

Hungary : Emergency Assistance for Healthcare Expenditures

1. Project Information

Project ID:	P000522	Instrument ID:	L0522A
Member:	Hungary	Region:	Eastern Europe
Sector:	Public Health	Sub-sector:	N/A
Instrument type:	<input checked="" type="checkbox"/> Loan:216.10 USD million <input type="checkbox"/> Guarantee	Co-financier(s):	
ES category:	B	Borrower:	Hungary
Implementing Entity:	N/A		
Project Team Leader:	Zacharias Ziegelhöfer		
Project Team Members:	Bernardita Saez, Project Counsel; Christopher Damandl, Alternate Counsel; Yogesh Malla, OSD - Financial Management Specialist; Georgi Georgiev Dzhartov, OSD - Social Development Specialist; Gerardo Pio Parco, OSD - Environment Specialist; Benedetta Magnaghi, OSD - Procurement Specialist; Giacomo Ottolini, OSD - Senior Consultant		
Completed Site Visits by AIIB:	NA		
Planned Site Visits by AIIB:	Mar, 2022 Virtual mission to take stock of implementation progress. Third-party monitor will conduct physical visits, if travel is feasible. Oct, 2022 Virtual mission to take stock of implementation progress. Third-party monitor will conduct physical visits, if travel is feasible.		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:			
Previous Red Flags Assigned Date:			

2. Project Summary and Objectives

The Project will finance medical and pharmaceutical supplies, testing supplies for COVID-19 emergency response, as well as the refurbishment of national and regional hospitals in Budapest.

Component 1 - Building Case Management Capacity: procurement of oxygen therapy devices, vital sign monitors, personal protective equipment (PPE), and medications.

Component 2 - Strengthening Hospital Laboratory System: procurement of lab equipment, test kits, reagents, and other testing supplies.

Component 3 – Refurbishments of Hospital Buildings: refurbishment of 17 hospitals in Budapest, including hospitals designated for the case management of COVID-19 patients and essential hospitals required to remain open during the pandemic.

The Project Objective is to strengthen the public health emergency response infrastructure in Hungary and to improve pandemic preparedness. The project is expected to increase the quantity of quality medical and pharmaceutical supplies and diagnostic testing equipment available for a robust COVID-19 response, and further

enhance the capacity of the overall health system through hospital capacity enhancement to manage new waves of COVID-19 and future health shocks.

3. Key Dates

Approval:	Aug. 26, 2021	Signing:	Sep. 10, 2021
Effective:	Sep. 20, 2021	Restructured (if any):	
Orig. Closing:	Jun. 30, 2023	Rev. Closing (if any):	

4. Disbursement Summary (EUR million)

Contract Awarded:	183.10	Cancellation (if any):	0.00
Disbursed:	0.00	Most recent disbursement (amount/date):	0.00/Jan. 20, 2022
Undisbursed:	183.10	Disbursement Ratio (%) ¹ :	0.00

5. Project Implementation Update

The loan agreement was signed on September 10, 2021, and become effective on September 20, 2021. The Environmental and Social Management Planning Framework (ESMPF) has been completed and is satisfactory to the AIIB. The ESMPF has been publicly disclosed in both English and Hungarian. The project implementation is progressing as planned. The activities under Components 1 and 2 have been completed. A post-review through the third-party monitor is ongoing. The activities under Component 3 are ongoing. A first disbursement is expected in Q1 2022.

Components	Physical Progress	Environmental & Social Compliance	Procurement	Financial Management
Component 1 - Building Case Management Capacity: procurement of oxygen therapy devices, vital sign monitors, personal protective equipment (PPE), and medications.	Completed.	The ES impacts of Component 1 are limited to the procurement of goods. The ESMPF covers any attendant civil works, if any.	Completed. Post-review is ongoing.	No disbursements have been made in 2021. The third-party verification is being carried out to confirm the eligibility of expenditures to be financed under the retroactive provision. There are no outstanding IUFs or audit reports in this reporting period.
Component 2 - Strengthening Hospital Laboratory System: procurement of lab equipment, test kits, reagents, and other	Completed.	An assessment of the management of hospital waste, in this case waste coming from the laboratory and	Completed. Post-review ongoing.	

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

testing supplies.		diagnostic services of the hospital, has been done and was found to be adequate for Hungary. EU regulations on healthcare waste/hospital waste is followed in Hungary		
Component 3 – Refurbishments of Hospital Buildings: refurbishment of 17 hospitals in Budapest, including hospitals designated for the case management of COVID-19 patients and essential hospitals required to remain open during the pandemic.	Construction works are ongoing.	The ESMPF has been developed satisfactory to the AIIB and disclosed in English and local language. The ESMPF covers procedures for potential impacts from the refurbishment of hospitals financed by the project.	Completed.	

6. Status of the Grievance Redress Mechanism (GRM)

The standalone GRM is functional, no outstanding grievances have been reported.

7. Results Monitoring

The project become effective recently. No progress report, including results monitoring indicators, has been submitted yet by the Borrower. The results monitoring will be updated during the next PIMR. The project progress is at an advanced stage. For Component 1 and 2, the procurements have been completed. For Component 3, procurement has been completed and the envisaged refurbishment covers a total floor area of 263,000 m2 in the 17 hospitals combined. The refurbishment of 91,000 m2 has already been completed, corresponding to 34.6 percent of the overall planned activities under Component 3.

Project Objective Indicators #1

Number of designated hospitals/quarantine centers fully equipped with supplies for case management (e.g. oxygen devices, vital signs monitors, PPE and medications).

Year	Target	Actual	Comments, if any
Jan. 01, 2023	95	0	

Project Objective Indicators #2

Utilization rate of COVID-19 diagnostic equipment, test kits, and reagents financed by the project.

Year	Target	Actual	Comments, if any
Jan. 01, 2023	100	0	

Project Objective Indicators #3

Number of public hospitals that complete the planned upgrading through the support of the Project.

Year	Target	Actual	Comments, if any
Jan. 01, 2023	17	0	

Intermediate Result Indicators #1

NA

Year	Target	Actual	Comments, if any
Jan. 13, 2022	NA	NA	

Remarks: