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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT PAPER

ON A

FROM THE PANDEMIC EMERGENCY FINANCING FACILITY

IN THE AMOUNT OF
US\$ 4.08 MILLION

TO

REPUBLIC OF UZBEKISTAN

FOR AN ADDITIONAL FINANCING FOR

Uzbekistan Emergency COVID-19 Response Project
November 3, 2020

Health, Nutrition & Population Global Practice
Europe And Central Asia Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective November 2, 2020)

Currency Unit = US\$

0.709 US\$ = SDR 1

FISCAL YEAR

January 1 - December 31

Regional Vice President: Anna M. Bjerde

Country Director: Lilia Burunciuc

Regional Director: Fadia M. Saadah

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Task Team Leader(s): Elvira Anadolu, Marina Novikova

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
BFP	Bank-facilitated procurement
COVID-19	Coronavirus disease
CPF	Country Partnership Framework
DA	Designated Account
EMS	Emergency Medical Services Project
ESS	Environmental and Social Standards
FM	Financial management
HCF	Health care facility
HEIS	Hands-on expanded implementation support
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IHR	International Health Regulations
IPC	Infection prevention and control
M&E	Monitoring and evaluation
MoF	Ministry of Finance
MoH	Ministry of Health
PDO	Project Development Objective
PEF	Pandemic Emergency Financing Facility
PIU	Project Implementation Unit
POM	Project Operational Manual
PPSD	Project Procurement Strategy for Development
SOE	Statement of Expenditures
STEP	Systematic Tracking of Exchanges in Procurement
TSA	Targeted social assistance
WB	World Bank
WHO	World Health Organization

Uzbekistan

AF Uzbekistan Emergency COVID-19 Response Project

TABLE OF CONTENTS

I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING	7
II. DESCRIPTION OF ADDITIONAL FINANCING	8
III. KEY RISKS	9
IV. APPRAISAL SUMMARY	10
V. WORLD BANK GRIEVANCE REDRESS	16
VI SUMMARY TABLE OF CHANGES.....	17
VII DETAILED CHANGE(S).....	17
VIII. RESULTS FRAMEWORK AND MONITORING	20

**BASIC INFORMATION – PARENT (Uzbekistan Emergency COVID-19 Response Project - P173827)**

Country Uzbekistan	Product Line IBRD/IDA	Team Leader(s) Elvira Anadolu		
Project ID P173827	Financing Instrument Investment Project Financing	Resp CC HECHN (9318)	Req CC ECCCA (1608)	Practice Area (Lead) Health, Nutrition & Population

Implementing Agency: Ministry of Health, Ministry of Finance

Is this a regionally tagged project? No	
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Bank/IFC Collaboration No	
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Approval Date 24-Apr-2020	Closing Date 30-Jun-2022	Expected Guarantee Expiration Date	Environmental and Social Risk Classification Substantial
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Financing & Implementation Modalities

<input checked="" type="checkbox"/> Multiphase Programmatic Approach [MPA]	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input checked="" type="checkbox"/> Hands-on, Enhanced Implementation Support (HEIS)



Development Objective(s)

MPA Program Development Objective (PrDO)

The Program Development Objective is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness

Project Development Objectives (Phase 083)

The Project development objective is to prevent, detect, and respond to the threat posed by COVID-19 in the Republic of Uzbekistan.

Ratings (from Parent ISR)

	Latest ISR
	29-Jul-2020
Progress towards achievement of PDO	S
Overall Implementation Progress (IP)	S
Overall ESS Performance	S
Overall Risk	M
Financial Management	S
Project Management	S
Procurement	S
Monitoring and Evaluation	S

BASIC INFORMATION – ADDITIONAL FINANCING (AF Uzbekistan Emergency COVID-19 Response Project - P174956)

Project ID	Project Name	Additional Financing Type	Urgent Need or Capacity Constraints
P174956	AF Uzbekistan Emergency COVID-19 Response Project	Scale Up	Yes
Financing instrument	Product line	Approval Date	
Investment Project Financing	Recipient Executed Activities	30-Oct-2020	



Projected Date of Full Disbursement 30-Apr-2022	Bank/IFC Collaboration No		
Is this a regionally tagged project? No			

Financing & Implementation Modalities

<input checked="" type="checkbox"/> Multiphase Programmatic Approach [MPA]	<input type="checkbox"/> Series of Projects (SOP)
<input type="checkbox"/> Fragile State(s)	<input type="checkbox"/> Performance-Based Conditions (PBCs)
<input type="checkbox"/> Small State(s)	<input type="checkbox"/> Financial Intermediaries (FI)
<input type="checkbox"/> Fragile within a Non-fragile Country	<input type="checkbox"/> Project-Based Guarantee
<input type="checkbox"/> Conflict	<input checked="" type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input checked="" type="checkbox"/> Hands-on, Enhanced Implementation Support (HEIS)
<input type="checkbox"/> Contingent Emergency Response Component (CERC)	

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed
IBRD				%
IDA	95.00	57.20	37.80	60 %
Grants				%

MPA Financing Data (US\$, Millions)

MPA Program Financing Envelope	16,278,105,721.00
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MPA FINANCING DETAILS (US\$, Millions)

Board Approved MPA Financing Envelope:	16,278,105,721.00
MPA Program Financing Envelope:	16,278,105,721.00
of which Bank Financing (IBRD):	8,163,600,000.00



of which Bank Financing (IDA):	8,114,505,721.00
of which other financing sources:	0.00

PROJECT FINANCING DATA – ADDITIONAL FINANCING (AF Uzbekistan Emergency COVID-19 Response Project - P174956)

FINANCING DATA (US\$, Millions)

SUMMARY (Total Financing)

	Current Financing	Proposed Additional Financing	Total Proposed Financing
Total Project Cost	95.00	4.08	99.08
Total Financing	95.00	4.08	99.08
Financing Gap	0.00	0.00	0.00

DETAILS - Additional Financing

Non-World Bank Group Financing

Trust Funds	4.08
Pandemic Emergency Financing Facility	4.08

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any other Policy waiver(s)?

Yes No



Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	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).

