INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF US$250 MILLION

TO THE

REPUBLIC OF EL SALVADOR

FOR A

GROWING UP HEALTHY TOGETHER: COMPREHENSIVE EARLY CHILDHOOD DEVELOPMENT IN EL SALVADOR PROJECT

February 27, 2020

Health, Nutrition & Population Global Practice
Latin America and the Caribbean Region

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CURRENCY EQUIVALENTS

Exchange Rate Effective January 31, 2020

Currency Unit = US Dollar

US$ = US$1

FISCAL YEAR
January 1 - December 31

Acting Regional Vice President: J. Humberto Lopez
Country Director: Yaye Seynabou Sakho
Regional Director: Luis Benveniste
Practice Manager: Michele Gragnolati
Task Team Leader: Amparo Elena Gordillo-Tobar
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPRES</td>
<td>Presidential House of El Salvador (Casa Presidencial de El Salvador)</td>
</tr>
<tr>
<td>CERC</td>
<td>Contingent Emergency Response Component</td>
</tr>
<tr>
<td>CPF</td>
<td>Country Partnership Framework</td>
</tr>
<tr>
<td>DLI</td>
<td>Disbursement-Linked Indicator</td>
</tr>
<tr>
<td>DALYs</td>
<td>Disability-Adjusted Life Years</td>
</tr>
<tr>
<td>ECCE</td>
<td>Early Childhood Care and Education</td>
</tr>
<tr>
<td>ECD</td>
<td>Early Child Development</td>
</tr>
<tr>
<td>ESF</td>
<td>Environmental and Social Framework</td>
</tr>
<tr>
<td>ESS</td>
<td>Environmental and Social Standards</td>
</tr>
<tr>
<td>ESMF</td>
<td>Environmental and Social Management Framework</td>
</tr>
<tr>
<td>FM</td>
<td>Financial Management</td>
</tr>
<tr>
<td>FMA</td>
<td>Financial Management Assessment</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GRS</td>
<td>Grievance Redress Service</td>
</tr>
<tr>
<td>HCI</td>
<td>Human Capital Index</td>
</tr>
<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>IADB</td>
<td>Inter-American Development Bank</td>
</tr>
<tr>
<td>IFR</td>
<td>Interim Financial Report</td>
</tr>
<tr>
<td>IHME</td>
<td>Institute for Health Metrics and Evaluation</td>
</tr>
<tr>
<td>INS</td>
<td>National Institute of Health (Instituto Nacional de Salud)</td>
</tr>
<tr>
<td>IPF</td>
<td>Investment Project Financing</td>
</tr>
<tr>
<td>ISSS</td>
<td>El Salvador Social Security Institution (instituto Salvadoreño del Seguro Social)</td>
</tr>
<tr>
<td>IVA</td>
<td>Independent Verification Agency</td>
</tr>
<tr>
<td>LAC</td>
<td>Latin American and the Caribbean</td>
</tr>
<tr>
<td>LMP</td>
<td>Labor Management Procedure</td>
</tr>
<tr>
<td>MCH</td>
<td>Maternal and Child Health</td>
</tr>
<tr>
<td>MDG</td>
<td>Millennium Development Goal</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MINED</td>
<td>El Salvador Ministry of Health (Ministerio de Educación de El Salvador)</td>
</tr>
<tr>
<td>MINSAL</td>
<td>El Salvador Ministry of Health (Ministerio de Salud de El Salvador)</td>
</tr>
<tr>
<td>NGO</td>
<td>Nongovernmental Organization</td>
</tr>
<tr>
<td>PAD</td>
<td>Project Appraisal Document</td>
</tr>
<tr>
<td>PAHO</td>
<td>Pan American Health Organization</td>
</tr>
<tr>
<td>PCU</td>
<td>Project Coordination Unit</td>
</tr>
<tr>
<td>PDO</td>
<td>Project Development Objective</td>
</tr>
<tr>
<td>PHC</td>
<td>Primary Health Care</td>
</tr>
<tr>
<td>POM</td>
<td>Project Operations Manual</td>
</tr>
<tr>
<td>PPSPD</td>
<td>Project Procurement Strategy for Development</td>
</tr>
<tr>
<td>SHC</td>
<td>Secondary Health Care</td>
</tr>
<tr>
<td>STEP</td>
<td>Systematic Tracking of Exchanges in Procurement</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>UAC</td>
<td>Procurement Contracting Unit (Unidad de Contratación y Compras)</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
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</tr>
<tr>
<td>UFI</td>
<td>Institutional Finance Unit (<em>Unidad Financiera Institucional</em>)</td>
</tr>
<tr>
<td>UHC</td>
<td>Universal Health Coverage</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS

DATASHEET .................................................................................................................. 1

I. STRATEGIC CONTEXT .............................................................................................. 7
   A. Country Context ................................................................................................. 7
   B. Sectoral and Institutional Context .................................................................... 8
   C. Relevance to Higher Level Objectives ......................................................... 11

II. PROJECT DESCRIPTION ......................................................................................... 11
   A. Project Development Objective ..................................................................... 12
   B. Project Components ....................................................................................... 13
   C. Project Beneficiaries ....................................................................................... 16
   D. Results Chain ................................................................................................... 17
   E. Rationale for Bank Involvement and Role of Partners .................................. 19
   F. Lessons Learned and Reflected in the Project Design .............................. 19

III. IMPLEMENTATION ARRANGEMENTS ..................................................................... 20
   A. Institutional and Implementation Arrangements ........................................ 20
   B. Results Monitoring and Evaluation Arrangements .................................... 20
   C. Sustainability ................................................................................................... 21

IV. PROJECT APPRAISAL SUMMARY ......................................................................... 21
   A. Technical, Economic and Financial Analysis (if applicable) ................... 21
   B. Fiduciary .......................................................................................................... 22
   C. Legal Operational Policies ............................................................................. 24
   D. Environmental and Social ............................................................................ 24

V. GRIEVANCE REDRESS SERVICES ........................................................................ 26

VI. KEY RISKS ............................................................................................................. 26

VII. RESULTS FRAMEWORK AND MONITORING ...................................................... 28
    Annex 1: Implementation Arrangements and Support Plan ....................... 33
    Annex 2. Project Framework: Crecer Juntos and the Quality of Health Care Provision... 41
    Annex 3. World Bank Support to Early Years: .............................................
    A Sequenced and Integrated Approach of Analytical and Lending Support .... 45
    Annex 4. Economic Analysis ............................................................................ 48
DATASHEET

BASIC INFORMATION

Country(ies) | Project Name
---|---
El Salvador | Growing up Healthy Together: Comprehensive Early Childhood Development in El Salvador

Project ID | Financing Instrument | Environmental and Social Risk Classification
---|---|---
P169677 | Investment Project Financing | Moderate

Financing & Implementation Modalities

- [ ] Multiphase Programmatic Approach (MPA)
- [✓] Contingent Emergency Response Component (CERC)
- [ ] Series of Projects (SOP)
- [ ] Fragile State(s)
- [ ] Disbursement-linked Indicators (DLIs)
- [ ] Small State(s)
- [ ] Financial Intermediaries (FI)
- [ ] Fragile within a non-fragile Country
- [ ] Project-Based Guarantee
- [ ] Conflict
- [ ] Deferred Drawdown
- [ ] Responding to Natural or Man-made Disaster
- [ ] Alternate Procurement Arrangements (APA)

| Expected Approval Date | Expected Closing Date |
---|---|
19-Mar-2020 | 30-Jun-2026 |

Bank/IFC Collaboration

No

Proposed Development Objective(s)

The Project Development Objectives (PDO) are to: (i) strengthen health promotion behaviors among children aged 0 to 7 and their mothers during preconception and gestation; (ii) strengthen the early identification of risks and developmental delays in children aged 0 to 7; and (iii) improve the provision of quality maternal and child health care services.
### Components

<table>
<thead>
<tr>
<th>Component Name</th>
<th>Cost (US$, millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1: Promoting Human Capital Accumulation in children 0 to 7 years and their mothers during preconception and gestation</td>
<td>195.00</td>
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<tr>
<td>Component 2: Modernization, Streamlining and Strengthening of MINSAL for the Public Provision of Maternal and Child Health</td>
<td>44.00</td>
</tr>
<tr>
<td>Component 3: Contingent Emergency Response Component (CERC)</td>
<td>0.00</td>
</tr>
<tr>
<td>Component 4: Project Management and Monitoring and Evaluation</td>
<td>11.00</td>
</tr>
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</table>

### Organizations

**Borrower:** Republic of El Salvador  
**Implementing Agency:** Ministerio de Salud de El Salvador - MINSAL

### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Total Project Cost</td>
<td>250.00</td>
</tr>
<tr>
<td>Total Financing</td>
<td>250.00</td>
</tr>
<tr>
<td>of which IBRD/IDA</td>
<td>250.00</td>
</tr>
<tr>
<td>Financing Gap</td>
<td>0.00</td>
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</table>

#### DETAILS

**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD) | 250.00

#### Expected Disbursements (in US$, Millions)

<table>
<thead>
<tr>
<th>WB Fiscal Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
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<tbody>
<tr>
<td>Annual</td>
<td>0.00</td>
<td>19.40</td>
<td>31.60</td>
<td>45.00</td>
<td>46.00</td>
<td>47.00</td>
<td>48.00</td>
<td>13.00</td>
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<tr>
<td>Cumulative</td>
<td>0.00</td>
<td>19.40</td>
<td>51.00</td>
<td>96.00</td>
<td>142.00</td>
<td>189.00</td>
<td>237.00</td>
<td>250.00</td>
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</table>
INSTITUTIONAL DATA

Practice Area (Lead)  Contributing Practice Areas

Climate Change and Disaster Screening
This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating</th>
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<tbody>
<tr>
<td>1. Political and Governance</td>
<td>⚫ Substantial</td>
</tr>
<tr>
<td>2. Macroeconomic</td>
<td>⚫ Substantial</td>
</tr>
<tr>
<td>3. Sector Strategies and Policies</td>
<td>⚫ Moderate</td>
</tr>
<tr>
<td>4. Technical Design of Project or Program</td>
<td>⚫ Moderate</td>
</tr>
<tr>
<td>5. Institutional Capacity for Implementation and Sustainability</td>
<td>⚫ Moderate</td>
</tr>
<tr>
<td>6. Fiduciary</td>
<td>⚫ Substantial</td>
</tr>
<tr>
<td>7. Environment and Social</td>
<td>⚫ Moderate</td>
</tr>
<tr>
<td>8. Stakeholders</td>
<td>⚫ Low</td>
</tr>
<tr>
<td>9. Other</td>
<td>⚫ Substantial</td>
</tr>
<tr>
<td>10. Overall</td>
<td>⚫ Substantial</td>
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</tbody>
</table>

COMPLIANCE

Policy
Does the project depart from the CPF in content or in other significant respects?
[ ] Yes  [✓] No

Does the project require any waivers of Bank policies?
[ ] Yes  [✓] No
### Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

<table>
<thead>
<tr>
<th>E &amp; S Standards</th>
<th>Relevance</th>
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</thead>
<tbody>
<tr>
<td>Assessment and Management of Environmental and Social Risks and Impacts</td>
<td>Relevant</td>
</tr>
<tr>
<td>Stakeholder Engagement and Information Disclosure</td>
<td>Relevant</td>
</tr>
<tr>
<td>Labor and Working Conditions</td>
<td>Relevant</td>
</tr>
<tr>
<td>Resource Efficiency and Pollution Prevention and Management</td>
<td>Relevant</td>
</tr>
<tr>
<td>Community Health and Safety</td>
<td>Relevant</td>
</tr>
<tr>
<td>Land Acquisition, Restrictions on Land Use and Involuntary Resettlement</td>
<td>Not Currently Relevant</td>
</tr>
<tr>
<td>Biodiversity Conservation and Sustainable Management of Living Natural Resources</td>
<td>Not Currently Relevant</td>
</tr>
<tr>
<td>Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities</td>
<td>Relevant</td>
</tr>
<tr>
<td>Cultural Heritage</td>
<td>Relevant</td>
</tr>
<tr>
<td>Financial Intermediaries</td>
<td>Not Currently Relevant</td>
</tr>
</tbody>
</table>

**NOTE**: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

### Legal Covenants

**Sections and Description**

**Schedule 2. Section I.A.1**

The Borrower, through MINSAL, shall operate and maintain throughout Project implementation, a Project Coordination Unit (PCU) responsible for the overall coordination and implementation of Parts 1, 2 and 4 of the Project, including fiduciary responsibilities, with the support of the Institutional Financing Unit (IFU).

**Sections and Description**

**Schedule 2. Section I.A.3**

Not later than ninety (90) days after the Effective Date, the Borrower, through MINSAL, shall recruit and maintain throughout Project implementation, as a minimum, professionals in the following areas: financial management, treasury, accounting, budget, procurement, environment, and social, all with functions and responsibilities as set forth in the Project Operations Manual and with qualifications and experience, and under terms of reference, acceptable to the Bank.
Sections and Description
Schedule 2. Section I.C.1
The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

Sections and Description
Schedule 2. Section I.C.2
The Borrower shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank.

Sections and Description
Schedule 2. Section I.C.4
The Borrower shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

Sections and Description
Schedule 2. Section II
The Borrower, through MINSAL, shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Conditions

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness</td>
<td>Article IV. 4.01. The Project Operations Manual has been adopted, through MINSAL, in a manner and with contents satisfactory to the Bank.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursement</td>
<td>Schedule 2. III.B.1.b No withdrawal shall be made for Emergency Expenditures under Category (2), unless and until the Bank is satisfied, and notified the Borrower of its satisfaction, that all of the following conditions have been met in respect of said expenditures:</td>
</tr>
<tr>
<td></td>
<td>(i) the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include the proposed activities in the Emergency Response Part in order to respond to said crisis or emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof;</td>
</tr>
<tr>
<td></td>
<td>(ii) the Borrower has ensured that all environmental and social instruments required for said activities have been prepared and disclosed, and the Borrower has ensured that any actions which are required to be taken under said instruments have been implemented, all in</td>
</tr>
</tbody>
</table>
accordance with the provisions of Section I.D.3(b) of Schedule 2 to the Agreement;
(iii) the Coordinating Authority has adequate staff and resources, in accordance with the
provisions of Section I.D of Schedule 2 to the Agreement, for the purposes of said activities;
and
(iv) the Borrower has adopted an Emergency Response Manual in form, substance and
manner acceptable to the Bank and the provisions of the Emergency Response Manual
remain, or have been updated in accordance with the provisions of Section I.D of Schedule 2
to the Agreement, so as to be appropriate for the inclusion and implementation of said
activities under the Emergency Response Part.
I. STRATEGIC CONTEXT

A. Country Context

1. El Salvador is facing many economic and social challenges, and the Government’s policies aim to break the country’s current vicious circle of low growth, high migration, and high violence. Economic growth has averaged just 2.3 percent annually over the last five years (2014-2018).¹ Per capita Gross Domestic Product (GDP) growth is expected to remain at around 3 percent over the medium term. Low levels of investment, weak terms of trade, and limited external demand are constraining growth. Despite the reduction in crime in recent years, El Salvador suffers from one of the highest rates of crime and violence in the world. At 60 per 100,000 people in 2017, El Salvador’s homicide rate is more than three times that of Latin America and the Caribbean (LAC) as a whole. This high level of crime has substantial economic costs estimated at 10 percent of GDP each year, with some of this burdening the health care system. Almost one-quarter of El Salvador’s population of 6.4 million live overseas, sending home remittances worth one-fifth of GDP. This situation is generating a cycle in which low growth and violence fuel each other and both fuel migration, which in turn results in an economy driven by remittances and consumption that does not create enough jobs or wealth. Structural bottlenecks need to be overcome to increase El Salvador’s competitiveness and accelerate its human capital accumulation.

2. The most effective way to develop human capital is to foster inclusive economic growth that particularly benefits those in the bottom 40 percent of the income distribution. While the income of the poorest 40 percent of the population grew by only 0.3 percent between 2007 and 2012 (the third-lowest growth in LAC), it grew by 4.1 percent between 2012 and 2017 (the sixth-highest growth in the region). The Gini coefficient fell from 0.51 in 2000 to 0.38 in 2017, reducing inequality in El Salvador at a higher rate than in other LAC countries. In 2016 and 2017, El Salvador was the second-most equal country in LAC (after Uruguay). Despite these reductions in inequality, the country still has the largest proportion of vulnerable people in LAC (those with monthly incomes under $5.5 to $13² at 2011 Purchasing Power Parity). Investing in the human capital of El Salvador’s low-income and vulnerable population will be key to improving the quality of life and health status of the populace. On the 2018 World Bank’s Human Capital Index (HCI), El Salvador ranked 97 out of 157 countries globally. The HCI measures the combination of skills, health, knowledge, and resilience that a child born today can expect to achieve considering the health and education challenges that exist in the country where the child lives. Children born in El Salvador today will be 50 percent as productive when they grow up as they could be if they enjoyed full health and complete education.³ Safeguarding human capital throughout the lifecycle requires the promotion of healthy habits, specifically to improve the quality of life of children and mothers, including actions to prevent the early onset of diseases and continuous access to quality care.

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² Unless otherwise specified, the currency cited throughout this document, including the Annexes, is the US dollar.
³ Full (or good) health as per Human Capital Index (HCI) is defined as no stunting and survival up to at least age 60- and complete education is defined as 14 years of high-quality school by age 18. This means that a child born in this generation would fall short of achieving their full potential by 50% and their contribution to productivity in the work force would only be 50% compared to what it could have been if they had benefitted from good health and complete quality education as defined by the HCI.
3. **Migration is a double-edged sword, and crime and violence drive many economic and social decisions.** Migration benefits migrants, by giving them job opportunities in other countries, and also those who remain in El Salvador, who live on the remittances that the migrants send home. On the other hand, the outflow of the population reinforces a consumption-driven economy, distorts the labor market, and can be a risk factor for crime. Family separation arising from migration combines with gang exposure to create an enabling environment for violence. El Salvador has one of the highest violence rates in LAC in three areas: (i) domestic violence; (ii) sexual violence against women; and (iii) street or gang-related violence. Young males are most likely to be victims of homicide, and women are most likely to experience violence from someone they know. Estimates show that one in four Salvadorans live abroad, and 24 percent of the remaining population declare an intention to migrate, with the youngest (those aged 16 to 29) being the most likely to leave the country.

4. **El Salvador’s demographic window of opportunity to promote human capital is today.** El Salvador is still a country of young people and is 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 and 24 years old and 40 percent is aged between 25 and 54 years old. Life expectancy is 69 years for men and 78 years for women. This gap is primarily explained by a high level of mortality among men from external causes related to violence and crime. As a country of the young, El Salvador still has opportunities for growth and development, and therefore human capital investments in children will play an important role in ensuring the sustainable and equitable wealth of the population.

**B. Sectoral and Institutional Context**

5. **El Salvador successfully achieved the Millennium Development Goals (MDGs) of reducing child and maternal mortality.** As of 2018, the under-5 child mortality rate was 14 children per 1,000 live births, compared to the Sustainable Development Goal of 20 children. The maternal mortality ratio of 46 deaths per 100,000 live births, with 19 percent of maternal deaths occurring among girls and adolescents, is significantly lower than LAC’s average of 74 maternal deaths per 100,000 live births. El Salvador’s success appears to be directly linked to the expansion in health care coverage for mothers and children over the last decade. The proportion of women aged 15 to 49 who received postnatal care within two days of giving birth reached 94 percent, and those who benefitted from at least four antenatal visits reached 90 percent, while 98 percent of births are now attended by skilled personnel. Despite these successes, challenges remain related to the quality of the provision of those services. For example, sepsis prevails among the direct causes of maternal death (29 percent) and post-partum morbidity remains high (the sixth highest cause of morbidity among women).

6. **Malnutrition continues to be a challenge for El Salvador, as reflected in the rising levels of people who are overweight or obese.** While prevalence rates of under-5 stunting and wasting seem to be under control,
obesity and overweight status are disproportionally high. The national prevalence of under-5 stunting is 13.6 percent, which is less than the 25 percent average for low- and middle-income countries, and the under-5 wasting prevalence is 2.1 percent, compared to 7.9 percent in low- and middle-income countries. However, 2017 data show that the prevalence of under-5 overweight was 6.4 percent, while overweight and obesity rates in adolescents 13 to 15 years old were 28.8 percent and 9.6 percent respectively. Mothers with obesity have a higher risk of pregnancy-related complications as well as of developing conditions later in life such as heart disease and hypertension. Children born to obese mothers also have a higher risk of prematurity and low weight at birth, cardiovascular disease, and of obesity itself. In El Salvador, 57 percent of women of reproductive age are overweight or obese. Other diseases associated with obesity have high prevalence rates, such as diabetes (7.2 percent among women and 6.5 percent among men). The nutrition of the population, particularly children, is directly affected by water and sanitation conditions and the consumption of sugar-sweetened beverages and highly processed food. The proportion of the population using sanitation services is at 75 percent and access to pipeline water is at 78 percent, but the quality of water, especially in schools, is not up to drinkable standards and represents a public health challenge that requires a multisectoral response. The Ministry of Health is aiming to implement preventive measures designed to reduce the consumption of excessive amounts of sugar and salt, beverages with high sugar content, and processed foods as part of the country’s public health strategy.

7. **High rates of violence against women and children coupled with high murder rates are having a devastating impact on the quality of life and mental health of Salvadorans, especially children and adolescents.** A lack of security and an unsafe environment have a particularly adverse effect on the social, cognitive, and emotional development of children. Exposure to community violence is perhaps the most detrimental event that children can experience, since it impacts how they think, feel, and act. As many as 42 percent of women and 62 percent of men have reported being exposed to physical violence before they were 15 years old, and 8 percent of students reported having been sexually abused. Unsafe environments affect children early in their development, costing them the opportunity to grow up in a nurturing environment. According to the Early Child Development Index, the percentage of Salvadoran children aged 36 to 59 months with adequate development is 9 percent lower among children who were disciplined violently than among children who were disciplined nonviolently. A violence-free upbringing has a life-long positive effect on an individual’s health and well-being.

8. **A key constraint to provision of quality health-care services in El Salvador is fragmentation and lack of coordination among the various institutions that provide health services throughout the country.** El Salvador’s health care system is comprised of the Ministry of Health of El Salvador (MINSAL), the Salvadoran Social Security Institute (ISSS), the Salvadoran Teachers’ Welfare Institute, the Military Health Group, and the Solidarity Fund for Health, collectively covering 96 percent of the population. In addition, there are institutions that provide differentiated or specialized services such as the Red Cross, the Salvadoran Integral Rehabilitation Institute, the National Directorate of Medicines, and the Superior Council of Public Health. This fragmentation in the public

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“obese“ means a much higher amount of body fat than “overweight.”


12 The Early Child Development Index (ECDI) assesses children aged between 36 and 59 months old in four domains: (i) language/literacy; (ii) numeracy; (iii) physical development; and (iv) socio-emotional and cognitive development.

provision of care leads to technical and allocative inefficiencies that make it necessary to strengthen MINSAL’s stewardship of the health system. Focusing health care on the user and prioritizing investments for preventive health care will both be required, as described in the Government’s National Development Plan (Plan Cuscatlán).

9. The challenges to El Salvador’s health system are exacerbated by the observed and anticipated impacts of climate change. Given its tropical geographic location, biodiversity, and topography, El Salvador is particularly vulnerable to increasing temperatures (which are predicted to rise between 1.4 and 2 degrees Celsius by 2050) and rising sea levels (an anticipated rise of up to 8cm by 2050). These impacts coupled with changing precipitation patterns are expected to lead to more frequent natural disasters, such as floods, droughts, and tropical storms. These climatic disasters damage health-care facilities, sometimes disabling them completely when their services are most necessary. The phenomenon of El Niño may also contribute to the weather changes, putting a higher percentage of El Salvador’s population at risk of flooding and landslides caused by intense rainfall. In addition, high temperatures adversely affect children’s health, increasing cases of acute respiratory infections. Observed and anticipated climate change impacts, and rising temperatures and changes in precipitation patterns and severity, also result in an increase in communicable disease transmission, such as malaria, cholera, leishmaniasis, tuberculosis, and dengue.

10. To respond effectively to these health challenges, the Government is committed to allocating more resources for health and promoting organizational changes to increase efficiency in the provision of health services. The change in El Salvador’s epidemiological profile means that policy-makers must address the persistent challenges in the area of child and maternal health, as well as ensuring that the health system has the capacity to adequately prevent chronic conditions by reducing risk factors, particularly in the formative years of life. An integrated health-care delivery model that emphasizes prevention and detection starting in early childhood is needed. This model will be strengthened by the implementation of the approved National Integrated Health System Law approved in December 2019.

11. In 2019, the Government of El Salvador defined investing in the human capital accumulation of the population in the early years of life as its flagship initiative. The Government has adopted a multisectoral national early childhood development (ECD) policy, Crecer Juntos, targeting children 0 to 7 years old and their mothers nationwide (Annex 2). The objective of Crecer Juntos is to enable all Salvadoran children to achieve their full potential by delivering children-friendly services aimed at ensuring their health and nutrition, early learning, safety, integral protection, and at meeting their needs at all levels (family, community, and government), through universal, differentiated, and specialized actions. Specifically, it aims to improve children’s cognitive and psychomotor development, growth and physical development, and socio-emotional development. Crecer Juntos will be progressively implemented starting in 2020 with each new cohort of newborns, while also covering current cohorts of infants and children. Crecer Juntos seeks to ensure that all domains of ECD will be promoted from preconception to 7 years of age through a basic package of services for these children, as well as the provision of differentiated and specialized services to vulnerable groups and tracer subjects in the areas of nutrition, mental health, and violence prevention. MINSAL has begun preparing its new Health Sector Plan 2019-2024, based on the Plan Cuscatlán, which will aim to promote health and prevent disease throughout the lifecycle.

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15 El Niño is the warm phase of the El Niño–Southern Oscillation and is associated with a band of warm ocean water that develops in the central and east-central equatorial Pacific, including the area off the Pacific coast of South America.

16 Health Sector Plan 2019-2024 is under preparation. It heavily draws from the Plan Cuscatlán.
C. Relevance to Higher Level Objectives

12. The proposed Project is aligned with the World Bank Group Country Partnership Framework (CPF) for El Salvador FY2016-2019 discussed by the Board of Executive Directors on May 26, 2015 and with the Performance and Learning Review of the CPF for the Period of FY2016-FY2019 dated July 13, 2017. The Project will contribute to achieving Objective 5 (Promoting the Efficiency of Public Spending) of Pillar II of the CPF (Fostering Sustainability and Resilience), as it aims to make public health spending more efficient by focusing on the prevention and early detection of diseases and to ensure value for money in specific interventions in the targeted population. In addition, the Project will strengthen the institutional capacity of MINSAL to deliver services, help to improve the quality of services, and promote Universal Health Coverage (UHC).

13. The proposed Project is in line with the World Bank’s twin goals of eliminating extreme poverty and boosting shared prosperity by helping El Salvador accelerate progress toward achieving UHC. Similarly, the Project is aligned with the World Bank’s Human Capital Project, which calls for countries to make more and better investments in health and education to increase the productive capacities of their populations. Additionally, the Project is closely aligned with the Sustainable Development Goals, which emphasize the importance of achieving UHC and financial protection. Finally, the Project is consistent with the 2016-2020 Priority Directions of the World Bank’s Health, Nutrition, and Population Global Practice and the World Bank’s climate change commitments. By incorporating climate change considerations throughout project design, and particularly as they relate to the rehabilitation of hospitals and municipal centers and provision of training and services, the Project seeks to reduce observed vulnerabilities of El Salvador’s population and enable the health system to adapt to climate induced changes.

II. PROJECT DESCRIPTION

14. The proposed Project is part of the comprehensive support given by the World Bank to the development and implementation of the Crecer Juntos National Early Child Education (ECD) Policy. The Bank is supporting the design, implementation, and evaluation of the policy in a coordinated manner, using different instruments. Technical assistance focused on the early years of education supported government efforts to strengthen integrated ECD services (P169063). In addition, the Bank is supporting government efforts with two closely-coordinated lending operations – the proposed Project being one of them – that promote more efficient investments in health and education services. Table 1 presents a summary of the convergence between these two projects (Annex 3).
Table 1. Investing in Early Years: 
A sequenced and well-coordinated approach to child development

<table>
<thead>
<tr>
<th>Health (P169677)</th>
<th>Education (P171316)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in children aged 0 to 7 years old require a sequenced and well-coordinated support across multiple players in the child’s development process. The two proposed loans were designed to coordinate interventions across multiple core areas of social, and broader public, policy such as: (i) development of quality standards; (ii) development of learning materials for children, parents, and caregivers; (iii) development and delivery of training for agents in ECD; (iv) implementation of a management and information system promoting the interoperability of information across line ministries; and (v) provision and monitoring of nutrition services in Early Childhood Care and Education Centers.</td>
<td>✓ Development of curriculum in ECCE, and development and support of structural quality standards in ECCE Centers</td>
</tr>
<tr>
<td>✓ Development of protocols of lags and risks, guides and monitoring for healthy environments in ECCE Centers</td>
<td>✓ Development of didactic materials based on adaptation of the ECCE curriculum nationwide</td>
</tr>
<tr>
<td>✓ Design of ECD guides and materials for agents serving ECD</td>
<td>✓ Training and support for ECCE public teachers prior to service and in service</td>
</tr>
<tr>
<td>✓ Training of MINSAL and ISSS Health Staff</td>
<td>✓ Coordination of the single registry of MINEDUCYT with a single registry of MINSAL*</td>
</tr>
<tr>
<td>✓ Development of school health for initial, preschool and first grade education and monitoring of care through a unified computer system</td>
<td>✓ Logistics of food in ECCE Centers*</td>
</tr>
<tr>
<td>✓ Monitor the provision of nutritional foods and supplementary feeding contents to ECCE Centers</td>
<td>* This activity is not part of the Education Project; however, MINSAL will coordinate with MINEDUCYT in line with the Crecer Juntos policy.</td>
</tr>
</tbody>
</table>

A. Project Development Objective

PDO Statement

15. The Project Development Objectives (PDO) are to: (i) strengthen health promotion behaviors among children aged 0 to 7 and their mothers during preconception and gestation; (ii) strengthen the early identification of risks and developmental delays in children aged 0 to 7; and (iii) improve the provision of quality maternal and child health care services.

