

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

EL SALVADOR

**IMMEDIATE PUBLIC HEALTH RESPONSE TO CONTAIN AND CONTROL THE
CORONAVIRUS AND MITIGATE ITS IMPACT ON SERVICE DELIVERY IN
EL SALVADOR**

(ES-L1144)

LOAN PROPOSAL

This document was prepared by the project team consisting of: Maria Deni Sánchez, Project Team Leader; Ignacio Astorga (SCL/SPH); Wilhem Dalaison (INE/INE); Matilde Neret (SCL/SPH); Karen Munguía (CID/CES); Gumersindo Velázquez (VPC/FMP); Juan Carlos Lazo (VPC/FMP); Alejandro Carrión (CID/CID); José Manuel Ruiz (CID/CES); Julio Andres Rojas (VPS/ESG); Isabel Delfs (SCL/SPH); Juan José Barrios (CID/CES); Nidia Hidalgo (SCL/GDI); María Fernanda Merino (SPD/SPD); Ignacio Barragán Crespo (LEG/SGO); and Verónica Posse (consultant).

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ABBREVIATIONS	
CABEI	Central American Bank for Economic Integration
CAF	Andean Development Corporation
EICE	Equipo Interdisciplinario de Contención Epidemiológica [Interdisciplinary Team for Epidemiological Containment]
FUSADES	Fundación Salvadoreña para el Desarrollo Económico y Social [Salvadoran Economic and Social Development Foundation]
ICU	Intensive care unit
IDB	Inter-American Development Bank
INS	Instituto Nacional de Salud [National Health Institute]
LNR	Laboratorio Nacional de Referencia [National Reference Laboratory]
MINSAL	Ministry of Health
OAS	Organization of American States
PAHO	Pan American Health Organization
PCR	Polymerase Chain Reaction (coronavirus lab test)
PMU	Project management unit
PPE	Personal protective equipment
SEM	Sistema de Emergencias Médicas [Medical Emergency System]
SPRP	COVID-19 Strategic Preparedness and Response Plan
WHO	World Health Organization

PROJECT SUMMARY

EL SALVADOR

IMMEDIATE PUBLIC HEALTH RESPONSE TO CONTAIN AND CONTROL THE CORONAVIRUS AND MITIGATE ITS IMPACT ON SERVICE DELIVERY IN EL SALVADOR (ES-L1144)

Financial Terms and Conditions				
Borrower (and guarantor):			Flexible Financing Facility^(a)	
Republic of El Salvador			Amortization period:	25 years
Executing agency:			Disbursement period:	2 years
Ministry of Health (MINSAL)			Grace period:	5.5 years ^(b)
Source	Amount (US\$)	%	Interest rate:	LIBOR-based
IDB (Ordinary Capital):	50,000,000	100	Credit fee:	(c)
			Inspection and supervision fee:	(c)
Total:	50,000,000	100	Weighted average life (WAL):	15.25 years
			Approval currency:	U.S. dollars
Project at a Glance				
Project objective/description: The overall objective of this project is to help reduce the morbidity and mortality caused by COVID-19 and to mitigate other indirect impacts of the pandemic on health. There are three specific objectives: (i) improving case detection and monitoring; (ii) supporting initiatives to break the chain of transmission of the illness; and (iii) improving service delivery capacity.				
Special contractual conditions precedent to the first disbursement of the loan proceeds: The following will be special conditions precedent to the first disbursement of the loan proceeds: (i) that the project Operating Manual has been approved and is in force, under the terms agreed with the Bank; and (ii) the project management unit (PMU) has been appointed for execution and administration (paragraph 3.4).				
Exceptions to Bank policies: None.				
Strategic Alignment				
Challenges:^(d)	SI <input checked="" type="checkbox"/>	PI <input type="checkbox"/>	EI <input type="checkbox"/>	
Crosscutting themes:^(e)	GD <input checked="" type="checkbox"/>	CC <input type="checkbox"/>	IC <input checked="" type="checkbox"/>	

^(a) Under the terms of the Flexible Financing Facility (document FN-655-1), the borrower has the option of requesting changes to the amortization schedule as well as currency, interest rate, and commodity conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.

