Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 17-Apr-2020 | Report No: PIDA29066

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Guatemala	P173854	Guatemala COVID-19 Response	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
LATIN AMERICA AND CARIBBEAN	17-Apr-2020	30-Apr-2020	Health, Nutrition & Population
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Republic of Guatemala	Ministry of Public Health and Social Assistance (Ministerio de Salud Pública y Asistencia Social)	

Proposed Development Objective(s)

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

Components

Emergency Response to COVID-19
Project Management and Monitoring

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	20.00
Total Financing	20.00
of which IBRD/IDA	20.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	20.00

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

1. **Guatemala has experienced continued economic stability that can be attributed to a combination of inflation targeting, prudent fiscal management and a managed floating exchange rate.** The country's strong economic performance is reflected in the gross domestic product (GDP) growth rate of 3.1 percent in 2016, 2.8 percent in 2017 and 3.1 percent in in 2018, with the economy projected to grow by 3.4 percent in 2019 and 3.5 percent in 2020.[1]

2. **However, Guatemala's stability has not translated into growth acceleration to close the income gap compared with rich countries.** Poverty and inequality in the country are persistently high. Poverty, measured at the upper middle-income class line (US$5.5 per person per day in 2011), increased between 2006 and 2014 from 43.4 to 48.8 percent, adding almost 2 million people into poverty. Extreme poverty (having less than US$1.9 per person per day) affected 8.7 percent of the population in 2014, almost half a million more people than in 2000. Given the slow reduction in the poverty rate, the number of people living in poverty has been projected to increase by more than 175,000 between 2019 and 2021.

3. **Inequalities persist across geographical areas and among ethnic groups, with Indigenous Peoples, who represent 43 percent of the population, continuing to be particularly disadvantaged as preliminary data from the 2018 census re-confirms.** [2] In essence there are "two Guatemalas," one well-off, and one poor, one urban and one rural, one Ladino and one Indigenous with large gaps in both social and economic outcomes. Guatemala's population of 16.3 million is highly diverse with 43.6 percent self-identifying as Indigenous. According to preliminary data from the 2018 census, 18.5 percent of the population is illiterate, and this number rises to 50.9 percent among people 65 and older. In addition to being one of the countries with the highest inequality in the world (with a Gini Coefficient of 48.3 as of 2014), access to basic services (electricity, sewage, trash collection, good-quality walls and floor, enough living space, and the absence of child labor) is subject to large spatial disparities with only 7 percent of the households in the department of Guatemala facing three or more deprivations, compared to 70 percent of the households in the department of Alta Verapaz. These differences are aggravated by the country's high vulnerability to climate change which affects malnutrition,

[1] IMF - World Economic Outlook Database, October 2019. As retrieved on March 24, 2020. 2019 actual values are not available.
[2] 2018. *XII Censo Nacional de Población y VII de Vivienda*. https://drive.google.com/file/d/1AsETZ3zyLr3xpfGcQ1-6bm3iFvQ0Hnwv/view

health, food security, water resources and natural ecosystems.

4. **The spread of the Coronavirus 2019 disease (COVID-19) endangers the accelerated economic growth that the country relies on to achieve its medium- and long-term social objectives.** The necessary social distancing measures that countries across the globe have implemented to reduce COVID-19 transmission are expected to lead to a global recession. In the case of Guatemala, this situation: (i) puts at risk an important investment agenda, as continued reforms to mobilize increased private investment and revenue are needed to fund important pro-growth investments in infrastructure and human capital; and (ii) puts increased pressure on a highly vulnerable formal and informal labor force that prior to the crisis could barely subsist on wages that were often below legal minimum standards. Public investment is essential to achieving Guatemala's development goals, yet it remains constrained by a lack of resources.

