



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 06-Apr-2020 | Report No: PIDA29030



BASIC INFORMATION

A. Basic Project Data

Country Bhutan	Project ID P173787	Project Name Bhutan: COVID-19 Emergency Response and Health Systems Preparedness Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 07-Apr-2020	Estimated Board Date 20-Apr-2020	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance. Royal Government of Bhutan	Implementing Agency Ministry of Health, Royal Government of Bhutan	

Proposed Development Objective(s)

To prevent, detect and respond to the threat posed by COVID-19 and to strengthen national systems for public health preparedness in Bhutan

Components

Emergency COVID-19 Response
Community Engagement and Risk Communication
Implementation Management and Monitoring and Evaluation
Contingency Emergency Response Component

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	5.00
Total Financing	5.00
of which IBRD/IDA	5.00
Financing Gap	0.00

DETAILS

World Bank Group Financing



International Development Association (IDA)	5.00
IDA Credit	5.00
Environmental and Social Risk Classification	
Substantial	
Decision	

B. Introduction and Context

Country Context

1. **Bhutan is the only country in the world to adopt an approach to development that does not focus on economic growth and per capita income.** Under this development paradigm, Bhutan seeks to maximize happiness as the guiding metric for development, instead of pursuing purely economic growth. This approach is grounded in four pillars: (i) sustainable and equitable socio-economic development; (ii) preservation and promotion of culture; (iii) conservation and sustainable utilization and management of the environment; and (iv) promotion of good governance. In July 2011, Bhutan’s proposal for “Happiness: Towards a Holistic Approach to Development” was unanimously adopted by the 193-state members at the United Nations, officially placing the country’s Gross National Happiness (GHN) development philosophy in the global development arena.

2. **Bhutan's economy is largely driven by hydropower, which contributed to rapid economic growth through investments, export earnings, and contributions to the budget.** The state-led hydropower sector currently accounts for around 30 percent of GDP, and 20 percent of export receipts and domestic revenues. Hydropower projects drive economic growth through boosting aggregate demand, both during the construction phase and when projects are commissioned. The existing hydropower projects are financed by India based on special inter-governmental agreement with all surplus hydroelectricity (i.e. 70 percent) exported to India. In addition to hydropower, tourism is also a major sector in the Bhutanese economy. Since Bhutan opened to international tourists in 1974, tourism has grown to become the highest foreign currency earning sector in Bhutan, accounting for about 20 percent of its non-hydro export income. Notwithstanding this, economic growth slowed to an estimated at 3.9 percent in 2018/19, with Real GDP growth averaging 5.5 percent in the past five years, slightly below the South Asian average. On the demand side, growth has primarily been driven by private consumption and investment while on the supply side, growth has been supported by the services sector, mainly transport and communication, retail, and hotels and restaurants.

3. **Bhutan has experienced significant poverty reduction.** The official poverty headcount declined from 23.2 percent in 2007 to 12 percent in 2012, and then further to 8.2 percent in 2017. Extreme poverty, measured at US\$1.90 per day, fell below 2 percent in 2017. Poverty reduction was likely driven by improvements in agricultural productivity and better prices of cash crops. However, poverty is highly



concentrated in rural areas, and there is wide variation in poverty across districts. Bhutan performs relatively well in shared prosperity, measured as the per capita consumption growth of the bottom 40 percent, though progress has slowed down in recent years: between 2007 and 2012, the consumption growth of the bottom 40 percent grew by an annualized rate of 5.2 percent, but the consumption growth rate fell to 2.6 percent between 2012 and 2017. This stands in contrast to the acceleration of consumption growth of the average of all households from 4.2 percent during 2007-2012 to 4.8 percent during 2012-2017. Despite large improvements across broad measures of monetary and non-monetary welfare, vulnerability is high, partly because rural households are exposed to various uninsured risks.

Sectoral and Institutional Context

4. **As per the constitution's mandate, the Ministry of Health in Bhutan is providing free basic health services through both traditional and modern medicine in an integrated approach.** The focus is on primary care with disease prevention and health promotion. With an estimated total fertility rate of 1.9 per 1000 live births and annual population growth of 1.2 percent in 2017, this Himalayan kingdom is composed of a largely a young and economically productive population. Health outcomes are among the best in South Asia. There has been increasing trends of antenatal care coverage (82 percent with at least 4 ANC visits) and deliveries by skilled health personnel (96 percent). Immunization coverage has been sustained at about 95 percent since 2008, and malaria cases have reduced significantly from an incidence rate of 927 in 2000 to 1.4 cases per 100,000 in 2016. There have also been notable achievements in reducing the burden of Tuberculosis.

5. **Despite significant improvements in population health in recent decades, however, challenges remain.** Malnutrition remains persistently high in the country. Recent estimates indicate that more than one-fifth of all children over five in Bhutan are stunted, i.e., they have low height-for-age, representing chronic undernutrition. National stunting rates have declined rapidly -- from 37% in 2008 to 35% in 2010 to 22% in 2015 among children aged 6-59 months -- but remain high in the eastern region of the country as well as among the poor and in rural areas. More than one-third of all poor children are stunted compared to only 5% among the rich: a staggering difference of almost 30 percentage points. Underlying high rates of malnutrition among children in Bhutan are low rates of exclusive breastfeeding (51%) and poor diets: only 17% of children are given iron-rich foods, and just 15% are provided with four or more food groups. Anemia rates among women and adolescent girls range between 27% and 36%, indicating a lingering prominent public health problem. Other health inequalities related to geography and economic status remain: e.g., coverage of antenatal care and institutional delivery rates are much lower in the central and eastern parts of the country, and among the poor.

6. **Bhutan is highly vulnerable to health and other hazards.** Climate variability and change are linked to the emergence and re-emergence of infectious diseases including disease incidence, transmission, and outbreaks. Variations in climate, coupled with a sub-optimal disease surveillance system, porous border with India, frequent exchange of poultry products, and the fact that Bhutan is a roosting ground for a large number of black-necked cranes and other wild birds that migrate to Bhutan, from across its borders, can also establish the environmental conditions ripe for outbreaks such as avian influenza—a disease with catastrophic financial impacts that can span sectors as diverse as livestock, trade, and health care. Consequently, improving preparedness to natural disasters including health emergencies is a national priority. The National Health Policy 2012 has established the mandate that all health facilities should



institute appropriate systems of care to deal with emergencies, disasters, epidemics and outbreaks. The relationship between health emergency planning, and planning in the wider emergency management sector is detailed in the Health Emergency and Disaster Contingency Plan (HEDCP, 2016), as mandated in the 2013 Disaster Management Act (DMA).

7. **Health emergency Preparedness and Response is a national priority.** Bhutan carried out a Joint External Evaluation (JEE) to assess its technical core capacities (to detect, assess, notify and respond) under the International Health Regulations (IHR 2005) in 2017. The JEE IHR assessment concluded that Bhutan’s commitment to building and maintaining core capacities to address major public health events is genuine and strong and enjoys high-level political commitment and support. Notwithstanding this, the IHR/JEE highlighted the need to enhance real-time surveillance and reporting, preparedness, emergency response, medical countermeasures and personnel deployment during public health emergencies. The Bhutan Pandemic Preparedness and Response Plan (BPPRP) was recently approved, and is aligned with both the HEDCP and DMA. In addition, the Paro International Airport has developed a Public Health Emergency Preparedness Plan; this was simulated and tested in November 2019. All the hospitals including Primary Health Centers in the western region of Bhutan also have Public Health Emergency Contingency Plans, which will be activated depending on the type of emergency.

