



# Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 26-Apr-2023 | Report No: PIDC35138



## BASIC INFORMATION

### A. Basic Project Data

Country Guinea-Bissau	Project ID P179509	Parent Project ID (if any)	Project Name Guinea-Bissau Human Capital Project (P179509)
Region WESTERN AND CENTRAL AFRICA	Estimated Appraisal Date Mar 11, 2024	Estimated Board Date May 30, 2024	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Republic of Guinea Bissau	Implementing Agency Ministry of Education and Higher Education, Ministry of Public Health	

### Proposed Development Objective(s)

The development objective of the proposed project is to: strengthen service delivery in the social sectors to improve human capital outcomes.

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

#### SUMMARY

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

#### DETAILS

##### World Bank Group Financing

International Development Association (IDA)	20.00
IDA Grant	20.00

Environmental and Social Risk Classification

Concept Review Decision



Moderate

Track II-The review did authorize the preparation to continue

## A. Introduction and Context

### Country Context

- Guinea Bissau (GB) is a small (population: ~2 million) and fragile state in West Africa plagued with longstanding political instability and fragility.** Since its independence in 1974, the country has experienced recurrent political crises including several *coups d'états* and a civil war from 1998 to 1999. The government resulting from the December 2019 presidential elections offered a window of opportunity to implement important, but politically challenging, structural reforms; however, progress has been slow. The high level of fragility has not been conducive to stability or growth, with devastating consequences for the economy and human development (2021 - Human Development Index: 0.483, with GB ranking 177 out of 191 countries).
- GB's economy is poorly diversified, and prone to shocks.** GB is classified as a low-income country with an annual gross domestic product (GDP) per capita of US\$795.11 (2021). Recent shocks, including the COVID-19 pandemic,<sup>1</sup> the global impact of Russia's invasion of Ukraine, and low international demand for cashew, disrupted the positive economic growth registered between 2015 and 2019 (averaging 5.4 percent), with growth estimated at 3.5 percent in 2022. Raw, unprocessed cashew nuts account for over 90 percent of GB's exports, making the economy and most households highly vulnerable to cashew nut price shocks and climate change. The private sector is underdeveloped. The authorities have expressed an interest in a three-year Extended Credit Facility Arrangement (ECF) to support an ambitious reform program focused on maintaining macroeconomic stability based on fiscal consolidation, preserving debt sustainability, securing the recovery from the pandemic, fighting corruption, and improving governance and transparency. On 30 January 2023, the International Monetary Fund (IMF) approved the ECF arrangement in an amount of US\$38.4 million equivalent.<sup>2</sup>
- The COVID-19 pandemic increased GB's already high poverty rates, especially among the poorest.** Poverty continues to be widespread, with national poverty rates stagnating between 48.7 percent in 2010 and 47 percent in 2018.<sup>3</sup> Over the same period, poverty rates fell in urban centers (-9 percentage points), while increasing by 5 percentage points in rural areas, especially amongst the 75 percent of rural households reliant on cashew nut cultivation for their livelihoods, further exacerbating spatial inequalities. In 2020, the COVID-19 pandemic led to a decline in per capita consumption for most households, especially the poorest. More than 80 percent of households reported feeling food insecure, and ~75 percent reported not being able to cover expenses for transport, communication, and electricity due to widespread loss of income.<sup>4</sup> Poverty is estimated to have increased by 2.4 percentage points during the COVID-19 crisis and recent poverty reduction efforts have been thwarted by slow growth and high inflation (average of 7.6 percent y/y). The COVID-19 pandemic also disrupted essential service provision, especially for women and girls, leading to a 12 percent increase in child mortality and a 10 percent rise in maternal mortality in 2020, while school closures may have a long-lasting impact on human capital development.

<sup>1</sup> COVID-19 pandemic: As of February 5, 2023, Guinea Bissau reports 8947 cases, including 176 deaths. The COVID-19 vaccination campaign was launched on 2 April 2021 targeting individuals above 18 years and guided by the National Deployment and Vaccination Plan. As of December 31, 2022, 18 percent of the total population (including 58 percent of adults) have been fully vaccinated. 27 percent of the total population have received at least one dose.

<sup>2</sup> Source: IMF January 30, 2023. [Guinea-Bissau IMF Executive Board approved ECD arrangement for Guinea Bissau](#)

<sup>3</sup> Data from the *Enquête Harmonisée sur le Conditions de Vie des Ménages* (EHCVM) 2018/19, and the *Inquérito Ligeiro para a Avaliação da Pobreza (ILAP) 2010*.

<sup>4</sup> Data from the High Frequency Phone Surveys conducted in March 2021.



Sectoral and Institutional Context

**Sectoral context**

4. **Strategic objective 4 of the Government’s “Hora Tchiga” National Development Plan (NDP) (2020-2023) aims to develop human capital and improve living standards for the population through investments in basic services including health, education, and social protection.** The NDP, approved at the height of the COVID-19 pandemic in 2020, prioritized investments to, on the one hand, take immediate actions to respond to the pandemic and preserve lives, whilst focusing on short and medium-term actions to accelerate the country’s economic recovery. To enhance human capital outcomes, the Authorities have committed to addressing key constraints to quality service delivery in the social sectors by improving decentralization and inclusive service delivery, especially in marginalized and impoverished areas outside of Bissau, and particularly for women, children, and the most vulnerable.

5. **In GB, poor human capital outcomes predominate throughout the life course.** Early childhood is a critical life stage for human capital accumulation. In GB, limited access to essential health and nutrition services during the first 1,000 days, followed by inadequate investments in early childhood stimulation and education, limits children’s cognitive development. This lowers school readiness and leads to poor school enrollment, retention, learning outcomes, and completion. Many children in GB face disadvantages that begin before birth due to poor maternal nutrition, inadequate access to pre- and postnatal care, and a high maternal mortality rate. Adolescent childbearing is common, with one in five women giving birth before the age of 15 years. Forty-two percent of adolescent mothers have never attended school or only have a pre-school level of education. These young women are neither physically mature to conceive and deliver nor psychologically prepared to take care of children. These girls, as well as their children, are unlikely to reach their full potential or build the human capital needed to support GB’s development strategies over the coming decade.

6. **Moreover, malnutrition remains prevalent, with almost a third of children in GB being stunted.** The national stunting rates mask large disparities among income groups and across geographic regions. The rate of stunting is two times higher among the poor than the rich, and almost three times higher among children in Oio region than those in the capital, Bissau.<sup>5</sup> Stunting predisposes the individual to higher risks of illness and death, reduces cognitive development, and leads to lower educational attainment, and ultimately lower productivity, wages, and income in adulthood, which perpetuates the intergenerational transmission of poverty.

7. **A large proportion of GB’s human capital is lost to premature mortality.** In 2019, more than 75 percent of deaths in GB occurred in children under 5 years and in working-age adults, mostly due to preventable and treatable conditions, robbing the country of both its human capital potential and the most productive members of the population. Life expectancy is low (60 years), with under 15 year-olds representing 40 percent of the population. At the same time, GB faces a dual burden of disease, with deaths from poverty-related infectious diseases still high (58 percent) and non-communicable diseases on the rise. The country also remains vulnerable to the resurgence of new COVID-19 variants and other infectious diseases with pandemic potential.

8. **Persistently high repetition rates, particularly in grades 1 and 2, exacerbate primary net enrollments and demonstrate that few children enter school ready to learn.** In GB, most children enter schools with very limited Portuguese language skills, which is the official language of instruction. Recognizing the role early childhood education can play to improve school readiness and help children transition from Creole to Portuguese, GB has ramped up efforts in recent years to develop an early childhood education policy and minimum standards for the operation of preschools. However, supply is still unable to keep up with demand and only 14 percent of children have access to preschool, mostly

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<sup>5</sup>MICS 2018-2019



in urban centers. Educational childcare has also been associated with better cognitive competencies over the life-course and better school preparedness for pre-school children.<sup>6</sup> It also serves as a valuable support to mothers with young children, allowing caregivers more time to work, resulting in higher incomes for beneficiary households, or to pursue further education. However, the lack of a public option in GB makes high-quality childcare scarce and expensive.

9. **Low educational attainment remains a major obstacle to improving human capital in GB.** Despite improvements in access to primary education in recent decades, there remains a considerable percentage of the population that continues to be underserved. Today, nearly one-third of children between the ages of 6 and 11 have never attended school, and universal primary education is still far from being a reality. The primary school completion rates remain low, averaging at only 27 percent. Moreover, regional disparities exist. For example, in urban areas, the completion rate reaches nearly 47 percent, while in rural areas, it is alarmingly low at only 14 percent.

### **Institutional context**

10. **Systemic service delivery constraints are pervasive in the social sectors leading to gaps in access and quality.** The performance of the health sector, in terms of access and quality, is low, with GB scoring 24.3 out of 100 on the Healthcare Access and Quality Index in 2019. The health sector's poor performance is mainly due to the insufficient numbers, distribution, and quality of infrastructure, human resources, and medical inputs (e.g., medicine and supplies); the low and inefficient funding; and limited existence or application of accountability mechanisms. Similarly, in the education sector, the following factors hinder the ability of children to learn: (i) poorly trained teachers with limited skills to teach effectively; (ii) a lack of learning materials in schools; (iii) low public spending; (iv) weak governance and oversight of service delivery; and (v) the lack of data to inform decisions and monitor progress. Lastly, there is no effective system of universal social protection, especially for vulnerable populations including the poor, children, pregnant women, disabled, etc. While many of these challenges are responsible for the limited resources available, evidence suggests that unless binding constraints are prioritized and addressed first, other interventions will only lead to marginal improvements.

