



REPORT NO.: RES51904

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
PERU COVID-19 VACCINATION PROJECT
APPROVED ON DECEMBER 20, 2021
TO
REPUBLIC OF PERU

HEALTH, NUTRITION & POPULATION GLOBAL PRACTICE
LATIN AMERICA AND CARIBBEAN REGION

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**ABBREVIATIONS AND ACRONYMS**

AF-V	Additional Financing
COVID-19	Corona Virus Disease 2019
ESMF	Environmental and Social Management Framework
GoP	Government of Peru
IBRD	International Bank for Reconstruction and Development (World Bank)
IDA	International Development Association
MEF	Ministry of Economy and Finance
MPA	Multiphase Programmatic Approach
PDO	Project Development Objective
PIU	Project Implementing Unit
SEP	Stakeholder Engagement Plan
WBG	World Bank Group

**BASIC DATA****Product Information**

Project ID	Financing Instrument
P178181	Investment Project Financing
Environmental and Social Risk Classification (ESRC)	
Substantial	
Approval Date	Current Closing Date
20-Dec-2021	

Organizations

Borrower	Responsible Agency
Republic of Peru	

Multiphase Programmatic Approach (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

Multiphase Programmatic Approach (MPA) Status (Public Disclosure)

Status and Key Decisions (Public Disclosure)

The Additional Financing (MPA AF-V) to the COVID-19 Strategic Preparedness and Response Program utilizing the Multiphase Programmatic Approach (“Global COVID-19 MPA”) was approved by the Board on October 13, 2021. The AF-V is significantly expanding Bank support to client countries for COVID-19 vaccination, with the aim to support vaccination of 1 billion people globally. The AF-V was approved with an envelope of US\$12 billion (\$6 billion from IDA and \$6 billion from IBRD) in financing. **On June 30, 2021, President Malpass announced the expansion of financing available for COVID-19 vaccine financing to \$20 billion over the next 18 months, adding \$8 billion to the previously announced \$12 billion.** This financing is critical to expand affordable and equitable financing for vaccine purchase and deployment. The AF-V is expected to enable vaccination for up to 750 million people, with potential surge capacity for an additional 250 million people in the poorest countries (depending on the delivered price of approved vaccines) while scaling support to strengthen immunization delivery, with design flexibility at the country level. The AF-V is a scale-



up of planned vaccination activities anticipated and supported under the Global COVID-19 MPA and a key contribution to the WBG's overall COVID-19 response.

As of May 16, 2022, the Bank has approved 96 operations (including MPA-V operations) to support vaccine procurement and rollout in 73 countries amounting to \$8.1 billion. The 96 operations approved, include 6 operations that involved restructuring of parent projects (Bhutan, Cameroon, North Macedonia, Philippines, and Pakistan) and in the case of Lebanon, restructuring of the Health Resilience Project. Of the 96 approved operations: (i) 54 are in Africa – 24 in AFE and 30 in AFW; (ii) 9 in East Asia and the Pacific; (iii) 10 in Europe and Central Asia; (iv) 8 in Latin America and the Caribbean; (v) 7 in Middle East and North Africa; and (vi) 8 in South Asia. Fifty (50) projects are disbursing. Twenty-two (22) new operations are under various stages of processing. **Total disbursements as of May 16, 2022, under these projects amount to US\$3.3 billion or 40% of overall commitments.** Disbursements under MPA-V operations are included in this total while disbursements under the six restructured projects are not included in this total as they are counted under parent projects. Fifteen (15) operations have disbursed over 70% of their commitments. As with the MPA operations, streamlined procedures, delegated approval, coupled with flexible project design, and intensified efforts across the Bank have contributed to the rapid design and processing of the operations. Eighty-five (85) loan/financing agreements have been signed. Also, eighty (80) loan/financing agreements have become effective; several others are expected to become effective in the coming weeks. Implementation of the AF-V operations, as with MPA operations is facing challenges as several countries are still under different levels of mobility restrictions and counterparts and Bank teams are operating in a hybrid environment with some days at the office and some at home. Countries are dealing with new waves of infections, as the Omicron variant continues to spread rapidly among populations.