Sectoral and Institutional Context

5. **Guatemala has made notable advances in terms of improving maternal and child health outcomes but continues to experience high levels of stunting and comorbidities.** Between 1990 and 2013, under-five mortality declined significantly from 81 to 31 deaths per 1,000 live births, and infant mortality declined from 60 to 26 deaths per 1,000 live births. While the maternal mortality ratio has also declined from 205 to 93 deaths per 100,000 live births, as of 2014 Guatemala still has a higher maternal mortality than the regional average of 71 deaths per 100,00 live births in the Latin America and the Caribbean region (LAC). Stunting has declined slowly, from 55 percent among children under 5 in 1995 to 46.5 percent in 2014/15. In 2018, 53 percent of morbidity among children under five was caused by acute respiratory infections (ARIs), while 14 percent was due to intestinal infections. Furthermore, ARIs accounted for a quarter of deaths reported in 2018 across all age groups. Ischemic heart disease, diabetes mellitus, and cerebrovascular disease are also among the leading causes of death. Guatemala's epidemiological profile is complex, with marked differences among different regions. Despite the epidemiologic transition from communicable disease to non-communicable disease (NCD) at the national level, communicable diseases and maternal and child health issues persist as leading causes of morbidity and mortality. In addition, high rates of childhood stunting threaten Guatemala's ability to reach its full development potential.

6. **The COVID-19 pandemic threatens to undermine the country's progress towards improving the health and nutrition status of the population and towards meeting the Sustainable Development Goals (SDGs) in 2030.** The Government of Guatemala (GoG) has responded swiftly to the pandemic, while the number of cases has still been manageable with 61 confirmed cases (as of April 4). A national state of emergency (*Estado de Calamidad Pública)* was declared on March 5,[3] before Guatemala reported its first case on March 13. Four days later, the GoG suspended all school classes and mandated most public and private workplaces to close, with exceptions for healthcare personnel, emergency aid personnel, and workplaces related to public safety and security; public transportation services were also restricted. On March 22, the GoG declared a "shelter in place" order, suspending the rights of movement between 4:00pm and 4:00am. Furthermore, the borders and airports were also closed. Contact tracing has been implemented and reached approximately 1,500 people who are under observation and in contact with health providers. In addition, there are instances of "quarantine under supervision," under which people who may have been infected are quarantined at home under the supervision of health personnel.

[3] *Decreto Gubernativo 05-2020,* ratified by the Congress of the Republic - *Decreto Legislativo 8-2020*

7. **In March 2020, the Ministry of Health defined a "Plan for the prevention, containment and response to COVID-19 cases in Guatemala" that is in alignment with the COVID-19 Strategic Preparedness and Response Program (SPRP) developed by the World Health Organization (WHO).** The 2019 Global Health Security Index which is based on a comprehensive assessment and benchmarking of health security across countries finds that Guatemala belongs to the least prepared tier of countries in the world (ranking 125 out of 195 countries on the aggregate, 154 for prevention dimension and 156 for response dimension).[4] The Guatemalan health system needs strengthening of all levels of care as well as health security to guarantee a prompt and effective emergency response to COVID-19 without compromising other permanent health care functions in the country.

8. **Authorities have conducted a needs assessment and identified critical areas that need to be strengthened to deal with the COVID-19 emergency in order to ensure the provision of health care services.** The capacity of primary health care (PHC) services is currently limited, even though the first level of care must carry out activities aimed at controlling the spread of the virus, as well as timely identifying vulnerable and at-risk populations, such as patients with chronic diseases, the elderly, children suffering respiratory infections, and the poor. Likewise, at the hospital level there is gap of general, intermediate care and ICU beds. With 0.6 hospital beds per 1,000 population (as of 2014), Guatemala has one of the lowest hospital bed densities of the world (ranking 168 out of 178 countries with available data) and one that is much lower than the average of 2.1 per 1,000 population in LAC.[5] This shortage of hospital beds is exacerbated by the poor state of equipment and supplies needed for proper patient management. The Ministry of Public Health and Social Assistance (MSPAS) has a shortage of ambulances, especially those that are adequately equipped to respond to the COVID-19 emergency by being fully dedicated to this one purpose. Available human resources for health care are also limited. In 2018, the density of human resources for health was significantly lower in Guatemala than the LAC average: 3.9 doctors and 8.9 nurses per 10,000 population in Guatemala versus 21.7 doctors and 47.2 nurses per 10,000 population for LAC. Finally, many health workers only have temporary contracts which potentially generates a high turnover and therefore endangers the quality of care.