PDO Level Indicators

16. The PDO indicators are as follows:

- One-year-old children exclusively breastfed for the first six months of life (percentage)
- Children between 10 to 11 months with a developmental follow-up chart (percentage)
- First-level health-care facilities certified for the provision of quality health-care services to mothers and children (number)

17. The above PDO indicators are based on the following principles:
- Breastfeeding has well-established short-term benefits, particularly the reduction of morbidity and
mortality from infectious diseases in childhood. Breastfeeding substantially lowers the risk of death from infectious diseases in the first two years of life,\(^\text{17}\) and could prevent a substantial proportion of hospital admissions from diarrhea and lower respiratory tract infections.\(^\text{18}\) It is also confirmed that exclusive breastfeeding in the first six months of life reduces morbidity from gastrointestinal and allergic diseases, without any adverse effects on growth.\(^\text{19}\) Finally, long-term benefits of breastfeeding support strong evidence of a causal effect of breastfeeding on intellectual development (IQ), although the magnitude of this effect seems to be modest.\(^\text{20}\)

- **Physical and neuro-development follow-up of children to timely identify and, when possible, treat impairments of the physical growth and development of the brain and/or central nervous system.** The sooner any risk or delay is addressed, the better the predicted developmental outcome for each child. *Crecer Juntos* would ensure an integrated follow-up of children’s development from 0 to 7 years of age; the Project would support some of these efforts, although it will concentrate on the first year of life.

- **The use of quality first-level health-care facilities has been demonstrated to be associated with better health outcomes, and a decline in hospitalization and use of emergency department visits.**\(^\text{21}\) These results were tested in the provision of maternal and child health-care services.\(^\text{22}\) These services are expected to provide individual and family-focused and community-oriented care for preventing, curing, or alleviating common illnesses and disabilities, and promoting health. A quality certification at the first level of care would imply a substantial change in the provision of care for the country and a major step in the reduction of maternal and child morbidity and mortality.\(^\text{23}\)

### B. Project Components

18. **The Project introduces two main changes to the traditional provision of services and challenges one of the most difficult principles of humans: change of behavior.** Specifically, the Project: i) places children and mothers at the center of the effort proposing a follow-up of children from the beginning of life with proven interventions to ensure the development of their full potential; and ii) introduces core changes in the provision of care services from linear compliance of provision of care, to a comprehensive provision of quality of care. The Project proposes behavioral changes to the traditional practices for raising children, incorporating early child stimulation to the richest traditional cultural values.\(^\text{24}\) It also will challenge health professionals by introducing international gold standard practices in the provision of the day-to-day health services. These changes will play a pivotal role in the accumulation of human capital in the new generations. The Project will be financed through an Investment Project Financing (IPF) mechanism.

19. **Component 1. Promoting Human Capital Accumulation in Children 0 to 7 years and Their Mothers During Preconception and Gestation ($195 million).** This component seeks to promote interventions to strengthen

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\(^{24}\) Children’s music and songs, family values, family traditions.
human capital accumulation in children (boys and girls) from the moment of conception to 7 years of age. It is organized into three subcomponents, which share health tracers that include nutrition, health promotion, violence prevention, and provision of mental health care. In addition, climate change adaptation and mitigation measures are incorporated throughout the subcomponents, as applicable.

20. **Subcomponent 1.1. Promoting Human Capital Accumulation during Preconception, Pregnancy, and Safe and Dignified Delivery.** This subcomponent will target women of reproductive age and aim to strengthen the national network of maternal and child (MCH) services. The strategic lines are to: (i) design and implement national green accreditation guidelines\(^{25}\) to improve the quality of MCH care in both primary health care (PHC) facilities and hospitals across the country; (ii) strengthen and climate proof the infrastructure, equipment, and technological solutions of the health-care network, including through an application of a green checklist and measures such as energy efficiency improvements in buildings, lighting, appliances and equipment, rehabilitation of cooling systems with lower greenhouse gas emissions, and the use of renewable energy; (iii) include early pregnancy identification in the first level of care and community and include ECD education and the early detection of delays and risks in the provision of MCH; (iv) ensure the quality of care in all levels, including in maternity houses; (v) provide safe adolescent motherhood health-care services addressing adolescent pregnancies and active fatherhood; and (vi) develop tools for preventing gender-based violence and negligence, obstetric violence, and adolescent pregnancy in the context of the National Mental Health Plan.

21. **This subcomponent will finance the following activities to improve the provision of prenatal and childbirth care:** (i) rehabilitation of health facilities, laboratories, and maternity homes, including climate-smart measures as they relate to the infrastructure and facilities’ rehabilitation and retrofit; (ii) the development of clubs of knowledge for expectant mothers\(^{26}\) to provide them with information on ECD and on the proper care of the newborn, in addition to corners of knowledge for children\(^{27}\); (iii) purchase and maintenance of medical and non-medical equipment, including software; (iv) purchase of the supplies to provide prenatal and childbirth care; and (iv) provision of specialized and general training for health-care professionals and support staff to develop skills for effective, high-quality service delivery, including better client orientation, improved knowledge of health-care professionals on the use of climate-change mitigation measures and practices, and how to execute effective post-disaster strategies and responses.

22. **Subcomponent 1.2. Promotion of Human Capital Accumulation from birth to 3 years of age.** This subcomponent will focus on promoting ECD for younger children and will involve (i) accreditation\(^{28}\) to improve the quality of health services; (ii) development of a communication strategy for the promotion of MCH and prevention of disease, including those actions aimed at increasing awareness of climate-sensitive diseases and ways of reducing them; (iii) provision of ECD kits to improve early detection of developmental delays and appropriate stimulation; (iv) harmonization of the quality and standards of care among providers for the early detection of risks and developmental delays, including alerts in children’s growth check-up protocols to ensure

\(^{25}\) Green guidelines and subsequent accreditation will include environmentally friendly, low-carbon, and climate-resilient criteria and the list of activities aimed at reducing climate change vulnerabilities in targeted populations and scaling up climate-change mitigation activities.

\(^{26}\) Clubs means health promotion meetings with pregnant mothers to discuss issues related to pregnancy and child care.

\(^{27}\) Corners of knowledge are dedicated spaces for early stimulation, adapted to waiting rooms in health facilities or in maternal waiting homes.

\(^{28}\) Accreditation in healthcare is a form of external review that shows that a healthcare provider is meeting regulations and standards.
proper referral and care as needed; (v) promotion of breastfeeding and adequate complimentary feeding; (vi) strengthened provision of pediatric and nursery services at all levels of care; (vii) tracking efforts to ensure that children’s developmental check-ups include the early identification of developmental risks and delays to be tracked through the integrated electronic system; (viii) revision of existing inter- and intra-institutional referral protocols based on interactive protocols that ensure proper response and follow-up to children; (ix) establishment of developmental stimulation areas in the Salvadoran Integral Rehabilitation Institute for children with disabilities in all regions; and (x) refurbishment of prenatal stimulation areas in the maternal waiting homes.

23. **This subcomponent will finance activities in support of pediatric services**, including (i) rehabilitating health facilities and procuring and maintaining medical and non-medical equipment, which, as is the case for other rehabilitation activities supported by the Project, will include low-carbon and climate-resilient considerations and standards; (ii) supplies needed to provide neonatal and specialized services to newborn children (hormonal testing, cochlear implants, or other needs related to congenital diseases); (iii) specialized and general pediatric training at all levels of care; (iv) promotion of multi-sectoral coordination with other institutions to harmonize quality and standards of care among providers; (v) developing information technology (IT) solutions to facilitate the early detection of delays in development, including implementing alerts in children’s growth check-ups to ensure that they are given the appropriate referrals and care as needed; (vi) promoting proper nutrition and a smooth transition from breastfeeding to the family diet; and (vii) strengthening the provision of pediatric services at all levels of care, as well as the provision of services from nutrition centers.

24. **Subcomponent 1.3. Promotion of Human Capital Accumulation from 4 to 7 Years of Age.** This subcomponent will focus on multi-sectoral efforts to improve the health of children from 4 to 7 years of age. Lines of action in this subcomponent include the identification and provision of essential, differential, and specialized health and social services to children in this age group, monitoring of learning environments to ensure that they are healthy; and monitoring the provision of nutritional foods and the content of supplementary feeding. Most activities will take place in close coordination with the Ministry of Education (MINED) and the National System for the Protection of Children and Adolescents.

25. **This subcomponent will finance activities in support to school age children**, including: (i) accreditation to improve the quality of primary care and hospital care; (ii) provision of health services for preschoolers and first graders, including essential, differentiated, and specialized services, in-school and in other ECD centers to ensure the children are in optimal health conditions to learn; (iii) identification of early risk factors and delays, and follow up with neurodevelopment care (or specialized services); (iv) review the nutritional content of school feeding programs; (v) monitoring the quality of water and sanitation in school facilities; and (vi) promotion of development of training, campaigns, and outreach activities to foster prevention of violence and negligence against children and girls, and to raise awareness on climate-change impacts and ways of mitigating and adapting to them. Among these activities, the Project will build community and family awareness of domestic and community violence, with an emphasis on the perinatal period, through campaigns and outreach activities. These activities will be carefully monitored and evaluated across the life of the Project to help improve its

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29 Essential (universal) services are services that must be available to all children. Differentiated services are services for children of families that present social and / or economic vulnerability and effective response to climate-sensitive diseases. Specialized services are services aimed at children with some individual risk or vulnerability. A clear example of a specialized service is the provision of cochlear implants to children diagnosed with deafness.

30 This will involve monitoring children’s health for conditions that can hamper their progress in school and taking remedial actions, such as providing them with eye-glasses or hearing aids, etc.
implementation.

26. **Component 2. Modernization, Streamlining, and Strengthening of MINSAL for the Public Provision of Maternal and Child Health ($44 million).** This component will strengthen the governance and regulatory capacity of MINSAL as well as the management and technical efficiency of the health-care network by (i) developing a unified IT system to improve data records, databases, and the management of the information system in order to increase efficiency and conduct better monitoring and planning; (ii) establishing certification processes for the provision of health care, including development of clinical guidelines; (iii) designing and implementing a National Medical Simulation Center for the provision of training for clinical and non-clinical staff; (iv) developing MINSAL’s capacity in health-care provision, including for the implementation of the telemedicine program; (v) strengthening the logistics and distribution of medicine; (vi) supporting MINSAL’s surveillance capacity of the quality of water for human consumption in school environments and health facilities; (vii) improving the health-care network’s management and technical efficiency through the provision of training; (viii) strengthening the stewardship and monitoring capacity for the quality of health-care provision of MINSAL, including implementing rehabilitation works to improve water quality in health facilities; (ix) purchasing medical and laboratory equipment and supplies; and (x) supporting data collection and analysis through national surveys or other monitoring and evaluation (M&E) instruments to assess the national ECD policy (Crecer Juntos) and mental health. Concurrently, component activities will include efforts to mitigate adverse climate-change impacts and the occurrence of natural disasters and disease outbreaks, with the goal of preserving human capital gains in health and reducing climate vulnerability. Given the attribution of extreme weather events to climate change and the direct health effects of these events through death, increased transmission of diseases, and problems with water and food security caused by heat waves, droughts, flooding rains, and hurricanes, the Project will respond with an adequate set of governance actions, including: assessing the magnitude and cost of climate-change impacts on the health system; assessing health impacts of climate change on vulnerable and other targeted populations; building strong monitoring systems; and promoting cross-sectoral engagement, with a view of scaling up early warning systems in health.

27. **Component 3. Contingency Emergency Response Component (CERC) ($0.00).** Reflecting the strategic approach taken in El Salvador across the Bank’s portfolio, this component can be activated to facilitate the use of critical resources in the event of a national emergency (as defined in the Contingency Emergency Response Operational Manual to be prepared and adopted by the Government) associated with a natural or man-made crisis or disaster, including a sanitary alert or an epidemiological emergency in the public health sector. The activation involves (i) a government request submitted by the Ministry of Finance to the Bank for support of an eligible event through the CERC; and (ii) the preparation of an acceptable Emergency Action Plan for the use of CERC funds that must be approved by the Bank.

28. **Component 4. Project Management and Monitoring ($11 million).** This component seeks to support the strengthening of MINSAL’s capacity to administer, implement, supervise, and evaluate Project activities. In addition, this component will include the hiring of an auditing firm to conduct the annual financial audits.

C. Project Beneficiaries

29. **By supporting the implementation of the National Development Plan (Plan Cuscatlán) and Crecer Juntos, the Project will directly benefit children from 0 to 7 years of age (16.9 percent of the population) and women during preconception and gestation (27 percent of women between 15 to 49 years of age).** The Project is
expected to improve the resolution capacity of health services by certifying the quality provision of care at facilities at the national, regional, and municipal levels that provide care to targeted population groups. The Project will support health system strengthening activities at these levels, and it will strengthen the referral capacity from the PHC level to the Secondary Health Care (SHC) level.

30. **Project interventions will also benefit health sector staff by strengthening their capacity, and the overall population by strengthening provision of public health services.** The staff at the PCH level and in hospitals will benefit from training, improved working conditions, and additional resources to allow them to operate with better conditions and more knowledge and provide better quality care. In addition, some of the Project’s interventions have an intrinsic public goods value and will benefit the entire population, such as the regulatory and system governance components, the communication campaigns to raise awareness about ECD and nutrition, and health promotion efforts aimed at preventing risk factors and developmental delays.

D. Results Chain

31. **The long-term outcome of this Project, to reduce maternal and child morbidity and mortality in the country, is supported by the lines of action and activities included in this Project.** Improving access and quality of basic, differential, and specialized health services is critical to keep children on the right development trajectory, prevent premature deaths, disabilities, and adolescent pregnancies, and enable all to have productive lives and exit or stay out of poverty. This requires a multisectoral approach that goes beyond health to include education, social protection, and water and sanitation. Prioritized multisectoral interventions are included to address challenges that arise prior to birth and during childhood. Concurrently, the Project is designed to strengthen the monitoring and stewardship capacity of MINSAL and conduct activities to mitigate climate-change impacts and the occurrence of natural disasters and disease outbreaks, with the goal of preserving human capital gains in health and reducing climate vulnerability.

