



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 09-Aug-2020 | Report No: PIDA30213

**BASIC INFORMATION****A. Basic Project Data**

Country Sao Tome and Principe	Project ID P174880	Project Name STP COVID-19 Emergency Response Project	Parent Project ID (if any) P173783
Parent Project Name STP COVID-19 Emergency Response Project	Region AFRICA EAST	Estimated Appraisal Date 21-Aug-2020	Estimated Board Date
Practice Area (Lead) Health, Nutrition & Population	Financing Instrument Investment Project Financing	Borrower(s) Democratic Republic of Sao Tome	Implementing Agency Ministry of Health

Proposed Development Objective(s) Parent

The Project Development Objective (PDO) is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in São Tomé e Príncipe.

Components

- Component 1. Emergency COVID-19 Response
- Component 2. Strengthening Multi-sector, National institutions and platforms for policy development, and coordination of prevention and preparedness including One Health approach
- Component 3. Implementation Management and Monitoring and Evaluation
- Component 4. Contingent Emergency Response Component (CERC)

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

Total Project Cost	0.94
Total Financing	0.94
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS**Non-World Bank Group Financing**

Trust Funds	0.94
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Pandemic Emergency Financing Facility	0.94
Environmental and Social Risk Classification	
Substantial	

Other Decision (as needed)

B. Introduction and Context

Country Context

São Tomé and Príncipe (STP) is a low middle-income and small-island country that faces challenges typical of small states and has been severely impacted by the COVID-19 pandemic. The country consists of two main islands in the Gulf of Guinea with a surface area of 1,001 km². STP is a multiparty democracy and a unitary state, and its total population is approximately 200,000 people, with 42.6 percent of the population at or below the age of fourteen. In 2018, the country's per capita gross national income was estimated at US\$3,430 in purchasing power parity (PPP), and its per capita GDP was US\$2,043. The poverty rate is estimated at 34.4 percent in 2018 at the international poverty rate (US\$ 1.9 per person per day, PPP 2011) but reaches 66.7 percent based on national poverty rates. STP's development challenges are typical of small island nations, including a high fixed cost of public goods limiting effective investments in human development and geographic isolation and small market size as an obstacle to dynamic, competitive markets. The COVID-19 pandemic has impacted STP directly, experiencing an outbreak that of the virus that is, as of July 2020, among the worst in Africa on a per capita basis and has overwhelmed STP's limited health system. The island nation's economy has also been hit by the global fallout and collateral effects of precautionary measures as tourism, one of the critical drivers of the economy, came to a halt. The expected result is a deep recession in 2020 and a large fiscal and external financing need which will have to be met through grants or concessionary funds due to STP's already high debt burden.

The COVID-19 pandemic has severely affected STP's economy, primarily through losses in the tourism sector and in the commodity exports. On top of the direct impact of the pandemic, STP's economy was hit by a near-total drop in foreign tourist arrivals since March 2020. The tourism industry, which has been a key driver of private sector growth in recent years and is responsible for a large share of formal employment, came to a stand-still, resulting in a loss of labor earnings, foreign exchange and fiscal revenues. The country's cocoa exports, the main cash crop, is expected to decline due to the lower global demand for commodities. Also, the agriculture sector is the main source of employment for the most vulnerable in STP. A spike in newly detected COVID-19 cases in May forced the government to put in place rigorous social distancing, tightening restrictions on domestic activities that create opportunities for contagion. These measures further depressed economic activity, while scarce government capacities and resources had to be redirected to strengthen the overwhelmed health care system. However, the government has started to lift down some restrictions measures in July. STP's economy was already facing a sluggish performance. GDP growth rate has declined from 3.0 percent in 2018 to 1.3 percent in 2019. While growth in STP was expected to recover modestly in 2020 prior to the COVID-19 pandemic, the disruptions caused by COVID now are expected to result in a sharp GDP contraction of 9.5 percent in 2020, which will be the first recession for STP since 1990. STP has high levels of socioeconomic vulnerability to the COVID-19 crisis, which is expected to affect the most vulnerable mostly through its impacts on labor income, non-labor income, consumption, and



services disruption. Poverty rate is estimated to increase from 66.7 percent to 78.0 percent at the national level as consequence of the COVID-19 crisis.

Sectoral and Institutional Context

STP is at very high risk due to significant exposure to COVID-19 affected countries. Despite taking early measures to prevent infections brought in from outside the islands, STP has suffered a significant outbreak of COVID-19, recording 743 confirmed cases and 14 deaths as of July 18. The case rate of about 3.6 infections per 1,000 population is among the highest in sub-Saharan Africa.

The COVID-19 pandemic could put at risk recent gains and progress achieved by the STP health system. COVID-19 cases are no longer solely imported, but rather local transmission has taken hold and will significantly challenge an already burdened health system.- Thus, the likelihood of STP being further affected, considering the increased numbers of COVID-19 cases across the African region in the month of June 2020, makes the further spread of the epidemic imminent. According to preliminary data, 1 case of COVID-19 can infect one-five cases, the severity is 14-18 percent and the lethality rate is 1-2 percent, the form of transmission by air droplets, by contact with aerosolization fomite; and considering the relatively low level of preparation of the health system in STP, the consequences will be negative and could be incalculably severe. As a reference, STP invests on average around 5 percent of GDP in the health sector. With COVID-19 already reaching the African continent, the risk is high for STP.

The GoSTP is faced with an urgent need to increase its capacity to respond and prevent the continued spread of COVID-19. Testing capacity in the country is limited as is the outfitting of health facilities with the proper infrastructure for detection and response capacity. The country lacks the needed laboratory capacity to manage COVID-19 testing. All testing needs to be sent outside the country for analysis and confirmation requiring a minimum 5-day turn-around which is further delayed by logistical limitations in being able to send and receive tests due to lock-down measures across countries which translates to higher costs related to testing of COVID-19 suspected cases. Health infrastructure is also constrained with health facilities and the hospital intensive care units (ICUs) not having the proper and sufficient quantities of equipment for case management and ensuring the standards for infection prevention and control (IPC) are met.

C. Proposed Development Objective(s)

Original PDO

The Project Development Objective (PDO) is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in São Tomé and Príncipe.

Key Results

Emergency COVID-19 Response

- Country has activated their public health Emergency Operations Centre or a coordination mechanism for COVID-19
- Percentage of suspected cases of COVID-19 cases that were investigated, laboratory confirmed and reported based on national guidelines

Health System Strengthening



- Percentage of acute healthcare facilities with isolation capacity
- Country adopted personal and community non-pharmaceutical interventions (school closures, telework and remote meetings, reduce/cancel mass gatherings)

Implementation Management and Monitoring and Evaluation

- M&E system established to monitor COVID-19 preparedness and response plan

D. Project Description

The Additional Financing (AF) is being processed to pull in the Pandemic Emergency Facility (PEF) resources to the parent project with no other changes being introduced. The AF to the IDA-financed parent project – STP COVID-19 Emergency Response Project (P173783) - is being processed to pull in Recipient Executed Trust Fund (RETF) Grant resources of US\$940,000 that are being made available to the project based on the activation of the PEF. No other changes are being introduced as part of the AF processing.

The PEF was launched in 2016 in response to the 2014 Ebola crisis in West Africa which highlighted the difficulty in rapidly mobilizing funding from the international community to contain a pandemic outbreak. PEF is housed at the World Bank and provides an additional source of financing to the world's poorest countries when they face cross-border, large-scale outbreaks. PEF financing consists of funding provided by Australia, Germany, IDA, and Japan as well as insurance coverage provided in 2017 through catastrophe bonds issued by the World Bank and sold to capital market investors as well as insurance-linked swaps executed by the World Bank with insurance companies.

The PEF was activated based on the COVID-19 pandemic being declared a Public Health Emergency of International Concern (PHEIC) on January 30, 2020. COVID-19 is one of the viruses covered by the PEF insurance window. As per the PEF committee report of April 17, 2020, all PEF activation criteria including outbreak size, spread and growth were met on March 31, 2020.

The full PEF allocation for STP will be added to Component 1 - Emergency COVID-19 Response STP – of the IDA-financed STP COVID-19 Emergency Response Project (P173783). The IDA project was approved on April 2, 2020 as part of the Bank's response to the global Covid-19 pandemic and became effective on April 6, 2020.

The implementation of the AF will benefit from the established mechanisms in place for the parent project - STP COVID Emergency Response Project. These include namely the Bank Facilitate Procurement (BFP) approach to expedite procurement and project implementation capacity and experience of the project implementation unit called AFAP. The PEF AF of US\$940,000 will be allocated across the following areas: (i) Diagnostic Tests and Equipment (US\$300,000), (ii) Medical and Laboratory Supplies and Equipment (US\$300,000), (iii) Health Personnel and Training (US\$140,000), and (iv) Essential Medicines (US\$200,000). These areas have been identified with the Government team, the WHO in-country team, and with World Bank technical expertise as the areas that need to be reinforced through AF resources and are activities that can be implemented in an agile manner.



Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

E. Implementation

Institutional and Implementation Arrangements

The MoH will be responsible for the overall implementation of project activities. The MoH will work closely with other health and non-health agencies, including the Ministry of Finance and Fiduciary Agency for Project Management (AFAP), on project implementation. A three-person team hired under AFAP provides direct support to the MoH and act as the bridge between AFAP and the MOH to support implementation. These positions include a Technical Coordinator, an Operations Officer, and a Monitoring and Evaluation (M&E) specialist. In addition, AFAP is providing support on fiduciary activities of the project. Specifically, AFAP will be in charge of disbursements, procurement, FM, and safeguards.

The technical directorates at the MoH, as well as the Project Coordination Unit (PCU) will be given full responsibility for implementation according to the Project Operational Manual (POM) and Action Plan (AP) of the project¹. A review of the POM and AP implementation achievements and constraints will be carried out annually and will form the basis for the preparation of the following year’s AP, according to priorities and potential economic and social changes. Moreover, the project can look to engage key development partners such as the WHO to provide TA and implementation support.

To assist the MoH with project implementation, AFAP will be designated as a Fiduciary Agency, respectively for procurement and FM tasks. AFAP will liaise with the directorates responsible for the implementation and procurement roles of the Investment Project Financing (IPF) activities and will report on the progress made on a quarterly basis. Also, AFAP will provide training and technical support to the MoH to implement the project. The FM activities will be conducted by the current team of AFAP.

CONTACT POINT

World Bank

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¹ Action Plan is a course of actions or strategy to achieve one or more goals of the project



Borrower/Client/Recipient

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APPROVAL

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