INSTITUTIONAL DATA

Practice Area (Lead)

Health, Nutrition & Population

Contributing Practice Areas

Social Protection & Jobs

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Elvira Anadolu	Team Leader (ADM Responsible)		HECHN



Marina Novikova	Team Leader		HECSP
Nurbek Kurmanaliev	Procurement Specialist (ADM Responsible)		EECRU
Fasliddin Rakhimov	Procurement Specialist		EECRU
Elbek Yusupov	Financial Management Specialist (ADM Responsible)		EECG1
John Bryant Collier	Environmental Specialist (ADM Responsible)		SCAEN
Suryanarayana Satish	Social Specialist (ADM Responsible)		SCASO
Andrianirina Michel Eric Ranjeva	Team Member		WFACS
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Odil Akbarov	Social Specialist		SCASO
Ruxandra Costache	Counsel		LEGLE
Sevara Abdusamatova	Procurement Team	procurement	ECCUZ
Shakhnoza Rakhmankulova	Team Member		ECCUZ
William Hutchins Seitz	Team Member		EECPV

Extended Team

Name	Title	Organization	Location
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I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

- This Project Paper seeks the approval for Additional Financing (AF) of US\$4,080,579 for the Uzbekistan Emergency COVID-19 Response Project (P173827).** In the context of response to COVID-19 in Uzbekistan, additional resources have been made available through the Pandemic Emergency Financing Facility (PEF), which provides financial support to IDA-eligible countries in the event of major multi-country disease outbreaks and was triggered by the COVID-19 pandemic. Thus, the PEF has made US\$4,080,579 million available to the Republic of Uzbekistan to support its efforts in pandemic response, and the country has elected to avail themselves of this option by pursuing the proposed AF to the ongoing Uzbekistan Emergency COVID-19 Response Project (Parent Project). The AF will be processed under paragraph 12 of Section III of the Bank Policy "Investment Project Financing" and is granted a waiver to Section III, paragraph 28 of the same Policy.
- The Project Development Objective (PDO) of the Parent Project is "to prevent, detect, and respond to the threat posed by COVID-19 in the Republic of Uzbekistan".** The IDA financing of US\$95 million was approved by the World Bank (WB) on April 24, 2020, became effective on July 14, 2020, and has the closing date of June 30, 2022. The Parent Project has three components: (1) Strengthening National Health System to Respond to COVID-19; (2) Financial Support to Individuals and Households; and (3) Implementation Management and Monitoring and Evaluation.
- The Parent Project has been restructured to amend the Financing Agreement and Results Framework regarding the Component 2 related provisions.** At the time of the Parent Project design, the Government proposed introducing one-off cash transfers for unemployed people under Subcomponent 2.2, which targeted people who had lost jobs because of the pandemic. However, envisioning the possible need for more than a single transfer, the Government program expanded the original scope (i.e., allowing for multiple transfers compared to the planned initially one-time transfers). Consequently, the Parent Project was restructured on August 12, 2020, to ensure that the scope of Component 2 aligned with the Government program.
- Project performance, as measured through Development Objective and Implementation Progress ratings, is Satisfactory.** While it took three months for the Government to issue the Presidential Resolution enabling project implementation, in the following two months after the effectiveness, both implementing agencies (in the Ministry of Health, MoH, and the Ministry of Finance, MoF) promptly mobilized key staff in the Project Implementation Unit (PIU), adopted respective Project Operational Manuals (POMs), and initiated procurement processes. As of October 29, cumulative disbursements stand at US\$57.20 million with Component 2 (Social Protection) allocation fully disbursed. Also, under Component 1 (Health), approximately US\$16 million in contracts are being prepared for signing (42% of Component 1) and approximately US\$9.8 million (26% Component 1) are being prepared for tendering under Component 1.
- Despite the unprecedented effort to tackle the COVID-19 pandemic, the Government of Uzbekistan's capacity to prevent, detect, and respond to the epidemic is still in need of substantial strengthening.** Since early September 2020, the number of new cases has begun to rise again. As of October 29, 2020, over 66,000 cases had been confirmed, with 557 deaths. Ensuring sufficient capacity to respond to increasing critical cases will be vital, given the country is most likely to refrain from instituting extended strict nationwide lockdowns in the near term. Building sufficient capacity will require additional resources, particularly for medical equipment and supplies, to address the surge in need for critical care. In this context, the AF will support the Government response to the continuing threat of COVID-19 in Uzbekistan and expand the Parent Project's support in critical



areas. Specifically, the additional resources will help to expand the procurement of medical equipment and supplies identified in the Government's procurement plan to strengthen critical care capacity in hospitals.

II. DESCRIPTION OF ADDITIONAL FINANCING

6. **The AF will scale-up the activities under the Parent Project, with a focus on strengthening the health system response to the COVID-19 pandemic (Component 1).** The AF will follow the existing component structure of the Parent Project. The additional funding will support a range of activities under Component 1, including additional procurement of medical equipment and supplies, and Component 3, covering incremental costs. Component 2 will remain unchanged. Table 1 presents the breakdown of the AF amount by expense categories under Components 1 and 3.

Table 1: Allocation of Additional Financing by Expense Category

Expense Category	Allocation
Component 1: Medical Supplies and Equipment for Health Facilities (Subcomponent 1.2 of the parent Project)	US\$ 4,040,579
Component 3: Implementation Management and Monitoring and Evaluation	US\$ 40,000
Total	US\$ 4,080,579

7. **PDO and Results Indicators.** While the Project PDO and PDO indicators remain unchanged, the Intermediate Results Indicators will include a new indicator on beneficiary feedback for the Parent and AF projects: Online citizen engagement mechanism: (i) established with outreach and staffing (ii) actively providing information (iii) receiving citizen feedback and (iv) PIU/MoH providing just-in-time responses

8. **Institutional and implementation arrangements established for the Parent Project will be also used for the AF.** Implementation of the AF will be carried out using the existing Project Implementation Unit (PIU) under the MoH (implementing the Component 1 of the Parent Project and also, the Emergency Medical Services Project (P159544)) and will be guided by the Project Operations Manual (POM) adopted by the MoH in August 2020. The PIU is in the process of recruiting five additional staff to ensure continued adequate implementation capacity. The Environmental and Social Management Framework is under preparation. The initial six-month Procurement Plan has been prepared. The AF implementation arrangements are aligned with the country's existing structure and allow for quick disbursements and delivery of results.

