



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 09-Apr-2020 | Report No: PIDA29098



BASIC INFORMATION

A. Basic Project Data

Country Philippines	Project ID P173877	Project Name Philippines COVID-19 Emergency Response Project	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 10-Apr-2020	Estimated Board Date 20-Apr-2020	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Republic of the Philippines	Implementing Agency Department of Health	

Proposed Development Objective(s)

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

Components

Strengthening Emergency COVID-19 Health Care Response
Strengthening Laboratory Capacity at National and Sub-National Level to Support Emerging Infectious Diseases (EIDs) Prevention, Preparedness, and Response
Implementation Management and Monitoring and Evaluation

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	100.00
Total Financing	100.00
of which IBRD/IDA	100.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	100.00
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Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

The Philippines is situated in the East Asia and Pacific region, with a population of 107 million spreading across more than 7,000 islands. These diverse tropical islands are grouped into three geographic areas: Luzon, the Visayas and the large southern island of Mindanao. The population has an annual growth rate of 1.4 percent and 47 percent of the population live in urban areas. The population is relatively young, with a 2018 estimate that only 5 percent of the population is aged 65 years and older. Adult literacy is high (98% in 2015) and the average life expectancy in 2018 was estimated at 71 years.¹

The Philippines is currently one of Asia's fastest-growing economies. Categorized as a newly industrialized country, it is transitioning from one based on agriculture to one based more on services and manufacturing. Since 2010, the Philippines registered its strongest and longest stretch of growth acceleration, becoming one of the best growth performers in the region: growth averaged 6.3 percent in 2010-18, second only to China, among large economies in the East Asia and Pacific region. The Philippines is poised to cross the threshold from lower-middle income country (LMIC) status to upper-MIC status within the next three years. Rapid growth has contributed to poverty reduction, with poverty incidence falling from 26.6 percent in 2006 to 21.6 percent in 2015. During the same period, growth has also been pro-poor. Income growth of households in the bottom 40 percent of the population increased by 2.9 percent compared to the average per capita income, which only rose by 1.6 percent.

The Philippines has a presidential form of government, with the President as head of government and of the State. A tripartite system of governance distributes the powers of government among three branches: the Executive, the Legislative and the Judiciary. The nation is constituted of 17 regions, 81 provinces, 145 cities, 1,489 municipalities and 42,036 barangays (the Filipino term for the smallest administrative division, equivalent to a village, district or ward). Each Local Government Unit (LGU), is headed by a Local Chief Executive – provincial governors, mayors for cities and municipalities, and chairpersons for barangays. In 1991, the enactment of the Local Government Code (LGC) transferred some national government powers and functions, such as the delivery of basic social services including health, to LGUs. Each LGU enjoys a certain level of autonomy and is legally entitled to an annual share of the national wealth called the Internal Revenue Allotment (IRA).

The Philippine Development Plan 2017-2022 outlines an aspiring reform agenda with the focus on equitable tax reforms, boosting market competition, and easing of doing business, as well as scaling up public

¹ Health Financing Systems Assessment for BARMM. DRAFT 2020 World Bank Group provides background to this section.



investments to infrastructure and social services. This Plan has four areas for strategic action: (a) building a prosperous, predominantly middle-class society where no one is poor; (b) promoting a long and healthy life through quality and affordable universal health care and social protection; (c) becoming smarter and more innovative through expansion of skill sets in order to adapt to rapidly changing technology and work requirements; and (d) building a high-trust society, through people-centered, effective, and accountable government. This medium-term plan is anchored on *Ambisyon Natin 2040*, a 25-year long-term vision adopted by the current administration. Approved in October 2016 by President Rodrigo Roa Duterte, the *Ambisyon Natin* vision targets a three-fold increase in per capita income by 2040 and envisages the end of poverty in the Philippines.