8. **Current statistics on COVID-19 and RGOB Preparedness and Response.** On March 6, 2020, Bhutan announced its first confirmed COVID-19 (coronavirus) case. Given the import of COVID-19 and the potential difficulties in preventing and controlling both spread of this outbreak and the economic and social impact on the population, the Royal Government of Bhutan (RGOB) is aware of the urgent need to mount an effective and immediate response to COVID-19. As a first step, a National Preparedness and Response Plan (NPRP) for COVID-19 was developed on January 21, 2020. The NPRP is aligned with the BPPRP, HEDCP and DMA. The objective of NPRP is to enhance the health sector’s capacity to enhance surveillance, detect, control and prevent, respond, investigate and recover from COVID-19 outbreak in the country. The plan is a dynamic document and will be reviewed and updated as and when required by the Technical Advisory Group (TAG) for COVID-19. The National Referral Hospital in Thimphu is currently the designated COVID-19 hospital for isolation and treatment of cases. The NPRP also has established an Outbreak Investigation and Surveillance Team, Clinical Management Team, Isolation and Quarantine Team and Media and Risk Communication team with relevant terms of reference.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

To prevent, detect and respond to the threat posed by COVID-19 and to strengthen national systems for public health preparedness in Bhutan

Key Results

9. The key PDO-level indicators measuring the two parts of the PDO are:

- Bhutan has activated its public Health Emergency Operations Centre or a coordination mechanism for COVID-19;
- Percentage of suspected cases of COVID-19 cases reported and investigated based on national



guidelines;

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

D. Project Description

10. The proposed project will support implementation of immediate urgent aspects of the government strategies to deal with the COVID-19 pandemic, namely the NPRP for COVID-19. The project comprises 4 components, which are aligned with the MPA framework discussed previously. The project cost (expenditure) by components is provided in Annex-1. The project closing date is December 31, 2022.

11. **Component 1: Emergency COVID-19 Response (US\$4.35 million).** This component would provide immediate support to Bhutan to prevent COVID-19 or limiting local transmission through containment strategies. It would support enhancement of disease detection capacities through provision of technical expertise, laboratory equipment and systems to ensure prompt case finding and contact tracing, consistent with WHO guidelines in the Strategic Response Plan. It would enable Bhutan to mobilize surge response capacity through trained and well-equipped frontline health workers. Supported activities would include two-subcomponents:

Subcomponent 1.1: Case Detection, Confirmation, Contact Tracing, Recording, Reporting; and

Subcomponent 1.2: Health System Strengthening.

12. **Component 2: Community Engagement and Risk Communication (US\$0.4 million).** This component will support information and communication activities to raise awareness, knowledge and understanding among the general population about the risk and potential impact of the pandemic, including social distancing measures, health promotion, social mobilization, stakeholder engagement and community engagement. This component will ensure the real-time exchange of information, advice and opinions, through a mix of communication and engagement strategies, such as media and social media communications, mass awareness campaigns including “social distancing” measures, health promotion and social mobilization. This component will be used for supporting MoH on risk communication, setting up virtual learning facilities in district health facilities, including development of various communication materials and dissemination activities. This component will finance contracting firms for behavior change communication efforts, training modules, training on risk communication, printing materials, and symposia for advocacy on surveillance, treatment and prophylaxis.

13. **Component 3: Implementation Management and Monitoring and Evaluation (US\$0.25 million).** This component would support the strengthening of the MoH structures and agencies for the coordination and management of the COVID-19 response, including coordination of project activities, financial management, procurement, social and environmental safeguards- adherence to the Stakeholder Engagement Plan (SEP and the Environment and Social Commitment Plan (ECSP). This component would also support monitoring and evaluation of prevention and preparedness, building capacity for clinical and public health research and joint-learning across and within countries. The relevant structures will be strengthened by the recruitment of additional staff/consultants, information technology and communications equipment, workshops and training, research contracts, staff travel and monitoring visits.



14. **Component 4: Contingency Emergency Response Component (CERC) (US\$0).** In the event of an eligible Crisis or Emergency, the project will contribute to providing immediate and effective response to said crisis or emergency. The allocation to this component is to minimize time spent on a reallocation of funds from programmed activities. The unused amount can be reallocated to other components if the CERC component is not triggered a year prior to project closing.

