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Report No: PAD3826

INTERNATIONAL DEVELOPMENT ASSOCIATION
PROJECT APPRAISAL DOCUMENT

ON A
PROPOSED INTERNATIONAL DEVELOPMENT ASSOCIATION CREDIT
IN THE AMOUNT OF SDR72.85 MILLION
(US$100 MILLION EQUIVALENT)
IN CRISIS RESPONSE WINDOW RESOURCES
AND A
PROPOSED INTERNATIONAL DEVELOPMENT ASSOCIATION CREDIT
IN THE AMOUNT OF SDR72.85 MILLION
(US$100 MILLION EQUIVALENT)
TO

ISLAMIC REPUBLIC OF PAKISTAN

FOR A

PANDEMIC RESPONSE EFFECTIVENESS IN PAKISTAN

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

USING THE MULTIPHASE PROGRAMMATIC APPROACH (MPA)
WITH A FINANCING ENVELOPE OF
US$2.7 BILLION IBRD AND $1.3 BILLION FROM IDA CRISIS RESPONSE WINDOW
APPROVED BY THE BOARD ON APRIL 2, 2020

Health, Nutrition, and Population Global Practice
South Asia Region

CURRENCY EQUIVALENTS

Exchange Rate Effective February 29, 2020

Currency Unit =	
PKR 159.2=	US$1
US$1 =	SDR 0.7282

FISCAL YEAR
June 30 – July 1

Regional Vice President:	Hartwig Schafer
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ABBREVIATIONS AND ACRONYMS

BISP	Benazir Income Support Program
CERC	Contingent Emergency Response Component
COVID	Coronavirus Disease
CPS	Country Partnership Strategy
DLI	Disbursement Linked Indicator
EPI	Expanded Program for Immunization (EPI)
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
FTCF	Fast Track COVID-19 Facility
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GOP	Government of Pakistan
GRS	Grievance Redress Service
HCI	Human Capital Index
IFC	International Finance Corporation
IHR	International Health Regulations
IMF	International Monetary Fund
JEE	Joint External Evaluation
M&E	Monitoring and Evaluation
MoFEPT	Ministry of Federal Education and Professional Training
MONHSRC	Ministry of National Health Services, Regulations and Coordination
NAP	National Action Plan
NAPHS	National Action Plan for Health Security
NDMA	National Disaster Management Authority
NEOC	National Emergency Operation Centre
NISP	National Immunization Support Project
NSER	National Socioeconomic Registry
POEs	Points of Entries
PPE	Personal Protection Equipment
RCCE	Risk Communication and Community Engagement
SARS	Severe Acute Respiratory Syndrome
SEP	Stakeholder Engagement Plan
STEP	Systematic tracking of Exchanges in Procurement
TA	Technical Assistance
UN	United Nations
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
WBG	World Bank Group
WHO	World Health Organization

TABLE OF CONTENTS

DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Pakistan	Pakistan: COVID-19 Emergency Response and Effectiveness Project	
Project ID	**Financing Instrument**	**Environmental and Social Risk Classification**
P173796	Investment Project Financing	Substantial

Financing & Implementation Modalities

[✓] Multiphase Programmatic Approach (MPA)	[✓] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[ ] Fragile State(s)
[✓] Disbursement-linked Indicators (DLIs)	[ ] Small State(s)
[ ] Financial Intermediaries (FI)	[ ] Fragile within a non-fragile Country
[ ] Project-Based Guarantee	[ ] Conflict
[ ] Deferred Drawdown	[✓] Responding to Natural or Man-made Disaster
[ ] Alternate Procurement Arrangements (APA)	

Expected Project Approval Date	Expected Project Closing Date	Expected Program Closing Date
02-Apr-2020	30-Jun-2023	31-Mar-2025

Bank/IFC Collaboration

No

MPA Program Development Objective

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

MPA Financing Data (US$, Millions)

MPA Program Financing Envelope	3,348.40
with a reduction of IBRD	90.00
with a reduction of IDA	561.60

Proposed Project Development Objective(s)

The project development objective is to prepare and respond to the COVID-19 pandemic in Pakistan and strengthen national systems for public health preparedness.

Components

Component Name	Cost (US$, millions)
Component 1. Emergency COVID-19 Preparedness and Response	155.00
Component 2. Mitigation of Disruptive Impacts	42.00
Component 3. Implementation Management and Monitoring and Evaluation	3.00
Component 4. Contingent Emergency Response Component	0.00

Organizations

Borrower:	Islamic Republic of Pakistan
Implementing Agency:	Ministry of National Health Services Regulations and Coordination National Disaster Management Authority Benazir Income Support Programme

MPA FINANCING DETAILS (US$, Millions)

Board Approved MPA Financing Envelope:	4,000.00
MPA Program Financing Envelope:	3,348.40
of which Bank Financing (IBRD):	2,610.00
of which Bank Financing (IDA):	738.40
of which other financing sources:	0.00

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	200.00
Total Financing	200.00
of which IBRD/IDA	200.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	200.00
IDA Credit	200.00

IDA Resources (in US$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Pakistan	200.00	0.00	0.00	200.00
National PBA	100.00	0.00	0.00	100.00
Crisis Response Window (CRW)	100.00	0.00	0.00	100.00
Total	**200.00**	**0.00**	**0.00**	**200.00**

Expected Disbursements (in US$, Millions)

WB Fiscal Year	2020	2021	2022	2023
Annual	53.00	53.00	48.00	46.00
Cumulative	53.00	106.00	154.00	200.00

INSTITUTIONAL DATA

Practice Area (Lead)

Health, Nutrition & Population

Contributing Practice Areas

Education, Social Protection & Jobs, Urban, Resilience and Land

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

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

COMPLIANCE

Policy

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

[ ] Yes [✓] No

Does the project require any waivers of Bank policies?

[✓] Yes [ ] No

Have these been approved by Bank management?

[✓] Yes [ ] No

Is approval for any policy waiver sought from the Board?

[ ] 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	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Conditions

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

I. PROGRAM CONTEXT

1. This Project Appraisal Document (PAD) describes the emergency response to Pakistan under the COVID-19 Strategic Preparedness and Response Program (SPRP) using the Multiphase Programmatic Approach (MPA), with an overall Program financing envelope of International Development Association (IDA) US$1.3 billion and of International Bank for Reconstruction and Development (IBRD) US$2.7 billion.[1]

A. MPA Program Context

2. **An outbreak of the coronavirus disease (COVID-19) caused by the 2019 novel coronavirus (SARS-CoV-2) has been spreading rapidly across the world since December 2019, following the diagnosis of the initial cases in Wuhan, Hubei Province, China**. Since the beginning of March 2020, the number of cases outside China has increased thirteenfold and the number of affected countries has tripled. On March 11, 2020, the World Health Organization (WHO) declared a global pandemic as the coronavirus rapidly spreads across the world. According to WHO, as of March 19, 2020, the outbreak has resulted in an estimated 207,860 cases and 8,657 deaths in 166 countries.

3. **COVID-19 is one of several emerging infectious diseases outbreaks in recent decades that have emerged from animals in contact with humans, resulting in major outbreaks with significant public health and economic impacts.** The last moderately severe influenza pandemics were in 1957 and 1968; each killed more than a million people around the world. Although countries are now far more prepared than in the past, the world is also far more interconnected, and many more people today have behavior risk factors such as tobacco use[2] and pre-existing chronic health problems that make viral respiratory infections particularly dangerous[3]. With COVID-19, scientists are still trying to understand the full picture of the disease symptoms and severity. Reported symptoms in patients have varied from mild to severe, and can include fever, cough and shortness of breath. In general, studies of hospitalized patients have found that about 83 percent to 98 percent of patients develop a fever, 76 percent to 82 percent develop a dry cough and 11 percent to 44 percent develop fatigue or muscle aches.[4] Other symptoms, including headache, sore throat, abdominal pain, and diarrhea, have been reported, but are less common. While 4.1 percent of the people worldwide confirmed as having been infected have died, WHO has been careful not to describe that as a mortality rate or death rate. This is because in an unfolding epidemic it can be misleading to look simply at the estimate of deaths divided by cases so far. Hence, given that the actual prevalence of COVID-19 infection remains unknown in most countries, it poses unparalleled challenges with respect to global

[1] PCBASIC0219761; URL
[2] Marquez, PV. 2020. "Does Tobacco Smoking Increases the Risk of Coronavirus Disease (Covid-19) Severity? The Case of China." *http://www.pvmarquez.com/Covid-19*
[3] Fauci, AS, Lane, C, and Redfield, RR. 2020. "Covid-19 — Navigating the Uncharted." New Eng J of Medicine, DOI: 10.1056/NEJMe2002387
[4] Del Rio, C. and Malani, PN. 2020. "COVID-19—New Insights on a Rapidly Changing Epidemic." JAMA, doi:10.1001/jama.2020.3072

containment and mitigation. These issues reinforce the need to strengthen the response to COVID-19 across all IDA/IBRD countries to minimize the global risk and impact posed by this disease.

