Public Disclosure Authorized

Public Disclosure Authorized

Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 11-Apr-2020 | Report No: PIDA28999

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Moldova	P173776	Moldova Emergency COVID-19 Response Project	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
EUROPE AND CENTRAL ASIA	01-Apr-2020	21-Apr-2020	Health, Nutrition & Population
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Republic of Moldova	Ministry of Health, Labor and Social Protection.	

Proposed Development Objective(s)

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

Components

Emergency COVID-19 Response
Implementation Management and Monitoring and Evaluation

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	57.40
Total Financing	57.40
of which IBRD/IDA	57.40
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	57.40
IDA Credit	57.40

Environmental and Social Risk Classification

Substantial

Decision

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Moldova is a lower-middle-income country with an estimated Gross Domestic Product (GDP) per capita of US$3,217 (IMF, 2018) and a population of approximately 3.5 million people (World Development Indicators, 2018).** Its GDP per capita is significantly below the average for Europe and Central Asia, of US$7,272, however, recent socioeconomic progress has been sound, and Moldova will graduate from IDA on June 30, 2020. Moldova has experienced strong economic growth, with an average annual growth rate of 4.6% since 2000. Despite heightened political instability in 2019, the economy grew by 3.6% in 2019 driven by strong investments and robust private consumption financed by remittances, pre-election tax cuts, and increases in public wages and transfers. Increased employment and disposable income growth for the bottom two quintiles as well as earnings in the agricultural sector have generally been trending upwards, contributing to recent reductions in poverty. However, 2019 saw an increase in the unemployment rate of 2.2 percentage-points on average compared with the previous year's quarters, largely driven by increases in unemployment in rural areas.

2. **Moldova still has high poverty despite significant progress in poverty reduction.** According to the Commitment to Equity (CEQ) report[1], 18.6% of families are below the national poverty line[2]. For some vulnerable categories, such as families with more than 2 children and single parents, these rates are much higher – 38.3% and 27.1% respectively. Poverty is projected to increase as households grapple with the adverse effects of the coronavirus. Potential health shocks to earners in the household, lower remittances (which played a key role in increasing the disposable income and mitigating poverty in the past) as a result of reduced economic activity in sender countries, higher domestic prices due to shortages and interruptions in supply chains, and lower employment and/or earnings stemming from lower aggregate demand are all likely to contribute to increased poverty. The effects are likely to be disproportionately

[1] Alexandru Cojocaru, Mikhail Matytsin, Valeriu Prohnitchi. 2019. "Fiscal Incidence in Moldova: A Commitment to Equity Analysis", http://documents.worldbank.org/curated/en/932401568643347690/pdf/Fiscal-Incidence-in-Moldova-A-Commitment-to-Equity-Analysis.pdf

[2] Moldova stopped publishing official poverty rates in 2015. CEQ aims to take a deeper look at poverty by including distributional effects of the tax and expenditure sides of the fiscal system, examining contribution of different taxes and transfers to poverty and inequality reduction in Moldova. CEQ measures poverty using various income concepts. Provided poverty rates are calculated using disposable income concept, which incorporates pensions and direct transfers (such as family benefits, child benefits) and deducts direct taxes (such as PIT, social security contributions)

felt by households with inadequate coping strategies or insurance mechanisms. There is a need for emergency measures to prevent such vulnerable households falling into destitution. In the short term, the government will need to consider enacting appropriate mitigating strategies such as ensuring adequate access to health care, particularly for at-risk groups; alleviating food shortages; and, compensating for reduced and lost income through appropriate social security transfers.

3. **Prior to the global outbreak of COVID-19, the outlook for the Moldovan economy was positive, despite notable downside risks and challenges, but the country now faces significant domestic and external downside risks.** Against the background of lower remittances, dissipation of fiscal stimuli, and heightened uncertainty in the region and on the global markets, the macroeconomic environment faces significant challenges and larger downside risks. Growth projections are now challenged by the larger global downturn arising from the COVID-19 crisis as large economies across the Eurozone, as well as in Russia and China, struggle to deal with the combined impact of a supply- and demand-side shock, including the impact of lockdowns and the shuttering of businesses. In addition, the economy struggles with low productivity, unfavorable demographics, and serious governance challenges. The 2020 Presidential elections also bring fiscal uncertainty.