^(b) Under the flexible repayment options of the Flexible Financing Facility, changes to the grace period are permitted provided that they do not entail any extension of the original weighted average life of the loan or the last payment date as documented in the loan contract.

^(c) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable policies.

^(d) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

^(e) GD (Gender Equality and Diversity); CC (Climate Change and Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problem to be addressed, and rationale

- 1.1 **Background.** On 11 March 2020, the World Health Organization (WHO) declared the COVID-19 outbreak a pandemic. COVID-19 is a respiratory disease caused by the 2019 novel coronavirus, or nCoV-2019. To date (9 May), WHO has reported more than 3.8 million confirmed cases in 189 countries, resulting in more than 265,862 deaths.¹ The first cases in Latin America and the Caribbean were reported in late February. Since then, their number has been rising fast, with some 390,967 confirmed cases of COVID-19 reported—a figure expected to double every two to four days—and 22,004 deaths reported.² The number of cases, the number of deaths, and the number of affected countries is expected to continue growing.
- 1.2 **Macroeconomic and/or social context.** The economic impacts of COVID-19 will be felt through different channels at different times. The first, associated with the priority of saving lives in the very short term, is the direct costs of the health sector response. The second is the costs associated with the necessary changes in people's behavior to "flatten the curve" of COVID-19 progression, which will contribute to saving lives. These behaviors may be the result of government mandates (closing schools, canceling public events, etc.), decisions made by companies and other institutions (teleworking, cutting back production, etc.), and decisions made by consumers (reducing social contact). This will lead to a very significant economic downturn with immediate manifestations and lingering effects, even once the health emergency is over. From a macroeconomic perspective, in addition to shrinking domestic demand, the Economic Commission for Latin America and the Caribbean (ECLAC) sees at least five channels through which the impacts of the crisis will be passed on to the region's economy:³ (i) slowing economic activity of key trading partners that will impact the demand for exports; (ii) less demand for tourism services; (iii) interruption of global value chains; (iv) falling commodity prices; and (v) worsening financial terms.
- 1.3 The health and economic crisis caused by the COVID-19 pandemic is having a major impact on all countries around the globe, leading to a drop in economic activity. The cost associated with containing the pandemic will significantly deteriorate El Salvador's fiscal position. A sharp drop in the economy is expected in 2020 as a result of the health crisis. As a result of that decline in domestic economic activity and the external shock's impact (primarily because of growth falling in the United States), GDP is expected to show a contraction of -5.4% (according to IMF estimates)⁴ and could even reach -6.7% according to IDB estimates. Lower fiscal revenue due to slower economic activity and rising spending in response to the

¹ See: WHO COVID-19 Situation Dashboard at <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports/>.

² See: <https://www.paho.org/en/topics/coronavirus-infections/coronavirus-disease-covid-19> (accessed on 9 May 2020).

³ See: <https://www.cepal.org/es/comunicados/covid-19-tendra-graves-efectos-la-economia-mundial-impactara-paises-america-latina>.

⁴ World Economic Outlook (April 2020).

pandemic will bring the fiscal balance to a deficit in 2020 estimated at -8.7% of GDP, but that percentage could be even higher as a result of recent expansions to the pandemic response package and higher budget requirements. The authorities have announced US\$3 billion in borrowing (11.5% of GDP) to address the pandemic and its aftermath on the national economy, which would bring the debt to over 85% of GDP, straying from the projected path that would bring it to 60% of GDP by 2030, as stipulated in the Fiscal Responsibility Act. This increased borrowing will also adversely affect public investment levels over the next five years, as the country returns to a path of fiscal consolidation. Accordingly, there is a high risk that the crisis will affect conditions for access to external finance, exerting significant pressure on economic growth and fiscal solvency in the medium term. In that regard, with Bank support, two budget support operations for a total of US\$500 million are being processed to address the health and economic crisis caused by COVID-19.⁵

