



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 17-Jun-2019 | Report No: PIDC26092



BASIC INFORMATION

A. Basic Project Data

Country El Salvador	Project ID P169677	Parent Project ID (if any)	Project Name Promoting Human Capital in Health in El Salvador (P169677)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Oct 16, 2019	Estimated Board Date Dec 12, 2019	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Republic of El Salvador	Implementing Agency Ministry of Health	

Proposed Development Objective(s)

The overarching objective of the Project is to promote human capital accumulation. Specifically the PDOs are: (a) to foster healthy environments for children, adolescents and adults; and (b) to improve health service delivery for selected NCDs.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	200.00
Total Financing	200.00
of which IBRD/IDA	200.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	200.00
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Environmental and Social Risk Classification
Moderate

Concept Review Decision
Track II-The review did authorize the preparation to



continue

Other Decision (as needed)

B. Introduction and Context

Country Context

- 1. El Salvador's low economic growth remains a major challenge.** The country is seemingly trapped in a low growth equilibrium. Real Gross Domestic Product (GDP) growth has averaged just 1.9 percent over 2001-2016, and 2.3 percent in 2017, the lowest in the Central America region and lagging in comparison to lower middle-income countries. Structural weaknesses continue to undermine the growth performance of the country: political polarization that leads to policy inaction, high levels of crime and violence, low investment, poor educational attainment, and fiscal challenges -among other factors—prevent the country from growing at a faster pace. In the absence of a comprehensive reform agenda to address many of these issues, growth projections for headline GDP are not expected to diverge significantly from what has been observed in the recent past (potential GDP growth is estimated at below 2 percent).
- 2. The country's fiscal situation has deteriorated, becoming increasingly complex given its significant public financing needs and raising risks of sustainability.** The low growth environment and elevated debt stock pose important challenges to debt dynamics. The debt-to-GDP ratio has risen gradually, from about 45 percent of GDP in 2009 to 54 percent in 2018¹. While such debt level would be easily manageable through a comprehensive fiscal reform, the political impasse is preventing a meaningful solution. Public debt, therefore, is expected to continue its upward trend in the absence of a comprehensive fiscal consolidation program. The fiscal situation has limited the development and expansion of important social programs. Spending in social assistance and coverage of social programs has decreased.
- 3. El Salvador is currently experiencing high migration rates and increasing crime and violence which contributes to slow economic growth.** Estimates show that 1 in 3 Salvadorans live abroad, mostly in the U.S and 23 percent of the population declare an intention to migrate, with the youngest population (ages 16 to 29) being most likely to leave the country. The high migration and the low fertility rate (1.87 birth per woman, 2017) has determined a low rate of population increase (0.25 percent in 2017). However, migration has resulted in remittances which are approximately 16 percent of the GDP and a major source of income for Salvadorans. El Salvador has one of the highest violence rates in Latin America and the Caribbean (LAC) in three domains: domestic violence, sexual violence against women, and street/gang related violence. The continued violence threatens the growth and human development of the population. According to the United Nations Office of Drug and Crime, El Salvador ranks in the top five countries worldwide for homicide rates. Young males are more likely to be victims of homicide, and women are more likely to experience violence by someone they know.
- 4. El Salvador's window of opportunity is its young population.** El Salvador is still a young country approaching the stage of the demographic bonus with a median age of 27.1 years; about 20.2 percent of the population is aged between 15

¹ El Salvador PER, 2018



and 24 years and 40 percent is aged 25-54 years.² Life expectancy is 69 years for men and 78 years for women. This gap is explained by a high level of mortality among men due to external causes. As a young country, El Salvador still has opportunities for growth and development. The 2018 Human Capital Index (HCI) places El Salvador as one of the lowest ranking countries in the Latin American region. The HCI measures the combination of skills, health, knowledge and resilience that a child born today can expect to achieve taking into account the health and education challenges experienced by the country where said child lives. Safeguarding human capital throughout the life course would include the promotion of healthy habits, actions to prevent the early onset of diseases and continuous access to quality care.

Sectoral and Institutional Context

5. **There is a general lack of integration between the various institutions that provide health services and support throughout the country.** The National Health Care System is comprised of the Ministry of Health (MINSAL), and the Salvadorian Social Security Institute (ISSS), which cover 96 percent of the population. In addition, health care and other services are provided by the Solidarity Fund for Health (FOSALUD), the Salvadorian Handicap Rehabilitation Institute (ISRI), the Salvadorian Teachers' Welfare Institute (ISBM), Military Health Group (COSAM), the Red Cross, the National Directorate of Medicines (DNM), and the Superior Council of Public Health (CSSP). The limited integration/coordination of the public provision of health care is reflected in the differences in per capita expenditures among the different providers. The fragmentation of the health system results in overlaps in networks of care for different population groups. Investments plans of institutions needed to be complementary and purchasing of health care services to increase technical and allocative efficiency among the MINSAL, ISSS and FOSALUD pose a challenge. To focus the health care on the user and prioritization of investments for health care prevention are required as part of the health sector reform as described in the Government's National Development Plan: Plan Cuscatlán.
6. **Despite increases in public health expenditure and reduction in child mortality, high levels of inequality hamper progress in improving health outcomes.** Public expenditures on health increased from 3.7 percent of GDP in 2007 to 4.5 percent in 2016.³ Due to increases in public health expenditure and national investments in health, El Salvador was the only country in Central America that successfully achieved MDG4, the reduction of under 5 mortality rate (the rate was of 17 per 1,000 live births, compared to a goal of 20). However, challenges remain in the access to and coverage of health services. The persistently high rates of maternal and child mortality in rural, underserved areas are direct reflections of the remaining inequities in health coverage. High rates of violence against women and children and high murder rates impact the quality of life and mental health of the population. The lack of security and an unsafe environment affect the social, cognitive and emotional development of children.
7. **Maternal mortality, adolescent pregnancy, malnutrition and Non-Communicable Diseases (NCDs) are key health challenges of the health system in El Salvador.** In 2015, the maternal mortality ratio was 42.3 deaths per 100,000 live births, with 19 percent of maternal deaths among girls and adolescents. According to official government data, out of the total deliveries attended in the public facilities, 22.9 percent correspond to adolescents in 2015. Adolescent pregnancy affects girl's enrollment in the education system and increases the demand of health care services. A young woman from the lowest quintile of formal instruction (5th quintile), compared to the group with the greatest access to education (1st quintile) is 60 percent more likely to get pregnant.
8. **El Salvador's epidemiological transition has resulted in chronic diseases and trauma and accidents ranking as the highest causes of death.** According to the World Health Organization, mortality from NCDs in El Salvador increased

² World Health Organization. Countries profiles: El Salvador. Accessed February 25th, 2018. Available from: <https://www.who.int/countries/slv/en/>

³ Pan American Health Organization. 2019. Country Report: El Salvador. https://www.paho.org/salud-en-las-americas-2017/?page_id=119



from 67.9 percent in 2010 to 74 percent in 2016. El Salvador's 2015 National Survey on Non-communicable Diseases in the Adult Population revealed that 40 percent of the population lives a sedentary lifestyle, 9.4 percent reported at-risk drinking and 7.8 percent reported smoking daily⁴. Overweight and obesity are increasing with 38 percent of the population being overweight and 27 percent are obese. There is also a high prevalence of chronic kidney disease (12.6 percent). There is a need for long term planning for the management and prevention of these diseases at the national level, together with other institutions. NCDs are generating high burden cost to the society. Hospitalizations and deaths from NCDs increased from 2014 to 2015 in 1.6 percent and 1.9 percent, respectively. Hypertension, diabetes, and chronic lower respiratory diseases represented 91.6 percent of NCD-related consultations. In 2015, diabetes, chronic renal disease, and cancer constituted 62 percent of hospitalizations and 57 percent of NCD deaths⁵. Therefore, the increasing trend of morbidity, mortality, and disability caused by NCDs, mental disorders, and injuries must be addressed effectively, and the decision cannot be delayed. The national health system response from the national health system will require surveillance, prevention, management and treatment to control NCDs and precise intersectoral actions that permits to influence their social determinants and risk factors.

9. **In addition to high inequalities and rising NCDs, the rise in crimes, domestic violence and homicides over the last three decades has added significant pressures on the population and its health system.** High rates of violence against women and children coupled with high murder rates have a devastating impact on the quality of life and mental health of the population. The lack of security and an unsafe environment affect the social, cognitive and emotional development of children. Exposure to community violence is perhaps the most detrimental event children can experience, since it impacts how they think, feel and act. Unsafe environments affect children early in their development, costing them the opportunity for a nurturing environment. With respect to health services, unsafe environments also pose challenges in access to care, especially critical for pregnant women. Meanwhile, emergency facilities are burdened by cases of domestic and street violence.

Relationship to CPF

10. **The proposed Project aligns with the Country Partnership Framework (CPF) for El Salvador FY2016-2019 (Report No. 95185) and the Performance and Learning Review (Report No. 120362-SV).** The proposed Project will contribute to Pillar II: Fostering Sustainability and Resilience, Objective 5: Promote the efficiency of public spending as it aims to promote efficiency of public health spending by focusing on prevention and early detection of non-communicable diseases; and it will ensure value for money in specific interventions along the life cycle of the target population. The project will strengthen the institutional capacity of the service delivery of the MOH to contribute to better quality of services and Universal Health Coverage (UHC).
11. **The proposed Project is in line with the World Bank's twin goals of eliminating extreme poverty and boosting shared prosperity by assisting El Salvador to accelerate progress towards the achievement of UHC.** It is also closely aligned with the Sustainable Development Goals (SDGs) which stress the importance of achieving UHC and financial protection. The proposed Program is consistent with the Priority Directions of the Health, Nutrition and Population Global Practice 2016-2020 and aligned with the World Bank's Human Capital Project, which calls for countries to make greater investments in health and education to improve the productive capacities of their populations.

⁴ ENECA -2014-2015 https://www.salud.gob.sv/archivos/comunicaciones/archivos_comunicados2017/pdf/presentaciones_evento20032017/01-ENECA-ELS-2015.pdf

⁵ Ministerio de Salud (El Salvador). *Informe de labores 2015-2016: la salud es un derecho y un MINSAL fuerte, su mejor garantía*. San Salvador: MINSAL; 2016. Available from: <http://www.salud.gob.sv/download/informe-de-labores-2015-2016/>.



C. Proposed Development Objective(s)

The overarching objective of the Project is to promote human capital accumulation. Specifically the PDOs are:

- a) to foster healthy environments for children, adolescents and adults; and
- b) to improve health service delivery for selected NCDs.

Key Results (From PCN)

- a) Share of children under three-year-old benefitting from participating in integrated early childhood development, health and education services⁶
- b) Share of accessing to preventive health services
- c) Share of patient's early identification of risk factors receiving preventative and early treatment services for diabetes and hypertension.

D. Concept Description

Under the principle that each age stage in life has different needs as well as different potentials to promote the population's wellbeing, this Project proposes differentiated interventions along the life cycle. The Project also focuses on actions to strengthen governance, regulations in the health system, and coordination among key stakeholders.

Component 1: Human Capital in Health for the population younger than 24 years of age

This component will promote human capital development to the population aged 0 to 24 years through the promotion of healthy and safe environments that create a child-friendly, and accessible learning space. This component has two subcomponents as follows:

- (a) **Sub component 1.1 Investing in the formative years of life.** This sub-component includes children from 0 to 14 years of age and aims to: (a) strengthen the governance and regulatory framework for Early Childhood Development (ECD) service provision in El Salvador and to expand the provision of ECD to the at-risk population; and (b) support the development and implementation of a system to assess gaps and develop activities to promote and strengthen school health in accordance with international good practices. **Sub-Component 1.2 -Investing in the adolescent years.** This subcomponent focuses on the population from 15 to 24 years of age to steer this group towards a productive adulthood period. It would support the implementation of the strategy for the prevention of adolescent pregnancy, the promotion of mental health, the better understanding of elements that create social disruption affecting this group of age, and the promotion of safe school surroundings.

Component 2: Strengthening the integral provision of health in the Public Health System.

This component will improve the quality in the provision of health care in the public system. It will aim to benefit the population of adults 24 years old and above. It would support the expansion of the line of care for selected NCDs tested in the three networks supported under the ongoing Addressing Non-Communicable Diseases Project (P164356)⁷ to all the

⁶ Integrated early childhood care and education services should be understood as services provided under holistic interventions aimed at benefiting children in three broad categories of interrelated outcomes: (i) enhancing school readiness and educational outcomes; (ii) improving physical and mental health outcomes; and (iii) reducing engagement in high-risk behavior.

