



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 08-Apr-2020 | Report No: PIDA29032



BASIC INFORMATION

A. Basic Project Data

Country Bosnia and Herzegovina	Project ID P173809	Project Name Bosnia and Herzegovina Emergency COVID-19 Project	Parent Project ID (if any)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 31-Mar-2020	Estimated Board Date 15-Apr-2020	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Bosnia and Herzegovina	Implementing Agency Ministry of Health and Social Welfare of Republika Srpska, Ministry of Health of the Federation of Bosnia and Herzegovina	

Proposed Development Objective(s)

The project development objective is to prevent, detect, and respond to the threat posed by the COVID-19 pandemic in Bosnia and Herzegovina.

Components

- Component 1. Responding to the COVID-19 Pandemic in Republika Srpska
- Component 2. Responding to the COVID-19 Pandemic in the Federation of Bosnia and Herzegovina
- Component 3. Project Management

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	36.20
Total Financing	36.20
of which IBRD/IDA	36.20
Financing Gap	0.00

DETAILS



World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	36.20
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Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

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 31, 2020, the outbreak has resulted in an estimated 800,049 cases and 38,714 deaths in 178 countries.

This Project Information Document describes the emergency response to the Bosnia and Herzegovina 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 April 2, 2020 (PCBASIC0219761) with an overall Program financing envelope of up to US \$6.00 billion.

Country Context

Bosnia and Herzegovina is an upper-middle income country with a per capita gross national income of US\$5,690. The country has been at peace for the past 25 years and, despite a complex political setup, has been able to achieve significant results. Much of infrastructure destroyed in the war has been rebuilt, and institutions have been established to govern the country at all levels of authority. A framework for economic and fiscal management has been established that has brought lasting macroeconomic stability. Multiple reform efforts have improved economic links between the Federation of Bosnia and Herzegovina and Republika Srpska, and some progress has been made in creating a better environment for private sector development and job creation. Still, much more needs to be done if Bosnia and Herzegovina is to achieve sustainable prosperity for its citizens and fulfill its aspiration to join the European Union (EU).

Economic growth reached 2.8 percent in 2019, down from 3.6 percent in 2018. Softening of growth started in 2019 and it is to a large extent the result of a slow-down in net exports. Owing to continuing global trade wars and regional trade disputes, the trade balance figures weakened in 2019 and are



expected to worsen in the short term with ongoing pandemic. In 2019 domestic demand was the dominant driver of growth, with consumption adding 2.6 percent, investment 0.4 percent and net exports subtracting 0.2 percent. The slowdown in external demand has affected both exports and imports growth, resulting in a decline in exports and small increase in imports in 2019. The drivers of production remained the same with services contributing 2.1 percent, industry 0.5 percent, and agriculture 0.2 percent.

Unemployment remains high, even with some improvements in the labor market in 2019. The unemployment rate fell from 18.4 percent in 2018 to 15.7 percent in 2019, driven by a slight rise in the employment rate, with the activity rate unchanged. Despite the improvements in the labor market, overall gains in employment are, at best, assessed as modest. Based on latest data from the 2015 Household Budget Survey, poverty rate in Bosnia and Herzegovina is 16 percent. Poverty is worse in rural areas (19 percent) compared to urban areas (12 percent). Across entities, poverty increased slightly in Federation of Bosnia and Herzegovina from 2011 to 2015, from 15 percent to 17 percent, while it remained stable at about 14 percent in Republika Srpska over the same period. Higher pensions and social assistance contributed to improving the welfare of the less well-off, while labor income had a small poverty-increasing effect. This effect may have shifted from 2015 to 2019, given the recent improvements in the labor market. Looking ahead, addressing structural rigidities will be crucial as Bosnia and Herzegovina responds to the ongoing pandemic and is faced with the challenge of safeguarding private sector jobs in order to have a base from which to accelerate job creation in the medium term for those who are jobless or have been laid off.