9. **Contribution to Higher Level Objectives.** The AF activities will strengthen pandemic preparedness and response in Uzbekistan by procuring critical medical equipment and supplies, and, thus, contribute to higher-level objectives of both the Government and the WB, as outlined in the revised 2016-2020 Country Partnership Framework¹ and adjusted based on the Performance and Learning Review for FY2019-2021² and the Uzbekistan COVID Adjustment Note³. The AF activities are also aligned with the WB's support for national plans and global commitments to strengthen pandemic preparedness through three key actions: (a) improving national

¹ Uzbekistan – Country Program Adjustment in response to COVID-19, 2020 (See Annex 1)

² Report No.126078-UZ, dated June 26, 2018.

³ Report No. 105771-UZ, discussed by the Board on June 23, 2016.



preparedness plans; (b) promoting adherence to the International Health Regulations; and (c) using the international framework for the monitoring and evaluation of International Health Regulations.

10. **Citizen Engagement.** Citizen engagement (CE) activities have been added to ensure Uzbek citizens are able to engage actively throughout the project to ensure accountability and responsiveness in the project support, and improve project outcomes. The CE activities will expand the Parent Project's communications and awareness building campaigns and will apply to both the Parent Project and the AF, be adapted to suit the COVID-19 context and will be measured through the beneficiary feedback indicator in the results framework.

11. **The Closing Date.** The closing date for implementation of the AF will be January 31, 2021 in line with the PEF requirements.

III. KEY RISKS

12. **The overall risk of both the parent project and the AF is Moderate.** It is worth noting that some risks apply exclusively to the Parent Project, and others exclusively to the AF. For example, as noted in the last ISR of the Parent Project (July 2020), Macroeconomic, Institutional Capacity for Implementation and Sustainability, and Fiduciary risks were all Substantial. However, given the limited scope and timeline for implementation of the AF, these risks under the AF are assessed as Moderate. As the Macroeconomic outlook has stabilized with the lifting of the lockdowns, and institutional capacity for implementation, including in procurement and fiduciary, has been strengthened as a result of the government efforts and a rapid learning curve for the PIU and MoH staff, the overall ratings (Parent Project + AF) for these risks are rated as Moderate.

13. **Environmental and Social risks are Substantial.** Environmental risks relate to occupational health and safety of medical, laboratory staff, and communities, related to the collection, transportation and disposal of medical waste; and temporary environmental risks associated with minor repair works at health care facilities. Social risks are likely to arise as a result of large inclusion and exclusion errors, with the result that the project may not reach the poor and vulnerable sections appropriately and adequately. Towards addressing the issues / risks, mitigation measures have been outlined and detailed in the ESCP and disclosed on the websites of the clients and the Bank. It will be revised, as needed, during implementation.

14. **In addition to the above-mentioned risks, the expedited implementation timeline related to execution of PEF funds presents another moderate risk.** The closing date for PEF financing is January 31, 2021, leaving only approximately three months for project activities. To mitigate the risk of the short implementation period, the AF will finance goods for which there are already existing procurement contracts. Procurement is expected to be shorter, as they will entail supplemental agreements to the existing contracts. To this end, the PIU has already taken steps to prepare these supplemental agreements and is in advanced stages of preparation of equipment specifications. If necessary, the World Bank stands ready to support the PIU with expedited processing by reallocation of procurement staff from other operations. The World Bank Task Team is also having weekly meetings with the PIU to identify and resolve issues as they appear.

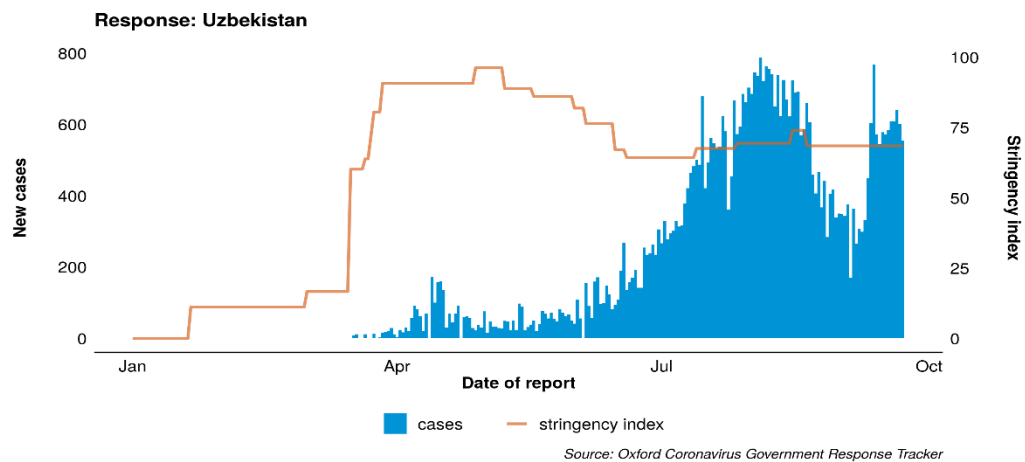


IV. APPRAISAL SUMMARY

A. Technical

15. **In Uzbekistan, the first case was confirmed on March 15, 2020.** Since then, the Government instituted two strict lockdowns to flatten the epidemic curve. Following the stable COVID-19 incidence rates, the strict lockdown was partially relaxed on June 1, 2020, and further relaxed on June 15, 2020. However, following the relaxing of lockdown restrictions, the number of new cases increased, which forced the Government to reinstitute the second lockdown on July 10, 2020. The second lockdown was lifted on August 15, 2020, with gradual opening of public transport, restaurants, museums and cinemas and border points of entry. Figure 1 reflects the changes over time in the stringency of response measures.