- 1.4 **Problem addressed.** The rapid increase in the number of cases has been putting pressure on health care systems, potentially compromising their capacity to respond to the pandemic in a timely and efficient manner, as well as to maintain essential care for people with other conditions. An analysis by the WHO at the outset of the pandemic found that most countries in Latin America and the Caribbean are unprepared to handle pandemics.⁶ On a five level scale based on the capacity to manage a public health event of this magnitude (where one=low and five=high), seven Latin American and Caribbean countries are classified as level two (low capacity), 15 as level three (medium capacity), and only four have been classified as level four: Brazil, Mexico, Chile, and Costa Rica.⁷ These gaps impact the entire pandemic management cycle: rapid identification; diagnosis; contact tracing and follow up; infection prevention and control; health measures for travelers; communication with the public about the illness, including overall knowledge, symptoms, risk factors, and prevention measures; and health care (medical personnel and supplies to care for those with COVID-19 and other vulnerable patients).
- 1.5 COVID-19 can be easily spread from person to person through respiratory secretions⁸ and direct contact. For this reason, social distancing and isolation measures are essential features of the public health response with the goal of reducing the number of healthy people whom a patient can infect (known as the reproduction number) or, stated another way, the average number of new cases generated by a case over time, to a value below one. These measures slow the

⁵ “Emergency Program for Macroeconomic and Fiscal Sustainability – ES-L1142” and a policy-based loan to address the health and economic crisis, in preparation. This planned Bank support will be complemented by that of other multilateral and bilateral agencies (paragraph 1.21).

⁶ Operational capacity was evaluated based on the percentage of compliance with 13 areas of capacity for handling public health events established in the International Health Regulations (IHR 2005), an agreement between 196 countries to build their capacities to manage public health events in 13 areas: legislation and financing, coordination, zoonotic events, food safety, laboratory, surveillance, human resources, national health emergency, health service delivery, risk communication, points of entry, chemical events, and radiation emergencies.

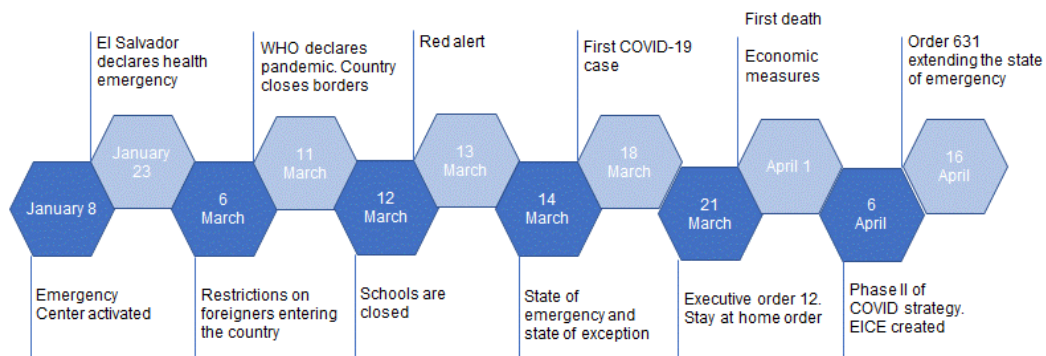
⁷ Countries classified as level two (low capacity) are: Bolivia, Haiti, Honduras, Nicaragua, Venezuela, Guatemala, and Paraguay; level three (medium capacity): Argentina, Barbados, Belize, Colombia, Ecuador, Guyana, Jamaica, Peru, Suriname, Trinidad and Tobago, El Salvador, Dominican Republic, Panama, and Uruguay; and level four: Brazil, Mexico, Chile, and Costa Rica.

⁸ <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/question-and-answers-hub>

spread of COVID-19, to delay a sudden spike in cases that would overwhelm the health system's capacity to care for patients.^{9,10,11,12} Specialized care is necessary for coronavirus patients.