4. **This project is prepared under the global framework of the World Bank COVID-19 response financed under the Fast Track COVID-19 Facility and Pakistan's IDA allocation**. The Pakistan country program is also leveraging its portfolio and pipeline to support its two-pillar strategy that: (i) supports the strengthening of the health system to prevent, detect and respond; and (ii) mitigates socio-economic disruption.

B. Updated MPA Program Framework

5. Table 1 provides an updated overall MPA Program framework, and the proposed project for Pakistan.

Table 1. MPA Program Framework

No.	Project ID	Sequential or Simultaneous	IPF, DPF or PforR	Estimated IBRD Amount ($ million)	Estimated IDA Amount ($ million)	Estimated Other Amount ($ million)	Estimated Approval Date	Estimated Environmental & Social Risk Rating
1	Pandemic Response Effectiveness in Pakistan (P173796)	Simultaneous	IPF		100.00	100.00	TBC	Substantial
	TOTAL MPA Program		**$2,700.00**		**$1,300.00**			

6. All projects under SPRP are assessed for ESF risk classification following the Bank procedures and the flexibility provided for COVID-19 operations.

C. Learning Agenda

7. **The project under the MPA program will inform the design and implementation of future emergency projects in the country.** The government has substantial resources and systems in place for disease surveillance within the Emergency Operations Centers for polio eradication (EOC), and the National Institute of Health (NIH). The project will support the EOC (at national and provincial levels) and the NIH to expand capacity for the monitoring and surveillance of COVID-19. Technical assistance for epidemic forecasting and economic analysis based on forward projections of disease incidence and costs is being provided to the government by the World Bank and other development partners (GAVI Alliance, Bill & Melinda Gates Foundation) supporting immunization. Similar TA under this project can help prepare for future pandemics in the country. This project will support an expanded capacity for the surveillance, tracking and modelling of the COVID-19 epidemic within Pakistan, to inform government policies and investment decisions.

8. Pakistan was the first country in WHO's Eastern Mediterranean Region (EMRO) to successfully conduct Joint External Evaluation (JEE) of its International Health Regulations (IHR) core capacities in 2016. However, there is a large variation in IHR core capacities. While Pakistan has high capacity in addressing radiation emergencies, the country has limited capacity in emergency preparedness and in addressing antimicrobial resistance. There is also limited capacity in technical areas of laboratory, surveillance, risk communication, point of entry and food safety. The results and recommendations of JEE were used to develop the costed 5 Year National Action Plan for Health Security (NAPHS) for Pakistan. The Bank currently supports the Government of Pakistan in conducting Health

Security Financing Assessment (HSFA) to support sustainable health security financing, revised costing of NAPHS, as well as capacity strengthening of selected JEE technical areas with no or limited capacity

II. CONTEXT AND RELEVANCE

A. Country context

9. **Pakistan, the sixth most populous country in the world is at a crossroads.** Real gross domestic product growth decelerated from 5.5 percent in FY18 to 3.3 percent in FY19 as measures were implemented to address unsustainable fiscal and external imbalances, with support from a US$6 billion IMF (International Monetary Fund) Extended Fund Facility arrangement. The country ranks low on the 2018 Human Capital Index (HCI), at 134 out of 157 countries. Gender disparities continue, and female labor force participation was only 26.5 percent in 2018. Before the outbreak of COVID-19, the economy was expected to pick up moderately, on the back of structural reforms. Over the medium to long term, in order to recover from the impacts of COVID-19 and continue its trajectory towards a an upper middle-income country, Pakistan needs to double its private investment rate, and invest in human capital, raise more revenue, simplify the business regulatory regime, integrate with global value chains, and sustainably manage its natural endowments, as articulated in Pakistan@100: Shaping the Future.[5]

10. **Pakistan has made significant strides in poverty reduction, but the COVID-19 pandemic is expected to negate some of the gains.** Poverty declined from 64.3 percent in 2001 to 24.3 percent in 2015,[6] lifting more than 23 million people out of poverty in the past 15 years. Significant disparities exist in poverty rates between rural areas (30.7 percent) and urban areas (12.5 percent), with poverty having declined faster in urban areas. Pakistan's poverty reduction efforts have been widely documented. Remittances, safety net transfers, and resilience of a large informal economy have contributed to poverty reduction. However, the challenges of poverty reduction are exacerbated by the current COVID-19 pandemic. First, global decline in economic activity is likely to have an impact on remittances and slow down domestic consumption growth / internal demand. This is expected to negatively impact the informal sector which provides livelihoods for the majority of the poor and for the segments of populations more likely to fall back in to poverty. Second, measures aimed at containing the spread of the disease (closures of restaurants/mobile stalls, markets, halting of inter-city public transport, amongst others) are likely to affect the informal sector the most (micro and smaller businesses) where capacity to buffer shocks is limited. Third, poorest households might have lower capacity to implement mitigating strategies to protect themselves from contagion should the infection spread due to poor housing and hygienic conditions (limited access to water, poor sanitation and over-crowding, financial barriers to exercising preventative health measures).

11. **The COVID-19 pandemic is projected to impact real economic growth, affect the government's fiscal position and depress private investment.** The pandemic is likely to reduce the real GDP growth primarily through a slowdown in the services and manufacturing sectors. The agriculture sector may also be impacted in the case that transportation and logistical support is disrupted. As the country is emerging from a macroeconomic crisis, the government has limited fiscal buffers to actively respond to the pandemic**.** The government has committed to a

[5] World Bank. 2019. Pakistan at 100: Shaping the Future. World Bank, Washington, DC. © World Bank. *https://openknowledge.worldbank.org/handle/10986/31335* License: CC BY 3.0 IGO.
[6] World Bank. 2018. *From Poverty to Equity - Pakistan at 100*. Washington, DC: World Bank.

fiscal deficit of 7.3 percent for FY20 under the Extended Fund Facility of the IMF (EFF). It may be difficult to meet the fiscal deficit target because revenue collection is expected to be below targets on account of a slowing economy and due to the need to increase spending on COVID-19 mitigation measures. The COVID-19 pandemic is likely to have further negative impacts on already-low private investment rates. The risks of major economic disruption, travel restrictions, and public disorder add to existing political, socio-economic and security risks. Agile surveys of private sector firms suggest that COVID-19 risks are perceived as substantial. The country's annual average private investment rate is only 10 percent of GDP, half that of the SAR average. Depressed domestic consumption, a fall in remittances, and a reduction in global demand is leading the private sector to delay or cancel investment plans.

12. **Human capital accumulation is low.** According to the HCI, if no improvements in health and education service delivery take place, a Pakistani child born today is expected to be only 40 percent as productive as s/he could be by age 18. With a large share of births taking place outside health facilities (33.8 percent), and low immunization rates (65.6 percent) children are deprived of a strong start to life. High rates of malnutrition and low learning outcomes contribute to the country's low HCI: 37.6 percent of Pakistani children under age five are stunted. Learning poverty is very high with 75 percent of Pakistani children not being able to read and understand a short age-appropriate text by age 10.

13. **The overall World Bank support to Pakistan to respond to COVID-19 has two pillars**: Pillar 1 supports the strengthening of the health system to prevent, detect and respond to the pandemic; and Pillar 2 supports the mitigation of socio-economic disruption.

14. **Pillar 1 for strengthening health systems is financed in two parts; repurposing budgets within existing projects and financing from this project**. The first part repurposes US$38 million within 8 existing recipient-executed projects[7], either through Contingent Emergency Response Components (CERC) or through budget reallocation, to support federal and provincial governments to respond immediately, including purchasing equipment and supplies. Procurements under this financing are already underway. The second part of financing for Pillar 1, US$155 million, comes from this project, the Pandemic Response Effectiveness in Pakistan (PREP).

15. **Pillar 2 financing to mitigate socio-economic disruption: To kick-start this pillar, US$42 million has been included within the project to respond to the onset of socio-economic disruption.** A further US$60 million will be made available from the restructured Pakistan Hydromet and DRM Services Project (P163924). The World Bank Pakistan country program portfolio will be further leveraged to repurpose up to US$ 600 million to support activities covered by both pillars at the federal and provincial level.

16. **PREP is financed with $200 million from IDA**. This includes US$100 million from the World Bank's Fast Track COVID-19 Facility (FTCF) and US$100 million from the country IDA allocation.

B. Sectoral and Institutional Context

17. **The COVID-19 situation in Pakistan is quickly evolving, with 991 cases reported as of March 25, 2020[8].** The spread rate has been rapidly climbing in the country since March 13, 2020 and today Pakistan has the highest number of cases in the region. The country is highly vulnerable due to its geography, as it shares borders with both Iran and China, which have reported large outbreaks. A large amount of travel resulting from trade,

[7] Economic Revitalization of Khyber Pakhtunkhwa and Federally Administered Tribal Areas (P160445), Khyber Pakhtunkhwa Integrated Tourism Development Project (P163562), Disaster and Climate Resilience Improvement Project (P154036), FATA Temporarily Displaced Persons Emergency Recovery Project (P154278), Sindh Resilience Project (P155350), PK-Balochistan Integrated Water Resources Management & Development Project (P154255), National Immunization Support Project (P132308), Punjab Skills Development (P130193)

[8] "COVID-19 Daily Situation Report Pakistan", National Institute of Health, Islamic Republic of Pakistan

education and remittance movements, between Pakistan and its at-risk neighbors and European countries further exacerbates the situation. The persistence of endemic and epidemic spread of infectious diseases including poliomyelitis and multi-drug resistant typhoid underline the vulnerability of Pakistan's population to intercurrent disease – exacerbated by a combination of concentrated poverty and population mobility.

18. **The overall health system remains weak despite the network of facilities and free access to care.** In particular, the capacity of public health systems for disease outbreak response and preparedness needs strengthening. A JEE of the core capacities in International Health Regulations (IHR) in 2016 show that there is a large variation in the core capacities, as described in paragraph 8. The JEE recommended urgent measures to: (i) strengthen the real-time surveillance, early detection, containment of potential outbreak cases; (ii) embed prevention and control measures to arrest and minimize in-country spread; (iii) establish isolation rooms; infection prevention and control, and critical care/case management across health care facilities; (iv) improve community engagement and awareness raising for promotion of population level preventive measures. These recommendations helped develop the costed 5 Year National Action Plan for Health Security (NAPHS) for Pakistan.

19. **The disruptive socio-economic impacts of the virus are already apparent and require immediate response to successfully contain the spread and limit impacts.** All schools across the country have been closed for a period of three weeks until April 5, 2020 and are likely to remain shut for longer. The interruption of educational services could reverse hard-won gains in learning results and diminish access for the most vulnerable groups who lack connectivity, negatively impacting those already at the margins. School closures also impact households as they need to adjust to take care for children who are now at home. The federal and provincial governments are encouraging social distancing measures and limiting public activity. While necessary, these measures will have an impact on firms and household incomes; hitting those operating in the informal economy particularly hard. Incentives to adhere to containment measures as well as financial support to access medical care will be necessary, particularly for poor and vulnerable households. Extreme restrictions in the movement of people in areas seriously affected by the virus will need to be accompanied by measures to ensure access to food supplies.

20. **Federal and provincial governments are ramping up the response to the pandemic.** The immediate response so far has included grounding of international flights and closures of land point of entries (PoEs). Quarantine camps have been set up to monitor travelers returning from Iran, and additional isolation facilities are being set up in the provinces. Education facilities have been closed, public communications from the Government are being transmitted, measures are underway to create fiscal space and the State Bank of Pakistan has waived all charges on online fund transfers.

21. **The Government has also developed the National Action Plan (NAP) for COVID-19**. The NAP aims to: (i) contain and respond to the outbreak in a timely and efficient manner; (ii) prioritize financial resources and increase the domestic and international investment for country emergency preparedness; and (iii) implement emergency preparedness actions by strengthening inter-sectoral collaboration with government sectors, private sector and civil society at the provincial level. The plan covers planning and coordination mechanisms, laboratory support, food security, logistics, communication, infection prevention and control at PoEs and health facilities, trainings for health workers, human resource management, quarantine preparedness, isolation hospitals, surveillance, reduced community exposure, and monitoring and evaluation. A National Emergency Coordination Committee and an Emergency Core Group has been established at the national level with provincial representation and relevant stakeholders (Ministry of Interior, Foreign Affairs, Pakistan Army, National Disaster Management Authority, National Institute of Health etc.) to monitor the response. The Prime Minister chaired a meeting of the National Security Council on March 13, 2020 to ensure implementation of the nation-wide response and addressed the nation on March 17.

22. **Technical partners and donors are also mobilizing to support preparedness and containment capacity, detection, surveillance, training, risk communication and community engagement.** Partners include WHO, UNICEF (United Nations Children's Fund), Public Health England, the Center for Disease Control, Department for International Development, United States Agency for International Development, Asian Development Bank and others. The World Bank has been coordinating with these partners to avoid duplication and to explore how this project can be leveraged by other partners to channel funds to the response.

23. **The IFC (International Finance Corporation) is exploring measures to mitigate impact on the private sector**. These include a proposed cumulative US$30 million increase to the existing short-term trade/GTFP facilities with 5 client banks to support import/ export business of SMEs involved in global supply chains from IFC's Financial Institutions Group. IFC is discussing with local banks to provide risk sharing facilities or credit enhancement for financing critical items along the supply chain through vendors. In addition, IFC is considering working capital facilities to banks and support for corporates through direct investments and guarantees.

C. Relevance to Higher Level Objectives

24. **The project is aligned with World Bank Group (WBG) strategic priorities, particularly the WBG's mission to end extreme poverty and boost shared prosperity.** It is also aligned with the World Bank's support for national plans and global commitments to strengthen pandemic preparedness through three key actions; (i) improving national preparedness plans including organizational structure of the government; (ii) promoting adherence to the International Health Regulations (IHR); and (iii) utilizing the international framework for monitoring and evaluation of IHR. The project complements both World Bank Group and development partner investments in health systems strengthening, disease control and surveillance, attention to changing individual and institutional behavior, and citizen engagement. Further, as part of the proposed IDA19 commitments, the World Bank is committed to "support at least 25 IDA countries to implement pandemic preparedness plans through interventions (including strengthening institutional capacity, technical assistance, lending and investment)." The project contributes to the implementation of IHR (2005), Integrated Disease Surveillance and Response (IDSR), and the World Organization for Animal Health (OIE) international standards, the Global Health Security Agenda, the Paris Climate Agreement, the attainment of the Sustainable Development Goals (SDG), and the promotion of a One Health approach[9].

25. **The WBG remains committed to providing a fast and flexible response to the COVID-19 pandemic**, utilizing all WBG operational and policy instruments and working in close partnership with government and other agencies. Grounded in One-Health, which provides for an integrated approach across sectors and disciplines, the proposed WBG response to COVID-19 will include emergency financing, policy advice, and technical assistance. The project will build on existing implementation structures within the portfolio, namely structures under the National Immunization Support Project (NISP), P132308 and the National Social Protection Operation (NSPO), P158643. The capacities, systems and structures built under these projects will be leveraged to support the response to the COVID-19 pandemic in Pakistan. The WBG COVID-19 response will be anchored in the WHO's COVID-19 global Strategic Preparedness and Response Plan outlining the public health measures for all countries to prepare for and respond to COVID-19 and sustain their efforts to prevent future outbreaks of emerging infectious diseases.

[9] 'One Health' is an approach to designing and implementing programmes, policies, legislation and research in which multiple sectors communicate and work together to achieve better public health outcomes *www.who.int/features/qa/one-health /en/*

26. **The project is fully aligned with the Pakistan Country Partnership Strategy (CPS) FY15-20.** While the project itself is not part of the CPS, the emergency has further increased the priority of health protection and treatment in Pakistan. The project supports Results Area 3 (Inclusion) as it will help reduce vulnerability for groups at risk (Outcome 3.2) and increase resilience to disasters (Outcome 3.3). The project is also fully aligned with Results Area 4 (Service Delivery) as it contributes to improved access to maternal and child health services by supporting federal and provincial governments to respond to the COVID-19 pandemic. It will also be aligned with the upcoming Country Partnership Framework, currently under preparation, as it will take forward the Bank's commitment to the Human Capital Project and to enhanced resilience of the poor and vulnerable.
27. **The project supports the implementation of NAP for COVID-19 response developed by the government** (mentioned above) which aims to contain and respond to the outbreak and strengthen government systems for pandemic preparedness.