⁷ It supports the Government of E l Salvador in piloting an integrated health care service delivery model to improve the early detection and treatment of cervical cancer, and prevention of NCD risk factors and complications in three networks of three sub-regions of El Salvador: Paracentral, Central, and Oriental.



health networks in the country. It would work at the different levels of care and in the Health Care networks ensuring a bottom up approach on the provision of care and a top down approach for the implementation of an efficient use of resources. It will include two sub components:

- a) **Sub component 2.1 Strengthening of the health care networks in the public system.** This subcomponent will strengthen the technical efficiency of the health care networks by improving their capacity for prevention, early diagnosis, and control of NCDs and other conditions that are relevant to local, regional, and national epidemiological profiles.
- b) **Sub component 2.2 Investing in the productive years of the population and beyond.** This subcomponent focuses on particular activities that will benefit the population in the working and retirement years.

Component 3. Project Management

This component will strengthen the capacity of the MINSAL to administer, implement, supervise, and evaluate Project activities, including support to carry out external financial audits. This component will also finance the second ENECA survey, and the National Nutritional census for first grade children 2021.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The project is expected to have moderate environmental risks and impacts as most activities are related to training and capacity building to strengthen human capital in El Salvador. Some mostly small-scale civil works are expected for the rehabilitation and expansion of already existing infrastructure located in urban and rural areas. The exact locations of the infrastructure work and the type of civil works are unknown at this stage. Civil works are not expected to involve land acquisition or restrictions on land use or have negative impacts on tangible or intangible cultural heritage, any critical or sensitive natural habitats, biodiversity areas, or living natural resources. Potential environmental and social impacts of construction are anticipated to be site-specific, manageable and temporary.

The project is mainly expected to have positive social impacts through the promotion of healthy environments, as well as the strengthening of the quality of healthcare provision. Social risks are moderate and related to the risk of excluding indigenous peoples, afro-descendants, and vulnerable and disadvantaged individuals or groups if barriers to access to project benefits are not properly identified and addressed, as well as some community health and safety risks from construction activities.

The Borrower will be prepare, consult, and disclose, an Environmental and Social Management Framework (ESMF) including: i) an Environmental and Social Assessment that will analyze the positive and negative, direct and indirect, social and environmental impacts of the project, as well as barriers to access to project benefits for vulnerable and disadvantaged groups, and recommend measures to overcome them; ii) screening checklists and procedures to classify specific project activities according to their risks and impacts; and iii) a generic Environmental and Social Management Plan (ESMP) with general mitigation measures for project activities. The ESMF will also include procedures to determine the type of project activities that may require specific ESMPs. Appropriate mitigation measures will also be developed as



part of the ESMF for pollution that may be generated by construction, which may include: vegetation and soil loss, waste management, air emissions, noise, and water. Energy efficiency measures will also be included.

The Borrower will prepare and disclose Labor Management Procedures (LMP) before appraisal to identify the different types of project workers that are likely to be involved in the project and set out the way in which they will be managed, in accordance with the requirements of national law and ESS2. To ensure health and safety of workers during the construction phase of the project, the LMP will include a Health and Safety Plan in line with the World Bank Group Environment, Health and Safety Guidelines for construction activities. A labor specific Grievance Redress Mechanism (GRM) will be developed by the Borrower.

As the project is national in scope, Indigenous Peoples will be beneficiaries, and some of the selected municipalities may be in areas with indigenous peoples fitting the criteria of ESS7. The Borrower will be asked to prepare, consult, and disclose an Indigenous Peoples Planning Framework before appraisal, as well as Indigenous Peoples' Plans during project implementation focused on communities with similar cultural characteristics in municipalities where Indigenous Peoples might be present.

The Borrower will prepare and disclose Stakeholder Engagement Plan mapping stakeholders, describing the timing and methods of engagement with them throughout the life-cycle of the project, and describing the project's GRM.

The Borrower will prepare and disclose an Environmental and Social Commitment Plan including the necessary measures that the project will need to address during preparation and implementation to ensure compliance with the ESSs and the project's social and environmental instruments.

Note To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

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APPROVAL

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