- 1.6 **Challenges and progress.** El Salvador declared a national state of emergency as a result of the COVID-19 pandemic on 14 March 2020 through Order 593.¹³ The Expanded Health Cabinet—consisting of the Ministry of Health (MINSAL), the Medical Emergency System (SEM), the Solidarity Health Fund (FOSALUD), the ISSS, the National Office of Medicines, the Salvadoran Red Cross, the Salvadoran Green Cross, the Salvadoran Rescue Brigade Association, the Military Health Command, the National Civil Police, the Salvadoran Firefighters Brigade, and the heads of emergency departments in Salvadoran hospitals, the Ministry of Education, and the Migration Bureau—was formed to lead the nationwide response. This committee has coordination and monitoring mechanisms in place to manage the emergency response plan. Although El Salvador took early measures such as closing borders, opening containment and isolation centers, and issuing a stay-at-home order (see Figure I-1), the first case of COVID-19 was reported on 18 March at a containment center, and the first locally transmitted case was reported on 8 April, marking the start of community transmission of the disease.

Figure I-1. Measures taken by the Government of El Salvador in response to the pandemic



Source: Prepared by the authors.

- 1.7 As of 9 May, 889 coronavirus cases had been confirmed, most of them in the department of San Salvador.¹⁴ Seventeen deaths have been reported, which equates to a mortality rate of 1.9%. An analysis by the Salvadoran Economic and

⁹ Hellewell, J., S. Abbott, A. Gimma, N.I. Bosse, C.I. Jarvis, T.W. Russell, et al. Feasibility of controlling COVID-19 outbreaks by isolation of cases and contacts. *Lancet* 2020; 8(4):488-496. [doi:10.1016/S2214-109X\(20\)30074-7](https://doi.org/10.1016/S2214-109X(20)30074-7).

¹⁰ Day, T., A. Park, N. Madras, A. Gumel, J. Wu. When is quarantine a useful control strategy for emerging infectious diseases? *American Journal of Epidemiology* 2006; 163(5): 479–485. [doi:10.1093/aje/kwj056](https://doi.org/10.1093/aje/kwj056).

¹¹ Ferguson, N., D. Cummings, C. Fraser, J.C. Cajka, P.C. Cooley, D.S. Burke. Strategies for mitigating an influenza pandemic. *Nature* 2006; 442:448–452. [doi:10.1038/nature04795](https://doi.org/10.1038/nature04795).

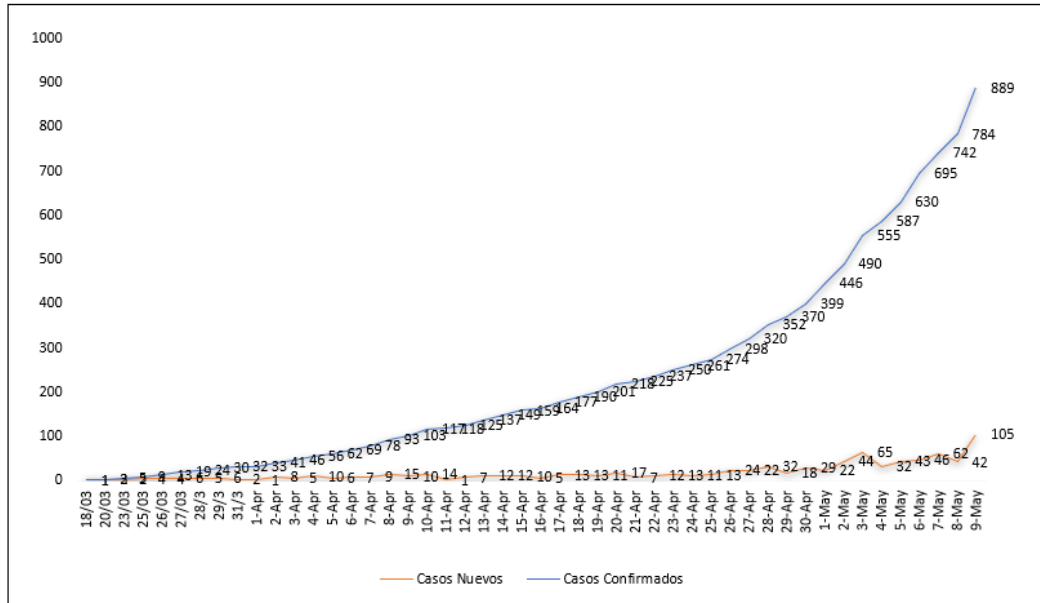
¹² Dénes, A., A. Gumel. Modeling the impact of quarantine during an outbreak of Ebola virus disease. *Infectious Disease Modelling* 2019; 4:12–27. [doi:10.1016/j.idm.2019.01.003](https://doi.org/10.1016/j.idm.2019.01.003).