III. PROJECT DESCRIPTION

A. Development Objective

28. **PDO statement:** The project development objective is to prepare and respond to the COVID-19 pandemic in Pakistan and strengthen national systems for public health preparedness.
29. Beside supporting COVID-19 preparedness and response in the health it also includes mitigation measures in social protection and education to help the poor and vulnerable cope with the immediate impact of the pandemic.
30. **The PDO Level Indicators:** Progress toward achieving the PDO will be measured by the following indicators:

- Proportion of diagnosed cases treated per approved protocol
- Percentage of district health centers/district hospitals with pandemic preparedness and response plans per MONHSRC Guidelines
- Proportion of laboratory confirmed cases of COVID-19 responded to within 48 hours
- Number of beneficiaries or persons receiving support in cash or kind

B. Project Components

The project has four components:

Component 1. Emergency COVID-19 Preparedness and Response (US$155 million equivalent)

31. This component aims to slow down and limit as much as possible the spread of COVID-19 in the country. This will be achieved through providing immediate support to prevention, detection, case management and mitigation of risks and response to health threats and disease epidemics.

Sub-component 1.1. Prevention (US$5 million equivalent)

32. **This sub-component will support: (i) the implementation of the COVID-19 National Action Plan and the preparation and implementation of costed provincial action plans; and (ii) the preparation and implementation**

of the national risk communication and community engagement (RCCE) strategy for preparedness including the development and testing of messages and materials, and enhancement of infrastructures to disseminate information from national to provincial, district, and community levels and between the public and private sectors. Support to advocacy and coalition building to sensitize key groups including policy makers, media, religious leaders, ensuring that there is consistent messaging across the board, will also be included. Materials will be made in Urdu and local languages and will focus on social distancing as an effective mitigation measure to prevent contracting of COVID-19. Communication and community mobilization activities will include measures that will target women given that they generally have less access to information than men. Messages will be disseminated through various communication channels, including social media, website, dashboard, WhatsApp messages, Radio, TV and Print Media. Provisions will be made to strengthen a 24/7 call center for responding to inquiries about coronavirus, as an extension of the existing MONHSRC helpline.

Sub-component 1.2. Detection (US$50 million equivalent)

33. **This sub-component will support enhancing of disease detection capacity through increasing surveillance capacity**, **provision of technical expertise, strengthening laboratory and diagnostic systems to ensure prompt case finding and local containment.** Enhanced detection capacity will be supported through updated training to existing surveillance workers, improving reporting by frontline health workers using existing surveillance information and, where possible, contact tracing of known cases. The surveillance systems at Pakistan's 19 PoEs will be strengthened, using a *Sentinel Surveillance in One Health Approach* on standardized and digital data collection and reporting tools. Sentinel Sites will be linked to provincial and national levels. Laboratory capacity to diagnose potential diseases at national and provincial level will be strengthened by standardizing sample collection, channeling and transportation. The sites needing point of care diagnostics will be identified and a national accreditation processes will be established for testing in public and private laboratories. Local containment will be supported through the establishment of local isolation units in hospitals, and widespread infection control training and measures will be instituted across health facilities.

Sub-component 1.3. Response (US$100 million equivalent)

34. **This sub-component will support (i) the establishment of quarantine facilities with collaboration of public/ private sector hospitals and the provision of logistics, equipment supplies, and information, education and communications material in said facilities; (ii) provision of technical support for the development of quarantine standard operating procedures (SOPs) and staffing requirements; (iii) strengthening of clinical care capacity through rehabilitation and equipping of select health care facilities; and (iv) enhancement of intra-hospital infection control measures.** Treatment will be provided based on the COVID-19 Clinical Care and Prevention Guidelines 2020 developed by MONHSRC. To prepare for increased COVID-19 caseload, this sub-component will rehabilitate and equip selected health care facilities and hospitals; and improve intra-hospital infection control measures, including making available safe blood products; ensure safe water and basic sanitation in health facilities; strengthen medical waste management and disposal systems; mobilize and train additional health personnel; and provide medical supplies, diagnostic reagents, including kits. The project will support mechanisms to address the differentiated needs of women (e.g. access to menstrual hygiene products, safe sanitation facilities), be they health care workers, patients or others, in health care, quarantine and isolation wards.

Component 2. Mitigation of Disruptive Impacts (US$42 million equivalent)

35. **This component aims to address significant negative externalities expected in the event of a widespread COVID-19 outbreak using different safety net mechanisms based on the extent of disruptions.** It will finance emergency

safety nets to reduce financial barriers to health-seeking behavior, such as social distancing[10], and to help mitigate economic impacts on households, particularly among poor households (especially women headed households) in the areas affected by COVID-19; and for highly disrupted areas where people face severe mobility restrictions that limit their ability to meet basic needs, it will finance logistical support for provision of in-kind transfers (food, basic supplies). The component will also mitigate the impact of the COVID-19 outbreak in children's learning activities by ensuring remote learning sessions through broadcast.

Sub-component 2.1. Emergency Social Safety Net (US$37 million equivalent)

36. **Sub-component 2.1a. Emergency cash transfer (DLI US$25 million equivalent). This sub-component will finance cash transfers to the poorest households and communications and information related to the provision of emergency cash transfers.** Pakistan has a safety net mechanism which caters to the population from the bottom quintile with regular cash transfers. In case of emergencies, the national safety net, Benazir Income Support Program (BISP) has been used to expand its support by providing additional assistance to the poorest to prevent them from adopting negative coping strategies. This subcomponent will help deploy this existing system to mitigate the socioeconomic impacts of the outbreak with equity and speed. Although the outbreak is an unprecedented crisis with negative impacts of unknown magnitude, poor households and vulnerable workers are most likely to see their income sources and basic needs disrupted.

37. **This sub-component would disburse US$25 Million against one Disbursement Linked Indicator (DLI), linked to emergency cash transfers to up to 4 million persons enrolled in the safety program across the country**.[11] The project will closely communicate that this emergency transfer is a separate intervention from the regular safety net programs to ensure their sustainability. The verification of this DLI will leverage the existing systems of the National Social Protection (NSPP) program which provide timely verification reporting. This includes the use of already notified Independent Verification Agency (Planning Commission) that verifies the DLIs under the on-going World Bank's PforR operation with BISP.

38. **Sub-component 2.1b. Provision of emergency food supply for quarantined populations and people with limited mobility (US$12 million equivalent).** This sub-component would finance delivery of basic food supplies to 40,000 persons affected by severe mobility disruptions for a period of 6 months. A basic package of food rations would be procured, prepared and delivered by the government through the National Disaster Management Authority (NDMA), together with the Provincial Disaster Management Authorities and the local administrations. NDMA has prior experience in providing rations, based on its past role in earthquakes and floods.

Sub-component 2.2. Mitigation of Impacts in Education (US$5 million equivalent).

39. **The sub-component will support comprehensive communications campaign for schools and parents to engage in distance-learning activities and development and implementation of plans to ensure the continuity of learning including remote learning options, at all levels of education**. This subcomponent will kick-start remote learning to 50 million children whose schools are now shut. This will include TV /radio broadcast, virtual networks of teachers, and other means of distance delivery of academic content at all levels: primary, secondary, and tertiary. The primary focus will be on keeping children and teachers engaged with learning activities while maintaining social distancing measures to minimize as much as possible the effects on children's and youth

[10] The cash disbursement and food delivery points will also ensure communication and demonstration of health seeking and social distancing behaviors. Similarly, in education-related broadcasts these messages will also be communicated

[11] (i) transfers will be delivered in cash through BISP payment mechanism; and (ii) the estimated emergency transfer top up per family is Rs 4000 to be disbursed within FY 2020 to all regular safety net beneficiaries. (iii) The targeting mechanism used for this is the PMT based National Socio-Economic registry that the government already uses for its regular cash transfers.

learning. As part of this, a comprehensive communication campaign for parents will be supported to provide information about how to engage in distance-learning activities.

Component 3. Implementation Management and Monitoring and Evaluation (US$3 million equivalent)

40. **This component will support Project implementation**, **coordination, and management**, including support for financial management, procurement, environmental and social, monitoring and evaluation of prevention and preparedness, capacity building for clinical and public health research, joint-learning across and within the country, a gender and vulnerability analysis of the COVID-19 outbreak, and third-party monitoring of progress and after-action reviews.

Component 4: Contingent Emergency Response Component (CERC) (US$0 million)

41. **Under this component, the project will provide immediate response to a crisis or emergency.** This component allows flexibility to respond to the dynamics of the pandemic as it evolves during the life of the project.

C. Project Beneficiaries

42. **The scope of this project will be nationwide, covering all provinces/territories of the country.** The primary project beneficiaries will be infected people, at-risk populations, medical and emergency personnel as well as service providers at medical and testing facilities (both public and private), and national and provincial departments of health. Staff of key technical departments and provincial health departments will also benefit from the project as their capabilities increase through the strengthened institutional capacity.

43. The primary target groups for the support to mitigate socioeconomic impacts (under Component 2) are expected to be: (i) affected households/persons with high vulnerability to shocks, particularly the poorest and most vulnerable who tend to have limited assets and other mechanisms to protect themselves from shocks (bottom 20% of the distribution already benefiting from BISP's safety net program); and (ii) households/persons who are affected due to mobility restrictions or are quarantined that disrupt their ability to meet basic needs. Households may benefit from multiple interventions under the proposed project.

IV. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

44. **Implementation will be carried out using existing arrangements already tested in Bank-financed operations.** Further, the proposed arrangements are those that are best aligned with the country's federal structure and that allow for quicker disbursements and delivery of results. The project design also has the flexibility to adopt to new implementation arrangements where they contribute to more efficient and effective implementation.

45. **For Component 1, project management will leverage the existing implementation structure of the National Immunization Support Project (NISP, P132308), a Bank and Donor-financed project currently being implemented at Federal and Provincial levels.** NISP is currently functioning well through Federal and Provincial Expanded Program on Immunization (EPI) cells headed by a Program Director at the Federal EPI cell and Program Managers at Provincial EPIs. Federal EPI cell is housed under MONHSRC, and provincial EPI cells are housed under respective provincial Health Departments. Where required, the implementation capacity of Federal EPI cell and provincial EPI cells will be augmented to manage the enhanced workload brought about by the Project. Federal and provincial EPI cells will be responsible for execution of the related project activities on behalf of MONHSRC

and provincial Health Departments, respectively. Small procurements will be carried out by EPI cells. Large procurements will make use of NISP's pooled procurement mechanism. This is a national mechanism set up under NISP which has successfully procured vaccines and ensured nationwide uninterrupted supply of the latter for the past four years. Further, UNICEF is the procurement agent for the federal EPI cell. Under this arrangement, a contract agreed between the MONHSRC and UNICEF supports a blanket withdrawal application approved by the Bank that can be of use for the project.

46. **Component 2** will be implemented by two agencies, BISP (2.1a) and NDMA (2.1B & 2.2). Component 2.1a will utilize the existing implementation arrangements of the ongoing Bank-financed NSPO being implemented by BISP. The NSPO makes use of DLIs, for which verification is carried out by the Pakistan Planning Commission, a high-level body with representatives from core government departments. Sub-component 2.1a will use the same mechanism through a DLI related to cash transfer to beneficiaries. For 2.1b NDMA would carry out the activities related to provision of basic food supplies to quarantined populations along with necessary goods and supplies. The NDMA would utilize the existing distribution network developed to respond to emergency situations. For 2.2, NDMA will carry out implementation in collaboration with the Ministry of Federal Education and Professional Training as the technical agency laying out the technical and resource requirements for implementation of the component. For coordination purposes, a technical committee would be established to provide the leadership and technical specifications of activities to be implemented under the emergency response. NDMA will provide fiduciary, safeguard, and procurement support to the activities agreed by the technical committee. The technical committee will coordinate with the Provinces and other stakeholders involved in the education sector in the country.

47. **Oversight, coordination and stewardship functions for the Project:** An Emergency Coordination Committee chaired by the Special Assistant to Prime Minister with representation from all provinces and NDMA has been established. This Committee will provide the oversight for all activities under this project. The MONHSRC, as well as the provincial Health Departments, the Federal Ministry of Education, NDMA and BISP will be responsible for implementation of project activities. Groups such as the Inter-ministerial Coordination Committee for COVID-19 will be used to ensure smooth coordination between the federal and provincial governments. Other newly created and/or existing groups such as the Emergency Core Group and Polio Emergency Operations Center may also be mobilized if needed.

B. Results Monitoring and Evaluation Arrangements

48. Monitoring and evaluation activities will be the responsibility of relevant line departments (Component 1: MONHSRC and provincial departments of Health; Component 2: BISP, Ministry of Federal Education and Professional Training, NDMA). The provincial departments of health will collect their respective data and will then send to federal level for collation and dissemination. The MONHSRC will produce a quarterly report based on agreed targets and the progress made on implementation of critical project activities.

49. The activities and disbursements through the BISP for Component 2.1a will be tracked through the monthly payroll disbursed specifically to the crisis affected beneficiaries of BISP. This data will be matched with the list of NDMA notified districts where the crisis is imminent. The Federal Planning Commission, which is the assigned Independent Verification Agency to verify the DLIs under the current National Social Protection Operation being implemented by BISP, will also verify the DLI under this project.

50. An in-country World Bank team of health, education, social protection, operational, and fiduciary specialists, experienced in emergency operations, will provide day-to-day implementation support to the MONHSRC with

additional regular support from staff from other World Bank offices; implementation support missions will be carried on a regular basis and will include relevant partners.

C. Sustainability

51. The sustainability of the project would largely depend on the capacity of the implementing agencies and the specific activities. The focus of some of the project activities on training and capacity building will further enhance the sustainability of the project. The outcomes of the project related to strengthening disease surveillance, and pandemic preparedness (informed by the COVID-19 immediate response) will be a sustainable product of the project. This will help the health sector to effectively respond to any future pandemics, and to address current challenges in outbreaks of infectious and vaccine-preventable diseases. In the case of education, the sustainability rests on the development of plan and strategies for current and future school closures, and the identified implementation lessons, which would be integrated into the strategy.

52. For component 2.1, the time-tested existing emergency response mechanism for cash and food support to affected population are being used. There are no additional investments into the systems as they are already in place with both BISP and the NDMA/PDMAs. With respect to the cash transfers, the adaptive existing safety net program can easily reduce to its regular cash transfer support once the crisis is over. Both these support mechanisms can once again be expanded if the crisis recurs.

V. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

53. Although there are very significant gaps in knowledge of the scope and features of the COVID-19 pandemic, it is apparent that one main set of economic effects will derive from increased sickness and death among humans and the impact this will have on the potential output of the global economy. In the Spanish Influenza pandemic (1918-19) 50 million people died -about 2.5 percent of the then global population of 1.8 billion. The most direct impact would be from increased illness and mortality affecting the size and productivity of the world labor force. The loss of productivity as a result of illness which, even in normal influenza episodes is estimated to be ten times as large as all other costs, combined will be quite significant.

54. Another significant set of economic impacts will result from the uncoordinated efforts of private individuals to avoid becoming infected or to survive the effects of infection. The Severe Acute Respiratory Syndrome (SARS) outbreak of 2003 provides a good example. The number of deaths due to SARS was estimated at 'only' 800 deaths and it resulted in economic losses of about 0.5 percent of annual GDP for the entire East Asia region, concentrated in the second quarter. The measures that people took resulted in a severe demand shock for service 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. Prompt and transparent public information policy can reduce economic losses.

55. As with other countries, information on the impact of the COVID-19 pandemic in Pakistan is still limited. However, given the high population density in the country's main urban areas and the characteristics of the informal sector, a large number of Pakistanis may be affected in a variety of ways. Out-of-pocket expenditure in health can be higher than 60 percent in cities such as Karachi. Vulnerability and informality will force people to move which can increase the spread of the virus. Poor and vulnerable Pakistanis may be subject to immediate impact of the spread as well as more medium-term impacts resulting from slower economic growth. In line with this, the proposed operation also focuses on transfers of money and food to provide as comprehensive a support as possible.

B. Fiduciary

(i) Financial Management

56. **The project will leverage the existing financial management and disbursement arrangements. For Component 1, the implementation arrangements of NISP at Federal and Provincial levels through EPI cells will be used. For Component 2, existing finance functions of NDMA and BISP would be responsible for the implementation of designed FM arrangements.** FM capacity of the EPI cells at federal and provincial levels, and NDMA and BISP will be augmented by additional support staff to manage the enhanced workload. Project budgeting procedures will follow country systems.

57. **For all components, except 2.1a, funds will be disbursed by the Bank into separate (6 in number) Designated Accounts (DAs) to be established by federal EPI cell (1), provincial EPI cells (4), and NDMA (1) at the National Bank of Pakistan.** DAs will be operated in accordance with the provisions of "Revised Accounting Procedure for Revolving Fund Account (Foreign Aid Assignment Account)" dated August 2, 2013 issued by the Finance Division. Disbursements will be made to DAs as 'Advance' based on the needs of the implementing agencies submitted to the Bank in a six-months forecast of eligible expenditures.

58. **For Component 2.1a, funds will be disbursed as 'Reimbursement' to BISP's budget line for Emergency Cash Transfers under COVID-19, upon achievement of disbursement linked indicator (DLIs) agreed with BISP.** BISP would create a separate budget line for Emergency Cash Transfers under COVID-19 and would charge payment to beneficiaries under this segregated budget line. Emergency Cash Transfers will serve as Eligible Expenditures for DLIs. Funds will be reimbursed to Federal Government Consolidated Fund (Account-1), which would act as Designated Account for disbursement of funds by the Bank upon achievement of DLIs. BISP would share quarterly Budget Execution Reports of Emergency Cash Transfer evidencing incurrence of incremental expenditure. Transfer of funds to beneficiaries will be made using BISP's current mechanism: the payment service provider for transfers is already engaged and the limited mandate accounts for the BISP beneficiaries are operational. The existing Independent Verification Agency in the Planning Commission would be used to verify the achievement of DLIs.

59. Funds disbursed by 'Direct Payment', 'Special Commitment' and 'Reimbursement' will have a reduced Minimum Value of Application threshold of US$ 10,000 equivalent for each withdrawal application. This includes any payment to UN Agencies under the contracts with Borrower.

60. **Separate books of accounts for the project will be prepared by the implementing entities in accordance with the country accounting procedures and policies defined in the New Accounting Model.** Quarterly Interim Unaudited Financial Reports will be prepared to report use of funds and will be submitted to the Bank within 45 days of the close of each quarter. Project Annual Financial Statements will be prepared in accordance with Cash Basis International Public Sector Accounting Standards and will be submitted to auditors. Auditor General of Pakistan will conduct annual audit of the project's annual financial statements. For each financial year closing on June 30, acceptable audited financial statements will be submitted to the Bank by December 31.

61. **Retroactive Financing of 20 percent of the project financing is allowed as per the Financing Agreement.** Retroactive financing for procurable items is only allowed if items are procured in accordance with applicable World Bank's Procurement Regulations.

(ii) Procurement

62. Procurement for the project will be carried out in accordance with the World Bank's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 1, 2016 (revised in November 2017 and August 2018). The project will be subject to the World Bank's Anticorruption Guidelines, dated October 15, 2006, revised in January 2011, and as of July 1, 2016. The project will use the Systematic tracking of Exchanges in Procurement (STEP) to plan, record and track procurement transactions.

63. **The major planned procurement includes medical and lab equipment, consumables (such as personal protective goods), and refurbishment of medical facilities.** The finalization of streamlined project procurement strategy for development has been deferred to implementation. An initial procurement plan for the first three months has been agreed with the Borrower and will be updated during implementation.

64. **The proposed procurement approach prioritizes fast-track emergency procurement for the required goods, works and services.** Key measures to fast track procurement include direct selection and reduced bidding time, use of existing agreements by the procuring entities which are consistent with World Bank's core procurement principles, procurement from UN Agencies (UNICEF, WHO, UNOPS, etc.), increased thresholds for request for quotation and national procurement, and no prior review for emergency procurement. The provision of bid securing declaration in place of bid security and waiver for performance security in the case of small contracts for works or supply of goods may also be done.

65. **The centralized procurement arrangements already in place with the Federal EPI Program through an agreement with UNICEF will be leveraged to enable centralized procurements of clinical and diagnostic equipment and PPEs (personal protection equipment) to be carried out by Federal EPI Program for distribution to the Provinces using existing logistics arrangements.** Opportunities to add additional items to the existing UNICEF contract would be explored and if possible, variations would be issued to quickly procure the additional items without involving a fresh procurement process. Provincial EPI cells may also undertake some required procurements, subject to procurement capacity which would be enhanced through placement of qualified and experienced procurement staff and business continuity arrangements.

66. **For procurement of goods outside the UNICEF contract, goods may be procured from the open market either competitively or on a direct selection basis.** Once established, the Borrower may also make use of agreements for supply of goods negotiated by the Bank. Once the suppliers are identified, the Bank will proactively support borrowers with negotiating prices and other contract conditions. The Borrowers will remain fully responsible for signing and entering into contracts and implementation, including assuring relevant logistics with suppliers such as arranging the necessary freight/shipment of the goods to their destination, receiving and inspecting the goods and paying the suppliers, with the direct payment by the Bank disbursement option available to them.

67. **NDMA shall manage procurement of goods required to establish quarantine facilities and will carry out the procurement activities related to provision of basic food supplies to quarantined populations along with necessary goods and supplies.** The NDMA may enter into a contract with other partners including UN agencies for procurement of essential food commodities including warehousing. NDMA would utilize the existing distribution network developed to respond to emergency situations. For distance learning and outreach the procurements will be managed by NDMA, in coordination with MoFEPT.

68. Streamlined procedures for approval of emergency procurement to expedite decision making and approvals by the Borrower have been agreed and will be documented in the Operations Manual including procurement decision making timelines and procedures.

69. Fraud and Corruption (F&C) and Audit Rights: Contracts that were procured in advance of the signing of the Financing Agreement [and are included in the Procurement Plan] will be eligible for the Bank's retroactive financing if the contractor has explicitly agreed to comply with the relevant provisions of the Bank's Anti-

Corruption Guidelines, including the Bank's right to inspect and audit all accounts, records, and other documents relating to the project that are required to be maintained pursuant to the Financing Agreement. However, there are practical limits to the application of the Anti-Corruption Guidelines in the case of unsuccessful bidders for these retroactively financed contracts. Because procurement has already been completed and contracts awarded, it is not practically possible to secure the agreement to such application from unsuccessful bidders for these contracts. Accordingly, the waiver of paragraph 6 (requiring that the Anti-Corruption Guidelines be applied to all procurement) and paragraphs 9(d) and 10 (requiring agreement by bidders and contractors to comply with the Anti-Corruption Guidelines) of the Anti-Corruption Guidelines, as requested by the Global MPA, will apply to the Project.

70. The Procurement residual risk is **substantial**. The major risks to procurement are lack of technical capacity within implementing agencies to cope with emergency medical procurements; historically slow decision-making within implementing agencies impeding emergency procurements; and supplies and equipment not being utilized effectively due to poor implementation logistics and a lack of trained technicians to operate equipment. To mitigate these risks, the Bank has an expert panel available for direct selection to support medical equipment procurements. The Bank will continue to provide day to day support to facilitate procurement decision making. Existing supply chains will be used to ensure goods are effectively utilized and technicians will be identified in parallel for all equipment procured.

71. Procurement risk assessment:

Risks	Mitigation Measures
Limited capacity to conduct emergency procurement.	Federal and Provincial EPI cells will each maintain staff with the appropriate capacity dedicated to the COVID-19 response with necessary business continuity arrangements. Bank will provide day to day advice and an expert panel of medical device specialists are available for direct selection to assist with specifications for medical equipment.
Managing fraud and corruption and noncompliance.	*Ex ante* due diligence of firms being selected will be attempted using databases available in country and externally. Post review of contracts will be scheduled immediately on award of contracts for all contracts that would have been usually prior reviewed.
Capacity of the market and supply chain to meet the demand.	Proposed mobilization of existing service provider contracts through amendment are expected for addressing the emergency medical service requirements. Use of Framework Agreements (FAs) for supply of medicines and medical supplies and early engagement with manufacturers in the region for direct contracting is proposed. Measures for supplier preferencing like direct payments by Bank, advance payments, etc. will be applied on need basis.
Impact of emergency on supply chains and lead times.	Use of existing distribution arrangements under the NISP project with the Federal EPI cell are expected to mitigate lead time risk to some extent, though the risks are high

Risks	Mitigation Measures
	given low or nil production capacity of most of the items in country and spread of the infection in other countries.

C. Legal Operational Policies

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

D. Environmental and Social Standards

72. **Overall, it is expected that the project will have positive environmental and social effects,** given that the project will strengthen the capacity and preparedness of national and provincial government for surveillance, infection prevention and control, monitoring and communication on COVID-19.

73. **The environmental risks are considered substantial**. The main environmental and social risks are: (i) occupational health and safety issues such as potential infection of the laboratory technicians and health care workers with COVID-19 through the project activities including testing, handling of relevant supplies and clinical care; and (ii) potential environmental pollution and community health and safety issues related to handling, transportation and disposal of healthcare wastes.

74. **To mitigate these risks, the MONHSRC will update the existing Environmental and Social Management Plan (ESMP) prepared and under implementation for NISP, applying international best practices in diagnostic testing for COVID-19, handling the medical supplies involved, and disposing of generated wastes**. The ESMP will incorporate an updated version of health care waste management measures of NISP ESMP and Standard Operating Procedure for Waste Management at Hospitals prepared as part of the National Action Plan for COVID-19 Pakistan in Feb 2020. The NISP ESMP sets out the comprehensive mitigation measures for the prevention of health care workers' infection, safe disposal of sharps and immunization wastes, proper use of PPEs, cold chain management for vaccine effectiveness, and awareness raising and training.

