratory technicians and medical crews; and (ii) environmental pollution and community health and safety issues related to the handling, transportation and disposal of healthcare waste. The relevant parts of the WHO COVID-19 quarantine guidelines and COVID-19 biosafety guidelines will be reviewed so that all relevant risks and mitigation measures will be covered. The primary social risks are: (i) migrant population may have difficulties in accessing facilities and services, especially if they are unregistered workers; and (ii) marginalized and vulnerable social groups are unable to access facilities and services.

75. **Mitigation measures have been integrated into the design of the project and are described in the relevant sections above.**

Table 4: Systematic Operations Risk Rating Tool (SORT)

Risk Categories	Rating
1. Political and Governance	Moderate
2. Macroeconomic	High
3. Sector strategies and policies	Moderate
4. Technical design of project	Substantial
5. Institutional capacity for implementation and sustainability	High
6. Fiduciary	High
7. Environmental and social	Substantial
8. Stakeholders	Low
Overall	**High**

VIII. RESULTS FRAMEWORK AND MONITORING

COUNTRY: MALDIVES

Project Development Objective: The proposed project development objective is to respond to and mitigate the threat posed by COVID-19 and strengthen national systems for public health preparedness in Maldives.

Project Development Objective Indicators

Indicator Name	DLI	Baseline	End Target
GOM has activated its public health Emergency Operations Centre (EOC) or a coordination mechanism for COVID-19		No	Yes
Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents		1	5
GOM adopted personal and community non-pharmaceutical interventions (school closures, telework and remote meetings, reduce/cancel mass gatherings).		No	Yes

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	End Target
Component 1: Emergency Response for COVID-19 Prevention Proportion of hospitals with adequate personal protective equipment within a given month.		0%	70%
Component 2: Emergency Health System Capacity Strengthening for COVID-19 Case Management Number of regions with ICU capacity.		1	5
Proportion of health professionals trained in infection prevention and control per MOH-approved protocols.		0%	70%
Number of designated laboratories with staff trained to conduct COVID-19 diagnosis.		1	5

Component 3: Implementation Management and Monitoring and Evaluation Proportion of hospitals that have submitted complete monthly reports on the number of suspected cases identified, number of cases tested, number of contacts traced, the presence of personal protective equipment, and the presence of an isolation unit.		0%	80%

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
GoM has activated their public health Emergency Operations Centre (EOC) or a coordination mechanism or COVID-19	Staff asigned to operate the EOC with a dedicated space equipped with essential emergency management, coordination, and communication resources	Continuous	Ministry announcement	GoM websites, media	MOH
Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents per MOH guidelines	Denominator: Number of designated laboratories Numerator: Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents	Biannual	Health Management Information System	Monthly reports of whether health facility has COVID-19 diagnostic equipment, test kits, and reagents within the month of reporting	Public Health Responsibles
GoM adopted personal and community non-pharmaceutical interventions (school closures, telework and remote meetings, reduce/cancel mass gatherings).	Social distancing measures have been implemented by the government to minimize human-to-human infection	Continuous	GoM announcement	GoM websites, media	MOH

Proportion of hospitals with adequate personal protective equipment within a given month.	Denominator: Number of hospitals Numerator: Number of hospitals with adequate personal protective equipment	Biannual	Health Management Information System	Monthly reports of whether health facility has adequate personal protective equipment within the month of reporting	Public Health Responsibles
Number of regions with ICU capacity	Denominator: Number of regions Numerator: Number of regipons with isolation capacity	Biannual	Health Management Information System	Monthly reports of whether regions have ICU capacity	Public Health Responsibles
Proportion of health professionals trained in infection prevention and control per MOH-approved protocols.	Denominator: Number of doctors and nurses working at hospitals. Numerator: Number of doctors and nurses working at hospitals who are trained on infection prevention and control per MOH-approved protocols.	Biannual	Health Management Information System	Monthly reports of (i) the number of doctors and nurses working at hospitals, and (ii) the number of doctors and nurses working at hospitals who are trained on infection prevention and control per MOH-approved protocols.	Public Health Responsibles
Number of designated laboratories with staff trained to conduct COVID-19 diagnosis.	Denominator: Number of designated laboratories Numerator: Number of designated laboratories with staff trained to conduct COVID-19	Biannual	Human Resource Management Information System	Monthly reports of whether staff members were trained in COVID-19 diagnosis.	Public Health Responsibles

	diagnosis.				
Proportion of hospitals who have submitted complete monthly reports on the number of suspected cases identified, number of cases tested, number of contacts traced, the presence of personal protective equipment, and the presence of an isolation unit.	Denominator: Number of hospitals Numerator: Number of hospitals that have submitted complete monthly reports on the number of suspected cases identified, number of cases tested, number of contacts traced, the presence of personal protective equipment, and the presence of an isolation unit.	Biannual	Health Management Information System	Confirmation of completeness of monthly reports. Complete reports for a given health facilities contain no missing information on the number of suspected cases identified, number of cases tested, number of contacts traced, the presence of personal protective equipment, and the presence of an isolation unit.	MOH

ANNEX 1: PROJECT COSTS

COUNTRY: Maldives
Maldives COVID-19 Emergency Response and Health Systems Preparedness Project (P173801)

COSTS AND FINANCING OF THE COUNTRY PROJECT (US$)

Program Components	Project Cost	IBRD or IDA Financing	Crisis Response Window	Counterpart Funding
COMPONENT 1: Implementation Emergency Response for COVID-19 Prevention	3.0	0.0	3.0	
COMPONENT 2: Emergency Health System Capacity Strengthening for COVID-19 Case Management	4.1	0.0	4.1	
COMPONENT 3: Implementation Management and Monitoring and Evaluation	0.2	0.0	0.2	
COMPONENT 4: Contingent Emergency Response Component (CERC)	0.0	0.0		
Total Costs				
Total Costs	7.3	0.0	7.3	
Front End Fees				
Total Financing Required	7.3	0.0	7.3	

ANNEX 2: IMPLEMENTATION ARRANGEMENTS AND SUPPORT PLAN

COUNTRY: Maldives
Maldives COVID-19 Emergency Response and Health Systems Preparedness Project (P173801)

The supervision arrangements are outlined in the Global MPA and will be followed in this project.