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Report No: PAD3820

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT *AND/OR*
INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT
ON A
PROPOSED INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT LOAN

IN THE AMOUNT OF US$ 13.8 MILLION

AND A PROPOSED INTERNATIONAL DEVELOPMENT ASSOCIATION CREDIT

IN THE AMOUNT OF SDR9.6 MILLION
(US$13.1 MILLION EQUIVALENT)
IN CRISIS RESPONSE WINDOW RESOURCES

TO
MONGOLIA

FOR A
MONGOLIA COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEM PREPAREDNESS PROJECT

UNDER THE
COVID-19 STRATEGIC PREPAREDNESS AND RESPONSE PROGRAM (SPRP)

USING THE MULTIPHASE PROGRAMMATIC APPROACH (MPA)
WITH AN IBRD AND IDA FINANCING ENVELOPE OF
US$ 2.7 BILLION AND US$ 1.3 BILLION EQUIVALENT

APPROVED BY THE BOARD ON APRIL 2, 2020

Health, Nutrition & Population Global Practice
East Asia And Pacific Region

Mongolia

GOVERNMENT FISCAL YEAR

January 1 - December 31

CURRENCY EQUIVALENTS

(Exchange Rate Effective as of Mar 18, 2020)

Currency Unit

Currency Unit	Mongolian Tugrug
US$1	MNT 2,769.17

Regional Vice President:	Victoria Kwakwa
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ABBREVIATIONS AND ACRONYMS

COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
CERC	Contingent Emergency Response Component
EID	Emerging Infectious Diseases
EOC	Emergency Operations Center
ESF	Environmental and Social Framework
FM	Financial Management
WB	World Bank
FTCF	Fast Track COVID-19 Facility
GDP	Gross Domestic Product
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HNP	Health, Nutrition, and Population
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFR	Interim Financial Report
IMF	International Monetary Fund
IHR	International Health Regulation
IPF	Investment Project Financing
M&E	Monitoring and Evaluation
MPA	Global Multiphase Programmatic Approach
NCD	Non-Communicable Disease
PDO	Program Development Objectives
PPE	Personal Protective Equipment
WBG	World Bank Group
WHO	World Health Organization
RVP	Regional Vice President
MOP	Memorandum of President
PAD	Project Appraisal Document
DLI	Disbursement Linked Indicator
FCC	Urgent Need or Capacity Constraints
SOP	Series of Projects
FI	Financial Intermediaries
ESRS	Environmental and Social Review Summary
ERP	Economic Recovery Program
EFF	Extended Fund Facility
DALYs	Daily Adjusted Life Years
HSSMP	Health Sector Strategic Master Plan
APSED	Asia Pacific Strategy for Emerging Diseases
IHR	International Health Regulations

IMS	Incident Management System
IHR NFP	National International Health Regulations Focal Point
PSCN	Pandemic Supply Chain Network
SARI	Severe Acute Respiratory Infections
CSO	Civil Society Organizations
NCCD	National Center for Communicable Diseases Control
OPCS	Operations Policy and Country Services
IEG	Internal Evaluation Group
PSC	Project Steering Committee
PIM	Project Implementation Manual
ISM	Implementation Support Mission
PIU	Project Implementation Unit

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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Mongolia	MONGOLIA COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEM PREPAREDNESS PROJECT	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P173799	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
02-Apr-2020	31-Mar-2023	31-Dec-2025

Bank/IFC Collaboration

No

MPA Program Development Objective

To prepare and respond to the COVID-19 pandemic.

MPA Financing Data (US$, Millions)

MPA Program Financing Envelope	4,000.00

Proposed Project Development Objective(s)

The proposed project development objective is to strengthen Mongolia's capacity to prevent and respond to the COVID-19 outbreak and strengthen national systems for public health preparedness.

Components

Component Name	Cost (US$, millions)
Component 1: Emergency COVID-19 Prevention and Response	2.50
Component 2: Strengthening Health Care Delivery Capacity	23.75
Component 3: Implementation management and Monitoring and Evaluation	0.65
Component 4: Contingent Emergency Response Component	0.00

Organizations

Borrower:	Mongolia
Implementing Agency:	Ministry of Health

MPA FINANCING DETAILS (US$, Millions)

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	26.90
Total Financing	26.90

of which IBRD/IDA	26.90
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	13.80
International Development Association (IDA)	13.10
IDA Credit	13.10

IDA Resources (in US$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Mongolia	13.10	0.00	0.00	13.10
Crisis Response Window (CRW)	13.10	0.00	0.00	13.10
Total	**13.10**	**0.00**	**0.00**	**13.10**

Expected Disbursements (in US$, Millions)

WB Fiscal Year	2020	2021	2022	2023
Annual	5.40	13.73	4.86	2.90
Cumulative	5.40	19.14	24.00	26.90

INSTITUTIONAL DATA

Practice Area (Lead)

Health, Nutrition & Population

Contributing Practice Areas

Climate Change and Disaster Screening

This operation has not been screened for short and long-term climate change and disaster risks

Explanation

This is an emergency response project and Climate Co benefits issue will be reviewed during implementation

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	High
2. Macroeconomic	High
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Moderate
6. Fiduciary	Moderate
7. Environment and Social	Substantial
8. Stakeholders	Substantial
9. Other	
10. Overall	Substantial
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

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	Relevant
Cultural Heritage	Not Currently 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

Sections and Description
Institutional Arrangements
Loan Agreement: Schedule 2, Section I.A.2 and Financing Agreement: Schedule 2, Section I.A
Recurrent, Continuous
The Borrower/Recipient shall maintain, throughout the Project implementation period, a Project Steering Committee and a Project Implementation Unit with composition, functions, staffing and resources satisfactory to the Association and set out in the Project Implementation Manual.

Sections and Description
Project Implementation Manual

Loan Agreement: Schedule 2, Section I.B and Financing Agreement: Schedule 2, Section I.A
One month after the Effective Date, Recurrent, Continuous
The Borrower/Recipient shall prepare and adopt a Project Implementation Manual and thereafter ensure that the Project is carried out in accordance with the Project Implementation Manual, and not amend, waive or abrogate any provisions of the manual unless the Bank/Association agrees otherwise in writing.

Sections and Description
Annual Work Plans and Budgets
Loan Agreement: Schedule 2, Section I.C and Financing Agreement: Schedule 2, Section I.A
December 1 annually and Recurrent, Continuous
The Borrower/Recipient shall prepare and furnish to the Association for its no-objection no later than December 1 of each fiscal year an annual work plan and budget during the implementation of the Project containing relevant Project activities and expenditures proposed to be included in the Project in the following fiscal year, including a specification of the sources of financing.

Sections and Description
Environmental and Social Standards
Loan Agreement: Schedule 2, Section I.D and Financing Agreement: Schedule 2, Section I.A
Recurrent, Continuous
Obligation of the Borrower/Recipient to ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Commitment Plan and the Safeguards Instruments and, not amend, abrogate or waive any of their provisions unless the Bank/Association agrees otherwise, and report on their status of implementation as part of the project reports.

Sections and Description
Contingent Emergency Response
Loan Agreement: Schedule 2, Section I.E and Financing Agreement: Schedule 2, Section I.A
In case of an Eligible Crisis or Emergency
Obligation of the Borrower/Recipient to adopt a satisfactory Emergency Response Manual for Part 4 ofthe Project and, in the event of an eligible crisis or emergency, ensure that the activities under said part are carried out in accordance with such manual and all relevant safeguard requirements.

Sections and Description
Mid-term Review

Loan Agreement: Schedule 2, Section II.B.2 and Financing Agreement: Schedule 2, Section I.A
Once, 18 months after the Effective Date
Obligation of the Borrower/Recipient to prepare and furnish to the Association a mid-term report in form and substance satisfactory to the Association.

Sections and Description
Personal Data Loan Agreement: Schedule 2, Section II.B.3 and Financing Agreement: Schedule 2, Section I.A Recurrent, Continuous The Borrower/Recipient shall ensure that the information, report or document related to the activities sharing with the Bank/Association does not include Personal Data, unless otherwise requested or agreed by the Bank.

Conditions

Type	Description
Effectiveness	Loan Agreement: Article IV Due Date: 180 days after the signing of the Loan Agreement The Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Borrower to make withdrawals under it (other than the effectiveness of the Loan Agreement) have been fulfilled.
Effectiveness	Financing Agreement: Article IV Due Date: 180 days after the signing of Financing Agreement The Loan Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of the Financing Agreement) have been fulfilled.
Disbursement	Financing Agreement: Schedule 2, Section III.B (i) The Borrower/Recipient may not withdraw the proceeds of the Loan/Financing as may be allocated to Part 4 unless an Eligible Crisis or Emergency has occurred, all related safeguards instruments and requirements have been completed, the emergency response implementing entities have adequate staff

	and resources, and the Borrower/Recipient has adopted the Emergency Response Manual, acceptable to the Bank/Association.

I. STRATEGIC CONTEXT

1. This Project Appraisal Document (PAD) describes the emergency response to Mongolia under the COVID-19 Strategic Preparedness And Response Program (SPRP) using the Multiphase Programmatic Approach (MPA), approved by the World Bank's Board of Executive Directors on March 20th, 2020 (Report No: PCBASIC0219761) 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.[1]

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 372,757 confirmed cases and 16,231 confirmed deaths in 190 countries and territories.

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 such as tobacco use[2] and pre-existing chronic health problems that make viral respiratory infections particularly dangerous[3]. With COVID-19, scientists are still trying to understand the full picture of the disease symptoms and severity. Reported symptoms in patients have varied from mild to severe, and can include fever, cough and shortness of breath. In general, studies of hospitalized patients have found that about 83% to 98% of patients develop a fever, 76% to 82% develop a dry cough and 11% to 44% develop fatigue or muscle aches[4]. Other symptoms, including headache, sore throat, abdominal pain, and diarrhea, have been reported, but are less common. While 3.7% 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.