75. **The project will apply the existing NISP ESMP in conjunction with WHO standards on COVID-19 response until the project specific ESMP is prepared.** The relevant parts of the WHO COVID-19 quarantine guidelines and COVID-19 biosafety guidelines will be reviewed while preparing the ESMP so that all relevant risks and mitigation measures will be covered. In addition to the ESMP, the GOP will implement the activities listed in the Environmental and Social Commitment Plan (ESCP). The environmental and social specialists at federal and provincial level will be hired for the project. However, until their recruitment, the project will rely on the environmental and social institutional arrangement established for NISP.

76. The Bank policy on Projects on International Waterway, OP 7.50, does not apply because the project activities do not fall under the definition of "similar projects that involve the use or potential pollution of international waterways" according to paragraph 2(a) of OP 7.50. The project would involve minor rehabilitation work of existing water supply schemes but will not involve the new construction.

77. **The social risks are also considered substantial.** One major social risk is that marginalized and vulnerable social groups (e.g. women, elderly, differently-abled, indigenous people (IPs) of Kalash and other areas of Pakistan,

religious minorities, communities in remote locations etc.) are unable to access and benefit from facilities and services which could undermine the objectives of the project. To mitigate this risk, the MONHSRC, in the ESCP, will commit to the provision of services and supplies based on the urgency of the need. The project's communication strategy will facilitate the access of vulnerable groups to information on how to prevent and respond to COVID-19 in ways they can understand. Reaching all populations including women and girls, illiterate populations, the Kalash, and communities in remote and lagging areas and educating them on the disease is crucial to containing its spread. There is a potential risk of social tension and conflict within communities due to the adverse impacts on containment strategies on people's livelihoods, and in quarantine/isolation facilities servicing marginalized groups such as religious minorities. A Gender and Social Assessment will be conducted to address the concerns and needs of vulnerable and marginalized groups, particularly the Kalash, (including issues of access, prevention of social tensions and conflict, mental health and psychosocial support of healthcare workers and trauma survivors etc.). This will also encompass the impact of increased unpaid care work on women, impact on their economic participation and gender-based violence concerns. The recommendations of the gender and social assessment will be incorporated into the updated ESMP and, as relevant, into SOPs, operation manuals, guidelines etc. to be used for project implementation. A draft Stakeholder Engagement Plan (SEP) that incorporates a preliminary stakeholder mapping has been prepared to guide MONHSRC, NDMA, and BISP in the early interactions with a wide range of citizens (including the most vulnerable and marginalized among them) regarding basic health precautions and any coming emergency measures. This SEP will be revised within one month of project effectiveness, as noted in the ESCP. The SEP will include a Grievance Redress Mechanism (GRM), built upon existing provincial and federal complaints/help lines, for addressing any concerns and grievances arising in the context of project implementation. The Interagency Coordination Committee of NISP, which will provide overall governance, includes representation from Civil Society Organizations – providing an additional mechanism for stakeholder feedback to the project.

78. **Global evidence suggests that the incidence of gender-based violence (GBV) increases in crisis situations and it may expose women to higher risk of domestic violence due to heightened tensions in households, including when families are quarantined.** This has also been highlighted in the ongoing COVID-19 emergency in China. Targeted training for health care professionals will be undertaken to sensitize them to a host of GBV (i.e. sexual harassment, sexual exploitation and abuse, domestic violence) and trauma issues, to enable them to connect survivors with existing referral mechanisms in the country. Data related to COVID-19 outbreak and the implementation of the emergency response will be disaggregated by sex, age, and disability to understand the differences in exposure and treatment and to develop differential preventive measures accordingly.

VI.GRIEVANCE REDRESS SERVICES

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

VII. KEY RISKS

The overall risk rating for the project is **substantial**

INHERENT RISK	Assessment of Mitigation measures
Political & Governance Challenges with intergovernmental coordination within the federal structures of government impedes efficient delivery Challenges in accountability and reporting	The government has activated an intergovernmental structure specifically to enhance COVID-19 response. The project also makes use of existing and tested coordination mechanisms that can operate within the political economy. However, due to the emergency nature of the operations, the capacities and systems may be overwhelmed. The emergency also introduces additional challenges to accountability and reporting. Therefore, the risk to the project is expected to be **substantial.** .
Macroeconomic Reduction in fiscal capacity of governments due to global economic disruption and slowdown, and potential unavailability of fiscal resources. This would negatively impact public health service delivery with respect to COVID-19 prevention, mitigation, and treatment, in addition to other essential health service delivery.	The overall country macroeconomic risk is **high**, given that the country is emerging from a macroeconomic crisis. The COVID-19 pandemic is projected to impact real economic growth, affect the government's fiscal position and depress private investment. The impacts of the pandemics on the global economy at this stage are also uncertain. However, the residual risk to the project is considered **substantial** for the following reasons; the government has accorded the highest priority to addressing the pandemic and has decided to reprioritize resources from the existing budget envelope to COVID-19 mitigation measures. The monetary policy stance is also geared towards preserving macroeconomic stability. Furthermore, other international finance institutions are making resources available for Pakistan's COVID-19 response which will protect the fiscal space for this project. Lastly, the project does not depend on counterpart financing from the Borrower.
Sector policies/strategies The health care delivery system in the country is not strong enough to respond to national level health emergencies.	The implementation arrangements, leveraging existing functioning systems across Government will strengthen the ability to respond to this emergency. The residual risk to the project is **substantial**, given the

	systemic weakness in the national delivery of health care services.
Technical design Intervention activities not effective in containing the spread of COVID-19, as well of other infectious diseases of animal origin.	The technical design of the project maximizes existing designs that have proven to be effective in the country, including in previous emergencies and in the delivery of core services such as safety nets and national immunization. The residual risk to the project is **moderate**
Institutional capacity Capacity in the health delivery systems is limited at the federal and provincial levels	The project makes use of capacities in existing projects funded by the Bank. Residual risk is considered **substantial** given that the impacts of the virus on government business continuity operations are unknown.
Fiduciary Slow disbursement of funds due to blockages of procedures, lack of clarity in disbursement arrangements and lack of clarity in authorizing environment. Weak procurement capacity	Key risks are (i) weak fiduciary capacity, (ii) delays in flow of funds, and (iii) weak internal controls on funds utilization. These risks will be mitigated by leveraging the existing implementation structures of NISP and NSPO. Internal controls will be strengthened through standard protocols for food distribution and good inventory and asset management practices. Pooled procurement through existing contract with UNICEF and some flexibilities with adequate controls are being applied to this Project. Designated Accounts would be opened expeditiously by Project Implementing Entities upon signing. The residual risk to the project is **substantial** given the high value and high volume of procurements in an emergency environment.
Environment and Social The project will procure and deploy large volumes of medical supplies and equipment across the country and require safe medical waste disposal. This will also pose a risk for communities at large.	The project will be making use of existing ESMP and capacities under NISP and NSPO. The ESMP will be updated to reflect the activities of the project. A Gender and Social Assessment will be conducted to address the

Occupational Health and Safety Risk are associated with the project given the infectious nature of the virus. Marginal and vulnerable groups are unable to access and benefit from facilities and services which could undermine the objectives of the project Social tensions and conflict within communities due to adverse impacts of containment strategies on peoples' livelihood and in quarantine/isolation facilities servicing marginalized groups	concerns and needs of vulnerable and marginalized groups, including issues of access, prevention of social tensions and conflict etc. The ESCP will also commit to the provision of services and supplies based on the urgency of the need and to addressing the issues of vulnerable and marginalized groups. The project's communication strategy will facilitate the access of vulnerable groups to information on how to prevent and respond to COVID-19 in ways they can understand. Reaching all populations including women and girls and other vulnerable and marginalized groups and educating them on the disease is crucial to containing its spread. The residual risk is **substantial**
Stakeholders The existence of denial and misinformation associated with COVID-19, in addition to mistrust of some governments, which could lead to the rejection of public health interventions and information in some country contexts, contributing to the continued spread of the disease. Controlling the spread of COVID-19 spread may expose the government to criticism for the curtailment of civil rights due to the adoption of quarantines and other related measures High population density, particularly in urban areas with poor sanitation and hygiene, makes control of spread of the pandemic more challenging	The residual risk is **high.** Despite the project's communication strategy, there is a potential risk of social tension and conflict within communities due to the adverse impacts on containment strategies on people's livelihoods, and in quarantine/isolation facilities servicing marginalized groups such as religious minorities. The implementing agencies will commit, in the ESCP, to addressing the concerns and needs of vulnerable and marginalized groups (including issues of access, prevention of social tensions and conflict, mental health and psychosocial support of healthcare workers and trauma survivors etc.) in the updated ESMP and all SOPs etc. as relevant.
Other The project relies on global supply chains to fulfill the procurement requirements of the project. However, global supply is currently under pressure from rapidly increasing global demand	The project will support fast-track procurements of goods and will leverage existing relationships with current suppliers as well as maximizing the supply from the local market. However, Pakistan is competing with dynamic global demands including from countries with higher purchasing power which have been hit harder by COVID-19.