32. **Project activities under the first two components will play a pivotal role in supporting quality improvements in the provision of health care.** The changes supported by the Project will contribute to the provision of sustainable, resilient, and efficient quality health care services. These activities will translate into better health outcomes, thus with increased confidence of the population in the health system and its benefits.\(^ {31} \) The Project will focus on the foundations of the provision of quality health care. These include tools, workforce, platforms, governance and knowledge of the population to serve (See Annex 2). For example, infrastructure, equipment, medicines, data and health professionals are essential foundations of the provision of quality health care. Measuring and monitoring quality outcomes and impacts are arguably the most difficult aspect of improving quality provision. They typically require robust health information systems that can link health outcomes with the clinical care provided to patients. In recognition of these challenges, and per the recommendation of the Lancet Commission and other experts in low- and middle-income countries, structure and process measures represent an appropriate starting point for benchmarking quality improvements. Therefore, achievement of the outcome of improved provision of quality health-care services will be measured by improvements in the share of health-care facilities certified for the provision of quality. In turn, in the long run, the outcomes of the Project will contribute to reduced mortality and morbidity and improved well-being of children under 7 years and their mothers, thereby contributing to building the human capital of the beneficiary population in fundamental ways. Underlying critical risks and assumptions to the theory of change are provided in Figure 1.

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\(^ {31} \) Economic benefits are defined as savings due to the efficient and effective provision of health services.
Figure 1. Results Chain

1. Promoting Human Capital Accumulation during preconception, pregnancy, and safe and dignified delivery

   1.1 Promoting Human Capital Accumulation during preconception, pregnancy, and safe and dignified delivery
   - Rehabilitation of health facilities and procurement of supplies and equipment
   - Training health professionals, support staff on early pregnancy identification and detection of delays/risk
   - Tools for gender-based violence prevention and identification and detection of delays/risk
   - Safe adolescent mother/health care services

   1.2. Promotion of Human Capital Accumulation from birth to 3 years of age
   - Promotion of healthy nutrition and breastfeeding
   - Rehabilitation and procurement of equipment in the Three Levels of Care
   - IT solutions to facilitate and incentivize the detection of delays
   - Harmonization of quality standards of providers, IT solutions and kits for early detection of risks and developmental delays
   - Communication strategy on awareness and prevention of climate sensitive diseases, among others
   - Accreditation of health facilities to improve quality of health services
   - School check-ups - school health
   - Monitoring of water quality in schools
   - Activities related to violence prevention

   1.3. Promotion of Human Capital Accumulation from 4 to 7 years of age
   - Capacity building for MINSAI’s stewardship and monitoring of quality of care
   - Logistics and distribution of medicines
   - Rehabilitation to improve water quality in health facilities
   - Data collection and analysis for evidence based policy making

   Intermediate Outputs
   - Increased percentage of pregnancies with early checkups (before 13 weeks)
   - Increased percentage of Health Facilities with a protocol in place to respond to Gender Based Violence
   - Increased percentage of health centers certified to provide prevention services for adolescent pregnancy
   - Increased number of health facilities certified to provide MCH services
   - Increased number of hospitals certified to provide MCH services

   PDOs/Outcomes
   - PDO 1: Strengthening of health promotion behaviors among children aged 0-7 and their mothers during pregnancy and gestation
   - PDO 2: Early identification of risks and developmental delays in children aged 0 to 7
   - PDO 3: Provision of maternal and child quality health care services

   Long-term Outcomes
   - Reduction in maternal, infant and child mortality and morbidity, and improvement of well-being of mothers and children under 7 years old, including nutrition and mental health.
   - Human capital accumulation

Key assumptions:
- Patients can access services affordably (including transportation)
- Patients demand quality of the services
- Patient experiences are satisfactory
- Children transition from breastfeeding to family diet smoothly
- All children attend preschool and elementary school
- Patients and health staff’s behavior is not affected by violence and crime
- Individuals are motivated to access care for themselves and their families

Key risks:
- Contact of violence and crime
- Lack of interinstitutional coordination
- Unequal access to good quality services
E. Rationale for Bank Involvement and Role of Partners

33. **The World Bank is supporting the Government program that targets children and mothers to protect them from the risk of ill health and suboptimal human capital development.** Violence and poverty in large areas of the country have created an undesirable poverty cycle that adversely affects the health outcomes and productivity of the poorest populace. Among those most affected are children and mothers. Improving access and quality of essential health services is critical to keep them on the right development trajectory and help them have productive lives and exit or stay out of poverty. The World Bank’s global expertise in the area of maternal and child health and early child development investments makes it an important partner for the Government of El Salvador in this area.

34. **The World Bank will continue to coordinate with development partners and other government agencies and will provide timely technical assistance to MINSAL when requested.** The Government has made health one of its priority promotion and investment sectors, with a special emphasis on children and adolescents. While the Inter-American Development Bank (IADB) has an ongoing health investment focused on improving infrastructure and equipment in El Salvador, the proposed Project will focus on improving the quality of care provided in the area of maternal and child health. Also, the Project will target vulnerable population groups, taking advantage of common synergies with other partners, especially in poor areas. In the technical advisory area, the World Bank will finance the collection and analysis of national survey data on mental health, water quality, and nutrition. El Salvador’s National Institute of Health (Instituto Nacional de Salud -INS) will coordinate the analytical work of the various agencies and use it to inform evidence-based policy-making aimed at achieving the goals established in the Government’s recent National Development Plan.

F. Lessons Learned and Reflected in the Project Design

35. **The Project incorporates lessons related to fiduciary aspects and implementation arrangements learned from another Bank-funded health project implemented in El Salvador between 2011 and 2018: the Strengthening Public Health Care System (P117157).** According to this experience, implementation based on MINSAL technical units with the Project Coordination Unit (PCU) in the role of facilitator and administrator create ownership and commitment with the project. A close coordination between those technical units and the PCU will be facilitated to promote a smooth implementation and a full disbursement of the loan.

36. **Public Policy underlying the purpose of the Project contributes to successful outcomes.** A project that is in full alignment with the government’s flagship policy ensures smooth interinstitutional coordination and support during implementation. In this opportunity, the Government is politically committed to improving the health of the mothers and children at the national level.

37. **The Project builds on global evidence showing that investments in health in the early years have large economic returns.** Investing in maternal and child health in El Salvador will contribute to the acceleration of economic growth in the long term and reduce socioeconomic and geographic inequality. The Project will build on the human capital framework and international ‘gold standards’ for quality provision of quality health care services for mothers and children. In addition, the project design benefited from the experience and practical application of those international standards as applied in Argentina (Provincial Public Health Insurance Development Project 2018present, P162505), Brazil (Bahia Health System Reform Project 2003-2009, P054119), and Peru (Health Reform Program 2009-2015, P095563).
III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

38. **The implementation of the Project will be overseen by MINSAL through a PCU within the Ministry of Health that will report directly to the Minister of Health.** The PCU will coordinate with the relevant Directorates and Units that will take responsibility of the areas under their specialty. The PCU will be responsible for day-to-day management of Project activities, including: (i) preparing an annual operational plan, a Project Procurement Strategy for Development (PPSD), and procurement plans; (ii) overseeing the technical aspects of implementation; (iii) ensuring the timely implementation of the operational plan, the PPSD, and the procurement plans; (iv) ensuring the efficient use of Project funds and resources; and (v) preparing biannual technical progress reports. The PCU will be composed of well-seasoned fiduciary staff with experience in projects financed by the World Bank or other international development partners. Their roles and responsibilities will be detailed in the Project Operations Manual (POM).

39. **The POM will detail the following aspects:** (i) composition, roles, and responsibilities of the PCU; (ii) the arrangements for institutional coordination and the day-to-day execution of the Project; (iii) M&E, reporting, and communication processes; (iv) administration, financial management (FM), and procurement procedures; (v) number and profile of the social and environmental specialists to oversee the implementation of the social and environmental instruments; and (vi) other administrative, technical, and organizational arrangements and procedures required for Project implementation. Any changes to the POM during project implementation require the World Bank’s prior no objection.

40. **Project procurement will be managed by the PCU, and financial management by the Institutional Financing Unit (Unidad Financiera Institucional -UFI).** The UFI will be responsible for the financial management of the Project, with the support of a financial specialist to be hired by the PCU. After six years of experience with other World Bank-financed operations\(^{32}\), the PCU and the UFI are well equipped to carry out the fiduciary responsibilities and functions required for the implementation of the Project.

41. **Procurement procedures.** The Borrower will carry out procurement for the Project in accordance with the World Bank’s “Procurement Regulations for Borrowers under Investment Policy Financing” dated July 2016, revised November 2017 and August 2018 (Procurement Regulations). A simplified PPSD was prepared as part of Project preparation to define the specific procurement arrangements, selection methods (including a market analysis approach), and the type of review to be conducted by the Bank. Based on the results stipulated in the PPSD, a Procurement Plan has been agreed between the World Bank and the Borrower for the first 18 months of implementation, and after effectiveness it will be made available through the Systematic Tracking of Exchanges in Procurement (STEP), the online system for planning and tracking procurement activities in World Bank-financed projects.

B. Results Monitoring and Evaluation Arrangements

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\(^{32}\) Including the Health Project Strengthening the Health Care System Project (P117157) closed in May 2018 and the ongoing implementation of the Addressing Non-Communicable Diseases Project (P164356).
42. **Progress toward the achievement of the PDOs will be tracked using three outcome indicators.** MINSAL will be responsible for the monitoring and evaluation of the Project. MINSAL’s institutional statistics and monitoring system will be used to track progress toward the indicators outlined in the Results Framework. The Project will use different sources of information from the Government, as well as: (i) statistics from the Planning Directorate of MINSAL; (ii) annual procurement post reviews; (iii) biannual Project Management Reports; and (iv) the Mid-Term Evaluation Report. The Project will also support the evaluation and monitoring of *Crecer Juntos* including a pre and post data collection and analysis.

C. Sustainability

43. **The Project has the full commitment of the Government, as its National Health Plan prioritized the health sector and is committed to implementing a multisectoral approach to tackle the most important health challenges facing the country.** Most public health expenditures are financed by the Government; international donors currently provide less than 5 percent of the public health budget. The total MINSAL budget for 2019 was $673 million, an increase of 6 percent over 2018, which demonstrates that successive governments have been prioritizing health. The 2020 MINSAL budget is expected to reach $700 million. The Project will substantially increase human capital investments in the health of infants, early child development, maternal health, sexual and reproductive health in adolescents, and mental health services.

44. **Through the PCU, the Project team will help harmonize financial audits and coordinate investments in the sector to ensure the greatest value for money.** Partners are supporting the Government’s health sector strategy with two major investments: (i) a $170 million project financed by the IADB aimed at strengthening health-care service delivery at all levels of the network and increasing the efficiency of the management of the public network, is currently under implementation; and (ii) the proposed Project in the amount of $250 million. During implementation, the PCU will manage the activities of both IADB and WBG projects to coordinate and harmonize their procedures and maximize their impact. At the same time, the Bank team will cooperate closely with other development partners, such as the Pan American Health Organization (PAHO), IADB, and the Spanish Agency for International Cooperation for Development (*Agencia Española de Cooperación Internacional para el Desarrollo*).

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis (if applicable)

**Technical**

45. **The Project will support sustainable health interventions in El Salvador that promote human capital accumulation from birth to 7 years of age.** First, the Project will focus on the needs of infants in their first 1,000 days of life by increasing the coverage of early stimulation and nutrition programs and by introducing individual monitoring of developmental delays and risks to ensure that children can develop to their full potential. To protect children during the gestational period, project beneficiaries will include women of reproductive age, as well as all pregnant women. Second, the Project will focus on children in preschool and elementary school by including growth monitoring in school health interventions to ensure the early detection and treatment of any physical and mental issues. MINSAL will be responsible for ensuring the provision of quality health care in line with the *Crecer Juntos* model and will coordinate with other public institutions, such as MINED, the Presidential House of El Salvador (CAPRES), and the National System for the Protection of Children and Adolescents, as well as other key
stakeholders from the private sector and nongovernmental organizations (NGOs). The capacity of MINSAL will be enhanced by strengthening its stewardship as a policy-making entity.

46. **Promoting human capital accumulation requires a multisectoral approach that goes beyond health to include other sectors, such as education, social protection, and water and sanitation.** Prioritized multisectoral interventions will be included in the Project to address challenges that arise during childhood and youth. These actions will focus on individuals and communities, giving preference to integrated responses and sustainable solutions. Although there have been substantial improvements in El Salvador’s child, maternal, and adolescent health outcomes in recent decades, the country faces several emerging challenges, especially as the burden of disease in El Salvador is shifting toward chronic and noncommunicable diseases, with an adverse effect on human capital accumulation. The National Health Plan lays out strategies to enhance the efficiency of service delivery and improve the quality of health services, particularly those provided to mothers, children, and adolescents. Many of the Project’s critical building blocks are already in place. These include (i) a strong political commitment at the highest level of the Government and within MINSAL; (ii) a strong alignment between the proposed Project and the larger policy framework for health sector reform included in the National Development Plan (*Plan Cuscatlán*); (iii) MINSAL’s sound technical capacity and existing plans to meet the health needs of poor and vulnerable populations, to improve the quality of health care services, and to promote the financial sustainability of the public health sector; and (iv) the Project’s clearly defined interventions for children from 0 to 7 years of age and adolescents, derived from successful global experiences.

**Economic and Financial Analysis**

47. **The economic analysis estimates an Internal Rate of Return of 20 percent from the 2020 to 2090 period and a benefit-cost ratio of 13.5, with a discount rate of 5 percent.** The design of the Project reflects the estimated enhanced economic productivity of project beneficiaries as a result of the years of healthy and productive life that they will gain because of the reduction of premature deaths and disabilities and of adolescent pregnancies. It also considers the amount saved because of a reduction in visits to health facilities for ambulatory maternal and child health conditions. The reductions in the burden of disease were calculated based on the concept of Disability-Adjusted Life Years (DALYs), and efficiency in the use of the services was estimated.

48. **The Project is expected to have a significant impact in terms of contributing to the reduction of maternal and neonatal diseases, enteric infections, and other risk factors that create the conditions for adulthood diseases and improvements and expansion of mental health services.** It is also expected to reduce adolescent pregnancies, which will increase productivity among young women. It will also produce savings in health-care costs as a result of a reduction in the number of visits to health facilities for conditions such as diarrhea and acute pulmonary infections among children and adolescents and for maternity-related conditions among mothers of all ages. The cost-benefit analysis presented in detail in Annex 5 shows that the Project is likely to have a substantial impact. The conservative scenario shows a net present value for the project benefits of $3.355 billion.