Sectoral and Institutional Context

Health

4. **The Ministry of Health, Labour and Social Protection (MoHLSP) is responsible for the organization and regulation of health services provided to individuals and the public, and for ensuring the state surveillance of population health, as well as for managing the social protection programs of the Government of Moldova.** The financing of most health services is the responsibility of the *Compania Naţională de Asigurări în Medicină* (CNAM)[3], which is a standalone governmental institution, not subordinated to MoHLSP. The CNAM covers approximately 86% of the population. It finances access to an essential package of emergency, primary, and inpatient services without payment at the point of care. The system also provides universal access to primary health care, for both uninsured and insured patients (including mental health, cancer screening, HIV/AIDS[4], tuberculosis, etc.). Inpatient care is provided at the municipal, district (secondary care) and republican (tertiary care) levels; highly specialized tertiary services are concentrated in Chisinau.

5. **Moldova's health system has made progress in recent years, but still lags behind others in the region.** While life expectancy at birth increased from 64.8 years in 1990 to 72.0 years in 2016, infant and maternal mortality rates are high for the region. Infant and under five mortality rates were 9.7 and 11.4 per 1,000 live births respectively in 2016, more than twice the European Union (EU) average of 3.4 and 4.1 per 1,000 live births. The maternal mortality rate of 17.6 per 100,000 live births[5] was more than double the EU average of 8 per 100,000[6].

[3] National Health Insurance Company
[4] HIV/AIDS: human immunodeficiency virus/acquired immunodeficiency syndrome.
[5] MoHLSP, 2017
[6] World Bank, 2015

6. **Non-communicable diseases (NCDs) have become the major burden of mortality and illness for the population, while the country is also undergoing a demographic transition.** NCDs account for a total of 90% of causes of deaths, injuries for 6%, and communicable, maternal, perinatal, and nutritional conditions stand at 4%. High blood pressure (hypertension) and smoking are among the leading NCD risks. In addition, Moldova's population is aging, and exacerbated by the emigration of younger generations who seek job opportunities abroad. About 18.4% of the population is aged 60 and above and 2.4% is 80 and above[7]. This poses additional challenges in dealing with a COVID-19 emergency since evidence from other countries suggests that older populations, especially with those with pre-existing health conditions, are at higher risk and, if infected, would require more intensive care. Moreover, there is a gender dynamic to this as life-expectancy for women in Moldova is 75.3 and for men it is 67.6, although it is not clear how this will play out given that early epidemiological analysis suggests that COVID-19 has a disproportionate impact on men.

7. **While total health spending is high for Moldova's income level, out-of-pocket health spending is still high.** In 2016, the Government of Moldova spent approximately US$83.5 per capita on health, with government health expenditure representing around 49% of total health expenditure. Total health expenditure, measured as a percentage of GDP, increased from 5.9% in 2000 to 9% in 2016. This is substantially higher than the averages for the Europe and Central Asia Region (8.3%) and the Commonwealth of Independent States (6.5%). However, out-of-pocket health spending contributes around 46% of total health expenditure and points to an underlying vulnerability for poorer populations. These groups stand to be particularly at risk as COVID-19 unfolds. The health system's resilience is limited and in need of financing in order to ensure that, in a time of crisis and a rapidly unfolding pandemic, it is better positioned to meet the needs of citizens, particularly vulnerable citizens including low-income, disabled, elderly, isolated communities, and Roma communities.

8. **This project complements the World Bank's broader engagement in the health and social sectors**. The ongoing Health Transformation Project, which seeks to reduce key risks for NCDs and improve efficiency of health services, has contributed to the strengthening of primary care and better management of NCDs, and it has also supported important actions towards deep reforms in the hospital sector. Several ASA engagements (Rapid Social Response 12: Improving Efficiency of Moldova's Main Anti-Poverty Program; Strengthening Social Assistance in Moldova) supported comprehensive review of Ajutor Social program design and delivery to improve the uptake of the poor. Strengthening support for the families with children was among the key recommendations[8]. The government was also provided with advice on comprehensive improvement across all stages of Ajutor Social delivery system to ensure reaching the most vulnerable families.[9]

[7] Statistical Yearbook of the Republic of Moldova, 2019
[8] Moldova Economic Update, Fall 2019. Special Focus Note: Social Assistance. World Bank. http://pubdocs.worldbank.org/en/810281574937601261/Moldova-Special-Focus-Note-Social-Assistance-November-2019-en.pdf
[9] Madalina Manea, Razvan Dumitru, Yulia Smolyar, Vlad Grigoras. Review of the Ajutor Social benefits delivery to improve the uptake of the poor
https://wbdocs.worldbank.org/wbdocs/component/drl?objectId=090224b086db2168&standalone=true&Reload=1586315885174&__dmfClientId=1586315885174&respositoryId=WBDocs

Social Protection

9. **The transformation of the social protection system over the past decade has increased coverage for vulnerable groups and increased cost efficiency; nevertheless, challenges remain.** Social protection programs cover 62% of the population (compared to 72% in Ukraine and 81% in Romania), with coverage for the bottom quintile reaching almost 80%. Of social protection programs, pensions and other social insurance benefits constitute the highest coverage (52% of all population and 56% of the poorest quintile), although the benefits' size is relatively small. Social assistance reaches only 31% of total population. In reaching the poorest quintile, the most effective programs are Ajutor Social (25.5%), Ajutor pentru Perioada Rece a Anului (APRA)[10] (33.9%), and child and family benefits (17.9%). However, inadequate benefit size compromises programs' effectiveness in supporting beneficiaries to rise out of poverty over the long-term. Moldova's expenditure on social assistance remains low compared to the average for the region. Expenditures on social assistance programs stand at about 1% of GDP, while the average in the region is almost double at (1.9% of GDP).

10. **Administered by the MoHLSP, and previously supported by the World Bank, the Ajutor Social program is the main anti-poverty program in Moldova**. The social assistance program Ajutor Social began in 2009. It was conceived as a proxy means-tested program of cash transfers to replace categorical benefits (prestații categoriale). Ajutor Social was introduced to counter the fragmentation of social protection programs and the inefficiency of public financing. To qualify for the Ajutor Social program benefit, applicants must meet three sets of criteria related to: family income being below the guaranteed minimum income (GMI); the employment status of family members[11]; and, family welfare (confirmed through the proxy means test). The amount of the benefit depends on the income gap between household monthly income and the GMI threshold, which is established annually in the budget. The means-tested Ajutor Social is channeling significant funds to the poorest quintile. However, despite expansion of the program in 2014-2017, when its coverage increased from 4 to 7% of the total population, it reached only 25.5% of the poorest, and the benefit size remains inadequate, especially for families with children.

11. **Design and protocol changes are needed to increase the effectiveness of the social safety nets in reaching and protecting vulnerable groups from the impact of COVID-19.** The current design of the Ajutor Social is not suited to provide effective support in deteriorating economic conditions. The benefit size is not adequate: Ajutor Social payments have a relative incidence (share of the benefit in the overall income of this group) of just 8% for the poorest quintile. Without strengthening the Ajutor Social program, vulnerable families will not be provided with an adequate protection in the circumstances of rising prices of food and basic goods, as well as higher expenditures needed to protect themselves, such as for masks. Moreover, the program has recently declined both in terms of coverage and nominal budget. Finally, the design of the program is not geared towards supporting vulnerable groups, such as families with more than two children and single parents – in fact, a family of two adults is currently eligible for a higher benefit than a family of an adult and a child[12] despite single parents being one of the most disadvantaged groups

[10] Families eligible for Ajutor Social are also eligible for APRA – flat benefit for heating assistance during the cold period of the year only. APRA uses higher income threshold, so in addition to Ajutor Social recipients, the near-poor are also eligible
[11] All able-bodied members of a family must be either employed (self-employed), registered as unemployed, be on parental leave or look after a member of the family that requires care (e.g. with severe disability).
[12] The program distinguishes such members of the family as adults and children and is based on the social standard called GMI. First adult in the family receives 1 GMI, each subsequent adult receives 0.7 GMI, children – 0.5 GMI. There are additional coefficients for persons with disabilities.