	Depending on the scale of the pandemic, the supply chain can be impacted in an unpredictable manner. The residual risk is therefore **substantial**

VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Pakistan

Pakistan: COVID-19 Emergency Response and Effectiveness Project

Project Development Objective(s)

The project development objective is to prepare and respond to the COVID-19 pandemic in Pakistan and strengthen national systems for public health preparedness.

Project Development Objective Indicators

Indicator Name	DLI	Baseline	End Target
District health center/hospital with pandemic preparedness and response plans per MONHSRC guidelines			
Proportion of district health centers/hospitals with pandemic preparedness and response plans per MONHSRC guidelines (Percentage)		0.00	70.00
Proportion of laboratory confirmed cases of COVID-19 responded to within 48 hours			
Proportion of laboratory confirmed cases of COVID-19 responded to within 48 hours (Percentage)		0.00	70.00
Diagnosed cases treated per approved protocol			
Proportion of diagnosed cases treated per approved protocol (Percentage)		0.00	70.00
BISP beneficiaries receiving support in cash or kind			
Number of beneficiaries or persons receiving support in cash or		0.00	4,010,000.00

Indicator Name	DLI	Baseline	End Target
kind (Number)			

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	End Target
1. Emergency COVID-19 Preparedness and Response			
Proportion of target hospitals (district health centers/hospitals) with personal protective equipment and infection control products and supplies without stock-outs in preceding two weeks (Percentage)		0.00	70.00
Proportion of target hospitals (district health centers/hospitals) with triage and isolation capacity (Percentage)		0.00	70.00
Proportion of population able to identify three key symptoms of COVID-19 and three personal prevention measures (Percentage)		0.00	70.00
Proportion of suspected cases of COVID-19 reported and investigated as per approved national protocols (Percentage)		0.00	80.00
Proportion of designated laboratories with COVID-19 diagnostic equipment, test kits and reagents per national guidelines (Percentage)		0.00	80.00
Proportion of target health care workers who are trained on WHO standards of clinical treatment for COVID-19 (Percentage)		0.00	70.00
Contextualized risk communication and community engagement strategy developed (Text)		None	One
2. Mitigation of Disruptive Impacts			
Number of BISP beneficiaries receiving emergency cash transfers (Number)	DLI 1	0.00	4,000,000.00

Indicator Name	DLI	Baseline	End Target
Percentage of crisis affected persons receiving basic food rations (Percentage)		0.00	20.00
Number of grade - subject programs broadcasted through television, radio, and all other platforms (Number)		0.00	40.00
3. Implementation Management and Monitoring and Evaluation			
Proportion of target hospitals who have submitted complete monthly reports on COVID-19 as per the national protocol (Percentage)		0.00	80.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Proportion of district health centers/hospitals with pandemic preparedness and response plans per MONHSRC guidelines	Denominator: Number of district health centers/hospitals involved in pandemic preparedness and response Numerator: Number of district health centers/hospitals with pandemic preparedness and response plans per MONHSRC Guidelines	Bi-annual	Project report	Administrative data	MONHSRC/EOC/NIH

Proportion of laboratory confirmed cases of COVID-19 responded to within 48 hours	Denominator: Number of laboratory-confirmed cases of COVID-19. Numerator: Number of laboratory-confirmed cases of COVID-19 where there was deployment of a rapid response team, contract tracing was initiated, and public messaging was disseminated within 48 hours.	Bi-annual	Situation Report	Administrative data	MONHSRC/EOC/NIH
Proportion of diagnosed cases treated per approved protocol	Denominator: Number of diagnosed cases Numerator: Number of diagnosed cases treated per approved protocol	Bi-annual	Situation Report	Administrative data	MONHSR&C/EOC/NIH
Number of beneficiaries or persons receiving support in cash or kind	Number of beneficiaries receiving support in cash or kind	Quarterly	NDMA Database/BISP Database	Administrative data	BISP/NDMA

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Proportion of target hospitals (district health centers/hospitals) with personal protective equipment and infection control products and supplies without stock-outs in preceding two weeks	Denominator: Number of target hospitals Numerator: Number of target hospitals with personal protective	Bi-annual	Project report	Administrative data	MONHSRC/EOC/NIH

	equipment and infection control products and supplies without stock-outs in preceding two weeks (Percent)				
Proportion of target hospitals (district health centers/hospitals) with triage and isolation capacity	Denominator: Number of target hospitals Numerator: Number of target hospitals with triage (the process of determining the priority of patients' treatments based on the severity of their condition) and isolation capacity	Bi-annual	Project report	Administrative data	MONHSRC/EOC/NIH
Proportion of population able to identify three key symptoms of COVID-19 and three personal prevention measures	Denominator: Number of respondents to representative survey. Numerator: Number of respondents to representative survey who can accurately identify three key symptoms of COVID-19 and three personal prevention measures.	Once (before Dec 2020)	Survey	Sample survey	MONHSRC
Proportion of suspected cases of COVID-19 reported and investigated as per approved national protocols	Denominator: Number of suspected cases of COVID-19. Numerator: Number of suspected cases of COVID-19 who are tested as per the national protocol.	Bi-annual	Situation Report	Administrative data	MONHSRC/EOC/NIH

Proportion of designated laboratories with COVID-19 diagnostic equipment, test kits and reagents per national guidelines	Denominator: Number of designated laboratories Numerator: Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagent per national guidelines	Bi-annual	Project report	Administrative data	MONHSRC/EOC/NIH
Proportion of target health care workers who are trained on WHO standards of clinical treatment for COVID-19	Denominator: Number of target health care workers Numerator: Number of target health care workers who are trained on national standards of clinical treatment for COVID-19	Bi-annual	Project report	Administrative data	MONHSRC/EOC/NIH
Contextualized risk communication and community engagement strategy developed	Risk Communication and Community Engagement (RCCE) strategy	Once	Strategy	Administrative data	MONHSRC/ EOC/NIH
Number of BISP beneficiaries receiving emergency cash transfers	Number of BISP beneficiaries who have received the emergency cash support	Quarterly	BISP Database	Administrative data	BISP
Percentage of crisis affected persons receiving basic food rations	Denominator: Number of beneficiaries severely affected by pandemic or with restrictions on movement Numerator: Number of beneficiaries severely affected by the pandemic	Quarterly	NDMA Database	Administrative data	NDMA

	or with restrictions on movement that have received the basic food rations for 6 months				
Number of grade - subject programs broadcasted through television, radio, and all other platforms	Number of grade - subject programs broadcasted through television, radio, and all other platforms	Bi-annual	Subject programs	Administrative data	MoE
Proportion of target hospitals who have submitted complete monthly reports on COVID-19 as per the national protocol	Denominator: Number of target hospitals Numerator: Number of target hospitals who have submitted complete monthly reports as per the national protocol	Bi-annual	Project report	Administrative data	EOC/NIH/MoNHSRC/DoHs

Disbursement Linked Indicators Matrix

DLI 1	Number of BISP beneficiaries receiving emergency cash transfers			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Outcome	No	Number	25,000,000.00	100.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	0.00			
FY2021	4,000,000.00		25,000,000.00	

Verification Protocol Table: Disbursement Linked Indicators	
DLI 1	Number of BISP beneficiaries receiving emergency cash transfers
Description	The DLI will be met when the MIS and payment disbursement records confirm that the designated number of family representatives (BISP beneficiaries) have been paid the stipulated emergency cash transfers.
Data source/ Agency	MIS data report verifying the number of beneficiaries who have been paid Rs 4000 as emergency cash transfer as a top up to the regular safety net cash grant. These numbers to also match with the PSPs Payment Record for the respective beneficiaries.
Verification Entity	Third Party Independent Verification Agency (IVA).
Procedure	MIS report for beneficiaries paid by matching with the Payroll database. Once matched, the information will be sent to the IVA (Independent Verification Agency) for verification. BISP will submit to the Bank a formal confirmation of the verification of the DLI along with the relevant evidence.

ANNEX 1: PROJECT COSTS

COUNTRY: Pakistan

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COSTS AND FINANCING OF THE COUNTRY PROJECT

Program Components	Project Cost (US$ Millions)	IBRD or IDA Financing	Trust Funds	Counterpart Funding
Emergency COVID-19 Preparedness and Response	155.00	IDA		
Mitigation of Disruptive Impacts	42.00	IDA		
Implementation Management and Monitoring and Evaluation	3.00	IDA		
Contingent Emergency Response Component	0.00	IDA		
Total Costs	200.00			
Total Costs	200.00			
Front End Fees				
Total Financing Required	200.00			