**B. Fiduciary**

(i) **Financial Management**
49. **Financial Management Assessment (FMA) and Mitigation Measures.** The World Bank conducted a financial management assessment of MINSAL, which will be responsible for implementation of Components 1, 2, and 4, that concluded that the controls and systems that MINSAL currently has in place are adequate. The Ministry has relevant experience implementing World Bank-financed projects, but the nature of this operation may require more complex operational processes within MINSAL in order to produce reliable and timely financial information for the Project. The main challenges identified in the FMA were: (i) the high volume of transactions foreseen for this Project; (ii) the incorporation of a Contingent Emergency Response Component 3 (CERC), which is new for the entity and the country; and (iii) the complex project structure, which involves different administrative and technical units. The following measures will be implemented to ensure the satisfactory performance of financial management functions for project implementations: (i) hiring qualified financial management staff for the PCU and MINSAL’s UFI; (ii) inclusion of internal controls and procedures in the financial management section of the POM to ensure adequate contract management oversight and monitoring of project funds; and (iii) training in financial management and disbursement procedures for financial management staff. The arrangements to ensure proper control, recording, and reporting are detailed in Annex 1. MINSAL, through its UFI and supported by the PCU’s financial specialist, will produce unaudited biannual financial statements, as well as annual audited financial statements (under Terms of Reference (TOR) and by an external audit firm, both acceptable to the World Bank). Project design includes a Contingency Emergency Response Component (Component 3). It is expected that the Borrower will carry out Component 3 through one or more implementing entities to be defined in the Project specific Contingency Emergency Response Manual. Once the entity(es) is (are) confirmed, an FM assessment will be conducted of the entity(es), if different from MINSAL.

(ii) **Procurement**

50. **Procurement procedures.** The Borrower will carry out procurement under the Project in accordance with the World Bank’s “Procurement Regulations for IPF Borrowers” (Procurement Regulations) dated July 2016, revised in November 2017 and August 2018, and with the provisions stipulated in the procurement plan and the POM.

51. **Procurement arrangements.** As noted above, the Project will be implemented by the PCU, including the CERC component, which may cover national emergencies and would therefore require coordination with other Government agencies. A partial procurement capacity assessment of MINSAL was conducted in November 2019. MINSAL has experience of implementing World Bank procurement activities, but the staff have had limited exposure to the new procurement framework. A series of mitigation measures will be implemented to ensure that the procurement functions are carried out satisfactorily, including (i) hiring qualified procurement staff for the PCU to manage specific procurement activities associated with the Project (the procurement specialist and/or procurement analyst should receive proper training on the World Bank procurement guidelines); (ii) incorporating a procurement section in the POM that defines roles, responsibilities, and timeframes for executing procurement functions; (iii) incorporating non-World Bank standard procurement documents in the POM as well as the World Bank’s standard fraud and anti-corruption clauses, specifically to be used for procurement processes under national market and (iv) from the Bank’s side procurement training will be delivered on a regular basis. Immediately after effectiveness the process of selection of consultants should take place to ensure smooth Project implementation. Annex 1 provides more details on procurement arrangements.

52. **CERC component.** Project design includes a Contingency Emergency Response Component. It is expected that the Borrower will carry out the implementation through one or more implementing entities to be defined in
the project specific Contingency Emergency Response Manual. Once the entity(es) is (are) confirmed, a procurement assessment will be conducted if it different from MINSAL. This component would require coordination with other government agencies.

53. **PPSD summary.** A simplified PPSD was prepared to define the specific procurement arrangements, selection methods (including a market analysis approach), and the type of review to be conducted by the World Bank. Most Project activities will involve requests for quotations, requests for bids, and/or requests for proposals, mostly from the national market. In the case of procurement from the international market, the PCU will use the Bank’s standard bidding documents. The procurement plan was prepared based on the PPSD results.

54. **Procurement plan.** A procurement plan for the first 18 months of implementation was developed and agreed. The STEP system was used to develop the procurement plan and will use a no objection basis for any prior review activities.

### C. Legal Operational Policies

<table>
<thead>
<tr>
<th>Activity</th>
<th>Triggered?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects on International Waterways OP 7.50</td>
<td>No</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP 7.60</td>
<td>No</td>
</tr>
</tbody>
</table>

### D. Environmental and Social

55. **The Project’s overall environmental and social risk classification is Moderate.** The Project is expected to have moderate environmental risks and impacts as most activities are related to training and capacity building. Some, mostly small-scale, civil works are expected for the rehabilitation and expansion of existing health facilities, laboratories, and maternal houses in selected municipalities located in urban and rural areas. The exact locations of the infrastructure work and the type of civil works have yet to be determined. Civil works are not expected to involve land acquisition or restrictions on land use or have adverse 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. During the implementation phase, key environmental risks and impacts mostly relate to the generation and management of waste, including biomedical waste.

56. **The Project’s social risk is considered Moderate.** The Project is expected to have mostly positive social effects from improvements in maternal and child health services. Social risks include exacerbating existing inequalities if barriers to access to health services for vulnerable beneficiaries—including Indigenous Peoples, people with disabilities, those living in contexts of violence, and migrants—are not properly mitigated. In addition, contextual crime and violence in the country, including high prevalence of gender-based violence, could make implementing project activities and reaching project beneficiaries more difficult.

57. **The Government has prepared, consulted with stakeholders, and disclosed an Environmental and Social Management Framework (ESMF)**. This Framework establishes (i) a project-level Environmental and Social Management Framework (ESMF). The ESMF was disclosed on both the Bank’s and the Government’s website on February 10, 2020 and January 29th, 2020.
Assessment that identifies broad baseline environmental and social risks and impacts; (ii) screening procedures to classify specific subproject activities according to their environmental and social risks and impacts and determine the content of the environmental and social management instruments at the subproject level to be developed based on the scope and scale of the activities to be financed; (iii) general guidelines for mitigation measures for subproject activities to be developed and incorporated in a specific subproject Environmental and Social Plan (ESMP) (if relevant), including considerations for the construction and operational phases; and (iv) a description of mitigation measures for working in vulnerable contexts and with vulnerable groups.

58. The Borrower will prepare Labor Management Procedures (LMP) no later than 30 days after effectiveness. The plan will identify the different types of 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 Environmental and Social Standards (ESS) 2: Labor and Working Conditions. 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. The LMP contains a description of a labor-specific Grievance Redress Mechanism (GRM). 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, consistent with the criteria of Environmental and Social Standards (ESS) 7: Indigenous Peoples/Sub-Saharan African/Historically Underserved/Traditional Local Communities.

59. The Borrower has prepared and disclosed an Indigenous Peoples Planning Framework (IPPF) based on consultation with nationally representative indigenous organizations. The IPPF identifies barriers to access and develops measures to ensure Project benefits are culturally pertinent, including in relation to the intercultural health system in Indigenous territories, the awareness of health staff working in Indigenous territories about Indigenous rights and traditional and intercultural health, and the participation of traditional authorities and communities. The IPPF also describes how measures to address these barriers and discriminatory practices against Indigenous Peoples within health services are integrated into Project design. In addition, the IPPF includes procedures for the preparation of specific Indigenous Peoples plans for relevant infrastructure subprojects.

60. The Government prepared and disclosed a 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.

61. The Government prepared and disclosed an Environmental and Social Commitment Plan, including the measures that the Project will address during preparation and implementation to ensure compliance with the ESSs and the Project’s social and environmental instruments.

Gender, human rights, and citizen engagement

62. Gender, human rights, and citizen engagement are important elements of this Project. The Project relates to gender in all three of its dimensions: analysis, actions, and M&E. It aims to reduce risk factors for violence against women and children at the national, community, family, and individual levels. Project activities will focus respectively.

34 IPPF disclosed by the Bank and Government on their respective websites on January 29th, 2020.
35 SEP disclosed by the Bank and Government on their respective websites on January 30th, 2020.
36 ESCP disclosed by the Bank and Government on their respective websites on January 29th, 2020.
on preventing violence for mothers, fathers, and children from 0 to 7 years of age and will reinforce the Government’s efforts to educate the population on the concepts of agency, respect, and rights. This last element will include the rights of the population with disabilities and those from diverse ethnic backgrounds. Project-supported activities will also provide citizens with the necessary tools to become involved in decision-making. In its various efforts, the Project will leverage synergies with government programs.

63. The activities will also focus on developing critical thinking skills in both mothers and fathers to enable them to question stereotyped beliefs and social norms that create gender inequalities, and to solve conflicts assertively and peacefully by empowering women and children and strengthening personal relationships. In this effort, the Project will: finance a baseline survey that will include a module to identify any gender differences; advocate for the inclusion of activities to address gender-based violence in the National Mental Health Plan; and prepare communications campaigns and support citizen engagement/outreach activities on the issue of gender inequality. In particular, the following Project interventions will have a direct impact on gender issues: (i) programs to strengthen the parenting skills of mothers and fathers; and (ii) the strengthening of health-care services’ responses to violence against women and children.

V. GRIEVANCE REDRESS SERVICES

64. Communities and individuals who believe that they are adversely affected by a World Bank-supported Project may submit complaints to existing Project-level grievance redress mechanisms or the WB’s Grievance Redress Service. This service ensures that complaints received are promptly reviewed in order to address Project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service, please access http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. For information on how to submit complaints to the World Bank’s Inspection Panel, access www.inspectionpanel.org.

VI. KEY RISKS

65. The Project’s overall risk has been assessed as Substantial. The political and governance risk has been assessed as Substantial considering the historically long approval process of internationally financed projects in the country. In this context, the World Bank will engage with the Government and local stakeholders to support the implementation of the Crecer Juntos national ECD policy. As the Project’s main mitigation measures, the World Bank team will advise and support MINSAL to (i) hold technical and policy discussions with the Health Commission of the National Assembly, the Ministry of Finance, and other relevant stakeholders; and (ii) engage key public and private actors before and while the Project waits for approval.

66. The Macroeconomic risk is also rated Substantial, because of the high debt levels requiring fiscal consolidation, with a restraint on expenditure growth that might affect the resources available for early childhood education. This risk is mitigated by the country’s commitment to invest in the human capital accumulation in the early years of life by increasing resources for health and ECD-related services. The Project will also contribute to increased efficiency of spending in the health sector.
67. **Fiduciary risk for this operation is assessed as Substantial.** From the financial management side, the main risks are: (i) the incremental volume of transactions to be managed in this project; and (ii) in the eventuality of a national emergency, CERC would be carried out by one or more implementing entities that would require strong internal processes and procedures to maintain accurate and reliable financial records and would require consolidation of financial information. From the procurement side, the risk is due to: (i) lack of qualified procurement specialists within the implementing unit; (ii) too many procurement processes of civil works running in parallel that might create contract management risks; and (iii) market risks envisioned in the procurement strategy. The mitigation measures included in the Project to ensure the satisfactory performance of the fiduciary functions include: (i) hiring qualified fiduciary staff in the PCU and UFI; (ii) periodic training in FM, procurement, and disbursements; (iii) developing the POM, including a specific manual for the CERC; (iv) once procurement specialists are hired, a thorough market analysis would be carried out to better understand the market constraints; (v) interim management letters will be produced within the annual audit to monitor internal controls; and (vi) hiring external auditors during the first six months after Project effectiveness.

68. **Finally, the “other” risk assessed as Substantial is related to crime and violence,** both of which are endemic in El Salvador and have significant economic, social welfare, health, and governance impacts. Crime and violence may also impede safe access to health and ECD services. Social violence in the country might affect the Project in two different ways. First, some implementation activities, such as training, might be put at risk because of activities of criminal groups. Second, demand might be less than expected if invisible borders between gang-controlled territories render it difficult for families to move freely, especially when they need to access health services. Finally, crime and violence may discourage private service providers from participating in procurement processes under the Project. The Project includes a line of work with the community to educate and achieve acceptance to ECD.
VII. RESULTS FRAMEWORK AND MONITORING

Results Framework
COUNTRY: El Salvador
Growing up Healthy Together: Comprehensive Early Childhood Development in El Salvador

Project Development Objectives

The Project Development Objectives (PDO) are to: (i) strengthen health promotion behaviors among children aged 0 to 7 and their mothers during preconception and gestation; (ii) strengthen the early identification of risks and developmental delays in children aged 0 to 7; and (iii) improve the provision of quality maternal and child health care services.

Project Development Objective Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>DLI</th>
<th>Baseline</th>
<th>Intermediate Targets</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Promotion, identification of risks and developmental delays and provision of quality health care services</td>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Percentage of one-year old children exclusively breastfed for the first six months of life (by gender) (Percentage)</td>
<td>50.00</td>
<td>52.00</td>
<td>54.00</td>
<td>55.00</td>
</tr>
<tr>
<td>Percentage of children between 10 to 11 months with developmental follow-up chart (by gender) (Percentage)</td>
<td>50.00</td>
<td>60.00</td>
<td>65.00</td>
<td>70.00</td>
</tr>
<tr>
<td>Number of primary health care facilities certified for the provision of quality health care services for mothers and children (Number)</td>
<td>0.00</td>
<td>75.00</td>
<td>150.00</td>
<td></td>
</tr>
</tbody>
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## Intermediate Results Indicators by Components

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>DLI</th>
<th>Baseline</th>
<th>Intermediate Targets</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component 1: Promoting Human Capital Accumulation for children aged 0 to 7 and their mothers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of pregnancies with early check-ups (before 12 weeks) (Percentage)</td>
<td>68.00</td>
<td>68.00</td>
<td>70.00</td>
<td>72.00</td>
</tr>
<tr>
<td>Percentage of Health Facilities with a protocol to respond to Gender Based Violence associated with obstetric violence (Percentage)</td>
<td>0.00</td>
<td>0.00</td>
<td>30.00</td>
<td>60.00</td>
</tr>
<tr>
<td>Number of nutrition centers fully operational (Number)</td>
<td>0.00</td>
<td>0.00</td>
<td>6.00</td>
<td>13.00</td>
</tr>
<tr>
<td>Percentage of elementary schools and pre-schools where MINSAL performs annual dental health check ups. (Percentage)</td>
<td>0.00</td>
<td>20.00</td>
<td>40.00</td>
<td>65.00</td>
</tr>
<tr>
<td>Number of hospitals certified to provide MCH services with high quality (Number)</td>
<td>0.00</td>
<td>2.00</td>
<td>5.00</td>
<td>8.00</td>
</tr>
<tr>
<td>Grievances related to the Project recorded in the GRM system that are processed and communicated back to the concerned citizens stakeholder within 21 days (Percentage)</td>
<td>0.00</td>
<td>80.00</td>
<td>80.00</td>
<td>80.00</td>
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<tr>
<td><strong>Component 2: Modernization, Streamlining and Strengthening of MINSAL for the Public Provision of MCH</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of health staff trained (Number)</td>
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<td>500.00</td>
<td>3,000.00</td>
<td>4,500.00</td>
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<tr>
<td>National Policy Crecer Juntos baseline and results survey carried out (Number)</td>
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<td>0.00</td>
<td>2.00</td>
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## Monitoring & Evaluation Plan: PDO Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Definition/Description</th>
<th>Frequency</th>
<th>Datasource</th>
<th>Methodology for Data Collection</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of one-year old children exclusively breastfed for the first six months of life (by gender)</td>
<td>Number of children breastfeed until five or six months of age / Total number of children five or six months of age</td>
<td>Annual</td>
<td>MINSAL - Statistics Unit</td>
<td>Statistics Unit</td>
<td>Statistics units at health facilities.</td>
</tr>
<tr>
<td>Percentage of children between 10 to 11 months with developmental follow-up chart (by gender)</td>
<td>Number of children between 10 to 11 months with developmental follow-up charts / Total number of children between 10 to 11 months receiving well being check ups</td>
<td>Annual</td>
<td>Statistics unit at the health facilities</td>
<td>Direction of Health Services</td>
<td>Administrative Data</td>
</tr>
<tr>
<td>Number of primary health care facilities certified for the provision of quality health care services for mothers and children</td>
<td>Number of primary health care facilities certified to provide quality health care services for mothers and children</td>
<td>Annual</td>
<td>MINSAL - Statistics Unit</td>
<td>Direction of Health Services</td>
<td>Statistics Unit/MCH Unit</td>
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</tbody>
</table>