B. Updated MPA Program Framework

4. Table-1 provides an updated overall MPA Program framework, including the first two countries and the proposed project for Mongolia.

[1] Report No: PCBASIC0219761
[2] Marquez, PV. 2020. "Does Tobacco Smoking Increases the Risk of Coronavirus Disease (Covid-19) Severity? The Case of China." *http://www.pvmarquez.com/Covid-19*
[3] Fauci, AS, Lane, C, and Redfield, RR. 2020. "Covid-19 — Navigating the Uncharted." New Eng J of Medicine, DOI: 10.1056/NEJMe2002387
[4] Del Rio, C. and Malani, PN. 2020. "COVID-19—New Insights on a Rapidly Changing Epidemic." JAMA, doi:10.1001/jama.2020.3072

Table 1. MPA Program Framework

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	Afghanistan COVID-19 Response	Simultaneous	Please see relevant PAD	IPF		US$19.40	US$81.0 (reallocated from regular country IDA allocation)	TBC	High
2.	Ethiopia COVID-19 Response	Simultaneous	Please see relevant PAD	IPF	00.00	$42.00		TBC	Substantial
3.	Mongolia	Simultaneous	Please see relevant PAD	IPF	13.8	13.1	0		Substantial
4.	Available amounts for the countries joining later	TBD on the basic of country requests			00.00 {update after country amt}	$1,238.60 {update after country amt}			
Total			**Board Approved Financing Envelope**		**$2,700.00**	**$1,300.00**			

The Program framework will be updated as more countries join SPRP. 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

5. The Mongolia project under the MPA Program will support adaptive learning throughout the implementation, as well as from international organizations including WHO, UNICEF, 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 for Mongolia in terms of managing their response to COVID-19. 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 engaging in the right communication strategies to the public, and how to implement appropriate policies for testing, triage and isolation of patients. The World Bank and other partners will provide continuous support to facilitate learning on good practices learned through their experience with other countries.

A. Country Context

6. **Mongolia has made important progress on economic and social development over the past three decades, but key vulnerabilities remain**. Fueled by the mining sector, its economy has expanded significantly. With improved living standards, strong results on human development have been achieved. Mongolia's upcoming

graduation from IDA is a sign of confidence in Mongolia's development trajectory and reaffirms its middle-income country status. To fulfill its potential, Mongolia needs to address unstable economic growth, population wellbeing at risk, and growing environmental stress.

7. **Mongolia's economy was recovering strongly from the economic crisis started in 2016, but now is expected to be significantly impacted by the COVID-19 outbreak**. Thanks to the Government's Economic Recovery Program (ERP)5, real GDP growth accelerated to 7.2 percent in 2018 from 5.3 percent in 2017, and only slowed to 5.8 percent in 2019. The growth prospects, already faced with risks in the financial sectors and uncertainties around domestic elections and global trade tensions, are now further dampened by COVID-19. A weaker Chinese economy will diminish external demand for Mongolia export of mining products (accounting for 24 percent of GDP), and affect sectors such as transportation (5.4 percent of GDP). If the weakness persists, it could lower inward foreign direct investment. The government's actions to prevent the outbreak in terms of border closure and limiting domestic movements will squeeze domestic demand and also affect retail, tourism and services sectors in the economy. Panic behavior of consumers to stockpile food products could stroke inflation.

8. **Faced with the potential public health and economic impact, the population, especially the vulnerable and the poor will need to be protected.** Even before the COVID-19 outbreak, at 28.4 percent in 2018, poverty remains high in Mongolia, with stagnating poverty rates in urban areas. While herders and rural workers have benefited from high meat prices, the robust economic performance of mining and manufacturing has not translated into sufficient income opportunities for most of the urban population. During previous periods of adverse economic conditions, Mongolia has seen weakened human development growth. For example, between 2014 and 2016, the poverty rate in Mongolia climbed back to 29.6 percent with only 35.3 percent of households found to be food secure and 50.2 percent experiencing moderate or severe food insecurity. Protecting the poor and vulnerability is the face of a potential crisis is therefore critical.

B. Sectoral and Institutional Context

9. **Mongolia's health system reflects the country's rapid economic and political change**. Mongolia has made important gains in declining infant, child and maternal mortality, and achieved a high level of health insurance coverage. However, health disparities persist, largely due to geographical (urban versus rural), income-related and demographic (nomads versus settled population) variations. The burden of disease in Mongolia is evolving:

- Mongolia is seeing a shift in the burden of disease, moving from communicable to noncommunicable diseases (NCDs). Leading causes of mortality are now circulatory system disorders and cancers.
- Although overall, communicable diseases have decreased over the years, they still account for a high proportion of overall disability-adjusted life years (DALYs) and, outbreaks and health emergencies can lead to significant socioeconomic losses. Mongolia also faces emerging diseases, environmental threats such as toxic chemical hazards, dzud (summer droughts followed by severe winters) and flooding.
- The large herder population in Mongolia, increases the chances for zoonotic diseases. In recent years zoonotic diseases have expanded and outbreaks of transboundary disease have emerged in animals and humans. Brucellosis, anthrax, tick borne disease and rabies still constitute a threat to human health and

[5] The Government program is supported by a multi-donor support package including an IMF Extended Fund Facility (EFF) and the Bank's development policy financing.

welfare.

10. The health sector preparedness is **guided by the government's Health Sector Strategic Master Plan (HSSMP) for 2019-2024**. Led by the Ministry of Health, surveillance and emergency response coordination systems – including regional emergency operations centers and a laboratory network in aimags (administrative districts) near national borders – have been established. Mongolia has also endorsed the International Health Regulations, or IHR (2005), and the Asia Pacific Strategy for Emerging Diseases (APSED), which has been used to build core capacity for surveillance and response including pandemic influenza.

11. **Yet there are substantial challenges.** The bulk of health services are provided at three types of facilities (primary, secondary and tertiary) and over two administrative divisions (the capital and the provinces or the aimags). This hospital-oriented system inherited from the socialist period has hindered improving the efficiency of the health system. Service delivery is challenging given the extremely low population density in a vast country. The health system needs to be able to adapt to the changing needs of the population as NCDs become more pervasive and more problematic. Risk assessments are carried out when outbreaks occur, but there is no comprehensive systematic disease surveillance system. Laboratory capacities are weak in both human and animal health domains. Evidence-based decision making and response, and utilization of risk assessment finding need to be further improved.

12. **Building the policy, technical, institutional and operational framework for a strengthened disease control system will require more sustained effort.** Public health events regularly occur in Mongolia. On average, the national surveillance system detects over 260 public health events a year. The 2016 APSED review concluded that Mongolia remains vulnerable to emerging diseases and public health emergencies, and that challenges exist in national system readiness to respond to large-scale and complex events in an effective and coordinated way. Further, the lack of an effective Incident Management has resulted in a fragmented and disorganized process, leading to life, financial and reputational losses. In the absence of standardized system for emergency management, daily routine activities of the Ministry of Health or organizations under MoH are disrupted. Everyone responds to the emergency, creating a duplicate or parallel system, reporting burden for overburdened staff, and forcing each to work with incomplete or incorrect information. The main lessons learned from the 2009 H1N1 and PanStop exercises were that the current pandemic plan almost entirely focused on health issues and health-related problems. The plan lacks preparedness, contingency planning and integration into national and local disaster management planning. Government Resolution No. 416 in 2015 mandates that individuals, organizations, enterprises, soums, districts, provinces and cities should annually revise their disaster protection plans, including making provisions for resource allocation and stockpiling of emergency supplies for natural disasters and human health emergencies. However, these plans are largely unfunded.

13. **Finally, Mongolia's health spending is low.** At just over 4%, the share of total health spending in GDP is lower today than in 2003 (6.7%), and lower than in most other middle-income countries. Since 2010, government health spending has remained consistently low, fluctuating between 6-8% of total government spending. Most of the public spending is on recurrent expenditures, with the wage bill as the the fastest growing and largest component. Allocations to maintenance and repairs are extremely low. Poor sector planning that is not based on clear medium-and long-term strategies affects the quality and efficiency of investments and recurrent expenditures. There has been a phenomenal expansion of the private sector in provision of both inpatient and outpatient services.

Response so far to COVID-19

14. **Mongolia faces high risk of the COVID-19 outbreak, but community transmission has not been reported.** As of 20th March 2020, six confirmed case has been reported and a total of 262 close contacts have been identified and are currently been monitored. Since early January, Ministry of Health has been working with WHO, international partners and stakeholders from non-health sectors to enhance preparedness. Rapid risk assessment (RRA) has been conducted five times to inform decision making, update national COVID-19 response plan, and inform public health interventions at points of entries. The fifth multisectoral RRA was performed by ministers and stakeholders of 18 governmental organizations and WHO team in Mongolia and assessed the risk of insufficient control capacities for COVID-19 community transmission as "High". Review of national capacities for COVID-19 health facility preparedness (surge capacity, personal protective equipment, emergency medical equipment) has identified major gaps. Incident Management System (IMS) has been activated at the IHR NFP and several provinces. However, MoH IMS is not fully functional and there are no procedures to direct tertiary hospitals and provinces according to IMS. Draft Disaster protection health procedures have not been approved yet.

15. **The Authorities have been proactive in preventing the outbreak.** The Parliament of Mongolia, the Cabinet, National Security Council and State Emergency Commission have convened multiple times and issued policy decisions regarding prevention of the possible transmission of COVID-19. Decisions were made to impose temporary travel restrictions, adopt social distancing measures, and suspend school and kindergarten and social events. The Government allocated 4.3 billion MNT (USD$1.5 million) from the Government's Reserve Fund for prevention, preparedness of medical services, and purchasing medicines, medical tools, personal protective equipment and other infection prevention and control supplies. Public awareness and knowledge have improved.