globally due to additional responsibilities of parenting, financial provision for a dependent, housekeeping, necessity to take additional sick leaves, which family of two adults may not have. The employment status filter will not permit the inclusion of some of the families recently pushed into poverty, such as returned migrant workers or those informally employed in the past. These categories are subject to heightened risk of losing a job or be unable to stop working and thus being more likely to get infected. In this context, changing the design of Ajutor Social to increase the adequacy of support and focusing more on the most vulnerable groups would serve to strengthen its effectiveness in addressing challenges faced by vulnerable populations related to the COVID-19 outbreak.

COVID-19 Outbreak

12. **The COVID-19 outbreak in Moldova started on March 8, 2020 and, since then, cases have increased rapidly**. As of April 1, 2020, there were 423 confirmed cases, of which 5 people died and 23 recovered. Early data suggest that in Moldova, contrary to what other countries are experiencing, a higher proportion of confirmed COVID-19 cases are among women (56%).[13]

13. **Recognizing these challenges, the Government of Moldova has begun to mobilize a COVID-19 pandemic preparedness response**. On March 17, 2020, Moldova's parliament declared a State of Emergency until May 15, 2020. At the time of project design, the Preparedness and Response Plan had been approved by resolution of the Extraordinary Commission for Public Health (Number 7) on March 13, 2020. The Plan covers key areas including coordination of preparedness and response, epidemiological surveillance, and case investigation and rapid response. The Government also convened the Extraordinary National Public Health Commission to ensure intersectoral coordination and communication in implementing public health related warnings and activities. Funds intended for exceptional situations, including the government emergency funds and reserve funds, are managed in accordance with approved Government regulations.

14. **Following Parliament's declaration of the 60-day state of emergency (or, until May 15, 2020), the Exceptional Situations Commission met and introduced a stronger set of measures aimed at slowing the spread of the virus.** Critical restrictions were imposed on movement, in line with social distancing practices that are emerging worldwide. Following the announcement of the Code Red Alert, on March 13, 2020, all educational institutions and many public venues, including gyms, museums, and theaters, bars and restaurants were closed. Strict transportation restrictions were introduced, including the suspension of air and rail traffic, as well as the closure of 70 of Moldova's 81 land border crossings with Romania and Ukraine. Additional quarantine measures have followed, including the establishment of a special working regime for all entities (public sector working hours 7:30 – 16:00); prohibition of meetings, public events and other mass events; requiring that schools and universities shift to online and distance-learning methods; and the near-all, temporary suspension of courts processing criminal and administrative cases (with exceptions). The commission also decided to make all medical care related to COVID-19 free, whether or not patients have medical insurance.

15. **The MoHLSP took on the leading role and is acting quickly on all aspects related to the COVID-**

[13] Data as of April 1, 2020. Given that there are no substantial differences among men and women in the age structure of the Moldovan population, one potential hypothesis would be that citizens working in Italy in the care giving sector – mainly women – returned to their country when asymptomatic and may have developed symptoms and tested positive later on.

19 outbreak. The development partners mobilized and joined efforts to strategically contribute to the most urgent needs. Country-level coordination, planning, and monitoring is assured by the UN Regional Coordination Office and WHO, which organize donor coordination meetings with participation of development partners and embassies, as well as governmental representative. WHO is ensuring operational support and logistics by developing a needs assessment and costs for health system needs based on scenario 3,[14] with support from UNICEF. Other UN agencies, mainly UNICEF, UNFPA, WHO, are organizing risk communication and community engagement activities which include a risk communication plan, billboards, informative brochures, audio and video spots, etc. In terms of surveillance, rapid response teams, and case investigation, WHO worked hand in hand with the MoHLSP to implement the technical guidelines on COVID-19 epidemiological surveillance and contacts investigation, quarantine and restriction measures. Country progress on pandemic preparedness and response capacity ("health security") is monitored by the World Bank and WHO as part of the Universal Health Coverage index[15].

