



Report No: RES00223

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF

El Salvador COVID-19 Emergency Response Project

APPROVED ON 17-Apr-2020

TO

Republic of El Salvador

Health, Nutrition & Population
Latin America And Caribbean

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ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
CD	Country Director
E&S	Environmental and Social
ESMPs	Environmental and Social Management Plans
IBRD	International Bank for Reconstruction and Development
ISR	Implementation Status and Results
MINSAL	Ministry of Health
MPA	Multi Programmatic Approach
MRI	Magnetic Resonance Imaging
PDO	Project's Development Objective
PCU	Project Coordination Unit



BASIC DATA

Product Information

Operation ID P173872	Operation Name El Salvador COVID-19 Emergency Response Project
Product/Financing Instrument Investment Project Financing (IPF)	Geographical Identifier El Salvador
Approval Date 17-Apr-2020	Current Closing Date 30-Jun-2024
Environmental and Social Risk Classification (ESRC) Substantial	

Organizations

Borrower Republic of El Salvador	Responsible Agency Ministry of Health
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OPERATION STATUS

Project Development Objective (DO)

Original Development Objective

To respond to and mitigate the threat posed by COVID-19 and strengthen the national system for public health preparedness in El Salvador.

Disbursement Summary (in USD million)

Source of Funds	Net Commitment	Disbursed	Balance	% Disbursed
IBRD	170.00	170.00	0.00	100.00



IDA	--	--	--	0
Grants	--	--	--	0

Policy Waivers

Does this restructuring trigger the need for any policy waiver(s)?

No

MULTIPHASE PROGRAMMATIC APPROACH (MPA)

Multiphase Programmatic Approach (MPA) Program Development Objective

Original MPA Program Development Objective

The Program Development Objective is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness

Current MPA Program Development Objective

Proposed MPA Program Development Objective

Multiphase Programmatic Approach (MPA) Status (Public Disclosure)

Status and Key Decisions (Public Disclosure)

Under Implementation

Program Phases

Expected Program End Date

31-Dec-2025

Will the program have more than one country?

Yes

Expected Results

Original Expected MPA Results and their Indicators for the MPA Program

Progress towards the achievement of the PDO would be measured by outcome indicators. Individual country-specific projects (or phases) under the MPA Program will identify relevant indicators, including among others: • Country has activated their public health Emergency Operations Centre or a coordination mechanism for COVID-19; • Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents; • Number of acute healthcare facilities with isolation capacity; • Number of suspected cases of COVID-19 reported and investigated per approved protocol; • Number of diagnosed cases treated per approved protocol; • Personal and community non-pharmaceutical interventions adopted by the country (e.g., installation of handwashing facilities, provision of supplies and behavior change campaigns, continuity of water and sanitation service provision in public facilities and households, schools



closures, telework and remote meetings, reduce/cancel mass gatherings); • Policies, regulations, guidelines, or other relevant government strategic documents incorporating a multi-sectoral health approach developed/or revised and adopted; • Multi-sectoral operational mechanism for coordinated response to outbreaks by human, animal and wildlife sectors in place; • Coordinated surveillance systems in place in the animal health and public health sectors for zoonotic diseases/pathogens identified as joint priorities; and • Mechanisms for responding to infectious and potential zoonotic diseases established and functional; and • Outbreak/pandemic emergency risk communication plan and activities developed and tested

Current Expected MPA Results and their Indicators for the MPA Program

Proposed Expected MPA Results and their Indicators for the MPA Program

Program Risk

Program Risk

High

MULTIPHASE PROGRAMMATIC APPROACH (MPA)

Multiphase Programmatic Approach (MPA) Program Development Objective

Proposed MPA Program Development Objective

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Current Expected MPA Results and their Indicators for the MPA Program

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Program Risk

Program Risk

High



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I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Introduction

1. **This restructuring paper seeks the approval of the Country Director (CD) for a Level II Restructuring of the El Salvador COVID-19 Emergency Response Project (P173872) solely to extend the loans' closing date by 20 days, from June 30, 2024, to July 20, 2024.** The implementation arrangements, the Project's development objective (PDO) and relevant environmental and social (E&S) standards would remain unchanged. If approved, this would be the fourth closing date extension under the Project, resulting in a cumulative extension of 23 months and 22 days.

B. Project Background

2. **The El Salvador COVID-19 Emergency Response Project was processed under the COVID-19 Strategic Preparedness and Response Program using the Multi Programmatic Approach (MPA), and is financed by three International Bank for Reconstruction and Development (IBRD) loans totaling US\$170 million:** (i) an initial US\$20 million IBRD loan (IBRD-9100-SV approved by the World Bank Board of Executive Directors on April 17, 2020 to support general (non-vaccine related) COVID-19 emergency response activities including communication campaigns, training of personnel, equipment, and supplies; (ii) an additional financing (AF) loan (IBRD-9229-SV) in the amount of US\$50 million approved by the Board on April 16, 2021 to expand the Project's scope to include vaccination; and (iii) a second AF loan (IBRD-9429-SV) in the amount of US\$100 million approved by the Board on June 15, 2022 to support the scale-up of COVID-19 preparedness, response, and vaccination activities. The Project was restructured in December 2023 to extend the loans' closing date by 6 months, from December 31, 2023, to June 30, 2024, and to introduce changes in disbursement estimates, implementation schedule, and the Project's results framework.
3. **The PDO is to prevent, detect, and respond to the threat posed by COVID-19 and to strengthen the national system for public health preparedness in El Salvador.** The Project has two components:
 - a. **Component 1: Emergency COVID-19 Response for Prevention, Detection, and Treatment**, in the amount of US\$166.4 million, which is comprised of two subcomponents:
 - i. Subcomponent 1.1. Provision of Medicines, Vaccines, Medical Supplies, Equipment, Temporary Personnel and Works.
 - ii. Subcomponent 1.2. Preparedness, Capacity Building, Communication and Training Activities.
 - b. **Component 2: Project Management and Monitoring and Evaluation**, in the amount of US\$3.6 million, which is financing costs and activities needed for project management and supervision, including administrative and human resource costs related to financial management, procurement, E&S aspects, requirements, monitoring and evaluation, and other operating costs.

C. Project Status and Performance

4. **Progress towards the achievement of the PDO is rated as Highly Satisfactory, with the end-targets for all three PDO indicator surpassed, as confirmed in the last Implementation Status and Results (ISR) report filed on December 29, 2023.** El Salvador has made significant progress in COVID-19 response, vaccination, and preparedness. Approximately 85 percent of the target population, as defined in National COVID-19 Vaccination Plan, were fully vaccinated (surpassing the PDO target of 80 percent). Also, 79 percent of the ICU beds in prioritized ICUs have been fully equipped and operational (exceeding the PDO target of 70 percent).



5. **Overall Implementation Progress is rated Satisfactory in the last ISR.** As of June 25, 2024, the three IBRD loans financing the Project (IBRD-91000; IBRD-92290 and IBRD-94290) have been fully disbursed. Of these funds, US\$22.8 million remains in the Designated Account, pending documentation of expenditures. The Project is pending the delivery and installation of some procured equipment and the completion of limited rehabilitation activities.
6. **Project Management.** The Project Coordination Unit (PCU) at the Ministry of Health (MINSAL) is fully staffed, and key related ratings (project management, financial management, procurement, environment and social, and monitoring and evaluation) are assessed as Satisfactory, as confirmed in the last ISR. There are no outstanding external financial audit reports, and the last audit report received was deemed acceptable by the Bank. The Project remains in compliance with all legal covenants and reporting requirements and is not subject to suspension of disbursements.

D. Rationale for Restructuring.

7. **On June 25, 2024, the Government of El Salvador (GoES) sent a formal request to the World Bank to restructure the Project by extending its closing date.** This request was made in response to a national emergency caused by intense rains and adverse climate conditions. On June 16, the Legislative Assembly of the Republic of El Salvador declared a state of national emergency for 15 days, through Legislative Decree No. 28. The national emergency has put at risk the timely completion of some key processes under the Project, corresponding to US\$9.8 million in pending payments. Critical processes at risk include the installation of magnetic resonance imaging (MRI) machines in the national hospitals of Rosales and San Juan de Dios. Intense rainfall has damaged and made roads unsafe, hindering the transfer of equipment from custom points to the hospitals where they should be installed. Additionally, these complex pieces of equipment, such as the MRI machines, cannot be exposed to any risk of moisture. The high humidity and persistent rainfall have also created challenges for completing rehabilitation activities, particularly in the Zacamil hospital. The proposed 20-days extension aims to fully recover the 15 days associated with the national emergency and includes an additional 5 days to mitigate the risk of further climate-related disruptions. This proposed extension would ensure sufficient time to complete pending Project-financed activities before the Project's closing date, thereby facilitating full utilization of the loan proceeds. A timebound action plan for remaining activities has been prepared by the counterpart and confirmed as reasonable by the Bank Team.