16. **The social and economic impacts of the COVID-19 could be severe.** The external impact from Covid-19 and the authorities' measures to prevent the outbreak are likely to have significant negative impact on the Mongolian economy and thus on poverty reduction, education and health outcomes. Social norms—such as expectations that women and girls are responsible for doing domestic chores and nursing sick family members—can expose women and girls to greater health risks. Where healthcare systems are stretched by efforts to contain outbreaks, care responsibilities are frequently "downloaded" onto women and girls. School closure and home quarantine are likely pushing more care burden and pressure on caregivers, primarily women. Women constitute over 81.9% of the workers in the health sector in Mongolia and are on the frontlines of the response and face additional challenges including gender pay gaps and specific needs including to meet menstrual hygiene needs.

C. Relevance to Higher Level Objectives

17. **The emergency operation will provide immediate support to emergency preparedness, but also benefit the health sector in the longer term in line with the Country Partnership Strategy.** The project was not specifically envisioned in the latest Performance and Learning Review (December 2019) which extended the current Country Partnership Strategy (CPS) (Report No. 67567-MN) to December 2020. The emergency nature of the COVID-19 outbreak and its potential negative impacts call for swift support by the Bank to enhance the health sector emergency preparedness in Mongolia and protect the vulnerable and high-risk population. The COVID-19 outbreak has further highlighted the critical importance of improved access and better delivery of basic services in the health sector—Pillar 3 under the CPS. Beyond the short-term support, this emergency operation will contribute to the further strengthening of the health sector and service delivery in Mongolia.

II. PROJECT DESCRIPTION

18. **This Project was selected for COVID-19 financing because Mongolia faces an elevated risk for COVID-19 outbreak spread.** The scope and the components of this Project are fully aligned with the Fast Track Covid-19 Facility (FTCF), using standard components as described in Annex 2 of the COVID-19 Board paper. This Project complements the longer-term development work in the Health Sector, including the Mongolia's E Health Project (P131290) which seeks to improve integration and utilization of health information and e-health solutions for better health service delivery in selected pilot sites

19. **A phased response through the FTCF is proposed.** While support will surely be needed to respond to the economic impact of COVID-19 on households, businesses and government budgets, the World Bank's approach is to lead with the health response. As a first step, the majority of operations processed through the Fast Track Facility will be health sector operations to respond to urgent preparedness and response needs related to the COVID-19 outbreak. One of the challenges with the response to COVID-19 is the availability (and price) of medical equipment and supplies. The global PSCN (Pandemic Supply Chain Network), of which the World Bank is a co-convener, has identified a list of medical products critical to the response. The task team will work with MOH to customize this list further to develop a positive list of goods to be procured with World Bank financing. Further the health system has been weak, with years of underinvestment and neglect. Rapid investments to build capacity, including through procurement of equipment, will be necessary to ensure the system is able to meet the increased demand from complicated COVID-19 cases. Indeed, there will likely be growing disruption to economic activities, businesses and livelihoods. Options for support through other financing instruments are being explored as the facility is established and through country consultations.

20. **While addressing the COVID-19 is an immediate priority for the Government of Mongolia the Project will in tandem strengthen health system preparedness for similar future public health emergencies**. The Project will therefore address some of the immediate needs for responding to COVID-19 including risk communication, strengthening response capacity and investing in the building blocks for a coordinated multi-sectoral approach. It will further address health system gaps in the availability of drugs, medical supplies and equipment in key hospitals and aimag centers to meet the surge of expected patients and enhance the quality of patient care

A. Project Development Objective

PDO Statement

21. **The proposed project development objective is to strengthen Mongolia's capacity to prevent and to respond to the COVID-19 outbreak and strengthen national systems for public health preparedness.**

PDO Level Indicators

- Proportion of laboratory-confirmed cases of COVID-19 responded to within 48 hours (gender disaggregated)
- Samples from suspected cases of COVID-19 / SARI that are confirmed within the stipulated WHO standard time.
- Number of hospitals meeting MOH established standards to manage Severe Acute Respiratory Infections

(SARI) patients including intensive care
- Number of designated laboratories with COVID-19 diagnostic capacities established per MOH guidelines

22. **The proposed financing amount for project is US$ 26.9 million.** The proposed financing amount for project is US$ 26.9 million. To meet the emergency needs of Mongolia, the project will utilize a US$13.1 million IDA credit from the additional allocation, and a US$13.8 million IBRD loan reprioritized from the country program, both under the FTCF. Aligned with the approved FTCF design, the commitment fee for the first year of the IBRD loan will be waived. Retroactive financing will be allowed for up to US$4.2 million for eligible expenditures incurred by the Government from January 1, 2020.

B. Project Components

23. **Component 1: Emergency COVID-19 Prevention and Response (Total US$2.5 million IBRD):** The aim of this component is to slow down and limit the spread of COVID-19 in the country and improve preparedness for future public health emergencies. This will be achieved through providing immediate support for a comprehensive communication and behavior change intervention, strengthening capacity for active case detection and response, building an enabling platform for One Health and strengthening capacity of the health work force to manage the current and future public health emergencies. It will have four sub-components:

(a) Sub-Component 1.1: Risk Communication and Community Engagement (**US$1.1 million COVID19 FTF**): There will be a comprehensive communication and behavior change intervention to support key prevention behaviors (hand washing, social distancing etc.), including i) developing and testing messages and materials; and ii) further enhancing infrastructure to disseminate information from national to aimag and soum levels, and between the public and private sectors. Community mobilization will take place through existing Government and community institutions such as Aimag/city and Soum/district Governor's offices, health and education sector social workers, local CSOs, and bagh/khoroo (lowest administrative unit) Governors and doctors. A community engagement, risk communication, and social distancing program for the highly populated capital city will also be mobilized. Communication campaigns will include messages regarding appropriate care for sick family members, to decrease health risks to caregivers (often female) and provide information on to minimize psychosocial impacts. These modes for communication will include TV, radio, social media and printed materials as well as outreach through the community health workers who will need to be trained and compensated for this activity. considering a specific.

(b) Sub-Component 1.2: Response support (US$0.65million COVID19 FTF): This sub-component would help strengthen disease surveillance systems, and epidemiological capacity for early detection and confirmation of cases; combine detection of new cases with active contact tracing; support epidemiological investigation; strengthen risk assessment; and provide on-time data and information for guiding decision making and response and mitigation activities. It will improve public health emergency preparedness including the health facility preparedness. Aimag/district hospitals will prepare pandemic preparedness and response plans that are grounded in sound gender analyses and needs of other vulnerable populations. Health care workers will have access to all populations in need, and any movement restrictions relating to COVID-19, will account for the needs of different vulnerable groups especially the elderly and women. Support under this sub-component will: i) improve management of public health events and emergencies; ii) place incident management systems within the health sector and across other sectors, including at local levels; iii) develop M&E system to measure performance of health security systems; iv) improve coordination on public health emergencies and disaster management within

the health sector and beyond at national and local levels; v) continue to strengthen system readiness to implement emergency plans, and vi) conduct strategic risk assessment and health risk and resource mapping.

(c) Sub-Component 1.3: Human resource development (**US$0.45 million COVID19 FTF**): This component will finance activities related to preparedness, capacity building and trainings. It will enhance human resource capacity in diagnosing and treating the COVID-19 and conduct epidemiological and clinical research. Key areas will include support for i) training for emergency care doctors, nurses and paramedical staff in diagnosing, triage and providing first aid care; ii) training for health care staff on infection control; iii) building diagnostic capacity for COVID-19 at the national; district and aimag level; iv) providing psychosocial support to frontline responders v) translating, adapting and disseminating guidance to triage, treat, manage and follow up people with mild suspected symptoms in primary care settings, non-health facilities, community settings and at home; v) epidemiological and clinical research studies to take stock of the COVID-19 detection and treatment.

(d) Sub-Component 1.4: Creating an enabling environment for One Health (US$0.3 million COVID19 FTF): This subcomponent will strengthen capacities for multi-sectoral response operations to emerging and new infectious diseases. Working with the General Authority for Veterinary Services (GAVS), Ministry of Food, Agriculture, and Light Industry (MOFALI) and National Emergency Management Agency (NEMA) it will support capacity for joint response for new and emerging infectious diseases. This subcomponent will i) organize National Bridging Workshops (NBW) to analyze and improve the collaboration between the MOH, GAVS, MOFALI for the prevention, detection and response to zoonotic diseases and other health events at the animal-human interface ii) enhance institutional policies, plans, procedures and linkages to facilitate improved multi-sectoral communication, coordination and collaboration; iii) strengthen public health law enforcement and review to address inconsistencies; iii) conduct joint surveillance and risk assessments by MOH and GAVS; and iv) create joint data sharing platform between MOH and GAVS, both for early warning systems and joint control of disease outbreaks.

24. **Component 2: Strengthening Health Care Delivery Capacity (Total US$ 23.75 million including US$9.95 million from COVID19 FTF, US$13.8 million IBRD)** The aim of this component is to strengthen essential health care service delivery to be able to provide the best care possible in the event of a surge in demand. It will also provide ongoing support for people falling ill in the community to minimize the overall impact of the disease. Assistance will be provided to the health care system for preparedness planning to provide optimal medical care, maintain essential lifesaving services, and minimize risks for patients and health personnel. Strengthened clinical care capacity will be achieved by establishing specialized units in selected hospitals; publishing treatment guidelines, and hospital infection control interventions; strengthening waste management systems; and procurement of essential additional inputs for treatment such as oxygen delivery systems and medicines. Local containment will be supported through the establishment of local isolation units in hospitals. Widespread infection control training and measures will be instituted across health facilities.