Figure 1. Index of stringency of response measures in Uzbekistan and the number of new COVID-19 cases



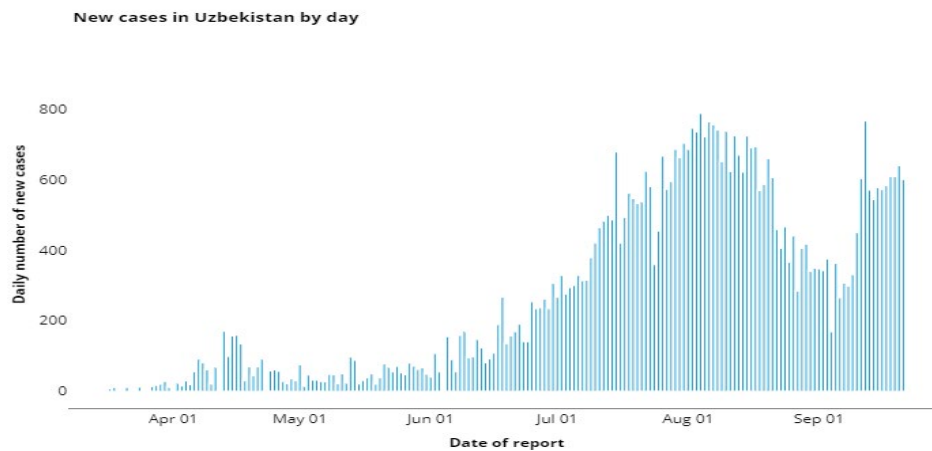
16. **New pandemic response strategies have been put in place as the number of cases grew and the health system struggled to isolate and quarantine all suspected and confirmed cases.** Those strategies remain focused on disruption of the transmission, and do so by mandating home-based quarantine for suspected and confirmed mild cases and reserving hospital beds for only those with severe and critical conditions.

17. **While the new approach to response relieves some of the pressure on the health system, challenges in meeting the growing demand for testing and care after the lifting of the second lockdown remain.** Since early September 2020, the number of new cases has begun to rise again. As the number of cases grow, so will the number of severe and critical cases, while the health system still faces shortages of qualified staff and equipment to manage severe acute respiratory infection cases. It is a challenge to meet growing demands for testing given the limited number of public health laboratories equipped and staffed for polymerase chain reaction testing. Beyond this, maintaining adequate supplies/consumables in public health laboratories may also prove difficult. The infection prevention and control (IPC) measures in health facilities are also of concern given the high rates of transmission observed among health workers.



18. **The COVID-19 epidemic is evolving in Uzbekistan with ebbs and flows.** The WHO defines four COVID-19 transmission scenarios.⁴ Within ten days of the first reported case (March 15, 2020), Uzbekistan moved from a transmission scenario of ‘no cases’ to ‘sporadic cases’ and became a country with reported ‘clusters of cases’ and ‘community transmission.’ While the instituted strict lockdowns slowed down the rate of increase, the number of new cases rapidly increased after the lockdowns were lifted. Figure 2 shows two peaks, each following the lifting of the restrictive measures. A rapid increase in the number of cases can be expected over the coming weeks and months based on observed trends and the experience from other countries with COVID-19 outbreaks, and the seasonality of other coronavirus.

Figure 2. Number of daily new COVID-19 cases



Source: WHO COVID-19 Situational Dashboard, September 21, 2020

19. **The interventions and investments supported by the AF are based on findings from rapid technical assessments and follow current global evidence regarding effective response.** The assessments focused on the reviews of available diagnostic and management approaches/evidence and equipment and supplies for essential hospital care for COVID-19 cases and are informed by the country context, current evidence on COVID-19 epidemiology, and various modeling outputs. The Project design is sufficiently flexible to accommodate changes in the epidemic curve and evolving evidence, and the proposed interventions are aligned with the latest available evidence and best practices. Since the AF is primarily assigned to a single component with a single expense category, activities can easily be adjusted to a changing epidemiological situation during implementation.

20. **The Parent Project has three components,** under which specific activities aim to (a) address the COVID-19 emergency by identifying, isolating, and providing care for patients with COVID-19 to minimize disease spread, morbidity, and mortality; (b) strengthen the short- and long-run capacity of the health system to provide intensive care; (c) implement effective communication campaigns for mass awareness and education of the population on how to tackle the COVID-19 emergency; (d) provide one-off unemployment cash benefits to

⁴ (i) no case; (ii) sporadic cases; (iii) clusters of cases; and (iv) community transmission. Critical preparedness, readiness and response actions for COVID-19: Interim guidance. WHO, 2020.



recently unemployed people and migrants; and (e) expand cash transfers to vulnerable households and individuals.

21. Component 1 aims to strengthen the national health system to respond to COVID-19 and has three subcomponents:

- **Surveillance and rapid response capacity strengthening.** This subcomponent will support strengthening laboratory, rapid response, and epidemiological capacity for case detection, contact tracing, and isolation. Surveillance capacity will be strengthened through the procurement of essential equipment, consumables, and PPE for rapid response teams and other relevant epidemiological teams at regional and district levels in the State Inspection on Sanitary Epidemiology Control offices. Additional support will be provided to strengthen health information systems for surveillance and laboratory reporting to facilitate real-time information-sharing and use of data for policy-/decision-making.
- **Strengthening the capacity for management of severely and critically ill COVID-19 patients.** Care for the severely and critically ill will be strengthened by the procurement of essential medical equipment, PPE, and supplies for designated hospitals with ICUs. The project will also support staff training in SARI management and in the use of selected medical equipment. Additional support will be provided to strengthen health information systems through the rapid development and deployment of a web-based information system to track COVID-19 patients (e.g., registry).
- **Risk communication and community engagement strengthening.** Risk communication will be supported through the expansion of the existing, and development of new, communication strategies. The project will focus on tailored communication to and engagement with health care workers.

22. Component 2 aims to provide financial support to individuals and households and has two subcomponents:

- **Scaling up temporary cash benefits targeted to low-income families identified using the existing community (mahalla) network and selection criteria.** This subcomponent will finance time-limited, targeted cash transfers, relaxing existing eligibility and registration criteria.
- **One-off cash unemployment benefit.** This subcomponent targets people who lost jobs because of the pandemic crisis and the slowdown of the economy, as well as migrants who were unable to leave the country to work. The subcomponent will also include technical assistance to streamline the relevant application processes and delivery of the assistance, including the adoption of a more digitized application, assessment, decision, and disbursement process where feasible.