COVID-19 poses the most serious social and economic challenge to the country since the 2008-09 global financial crisis. The COVID-19 outbreak is testing health and public health systems, while measures to contain its spread are resulting in an economic slowdown and threaten the economic security of many of its citizens, particularly those with low-incomes. COVID-19 also risks accelerating Bosnia and Herzegovina's high pace of outward migration, already the highest in the region. A third of those who renounced Bosnia and Herzegovina nationality in 2018 were between 18 and 35 years old, with peaks for both the low and highly educated, indicating a high rate of loss of the country's current and future human capital. The complex political structure and weak mechanisms for inter-government cooperation also pose a challenge to responding rapidly and effectively to emergencies such as the COVID-19 pandemic. There is limited horizontal coordination, for example, between the Federation of Bosnia and Herzegovina and Republika Srpska entity governments, as well as limited vertical coordination between the state-level organizations and the entity governments. While the toll the pandemic ultimately takes on the country will not be clear for some time, it is clear that a strong, coordinated institutional response is critical to both containing the spread of COVID-19 and working to limit the social and economic effects.

Sectoral and Institutional Context

As of April 3, 2020, there are 574 confirmed cases of COVID-19 in Bosnia and Herzegovina, including 17 deaths. Most cases are in Republika Srpska, with the greatest concentration of cases is in Banja Luka. In the Federation of Bosnia and Herzegovina, there are currently less than 100 cases, with clusters in Bihac, Mostar, and Sarajevo. Around 35,000 people are under public health surveillance in the Federation of Bosnia and Herzegovina, and around 17,000 in Republika Srpska.

At the state level, the Council of Ministers declared a State of Emergency for the entire territory of Bosnia and Herzegovina, and a COVID-19 Coordination Body has been created. The decision defines the



obligation of all institutions and bodies of Bosnia and Herzegovina to provide support and make their capacities available to the Coordination Body, which will use them in accordance with the planned activities. The decision also recommends that the National Team for Emergency Situations of Republic of Srpska, the Headquarters for Civil Protection of the Federation of Bosnia and Herzegovina, and the Civil Protection Headquarters of the Brčko District, submit a specification of COVID-related needs to the Coordination Body in order to seek international assistance for their procurement, and recommends that the Council of Ministers of Bosnia and Herzegovina financially support their procurement. The Coordination Body is working with health authorities, the armed forces, and United Nations (UN) agencies to set up quarantine arrangements at borders and other points of entry for returning citizens. The Ministry of Security also initiated actions to facilitate the delivery of supplies from Italy and other surrounding nations. Both entities have initiated action plans to respond to the epidemic, including modelling of the expected number of cases in each entity as well as needs for beds, test kits, and personal protective equipment (PPE).

Republika Srpska initiated an action plan to respond to the pandemic, starting January 2020. Activities are based on the provisions of the Law on Protection and Rescue in Emergency Situations (Official Gazette of the Republic of Srpska No. 121/12 and 46/17) and the Law on Population Protection against Communicable Diseases (“Republika Srpska Official Gazette” no. 90/17). A state of emergency for Republika Srpska was declared, a team for emergency situations was formed, and a COVID-19 action plan at entity level, as well as COVID-19 action plans at municipality/city level, were elaborated. The action plan initially involved increasing awareness amongst health professionals and the public about the pandemic, establishing procedures for case detection and case management, and making all health care facilities at primary care and secondary care level available for the prevention and treatment of cases of COVID-19. Further preparation continued through February, including assessment of stocks of disinfection agents and personal protection equipment supplies and isolation capacities of health facilities. By early March, A Coordination Body for Planning, Implementation and Monitoring activities related to the outbreak had been established at the level of the Prime Minister and the Public Health Institution (PHI) of Republika Srpska modelled the need for test kits, personal protective equipment, and hospital beds. The University Clinical Centre of Republika Srpska in Banja Luka is the designated referral center for severe cases of COVID-19, and its capacity has been expanded through the purchase of twenty new mechanical ventilators. Mobile health care facilities were set up at borders and points of entry. Hospitals and health care workers are preparing for active response to the pandemic as the need arises. The health Insurance Fund (HIF) has made health care services free to all Republika Srpska residents until the end of April. On March 29, a curfew for all citizens between 8pm and 5am was imposed, (with people aged over 65 required to stay in their homes at all times), and all individuals testing positive for COVID required to move into quarantine facilities, even if in good health. The authorities are also arranging for essential food items to be distributed to elderly and vulnerable residents through its network of social work centers.