25. **As COVID-19 will place a substantial burden on inpatient and outpatient health care services**, **support will be provided to rehabilitate and equip selected health facilities for the delivery of critical medical services and to cope with increased demand**. Health system strengthening efforts will therefore focus on provision of medical and laboratory equipment, PPE, medical supplies and laboratory tests to selected hospitals and health facilities. The Government of Mongolia has several health facilities as additional designated hospitals where COVID-19 patients will be admitted for treatment. These include i) Medical University Teaching Hospital; ii) Perinatology Center of Ulaanbaatar City; iii) the Third State Central Hospital known Shastin Central Hospital; and iv) all provincial and district general hospitals.

(a) Sub-component 2.1. Provision of medical and laboratory equipment and reagents (Total US$22.38 million, including US$8.58 million from COVID-19 FTF and US$13.8 million IBRD) : This sub-component will upgrade health facilities in 21 provinces and 9 districts of Ulaanbaatar city and selected hospitals for diagnostics and treatment of COVID-19 infection capacity through procurement of intensive care unit equipment and devices including Extracorporeal membrane oxygenation (ECMO) machine; establishment of oxygen mini-factory; provision of oxygen balloons, emergency beds, laboratory reagents and waste management facilities. This subcomponent will also support short trainings on use of equipment, devices, and tests for health providers and technicians.

(b) Sub-component 2.2. Provision of medical supplies, including PPE and medicines (US$1.37 million COVID19 FTF): This subcomponent will support the health system with supplies including Personal Protective Equipment like N95 respirators, medical masks, goggles, gloves, gowns etc. It will also support medical counter measures and medical supplies for case management and infection prevention, as well as procurement of drugs such as antivirals, antibiotics and essential medicines for patients with co-morbidity and complications such as CVDs and diabetes.

26. **Component 3: Implementation Management and Monitoring and Evaluation (US$0.65 million COVID19 FTF):** The Project will use currently existing PIU staff of the ongoing E-Health Project and include additional capacity and expertise as required. 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. As may be needed, this component will also support third-party monitoring of progress and efficient utilization of project investments.

27. **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. A zero-value component has been included to ensure funds can be deployed through the project depending on the specific needs that may arise.

Table 1 illustrates the summary project costs

Table 1: Cost Distribution (in USD Million)

	Total	COVID19 FTF	IBRD
Component 1: Emergency COVID-19 Prevention and Response	**2.5**	2.5	
Sub-component 1.1 Risk Communication and Community Engagement	1.1	1.1	
Sub-component 1.2 Response support	0.65	0.65	
Sub-Component 1.3 Human resource development	0.45	0.45	
Sub-component 1.4 Creating an enabling environment for One Health	0.3	0.3	
Component 2: Strengthening Health Care	**23.75**		

Delivery Capacity			
Sub-component 2.1 Provision of medical and laboratory equipment and reagents	22.38	8.58	13.8
Sub-component 2.2 Provision of medical supplies, including PPE and medicines	1.37	1.37	
Component 3: Implementation Management and Monitoring and Evaluation	**0.65**	0.65	
Component 4: Contingent Emergency Response Component (CERC)	0		
Total	**26.9**	**13.1**	**13.8**

C. Project Beneficiaries

28. **The scope of this project will be nationwide, benefiting the entire population of 3.2 million of which 1.5 million (47%) live in Ulaanbaatar, the capital city.** The project interventions will cover all 21 Aimags and their districts, and selected hospitals. The primary beneficiaries of the Project will include the patients visiting hospitals and health facilities. Patients will receive timely and comprehensive diagnostic and treatment services and care will be managed effectively and efficiently through identified care pathways. The second group of beneficiaries will include the community at large, especially vulnerable and high-risk populations such as the elderly. Support for community outreach services will include advocacy on non-pharmaceutical public health measures (handwashing, respiratory etiquette, social distancing etc.) together with risk communication among the general population which will help reduce number of at-risk and infected patients. The third group of beneficiaries will include health care providers in Aimags, Districts and selected hospitals who will be providing care to COVID-19 infected and other patients.

D. Results Chain

29. **Swift detection of an outbreak, assessment of its epidemic potential and rapid emergency response can reduce avoidable mortality and morbidity, and reduce the broader economic, social, and security impacts.** Failure to rapidly mobilize financing and to coordinate response can result in avoidable casualties and socioeconomic consequences. By focusing on containment, diagnosis and treatment of patients, the proposed Project seeks to control the disease outbreak and limit socioeconomic losses.

30. **Critical interventions are needed to reduce morbidity and mortality rates from existing and emerging infectious diseases, curtail the spread of COVID-19 and mitigate the social impacts of the outbreak.** The development of national COVID-19 preparedness and response—including the establishment and strengthening of command center for efficient emergency response for multiple hazards, the strengthening of surveillance and information systems, increased laboratory capacity, improved infection and prevention control and case management—will improve disease surveillance and emergency response in the country. Strengthened clinical care capacity will be achieved through establishment of specialized units in selected hospitals, increasing hospital bed availability, treatment guidelines, and hospital infection control guidelines. Health care workers trained in critical skills involved in disease detection and response will increase the system's effectiveness whereas risk

communication and behavior change interventions including social distancing measures will contribute to slowing the spread of COVID-19 and other disease outbreaks.

E. Rationale for Bank Involvement and Role of Partners

31. **The WB's dedicated umbrella FTCF and IFC's Trade Solutions and Working Capital Liquidity Facilities build on the experience and credibility of both institutions in responding to global crisis.** They allow the institutions to move nimbly to support countries as they respond to the health and economic impacts of the spread of COVID-19 and build in the experience and high standards that are needed so that the approaches work well in fast moving environments.

32. **This emergency operation is built on Bank's strong engagement in Mongolia with clients and partners.** It leverages the Bank's ongoing operation and dialogue with the Ministry of Health and other partners in the health sector in Mongolia. The E-health project under implementation has already allocated $2.3 million funds for purchase of essential emergency response equipment. The Bank support is prepared together with the Ministry of Health and National Center for Communicable Diseases control (NCCD). It is part of the coordinated efforts by international partners in supporting the Mongolian authorities' efforts in preventing and preparing for responding to the COVID-19 outbreak. In particular, the operation is prepared in consultation with WHO, and is in line with WHO recommendations to the Mongolian authorities, in the form of a multisectoral Health sector plan.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

33. **Project management arrangements will be adapted under the ongoing e-health Project (P131290), currently functioning satisfactorily, to utilize existing capacity in Ministry of Health (MOH) and coordinate with all stakeholders.** Through its central departments and provincial offices, the MOH will be responsible for implementation of the project, including overall coordination, results monitoring and communicating with the World Bank on the implementation of the project. **Current E-Health Project Steering Committee (PSC), chaired by the Minister of Health will be used for oversight and to provide strategic policy advice and guidance to the Project.** Membership of the PSC will be extended to include additional members from MOH, National Center for Communicable Disease, Center for Zoonosis Disease and Public Health Institute and representative from the MOFALI. The Project Steering Committee will also be responsible for ensuring synergies between the project activities and the State emergency preparedness plan. The Project Steering Committee will meet on a regular schedule to review progress of the project, ensure coordinated efforts by all stakeholders and conduct annual reviews of the project. The multisectoral aspects of the COVID-19 response will be guided by National Emergency Commission chaired by Deputy Prime Minister.

34. **The Director of the Policy and Planning Department of the Ministry of Health will function as the Project Director, to provide oversight and coordinate the project implementation with relevant divisions and departments of MOH.** The existing E-Health Project Implementation Unit will be expanded and staffed with relevant experts including bio-medical engineer, environment and occupational health specialist, risk communication and community engagement officer, and procurement officer with good English language skills.

The Investment Division along with the Department of Pharmaceuticals, Health Industry and Technology of the MOH will second a staff member to work closely with the PIU to provide technical advice and support. This strengthened and amalgamated PIU will provide all support to the Project implementation.

35. **A separate Project Implementation Manual (PIM) will be developed by April 2020** to support the PIU to meet its responsibilities for management of the project. The Manual will describe responsibilities of the PIU, operational systems and procedures, project organizational structure, office operations and procedures, finance and accounting procedures (including funds flow and disbursement arrangements), procurement procedures and implementation of project ESMP and SEP per World Bank ESF guidance.

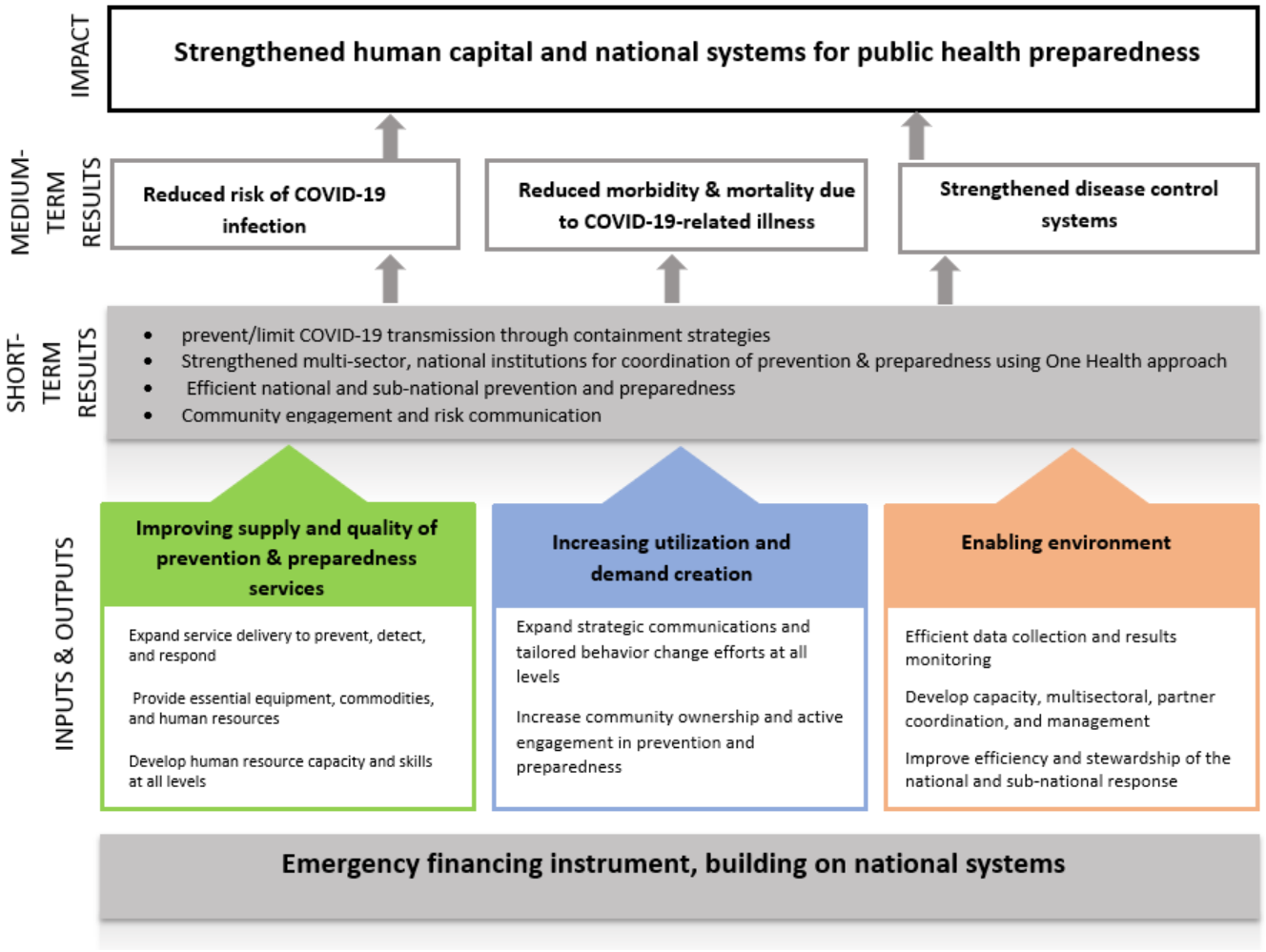
B. Results Monitoring and Evaluation Arrangements

36. **The progress and achievement of the PDO will be monitored and assessed through (a) regular/routine monitoring and (b) completion review**. A set of results monitoring indicators has been developed to measure Project outputs, intermediate outcomes, and final development outcomes. To the extent possible, the results M&E arrangements for the Project will be integrated into the existing national surveillance and hospital information systems. Where possible project monitoring data will be analyzed by gender, age and disability. In addition, a project end review will be conducted during the last year of Project implementation. The theory of change is illustrated below.

37. **Reporting:** The MOH will produce a quarterly report based on agreed targets and the progress on implementation of critical project activities. This report will contain tables of performance against indicators for the proposed project.

38. **Supervision and implementation support**: An experienced in-country World Bank team of health, operational, and fiduciary specialists will provide day-to-day implementation support to the MOH with additional regular support from staff from other World Bank offices. Implementation support missions will be carried on a regular basis and will include relevant partners.

Theory of Change



C. Sustainability

39. **The sustainability of the project would largely depend on the capacity of the implementing agencies and the specific activities.** The focus of some of the project activities on training and capacity building will further enhance the sustainability of the project. The outcomes of the project related to strengthening disease surveillance, pandemic preparedness (informed by the COVID-19 immediate response) will be a sustainable impact of the project. This would help the health sector to effectively respond to any future pandemics.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

40. **The regional impact of COVID-19 and the authorities' measures to prevent the spread of the outbreak are likely to have significant negative implications on the Mongolian economy and thus on poverty reduction,**

education and health outcomes. Given Mongolia's heavy reliance on China for trade and investment, a weaker Chinese economy following the COVID-19 outbreak is likely to reduce Mongolia's external demand. Meanwhile, preventive measures of the authorities have started to squeeze the domestic demand (these measures are summarized in Table 1).

- **Weaker external demand and trade:** With around 90 percent of Mongolia's exports and 34 percent of imports traded with China, a weaker Chinese economic growth exacerbated by the authorities' decision to close the border is straining the trade balance and the private sector activities. Trade surplus declined by 12 times to US$21 million (y/y) in the first two months of 2020. Although the export ban was temporary, the export dependent sectors such as mining (accounting for 24 percent of GDP) and transportation (5.4 percent of GDP) are likely to be hit significantly if demand from China does not recover quickly.
- **Lower budget revenue:** Since the government planned to generate 25 percent of its revenue from the mineral sector (mining royalties, VAT and excise tax), declining commodity prices, weaker external demand for minerals and any interruption to mineral exports amid the impact of COVID-19 outbreak are likely to squeeze the budget revenue for 2020. Revenue collection has already declined by 10.6 percent (y/y) in the first two months of 2020. In case the revenue collection does not recover in the remainder of the year, the government may have to cut its expenditure and thus further amplify negative consequences of the outbreak on real economy.
- **Weaker domestic demand and supply:** Starting late January, the government has taken several step-by-step measures that effectively restricted any public gathering, celebration of Lunar year and the operations of the services sector. As most of these measures are effective until the end of March, the services sector (accounting for a third of the GDP) is likely to be severely affected. When surveyed, a third of entrepreneurs have expressed that their businesses are seriously affected by the outbreak and associated measures, while around half of them expect revenue loss to exceed 30 percent. In case the outbreak is not contained, the authorities may have to enforce a full lockdown and thus further squeeze the private sector, especially those facing loan and rent payments. Mainly attributed to the negative developments in the mining sector, real industrial production contracted (by 17 percent, y/y) in the first two months of 2020, following the ban on coal and crude oil exports.
- **Weaker capital inflow:** Around a quarter of foreign direct investments comes from China and significant portion is directed to the mining sector. Although China has made significant progress in containing the outbreak, increased spread in Europe and Northern America has started to affect the global market significantly and strain capital inflow to the emerging markets. As a result, yields on Mongolian sovereign bonds at the international market have reached the highest level (about 9 percent) in the past 4 years. Rising yields and scarcity of liquidity for the emerging markets are likely to limit foreign direct investments to the private sector and limit the government's opportunity to restructure its upcoming external debts.

41. **From a policy standpoint, the virus outbreak is viewed as a negative shock to the economy and the government is taking supportive measures.** If the outbreak persists in China or there is domestic outbreak, it would call for structural interventions including stimulus program as well as ways to strengthen the competitiveness of the economy. In fact, the government is currently exploring ways (including donor support) to accommodate possible fiscal stimulus in case of stronger impact of the viral outbreak.

42. **Weaker economic growth due to the outbreak is likely to complicate Mongolia's effort and capacity to**

further its agenda on reducing poverty and investing in human capital. Although the direct medical cost of the outbreak on Mongolian people is not expected to be significant as the extent of the outbreak remains limited, the cost of lost earnings and opportunities of employment are expected to be significant, especially for the financially vulnerable segment who are mostly employed in the services sector. At the same time, rising price of food items as a result of hoarding behavior is likely to eat into the real consumption of low-income families, thus further complicating the agenda to reduce poverty. In the longer run, the preventive measures that suspended schools and kindergarten are likely to affect human capital accumulation, while increasing the risk of child negligence at home and raising the cost of child-care for financially vulnerable families.

43. **Considering the socio-economic consequences of the outbreak it is crucial and timely to support the country's capacity to respond and preparedness for similar outbreaks.** Therefore, the current project to strengthen the Government of Mongolia's capacity to prevent and to respond to the COVID-19 outbreak and strengthen national systems for public health preparedness is a valid economic investment.

Table 2: Preventive and supportive measures of the Mongolian authorities

Health related preventive measures	**Fiscal policy measures introduced on February 28**
• Suspension of Lunar year celebration in the country. • Suspension of coal and crude oil exports during February 15-March 15. It was recently lifted following introduction of hygiene protocols at border posts; • Suspension of community activities including schools, universities, kindergarten, meetings, trainings, sports, recreation, travel, arts, cultural activities, cinema, driving course, and game center activities until March 30; • Closure of non-food markets, stores, wholesale markets and non-essential services (e.g., personal care services) during March 10-16. • Directive to public and private entities to grant the option to work online or get a paid-leave to pregnant women and mothers with children under age 12. • Directive encouraging public organizations to adopt home based work or send some portion of their employees on leave of absence. • Quarantine individuals who have traveled to China, Korea, Japan, Iran and Italy for 14 days at local designated hospitals upon arrival.	• Exemption of import tax (customs and VAT) on food items including wheat, seeds, all types of rice, sugar, and vegetable oil; • Rebate on income tax for landlords who reduce the rents of their property to tenants in market places, malls and other service-related areas; • Waiver of penalties on employers who failed to pay their CIT and social security contributions on time, during the period of heightened emergency; • Reduction of the tax liabilities of private firms, which are owed payments from central or local government for their services, by the amount owed; • Prioritization of the current expenditures consistent with revenue collection, which may be weaker than planned due to suspension of coal exports and waiving of some taxes; • Accelerated process of tendering for public investment projects to support the economy in the short term.
Travel ban	**Monetary policy measures to support domestic demand, announced on March 11**

• The trans-Siberian railway (Beijing-Ulaanbaatar-Moscow) • All international flights and road/rail travel (except for rail freight) until March 28. • All domestic trips (road, rail and flight) until March 30.	• Reducing policy rate by 100 basis points to 10 percent. • Lowering reserve requirements on domestic currency by 200 basis points to 8.5 percent. • Narrowing the interest rate corridor/ban (a measure to keep the interbank market rate as close as possible to the policy rate) to +/-1 percentage point from +/-2 percentage points. • Granting of 90 days of relief period for those with outstanding loans at banks and non-banks. • Forbearance granted on a period covering 6 months from the start of the state emergency (January 27) on loan defaults (nonperforming loans or past due loans would not increase in the 6-month period).[6]

B. Fiduciary

i. Financial Management

44. **The project will leverage the existing and well-established financial management and disbursement arrangements of the ongoing E-Health project for its implementation.** The PIU staff responsible for implementing the E-health project will be tasked to carry out the day-to-day fiduciary work under the proposed project. A separate Financial Management Manual (FMM) will be developed for the new operation, and the FMM of the E-Health project will be used as the main template for developing the manual. The internal control procedures and other financial management arrangements prescribed in the new manual will be followed. A segregated US$ denominated Designated Account will be utilized to withdraw funds from the Bank and disburse against eligible expenditures incurred in US$. For local currency MNT payments of the project, a Sub-account in local currency will be opened within the Treasury Single Account and used for transaction processing. The funds flow arrangements will essentially mimic that of the E-health project and further details will be laid out in the project FMM. A lower threshold of US$900,000 for direct payments and a high ceiling of US$4.5 million for the project's Designated Account will be allowed.