23. Component 3 aims to provide implementation management and monitoring and evaluation support. It supports the administrative and human resources needed to implement the project and monitor and evaluate progress. Specifically, it supports the capacity of the two Project Implementation Units (PIUs) involved in the implementation of the project.

B. Economic Analysis

24. The main economic effects will derive from increased sickness and death among humans and the impact this will have on the potential output on the economy. The most direct impact would be through the impact of increased illness and mortality on the size and productivity of the labor force. Another significant set of economic impacts will result from the efforts to break the transmission or flatten the curve. The measures that



governments and people take result in a severe demand shock for services sectors such as tourism, mass transportation, retail sales, and increased business costs due to workplace absenteeism, disruption of production processes and shifts to more costly procedures. By some estimates, the global economy is expected to contract by 5.2% in 2020. Importantly, COVID-19 is not an equal opportunity infection disproportionately affecting poor people and countries.

25. **Like many other developing countries, in times of surge of COVID-19 cases, the Uzbekistan population will face access limitations to many life-saving essential diagnostic and treatment equipment and supplies.** The poor and other vulnerable groups are more likely to have limited access to essential life-saving equipment and supplies. The AF support aims to close the critical gaps in essential medical equipment and supplies and as such, reduce morbidity and mortality among the population and, in particular, among the vulnerable groups. To date, the cost-effectiveness and comparative effectiveness data on various COVID-19 specific diagnostic and treatment strategies for COVID-19 are still limited. However, these data are unlikely to play a major role in decision making in developing contexts where the focus of intervention is on filling the gaps in essential and life-saving health inputs.

C. Financial Management

26. **Since the AF will be implemented by the MoH PIU, the FM capacity assessment of the Parent Project was carried out and confirmed that the FM arrangements are adequate to implement the AF and meet the minimum FM requirements of the WB's Investment Project Financing Policy.** The assessments were performed through a desk review of the existing information from the ISR and phone discussions with MoH staff. The assessment also takes into consideration the WB's Investment Policy Financing (para. 12) .

27. **The MoH PIU has adequate staff to account for the AF funds.** The AF accounts will be prepared by the PIU in line with Cash Basis International Public Sector Accounting Standards. There are no overdue audits or outstanding FM issues for ongoing operations. The internal controls processes described in the existing POM, including budgeting, planning, accounting, and financial reporting, are already in place and will be replicated and duly expanded to meet the AF scope to ensure efficient and effective implementation. The use of AF funds will be reported via quarterly interim financial reports. The AF will be also subject to the single audit by an independent audit firm on the terms of reference acceptable to the Bank. The audit report should be furnished to the Bank within 6 months following the Grant closure date. The audit report will be publicly disclosed by the PIU and by the Bank. The current FM capacities in the PIU will be enhanced by employing additional expertise and resources as needed.

28. **The AF funds will be disbursed in accordance with the Disbursement Guidelines for Investment Project Financing. The project will use the Bank's four disbursement methods,** which include (a) advances to the designated account (DA); (b) payments against Special Commitments; (c) reimbursement of payments made by Government for eligible expenditures; and (d) direct payments to suppliers. The Project will open DA for the AF funds flows and utilize e-disbursements .and The DA ceiling, minimum value of applications as well the frequency of the reporting of the use of advances to the DA, using Statements of Expenditure (SOEs), will be specified in the Disbursement and Financial Information Letter (DFIL). The monitoring and supervision policies and practices of the Parent Project will be applied to the AF.



29. **The overall FM risk with respect to the AF implementation has been assessed to be Moderate**, as the AF implementation will be managed via the existing implementation arrangements of the Emergency Medical Services Project and the Parent Project. The FM risks captured during the COVID-10 rapid response project assessment have been already addressed. For the AF funds implementation, another distant assessment of the IA and PIU has been conducted, no additional FM risks that may affect efficient/effective use of funds have been captured.

D. Procurement

30. **Procurement under the AF will be carried out in accordance with the WB's Procurement Regulations for IPF Recipients for Goods, Works, Non-Consulting and Consulting Services**, dated July 1, 2016 (revised in November 2017 and August 2018). The AF will be subject to the WB's Anticorruption Guidelines, dated October 15, 2006, and revised in January 2011 and July 1, 2016.

31. **Project Procurement Strategy for Development (PPSD)**. The MoH has developed a streamlined PPSD for the Parent Project, with support from the WB and the existing PIU. The PPSD is applicable for the proposed AF and the Procurement Plan was updated to reflect the needs of AF. All the selection methods defined in the Procurement Regulations can be used; however, priority will be given to streamlined and simple procedures and to those that ensure expedited delivery, such as Direct Selection, Request for Quotations with no threshold limit as appropriate, Framework Agreements, Procurement from UN Agencies following Direct Selection using existing standard agreements, Engagement of UN Agencies to provide technical assistance or outputs (combination of technical assistance and inputs), and Consultant's Qualifications-based Selection. Procurement will follow either the international or national approach. An initial Procurement Plan has been agreed with the MoH and will be updated along with the PPSD during Project implementation, as needed.

32. **Systematic Tracking of Exchanges in Procurement (STEP)**. All procurement transactions under the Project must be recorded in or processed through the WB's planning and tracking system, STEP. This ensures that comprehensive information on the procurement and implementation of all contracts for goods, works, non-consulting services, and consulting services awarded under the whole Project are automatically available. This tool will be used to manage the exchange of information (such as bidding documents, bid evaluation reports, no objections, and so on) between the implementing agencies and the WB.

33. **Procurement risks for the AF are assessed as Moderate**. The major risks to procurement are (a) border closure and restrictions on cargo movements, which may affect the timely delivery of essential goods and services; (b) a poor contract management system, with potential time and cost overruns and poor-quality deliverables; (c) lack of familiarity in dealing with such a novel epidemic, which may result in slow decision-making; and (d) increased risk of F&C (abuse of simplified procurement procedures, false delivery certification, inflated invoices). These risks are elevated by the global nature of the COVID-19 outbreak, which creates shortages of medical supplies and necessary services and may result in increased prices and cost. To deal with potential procurement delays because of the spread of COVID-19, the Bank will support the MoH in applying any procedural flexibilities (e.g., extension of bid submission deadlines, advising on the applicability of force majeure, electronic bid submission). The Bank team will also monitor and support implementation to agree with



the MoH on the reasonableness of the procurement approaches and obtained outcomes considering the available market response and needs.