II. DESCRIPTION OF PROPOSED CHANGES

8. **The proposed restructuring includes changes in the closing date of the Project and its implementation schedule.** The closing date of three loans financing the Project (IBRD-9100-SV, IBRD-9229-SV and IBRD-9429-SV) would be extended by 20 days from June 30, 2024, to July 20, 2024. This extension is needed to recover the implementation time lost due to the National Emergency and to allow sufficient time to finalize ongoing processes. The Project's implementation schedule would be adjusted accordingly to reflect the closing date extension. No other changes are proposed.

Summary of Performance of E&S Risk Compliance

9. The project has maintained a consistent Satisfactory E&S performance. The PCU has developed and strengthened its institutional approach to E&S risk management, both to meet the Bank's E&S requirements and, progressively, to incorporate good practices across some of MINSAL's activities, beyond the project's purview. The PCU has maintained a stable team with the necessary human and financial resources, which assumed the E&S commitments included in the Environmental and Social Commitment Plan, including the development and update of E&S



instruments (E&S Framework, Labor Management Procedures, and Stakeholder Engagement Plan) and subproject Environmental and Social Management Plans (ESMPs), as necessary. The project implemented an effective engagement strategy, initially utilizing virtual and subsequently in-person meetings, to include vulnerable groups and stakeholders. The project's environmental risk management for retroactive vaccination financing included waste management, worker safety, vaccine handling, and ensuring vaccination center standards. The PCU oversees implementation of activities and provides timely reports on progress and measures to address findings. In turn, visits to facilities and construction sites by the Bank's E&S team, including to the Zacamil Hospital, have registered a proactive and responsive management of E&S risks and no reportable incidents. The proposed restructuring would not introduce any changes to project activities. The PCU will maintain existing capacity and resources to monitor works activities as per the requirements of the ESMPs, including occupational health and safety and grievance management. The Bank will maintain ongoing supervision activities on the ground.

Describe any E&S issues and impacts associated with the change in project design. Identify and describe any potential large scale, significant and/or irreversible impacts

10. No change in project design is expected.

Describe any potential indirect and/or long-term impacts due to anticipated future activities in the project areas.

11. None expected.

Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

12. Not relevant

Describe measures taken by the borrower to address E&S policy issues. Provide an assessment of borrower capacity to plan and implement the measure described.

13. Not relevant.

Identify key stakeholders and describe the mechanism for consultation and disclosure on E&S policies, with an emphasis of potentially affected people.

14. The project will maintain the current engagement activities. Key stakeholders include hospital and institutional staff, patients who visit potential activity areas, and nearby communities. Hospital staff and the health services users will be advised of the extension of project activities as part of a broad communications plan.

III. PROPOSED CHANGES



Operation Information	Proposed Changes	Operation Information	Proposed Changes
Development Objective	No	Loan Closing Date Extension	Yes
Summary Description (Operation Abstract)	No	Implementation Schedule	Yes
Legal Operational Policies	No	Loan Cancellations	No
MFD/PCE	No	Reallocations	No
Results	No	Financial Management	No
Risks	No	Procurement	No
Legal Covenants	No	Institutional Arrangement	No
Conditions	No		
Implementation Modalities	No		
Disbursements Estimates	No		
Disbursements Arrangements	No		
DDO	No		
Clients	No		
Appraisal Summary	No		
Components	No		

IV. DETAILED CHANGE(S)

COSTS & FINANCING

Private Capital Facilitation

Is this an MFD-Enabling Project (MFD-EP)? No

Last approved as part of PAD Data Sheet (Approval) on 17-Apr-2020

Is this project Private Capital Enabling (PCE)? No

Last approved as part of PAD Data Sheet (Approval) on 17-Apr-2020

LOANS

Loan Closing



Loan/Credit/Trust Fund	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IBRD-91000-001	Effective	29-Jul-2022	30-Jun-2024	20-Jul-2024	20-Nov-2024
IBRD-92290-001	Effective	31-Jul-2023	30-Jun-2024	20-Jul-2024	20-Nov-2024
IBRD-94290-001	Effective	31-Dec-2023	30-Jun-2024	20-Jul-2024	20-Nov-2024

ENVIRONMENTAL & SOCIAL

Environmental & Social Assessment

According to the E/S Specialist are there changes proposed to the operation’s design that would impact the Bank’s E&S assessment?”

No