45. **The disbursements will be based on Statements of Expenditures (SOEs), and SOEs will be audited as part of the annual financial audit of the project.** A single disbursement category containing all eligible expenditures will be used for the project plus a category amounting to nil for the eligible expenditures under CERC component. The project will submit simplified bi-annual interim financial reports to the Bank which will initially be prepared manually in Excel before switching to computerized system during early implementation period. Mongolian National Audit Office will select and contract a private audit firm to conduct the annual financial audits of the project. Retroactive financing up to an aggregate amount not to exceed US$4.2 million of the total project financing amount will be allowed for eligible expenditures of the project incurred by the Government on or after

[6] The above two measures announced on March 18 are not reflected in the GDP growth scenarios.

January 1, 2020. FM supervision will be based on the project FM risk rating, but the initial FM supervision missions will be on a more frequent basis to ensure effective and efficient fiduciary arrangements are well established.

46. **Fraud and Corruption (F&C) and Audit Rights:** Contracts that were procured in advance of the signing of the Financing Agreement [and are included in the Procurement Plan] 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."

47. **The overall project FM risk is assessed Moderate**. The table below presents potential risks and respective mitigation measures. The implementation of the mitigation measures will be reviewed, and the overall FM risk will be re-assessed as part of the continuous implementation support to the project.

Risks	Mitigation Measures
Incomplete records and misuse of goods (Assets & Inventory) at the health facilities.	Ensuring through regular M&E and Bank support missions that the following is checked and confirmed: i) detailed records of assets and inventory at the health facilities are properly maintained; and, ii) the relevant assets and inventories are used for intended purposes by intended units at the health facilities.
Potential changes in Government officials involved in project implementation activities due to upcoming election cycle and possible impact on PIU and FM staffing.	Ensuring project progress and continuity are maintained regardless of election results for effective and efficient implementation of the project. In case there are changes in the Government personnel implementing the project, collaborating with the newly appointed officials in carrying on with the project implementation as initially agreed and endorsed.

(ii) Procurement

48. **Procurement for 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 all procurement transactions.

49. **The project has 2 main components: Emergency COVID-19 Response (Total US$2.5 million IBRD) with the aim of slowing down and limiting the spread of COVID-19 in the country and improving preparedness for future public health emergencies.** This component will finance a multi-media and multi-modal public communication and relation campaign focusing on information about COVID-19 and recommended behavioral change (such as hand washing and social distancing). The component will also strengthen disease surveillance systems and information management systems and will create an enabling environment for One Health program

strengthening the capacity for multi-sectoral response operations to emerging and new infectious diseases. Finally, the component will finance activities related to preparedness, capacity building and trainings. The activities will largely be procured as Technical Assistance, Non-Consulting Services and Training.

50. The other component Health Care Strengthening (Total US$ 23.75 including US$9.95 million from COVID19 FTF, US$13.8 million IBRD) will comprise the bulk of the planned procurement and will upgrade health facilities in 21 provinces and 9 districts of Ulaanbaatar city for diagnostics and treatment of COVID-19 infection capacity through procurement of intensive care unit equipment and devices; establishment of an oxygen mini-factory; provision of oxygen balloons, emergency beds, laboratory reagents and waste management facilities. In addition, the project will support the health system with medical counter measures including drugs and medical supplies for case management and infection prevention, as well as procurement of drugs such as antivirals, antibiotics and essential medicines for patients with co-morbidity and complications such as CVDs and diabetes, this will include medical / lab equipment and consumables, supplies and commodities, diagnostic reagents, including kits and the procurement and distribution of masks;

51. **Given the large range of equipment and services being procured the Borrower is preparing a streamlined project procurement strategy for development (PPSD) that will be finalized during the first months of implementation.** This strategy will take into account the likely high demand on manufacturers and suppliers of commodity goods that is one needing adaptation and a strategic approach to procurement. An initial procurement plan for the first three/six months has been agreed with the Borrower and will be updated during implementation.

52. **The proposed procurement approach prioritizes fast track emergency procurement for the required goods, works and services.** All procurements under this project will be subject to Post Review (there will be no Prior Review). Key measures to fast track procurement include:

- Direct Contracting and/or Limited Competition with identified manufacturers of equipment;
- Use of CQS, RFQ or National Open/Limited Competitive procurement procedures as appropriate and agreed with the Bank in the Procurement Plan.
- Considering existing framework agreements with international agencies like UNICEF, WHO, UNOPS and other UN agencies for procurement of medicines, medical supplies and commodity equipment for emergency requirements where the terms offered are more beneficial (such as delivery times);
- Increasing advance payments to 40% when supported by an advance payment guarantee;
- Waiving the conditions for bid securities and replacing them with Bid Securing Declarations;
- Maximizing the use of direct payments to foreign suppliers;
- Allowing submission of bids using emails in encrypted files where it is not feasible to receive bids in hardcopy;

53. **Recognizing the significant disruptions in the usual supply chains for medical consumables and equipment for COVID-19 response, in addition to the procurement approaches described above, the Bank will provide, at the Borrowers' request, Bank Facilitated Procurement (BFP) to proactively assist the Government in accessing existing supply chains.** 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. If needed, the Bank could also provide hands-on support to Borrowers in contracting to outsource logistics. BFP in accessing available supplies may include aggregating demand across participating countries, whenever possible, extensive market engagement to identify suppliers from the private sector and UN agencies.

54. All procurement under the project will be carried out by MOH's existing PIU that was established under the existing eHealth project (P131290). The unit will be strengthened by additional staff specialized in communications campaigns and surveillance systems as well as expertise in the procurement of emergency medical equipment and drugs. A Project Implementation Manual (PIM) detailing all procedures applicable to this project will be prepared and agreed with the Bank within 1 month of Effectiveness.

55. **Streamlined procedures for approval of emergency procurement to expedite decision making and approvals by the Borrower have been agreed and are consistent with the approach outlined above. These will be reflected in the PIM.**

56. **The major risks to procurement and related mitigation and controls are summarized below:**

Risks	Mitigation Measures
Limited capacity to conduct emergency procurement.	The MoH PIU will maintain staff with the appropriate capacity dedicated to the COVID-19 response. MoH will support the PIU staff with specific expertise in medical equipment and drugs procurement; Bank will provide appropriate support
Managing fraud and corruption and noncompliance.	Ex ante due diligence of firms being selected will be attempted using databases available in country (through UN Agencies) and externally. Bank will facilitate searching of the sanctions system Post review of contracts will be scheduled immediately on award of contracts for all contracts that would usually have been prior reviewed.
Over-designed specifications can result in inflated prices and fewer bidders. Producers and suppliers can exaggerate the specifications, condition or performance of the equipment they provide,	It is important that delivery is properly managed. Some consideration of import processes might be needed. Equipment must be recorded in an inventory, checked regularly, maintained and protected from theft and abuse
Capacity of the market and supply chain to meet the demand.	Early engagement with manufacturers in the region for direct contracting is proposed. Considering the use of existing Framework agreements (FAs) with UN agencies for supply of medicines and medical supplies; Measures for supplier preferencing like direct payments by

	the Bank, increased advance payments, etc. will be applied on an as needed basis.
Impact of emergency on supply chains and lead times.	Early engagement with emerging suppliers in the region (e.g. testing kits from Vietnam) though the risks are high given low production capacity of most of the items available in country and spread of the infection in other countries.
Impact of closing borders on the Supply Chain – impact on consultants	Where international consultants or suppliers are selected as the best qualified, MOH will do their utmost to facilitate communications (remote work) and will not disqualify their participation.
Social impacts of an emergency on markets especially on labor markets and acceptability of foreign contractors.	There are no known restrictions on use of foreign personnel.

(i) 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

57. **The project will have positive environmental and social impacts, insofar as it should improve COVID-19 surveillance, monitoring, treatment and containment**. The environmental risks are nonetheless considered Substantial because of the current uncertainty around specific activities, occupational and community health and safety risks and risks associated with medical waste management. The main environmental risks of the proposed project activities are: (i) the occupational health and safety issues related to testing specimens and handling of supplies and the possibility that they are not safely used by laboratory technicians and medical crews; (ii) the occupational health and safety issues related to the treatment of COVID-19 patients; and (iii) medical waste management and community health and safety issues related to the handling, transportation and disposal of healthcare waste. The environmental risks associated with the proposed project activities will be mitigated through the preparation and implementation of an ESMP. Mitigation measures will largely be based on WHO technical guidance on COVID-19 response [1], World Bank EHS Guidelines and other GIIP, including an elaboration of roles and responsibilities within the Ministry of Health, training requirements, timing of implementation and budgets. The ESMP will also include a Health Care Waste Management Plan (HCWMP). Procurement of goods (purchase of testing kits, medical equipment such as oxygen suppliers, etc.) and consultancy activities for COVID-19 communication can be initiated as soon as the project is approved. However, the ESMP should be finalized before establishing the isolation units, quarantine facilities, and/or construction activities at any scale (if included). In addition, any activities that have been screened for environmental and social risks will not be carried out without the completed, consulted and disclosed ESMP.