As part of an emergency response package, the Government of Republika Srpska is planning to expand coverage of the targeted permanent social assistance program and provide expanded access to social services. They will provide temporary cash and services to those households and vulnerable individuals adversely affected by the economic consequences of COVID-19. The immediate focus is on maintaining and expanding cash transfers to those who are in most need and might be in further danger of falling into destitution as a result of the pandemic. Centers for social work play a key role in the administration and delivery of benefits as well as old age homes, specialized facilities for persons with disabilities (PWD), and children and youth.



In the Federation of Bosnia and Herzegovina, the first public statement with general recommendations for the population was given on January 21, 2020. Intensive daily communication is established between the Federation Ministry of Health (FMoH), the Federation PHI, the cantonal PHIs, and the WHO Office in the country. Also, contacts were made with other competent institutions and institutions, primarily the Federation Inspectorate and the State Border Service. A Crisis Unit of the FMoH was formed, requiring all cantonal ministries responsible for health to form the same, and coordinating between them. A Crisis Preparedness and Response Plan for the Emergence of a New Coronavirus (COVID-19) was adopted, on the basis of which the cantonal crisis units drew up local plans. All cantonal health ministries set up a system for the control of infectious diseases. The Federation PHI issued a COVID-19 preparedness and response plan. This comprises active case finding (in health care institutions, the community and ports of entry), clinical guidelines for case isolation, treatment and contact tracing, and procedures for regular and transparent communication with the public. The Federation's three clinical centers (Mostar, Tuzla and Sarajevo) and all hospitals with departments of infectious diseases (Sarajevo, Tuzla, Mostar, Zenica, Travnik, Bihac) have been designated to treat COVID-19 patients. Some adaptation/expansion of clinical facilities has taken place, including equipping the Clinical Centre in Sarajevo with 200 additional beds and one additional laboratory and expansion of treatment facilities at Mostar Clinical Centre. Health care personnel, including retirees, are mobilized to help with the rising needs. The Institute for Health and Food Safety, Zenica, and the University of Zenica modelled the expected incidence of COVID-19 and the need for hospital beds in the Federation of Bosnia and Herzegovina based upon international experience thus far and different scenarios that can serve as a basis for capacity planning in the health sector, at different stages of the epidemic. The Federation Ministry of Health and the Department of Public Health are also collecting data on available resources in the health sector, additional resources to isolate COVID-19 patients, as well as planned needs, both in terms of PPE and COVID 19 tests.

Authorities in the Federation of Bosnia and Herzegovina are planning to expand social benefits for vulnerable groups who are at most risk of being affected by the economic impact of the pandemic. The government plans to expand coverage of its social assistance programs and provide cash and in-kind assistance to those who are beneficiaries of permanent social assistance, PWD, the elderly, and youth who reside in institutions and are in need of permanent care. The Federation Ministry of Labor and Social Policy (FMoLSP), cantonal governments, centers for social work, and specialized institutions will play a key role in the delivery of the emergency assistance.

Donors and development partners have been active in supporting Bosnia and Herzegovina to respond to the COVID-19 emergency. The WHO is supporting assessment of needs for PPE and other medical provisions, has donated some PPE, and will assist in procuring further supplies through the UN global procurement system (collaboration with the United Nations Development Programme). Other UN agencies, such as UNICEF, the UN Population Fund, the International Organization for Migration, and the International Federation of Red Cross and Red Crescent Societies have produced guidance, briefings and statements for those working with particular population groups or on particular aspects of the response. The International Monetary Fund (IMF) is discussing providing financial assistance through a Rapid Financing Instrument to help mitigate the wider economic impact of the pandemic.



C. Proposed Development Objective(s)

The project development objective is to prevent, detect, and respond to the threat posed by the COVID-19 pandemic in Bosnia and Herzegovina.