Despite remarkable progress, the Philippines faces challenges to this development vision. Income inequality, although declining, remains stubbornly high in the Philippines, one of the highest in the region. Despite the rapid economic growth, the average real wage has been stagnant since 2000, partly driven by a lack of market competition. Geographic and demographic diversity is reflected in inequitable income and access to social services across and within the islands. The geography of poverty reflects the strong nexus between poverty and vulnerability, both to conflict and to the impacts of natural hazards and climate change. The latest Global Terrorism Index ranked the Philippines as one of the top 10 countries affected by fatal terrorist attacks. Poverty rates increase with distance from Metro Manila. While under 5 percent of the population in Metro Manila falls below the national poverty line, the highest poverty rates—exceeding 50 percent of the population—are in two areas: (i) conflict-affected areas of western Mindanao and islands of the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM) and (ii) disaster-prone provinces in the Eastern Visayas region. The largest share of the poor live in Mindanao, home to roughly 25 percent of the country's population but 39 percent of the poor.

Due to its geographical location, the Philippine archipelago is at high risk from a range of natural disasters. The Philippines has been identified as the third most vulnerable country in the world to weather-related extreme events and sea-level rise. The main hazards in the Philippines include typhoons, floods, earthquakes, and volcano eruptions. Typhoon Yolanda (Haiyan), which was the strongest typhoon ever recorded, hit the Philippines in 2013 and reportedly cost about Php571.1 billion in total damage (US\$ 12.9 billion) and had a devastating impact on public infrastructure, including roads, hospitals and school buildings.

The Philippine population is expected to reach nearly 140 million by 2040, with the working age population (15-64 years) set to increase to 66 percent of the population compared to 8 percent over age 65 by that time. However, current trends reveal mixed human capital outcomes that undermine the wellbeing and productivity of current and future generations. The Philippines ranked 84th out of 157 countries in the WBG Human Capital Index (HCI), which captures the impact of human capital on future growth prospects. The national HCI for the Philippines (0.55) indicates that the future productivity of a child born today in the Philippines will be 45 percent below what could have been achieved with complete education and full health.

The Philippines moved aggressively to mitigate the COVID-19 epidemic at an early stage when confirmed cases were still at a very low level. The President declared the whole Philippines under a State of Calamity for a period of six months from March 16 and imposed an Enhanced Community Quarantine (ECQ) throughout the island of Luzon (which includes Metro Manila) from March 17 to 13 April. On March 24, 2020, the Congress passed the Bayanihan To Heal As One Act (Republic Act No. 11469) which declares a national emergency due to COVID-19, and grants the President expanded powers to adopt measure to prevent and suppress the spread of COVID-19 for three months. The Act also authorizes the Executive branch to reallocate and realign savings from the national budget as well as from government corporations. The number of confirmed COVID-19 cases has continued to



increase rapidly. After ramping up testing capabilities, current testing capacity is approximately 1,000 per day. As of March 30, 2020, there have been 1,546 confirmed cases and 78 deaths. Confirmed cases stretch across the age distribution, with a larger share among those age 50 and above, and 62% are male. In its March 30, 2020 Situation Report for the Philippines, the WHO notes that hospitals are already facing shortages of Personal Protection Equipment.

Sectoral and Institutional Context

As a lower middle-income country, the Philippines exemplifies the challenges of a health system in transition.

The country faces the epidemiological transition from communicable to non-communicable diseases. While the Philippines has comprehensive health strategies and policies developed at the national level, these are not effectively mirrored in local-level program implementation. Coverage of basic health programs lags well behind what would be expected of a country of the Philippines' level of economic development, with immunization coverage at its lowest point in ten years, poor (but improving) access to maternal health outcomes, and high levels of malnutrition for a middle-income country. The current health system is ill-equipped to manage rising burden of chronic, non-communicable diseases. At the same time, "traditional" threats – such as vaccine preventable diseases – continue to contribute significantly to the burden of disease. One contributing factor is the highly fragmented and devolved health financing and service delivery arrangements, which results in many variations in program coverage across provinces and municipalities, and unpredictability insufficiency of financing from year to year at the local level. In addition, health care is predominantly hospital-based with emphasis on curative care. The weak primary care system is generally under-resourced and there is also considerable geographic variation in access to care.²

Government expenditure on health as a share of GDP is low by global standards, with high out-of-pocket spending (OOP) on health. OOP spending on health, predominantly for pharmaceuticals, constitutes two-thirds of total health spending, and shows no sign of declining. However, the rapid expansion of enrollment under fully subsidized health insurance from 5.2 million to 14.7 million poor families (funded in part by revenues from the Sin Tax) promises to bring much-needed financial protection – if accompanied by efforts to ensure awareness of benefits, expansion of the benefit package, and efficiency in health service purchasing. Health service delivery in BARMM faces a significant challenge due to the fragile political situation and security context. Consequently, health outcomes in BARMM are significantly worse than the rest of the country.

The Philippines has a mixed public-private healthcare system that operates within a fragmented environment.

The private sector caters to only about 30 percent of the population but is larger than the public system in terms of financial resources and staff.³ It provides healthcare that is generally paid through user fees at point of service. About 65 percent of the 1,224 hospitals in the country in 2016 were private.⁴ Both the national government and LGUs manage the delivery of promotive, preventive, curative and rehabilitative health services. The DOH supervises the government corporate hospitals, specialty and regional hospitals while the Department of National Defense runs military hospitals. Both agencies provide tertiary care. At the local level, the provincial governments manage district and provincial hospitals. Meanwhile, municipal governments provide primary care including preventive and promotive health services and other public health programs through the rural health units (RHUs)

² Health Financing Systems Assessment for BARMM. DRAFT 2020 World Bank Group

³ (Oxford Business Group, 2018). Find and check original reference from HIT

⁴ DOH-HFSRB, 2016



and Barangay health stations (BHS), which are intended to be the first point of contact for government-provided health services.

Enactment of the Local Government Code (LGC) in 1991 led to dual governance in health, with the Department of Health (DOH) governing at the national level and the LGUs at the subnational level. The DOH serves as the overall steward and technical authority on health, being the national health policy-maker and regulatory institution. It is mandated to develop national plans, technical standards, and guidelines on health. It is also in charge of licensing hospitals, laboratories and other health facilities through the Health Facilities and Service Regulatory Bureau (HFSRB), and health products through the Food and Drug Administration (FDA). PhilHealth automatically accredits DOH licensed facilities. Meanwhile, the Insurance Commission (IC) regulates and supervises the operations of private insurance companies, and since 2015, of health maintenance organizations as well, except PhilHealth. The DOH also coordinates government, private sector and development partner assistance on health and leverages funds for improved health performance. The LGUs, on the other hand, are responsible for the delivery of primary and secondary health services at the subnational level. LGUs prepare plans, as well as manage, finance and implement local health programs and services. The local health board, which consists of elected and appointed members, exercises advisory powers, planning authority and responsibility for health services.⁵

PhilHealth plays an essential role in establishing the quality standards for facilities, as there are no licensing requirements for the rural health units (RHUs) in the Philippines. While individual health programs supported by the national DOH establish basic requirements of care, they exist as unfunded mandates and lack enforcement mechanisms. By contrast, PhilHealth circulars often provide a detailed accounting of the infrastructure and service standards required for accreditation. As facilities must be accredited to be included in PhilHealth's network, PhilHealth is well positioned to implement effective quality controls to the health sector by expanding and enforcing its accreditation requirements. The agency's strategy of accrediting facilities for specific services lowers the bar for accreditation and helps expand the number of accredited facilities in the short run—an important factor in access to care. Facilities can be authorized to deliver services for which they have sufficient capacity while building up readiness to provide more complex care. As conditions improve, the RHUs can apply for accreditation for additional services.

The total hospital bed capacity of the country is 101,688 beds, with government hospital beds accounting for 47 percent (47,371) and private hospital beds for 53 percent (54,317) of total hospital bed capacity. On average, one hospital bed served 1,010 people in 2016, which was almost the same as the DOH recommended ratio of one hospital bed per 1,000 population, though it still indicated a gap of 1,022 hospital beds. Human resources in health occupying permanent plantilla positions at the local level remained generally insufficient to serve the needs of the country in 2016. Scarcity of government's human resources in health is most palpable in ARMM, Davao, Zamboanga Peninsula and Calabarzon.

The Philippine Health Agenda (2016-2022) and FOURmula One plus (or F1+) for Health set an ambitious reform plan with the aim to achieve universal health coverage (UHC), and to assure financial risk protection and good health outcomes for the population. The Agenda focuses on guaranteeing all Filipinos equitable geographic and financial access to a comprehensive range of quality health services across different levels of care (upon first contact with the health care system). The National Objectives for Health 2017-2022 (NOH) issued by DOH provide the medium-term roadmap for the Philippines towards achieving UHC. These define the objectives, strategies and

⁵ (Kelekar & Llanto, 2013). Find and check original reference from HIT



targets of the DOH F1 Plus for Health, under the following health system pillars: financing, service delivery, regulation, governance and performance accountability. The DOH has also prioritized its health financing direction to guarantee universal access to comprehensive care at the primary care level and continuity of care through referral.

Republic Act 11223⁶, known as the Universal Health Care (UHC) Law, seeks to enroll every Filipino in the National Health Insurance Program, providing access to the entire spectrum of health care services. To generate additional tax revenues to finance its growing health investment needs, the Philippine government passed Republic Act 10351 in 2013, known as the Sin Tax Reform Law, which increased the excise tax rates on tobacco and alcohol products, the revenues of which were used primarily to finance the government's Universal Health Care program. In its first year of implementation, excise tax collections on alcohol and tobacco increased from 0.5 percent of GDP in 2012⁷ to 0.9 percent of GDP in 2013⁸, increasing to 1.2 percent of GDP in 2017⁹. The Act also proposes to consolidate the majority of public health financing around PhilHealth, thereby reducing the fragmentation of public health financing systems and strengthening PhilHealth as a key strategic purchaser in the health sector. The stated objectives of the UHC Law are to a) Progressively realize universal health care in the country through a systemic approach and clear delineation of roles of key agencies and stakeholders towards better performance in the health system and b) Ensure that all Filipinos are guaranteed equitable access to quality and affordable health care goods and services and protected against financial risk. Key Features of the Law encompass Financing, Service Delivery, the Local Health System, Regulation and Governance and Accountability.

High population mobility (mainly due to travel or tourism and economic activities), climate change, rapid urbanization and weak surveillance systems make the Philippines susceptible to the threats of emerging and reemerging diseases. The DOH developed Preparedness and Response Plans for the prevention and control of such diseases such as the Middle East Respiratory Syndrome-coronavirus (MERS-CoV) – a viral respiratory infection known as camel flu, and the Ebola Virus Disease from Africa. Interim guidelines were developed to: (i) ensure inter-agency coordination on the prevention or minimization of entry and spread of the disease; (ii) provide procedures for isolation, case management and infection control; (iii) establish disease surveillance and reporting; (iv) ensure health security of overseas Filipino workers (OFWs) in affected countries; (v) ensure the health security of Filipino UN peacekeepers; and (vi) conduct risk assessment for the disease in the deployment of OFWs.

While the Philippines has developed capacities in selected public health emergency preparedness and response areas, there are still major capacity gaps in the core capacities of International Health Regulations, as illustrated by the Joint External Evaluation of IHR core capacities (JEE) conducted in September 2018. In particular, there are challenges in achieving a harmonized approach for implementation of IHR, which require effective coordination between national and local levels and among sectors, and investments in capacities. Furthermore, there are significant gaps in capacities in the following technical areas: antimicrobial resistance, laboratory, food safety, biosafety/biosecurity, immunization, as well as emergency preparedness.

⁶ Otherwise known as An Act of Instituting Universal Health Care for All Filipinos, Prescribing Reforms in the Health Care System, and Appropriating Fund Thereof

⁷ Broken down as follows: Tobacco excise taxes (0.3 percent of GDP) and alcohol excise taxes (0.2 percent of GDP) in 2012.

⁸ Broken down as follows: Tobacco excise taxes (0.6 percent of GDP) and alcohol excise taxes (0.3 percent of GDP) in 2013.

⁹ Broken down as follows: Tobacco excise taxes (0.8 percent of GDP) and alcohol excise taxes (0.4 percent of GDP) in 2017.



The Philippines is developing the Inter-Agency National Contingency Plan for COVID-19. The draft plan outlines the tools to mount a full-scale, whole-of-government response to address COVID-19. The plan details the roles and responsibilities of relevant agencies in both public and private sectors, including civil society organizations, while harmonizing available resources and synchronizing existing policies, and looks at the access of support from other sources. The Plan covers multi-sectoral response dividing into the following clusters: (i) Health; (ii) Governance; (iii) Law and Order; (iv) Economy; (v) Logistics; (vi) International Humanitarian Assistance and Inter-Governmental Relations Cluster; (vii) Crisis Communication; (viii) Management of the Dead Cluster; (ix) Food and Non-Food Items Cluster. Objectives of each cluster along with roles and responsibilities of lead agency and supporting agencies are outlined in the plan. The objectives of the health cluster are (i) To ensure the protection of health care providers, frontliners and the general public; (ii) To reduce preventable mortalities and further morbidities resulting from COVID-19. The draft plan was costed at 691,283,000 USD which only included estimates for PPE, laboratory supplies, medicines and patient meals. The plan is currently being updated.

Department of Health, LGUs, and many development partners have contributed to COVID-19 health sector response efforts. Department of Health (DOH), in close collaboration with LGUs, has taken the lead in surveillance, laboratory, case detection, case confirmation, reporting, and risk communication. At the local level, LGUs have taken the lead in conducting contact tracing, social distancing measures and providing food to vulnerable groups. Development partners have also contributed financially and technically to the health sector response to COVID-19. ADB, the Global Fund, Government of Australia, UNDP, UNFPA, UNICEF, USAID, WHO, and the private sector have so far contributed US\$ 34.5 million in grant to DOH to support risk communication, laboratory, surveillance, infection prevention and control, case management, personal protective equipment (PPE), etc. Nevertheless, there is still a large financing gap, particularly to cover health care response, provision of medical equipment and supplies, enhance isolation and quarantine facilities, and strengthen laboratory capacity. The World Bank, through this project, will provide US\$ 100 million in loan to address these key gaps, complementing the support in the above-mentioned areas that are provided by other development partners.

PhilHealth also contributed to the COVID-19 response and assured that it will shoulder the medical expenses of all COVID-19 patients admitted in the hospital. Moreover, PhilHealth is releasing an initial PHP 30 billion to accredited hospitals to help them respond to the onslaught of COVID-19 in the country. The move utilizes its interim reimbursement mechanism (IRM) which will provide health care providers with the much-needed liquidity to adequately respond to the pandemic (PhilHealth, 2020).

Beyond the health sector, the Department of Social Welfare and Development prepares for Social Amelioration Package to provide subsidy to 18,000,000 vulnerable families. Moreover, all law enforcement agencies, with the support of the Armed Forces of the Philippines, are directed to implement measures to ensure peace and order in affected areas. The business sector donates disinfectant ethyl alcohol, face masks, and PPE. The group also adopted measures such as work from home; advanced 13th month pay; continuation of salaries and benefits for all employees. Due to mass suspension of public transportation operations, the Department of Transportation provided vehicles to transport health workers from residence to health facilities.

C. Proposed Development Objective(s)



Development Objective(s) (From PAD)

To strengthen the Philippines' capacity to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.

PDO level indicators:

- Percentage of hospitals with personal protective equipment and infection control products and supplies according to DOH requirements, without stock-outs in preceding one month;
- Percentage of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents, without stock-outs in preceding one month;
- Number of acute healthcare facilities with isolation capacity according to DOH established standards (Number)

D. Project Description

The project will support the Government of the Philippines in strengthening emergency COVID-19 health care response as well as strengthening emerging infectious diseases (EIDs) prevention, preparedness, and response capacity at national and sub-national level. In strengthening emergency COVID-19 health care response, the project will support provision of medical and laboratory equipment and reagents, medical supplies, including Personal Protective Equipment, and medicines. The project will also support enhancing isolation facilities as well as strengthening laboratory capacity.

Simple calculations imply the project will be highly desirable in cost-benefit terms. All of the project's interventions are expected to save lives by improving the quality of care of COVID-19 patients and reducing the number of infections. A rough estimate is that taken as a whole the measures under the project will reduce overall deaths by 10%. Taking the lower end of the range of deaths projected by Imperial College London, this implies that the project would save 16,702 lives, which would principally otherwise have been lost in 2020. An extremely approximate but conservative estimate of the value of a statistical life in the Philippines in economic terms can be found by multiplying GDP per capita (US\$3,319 in 2019) by 10 years of remaining working life, yielding \$33,190. These figures yield total benefits under the project of US\$500 million, generating an overall benefit-cost calculation of 5-to-1. More thorough calculations applying a discount factor to the value of lives saved in the future or assuming a lower number of lives saved would yield a benefit-cost ratio that is smaller but still exceeding one under even much more conservative assumptions.