16. **In general, Moldova's health security and pandemic preparedness presents some notable gaps.** The Global Health Security Index published in 2019 highlights key constraints, especially in the areas of rapid response, health system capacity, and detection and reporting, placing Moldova at 78 out of 195 countries. A 2018 Joint External Evaluation (JEE) identified significant vulnerabilities with regards to pandemic preparedness and financing, with particular challenges in the areas of laboratory systems, surveillance and case detection, response coordination, personnel deployment and risk communication. The JEE also highlighted Moldova's critical financing gap in being able to support and field an emergency response. In addition, the recommendations of the JEE point towards the importance of establishing protocols, procedures and capabilities to rapidly expand the country's ability to treat vulnerable patients and introduce measures to stop community transmission. This includes strategies for risk communication, training medical and non-medical workers on relevant protocols, and bolstering routine medical care and emergency treatment capabilities.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

1. **The project development objective is to prevent, detect, and respond to the threat posed by the COVID-19 pandemic in the Republic of Moldova.** The Project objectives are aligned to the results chain of the COVID-19 Strategic Preparedness and Response Program. Besides supporting COVID-19 preparedness and response in the health sector, the project also includes response in the social protection sector through mitigation measures to help the poor and vulnerable cope with the immediate impact of the pandemic.

Key Results

i. Number of designated hospitals with fully equipped and functional intensive care units (ICUs).

[14] The WHO defines four COVID-19 transmission scenarios: (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.
[15] *https://www.who.int/healthinfo/universal_health_coverage/en/*

ii. Percentage of designated hospitals with personal protective equipment and infection control products and supplies
iii. Number of people tested for coronavirus identification
iv. Number of Ajutor Social recipients during the emergency period

D. Project Description

17. **The project design seeks to provide immediate support to respond to the COVID-19 outbreak, with a focus on strengthening the technical capacity of health facilities to protect staff and handle severe cases and mitigating the negative financial impact at the household level.** Recognizing the importance of a well-balanced intervention mix, the project will provide support to increase case detection capacity, improve the safety of frontline staff at all levels, and to bolster the human and technical capacity of ICUs to handle a surge in severe cases. In addition, the project will support social assistance efforts to mitigate the effect of containment measures on the poor.

18. **This project was selected for COVID-19 financing at the request of the Government of Moldova, on the basis of the country's financing gap and technical capacity constraints.** The objectives, scope and components of this project are fully aligned with the FTCF. Activities have been carefully selected in discussion with the MoHLSP, based on their own detailed needs assessment, with the technical assistance of WHO. Under the coordination of the UN representative for Moldova, and drawing on the list of eligible activities outlined in the COVID-19 Board Paper, the project design address key pillars of the Government response for which the need assessment identified gaps and that have not yet received sufficient financial and/or technical support from other development partners. The project was informed by the design of other COVID-19 projects within the ECA region and beyond. Project cost by component is provided in Annex 1.

Component 1: Emergency COVID-19 Response (EUR52 million)

19. **Subcomponent 1.1: Case Confirmation (EUR0.5 million) will support strengthening diseases surveillance systems and the capacity of the selected public health laboratories** to confirm cases by financing medical supplies and equipment. It will include personal protection equipment (PPE) and hygiene materials, COVID-19 test kits, laboratory reagents, polymerase chain reaction equipment, specimen transport kits, and light vehicles for safe and rapid transportation of samples.

20. **Subcomponent 1.2: Health System Strengthening (EUR 29.2 million) will finance the strengthening of public health facilities to provide critical care to COVID-19 patients and minimize the risk of health care staff and other patients becoming infected**. It will finance PPE and hygiene materials, as well as training on infection prevention and control (IPC) practices, with a focus on staff providing care to suspected and confirmed cases. It will also provide equipment, drugs and medical supplies, in particular ICU units and beds in designated hospitals, as well as training on COVID-19 treatment and intensive care to respond to the surge in patients requiring admission in ICUs. It will support interior minor refurbishment to remodel ICUs and increase the availability of isolation rooms. The project will also finance ambulances to support urgent transportation of patients across the hospital network to designated reference facilities as per the algorithm of the Government Preparedness and Response Plan.