58. **The project will have a wide range of positive social impacts related primarily to the avoidance and management of COVID 19 throughout the country.** The social risks are nonetheless considered to be Substantial. This is primarily because of the challenges in service delivery in remote areas as well as ensuring social inclusion among poor, vulnerable people both in urban and remote areas and aspects of workplace safety for health workers and community safety. A social assessment will be integrated with the Environmental and Social Management Plan (ESMP) to be prepared in early project implementation. This social assessment will address the relevant project risks and impacts, including the (i) risk that project-related impacts fall disproportionately on individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable; and (ii) risk of prejudice or discrimination toward individuals or groups in providing access to development resources and project benefits, particularly in the case of those who may be disadvantaged or vulnerable. A Labor Management Plan will also be prepared, as will a Stakeholder Engagement Plan (SEP). A project GRM will established and operational as part of the SEP. The PIU will have focal person responsible to ensure measure reflected in ESCP adequately implemented and monitored and report to Association.

Gender

59. **Caring for ill family members and the elderly often becomes the responsibility of women and girls due to prevailing social norms**. School closure and home quarantine are likely to also increase the burden on women of caring for children. Access to routine services for women, such as ante-natal care, were pushed aside initially, as early experience in Hubei province in China has demonstrated. Women constitute 81.9% of frontline health sector workers in Mongolia, facing extreme stress especially with regard to survival of patients as well as personal safety, and requiring psychosocial support. The Project will support communication campaigns including messages regarding appropriate care for sick family members, resources available, coping strategies, etc. to minimize psychosocial impacts. It will also support psychosocial training for front line health workers. The Project will ensure that MOH guidelines for pandemic preparedness and response plans take into account the unique needs of vulnerable populations as well as gendered roles and responsibilities, and social norms; and will routinely analyze and track their implementation.

V. GRIEVANCE REDRESS SERVICES

60. 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.

VI. KEY RISKS

61. The overall risk rating of the proposed operation is **Substantial,** given the key risk factors described in the following paragraphs.

62. **Political and governance risks are rated High** due to the high government turnover in Mongolia and the upcoming parliamentary election in 2020. These risks will be mitigated by frequent consultations and communication with technical counterparts, political decision makers, and other stakeholders. Moreover, the World Bank country team continues to engage in various governance, transparency, and oversight initiatives at the national level and in detailed anticorruption action plans at the project level. The World Bank team will also engage the new Government after the election to continue to collaboration on human development.

63. **The Macroeconomic risk is rated High.** Mongolia's economic outlook is dependent on global macroeconomic factors, in particular, commodity prices, and the economic impact of the COVID-19 outbreak is expected to be significant. To mitigate these risks, the World Bank has been and will continue engaging with the authorities to include substantial macroeconomic policy adjustments that would strengthen the policy's capacity to cope with external shocks by restoring fiscal and external buffers. To address the structural vulnerability of the economy to external shocks, the World Bank is also supporting structural reforms in Mongolia to improve the competitiveness and diversification of the non-mining sector and promote a more business-friendly environment.

64. **The sector strategies and policies risk are rated Moderate**. Mongolia's State Policy on Health (2015-2026) approved by the Government resolution #24 of 2017 describes the broader health policy goal to extend the average life expectancy of Mongolians by improving quality and inclusivity of healthcare services through disease prevention, introduction of new technology of evidence-based diagnostics and treatment and ensuring proper system of health sector financing in order to meet the health needs and demand of the population. Main principle for the policy implementation is to provide healthcare services in equitable and inclusive manner regardless of the citizen's health status, type of disease, place of residence, age, gender, education, sexual orientation, origin, language and cultural difference. One of main policy objectives is to decrease the spread of communicable diseases through prevention, early detection of communicable diseases, and preparedness to treat them, through improving the capacity of health services for fast response actions and ensuring access to extremely necessary vaccines for everyone. Mongolian Law on Disaster Prevention regulates coordination of participating emergency authorities, disaster risk reduction councils, emergency commission, disaster prevention and government organizations, local government and citizens' representative organizations, legal entities and population during disaster prevention processes and control. The urgency of the COVID-19 prevention has rallied actions from the government and society to address this immediate emergency.

65. The technical design project risk is rated **Moderate**. Comprehensive communication and behavior change intervention, strengthening capacity for active case detection and response, building an enabling platform for One Health and strengthen the capacity to manage emergencies will require a close collaboration between and coordination of relevant public and private organizations. As member of the State Emergency Commission the Minister of Health has capacity and experience to manage the coordination. Given that purchase of medical equipment will not require sophisticated technologies and the MOH has the capacity and experience to manage the procurement process and implementing World Bank funded project, the risk is moderate. The MOH will be supported by continuous technical assistance and capacity-building activities, financed by the project, to ensure successful implementation.

66. **The institutional capacity for implementation and sustainability is rated Moderate.** The implementing agency, MOH and its E-health Project Management Office (PMO), have experience in implementing World Bank-

funded project and have potential technical experience in implementing similar activities, particularly purchase of medical equipment and capacity building of healthcare workers. However, due to insufficient human resource and internal procedures of the MOH, there exists substantial risk, which could potentially lead to implementation delays. To mitigate this risk, the current PMO for E-health project within the MOH will be strengthened with experienced consultants on emergency response, communication and community engagement and medical equipment. In addition, the World Bank team would work closely with the MOH to provide up-front training on World Bank rules and guidance and continued technical support and trainings during project implementation. To ensure that the PIU functions effectively, mitigating measures will include the World Bank's scrutiny of the PIU members' terms of reference and only providing 'no objection' if proposed staff have adequate qualifications before effectiveness of the project. Also, this process needs to start in parallel with the finalization of credit arrangements.

67. **The fiduciary risk is rated Moderate.** The PIU of the E-Health project will be responsible for financial management, procurement, and implementation of those activities. This PIU has a proven track record in implementing a World Bank-financed project, as confirmed by its satisfactory fiduciary performance so far. Moreover, under the new project the PIU will be mostly following the same Bank procedures for financial management, disbursement and procurement activities. Nevertheless, as new Procurement Regulations will be employed, there exists a moderate risk of delay in processing or noncompliance. Mitigation actions are proposed and have been agreed to enhance the procurement capacity of the PIU on procurement and contract management through technical support, training, and capacity building.

68. Procurement: To support the emergency response, the project will utilize rapid disbursement procedures and simplified procurement processes in accordance with emergency operations norms. The key procurement risk is failed procurement where there is not a sufficient global supply of essential medical consumables and equipment needed to address the health emergency. To help mitigate this risk, the Bank will provide BFP leveraging its comparative advantage as convener with the objective of facilitating borrowers' access to available supplies at competitive prices. BFP is provided to mitigate the greater risk that the Bank could be providing financing for medical supplies that may not be readily available to developing countries. This proactive approach will help clients achieve COVID19 projects' development objectives on a fit-for-purpose basis.

69. The project will have positive environmental and social impacts, insofar as it aims to improve COVID-19 surveillance, monitoring, treatment and containment. **The environmental and social risks are nonetheless considered Substantial** because of the current uncertainty around specific activities, occupational and community health and safety risks and risks associated with medical waste management and challenges in service delivery in remote areas as well as ensuring social inclusion among poor, vulnerable people both in urban and rural locations. The capacity of the PIU needs to be strengthened with dedicated person with experience on environmental risk, community engagement and implement project ESMP. COVID-19 related GRM system needs to be established and operationalized during project timeframe

70. **The stakeholder risk is rated Substantial.** The operation is well aligned with the priorities of the Government health sector development, and the Government commitment is strong. However, risks remain in view of the risks associated with high government turnover, the upcoming Parliamentary election in 2020 and the uncertain political will. Special attention will be paid to establish proper forms and channels of communication for the population and for the beneficiaries of the project. The World Bank and several donors are carrying out

activities in the health sector and going forward, coordination efforts are strongly needed to streamline donor programs in the sector and to continuously seek synergy and complementarity.

71. Large volumes of personal data, personally identifiable information and sensitive data (Data) are likely to be collected and used in connection with the management of this crisis under circumstances where measures to ensure the legitimate, appropriate and proportionate use and processing of that Data may not feature in national law. In order to guard against abuse of that Data, the Project will incorporate best international practices for dealing with such Data in such circumstances. Such measures may include, by way of example, data minimization (collecting only Data that is necessary for the purpose); data accuracy (correct or erase Data that are not necessary or are inaccurate), use limitations (data are only used for legitimate and related purposes), data retention (retain data only for as long as they are necessary), informing data subjects of use and processing of data, and allowing data subjects the opportunity to correct information about them, etc.

VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Mongolia

MONGOLIA COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEM PREPAREDNESS PROJECT

Project Development Objective(s)

The proposed project development objective is to strengthen Mongolia's capacity to prevent and respond to the COVID-19 outbreak and strengthen national systems for public health preparedness.