The project comprises the following components:

Component 1: Strengthening Emergency COVID-19 Health care Response (Total US\$ 82,500,000): The aim of this component is to strengthen essential health care service delivery system to be able to respond to a surge in demand as a result of anticipating rise in the number of COVID-19 cases in the coming months. As COVID-19 will place a substantial burden on inpatient and outpatient health care services, support will be provided to equip selected health facilities prioritized by DOH for the delivery of critical medical services and to cope with increased demand. Health system strengthening efforts will therefore focus on provision of medical and laboratory equipment, PPE, medical supplies as well as essential inputs



for treatment such as oxygen delivery systems and medicines to selected hospitals and health facilities. Local containment will be supported through the establishment of local temporary isolation units. The component will also finance requirements of infrastructure of quarantine facilities. It is anticipated that any construction involved under this component will be conducted at existing facilities, and that no new land acquisition or involuntary resettlement are expected. This component also supports the Department of Health in preparing a guidance note on standard design for hospital isolation and treatment centers to manage Severe Acute Respiratory Infections (SARI) patients that will be used in health facilities across the country to ensure standard and quality of COVID-19 health care services. The component has three sub-components.

- (a) **Sub-component 1.1. Provision of medical and laboratory equipment and reagents¹⁰ (US\$ 43,200,000):** This sub-component will support selected DOH hospitals and provincial hospitals with laboratory equipment (e.g. Polymerase Chain Reaction machines), test kits, reagents, as well as to upgrade diagnostics and treatment of COVID-19 infection capacity through procurement of such intensive care unit equipment and devices as mechanical ventilators, cardiac monitors, portable x-ray, Extracorporeal membrane oxygenation (ECMO) machine; Portable Oxygen Generator machine, Continuous Positive Airway Pressure (CPAP). The sub-component will also support provision of oxygen, emergency beds, laboratory reagents and waste management facilities. This subcomponent will also support short trainings on use of equipment, devices, and tests for health providers and technicians, and to support the necessary logistics and supply chain to ensure that the equipment will reach frontline health facilities without delays.
- (b) **Sub-component 1.2. Provision of medical supplies, including Personal Protective Equipment (PPE), medicines, and ambulance (US\$ 16,300,000):** This subcomponent will support the health system with supplies including PPE such as masks, goggles, gloves, gowns, etc. It will also support medical counter measures and medical supplies for case management and infection prevention, as well as procurement of drugs such as antivirals, antibiotics and essential medicines for patients with co-morbidity and complications such as CVDs and diabetes. This subcomponent will also support short trainings on use of medical supplies for health providers and technicians as needed, and to support the necessary logistics and supply chain to ensure that the medical supplies and PPE will reach frontline health facilities without delays. Small part of this sub-component may also support ambulance vehicles to address COVID-19 response, as needed.
- (c) **Sub-component 1.3. Enhancing isolation/quarantine facilities (US\$ 23,000,000):** This sub-component will support the establishment, construction, retrofitting/refurbishment of quarantine facilities in major points of entry, increase number of regular isolation rooms in DOH and provincial hospitals as well as establishment of negative pressure isolation rooms in DOH and provincial hospitals. It will also support setting up of first line decontamination facilities in international airports and seaports (holding areas) as well as establishing isolation tents for triaging in health facilities.

¹⁰ Laboratory support under Sub-Component 1.1 is short-term and includes PCR machines and test kits for 70 DOH hospitals and 85 provincial hospitals. Component 2 supports strengthening of reference laboratories at both national and sub-national levels to address EIDs in the short and medium term.