## Monitoring & Evaluation Plan: Intermediate Results Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Definition/Description</th>
<th>Frequency</th>
<th>Datasource</th>
<th>Methodology for Data Collection</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of pregnancies with early check-ups (before 12 weeks)</td>
<td>Pregnant women registered for check ups before the 12th week of pregnancy /</td>
<td>Annual</td>
<td>MINSAL Statistics Unit</td>
<td>Direction of Health Services</td>
<td>Statistics units at health facilities.</td>
</tr>
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<td>Indicator</td>
<td>Description</td>
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<td>Source</td>
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<td>------------------------------------------------------------------------------</td>
<td>---------------------</td>
<td>---------------------------------------------</td>
<td>------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Percentage of Health Facilities with a protocol to respond to Gender Based Violence associated with obstetric violence</td>
<td>Health facilities with a protocol in place to respond to gender based violence/Total number of health facilities</td>
<td>Annual</td>
<td>MINSAL-Statistics Unit</td>
<td>Direction of Health Services</td>
<td></td>
</tr>
<tr>
<td>Number of nutrition centers fully operational</td>
<td>Number of nutrition centers that fully offer the services promoted by the Project complying with the standards and processes defined by the Project Operations Manual.</td>
<td>Annual</td>
<td>MINSAL</td>
<td>Project Data</td>
<td></td>
</tr>
<tr>
<td>Percentage of elementary schools and pre-schools where MINSAL performs annual dental health check ups.</td>
<td>Number of elementary schools and pre-schools where MINSAL performs dental health check ups./Total number of elementary schools and pre-schools MINSAL has programmed to perform dental health check ups (annual)</td>
<td>Annual</td>
<td>MINSAL</td>
<td>Administrative data</td>
<td></td>
</tr>
<tr>
<td>Number of hospitals certified to provide MCH services with high quality</td>
<td>Hospitals certified to provide MCH services with high quality services using international standards adapted by the MOH.</td>
<td>Annual</td>
<td>MINSAL</td>
<td>Administrative data</td>
<td></td>
</tr>
<tr>
<td>Grievances related to the Project recorded in the GRM system that are</td>
<td>Tracks the percentage of grievances related to the Project recorded in the GRM system that are</td>
<td>Annually</td>
<td>Project progress</td>
<td>The responsibility of the Ministry's</td>
<td></td>
</tr>
</tbody>
</table>
processed and communicated back to the concerned citizens stakeholder within 21 days project that are received, processed, and communicated back to the concerned stakeholder according to the Grievance Redress Mechanism within 21 days. The Grievance Redress Mechanism is included in the Stakeholder Engagement Plan.

<table>
<thead>
<tr>
<th>Number of health staff trained</th>
<th>Number of health staff trained by training programs</th>
<th>Annual</th>
<th>MINSAL</th>
<th>MINSAL data</th>
<th>MINSAL</th>
</tr>
</thead>
</table>

National Policy Crecer Juntos baseline and results survey carried out

Data collection from two surveys (Crecer Juntos baseline and results surveys) Two surveys along the project implementation

| National Policy Crecer Juntos baseline and results survey carried out | Data collection from two surveys (Crecer Juntos baseline and results surveys) | Two surveys along the project implementation | MINSAL | Data survey collection | MINSAL |
Annex 1: Implementation Arrangements and Support Plan

COUNTRY: Republic of El Salvador
Growing up Healthy Together: Comprehensive Early Childhood Development in El Salvador

Implementation Arrangements

1. Project implementation will be overseen by a PCU within MINSAL that will report directly to the Minister of Health. The PCU was established by Ministerial Resolution and will manage this Project as well as the IADB-financed health project. This PCU will be responsible for the day-to-day management of Project activities, including: (i) preparing the annual operational, PPSD, and procurement plans; (ii) overseeing procurement processes in conformity with World Bank’s procurement regulations; (iii) ensuring the timely implementation of the operational and procurement plans; (iv) providing all necessary technical inputs for project activities; (v) ensuring that project funds and resources are used efficiently; (vi) preparing technical progress reports; and (vii) monitoring and evaluating project results. The structure and profiles of the PCU personnel, as well as the PCU’s reporting lines within MINSAL, will be outlined in the Project Operations Manual. MINSAL line divisions will ensure that adequate technical support is provided to the PCU for the implementation of Project activities.

2. The PCU’s procurement unit and the Institutional Financing Unit of MINSAL will be responsible for the procurement and fiduciary aspects of the Project, respectively. The PCU and UFI are relatively experienced in carrying out the responsibilities and functions required to implement a Bank-financed project. Therefore, the Government will ensure that these fiduciary units are adequately staffed with a financial management specialist, a procurement specialist, and procurement analysts who have experience with World Bank-financed operations, to ensure a prompt start to project implementation and that Project activities are carried out in compliance with World Bank procedures.

3. A POM will be prepared by MINSAL. The POM will outline staff profiles, as well as processes and procedures for monitoring compliance with performance benchmarks and for reporting, procurement, and financial management.

4. During project preparation, the Bank team identified the need to strengthen the financial management capacity of the PCU and to improve procurement management and increase efficiency. Formal supervision of financial management activities will be conducted biannually, and procurement supervision will be undertaken as required. Training and timely support will be provided to the PCU’s staff by the World Bank’s financial management and procurement specialists, both before and during Project implementation.

5. Effective monitoring and evaluation (M&E) will be critical for assessing project implementation and the extent to which progress is being made toward achievement of its objectives. The Project will support MINSAL in: (i) strengthening the collection of health sector statistics; (ii) the design and implementation of ways to monitor supply and demand for public health; (iii) conducting national epidemiological surveillance and annual health facility surveys; and (iv) undertaking independent technical reviews to measure results at the regional and departmental levels. In addition, the Government will improve the information system for priority programs, such as child health, reproductive and sexual health, nutrition interventions, and it will employ a new approach to
project monitoring and evaluation. The national epidemiologic surveillance system, combined with the technical review, will allow the PCU and other line units within MINSAL to take informed decisions to address health challenges and to verify that project activities are following the procedures, selection criteria, and other provisions laid out in the POM.

6. **The PCU will ensure that the Project’s monitoring system is adequately funded and operating satisfactorily** (in coordination with the relevant MINSAL line units, such as health regions and national health programs) to be able to collect timely and accurate data about how the Project is performing. Training will be provided to increase the capacity of health providers and line units to generate data relevant for project monitoring and for following up the Project’s indicators and results. The main authority of MINSAL will ensure that all relevant line units provide the PCU with the reports and information necessary to manage the Project budget effectively. The PCU will produce consolidated project progress reports and submit them to the World Bank twice a year, including information defined in the POM. The World Bank will then conduct technical reviews to monitor the performance of the Project, its outputs, and its health targets.

7. **The Project will finance data analysis and impact evaluations of Project activities.** Baseline data for the Project will be drawn from MINSAL’s monitoring information system, the Multi-Purpose Household Survey and National Health Surveys, and a health facility survey. The World Bank will provide technical assistance to MINSAL to develop an adequate methodology and design for the impact evaluation analysis and for the analysis of data from data sets. These analyses will be conducted by the Project in partnership with local and international institutions.

8. **No formal co-financing agreements with other donors or organizations will be required, but the World Bank will coordinate with other agencies in support of the national health sector plan.** The World Bank already has strong links with the Global Fund and PAHO in financing investments to strengthen health networks and technical assistance, respectively.

**Financial Management**

9. **Financial management tasks for component 1, 2, and 4 will be handled by MINSAL’s UFI with the support of the PCU’s financial specialist.** The financial management tasks will include: (i) budget formulation and monitoring; (ii) cash flow management (including processing payments and submitting loan withdrawal applications to the Bank); (iii) maintenance of accounting records, including the maintenance of an inventory of fixed assets for the project; (iv) administration of underlying information systems; (v) preparation of in-year and year-end financial reports; and (vi) arranging the external audit. MINSAL’s experience in implementing World Bank-financed projects have generally involved suitable financial management arrangements.

10. **Staffing.** The key FM staff will be the heads of the UFI budget, accounting, and treasury units, and will be responsible for budget cycle execution. Their qualifications and public sector experience are adequate to undertake the payment and accounting tasks related to the Project. However, considering the additional workload that will be involved in implementing project activities, it will be necessary to strengthen the UFI with three dedicated staff experienced in budgeting, accounting, and treasury, who will be financed under the Project. Additionally, the PCU will have an experienced financial specialist on staff who will coordinate with the UFI. The main duties of the PCU’s FM staff will be to prepare project budgets, financial statements, and disbursement requests, supervise internal controls and ensure efficiency in the UFI’s execution of funds, and coordinate the
project audits. Terms of reference for these positions will be included in the POM. The contracting of consultants for these positions will follow the relevant World Bank guidelines.

11. **MINSAL with the support of the PCU’s FM specialist will be responsible for preparing and monitoring the annual operational plan and budget.** Annual operational planning for the Project will be led by the PCU in coordination with the technical and fiduciary team. The annual operational plan will be the main input to the budget formulation process. The financial specialist will be responsible for preparing the budget, which will be integrated into MINSAL’s annual budget and monitored through the National Financial Management System. The formulation and execution of the budget will follow El Salvador’s laws and regulations. The UFI will establish a major budget line (*Unidad Presupuestaria*) for the Project with sub-lines (*líneas de trabajo*) that correspond to the respective components.

12. **Project accounting will be managed through El Salvador’s integrated information system,** which includes budgeting, treasury, and accounting modules. Project accounting will be recorded on an accrual basis, in accordance with the Government’s accounting policies, but the financial statements required by the World Bank will be prepared on a cash basis. Supplementary records will be maintained in Excel to be used to prepare the Project’s financial statements.

13. **MINSAL has adequate internal controls and procedures.** Its operations are guided by: (i) the Financial Management Law (*Ley AFI*); (ii) the annual Law of the General Budget of the State; (iii) Ministry of Finance regulations and manuals; and (iv) internal control technical standards. Project-specific financial management arrangements will be documented in the POM and will cover: (i) roles and responsibilities of the FM staff; (ii) internal controls for the Project; (iii) content and format of the interim Financial Reports (IFRs) and annual financial reports; and (iv) auditing arrangements.

14. **MINSAL’s Designated Account (DA) will be opened at the Central Bank of El Salvador in United States dollars.** The DA will be for the implementation of components 1, 2, and 4. For this Project, the “Treasury Single Account” would apply, whereby MINSAL will have its sub-account.

15. **Disbursement arrangements for components 1, 2, and 4.** The following disbursement methods may be used to withdraw funds from the loan: (i) reimbursement; (ii) advance; and (iii) direct payment. Under the advance method and to facilitate implementation, MINSAL will have access to the DA to be used exclusively for deposits and withdrawals of loan proceeds for eligible expenditures. As needed, MINSAL will request the Ministry of Finance to withdraw funds from the DA for payments to be made directly from the Treasury Single Account.

16. **Funds deposited into the DA as advances, will follow World Bank’s disbursement policies and procedures as described in the Disbursement and Financial Information Letter (DFIL) and Disbursement Guidelines.** The flow of funds is illustrated in the following figure:
17. **The UFI with the support of the PCU’s financial specialist will prepare and submit semi-annual IFRs within 45 days after the end of the semester** The IFRs will contain at least: (i) a statement of sources and uses of funds (with expenditures classified by category) and a cash balance; (ii) a statement of budget execution for each component and subcomponent; and (iii) a reconciliation of the Designated Account. The UFI with the support of the PCU’s financial specialists will be responsible for consolidating the financial information including transactions under Component 3.

18. **The UFI with the support of the PCU’s financial specialist will prepare the annual Project’s financial statements.** The Project’s annual financial statements will be audited by a private firm under terms and conditions acceptable to the World Bank and will cover all project components, including the CERC, and all expenditures necessary for the achievement of the PDOs, regardless of their finance source. The Project’s annual audit reports will be submitted to the World Bank no later than six months after the end of each audited period. The audit costs will be financed by the Project. Audited financial statements will be disclosed on MINSAL’s website, and the World Bank will make them available to the public in accordance with the Bank’s Policy on Access to Information.

19. **MINSAL should retain all records contracts, invoices, bills, receipts, and other documents) of expenditures related to the Project until at least either one year after the Bank has accepted the audited financial statements covering the period during which the last withdrawal from the loan account was made or two years after the closing date, whichever is later.** MINSAL will give the Bank access to these records to examine them.

20. **Financial Management Arrangements for Component 3 (CERC)** will be detailed in a specific Emergency Response Manual, including roles and responsibilities of financial management staff.
21. **Financial Management Supervision.** Project supervision will review the implementation of FM arrangements and performance, identify corrective actions as necessary, and monitor fiduciary risks. Supervision missions will take place on a biannual basis and include: (i) desk review of project IFRs and audit reports, following-up on any issues raised by auditors, as appropriate; (ii) participation in project supervisions at least twice a year, to look into the operation of the control systems and arrangements described in this assessment; and (iii) updates of the FM rating in the Financial Management Implementation Support and Supervision Report, as needed. In addition, during the first year of execution, the Project will be closely monitored (quarterly) with the aim of ensuring that the FM arrangements are working as intended and to make changes if needed.

**Procurement for Components**

22. **Project procurement will be carried out in accordance with the ‘World Bank Procurement Regulations for IPF Borrowers’ dated July 2016 and revised in November 2017 and August 2018 (‘Procurement Regulations’), and with the provisions stipulated in the procurement plan and the POM.** All procurement methods and procedures must be consistent with the World Bank’s Core Procurement Principles and adhere to the World Bank’s Anti-Corruption Guidelines and Sanctions Framework and the contractual remedies set out in the Legal Agreement.

