

**Georgia Emergency COVID-19 Response Project
(Loan No. 9113-GE)**

Virtual Implementation Support Mission

February 10-18, 2021

Aide Memoire

I. INTRODUCTION

1. A World Bank (WBG) team¹ conducted a virtual implementation support mission from February 10 to 18, 2021 to (i) discuss progress towards achieving the Project Development Objective and implementation of project activities, including fiduciary, social and environmental safeguards aspects; (ii) identify solutions to any pending issues to expediate implementation; (iii) agree on next steps. The World Bank team worked with the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs and Social Protection (MoILHSA) and the Project Implementation Unit (PIU).
2. The Bank team would like to extend its sincere gratitude to the Government of Georgia for their guidance and input, as well as for the excellent cooperation during the visit. The conclusion of the Aide Memoire is endorsed by the Bank management.

II. PROJECT DATA, RATINGS, MILESTONES AND PROJECT COMPONENTS

Table 1: Key Project Data and Ratings

Project Data	EUR (millions)
Original Program Amount	73.10
Total Disbursement	53.84
Disbursement in World Bank fiscal year 2021 (July 1, 2020-June 30, 2021)	53.84
Closing Date	April 30, 2022

Project Ratings	Previous (September 2020)	Current (February 2021)
Program Development Objective (PDO)	Satisfactory	Satisfactory
Implementation Progress (IP)	Satisfactory	Satisfactory
Financial Management	Satisfactory	Satisfactory
Project Management	Satisfactory	Satisfactory
Financial Management	Satisfactory	Satisfactory
Procurement	Satisfactory	Satisfactory

¹ The mission included the following members: Mr. Volkan Cetinkaya (Senior Economist, co-Task Team Leader), Ms. Maddalena Honorati (Senior Economist, co-Task Team Leader), Mr. Ahmet Levent Yener (Program Leader), Ms. Jelena Lukic (Senior Social Development Specialist), Ms. Darejan Kapanadze (Senior Environment Specialist), Mr. Tanvir Hossain (Senior Procurement Specialist), Ms. Nino Ramishvili (Procurement Specialist), Djamshid Iriskulov (Financial Management Specialist), Ms. Alicia Marguerie (Economist), Ms. Anna Berdzenadze (Operations Analyst), Ms. Nino Moroshkina (Health Sector Consultant), Ms. Tamar Tsenderadze (Procurement Consultant), and Ms. Lela Ghongadze (Program Assistant).

Project Ratings	Previous (September 2020)	Current (February 2021)
Monitoring and Evaluation	Satisfactory	Satisfactory
Overall Environmental and Social Standards (ESS) Performance	Moderately Satisfactory	Satisfactory
Overall Risk	Substantial	Moderate

A. Progress towards the achievement of the PDO

3. Progress towards the achievement of the PDO is Satisfactory. Two out of three PDO indicators and four out of ten intermediate indicators have already been achieved. The Project Operations Manual (POM) has been finalized and approved in October 2020, and further updated to reflect the changes in the legislation related to social benefits. The POM sets the operational guidelines for new benefits, including the eligibility verification procedures, disbursement procedures, and control mechanisms for new temporary social protection benefits introduced to mitigate the social and economic impacts of the pandemic on households and those who lost jobs and saw their income decline.
4. As of March 10, 2021, the disbursement level has reached 79.2% of the total loan for the project and is expected to reach 90% by the end of FY21.

B. Implementation Progress

Program Component

5. **Component 1.** Implementation of the planned activities under the Component-1 is well underway to strengthen the health system preparedness—improving the quality of medical care for COVID-19 patients and minimizing the risks for health personnel and patients.
6. The PIU has signed several critical contracts and proceeded with the procurement of essential packages of equipment and supplies to respond to COVID-19 emergencies in key defined areas. As a result, a number of key results have been achieved, including:
 - a. Case detection capacity increased: 1 million rapid AG tests and 1.8 million PCR tests purchased, and an additional 390,000 PCR tests will be delivered by the end of February 2021. In addition, procurement of highly technological PCR Testing automatic machine from Roche Diagnostic- Cobas 6800 has been completed.
 - b. PPE procured and distributed to healthcare facilities: 54,000 protective goggles, 3 million disposable surgical masks, 40,000 face shields, 4.3 million gloves, and 230,000 respirators.
 - c. Essential medical equipment procured for hospitals where the majority of complex COVID-19 cases treated. These hospitals include the N. Kipshidze Central University Clinics in Rukhi and Tbilisi, the Batumi Clinical Hospital, the Regional Healthcare Center in Kutaisi, the Infectious Diseases, AIDS, and Clinical Immunology Hospital in Tbilisi, and the Sachkhere Regional Hospital.
 - 1,000 oxygen concentrators, 850 non-invasive assisted medical ventilation machines with “high flow nasal cannula” functions, 18,000 CPAP & BPAP masks distributed

to hospitals as well as the COVID-19 pandemic hotels reserved for management of non-severe cases

- 36 dialysis machines for hospitals in Tbilisi and Batumi
- 2 complete sets of laboratory equipment procured and delivered to hospitals in Batumi and Rukhi
- Computed tomography scanner procured and installed at the Regional Healthcare Center Clinic in Kutaisi.

d. PIU contracted with UNOPS to procure medical equipment:

- 9 pulmonary ventilators, 160 syringe pumps, and 27 high-pressure surgical suction pumps delivered
- 14 cardiograph machines and 37 pulmonary ventilators have procured and delivered
- 129 electric and 250 mechanical hospital beds and 55 anti-sore mattresses for hospitals in Batumi and Tbilisi.
- Orders for 70 flow meters and 30 pulse oximeters have been placed

e. Self-isolation & quarantine case management electronic platform has been developed and made functional.