¹³ See <https://www.diarioficial.gob.sv/diarios/do-2020/03-marzo/14-03-2020.pdf>.

¹⁴ See <https://covid19.gob.sv/>. Reviewed on 6 May 2020.

Social Development Foundation (FUSADES) and Francisco Gavidia University¹⁵ found that projected case counts in a critical scenario may vary depending on the effectiveness of isolation measures. “Highly” effective isolation would result in 111 infected persons, with 56 requiring hospitalization and 8 admitted to an intensive care unit (ICU); isolation with a “low” degree of effectiveness could alter these numbers drastically: up to 62,710 infected persons, 16,926 hospitalizations, and 1,089 requiring an ICU bed. Graph I-1 shows the numbers of total confirmed cases and new cases per day in El Salvador over time.

Graph I-1. COVID-19 confirmed cases and new cases



Source: Prepared by the authors, based on Ministry of Health data (covid19.gob.sv).

- 1.8 There is a bona fide risk that COVID-19 will quickly spread to heavily populated areas, especially considering El Salvador’s population density of 316 residents per square kilometer. Moreover, the repatriation of Salvadoran migrants from other countries could also result in a sharp increase in cases. COVID-19 is spreading while outbreaks of other diseases—e.g. dengue, flu, and chikungunya—are unfolding. Alongside gaps in care for chronic noncommunicable diseases such as diabetes and hypertension, this exerts additional pressure on a healthcare system with limited capacity.
- 1.9 The main challenges in the Salvadoran healthcare system for confronting this crisis are: (i) weaknesses in the system of surveillance, case detection, and investigation, primarily due to an lack of capacity to conduct mass testing, case analysis, and contact tracing; (ii) a lack of up-to-date protocols and the need to more effectively convey the risks to the public; and (iii) weaknesses in health services for management of COVID-19 cases.

¹⁵ El Salvador y el COVID-19: Modelos matemáticos, datos y perspectivas. <https://observatoriocovid19.sv/ebook.html>.