23. **A PPSD was completed as part of project preparation.** The World Bank’s standard procurement documents will be used for all contracts that are subject to international competitive procurement. When procuring in the national market, in accordance with paragraph 5.3 of the Procurement Regulations, a simplified bidding document will be used that will be set out in the POM and will include the World Bank’s standard fraud and anti-corruption clauses. *Sistema Electrónico de Compras Públicas* (Comprasal) will be used for publication purposes at the national level.

24. **A partial procurement assessment of MINSAL was conducted during project preparation, which identified the following procurement risks:** (i) although MINSAL has previous experience with World Bank’s projects, they have had little exposure to the World Bank’s new procurement framework; (ii) the requirement to obtain approvals within MINSAL can be a lengthy process and could cause delays in procurement processing, including contract management; and (iii) the Minister of Health signs most of MINSAL’s contracts even for very small amounts, sometimes creating extended wait times.

25. **A series of mitigation measures will be implemented to ensure the satisfactory performance of procurement functions.** These measures include (i) hiring qualified procurement staff for the PCU (at a minimum a procurement coordinator, two procurement specialists, and an assistant) with experience of World Bank rules and procedures to manage specific procurement activities associated with the Project; (ii) incorporating a procurement section in the POM that defines the roles and responsibilities of staff as well as flowcharts with specific timeframes; (iii) incorporating non-World Bank standard procurement documents in the POM, as well as the World Bank’s standard fraud and anti-corruption clauses; and (iv) delegating authority over contract management to the PCU Director, including the right to sign contracts and approvals up to a certain amount (Bank’s retroactive evaluation). Project procurement staff will be invited to participate in the World Bank’s training on its procurement regulations.
26. It was agreed that the Emergency Response Manual (ERM) per the Financial Management Assessment will include a specific section detailing the procurement arrangements for the subcomponent, including the roles and responsibilities of procurement staff.

27. The World Bank’s STEP system will be used to prepare, clear, and update the procurement plans and to conduct procurement transactions for the Project. This textual part, along with the Procurement Plan tables in STEP, will constitute the Procurement Plan for the Project.

Implementation Support Plan

28. The Bank will conduct formal supervision and field visits at least three times a year. Specific missions will take place to address any needs identified in the audit reports.

29. The World Bank’s implementation support to the Government of El Salvador will ensure (i) timely production of the annual implementation plans; (ii) tracking of Project indicators, to monitor the implementation of components to ensure that the Project is in conformity with the Project Operations Manual; (iii) that the sustainability measures implemented throughout the implementation period are revised as needed and (iv) the Project is in compliance with the fiduciary requirement to submit unaudited and audited financial reports. A senior health economist, a public health physician, and an operations analyst will perform the day-to-day supervision of all technical and operational aspects of the Project, while also coordinating with the client and the World Bank.

30. The World Bank will bring value-added to the project’s implementation in the form of technical support in the following areas: (i) discussing and systematizing procedures for improving the quality of maternal and child care; (ii) strengthening health promotion and prevention of disease at early stages; (iii) supporting specific health interventions related to key milestones of development; (iv) strengthening prevention and care protocols for maternal and child health; (v) guidance on the implementation of the national strategy for the provision of health-care services for adolescent pregnancy; and (vi) collection of civil statistics and the registration of births.

31. The World Bank will review the Project’s financial management system, including, but not limited to, accounting, reporting, internal controls, and compliance with financial covenants. A financial management specialist based in the World Bank’s country office will assist MINSAL to review interim unaudited financial reports, annual Project audits, and external audits (as relevant), and will provide financial management training and supervision. MINSAL will prepare a Project Operations Manual and identify or contract dedicated financial management staff for the Project. The World Bank will annually conduct at least two financial management supervision missions (to review the continuing acceptability of financial management arrangements).

32. Project FM supervision will review the implementation of FM arrangements and performance, identify corrective actions as necessary, and monitor fiduciary risks. Supervision missions will take place on a biannual basis and will include (i) desk review of project IFRs and audit reports, following-up on any issues raised by auditors, as appropriate; (ii) participation in project supervisions, to review the operation of the control systems and arrangements described in this assessment; and (iii) an updated review of the FM rating in the Financial Management Implementation Support and Supervision Report, as needed. In addition, during the first year of execution, the Project will be monitored quarterly with the aim of ensuring that the FM arrangements are working as intended and to make changes as needed.
33. In the area of procurement, a World Bank procurement specialist will provide the following implementation support: (i) training MINSAL staff and providing them with detailed guidance on the World Bank’s Procurement Guidelines as needed; (ii) reviewing procurement documents and providing timely feedback to the Project procurement team; (iii) guidance to MINSAL on the implementation of the Procurement Framework and the use of STEP; and (iv) undertaking post-procurement reviews.

34. Implementation support will include review of technical specifications and bid documents to ensure fair competition in the use of Project procurement. The Bank team will review all technical documents for which expert support from public health and equipment specialists will be needed throughout project implementation, and will provide support on a timely basis. Actions include support to designing technical specifications in coordination with PCU, determining adequate price estimates, grouping effectively goods and medical supplies in bidding packages, and maximizing bidder participation, thereby increasing the level of competition; eliminating the risk of collusion in shopping processes and accelerating contract award and signing; and hiring sufficient consultants adequately remunerated for specific tasks and a sound level of accountability.

35. The World Bank will help MINSAL to effectively implement the Environmental and Social Framework (ESF) as needed, with an emphasis on the adequate management of waste, including biomedical waste. Also, the Project will support the Government of El Salvador in implementing the ESF, which will guide the Project’s response to indigenous and vulnerable populations and key project stakeholders. World Bank social and environmental specialists will be available to provide timely assistance to MINSAL and targeted municipalities and will conduct field visits on a regular basis. Biannual inputs from the environmental and social specialist will be required throughout the Project lifetime. MINSAL will have to ensure that service providers receive adequate training on environmental safety measures and that the intervention is socially and culturally adequate.

36. A communications strategy will support the implementation of the Project and its various interventions. The strategy will cover the implementation of various consultative and accountability processes, including a grievance redress mechanism.
Table 1.1. Detailed Implementation Support Required

<table>
<thead>
<tr>
<th>Time</th>
<th>Focus</th>
<th>Skills Needed</th>
<th>Estimated # of Staff Weeks</th>
</tr>
</thead>
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<tr>
<td>First 12 months</td>
<td>Project management</td>
<td>Task Team Leadership, Senior Health Economist, and Public Health Specialist</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Operational support</td>
<td>Health Economist/Operations Analyst</td>
<td>5/5</td>
</tr>
<tr>
<td></td>
<td>Procurement capacity</td>
<td>Procurement Specialist</td>
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</tr>
<tr>
<td></td>
<td>Financial management capacity</td>
<td>Financial Management Specialist</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Medical and non-medical equipment</td>
<td>Equipment Specialist</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Water and sanitation</td>
<td>Water and Sanitation Specialist</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Hospital and management specialist</td>
<td>Hospital Administrators</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Monitoring and evaluation</td>
<td>M&amp;E Specialist</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Knowledge management and communication</td>
<td>Knowledge and Communication Specialist</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Social and environmental specialists</td>
<td>Social Specialist, Environmental Specialist</td>
<td>3</td>
</tr>
<tr>
<td>12-48 months</td>
<td>Project management</td>
<td>Task Team Leadership, Senior Health Economist and Public Health Specialist</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Operational support</td>
<td>Health Economist/Operations Analyst</td>
<td>5/5</td>
</tr>
<tr>
<td></td>
<td>Procurement implementation support</td>
<td>Procurement Specialist</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Financial management implementation support</td>
<td>Financial Management Specialist</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Environmental sustainability and safeguards supervision</td>
<td>Environmental Specialist</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Social development and community engagement/gender</td>
<td>Social Development Specialist</td>
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<tr>
<td></td>
<td>Knowledge management and communication</td>
<td>Knowledge and Communication Specialist</td>
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<tr>
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<td>Medical and non-medical equipment</td>
<td>Equipment Specialist</td>
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<tr>
<td></td>
<td>Monitoring and evaluation</td>
<td>M&amp;E Specialist</td>
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Annex 2. Project Framework: *Crecer Juntos* and the Quality of Health Care Provision

**COUNTRY: Republic of El Salvador**

Growing up Healthy Together: Comprehensive Early Childhood Development in El Salvador

**A. Crecer Juntos**

1. **The Project will support the Government in operationalizing health activities under the national ECD policy, *Crecer Juntos***. The Project will follow the lines of action pursued under *Crecer Juntos* and will include activities designed to improve and complement existing services within a framework of excellence. These activities cover the five ECD domains (physical, language, cognitive, socio-emotional, and rights) and specific age developmental milestones and include specific actions that need to be improved, expanded, or introduced (see Figure 2.1). Health promotion—which the World Health Organization defines as the process of enabling people to exercise greater control over their health and its determinants, and thereby improve their health—is emphasized as great value.

   **Figure 2.1. Early Childhood Development in the *Crecer Juntos* National Policy on Early Childhood Development**

   ![Early Childhood Development in the Crecer Juntos National Policy on Early Childhood Development](image)

   *Source: Adapted from Presidential House, 2019, Summary Presentation on National ECD Policy Crecer Juntos.*

2. **The Project will also follow the fundamental principle underlying the *Crecer Juntos* policy of leaving no child behind and will include those with special needs.** Therefore, identification of risks and of developmental delays are essential. Health risks are understood as the adverse event or adverse health consequence from a specific event, disease, or condition. For example, the health risks of low birthweight include neurodevelopmental consequences.
3. By the end of project implementation, it is expected that a complete and integrated response from the health, education, and social protection institutions for those 0 to 7 years of age will have been established. Figure 2.2 schematically represents the interaction of the domains of development by age cohorts.

Figure 2.2. Domains and Stages of Early Childhood Development as Reflected in the Health Interventions of the Crecer Juntos Package of Services

Source: Adapted from CAPRES (2019), Summary Presentation on National Policy Crecer Juntos

4. The objective of Crecer Juntos is to enable all Salvadoran children to achieve their full potential by delivering child-friendly services aimed at ensuring health and nutrition, early learning, safety, integral protection, and results that meet children’s needs at all levels (family, community, and government), through universal, differentiated, and specialized actions. Specifically, it aims to improve children’s cognitive and psychomotor development, growth and physical development, and socio-emotional development. The key strategies of Crecer Juntos are to:

(i) inform civil society: Promote the importance of ECD for the well-being of children and families, as well as for the overall growth and development of El Salvador.

(ii) identify contact points: Maximize opportunities for the state to interact with children and their families from pre-gestation to 7 years of age.

(iii) identify key actors: Map existing ECD services in the country with the aim of standardizing quality.

(iv) strengthen existing services: Widen the coverage and improve the quality of existing services, and only create services from scratch where they do not already exist.

(v) personalize interventions following the developmental trajectory: Offer services based on the child’s stage of development.
(vi) **generate alerts throughout the developmental trajectory**: Set up an inter- and intra-institutional referral system based on detection and follow-up.
(vii) **identify universal, differentiated, and specialized service packages**.

### B. Quality of Health-Care Provision

5. **Ensuring high quality of care is one of the pillars of Crecer Juntos, and quality is increasingly recognized as crucial in achieving effective UHC.** Previous efforts to expand UHC focused mostly on expanding coverage per se. In recent years, however, particularly since the adoption of the Sustainable Development Goals, much greater emphasis has been placed on the importance of ensuring that people not only have access to services but also receive high-quality care. Although debate continues about how to best define quality, there is a growing recognition that it spans multiple spheres and goes well beyond basic inputs. Much of the debate about quality of care derives from the framework proposed by Avedis Donabedian, a physician who created the Donabedian Model of Care, in which he spelled out structures, processes, and outcomes that define quality. More recently, the Lancet Commission on High-Quality Health Systems, formed in 2017, developed an enhanced version of this framework. As shown in Figure 2.3, this framework defines quality in three spheres: (i) foundations, consisting of appropriate supplies, workforce, organizational structures, governance, and policies; (ii) processes, consisting of the provision of competent care by clinicians and positive user experiences; and (iii) quality impacts, consisting of better health outcomes and greater confidence in the system.

**Figure 2.3**

*Quality Framework Developed by the Lancet Commission on High-Quality Health Systems*

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*Source: M. Kruk et al. High quality health systems in the Sustainable Development Goals era: time for a revolution. The Lancet global health comission, Volume no. 6, Issue 11, November 1, 2018.*
6. **High-quality health systems are judged primarily on their impacts**, including better health and its equitable distribution, confidence of people in their health system and on their economic benefit, and processes of care, consisting of competent care and positive user experiences. It means that a high-quality health system includes the populace and their health needs and expectations, governance of the health sector and partnerships across sectors, platforms for care delivery, workforce numbers and skills, and tools and resources, from medicines to data. In addition to strong foundations, a health system needs to develop the capacity to measure and use data to learn. High-quality health systems should be informed by four values: they are for people, and they are equitable, resilient, and efficient.\(^\text{37}\) The certification and verification of the quality of Maternal and Child Health (MCH) services will involve establishing a set of environmentally friendly, low carbon, and climate-resilient criteria with climate-smart technologies.

7. **Best practices emphasize the need to develop appropriate metrics to benchmark and track quality improvements across all three spheres.** Measuring the “foundations,” or structural aspects, of quality typically requires facility surveys or censuses. Process measures, by contrast, require a different set of tools, including direct clinical observations (often considered the gold standard), as well as medical record reviews, clinical vignettes, or patient exit interviews. Measuring outcomes and impacts is arguably the most difficult aspect of quality to capture; this typically requires robust health information systems that can link health outcomes with the clinical care provided to patients. In recognition of these challenges, the Lancet Commission and other experts have suggested that, in low- and middle-income countries, structure and process measures represent an appropriate starting point for benchmarking quality and monitoring improvements.

8. **The Project will measure the quality of PHC facilities and hospitals in El Salvador under Component 1 with respect to these three spheres of quality.**\(^\text{38}\) The detailed metrics by which quality will be measured and how clinical practices will be directly observed will be spelled out in the Project Operations Manual (POM), adapting international best practices such as the methodology used by the Organization for Economic Cooperation and Development (OECD). The foundation sphere of quality, including human resources, medications, equipment, information systems, patient safety, and organizational structures, will be measured using Healthcare Certification Program Standards for PHC facilities and hospitals, to be developed in accordance with international guidelines. Processes, including adherence to clinical guidelines and safety standards (including hand hygiene and safe needle disposal), as well as positive user experiences, will be measured using direct clinical observations, patient satisfaction surveys, and administrative data. Quality impacts, including the prevalence of post-partum morbidity as well as better referrals and follow-up of patients, will be measured using administrative data.

