

Hungary : Emergency Assistance for Healthcare Expenditures

1. Project Information

Project ID:	P000522	Instrument ID:	L0522A
Member:	Hungary	Region:	Eastern Europe
Sector:	CRF-Public Health	Sub-sector:	N/A
Instrument type:	<input checked="" type="checkbox"/> Loan:183.10 Euro million <input type="checkbox"/> Guarantee	Co-financier(s):	
ES category:	B	Borrowing Entity:	Ministry of Finance, Hungary
Implementing Entity:	Ministry of Finance, Hungary		
Project Team Leader:	Zacharias Ziegelhöfer (Responsible DG: Gregory Liu; Responsible Department: INF2)		
Project Team Members:	Rizal Rivai, OSD - Procurement Specialist; Gerardo Pio Parco, OSD - Environment Specialist; Weini Li, OSD - Social Development Specialist; Bernardita Saez, Project Counsel; Christopher Damandl, Alternate Counsel; Yogesh Malla, OSD - Financial Management Specialist; Yuyou Guo, Team Member; Natalia Carla Sanz, Back-up PTL; Yuyou Guo, Project admin		
Completed Site Visits by AIIB:	May, 2022 Physical mission conducted by the third-party monitor on May 24-26, 2022. Sep, 2022 Physical mission conducted jointly by AIIB and the third-party monitor on September 26-28, 2022.		
Planned Site Visits by AIIB:	Mar, 2023 Physical or virtual mission to take stock of implementation progress Sep, 2023 Physical or virtual mission to take stock of implementation progress.		
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	1		
Previous Red Flags Assigned Date:	2022/06		

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:		Cancellation (if any):	0.00
Disbursed:	117.91	Most recent disbursement (amount/date):	81.00/Dec. 04, 2022
Undisbursed:	65.19	Disbursement Ratio (%) ¹ :	64.40

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 (URL: <http://www.kef.gov.hu/Kozerdeku/290>). The project implementation is close to completion. The activities under Components 1 and 2 have been fully completed and all project deliverables materialized by December 31, 2021. A post-review through the third-party monitor on Component 1 and 2 has been completed and found the documentation satisfactory. 97 of 128 work areas under Component 3 have been completed, 31 work areas were still in progress as per the last submitted progress report. The activities under Component 3 are under completion (more than 90% completed). The third-party monitor has conducted physical missions in May and September 2022 to visit the six sample hospitals that were refurbished under Component 3. The review of the activities (documentation and site visits) was completed and was found satisfactory. 64.4% of the loan have been drawn down and the remainder is expected to be disbursed in Q1 2023 to reimburse remaining eligible expenses under the Project.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1 - Building Case Management Capacity: procurement of	Completed.	The Environment and Social(ES) impacts of Component 1 are limited to the procurement of goods. The ESMPF covers any attendant civil works, if any.	Procurement completed. Post-review through third-party monitor completed.

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.

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.	Completed.	An assessment of the management of hospital waste, in this case waste coming from the laboratory and 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	Procurement completed. Post-review through third-party monitor completed.
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 more than 90% completed.	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.

Financial Management:

The total cumulative disbursed was about EUR 117.91 million. Both Interim Unaudited Financial Reports (IUFs) and audit report are overdue. The client has submitted draft IUFs, which are currently under revision. The project audit was due on Sep 30, 2022 and expected to be received by January 31, 2023.

6. Status of the Grievance Redress Mechanism (GRM)

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

7. Results Monitoring

The second progress report has been filed in November 2022, covering the reporting period of January 1, 2022, to June 30, 2022. The project progress is close to completion. For Component 1 and 2, all activities have been completed. For Component 3, the envisaged refurbishments are more than 90% completed. In 8 of the 17 hospitals all works have been completed, the remaining works are expected to be completed shortly.

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	95	

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	100	

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	8	More than 90% of the works were completed.

Intermediate Result Indicators #1

NA

Year	Target	Actual	Comments, if any
Jun. 27, 2022	NA	NA	

Remarks:
