



Additional Financing Appraisal Environmental and  
Social Review Summary  
Appraisal Stage  
**(AF ESRS Appraisal Stage)**

Date Prepared/Updated: 08/25/2021 | Report No: ESRSAFA228



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Borrower(s)	Implementing Agency(ies)
Iran, Islamic Republic of	MIDDLE EAST AND NORTH AFRICA	The Islamic Republic of Iran	
Project ID	Project Name		
P177491	Iran COVID-19 Emergency Response Project: Additional Financing		
Parent Project ID (if any)	Parent Project Name		
P173994	Iran COVID-19 Emergency Response Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Health, Nutrition & Population	Investment Project Financing	8/23/2021	9/30/2021

Proposed Development Objective

To improve the availability of selected essential, life-saving medical equipment for COVID-19 response.

Financing (in USD Million)	Amount
Current Financing	0.00
Proposed Additional Financing	0.00
<b>Total Proposed Financing</b>	<b>0.00</b>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

The project will have a single component "Procurement and distribution of selected, essential, life-saving medical equipment for COVID-19 response".



#### D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The project is a continuation of the parent project, which procured and distributed essential, life-saving medical equipment for COVID-19 response to a total of 182 civilian health facilities (including 137 hospitals and 45 laboratories) across the country. The Additional Financing (AF) of US\$90 M is to purchase more life-saving medical equipment to further support the COVID-19 response.

The facilities receiving equipment under the project are typically located in urban areas, typically served by waste management infrastructure, away from natural habitats, forests, greenfield assets, etc. Iran is a large country with the Caspian Sea and the Persian Gulf making up much of the northern and southern borders, respectively. To the west, Iran shares a large border with Iraq and a smaller border with Turkey. It also shares large borders with Turkmenistan to the northeast and Afghanistan and Pakistan to the east. It is the second-largest nation in the Middle East in terms of land size and the 17th largest country in the world in terms of population.

#### D. 2. Borrower's Institutional Capacity

The institutional arrangement for implementation is the same as the parent project where the implementation of the project will be outsourced entirely to WHO. The loan agreement will be signed between the World Bank and the Government of Islamic Republic of Iran (GoIRI, hereinafter the Borrower). WHO will enter into an agreement with the GoIRI. The World Bank will also enter into a Project Agreement with WHO. The roles of WHO are as follows: (a) provision of technical assistance to: (i) determine quantities and specifications of the medical equipment; (ii) identify the eligible health facilities to receive the procured equipment as per agreed criteria; (iii) procurement and distribution of the medical equipment; and (iv) monitoring and evaluation, verification and reporting including compliance with environmental and social standards.

The Borrower has gained experience working with the World Bank's Environmental and Social Framework (ESF) through the parent project. Similarly there will be continuity with WHO, which is a recognized leader in managing medical waste, Occupational Health and Safety (OHS), and COVID-19 protocols. The E&S performance of the parent project has been satisfactory, where all nominated hospitals and labs were assessed by an E&S consultancy firm, and classified as green facilities (i.e. eligible to receive the equipment based on a comprehensive questionnaire covering relevant E&S aspects) before receiving the designated equipment. In addition to this E&S assessment, a Third Party Verification Agency (TPVA) was engaged to verify the results of the assessments and as of May 2021, more than 90% of the visited facilities have been verified and the few identified issues by the TPVA, such as needed improvements for fire extinguishers and ventilation system in few facilities, were subject to an agreed upon action plan to be followed up in subsequent verification visits. In addition to the E&S consultancy firm and TPVA, WHO, as part of the Project Implementation Unit (PIU) formed for the project, assigned a senior E&S Team Lead for the parent project in addition to E&S Health Officer, E&S Consultant, and Social Engagement Officer for managing the E&S issues. The WHO will continue to retain these staffing arrangements, external assessors and verification arrangements to ensure the implementation of the ESF requirements under the AF. As in the parent project, the WHO will be tasked with the distribution of the medical equipment, conducting post-delivery visits to all the beneficiary facilities, and verification that the equipment is installed and used as intended. As in the parent project, WHO will also contract the TPVA to prepare a quarterly progress report summarizing: (i) procurement and distribution of medical equipment; (ii) implementation of Environmental and Social Commitment Plan (ESCP); (iii) status of the indicators in the project results framework; and (iv) information on any problems or obstacles that WHO has faced in the implementation of



the project. As in the case of parent project, the quarterly progress report prepared by the TPVA is shared with the Bank.

The Islamic Republic of Iran's Ministry of Health and Medical Education (MOHME) is the counterpart that is responsible for the COVID-19 response in the country. MOHME has gained some experience on the ESF from implementing the parent project. Prior to the Project, MOHME is implementing an accreditation system for ranking hospitals. This system includes environmental, occupational, and patient safety indicators, and MOHME is considering enriching the current system and standards based on the lessons learned from the parent project. In terms of the capacity of healthcare facilities, the experience of the parent project indicates that many of the assessed facilities were compliant with the environmental, health, and safety requirements (based on the assessment questionnaire) from the first visit, and the remaining facilities implemented the needed improvements in a timely manner so that they were eligible to receive the equipment after a follow-up visit. This demonstrates that they have reasonable capacity and commitment for environmental and social risk management.

**II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS**

**A. Environmental and Social Risk Classification (ESRC)**

Substantial

**Environmental Risk Rating**

Moderate

The environmental risks of AF are considered moderate at this stage. The main risks of the project are related to: (i) occupational health and safety of the medical staff at healthcare facilities using the equipment; (ii) safety risks from the utilization of equipment on patients; (iii) risks related to handling of healthcare waste and wastewater generated as a result of using the equipment; (iv) risks related to the associated activities, such as civil works needed to fix the equipment or to qualify healthcare facilities to receive the equipment, including OHS and waste management issues; and (v) risks related to transportation of equipment and issues related to road safety. The environmental risk was considered substantial during the preparation of the parent project due to the inherent risks (items i, ii and iii above) and the unknown capacity of the borrower and the implementing agency . During the course of the implementation of the parent project, the environmental risk has been reduced to moderate for the following reasons: (i) the Ministry of Health and Medical Education (MoHME), with support from WHO, has developed a robust process to assess all healthcare facilities to check their eligibility and this has been timely done before the equipment was delivered; and (ii) the independent verification done by the TPVA verified the findings of the original assessment for the majority of the healthcare facilities with few non- compliances that are being addressed and will be checked by the TPVA in follow-up visits. The satisfactory performance of the parent project has demonstrated the good capacity that is in place for managing environmental risks. Accordingly the environmental risk of the AF has been rated as moderate as risks are: (i) temporary, predictable and could be managed by available means; (ii) low in magnitude given the limited contribution of the waste generated by the new equipment compared to the overall waste generation in the health sector; (iii) relatively small area of influence, (iv) unlikely to lead to significant impacts to human health and the environment given the good track record of the client in managing environmental aspects of the parent project; and v) beneficiary healthcare facilities are located in urban areas away from environmentally sensitive locations. Risks will be closely monitored by the team during the implementation. Finally, the project is not anticipating finance of large scale civil works. Minor civil works may be required for equipment installation purposes.

Public Disclosure



These will be financed by other internal resources from the government, but are still considered associated activities to the project. In any case, relevant mitigation measures will be taken.