Project Development Objective Indicators

Indicator Name	DLI	Baseline	End Target
Emergency COVID-19 Prevention and Response			
Proportion of laboratory-confirmed cases of COVID-19 responded to within 48 hours (Percentage)		40.00	80.00
Share of females (Percentage)		0.00	50.00
Samples from suspected cases of COVID-19 / SARI that are confirmed within the stipulated WHO standard time (Percentage)		0.00	75.00
Strengthening Health Care Delivery Capacity			
Number of hospitals meeting MOH established standards to manage Severe Acute Respiratory Infections (SARI) patients including intensive care (Number)		0.00	24.00
Number of designated laboratories with COVID-19/SARI diagnostic capacities established per MOH guidelines (Number)		1.00	5.00

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	End Target
Emergency COVID-19 Response			
Number mass media messages disseminated on emerging infectious diseases, six monthly (Number)		0.00	20.00
Proportion of identified contacts who are successfully traced (Percentage)		0.00	90.00
Number of “One Health”-based simulation exercises conducted and certified by Ministry of Health/ Agriculture at national and sub-national levels (Number)		0.00	3.00
Number of health staff trained in infection prevention and control per MOH-approved protocols (Number)		0.00	500.00
Health System Strengthening			
Number of ventilators provided to hospitals (Number)		0.00	200.00
Percentage of Aimag/district hospitals with pandemic preparedness and response plans per Ministry of Health Guidelines (Percentage)		0.00	80.00
Percentages of provincial and district general hospitals with personal protective equipment and infection control products and supplies, without stock-outs in preceding two weeks (Percentage)		0.00	80.00
Implementation Management and Monitoring and Evaluation			
Independent review of equipment purchase and utilization carried out annually (Text)		NA	Yes
Six monthly reports prepared and circulated in a timely manner (Yes/No)		No	Yes

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Proportion of laboratory-confirmed cases of COVID-19 responded to within 48 hours	Denominator: Number of laboratory-confirmed cases of COVID-19. Numerator: Number of laboratory-confirmed cases of COVID-19 where there was deployment of a rapid response team, contract tracing was initiated, and public messaging was disseminated within 48 hours.	6-monthly	Health Management Information System	Monthly reports of (i) the number of laboratory-confirmed COVID-19 cases, and (ii) the number of cases responded to with rapid response teams, contact tracing, and public messaging within 48 hours	National Center for Communicable Diseases and Center for Health Development
Share of females	Measure gender disaggregation	The same as parent indicator	The same as parent indicator	The same as parent indicator	The same as parent indicator
Samples from suspected cases of COVID-19 / SARI that are confirmed within the stipulated WHO standard time	Denominator: Number of specimens submitted for COVID-19/SARI laboratory testing Numerator: Number of specimens submitted for COVID-19/SARI laboratory	6-monthly	Health Management Information System	Monthly reports of (i) the number of specimens submitted for COVID-19/SARI testing, and (ii) Number of specimens submitted for COVID-19/SARI	National Center for Communicable Diseases and Center for Health Development

	testing confirmed within the stipulated WHO standard time			laboratory testing confirmed within WHO stipulated time	
Number of hospitals meeting MOH established standards to manage Severe Acute Respiratory Infections (SARI) patients including intensive care	Cumulative number of hospitals with capacity to manage SARI patients including intensive care	6-monthly	Report of M&E and Auditing Department of Ministry of Health	Reports submitted by relevant hospitals to the Ministry of Health	M&E and Auditing Department of Ministry of Health
Number of designated laboratories with COVID-19/SARI diagnostic capacities established per MOH guidelines	Cumulative number of designated laboratories with COVID-19 diagnostic capacities	6-monthly	Report of Ministry of Health	COVID-19 diagnostic laboratory capacity determined by Ministry of Health	Ministry of Health

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number mass media messages disseminated on emerging infectious diseases, six monthly	Cumulative number mass media messages disseminated	6-monthly	Report of Emergency Operation Center of Ministry of Health	Reports submitted by Emergency Operation Center of Ministry of Health	Ministry of Health
Proportion of identified contacts who are successfully traced	Denominator: Number of contacts of COVID-19 cases	6-monthly	Health Management	Monthly reports of (i) Number of contacts of	National Center for

	identified. Numerator: Number of contacts of COVID-19 cases successfully traced.		Information System	COVID-19 cases identified and (ii) number of contacts of COVID-19 cases successfully traced.	Communicable Diseases
Number of “One Health”-based simulation exercises conducted and certified by Ministry of Health/ Agriculture at national and sub-national levels	Cumulative number of “One Health”-based simulation exercises conducted	6-monthly	Report of Public Health Department of Ministry of Health	Reports submitted by Public Health Department of Ministry of Health and National Center for Communication Diseases.	Ministry of Health
Number of health staff trained in infection prevention and control per MOH-approved protocols	Cumulative number of health staff trained in infection prevention and control	6-monthly	Report of the PIU	Reporting by project PIU	PIU
Number of ventilators provided to hospitals	Cumulative number of ventilators supplied to hospitals.	6-monthly	Report of the PIU	Reporting by project PIU	PIU
Percentage of Aimag/district hospitals with pandemic preparedness and response plans per Ministry of Health Guidelines	Numerator: Number of Aimag/district hospitals with pandemic preparedness plans Denominator: Total number of Aimag/district hospitals	6-monthly	Report of M&E and Auditing Department of Ministry of Health	Reports submitted by relevant hospitals to the Ministry of Health	M&E and Auditing Department of Ministry of Health
Percentages of provincial and district general hospitals with personal protective equipment and infection control products	Numerator: Number of provincial and district general hospitals with	6-monthly	Report of Investment Division of	Reports submitted by Investment Division of Ministry of Health	Investment Division of Ministry of Health

and supplies, without stock-outs in preceding two weeks	personal protective equipment and infection control products and supplies, without stock-outs in preceding two weeks Denominator: Total number of provincial and district general hospitals		Ministry of Health		
Independent review of equipment purchase and utilization carried out annually	Yes/No	Annually	Report of the PIU	Reporting by project PIU	Ministry of Health, PIU
Six monthly reports prepared and circulated in a timely manner	Six monthly project performance reports	Six monthly	PIU records	Reporting by PIU	PIU

ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: Mongolia
MONGOLIA COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEM PREPAREDNESS PROJECT

1. The project will require intensive implementation support and a continuous dialogue with the client. The World Bank's implementation support strategy combines periodic supervision with timely technical support and policy advice as necessary. Implementation support will include (a) an implementation support mission (ISM) every six months; (b) interim technical discussions and field visits by the World Bank; (c) monitoring and reporting by the PIU on implementation progress and achievement of results; (d) third-party evaluations including research, assessments; (e) annual internal and external financial audits and FM reporting; and (f) periodic procurement post review. The ISM will visit randomly selected project sites, to assess and physically verify the use and operations of equipment financed by the project. These site visits will include interaction with hospital managers, private sector, aimag and soum level officials, and so on.

2. It is expected that the early implementation phase could face implementation challenges, which will be addressed through the following actions:

(a) **Implementation support strategy.** This will be largely built on dialogue and partnership. The implementation support team will have continuous interaction with all stakeholders of the project. This will require consistency in the composition of the core implementation support team, technical expertise, and familiarity with country/local situations.

(b) **Capacity building of the implementation agencies.** Significant training and hands-on support will be required on a technical level and in terms of fiduciary and safeguards management. This will include supporting the PIU in (i) developing annual works and financial plans, (ii) task planning and task supervision of the PIU, (ii) review of important ToRs for key consultancies, and (iii) coordination with development partners.

(c) **M&E and learning.** Coordination of M&E and the capturing of project outcomes and results will need professional guidance from an M&E expert on the implementation support team.

(d) **Fiduciary assurance support.** The implementation support team will provide hands-on guidance related to review and audit reporting procedures. Similarly, procurement activities will be spread by types of procurement, and size of contracts. This will require intensive implementation support.

(e) **Social and environmental safeguards.** M&E and mitigation of social risks require experienced expertise on the implementation support team with a good understanding of the culture and business process in Mongolia. In addition, sufficient staff time and resources will be provided to review site-specific environmental management measures during the investment planning process for herder organizations and agri-businesses. Special emphasis will be placed on the (i) monitoring of the participation of ethnic minorities, (ii) strengthening of the GRM, and (iii) other feedback loops to solicit feedback and grievances from the beneficiates. The World Bank team will be able to have access to the report.

(f) **Operation.** The Task Team will provide day-to-day support and supervision of all operational aspects, as well as coordination with the clients and among World Bank team members.

3. **Implementation support plan.** The following implementation support plan reflects the preliminary estimates of skill requirements, timing, and resource requirements over the life of the project. Keeping in mind the need to maintain flexibility over project activities from year to year, the implementation support plan will be reviewed periodically to ensure that it continues to meet the implementation support needs of the project. Table 2.1 indicates the World Bank team's implementation support plan and the required skill mix.

Table 2.1. Implementation Support Plan and Skill Mix

Time Needed	Focus	Skills
0–36 months	• Setting up additional expertise on medical equipment and technical expertise at the PIU, project management systems including fiduciary, safeguards, and M&E • Staff capacity building of the PIU • Medical Equipment planning and maintenance • Upgrade of labs/equipment purchase and so on Conducting CO risk assessments and developing one health plan • Disease epidemiology	• Core team, particularly FM, procurement, M&E, and so on • Public Health and One Health expert • Medical Equipment experts

4. **Skill mix.** The skill mix and team composition for supporting project implementation is as proposed in table 2.2.

Table 2.2. Skill Mix and Team Composition

Skills Needed	No. of Staff Weeks	Number of Missions	Comments
Task team leader	12	Two per year but three in the first year	Staff in the country office or Washington, DC
Procurement specialist	3	Two per year including field travel	Staff in the country office
FM specialist	3	Two per year including field travel	Staff in the country office
Social safeguards specialist	3	Two per year including field travel	Staff in the country office
Medical Equipment Expert	3	Two per year including field travel	Consultant (international)
One Health Expert	3	Two per year including field travel	Consultant (international)