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Annex 3. World Bank Support to Early Years: A Sequenced and Integrated Approach of Analytical and Lending Support

COUNTRY: Republic of El Salvador
Growing up Healthy Together: Comprehensive Early Childhood Development in El Salvador

1. **El Salvador’s national early childhood policy, Crecer Juntos, is informed by international experience and well-adapted to country context.** For decades now, El Salvador has experienced high rates of migration and crime and violence, which have contributed to slow economic growth and hindered the human development of its populace. However, its young population (27.1 average age) is El Salvador’s window of opportunity for growth and development. The Government has recognized the importance of focusing on the early years of its populace and defined among its main priorities the implementation of a national Early Childhood Development Policy, with the objective that children residing in El Salvador maximize their development potential. This policy called Crecer Juntos will accompany children from gestation to age 7, using a comprehensive and sequenced approach to the different dimensions of child development. The policy aims to achieve a personalized monitoring of the child’s development trajectory. The policy draws upon a large set of international experience from within and beyond Latin America, including “Chile Crece Contigo,” “De Cero a Siempre” (Colombia), “Primero la Infancia” (Peru), and “Uruguay Crecer Contigo.” These policies share a comprehensive and sequenced approach to early childhood development, which has inspired El Salvador in the development of Crecer Juntos.

2. **At the center of public policy support to promote children’s well-being in their early years is the capacity of the state to monitor the development trajectory of each child across multiple dimensions.** This will be accomplished through a “window of contact” in social services, including health, education, and social protection. From prenatal to the age of 3, almost all children in El Salvador have some contact with the public health system (and some with the public education system), while from age 4 and beyond the contact with the public health system declines in intensity. During this time, family and parent interaction plays a transformational role in child development. Crecer Juntos includes services to strengthen caregivers’ skills associated with parenting in early childhood, as a cross-cutting element to its specific actions. Finally, through the country’s social protection system, several actors offer services that are needed for select groups of more vulnerable or children with developmental delays. The Crecer Juntos policy envisions a variety of benefits and services to children and their families, including the following:
   - Essential (universal) age-appropriate services, or services aiming to be available for all children
   - Differentiated benefits or services for children whose families are affected by social and/or economic vulnerabilities
   - Specialized services targeted to children with individual risks or vulnerabilities (e.g., children with disabilities or development delays).

3. **Achieving positive child development outcomes relies on a solid implementation of the policy.** At the core of Crecer Juntos is a mechanism to track each child’s development trajectory at different ages. This mechanism is being supported through a shared management information system that records the various services (e.g., health, education, and social protection) that children receive (from conception to birth). It also allows the activation of necessary services and benefits, in a timely manner, through referral protocols agreed among service providers. At selected “contact points” with children, Crecer Juntos will introduce child development screening tools, which will enable the activation of alerts (“warnings”) to provide timely and relevant benefits or services by the
corresponding provider. Given its intersectoral nature, the management model for Crecer Juntos will be coordinated from the Presidency of the Republic, specifically in the First Lady’s Cabinet, supported by the governmental coordination structure created through the Presidential Commissioner of Operations.

4. **A national rollout, via age cohorts, will ensure strategic, sequential, and cumulative support during early years.** In addition, a progressive deployment of the implementation of the policy nationwide has been adopted, first prioritizing younger cohorts. The scale up of the model through a cohort modality allows interventions to be prepared and implemented within the required timeframe. In 2020, efforts would be concentrated mainly on the benefits and services associated with health. In 2021, some education benefits (for example Family Circles) would be strengthened. In 2022, education should already be prepared at the kindergarten level and by 2023 at the first-grade level, to receive children who have been covered by Crecer Juntos and who would arrive with a higher level of preparedness than previous generations. By 2024, age coverage would be complete, and Crecer Juntos would be fully installed nationwide.

5. **The World Bank Group supports the design, implementation, and evaluation of the Crecer Juntos policy, through a package of Analytical and Advisory Services (ASA) and results-based operations in Health and Education.** Since FY19, in the context of a regional ASA on Early Childhood Development policies in Central America (P169063), the Bank team promoted a series of knowledge exchanges on the sequencing and integration of ECD services. The team actively helped the country develop the strategic vision and informed the development of the new policy and reflected in two World Bank pipeline operations. Through the proposed Project and another investment in the education sector (P171316), the Bank would offer substantial support (totaling $500 million) to the implementation and evaluation of the Crecer Juntos policy. The design of the two projects is highly complementary and well-sequenced, and would support the broader implementation of Crecer Juntos. In particular, both projects support the (i) development of quality standards; (ii) development of learning materials for children, parents, and caregivers; (iii) development and delivery of training for ECD agents; (iv) implementation of a Management and Information System promoting the interoperability of information across line ministries; and (v) provision and monitoring of nutrition services in Early Childhood Care and Education Centers (ECCE). Through the two operations, the Bank has identified areas of joint support that will lead to an efficient use of resources and to achievement of the development objectives, as detailed in Table 3.1.

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39 Growing up Health Together: Comprehensive Childhood development in El Salvador (P169677) aims at strengthening health promotion behaviors among children aged 0 to 7 and their mothers during preconception and gestation; strengthening the early identification of risks and developmental delays in children aged 0 to 7; and improving the provision of quality healthcare maternal and child services. Growing up and learning together: Comprehensive Childhood development in El Salvador (P171316) aims to increase access to quality preschool education and improved child development.
### Table 3.1. Investing in Early Years: A Sequenced and Well-coordinated Approach to Child Development

<table>
<thead>
<tr>
<th>AREAS OF COORDINATED SUPPORT</th>
<th>LINES OF ACTION</th>
<th>RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Development of Quality Standards in Early Child Development</strong></td>
<td><strong>HEALTH (P169677)</strong>&lt;br&gt;Sc = Project Subcomponent</td>
<td><strong>EDUCATION (P171316)</strong>&lt;br&gt;Sc = Project Subcomponent</td>
</tr>
<tr>
<td><strong>Design of learning materials for children and adults, in Early Childhood Development (ECD)</strong></td>
<td>Development of referral protocols for early identification of risks and developmental delays in children (Sc1.2, 1.3 MINSAL)</td>
<td>Review, alignment, and implementation of the Early Childhood Care and Education (ECCE) curriculum based on quality standards nationwide (Sc1.2 MINEDUCYT)</td>
</tr>
<tr>
<td><strong>Training of agents serving EC</strong></td>
<td>Design ECD guides and learning materials for agents serving Early Childhood (Sc1.2, Sc1.3 MINSAL)</td>
<td>Design ECD guides and learning materials for implementation of the curriculum nationwide (Sc1.2 MINEDUCYT)</td>
</tr>
<tr>
<td><strong>Interoperability of sectoral information systems with <em>Crecer Juntos</em> Management Information System</strong></td>
<td>Child development tracking functionalities within health management information system (Sc1.2; Sc.2.1 MINSAL)</td>
<td>Interoperability of the single registry of MINEDUCYT with a single registry of MINSAL.</td>
</tr>
<tr>
<td><strong>Nutrition in ECCE Centers</strong></td>
<td>Monitor the quality, provision, and supplementary nutritional content of food in the ECCE Centers. (Sc1.3 MINSAL)</td>
<td>Logistics and distribution of food in schools.</td>
</tr>
</tbody>
</table>
Annex 4. Economic Analysis

COUNTRY: Republic of El Salvador
Growing up Healthy Together: Comprehensive Early Childhood Development in El Salvador

Scope of the Project

1. **The operation will support sustainable health interventions in El Salvador that will help individuals accumulate human capital in the first years of life.** First, the Project will focus on the needs of individuals in their first 4 years of life by increasing the coverage of early stimulation and nutrition programs and by introducing individual monitoring of development outcomes to ensure that children and their mothers can develop to their full potential. Second, the Project will focus on school-age children (5 to 7 years old) by strengthening the monitoring of growth development in school health interventions to enable early detection and treatment of any physical and/or mental issues. Third, the Project will include women of reproductive age to improve the early detection of pregnancy, offer safe access to services and prevent the pregnancy among adolescents. To enable these actions, the Project will support MINSAL’s governance and stewardship by strengthening its capacity as a provider of health care, as well as a policy-making entity.

Specifications of the Analysis

2. **For the purpose of conducting a cost-benefit analysis, this Annex estimates the extent to which the economic productivity of project beneficiaries is likely to be enhanced as a result of the years of healthy life gained because of the reduction of premature deaths and incidence or severity of disabilities.** It also estimates the economic gains achieved by reducing adolescent pregnancies and the subsequent increase in productivity among young women who otherwise would not have been able to complete their education and join the workforce as easily. Finally, it estimates savings in health-care costs as a result of a reduction in the number of visits to health facilities for conditions such as diarrhea and acute pulmonary infections among children and adolescents and for maternity-related conditions among women. The analysis does not set out to quantify the considerable additional benefits likely to accrue from the Project’s investments in improved information systems, enhanced care integration, and improved governance (which together account for a substantial share of the total project cost), because no established and reliable methodology exists for doing so. This means that the results presented here are likely to underestimate the benefits that will be produced by this Project.

3. **The impacts of the Project on the burden of disease were estimated based on reduced mortality and disability from specific diseases that the Project is expected to impact.** These calculations were based on the concept of disability-adjusted life years (DALYs). The Project is expected to have a particularly significant impact on three disease groups: (i) maternal and neonatal diseases; (ii) enteric infections; and (iii) mental health conditions. The Project is estimated to have a 15 percent reduction in the DALYs related to these diseases under the moderate-impact scenario and a 20 percent reduction under the high-impact scenario. For the other diseases that are expected to be reduced as a result of the Project’s health promotion and prevention activities and improved health-care quality, the expected impact is a 10 percent reduction of DALYs under the moderate-impact scenario and 15 percent under the high-impact scenario. To determine the impact on total DALYs averted

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40 These diseases include self-harm and interpersonal violence, neoplasms, cardiovascular diseases, diabetes and kidney diseases, infectious diseases, unintentional injuries, neurological disorders, other noncommunicable diseases, musculoskeletal disorders, digestive diseases, substance use disorders, and sense organ diseases.
for each disease group, the analysis used the proportion of total DALYs caused by each disease group in 2017 as shown in Figure 4.1

**Figure 4.1. Composition of El Salvador’s Burden of Disease, % of DALYs, 2017**

To estimate the productivity gained as result of averted or delayed adolescent pregnancies, this analysis estimated that the Project will lead to a 5 percent decline in adolescent pregnancies. Each pregnancy that does not occur during adolescence results in an economic benefit for the individual and for society for the following 10 years. Also, the estimation of saved health-care costs was based on a 10 percent reduction in visits to health-care facilities for diarrhea and acute pulmonary infections among children and adolescents aged between 0 to 19, and for maternity-related conditions among girls and women of all ages.

The beneficiaries of the Project will be children, adolescent girls, mothers and women of reproductive age. Component 1 (Promoting Human Capital Accumulation in children 0 to 7 years and their mothers during preconception and gestation) will focus on children under the age of 7 and mothers, including adolescent females. This analysis only considers the reduced disease burden, increased productivity, and greater health-cost savings that directly relate to these groups, although the improved governance and enhanced capacity of MINSAL to provide quality care is likely to also have a positive impact on the broader population.

Because of the long-term nature of the activities financed by the Project and their focus on human capital accumulation throughout the lifecycle, the cost-benefit analysis presented here assumes that the Project will continue to reduce the burden of disease mortality and morbidity until 2070 for adolescents and 2090 for children. This timeframe is based on El Salvador’s current life expectancy at birth of 74 years, which is expected to continue increasing, which means that the long-term impact of the Project is likely to be higher than these

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41 Life expectancy is 69 years for men and 78 years for women. This gap is explained by a high level of mortality among men from violence.
estimates. The estimated benefits of the Project have been calculated on the basis of the shares of the population in each of age group as projected for 2025. The reductions in adolescent pregnancies and in health facility consultations are also likely to be maintained after the Project activities are over.

7. The productivity and human capital gains from averted DALYs was assumed to equal the national per capita GDP ($4,058) for each avoided DALY. The productivity gained for each averted pregnancy during adolescence was also assumed to equal the national per capita GDP. To account for the increased schooling and labor market integration of young girls and women that do not become mothers during adolescence, an added productivity of 10 years was assumed for each averted pregnancy. The estimates of the savings from the 10 percent reductions in health facility visits for the selected conditions are based on the average cost for each medical consultation ($5), which is a conservative estimate according to the international literature.

8. Project costs will be incurred between calendar year 2020 and 2026, while the benefits in terms of reduced mortality and morbidity will start accruing during the second year (2021) of the Project’s implementation. The discount rate used to calculate the net present value of the Project’s benefits was 5 percent. This accounted for the time value of money and the fact that Project benefits will not accrue immediately.

Summary of Costs and Benefits

9. Assuming an economic value of $4,058 for each year of life gained, the economic benefits would amount to $3.4 billion. The net present value of the Project benefits would be $3.4 billion using a 5 percent discount rate and the internal rate of return would be 20 percent for the 2020-2090 period. Considering only the short- and medium-term periods (2020-2030), the economic benefits would be $537 million, while the net present value of the Project would be $511 million using a 5 percent discount rate, and the internal rate of return would be 16 percent.

10. Table 4.1 displays the results under this moderate-impact scenario and compares them to the high-impact scenario, where the Project would achieve an additional reduction in the burden of disease for the disease groups affected by the Project.
Table 4.1. Summary of Results of the Economic Analysis of the Project

<table>
<thead>
<tr>
<th>Sensitivity Analysis for short-medium and long term</th>
<th>High-Impact Scenario</th>
<th>Moderate-Impact Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount Rate</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Impact on the burden of disease</td>
<td>20% reduction for enteric infections, maternal and neonatal disorders, and mental health, and 15% reduction on other diseases impacted by the Project; gains in productivity from averted adolescent pregnancies (5% decrease); and savings in health cost from reduced consultations for diarrhea, acute pulmonary infections (API), and maternal conditions (5% decline).</td>
<td>15% reduction for enteric infections, maternal and neonatal disorders, and mental health, and 10% reduction on other diseases impacted by the Project; gains in productivity from averted adolescent pregnancies (5% decrease); and savings in health cost from reduced consultations for diarrhea, acute pulmonary infections (API), and maternal conditions (5% decline).</td>
</tr>
<tr>
<td>Net Present Value 2020-2030 (Current $)</td>
<td>$571,243.498</td>
<td>$511,492.720</td>
</tr>
<tr>
<td>Net Present Value 2020-2090 (Current $)</td>
<td>$3,693,709.963</td>
<td>$3,355,666.214</td>
</tr>
<tr>
<td>Internal Rate of Return 2020-2030</td>
<td>19%</td>
<td>16%</td>
</tr>
<tr>
<td>Internal Rate of Return 2020-2090</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>Benefits/Costs Ratio 2020-2030</td>
<td>2,28</td>
<td>2,05</td>
</tr>
<tr>
<td>Benefits/Costs Ratio 2020-2090</td>
<td>14,77</td>
<td>13,42</td>
</tr>
</tbody>
</table>