7. In addition, (i) quarantine-related costs at non-medical facilities including hotels incurred by the Georgian National Tourism Administration; and (ii) cost of COVID-19 procedures and services provided to patients at public and private healthcare facilities will be submitted for reimbursement in March 2021 as it is specified in the Global Budget And Reimbursements Manual of the Project.
8. **Component 2.** Implementation of Component 2 is progressing well, though, the disbursement is a bit below the expected projections due to delays in processing the supporting documentation for reimbursements and to the fact that some eligible expenditures are being reimbursed by KfW. With the fourth claim of reimbursement received in February, the disbursement under Component 2 is EUR 24.3 million (56% of the allocated EUR 43.7 million for component 2) as of February 21, 2021.
9. The project has supported so far a total of 133,934 unemployed individuals (out of which 60,270 individuals for IBRD loan share), 248,303 self-employed whose activity was affected by the crisis (out of which 111,736 individuals for IBRD loan share), and 101,505 vulnerable households (76,850 receiving a temporary emergency benefit and 24,655 households with three children or more receiving a large family top-up) (out of which 45,677 households for IBRD loan share). Additional EUR 8 million is expected to be disbursed by the end of FY21 with the remaining balance, EUR 11.4 million, to be disbursed in Q1 of FY22.
10. In order to achieve the agreed targets of indicators in the result framework, the team advised to accelerate the support to the Targeted Social Assistance program and the new round of the GEL 300 one off benefit.

11. The team discussed and clarified the needed updates in the POM based on the approved amendments and projections. The PIU will submit the revised POM to the Bank by March 30, 2021.
12. Besides the Bank project co-financed with AIIB, the capacity built through the PIU and the availability of a POM has been critical in implementing another emergency project financed by KfW, a German state-owned development bank. The KfW project is using the same PIU and procedures described in the POM to contribute to funding the emergency transfers proposed by the Government and supported by Component 2, in the amount of EUR 21 million.

C. Financial Management and Procurement

13. The Financial Management and Procurement ratings are Moderately Satisfactory. Un-audited interim financial statements were submitted on time, reviewed, and found to be acceptable. Selection of an auditing firm to audit project financial statements for the year ended December 31, 2020, is in progress. The deadline for submission of the audited project financial statements is June 30, 2021.

D. Environmental and Social Framework

14. Environmental and Social ratings have been upgraded from MS to S following the successful finalization of the Environmental and Social Management Framework (ESMF) and conditional clearance of the Stakeholder Engagement Plan (SEP), further described below. Incorporating comments and suggestions from the stakeholders, the PIU revised ESMF and submitted to the Bank for review. After the Bank's clearance, ESMF was disclosed in Georgian and English languages on the ministry's webpage on December 3, 2020.
15. Similarly, SEP was revised based on the comments and suggestions received from the stakeholders and was submitted to the Bank for review and clearance. The Bank provided conditional clearance for disclosure of the final SEP and requested clarifications on establishing grievance mechanism (GM) and formalizing grievance redress commission. The final version of GM was cleared by the Bank, and updated SEP in Georgian and English languages was disclosed on the ministry's webpage. It was agreed that the established GM will be adapted to be able to receive confidential complaints associated with gender-based violence (GBV). The repair works have not started yet in the selected hospitals, therefore there haven't been any reported grievances yet. The project has also not received any grievances in relation to Component 2. On February 11, 2021, the Bank team delivered an ESF launch workshop for a total of 53 participants including the PIU staff and other key stakeholders from government agencies participating in the project such as hospital and medical centers representatives, SESA, Labor Inspection and relevant departments of MoILHSA. The mission presented the main implementation requirements of the ESMF, LMP, SEP and carried out a sensitization on GBV, sexual exploitation and abuse and harassment (SEAH) risks within the context posed by COVID-19 pandemic.

III. NEXT STEPS AND AGREED ACTIONS

16. The agreed actions to accelerate the pace of implementation are as follows:

Table 2: Summary of Agreed Actions

	Actions	Responsible	Due Date
1	Revised POM	MoHLSP	March 30, 2021
2	PIU to share a comprehensive disbursement plan of remaining funds across the different benefits covered under component 2	MoHLSP	March 30, 2021
3	Carry out stakeholder engagement activities	MoHLSP	April 30, 2021
5	Adapt the GM to receive SEAH complaints	MoHLSP	April 30, 2021
6	Prepare site specific ESMPs and Waste Management and Infection Control Plans	MoHLSP	Before the launch of the bidding process for works in medical centers

Annex 1: List of officials and organizations met

Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs

Tamar Gabunia	First Deputy Minister
Tamila Barkalaya	Deputy Minister
Elza Telia	Assistant to Tamila Barkalaya, Deputy Minister
Tea Gvaramadze	Head of Social Protection Policy Division
Nato Kvernadze	Assistant to Tamar Gabunia, First Deputy Minister
Mikheil Janiashvili	Head of IT Department
Nino Veltauri	Director of State Employment Support Agency

Project Implementation Unit

Nino Kvernadze	Covid19 Response Project Manager
Natalie Godziashvili	Covid19 Response Project, Procurement Specialist
Nino Patarashvili	Covid19 Response Project, Social Standards Specialist
Giorgi Kobaladze	Covid19 Response Project, Environmental Specialist