Key Results

PDO level Indicators:

- Number of acute healthcare facilities with isolation capacity;
- Total number of beneficiaries covered by COVID-related social assistance programs;
- Number of care beds fully equipped (with ventilators); and
- Number of suspected cases of COVID-19 cases reported and investigated based on guidelines.

D. Project Description

The project will have three components:

- Component 1 – Responding to the COVID-19 pandemic in Republika Srpska
 - Sub-component 1.1: Health Care Delivery and Health System Strengthening
 - Sub-component 1.2: Temporary Social Support and Cash Assistance for Vulnerable Households and Individuals
- Component 2 – Responding to the COVID-19 pandemic in the Federation of Bosnia and Herzegovina
 - Sub-component 2.1: Health Care Delivery and Health System Strengthening
 - Sub-component 2.2: Temporary Social Support and Cash Assistance for Vulnerable Households and Individuals
- Component 3 – Project Management
 - Sub-component 3.1: Republika Srpska
 - Sub-component 3.2: the Federation of Bosnia and Herzegovina

Component 1: Responding to the COVID-19 pandemic in Republika Srpska (US\$ 14.02m)

This component will provide immediate support to Republika Srpska to prevent additional cases of COVID-19, to limit local transmission through containment strategies, and to prevent individuals and households affected by the pandemic from falling into destitution. Under sub-component 1.1 (Health Care Delivery and Health System Strengthening), it supports the enhancement of disease detection capacities through the provision of technical expertise, laboratory equipment, and systems to ensure prompt case finding and contact tracing. The project will also contribute to the strengthening of health system preparedness, improving the quality of medical care provided to COVID-19 patients and minimizing the risks for health personnel and patients. It will enable Republika Srpska to mobilize surge response capacity through trained and well-equipped frontline health workers, by the financing of equipment and supplies for Intensive Care Units (ICU) in selected hospitals, and the provision of PPE and infection control materials in hospitals and primary care facilities. ICU equipment and supplies will be



procured to establish or renew ICUs in designated hospitals and will include mechanical ventilators, cardiac defibrillators, mobile x-rays, oxygen concentrators, and other equipment essential to provision of critical care to patients with severe acute respiratory infection. Support will also be provided to strengthen medical waste management and disposal systems. Under sub-component 1.2 (Temporary Social Support and Cash Assistance for Vulnerable Households and Individuals), the project finances targeted and time-bound cash transfers to vulnerable households which have been adversely affected by the economic impact of the COVID-19 pandemic and social services to socially vulnerable and elderly individuals who will need protection and care. Activities were identified through consultation with the Ministries of Finance; Health and Social Welfare; Agriculture, Forestry and Water Management; the Public Health Institute of Republika Srpska; and, the Veterinary Institute of Republika Srpska.

Component 2: Responding to the COVID-19 pandemic in the Federation of Bosnia and Herzegovina (US\$ 21.40m)

This component will provide immediate support to the Federation of Bosnia and Herzegovina to prevent additional cases of COVID-19 and to limit local transmission through containment strategies, and prevent individuals and household affected by the pandemic falling into destitution. Through its two sub-components, it supports the enhancement of disease detection capacities through the provision of technical expertise, laboratory equipment, and systems to ensure prompt case finding and contact tracing. The project will also contribute to the strengthening of health system preparedness, quality of medical care provided to COVID-19 patients and minimizing the risks for health personnel and patients. It will enable the government to mobilize surge response capacity through trained and well-equipped frontline health workers, by the financing of equipment and supplies for ICUs in selected hospitals, and the provision of PPE and infection control materials in hospitals and primary care facilities. ICU equipment and supplies will be procured to establish or renew ICUs in designated hospitals and include mechanical ventilators, cardiac defibrillators, mobile x-rays, oxygen concentrators, and other equipment essential to provision of critical care to patients with severe acute respiratory infection. Support will also be provided to strengthen medical waste management and disposal systems. In addition, support will be provided to reinforce and expand social assistance and social care systems. Activities were identified through consultation with the Ministries of Finance, of Health, and of Labor and Social Protection.