9. **The GoG has made efforts to expand hospital capacity to manage confirmed and suspected COVID-19 cases. As part of the response, five to six field hospitals are being enabled, which together will have approximately 700 beds for COVID-19 emergency care, and approximately 100 ICU beds.** The Villa Nueva hospital in the department of Guatemala was established as the reference hospital for quarantine and isolation of suspected COVID-19 patients. In addition, installations in an industrial park are being prepared to serve as a makeshift hospital and the second option for an exclusive treatment of COVID-19 patients (with financial support from the Central American Bank of Economic Integration). Four more makeshift hospitals have been planned in the departments of Quetzaltenango, Zacapa, Mazatenango (Suchitepéquez) and Petén. This will also be financed, in part, by the recently approved World Bank CAT DDO.[6]

10. **The proposed Project supports and is aligned with the overall Response Plan of the MSPAS that aims to contain the COVID-19 outbreak and provide related services.** Based on a joint analysis with technical teams from the MSPAS, the Project supports those areas of intervention for which the greatest gaps were identified. The following three areas of intervention were deemed priority: (i) prevention - including activities for an effective and differentiated communication and outreach towards the population, coordination and social

[4] https://www.ghsindex.org/country/guatemala/ By The Johns Hopkins Center for Health Security, The Economist Intelligence Unit and The Nuclear Threat Initiative.
[5] Central Intelligence Agency World Factboook - Hospital Bed Density. https://www.cia.gov/library/publications/the-world-factbook/fields/360.html
[6] Guatemala DRM Development Policy Loan with CAT DDO II (P159710).

participation; (ii) epidemiological surveillance as part of the early identification strategy, investigation and case and contact management; and (iii) patient care at different levels of care, taking into account the biosecurity of health and environmental personnel and the safety of the patient transport network. The Project is expected to increase the resolution capacity of Guatemala's MSPAS health services. The GoG has been coordinating with relevant donors and multilaterals regarding their support of the COVID-19 strategic plan to ensure that efforts and resources complement each other, rather than being duplicated. This approach also provides assurance that the World Bank Group (WBG)'s resources under the COVID-19 Fast-Track Facility (FCTF) do not crowd out resources available from other multilaterals or donors.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

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

Key Results

11. The achievement of the PDO will be measured through the following PDO-level results indicators:

- Suspected cases of COVID-19 cases reported and investigated based on national guidelines (number)
- Designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents (number)
- Acute healthcare facilities with isolation capacity (number)

D. Project Description

12. **The Project will be comprised of two components to support the Government's Strategic Plan to prevent, control and respond to the spread of COVID-19 and strengthen health system preparedness to respond to emergencies.**[7] In addition, climate change adaptation and mitigation measures will be incorporated throughout the Project, as applicable. The specific activities financed by the Project fit into the overall government strategy to: (i) rapidly address the pandemic emergency by identifying, isolating and providing care for patients with COVID-19 to minimize disease spread, morbidity and mortality; (ii) implement effective communication campaigns for mass awareness and education of the population to prevent the spread of COVID-19; and (iii) strengthen the capacity of the public health system to provide intensive care.

13. **Component 1**: **Emergency Response to COVID-19 [US$ 19.5 million].** This component will finance the following sub components: (i) prevention and communication activities, including the rollout of the national communication strategy to control the spread of COVID-19, the distribution of sanitary supplies, and training for community health care providers in basic COVID-19 protocols; (ii) case detection, confirmation, contact tracing, recording, reporting including support of the national epidemiological surveillance system, strengthening of the diagnostic capacity for emerging diseases by strengthening the laboratory network, early

[7] Annex 1 provides an overview of the costs of the overall response plan.

identification, monitoring, notification and control of outbreaks; and (iii) support of patient care and improved safety by increasing the availability of triage rooms, isolation areas, and outpatient screening areas at existing facilities, and addressing the health system's immediate needs for medical supplies and medical devices.

14. **Component 2: Project Management and Monitoring [US$ 0.5 million].** This component will finance: (i) staff and incremental operational costs of the Project Implementation Unit (PIU) at the MSPAS; and (ii) Monitoring and Evaluation (M&E) and reporting.

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

15. **The Environmental and Social Risk Classification is considered Substantial under the World Bank Environmental and Social Framework.** With respect to the environmental risks, the primary concerns include: (i) occupational health and safety issues related to the availability and appropriate use of PPE for healthcare workers, and the use of chemicals and other hazardous substances for cleaning and disinfection purposes; (ii) environmental and community health and safety risks from inadequate management, storage, transportation and disposal of infected medical waste; and (iii) in the event that upgrade activities are required, minor risks related to civil works (e.g., waste from residual construction material, nuisance related to dust generation, vibration and noise, etc.). With respect to the social risks, the primary concerns are as follows. While the Project components will not involve resettlement or land acquisition and the Project objectives benefit the Guatemalan society in general, the World Bank classifies the Social risk of the Project as “Substantial” when considering the scale of the risks and the limited institutional capacity, including: (a) existing difficulties and inequalities in access to health services by marginalized and vulnerable social groups, especially rural Indigenous peoples and disabled, that will most likely be exacerbated by the crisis; (b) risks for people displaying symptoms but unable to attain health services; (c) mental health risks provoked by stress from quarantine measures and reductions in income generation that could induce domestic violence, including gender-based violence (GBV) or sexual exploitation and abuse (SEA), and crime and violence; (d) implicit discrimination or lack of capacity of health workers to effectively communicate with and treat patients who do not speak the language of the health provider, especially in cases of critical triage situations and decisions; and (e) inadequate or exaggerated responses related to behavioral change for prevention induced by misinformation (fake news) in social media networks. At the same time, contextual risks are high for social discontent, given the pending economic impacts of the response measures, and the potential inability of the already weak health system to meet public demand for response.

16. **To properly manage and mitigate environmental risks, the MSPAS will prepare an Environmental and Social Management Framework (ESMF) in line with the Bank’s Environmental and Social (E&S) Standards, the WBG Environmental, Health and Safety (EHS) Guidelines, and WHO’s COVID-19 specific response guidelines for medical and biosafety matters.** Should there be a need for civil works related to upgrade/refurbishments of existing facilities to increase the availability of triage and isolation areas,

Environmental and Social Management Plans (ESMPs) will be prepared based in line with the Bank's E&S standards, the WBG EHS Guidelines, WHO's COVID-19 specific response guidelines for medical and biosafety matters, and national guidelines and protocols developed for COVID-19. The ESMF will include and reference the specific guidelines developed by the WHO for COVID-19 response including on biosafety and medical worker safety, as well as outlining provisions for labor management, community health and safety, and provisions to ensure culturally appropriate access to information and services for Indigenous and Afro-descendant communities.

17. **To mitigate the identified social risks, the stakeholder engagement plan (SEP) will identify key audiences, type of information and resources needed, measures and effective means and socio-cultural and linguistic adaptations to effectively reach these audiences through the Project's Communication, Coordination and Social Plan.** At the same time, the Project has adopted several measures through both its communications and outreach and through support for the primary care system to ensure social inclusion of high-risk communities and people living in highly vulnerable contexts, especially rural Indigenous Peoples, people exposed to domestic violence, the elderly, children with respiratory illnesses or chronical malnutrition and disabled people. These measures include: focused and culturally relevant communication strategies including information on where to access support services, distribution of sanitary supplies to high risk communities with limited access to health services and water and sanitation, training for community health workers, midwives, traditional healers and leaders in COVID-19 prevention and management protocols, support and provision of equipment and ambulatory services for rural health posts and centers. Protocols will be introduced into the ESMF to ensure that all support in Indigenous communities follow COVID-19 relevant consultation measures (contact via phone or social distance) with relevant Indigenous community leaders and adapt delivery mechanisms to protect against infection while ensuring that the relevant actors and culturally and linguistically measures are employed. The ESMF will also serve to screen for specific social risks for all subprojects and adopt social management plans to avoid or mitigate these risks, such as, the provision of interpreters for monolingual Indigenous patients and their families to support in diagnosis, triage and critical decision making within the medical centers to be financed. The Project will also address risks related to GBV and preventing sexual exploitation and abuse during project design and implementation. A draft SEP has been prepared and disclosed on April 17th, 2020 and will be updated based on the results of telephone interviews with representatives from key stakeholder groups, within 30 days of project effectiveness. The draft SEP incorporates a preliminary stakeholder mapping and builds on MSPAS's existing communications strategy. The SEP will include a fully elaborated grievance redress mechanism (GRM) for addressing any concerns or complaints. Currently MSPAS has two hotlines available for people to receive information or communicate concerns or complaints. For the actions to be carried out through the primary care system, a GRM was prepared and can be utilized under the WBG Crecer Sano: Guatemala Nutrition and Health Project (P159213) where the Departmental Directorates for Health are charged with receiving and resolving complaints and in cases where these are not resolved, recommended to seek resolution before the Departmental delegations for the Human Rights Ombudsman. For Indigenous peoples, the Project will seek to reactivate the local intercultural dialogues with Indigenous Authorities and traditional healers to address complaints and concerns at the community level.

18. **The MSPAS will establish and maintain adequate capacity to oversee the implementation of environmental and social standards relevant to the Project within the existing PIU**. The roles and responsibilities of the E&S specialists and their expected levels of coordination with other MSPAS units will be described in detail within the Project ESMF. terms of reference (TORs) for the Project social specialist will be reviewed by the Bank social team, as well as the curriculum vitae (CV) for the proposed candidate.

19. **These instruments and measures are specified in the Environmental and Social Commitment Plan (ESCP), which will form part of the legal agreement and ensure Project compliance with the Environment and Social Standards and the WBG EHS Guidelines.** In addition to the ESMF, the client will implement the activities set out in the ESCP, and the SEP within the proposed timeline. The Bank will review the Environmental and Social Risk Classification (ESRC) on a regular basis throughout the Project life cycle to ensure that it continues to accurately reflect the level of risk the Project presents

E. Implementation

Institutional and Implementation Arrangements

20. **MSPAS is leading Guatemala's national response to the pandemic and will have overall implementation responsibility for the proposed Project.** Implementation arrangements will be similar to those already in place for the ongoing WBG Crecer Sano: Guatemala Nutrition and Health Project (P159213). The Crecer Sano Project Implementation Unit (PIU) will serve as the PIU for the proposed COVID-19 Response Project in order to avoid duplication of efforts and in order to capitalize on the existing PIU's capacity and facilitate the rapid launch of the Project upon effectiveness. Project budgeting, accounting, financial reporting, environmental and social management, and disbursements will be fully centralized at the PIU in MSPAS and will follow the same internal control processes applied to the Crecer Sano Project. The PIU has contracted finance, procurement, environmental and monitoring and evaluation specialists. A social development specialist is being hired and will oversee and coordinate with the relevant institutional actors to ensure adequate implementation of the commitments established within the Environmental and Social Commitment Plan (ESCP), the Environmental and Social Management Framework (ESMF), and the Stakeholder Engagement Plan (SEP). Additional consultants may be contracted as needed (i.e. an additional environmental and two social specialists remain to be hired).

21. **The PIU will report directly to the Office of the Minister (Despacho Ministerial), with specific oversight by the Office of the Vice Minister of Primary Care.** The Office of the Vice Minister of Primary Care will provide support to the PIU in ensuring coordination among the various MSPAS units involved in implementing the project. The social specialist dedicated to this operation will be required to coordinate closely with the MSPAS Social Communications team, the team that prepares health education materials, and the Indigenous peoples and intercultural health Unit.

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