Component 2: Strengthening laboratory capacity at national and sub-national level to support Emerging Infectious Diseases (EIDs) Prevention, Preparedness, and Response (Total US\$ 16,500,000):

The component will support the establishment of national reference laboratories as well as selected subnational and public health laboratories. It will include improving, retrofitting and refurbishing five existing reference laboratories – Research Institute for Tropical Medicine (RITM) as well as four DOH laboratories in Baguio, Cebu, Davao, and Manila (San Lazaro). The sub-component will also support constructing and expanding laboratory capacity in priority regions that currently do not have necessary laboratory capacity. The sub-component will also support necessary laboratory equipment, laboratory supplies, reagents, as well as capacity building for relevant laboratory staff. It is anticipated that any construction involved under this component will be conducted at existing facilities, and that no new land acquisition or involuntary resettlement are expected.

Component 3: Implementation Management and Monitoring and Evaluation (Total US\$ 1,000,000):

Project Management. The component will support the Department of Health (DOH) as the implementing agency of the project. DOH will be responsible for the coordination, management, and implementation of the project at the national and sub-national levels, financial management and procurement. The project will be implemented through mainstream DOH processes and will not involve a parallel project implementation unit or secretariat. This will be strengthened by the recruitment of additional staff/consultants responsible for overall administration, procurement, and financial management under country specific projects. To this end, project would support costs associated with project coordination, management, and implementation. This component will also support costs related to the management of environmental and social risks under the Bank’s Environmental and Social Framework, including the implementation of Environmental and Social Management Framework (ESMF) and relevant stakeholder engagements.

Monitoring and Evaluation (M&E). This component would also support monitoring and evaluation of project implementation, prevention and preparedness, building capacity for clinical and public health research, and joint learning across and within countries. As may be needed, this component will also support third-party monitoring of progress and efficient utilization of project investments.

Table 1 illustrates the summary project costs

	Total (US\$)
Component 1: Strengthening Emergency COVID-19 Health care Response	82,500,000
Sub-component 1.1 Provision of medical and laboratory equipment and reagents	43,200,000
Sub-component 1.2 Provision of medical supplies, including Personal	16,300,000



Protective Equipment (PPE), medicines, and ambulance	
Sub-Component 1.3 Enhancing isolation/quarantine facilities	23,000,000
Component 2: Strengthening laboratory capacity at national and sub-national level to support Emerging Infectious Diseases (EIDs) Prevention, Preparedness, and Response	16,500,000
Component 3: Implementation Management and Monitoring and Evaluation	1,000,000
Total	100,000,000

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

The project will apply the World Bank’s Environment and Social Framework, procedures for IPF operations designed to respond to COVID-19, and processing as an emergency operation under paragraph 12 of the IPF Policy. The following Environment and Social Standards are considered relevant for the project: ESS1, ESS2, ESS3, ESS4, ESS7, and ESS10.

The environment and social risks are classified as substantial and include the following:

- occupational health and safety risks resulting from the operation of medical facilities and laboratories involved in COVID-19 response which inherently expose staff to infection risks;
- risks related to the spread of COVID-19 among the population at large and especially for the most disadvantaged and vulnerable populations (such as the elderly, children, poor households, persons with disabilities including physical and mental health disabilities, and indigenous peoples), due to poor training, communication and public awareness



related to the readiness and response to the new COVID-19;

- health care waste management and disposal and community health and safety issues related to the handling, transportation and disposal of healthcare wastes;
- environmental and safety risks associated with small scale civil works for medical facilities refurbishment or completion of ongoing construction
- conflicts resulting from false rumors and social unrest, the social stigma associated with COVID-19 and tensions and potential unrest with respect to access to testing and other services related to public health services including isolation and quarantine facilities.

A Stakeholder Engagement Plan (SEP) has been developed to ensure that all stakeholders are aware of project risks and mitigation measures, information is disclosed properly, communities and local government units are consulted, and social preparation for areas that will potentially host isolation and quarantine facilities will be conducted. The SEP will be implemented in a way that takes into consideration specific circumstances for indigenous peoples, other vulnerable groups, and the locality's ways of information dissemination and conducting consultations while communities or households may be in quarantine. An Environment and Social Commitment Plan (ESCP) has also been prepared to ensure that measures and resources for mitigating risks and impacts are in place at appropriate times during project implementation. The SEP and the ESCP will be revisited during project implementation to further tailor them to the needs and requirements of the project.