E. Legal Operational Policies

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

F. Environmental and Social

34. **The proposed PEF-financed AF proposes scale-up to Component 1 activities under the ongoing Uzbekistan Emergency COVID-19 Response Project (P173827).** Hence, all environmental and social aspects including the risks, impacts and mitigatory measures would remain the same as designed for the Parent Project.

35. **The Environmental and Social Risks under the Parent Project are assessed as Substantial.** These risks are covered by Environmental and Social Standards (ESS) 1, ESS 2, ESS 3, ESS 4, and ESS 10. The key environmental risks associated with the parent Project remain relevant for AF and include: (a) occupational health and safety for medical staff, laboratory staff, and communities in due course of detection, transportation of patients/tests/chemicals and reagents, and treatment stages of the COVID-19 cycle; (b) occupational health and safety related to collection, transportation, and disposal of medical waste management; and (c) temporary environmental risks associated with minor repair works at healthcare facilities (HCFs) and occupational health and safety of construction workers, HCF staff, and surrounding communities. Risks to surrounding communities maybe expected from inadequate physical distancing during access to testing facilities as well as from exposure to contaminated, untreated medical waste.

36. **The two major areas of social risks are related to (i) COVID-19 Management; and (ii) Targeted Social Assistance (TSA).** While the former bears Moderate Risk, the latter, TSA, is Substantial Risk. The COVID-19 management encompasses risks related to: (i) the spread of COVID-19 among healthcare workers; (ii) the spread among the population at large; and (iii) unmitigated exposure risks to construction workers involved in minor rehabilitation of existing HCFs. The proposed TSA, meant to address adverse impacts on livelihoods as a result of the COVID-19, has two components: (I) labor/ employment; and (ii) cash transfers. In both the cases, the risks of exclusion as well as inclusion are quite high. Targeting could be such that it results in: (i) exclusion error where not all intended beneficiaries are actually reached by the program; and (ii) inclusion error, where some people who were not intended beneficiaries receive benefits from the program. Towards addressing the issues / risks, mitigatory measures have been drawn and detailed in the Parent Project Stakeholder Engagement Plan and Environmental and Social Commitment Plan and the same disclosed on the websites of the clients as well as that of the Bank.

37. **The project activities (both parent and AF) will support citizen engagement activities that are adapted to the challenges of the COVID and post COVID-19 context.** As noted above, project activities will include: (i) the dissemination of official information on the pandemic, information on the project (including processes and results); (ii) the development of pro-active outreach mechanisms to reach all groups, including marginalized



women, men and youth; and (iii) the development, launch and upkeep of an active online feedback mechanism for the design and monitoring of project investments, including the targeted social assistance. Given the challenges of citizen engagement in the COVID context and to ensure inclusion, the project plans to blend digital (civic technology) solutions with the current mechanisms for local outreach in communities, so that citizens can provide local information, comments and other feedback, and receive responses in real time to the PIU/MoH. This citizen engagement mechanism will include strategies to reach those vulnerable groups that would not gain access through mainstream channels. The beneficiary feedback indicator added to the RF will apply to both the parent and AF.

V. WORLD BANK GRIEVANCE REDRESS

38. Communities and individuals that believe that they are adversely affected by a WB-supported project may submit complaints to existing project-level grievance redress mechanisms or to the Bank's Grievance Redress Service, which ensures that complaints received are promptly reviewed and project-related concerns addressed. Project-affected communities and individuals may submit a complaint to the Bank's independent Inspection Panel, which determines whether harm occurred, or could occur, as a result of the Bank's noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the WB's attention and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's corporate Grievance Redress Service, please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the WB Inspection Panel, please visit www.inspectionpanel.org.



VI SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓

VII DETAILED CHANGE(S)

MPA PROGRAM DEVELOPMENT OBJECTIVE

Current MPA Program Development Objective

Proposed New MPA Program Development Objective

**EXPECTED MPA PROGRAM RESULTS****Current Expected MPA Results and their Indicators for the MPA Program****Proposed Expected MPA Results and their Indicators for the MPA Program****COMPONENTS**

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
Strengthening National Health System to respond to COVID-19	37.75	Revised	Strengthening National Health System to respond to COVID-19	41.79
Financial Support to Individuals and Households	56.90	No Change	Financial Support to Individuals and Households	56.90
Implementation Management and Monitoring and Evaluation	0.35	Revised	Implementation Management and Monitoring and Evaluation	0.39
TOTAL	95.00			99.08

Expected Disbursements (in US\$)

Fiscal Year	Annual	Cumulative
2020	0.00	0.00
2021	4,080,579.00	4,080,579.00
2022	0.00	4,080,579.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● Moderate	● Moderate
Macroeconomic	● Substantial	● Moderate
Sector Strategies and Policies	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate



Institutional Capacity for Implementation and Sustainability	● Substantial	● Moderate
Fiduciary	● Substantial	● Moderate
Environment and Social	● Substantial	● Substantial
Stakeholders	● Moderate	● Moderate
Other	● Moderate	● Moderate
Overall	● Moderate	● Moderate

LEGAL COVENANTS – AF Uzbekistan Emergency COVID-19 Response Project (P174956)

Sections and Description

No information available

Conditions



VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Uzbekistan

AF Uzbekistan Emergency COVID-19 Response Project

Project Development Objective(s)

The Project development objective is to prevent, detect, and respond to the threat posed by COVID-19 in the Republic of Uzbekistan.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	End Target
To prepare for and respond to the COVID-19 pandemic in the Republic of Uzbekistan			
Number of male tested for COVID-19 (Number)		0.00	100,000.00
Number of female tested for COVID-19 (Number)		0.00	100,000.00
<i>Action: This indicator has been Revised</i>			
Number of diagnosed cases treated in acute healthcare facilities (Number)		0.00	10,000.00
Number of eligible families provided with targeted cash transfers (Number)		767,459.00	902,459.00
Number of eligible individuals provided with unemployment cash benefits (Number)		18,000.00	80,000.00



Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Emergency COVID-19 Response							
Number of health staff trained in infection prevention and control per MOH-approved protocols (Number)		0.00					20,000.00
Number of laboratories with COVID-19 diagnostic equipment, test kits, and supplies (Number)		0.00					15.00
Number of healthcare workers reached with tailored information (Number)		0.00					20,000.00
Risk-adjusted referral systems to care for COVID-19 patients established and functioning (Yes/No)		No					Yes
Online citizen engagement mechanism: (i) established with outreach and staffing (ii) actively providing information (iii) receiving citizen feedback and (iv) PIU/MoH providing just-in-time responses (Text)		Online citizen engagement channel is not available	Online citizen engagement channel established with outreach and staffing.	Online citizen engagement channel is actively providing citizens with official COVID and project information.	Online citizen engagement channel is receiving feedback from citizens.	PIU/MoH is providing just-in-time responses to citizens on their feedback	Online citizen engagement channel (i) established, (ii) actively providing citizens with official COVID and project information, (iii) receiving feedback from citizens, and (iv) the PIU/MOH reporting back on actions annually.



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
<i>Action: This indicator is New</i>							

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number of male tested for COVID-19	Number of people tested for COVID-19 with the Project support	Monthly during the first six months of implementation, quarterly afterwards	MoH and Sanitary Epidemiology Control Inspection reports	Collected using the MoH and Sanitary Epidemiology Control Inspection reports	EMS PIU
Number of female tested for COVID-19		Monthly during the first six months of implementation, quarterly afterwards	MoH and Sanitary Epidemiology Control Inspection reports	Collected using the MoH and Sanitary Epidemiology Control Inspection reports	EMS PIU
Number of diagnosed cases treated in acute healthcare facilities		Monthly during the first six	EMS PIU procurement reports; MoH	Derived from PIU and MoH reports, selectively verified by reaching out	EMS PIU



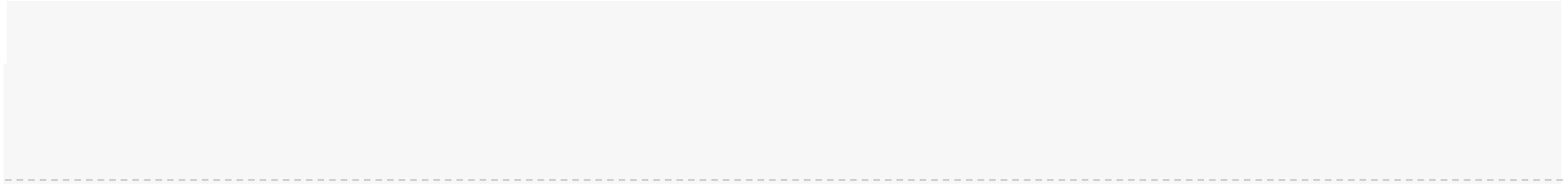
		months of implementation, quarterly afterwards	reports on cases by hospitals.	directly to hospitals	
Number of eligible families provided with targeted cash transfers		Annually	Administrative data	Administrative data	Ministry of Finance
Number of eligible individuals provided with unemployment cash benefits	Number of people who received regular unemployment benefits	cumulative	Ministry of Employment and Labor	Administrative data	Ministry of Employment and Labor

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number of health staff trained in infection prevention and control per MOH-approved protocols		Monthly during the first six months of implementation, quarterly afterwards	PIU reports	Collected from PIU reports	EMS PIU
Number of laboratories with COVID-19 diagnostic equipment, test kits, and supplies		Monthly during the first six months of	PIU reports	Collected from PIU reports	EMS PIU



		implementation, quarterly afterwards			
Number of healthcare workers reached with tailored information		Monthly during the first six months of implementation, quarterly afterwards	Procurement and PIU reports	Derived from the PIU reports, selectively verified by reaching out directly to healthcare workers	EMS PIU
Risk-adjusted referral systems to care for COVID-19 patients established and functioning		Monthly during the first three months of implementation, quarterly afterwards	MoH	MoH decrees, MoH and hospital utilization reports	EMS PIU
Online citizen engagement mechanism: (i) established with outreach and staffing (ii) actively providing information (iii) receiving citizen feedback and (iv) PIU/MoH providing just-in-time responses	Online citizen engagement mechanism: (i) established with outreach and staffing (ii) actively providing information (iii) receiving citizen feedback and (iv) PIU/MoH providing just-in-time responses	Semi-annual	PIU	Semi-annual reports	PIU





Annex 1 Uzbekistan – Country Program Adjustment in response to COVID-19

Uzbekistan – Country Program Adjustment in response to COVID-19

The World Bank Group’s engagement in Uzbekistan is guided by the Program Learning Review (PLR) which has adjusted these engagements to the opening of Uzbekistan’s economy. Adjustments to the FY17-21 CPF were made via the PLR in mid-2018 after an unexpected move by the Government to begin transforming the previously closed post-Soviet economy. The PLR focus areas remain relevant, supporting: (i) a sustainable transformation towards a market economy; (ii) reform of state institutions and citizen engagement; and (iii) investments in people. A new SCD and CPF are under preparation. Both will have a strong emphasis on supporting a sustainable post-COVID recovery and an inclusive economic transition.

After two decades of sustained poverty reduction, the pandemic could force up to a million people into poverty this year. Based on data from April 2020, the share of households with at least one working member fell by 40%, and employment is well below both 2019 levels and the pre-COVID trend. The self-employed have been the most affected: the share reporting any self-employment fell by 67% in April. Based on Bank projections, the poverty rate⁵ could rise from the pre-crisis estimate of 7.4% to between 8.7 to 10%. A sharp decline in migrant remittances (20% lower than 2019) will push those already poor into deeper hardship.

Lower external trade and the domestic economic disruption are projected to lower growth from 5.7% in 2019 to 1.6% in 2020 (pre-crisis forecast: 5.9%). Tourism, services, and horticulture, which are promising new areas of post-transformation growth, are acutely affected, and nascent private sector gains are at risk. Weaker revenues, a surge in health and social spending, and a weaker domestic and external trading environment have unanticipatedly worsened fiscal and external balances, with the fiscal deficit projected to increase from a pre-crisis estimate of 0.8% to 4% of GDP.