Component 3: Project management (US\$ 0.30m)

This component will support project implementation in each entity, providing overall administration of the project (including procurement and financial management, FM), as well as regular monitoring and reporting of implementation (including the required fiduciary assessments). Existing government structures and capacities will be used as far as possible. If necessary, these will be strengthened by the appointment and/or recruitment of additional staff/consultants responsible for overall administration, the Environmental and Social Framework (ESF), communication and outreach, procurement, and FM. Monitoring of social assistance will include spot checks of cash assistance and social care beneficiaries (at home and in specialized institutions), and support for improvements to existing administrative and information technology systems if necessary. Necessary adjustments to monitoring will be made in terms of spot checks to enable social workers to do follow-ups or checks by phone.



Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

Environmental and social risks are substantial. The major areas of risks for the project are: (i) risks related to the adaptation/expansion of existing healthcare facilities; (ii) environmental and community health related risks from inadequate storage, transportation and disposal of infected medical waste; (iii) occupational health and safety issues related to the availability and supply of PPE for healthcare workers; (iv) difficulties in delivering temporary social assistance to vulnerable groups during COVID-19 constrains on mobility and reduced capacity of public offices; (v) social conflicts and unrest resulting from the crisis challenges, including competing pressures on medical services; (vi) exacerbated community and health risk due to inappropriate behavior resulting from false rumors and misinformation. The small-scale works related to adapting/expanding medical facilities are expected to take place on the property of existing facilities; therefore, they will be mostly community-based activities and environmental issues (and impacts thereof) are expected to be temporary, predictable, and easily mitigable. There will be no land acquisition. Mobile hospital and any mobile and temporary facilities will be located in public land or land with written consent from the owner; taking into consideration that the area is not protected or otherwise sensitive. The more substantial risks are around ensuring contagion vectors are controlled through strict adherence to standard procedures for medical waste management and disposal; the use of appropriate PPE for all health care workers; and working with local governments and communities to ensure that social distancing measures and quarantine regimes are strictly adhered is also vital for lowering the speed and incidence of infection.

E. Implementation

Institutional and Implementation Arrangements

In Republika Srpska, two Coordination Bodies for Planning, Implementation and Monitoring activities related to the outbreak were established in early March, at the level of the Prime Minister. The Republika Srpska MoHSW will be the implementing agency for the project. The Assistant Minister for Health (leading the Department for Project Planning, Analysis, Financing and Implementation-PAFPID) will coordinate the project activities and ensure coordination across various health and social assistance institutions. PAFPID will support relevant technical units in the Ministry, and directly implement and coordinate certain technical activities, including procurement of medical supplies, equipment, communication and monitoring, facility expansion/adaptation for activities under Component 1.1 as well as selected activities under Component 1.2. For Component 1.2, PAFPID will work closely with Department for Social Protection and with Centers for Social Work and relevant care institutions for the implementation of cash transfers and monitoring visits. Some other activities, such as trainings may be outsourced to third parties through



contractual agreements acceptable to the WBG. In addition to PAFPID, the MoHSW (and other government departments, if need be) will provide all other necessary staff on procurement, the ESF, monitoring and evaluation (M&E), and communication.

In the Federation, project implementation will be carried out by the Federation Ministry of Health (FMoH) and the FMoLSP and existing government structures. A Project Implementation Unit (PIU) will be created in FMoH for overall project coordination and implementation of sub-component 2.1 on health sector activities. The PIU will comprise a Project Coordinator, a Financial Management (FM) Specialist, and a Procurement Specialist. In addition to the PIU, FMoH (and other government departments, if need be) will provide all other necessary staff on procurement, FM, the ESF, M&E, and communication. The PIU will establish partnerships with the Institute for Public Health, Federation Civil Protection Headquarters, Federation Ministry of Agriculture, Forestry and Water and Federation Inspection Administration to support project implementation and monitoring. The PIU will also establish project support groups at canton level (including cantonal MoH and public health institutes). The FMoLSP Special Projects Unit will act as the Project Implementation Team (PIT) responsible for implementation of sub-component 2.2, on social assistance and social care.

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APPROVAL

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