**Social Risk Rating**

Substantial

The AF has the same PDO and institutional arrangements as the parent project. The social risks also are the same as the parent project and are considered substantial, mainly related to the following: (i) the capture of project benefits by the elites; (ii) exclusion of the poor, elderly, those with disabilities and vulnerabilities mainly related to selection of Health Care Facility (HCF) locations; (iii) occupational health and safety related to transportation and distribution of procured equipment and minor civil works, as well as potential SEA/SH and Gender-Based Violence (GBV) risks at workplace; and (iv) community health and safety. To ensure that goods are distributed in a transparent equitable manner that reaches the most in need, the criteria for defining the eligibility of health facilities to receive the procured medical equipment that were developed and implemented under the parent project will be applied to the AF. Various stakeholder engagement actions have been carried out under the parent project. These include information disclosure, outreach on covid-19 interventions and safety protocols as part of the National Mobilization Plan Against COVID-19, consultations with selected health facilities, and establishing the grievance mechanism (GM). The GM of the parent project is functioning well, but some improvements are still needed to make it more effective and responsive.

**Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Risk Rating**

Low

The SEA/SH screening tool has been applied and the result indicated it as low. In addition, implementation of parent project does not report any incident or complaint related to SEA/SH.

**B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

**B.1. General Assessment**

**ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

**Overview of the relevance of the Standard for the Project:**

ESS1 is relevant to the Project as the utilization of COVID-19 testing kits, life-saving medical equipment and case management could be associated with negative environmental and social risks and impacts. The main environmental and social risks and impacts are related to occupational health and safety; safety risks from the utilization of equipment on patients; handling of healthcare waste and wastewater; and road safety related to equipment transportation. For managing those risks and impacts, an ESMF has been prepared for the project that includes the following: (i) the main E&S issues identified in the parent project and applicable to the AF; (ii) the national and international laws and standards related to the E&S risks; (iii) assessment of the applicable and non-applicable ESSs to the project; (iv) the process that will be followed (same as the parent project) in ensuring that healthcare facilities have the capacity to manage E&S risks where each facility was subject to E&S assessment, follow-up assessment (if needed to address non-conformities identified in the first assessment) and independent verification by TPVA; (v) requirements for ensuring road safety during the transportation of equipment; (vi) the E&S risks for minor construction works in healthcare facilities (to prepare them to receive the equipment) and mitigation measures that needs to be adopted while performing those works; and (vii) ensuring access of vulnerable groups/avoid elite capture. The ESMF highlighted that the same process of eligibility E&S assessments to confirm the capacity of healthcare facilities, that were conducted for the parent project, will continue for the AF. Healthcare facilities lacking minimum capacity in OHS and healthcare waste disposal guidelines will be excluded (if their capacity is



unsatisfactory) or subject to an E&S action plan to be implemented (if their capacity could be effectively improved within the needed time frame). WHO will engage a TPVA to conduct quarterly independent ex-post verification which will confirm the environmental and social performances of healthcare facilities and will identify any issues of non-compliance that need follow up.

With respect to vulnerable groups for this project, they are defined as elderly, those infected with COVID, other patients with pre-existing medical conditions, illiterate people, people with severe disabilities, pregnant women, and refugees and migrants living in Iran. The project is nationwide, covering all provinces. All hospitals are public, serving all population. One of the Facility eligibility criteria is serving population needs (particularly those of the poor and vulnerable) related to COVID-19. Another criteria is the existence of a GRM. The Stakeholder Engagement Plan (SEP) includes steps for outreach to these groups, as explained below.

### ESS10 Stakeholder Engagement and Information Disclosure

ESS10 is relevant. A SEP for the AF has been prepared, consulted, and disclosed by the implementing agency and includes the timing and methods of engagement with identified stakeholders. The SEP includes tools for identification of stakeholders and more specific analysis and information materials related to COVID19 and methods to disseminate them, i.e., through videos published by social media as well as on TV. The SEP (Annex – Stakeholder Engagement and GRM Report Final Report 31/07/2021, prepared by WHO) summarizes the results of ongoing engagement and consultations undertaken under the parent project. Based on this report, the project appears well received by stakeholders such as hospital administrative and medical staff. Issues raised relate to requests for training, and logistical issues of equipment delivery, which have been shared with MoHME and addressed.