Project Development Objective (PDO)

Original PDO

To increase COVID-19 vaccination coverage among the population of Peru.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Net			
				Closing	Commitment	Disbursed	Undisbursed

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. On December 20, 2021, **the Peru COVID-19 Vaccination Project was approved by the Bank's Board of Executive Directors for a total loan amount of US\$500 million.** To date, the Loan Agreement is not yet signed due to delays in completing government procedures regarding the extension of exceptions allowing the financing of recurrent expenditures, such as vaccines, with external debt. As a result, the estimated effectiveness date is delayed. On May 21, 2022, the Ministry of Economy and Finance (MEF) approved Supreme Decree 102-2022-EF completing the internal procedures necessary for the signing. Nevertheless, the Government of Peru (GoP) requested an extension of the Project closing date from June 30, 2023, to December 31, 2023. The rationale for the extension request is three-fold: (i) an extension of the vaccination period which is needed in order to reach the intended coverage due to a decrease in the overall demand for vaccination among intended beneficiaries, (ii) a potential adjustment in the vaccines' composition (both Pfizer and Moderna informed the GoP they plan to slightly modify the vaccine to increase immunity against Omicron), and (iii) the delay in signing the Loan Agreement.
2. Good progress has been made on the completion and implementation of the World Bank environmental and social standards. The MEF and the Ministry of Health have complied with the November 2021 disclosure of the preliminary version of the Stakeholder Engagement Plan (SEP). The Project Implementing Unit (PIU) is also preparing the Environmental and Social Management Framework (ESMF) and is working on an updated version of the SEP. Finally, the PIU is preparing terms of reference to hire a socio-environmental specialist as described in the project operations manual. The Bank is guiding and supporting these processes.
3. The Project does not have any outstanding audit reports nor audit reports which are not satisfactory to the Bank.

II. DESCRIPTION OF PROPOSED CHANGES

4. This proposed Level II restructuring will make the following modifications: (i) extend the closing date by six months from June 30, 2023, to December 31, 2023 thereby increasing the total implementation period from 18 months to 24 months; and (ii) revise the disbursement estimates as reflected in Section IV of this Restructuring Paper. This extension will allow the GoP to: (i) adapt its national vaccination strategy and adjust the expected arrival rate of vaccines to the slower pace of the vaccination campaign during this phase, and (ii) receive vaccines from Pfizer and Moderna (should they become available in time) that are based on an updated formula that is expected to increase immunity to Omicron but will likely take more time to produce/distribute.
5. Extension of the Closing date. The proposed change will extend the Project for 6 months, from June 30, 2023, to December 31, 2023.
6. **Disbursement Estimates.** An updated estimate is included in the final section of the chart below. This change includes the estimated time to disburse the emergency component. The main change is that no disbursements will be requested during CY2022.



III. SUMMARY OF CHANGES

	Changed	Not Changed
Loan Closing Date(s)	✓	
Disbursement Estimates	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
MPA Program Development Objective		✓
MPA Expected Results and Indicators		✓
Results Framework		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Overall Risk Rating		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)



MPA PROGRAM DEVELOPMENT OBJECTIVE

Current 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

EXPECTED MPA PROGRAM RESULTS

Current Expected MPA Results and their Indicators for the MPA Program

Progress towards the achievement of the PDO would be measured by outcome indicators. Individual country-specific projects (or phases) under the MPA Program will identify relevant indicators, including among others:

- Country has activated their public health Emergency Operations Centre or a coordination mechanism for COVID-19;
- Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents;
- Number of acute healthcare facilities with isolation capacity;
- Number of suspected cases of COVID-19 reported and investigated per approved protocol;
- Number of diagnosed cases treated per approved protocol;
- Personal and community non-pharmaceutical interventions adopted by the country (e.g., installation of handwashing facilities, provision of supplies and behavior change campaigns, continuity of water and sanitation service provision in public facilities and households, schools closures, telework and remote meetings, reduce/cancel mass gatherings);
- Policies, regulations, guidelines, or other relevant government strategic documents incorporating a multi-sectoral health approach developed/or revised and adopted;
- Multi-sectoral operational mechanism for coordinated response to outbreaks by human, animal and wildlife sectors in place;
- Coordinated surveillance systems in place in the animal health and public health sectors for zoonotic diseases/pathogens identified as joint priorities; and
- Mechanisms for responding to infectious and potential zoonotic diseases established and functional; and
- Outbreak/pandemic emergency risk communication plan and activities developed and tested

**LOAN CLOSING DATE(S)**

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IBRD-93270	Not Effective	30-Jun-2023		31-Dec-2023	30-Apr-2024

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2022	320,000,000.00	0.00
2023	160,000,000.00	320,000,000.00
2024	20,000,000.00	180,000,000.00
2025	0.00	0.00
2026	0.00	0.00
2027	0.00	0.00