Since late-January 2020, the authorities have systematically implemented strong anti-crisis measures to slow COVID transmission, protect livelihoods, and sustain the reform momentum. An early lockdown phase had a significant impact in slowing community transmission, however, the health system remains strained by a second wave of infections in July and August 2020. The Government announced a \$1.5 billion anti-crisis fund to achieve three short-term outcomes: (a) saving lives; (b) safeguarding the economy; and (c) sustaining the structural reforms. The Government has significantly boosted health spending, expanded safety nets, and provided time-limited and targeted tax, debt, and cash flow relief to the most affected businesses and sectors of the economy. The authorities have also adjusted their reform plans: measures with a positive social and poverty impact have been accelerated, while those potentially amplifying suffering for the poor have been deferred. Structural reforms without immediate poverty impacts – such as financial sector and SOE reforms – continue to be implemented with assistance from the Bank.

⁵ Using the LMIC \$3.2/day poverty line, and data from the *Listening to Citizens of Uzbekistan* survey



The Government's deficit financing strategy relies on a mix of development partner and private sector support.

The budget deficit in 2020 is estimated to be about \$2.5 billion. In addition to Bank support, the ADB has disbursed \$500 million in crisis financing, as has the IMF (\$375 million RCF/RFI). Further support is expected in October from the Governments of Japan (\$125 million; co-financing of WB full DPO) and France (\$174 million). With access to external markets and a healthy external financial position, the Government expects to raise about \$600 million through domestic T-bills and external Eurobond issuances in 2020. To maximize net private inflows, increase external financing flexibility, and benefit from the market signaling linked with IFI support to its strong reform achievements, Uzbekistan has opted not to participate in the DSSI.

The Bank's priority in FY21-22 is to sustain Uzbekistan's ambitious reforms in the context of a new post-COVID normal.

The Bank's current pipeline supports the emergency response and strengthens the economy post-COVID. FY21 pipeline includes eight operations for \$1.1 billion (IBRD and IDA). Three IPFs have been adjusted to strengthen resilience and improve recovery prospects (in digital development, innovation, and energy sectors), and five projects (inclusive market transition DPO, support to first solar IPP in the country, and IPFs in tax administration, financial sector development, and statistics capacity building) are being adapted. Under IDA19, up to \$650 million may be front-loaded in FY21 to directly support the anti-crisis response. A loan reduction (Digital CASA) and a partial cancellation (South Karakalpakstan Water project) generated savings (\$56 million) that can be reprogrammed. On IBRD, new lending will focus on the post-COVID "new normal" with an effective withdrawal of the state from its control and ownership of the economy, while supporting the growth of an inclusive, sustainable, and private sector-led market economy. Areas of support include energy, banking sector liberalization, labor market reforms, privatization of state enterprises, and rural job growth from the agricultural transformation. More than quarter of 15 ASAs to be delivered in FY21 are high priority tasks focused on supporting the GOU in shaping relevant policies in the post COVID period, including a comprehensive poverty reduction strategy.

New and existing operations are being aligned to the priorities of the Approach Paper, "Saving Lives, Scaling-up Impact, and Getting Back on Track". The engagement on the new poverty strategy and the forthcoming SCD and CPF will provide opportunities to further refine the pipeline in response to the impact of COVID-19.

To save lives and protect the poor and vulnerable, the Bank approved (in April) a \$95 million IDA emergency COVID project (augmented with a \$4.3 million Pandemic Emergency Facility grant) to shore up health and safety net systems, and a \$200 million supplementary DPO to overcome a short-term cash crunch following unprecedented health and social expenditure demands. These operations supported essential COVID health procurement, expanded low-income family allowances, and streamlined unemployment benefits. Adjustments to the *Emergency Medical Services* project (P159544) also supported additional emergency medical equipment procurement. The *Strengthening the Social Protection System Project* (P166447), approved in FY20, is also supporting implementation of COVID-19 social measures.

To save livelihoods, preserve jobs, and ensure more sustainable business growth and job creation, the Bank is working with the Government to accelerate implementation of the new *Agriculture Modernization* (P158372) and *Ferghana Valley Rural Development* (P166305) projects, as these offer immediate opportunities to expand rural access to credit and financing amidst COVID-19 financial disruptions. \$7.6 million of EU funded grants under the *Horticultural Development Project* (P164226) are being repurposed to target farmers affected the crisis. \$92 million in the *Regional Roads* (P146334) project will be used to boost temporary jobs for unemployed workers, and adjustments to the *Modernizing Higher Education Project* (P128516) supported emergency purchases of distance learning modules to maintain tertiary instructional delivery. The IFC is also working on boosting working capital finance for Ipoteka Bank (\$10 million; approved) and Hamkor Bank (\$20 million; under review).



To strengthen policies, institutions and investments for resilient, inclusive, and sustainable growth, the Bank will deliver an electricity transmission and modernization project (\$300 million), and three projects to transform financial sector (\$15 million), tax (\$60 million), and statistical (\$50 million) institutions. The Bank is also preparing a standalone DPO (tentatively \$500 million IDA/IBRD, late Q2 or early Q3 FY21) to support ambitious reforms that remove factor market constraints, reform and privatize SOEs, and accelerate measures to transform agriculture. The DPO will also focus on “building back better” through reforms to the social safety net system and measures to build a cleaner and greener economy. The IFC is also working on investments and advisory services in renewable energy generation, chemicals and fertilizers, agrifinance, cotton production, and banking.

To respond to the COVID-19 crisis, sustain the reform momentum, and fill the domestic financing gap in 2020, a socio-economic task force, led by the World Bank and UNDP, was created at the request of the Government to coordinate partner assistance in shoring up the Government’s health, social, and economic policy response to the crisis. Through this and other coordination platforms, the Bank ensured that the FY21 pipeline remains focused on reform areas of strong government demand for Bank’s knowledge and high relevance for economic recovery and transition. In addition, and despite turbulent global financial sector conditions, Uzbekistan remains an area of active interest to private sector investors. This is especially the case in the energy sector, where the World Bank Group plays a leading role along with ADB and EBRD in supporting increased private sector participation through demonstrative projects such as this proposed operation.