



# Project Information Document (PID)

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Appraisal Stage | Date Prepared/Updated: 22-Mar-2020 | Report No: PIDC29013



**BASIC INFORMATION**

**A. Basic Project Data**

Country Maldives	Project ID P173801	Project Name Maldives COVID-19 Emergency Response and Health Systems Preparedness Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 21-Mar-2020	Estimated Board Date 26-Mar-2020	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Republic of Maldives	Implementing Agency Ministry of Health (MOH)	

Proposed 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 the Maldives.

Components

- Component 1: Implementation Emergency Response for COVID-19 Prevention
- Component 2: Emergency Health System Capacity Strengthening for COVID-19 Case Management
- Component 3: Implementation Management and Monitoring and Evaluation
- Component 4: Contingent Emergency Response Component (CERC)

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

**SUMMARY**

<b>Total Project Cost</b>	7.30
<b>Total Financing</b>	7.30
<b>of which IBRD/IDA</b>	7.30
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**



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

Environmental and Social Risk Classification

Substantial

Decision

Other Decision (as needed)

## B. Introduction and Context

### Country Context

**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.

**Maldives is a middle-income country with gross domestic product (GDP) per capita of US\$10,331 (2018).**<sup>1</sup> 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).<sup>2</sup> 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 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.

<sup>1</sup> WDI.

<sup>2</sup> Calculated as a share of nominal GDP.



**The extremely dispersed population has led to a high cost of service delivery.** The government is emphasizing decentralization and the development of the atolls to facilitate improved service delivery for citizens. The government 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 government 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.

#### Sectoral and Institutional Context

**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.

**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.

**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.

**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; 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.



**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

**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 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. Real growth for the Maldives has been revised downwards to -4.7 percent for 2020 (from a forecast of 5.5 percent in January 2020).<sup>3</sup> 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.

**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.<sup>4</sup> The Ministry of Health (MoH) has a dedicated website to the COVID-19 response<sup>5</sup> with good public information, including access to all key documents related to the COVID-19 response.<sup>6</sup> Partners have supported the elaboration of a recently developed and costed Contingency Preparedness and Response Plan (CPRP) based on the eight pillars<sup>7</sup> 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)

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<sup>3</sup> World Bank projections as of March 15. For government's estimates, please refer to <https://presidency.gov.mv/Press/Article/23225> and the 2020 Budget.

<sup>4</sup> COVID-19 quick reference SOPs, Health Protection Agency, 11 March 2020, version 7.

<sup>5</sup> <https://covid19.health.gov.mv/en/>

<sup>6</sup> <http://www.health.gov.mv/>

<sup>7</sup> 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.



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

**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. Proposed Development Objective(s)**

Development Objective(s) (From PAD)

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.

#### Key Results

- 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).

### **D. Project Description**

**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.

**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)<sup>8</sup>, 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 biomedical waste management in the atolls. Aside from the complementary nature of this proposed project with the MCEP, advancing the implementation schedule of the biomedical waste management activities will also serve as a risk mitigation measure for the increase in service delivery during the COVID-19 outbreak.

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

Legal Operational Policies	
	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

## E. Implementation

### Institutional and Implementation Arrangements

**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

<sup>8</sup> [http://www.health.gov.mv/Uploads/Downloads//Informations/Informations\(124\).pdf](http://www.health.gov.mv/Uploads/Downloads//Informations/Informations(124).pdf)



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.

**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 Resilience and Disaster (MURDP) (P) for 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.

**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.

**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.

## CONTACT POINT

### World Bank

Rifat Afifa Hasan  
Senior Health Specialist

### Borrower/Client/Recipient

Republic of Maldives  
Mariyam Abdul Nasir  
Chief Resource Mobilization and Debt Management Executive  
mariyam.abdulnasir@finance.gov.mv





**Implementing Agencies**

Ministry of Health (MOH)  
Maimoona Aboobakuru  
Director General of Public Health  
moh@health.gov.mv

**FOR MORE INFORMATION CONTACT**

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

**APPROVAL**

Task Team Leader(s):	Rifat Afifa Hasan
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**Approved By**

Environmental and Social Standards Advisor:		
Practice Manager/Manager:		
Country Director:	Valerie Marie Helene Layrol	23-Mar-2020