15. **The expected project beneficiaries will be the population at large given the nature of the disease, infected people, at-risk populations, particularly the elderly and people with chronic conditions, medical and emergency personnel, medical and testing facilities, and public health agencies engaged in the response in Bhutan.** The proposed project will specifically target communities across Bhutan through a strong focus on risk communication activities. In addition, staff of key technical agencies like HEOC, MoH and the national laboratory will benefit from the project as their capabilities will be directly strengthened under this project. As the project will support strengthening of the national disease surveillance system, it will benefit the entire population.

Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

16. **The proposed project will have positive environmental and social impacts, as it focuses on improving surveillance, monitoring and containment of COVID-19 and any public health emergency.** Accordingly, the project will support provision of screening, detection and treatment of COVID-19 cases, and further upgrading of health facilities and laboratories. The main environmental and social risks associated with the project are: (i) occupational health and safety issues related to testing and handling of supplies and the possibility that protective gears are not adequately used by the laboratory technicians and medical professionals; and (ii) environmental pollution and community health and safety issues related to the handling, transportation and disposal of healthcare waste and minor/moderate scale construction works. The environmental risks, therefore, are considered Substantial.

17. **Social risks associated with the project are also considered Substantial.** One central social risk is that marginalized and vulnerable social groups may not be able to adequately access facilities and services. To mitigate this risk the MoH, in the Environmental and Social Commitment Plan (ESCP), will include the provision of services and supplies based on need, in line with the latest data related to the prevalence of the cases. A draft Stakeholder Engagement Plan (SEP) that incorporates a preliminary stakeholder mapping has been prepared to guide the MoH in the early interactions with a wide range of citizens (including the most vulnerable among them) regarding basic health precautions and required emergency measures to be adopted. This SEP will be revised, as needed, within one month of project effectiveness, as noted in the ESCP. The SEP includes details of the Grievance Redress Mechanism (GRM)



that for addressing any concerns and grievances raised. Also, the planned civil works are anticipated to cause noise and air emissions from vehicles and machinery, generating waste and involving risks regarding workplace and community health and safety. Land acquisition is not expected under the project as all activities are planned within the physical footprints of existing facilities/sites. The environment and social screening will be required for civil works to ensure that such construction will not adversely affect residents in adjacent areas. The risks, together with the mitigation measures will be identified in detail in the Environmental and Social Management Framework (ESMF) which will be prepared by the MoH within one month of project effectiveness. While preparing the ESMF, relevant guidance of the MoH and WHO will be taken into consideration. The ESMF will be consulted with stakeholders and disclosed.

E. Implementation

Institutional and Implementation Arrangements

18. The Ministry of Finance (MoF) is the representative of the Borrower and the MoH is the implementing agency.

19. The project will be implemented by MoH through its various departments and divisions, including the Department of Public Health, Department of Medical Services, Department of Medical Supplies and Health Infrastructure and Policy and Planning Division (PPD). This project will also be implemented through an existing Project Management Unit (PMU), headed by a Project Director and supported by Project Coordinator, financial management officer and procurement officer. MoH, through its various divisions and units, will be responsible for providing necessary support including financing, logistics, constructions and training to the designated hospitals and health care facilities and laboratories and officials at various ports of entry.

20. The Chief of PPD and Senior Planning Officer will serve as the Director and Coordinator of this project, respectively. Project oversight and guidance will be provided periodically through an established Steering Committee, chaired by the Secretary. The Health Emergency Operations Center (HEOC) will serve as a secretariat for the emergency COVID-19 response. Therefore, HEOC structure may be enhanced to support them in project coordination and monitoring as needed.

21. Procurement under the project will be undertaken by the procurement unit of MoH. The PPD will be responsible to delegate and account for any budgets delegated to relevant units and divisions and hospitals for costs related to workshop, conference, training, hazard pay, etc. For more details, see the Financial Management and Procurement details in the Project Appraisal Summary.

22. The PMU will be supported by additional MoH staff for supervising environment safeguards including healthcare waste and bio-safety procedures in health facilities and for supervising activities in relation to community engagement and social safeguards.



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APPROVAL

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