The SEP also provides information on the grievance mechanism (GM) including the intake channels such as a telephone number, email address, and the name of the contact person. Finally, the category of GBV grievances was added to include procedures to be followed in case of a GBV complaint and to ensure confidentiality. The GM will respond to complaints throughout the project lifecycle and it will be continuously analyzed and strengthened, enabling stakeholders to voice their concerns, comments, and suggestions. The GM also allows anonymous grievances to be raised and addressed. It includes an appeal process for unsatisfactory complainants, and provides accessible and multiple grievance uptake channels—online and offline, telephone, text message, email, and complaints collection boxes. The MoHME will keep records of grievances in a register and will maintain a database on the complaints and resolved cases.

WHO will jointly with the MoHME, carry out stakeholder engagement and information disclosure activities consistent with ESS10. Regular activities include information disclosure and outreach on COVID-19 interventions and safety protocols as part of the National Mobilization Plan Against COVID-19, consultation with selected health facilities through the TPVA, as well as continuation on the already established GM under the parent project. Under the parent project, the GM is already established and functioning. WHO and MoHME jointly have established a dedicated extension for the Iran COVID-19 Emergency Response Project (ICERP) (ext. 7) to the MOHME hotline (No. 190) for client satisfaction, together with a dedicated ICERP email address. There are two focal points (one from WHO and one from MoHME) assigned to receive and review incoming grievances. WHO reports on the GM performance through its quarterly progress reports.



The GM received a total of 131 grievances of which eight were considered to be project-related requiring action. These complaints were from hospitals reporting missing delivery of equipment which were resolved. Through consultations, some stakeholders have reported hesitancy in using the GM. In response, the parent project increased efforts to promote GM awareness and obtain additional feedback through TPVA visits. Given the importance of GM, an intermediate result indicator to track the performance of the GM has been introduced under the AF.

With respect to vulnerable groups and mitigating the risk of their exclusion and of elite capture of benefits stemming from the project, the following steps will be taken: In addition to special attention at health facilities, WHO and MoHME will adopt several mechanisms such as publishing all information about the project in Farsi, and reaching out to vulnerable groups through measures outlined in the SEP. Moreover, the grievance mechanism will take into account the availability of needed recourse for these groups to provide feedback or send a complaint, including effective and efficient distribution of information for accessing the goods and services. Finally, to ensure information dissemination and outreach, all recipient hospitals and laboratories that receive the equipment in 31 provinces will display a poster and fact sheet about the project, including information about GM.

## **B.2. Specific Risks and Impacts**

**A brief description of the potential environmental and social risks and impacts relevant to the Project.**

### **ESS2 Labor and Working Conditions**

ESS2 is relevant. The AF will be carried out in accordance with the applicable requirements of ESS2, in a manner acceptable to the World Bank. This includes, inter alia, implementing adequate occupational health and safety measures for emergency preparedness and response measures, setting out grievance arrangements for project workers, and incorporating labor requirements into the environmental, social, health and safety (ESHS) specifications of the procurement documents and contracts with contractors and supervising firms.

A Labor Management Procedures (LMP) has been prepared (as part of the ESMF) and identified three categories of labor involved: (i) direct workers including PIU (WHO) workers who will be professional national and international persons working in a mixed gender environment; (ii) contracted workers that would deliver and install medical supplies, carry out minor civil works and provide consultancy services; and (iii) primary supplier workers who are working for suppliers providing medical and laboratory equipment. Community workers will not be employed in relation to this Project. The LMP identifies risks related to each type of workers and mitigation measures for those risks, and describes legislation related to labor. In line with ESS2 and the GoIRI Labor Law, the use of forced labor, child labor is prohibited in the project. The LMP incorporates the portion of the national law provisions which regulate labor rights, working hours, sick leave, adjusting work practices, restrictive measures and addressing grievances for workers. The LMP also included details on worker's GM including special channels for receiving and handling GBV, sexual harassment and sexual exploitation and abuse complaints and grievances.