21. **Some of the aforementioned activities supporting the strengthening of the health system will depend on the availability of supplies**, which is rapidly shifting. Recognizing this procurement challenge posed by the current global pandemic, these sub-components will remain flexible to support financing of alternative supplies, in line with the terms of the Fast-Track Facility and provided that products are acceptable to the World Bank.

22. **Subcomponent 1.3: Communication Preparedness (EUR0.3 million) will support information and communication activities** to increase the attention and commitment of government, private sector, and civil society to the COVID-19 pandemic, and to raise awareness, knowledge and understanding among the general population about the risk and potential impact of the pandemic. Specific activities will include: (a) the development and implementation of a national communication and outreach strategy, including social and behavioral communication change across multiple channels; and (b) developing and distributing communication materials on COVID-19 and general preventative measures to the general public, which will be complementary to the UN actions.

23. **Subcomponent 1.4: Social and Financial Support to Households (EUR21.9 million) will support strengthening the social protection for the poor by amending the design of Ajutor Social program** so that it is better able to target vulnerable populations who stand to be adversely affected by COVID-19. This amendment is simultaneously an emergency response and a reform. First, the reform aspect would strengthen support for families with children by changing the adult equivalency formula (increasing coefficient for children). This will put families with children, which have the highest poverty rates in Moldova, in a better position, by increasing both income threshold and coverage of such families, and their benefit size. This will result in a better alignment of the program design with the social policy goals of supporting the poorest, and improving targeting and efficiency of social expenditures. Second, the income eligibility threshold (GMI) for all beneficiaries will be temporarily increased (by 23% instead of the planned indexation of 4.8%). GMI threshold is used both to determine eligibility, filtering out families with incomes higher than GMI per adult equivalent, and to determine the benefit size, which is the gap between guaranteed minimum income for the family (GMI x adult equivalents of family members) and the actual income. This measure will result in expanding the coverage of the poor who as a group will be disproportionately affected by increased prices and loss of income associated with COVID-19. Also, for the emergency period, the government will automatically extend eligibility for families that are up for re-certification, accept remote applications (e.g., by phone), and replace income verification documents with the applicant's declaration. In-home visits to verify eligibility for families that are subject to such checks will also be cancelled for the period of emergency.

24. **Through amendment of the design of Ajutor Social during the emergency period, both the coverage and the benefit size of the program will increase.** Under the baseline conditions, the coverage would have increased by 35% and the average benefit size by 85% for the current recipients. However, the government simultaneously introduced flat unemployment benefit of 2775 Lei a month for those who would otherwise be ineligible for the regular unemployment benefit (returning migrant workers and former informal workers). This additional income may result in smaller Ajutor Social benefit than it would have been, but overall amounts paid to the vulnerable groups will still be higher in the same order or magnitude. Similarly, additional income could make some of the families exceed even the higher income threshold, thus making them ineligible and affecting the coverage. The forecast for the program expenditures during the emergency period is US$4.25 million per month compared to the current

expenditures of about US$2.1 million. This forecast is subject to uncertainty, mostly on the higher side, because of a wide range of possible values for some variables, such as the number of returning migrants. After the emergency period ends, strengthening of support for the families with children will remain, ensuring a lasting effect from adopted measures.

25. **This subcomponent will disburse against two Disbursement Linked Indicators (DLI).** The two DLIs will include: (i) necessary legislation changes[16] and increased budget allocation to the Ajutor Social program; and (ii) measures of increased benefit and coverage. For the reasons described above (effects of additional benefits outside of Ajutor Social), a 10% increase in both coverage and the benefit size would be used to satisfy the second DLI. The Ajutor Social cash transfers will serve as Eligible Expenditures for the DLIs.

Component 2: Implementation Management and Monitoring and Evaluation (EUR0.6 million)

26. This component will provide financing for project implementation, coordination, and management, including support for procurement, financial management (FM), environmental and social safeguards, monitoring and evaluation of prevention and preparedness including third-party monitoring of progress.

Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

E. Implementation

Institutional and Implementation Arrangements

27. **Given the emergency nature of this project, institutional and implementation arrangements have been designed to be as practical, reliable and as quick to establish as possible**. Accordingly, institutional and implementation arrangements build upon existing structures and systems, to the extent

[16] The Constitution of Moldova allows the Government to take responsibility before the Parliament and propose a law under the procedure of Article 106-1 of the Constitution, which is deemed adopted unless the Parliament dismisses the Government. This procedure was used for an omnibus law, which included changes in Ajutor Social design. The law is signed by the President on April 7, 2020.

possible. The roles of these units, and accompanying institutional arrangements, is described below.

28. **Preparing for emergencies in public health in the Republic of Moldova is part of the national civil protection system, and the MoHLSP is responsible for the health crises and preparation for and response to pandemics.** In the case of major public health events, the National Extraordinary Public Health Commission is responsible for the integrated approach to public health risks and emergencies, the implementation of prevention and management measures, the mobilization of efforts in all sectors and the coordination of activities. There are specific plans for preparation and response to certain public health events. National legislation related to training and response for public health emergencies follows the provisions of WHO and other international bodies. The legal framework provides measures to prevent, prepare and respond to public health emergencies, risk assessment, public health emergency triggering, declaration and cancellation, special powers regarding facilities and goods, including isolation and/or quarantine measures, establishing rules on entering and leaving the area subjected to isolation or quarantine, informing the population about the public health emergency, the mechanisms for coordinating and mobilizing emergency funds.

29. **The MoHLSP is also the central government body responsible for social assistance policy development.** It is a key counterpart for the Sub-component 1.4, Social and Financial Support to Households. An important part of the Ajutor Social implementation is under the responsibility of local governments – the Social Assistance Departments in raions (second tier of public administration) and social assistants in towns and villages (third tier of public administration). These are front-line social workers responsible for accepting and processing of the applications for Ajutor Social. Payment of Ajutor Social benefit is made through the National Social Insurance House (NSIH), which is a central administrative agency subordinated to the Government. The activities envisaged by the Sub-component 1.4 will be using existing delivery systems while ensuring expansion of the Ajutor Social program coverage and increased benefit size.

30. **The MoHLSP will be the implementing agency for the project and will take the lead in coordinating and implementing activities.** The Project Implementation Unit (PIU) of the ongoing Health Transformation Project will implement the activities of this project. Working with the current PIU in the MoHLSP will enhance the likelihood of successful implementation of project activities and speedy disbursement to achieve desired outcomes. The PIU consists of a team of consultants including a Project Coordinator, Procurement Specialist, and FM Specialist. The PIU has extensive experience in the World Bank's fiduciary and implementation procedures as they have worked for the Health Transformation Project for several years. The ongoing Project's progress toward achieving its development objective and implementation progress are currently rated Moderately Satisfactory.

31. **The PIU will be responsible for management of project implementation including procurement of medical supplies, equipment, and facility refurbishment for activities under the project.** The PIU will also prepare project progress reports (technical, financial and procurement) with inputs from the MoHLSP, an annual workplan. To strengthen the PIU's capacity, Social Protection, Environmental, and Safeguard Specialists will be hired or transferred from other PIUs implementing WBG projects.

CONTACT POINT

World Bank

Volkan Cetinkaya
Senior Economist

Roman Zhukovskyi
Strategy Officer

Borrower/Client/Recipient

Republic of Moldova

Implementing Agencies

Ministry of Health, Labor and Social Protection.
Alexandru Holostenco
State Secretary
alexandru.holostenco@msmps.gov.md

Djulieta Popescu
State Secretary
djulieta.popescu@msmps.gov.md

FOR MORE INFORMATION CONTACT

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

APPROVAL

Task Team Leader(s):	Volkan Cetinkaya Roman Zhukovskyi

Approved By

Environmental and Social Standards Advisor:		
Practice Manager/Manager:		
Country Director:	Alexander Kremer	12-Apr-2020