An Environment and Social Management Framework covering screening of proposed site specific activities including civil works, infection prevention and healthcare waste management, standard provisions for workers and communities' health and safety and capacity strengthening for social, environment, health and safety management will be prepared by DOH with a consultant's support who will also help familiarize the client with the ESF and in the process build the capacity of DOH counterparts on environment and social risk management.

E. Implementation

Institutional and Implementation Arrangements

Department of Health (DOH) will be the implementing agency for the Project. The DOH will appoint a Project Director (Undersecretary level), and a Project Manager (Director level). The Project Director and Project Manager will be acting through DOH's technical departments and national programs, as well as the regional health units, LGUs, referral hospitals, and health centers. Within the DOH, the Project will be implemented through the Bureau of International Health Cooperation (BIHC), Health Facility Enhancement Program Management Office (HFEPMO), Disease Prevention and Control Bureau (DPCB), Health Emergency Management Bureau (HEMB), Procurement Service (PS), Finance Management Service (FMS), and relevant units, with BIHC as the main project focal point. The project implementation will use mainstream DOH processes and will not involve a parallel project implementation unit or secretariat. However, the project will have a provision to strengthen DOH units' capacity and skills through additional consultants or advisors. Additional consultants or advisors will be recruited with an aim to strengthen the overall fiduciary, ESF functions as well as to support implementation of project activities. DOH will also ensure effective implementation at the sub-national levels and close coordination with relevant LGUs.

The guiding documents for the Project will be an updated Project Operational Manual, including



standard project fiduciary, environmental and social risk management, implementation, and M&E requirements, as well as relevant official documents to be developed. In addition, Annual Work Plan and Budget (AWPB) will be submitted for no-objection to the World Bank no later than October 30 of each year, detailing the project work program and budget for each government fiscal year and specifying the allocation and sources of funding for all project components.

Funds flow and accountabilities for financial reporting. The DOH will adopt the existing institutional structure to carry out the project's Financial Management (FM) and disbursement functions. Capacity of the Administration and Financial Management Team of DOH in managing the World Bank financed projects is adequate provided the mitigating measures are implemented. One Designated Account (DA) in US\$ at the Land Bank of the Philippines will be maintained by DOH to receive funds from the World Bank and to make payment for eligible expenditures. DOH is responsible for submitting a six-month interim unaudited financial report, starting from the first semester following the project's first disbursement, to the World Bank no later than 45 days after semester-end and annual audited financial statements no later than 6 months after the end of each calendar year.

While the DOH had limited experiences working on Bank operations in recent years, lessons learned from previous projects could guide DOH to avoid past challenges in future projects. The last two health projects in the Philippines were National Sector Support for Health Reform (2006-2012) and Women's Health and Safe Motherhood Project (2005-2013). The support from the first project led to an increase in the coverage of PhilHealth, from 13.6 million poor receiving subsidized coverage in 2007 to 31.4 million in 2013. This, in turn, contributed to the increased use of health services by the poor. The second project led to a large increase in the number of facility-based deliveries. However, there were key implementation challenges faced by both projects, including slow implementation by DOH, delays in delivery of key reports, limited support to LGUs. The implementation of the second project was so slow that only 18 percent of funds were disbursed in the first five years of the project. At project closing, 35 percent of project funds were not used and had to be cancelled. These provide important lessons learned for DOH to avoid similar challenges in future projects.

The project implementation team at DOH will be responsible for: (i) collecting and compiling all data relating to their specific suite of indicators; (ii) evaluating results; (iii) providing the relevant performance information and reporting results to the World Bank immediately prior to each semiannual supervision mission. Each unit will perform its functions in accordance with the methodology prescribed in its respective project implementation manual, and each appoint a project-funded M&E technical expert.

Supervision and implementation support: An experienced World Bank team of health, operational, and fiduciary specialists will provide day-to-day implementation support to DOH. Implementation support missions will be carried out on a regular basis and will include relevant partners.

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 laboratory capacity (informed by the COVID-19 immediate response) will be a sustainable impact of the project. This would help the health sector to effectively respond to any future pandemics.



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