Government civil servants are not considered as project workers and they will be bound by their work contracts, and the provisions in this labor management procedure will not apply to them except in regards of OHS, which is already included in the E&S assessment of healthcare facilities as indicated under ESS1. In case there are part-time direct workers, terms and conditions of part-time direct workers are determined by their individual contracts. Labor influx is not expected.



Healthcare associated infections due to inadequate adherence to occupational health and safety standards can lead to illness and death among health and laboratory workers. The laboratories to be supported by the project will process COVID-19 tests and could cause COVID-19 infection to the laboratory staff and to the community. Hence, effective administrative and containment controls have been put in place to minimize these risks. Environmentally and socially sound health facilities management requires adequate provisions for minimization of occupational health and safety risks, proper management of hazardous waste and sharps, use of appropriate disinfectants, proper quarantine procedure for COVID-19. These measures are covered in the E&S eligibility assessment for nominated facilities under the parent project and will continue to be used under the AF.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

ESS3 is relevant to the Project. All medical equipment for COVID-19 response will use energy. The Borrower will ensure that for the sustainable use of equipment procured under the project, the source of energy is available and used in an efficient manner. The used medical supplies, some of which may result in generating hazardous waste such as used test kits and wasted medications, would need to be adequately handled, stored, transported and disposed of. The WHO will ensure, through the E&S eligibility assessment indicated under ESS1, that healthcare facilities will use relevant protocols on healthcare waste management that are based on the best practices, for safely transporting, storing, and disposal, including World Bank EHS Guidelines. Health facilities lacking minimum capacity against the use of OHS and healthcare waste disposal guidelines will be excluded (if their capacity is unsatisfactory) or subject to an E&S action plan to be implemented (if their capacity could be effectively improved within the needed timeframe).

### **ESS4 Community Health and Safety**

ESS4 is relevant to the Project. The impact on community health and safety is expected to be positive, as the Project would improve the containment of COVID-19 and prevent/minimize further infections. However, the healthcare facilities' communities could be exposed to communicable diseases, poor healthcare waste management, traffic accidents related to the project good transportation for distribution and other health hazards. The ESMF includes measures to ensure safe transportation and the Borrower and WHO will ensure that those measures, such as the WHO's "Operational Planning Guidelines to Support Country Preparedness and Response", are included in the tender documents for supply of equipment and will be followed by the suppliers while delivering the equipment. All selected facilities will be subject to an assessment to ensure that they meet relevant Occupational Health Safety/ Community Healthy Safety requirements, including fire safety, before being eligible to receive the equipment as mentioned earlier. It is anticipated that, no security personnel or security forces will be used to procure, transport or deploy the goods.

The project will take measures to prevent and mitigate the risks related to any form of SEA/SH of patients and community members at large by relying on (i) the WHO Code of Ethics and Professional conduct for all workers; and (ii) World Bank guidelines on the mitigation of Sexual Exploitation and Abuse such as the signing of enforceable workers' codes of conduct, sensitization of workers and affected communities.



**ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

No land acquisition is expected

**ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

No expected impacts on biodiversity and/or living natural resources

**ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

No expected impacts on indigenous people

**ESS8 Cultural Heritage**

No expected impacts on cultural heritage

**ESS9 Financial Intermediaries**

No FIs will be involved

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways**

**OP 7.60 Projects in Disputed Areas**

**B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts**

**Is this project being prepared for use of Borrower Framework?**

No

**Areas where “Use of Borrower Framework” is being considered:**

Use of Borrower framework is not considered

**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

Borrower: The Islamic Republic of Iran

**Implementing Agency(ies)**

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

Task Team Leader(s):	Son Nam Nguyen, Mohini Kak
Practice Manager (ENR/Social)	Pia Peeters Cleared on 25-Aug-2021 at 08:30:48 GMT-04:00