#### Relationship to CPF

11. **The World Bank Group's Country Partnership Framework (CPF) for GB for FY18-21 (Report No. 114815-GW) contains multiple objectives related to human capital outcomes.** The FY18-FY21 CPF has been extended until FY23 following the Performance and Learning Review (PLR) (Report No. 158361-GW) discussed by the Board of Directors on June 23, 2021. The proposed project will contribute to the three objectives under Focus Area 2 ("*Bolster human capital through improved education, health, and social protection*"), including: (i) Increase access to and quality of primary education (Objective 4), (ii) increase access to quality health services for COVID-19 and maternal and child health (Objective 5), and (iii) strengthen social safety nets (objective 6). The project will also contribute to strengthening the resilience of targeted communities and ecosystems in coastal areas (Objective 2) under focus area 1 ("*Expand economic opportunities and enhance resilience*") by supporting adaptation interventions to enhance the community's resilience to climate change and shocks.

12. **The proposed project also reflects the CPFs strong emphasis on gender and builds on recent successes in the social sectors.** It focuses on women and girls as key target groups and supports activities aimed at strengthening women's empowerment and economic autonomy and changing harmful social practices that lead to suboptimal health and nutrition status and education outcomes for women and girls. Project supported activities are also being designed in a way to build on the successes and lessons learned under existing and recently closed operations in the health, education,

<sup>6</sup> Geoffroy, MC.; Cote, SM.; Giguere, CE, et al. (2010) Closing the gap in academic readiness and achievement: the role of early childcare. J Child Psychol Psychiatry.



and social protection sectors and strengthen synergies with existing WB projects outside the human development sectors to maximize the development impact of the interventions and contribute to the achievement of the Project Development Objective (PDO).

## B. Proposed Development Objective(s)

13. The proposed PDO is to: strengthen service delivery in the social sectors to improve human capital outcomes.

### Key Results (From PCN)

14. **Potential PDO Indicators to measure improvements in service delivery for the social sectors and human capital outcomes include:**

- Deliveries attended by skilled health personnel in facilities with PBF contracts (number) (health)
- Grade 2 students with improved ability to read and understand a simple text (number) (education)
- Women and young children in poor households benefitting from cash transfers (number) (social protection)

## C. Concept Description

15. **The project is framed around four components that together aim to address priority challenges to improve human capital outcomes in GB.** Using a multi-sectoral approach, the project proposes to strengthen human resources and introduce PBF to improve service delivery across the social sectors. In the education, health, and social protection sectors, increased investments in capacity building are required to ensure the workforce has the skills required to improve service delivery. Additionally, a mechanism should be in place to better incentivize and motivate key actors to perform their duties and be accountable. The proposed design of the PBF pilot is intended to take advantage of the multi-sectoral nature of the project and create synergies between the planned interventions. Based on the analysis of human capital outcomes in different regions as part of the Human Capital Review (P179480), the same two regions will be selected to implement the PBF pilots for all three sectors and the activities under component 3. Examples of potential synergies include (i) accountability mechanisms for both health workers and teachers linked to the Government's ongoing HR reform program for the civil service and (ii) early childhood programs that use the expanded social registry to target poor households and then deliver specific interventions prioritizing nutrition and early learning, so that children arrive at school healthy and ready to learn. Once institutional capacity is strengthened, the necessary tools are in place to support PBF, and additional financing becomes available, the plan is to scale-up these programs to other regions as well.

16. **The proposed project is also designed to take full advantage of the tools supported by GEMs and incorporate technology-based and innovative solutions to improve the availability of data required for improved monitoring and decision-making.** These tools will also make PBF possible in a very challenging context. With all three sectors using the same digital platform, it will be possible to make connections across sectors and encourage greater collaboration.

17. **Given the limited financing and operational challenges faced across recent projects in the social sectors, it is critical that the project's design be very focused and build on previous investments in areas where the WB has a comparative advantage.** The education interventions will continue to focus on improving foundational learning while at the same time focusing on PBF and creating incentives for improved service delivery. The health interventions will focus on enhancing the quality of healthcare and increasing the utilization of health services, with a particular focus on maternal, child, and adolescent health and nutrition. Lastly, the social protection interventions will focus on building upon the foundations built for a social registry and cash transfer program, while targeting access to childcare and early childhood development (ECD) services for poor households to improve nutritional, health, and cognitive outcomes for young



children.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No
Summary of Screening of Environmental and Social Risks and Impacts	

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**APPROVAL**

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