- 1.10 **Weaknesses in the surveillance system, case detection, and investigation.** El Salvador is averaging 28 new cases per day due to community transmission.¹⁶ This entails a high risk for the general public, and rapid detection is therefore crucial to curbing the pandemic. El Salvador's National Reference Laboratory (LNR)¹⁷ processes 80% of the polymerase chain reaction (PCR) tests for the coronavirus, and the other 20% are processed by the Salvadoran Social Security Institute and San Miguel National Hospital. The LNR has carried out various interagency coordination efforts to enhance the capacity to administer and read tests. As a result, testing capacity rose from 100 tests per day to some 750 to 2,000 per day as of 9 May 2020. The target, however, is 3,000 tests per day. This requires strengthening the LNR's capacities, including provision of tests, supplies, and protection for staff. The National Health Institute (INS), which provides scientific data to help identify risks in the health sector, also needs to be strengthened so that decision-making can be based on sound, timely analyses.
- 1.11 **Lack of up-to-date protocols and the need to more effectively convey risks to the public.** Resources for a community outreach campaign are lacking, as are up-to-date protocols and guidelines to ensure that healthcare personnel have the guidance they need to provide proper care to patients.
- 1.12 **Weaknesses in health services for management of COVID-19 cases.** MINSAL serves the public through a network of 30 national hospitals and 752 first-level care centers that serve 81% of Salvadorans. These facilities have a total of 832 beds (11 per 10,000 residents, compared to the Latin American and Caribbean average of 20 beds per 10,000 residents). The public healthcare network has a total of 162 ICU beds in six hospitals,¹⁸ only 50 of which are potentially available for the pandemic response. An analysis by FUSADES found that 1,089 ICU beds would be needed for COVID-19 patients in a critical scenario.¹⁹
- 1.13 According to MINSAL, its network in 2018 had 46,674 employees, including 8,199 physicians (3,832 specialists and 4,367 general physicians and residents). This equates to 12.5 physicians and 7.9 nurses per 10,000 residents, compared to the Central American average of 9.9 physicians and 13.1 nurses per 10,000 residents and the Latin American and Caribbean average of 22 physicians and 47 nurses per 10,000 residents. This means that, in addition to sizable gaps in the availability of adult hospital care and ICU beds, there is also a significant need for human resources to respond to the pandemic.²⁰ The COVID-19 pandemic has exposed shortcomings in various areas of the healthcare system, with radiology and imaging among the most critical. An analysis of the hospital system found that the vast majority of its imaging equipment has outlived its useful life (averaging 11 to 15 years

¹⁶ This average is calculated over the previous 10 days, during which time the number of PCR tests increased.

¹⁷ The LNR reports to the National Health Institute (INS), which in turn is under MINSAL.

¹⁸ Rosales Hospital, San Rafael Hospital, Santa Ana Hospital, San Miguel National Hospital, the National Women's Hospital, and the Benjamin Bloom Children's Hospital.

¹⁹ See http://fusades.org/sites/default/files/Informe_UFG_FUSADES_COVID%20EI%20Salvador.pdf

²⁰ According to the study by FUSADES, 766 physicians and 374 nurses will be needed in the next three months.

of use), is technologically obsolete, and has onerous repair costs.²¹ All of this shows that El Salvador is unprepared to provide healthcare or mitigate the effects of COVID-19 in the event of a drastic increase in cases.

- 1.14 In addition to hospital capacity, an efficient system for transporting patients and managing beds is also needed.²² The SEM was created to respond to emergencies, advise the public over the telephone, and serve as a command center for coordinating patient transportation in accordance with the availability of hospital beds.²³ The SEM is a centerpiece of the government's crisis response strategy, but its services are stretched thin due to a lack of operators to answer calls and a lack of ambulances to carry patients suspected of having COVID-19, contacts who need to be taken to isolation centers, and gravely ill patients who require hospital care. The SEM previously had only enough capacity to serve San Salvador²⁴ but now must expand its operations to provide nationwide service.
- 1.15 **Progress in fighting the pandemic.** In view of the increasing case count and the rate of community transmission, phase two (containment) is now underway with the creation of the Interdisciplinary Team for Epidemiological Containment (EICE).²⁵ EICE's primary objective is to identify COVID-19 patients and suspected cases at an early stage, and its lines of action are to develop profiles of infected persons, locate and collect geographic data on patients, seek lines of transmission, identify immediate and secondary contacts, and provide transportation to containment and monitoring centers. The strategy is built on the following pillars, *inter alia*: (i) strengthening the hospital system for differentiated patient care; (ii) establishing care centers for patients requiring isolation but not hospitalization; (iii) creating rapid-response teams²⁶ to investigate, actively seek out, and identify cases in the community; (iv) increasing the number of tests; and (v) isolating suspected cases and actively tracing contacts.

²¹ Rosales National Hospital, the leading hospital in the network and the reference hospital for adult patients, has only 11 imaging devices in good condition. It should be noted that first-level care centers do not provide imaging services (only six healthcare facilities have such equipment), forcing people to use the hospital system for these services.

²² The COVID-19 pandemic has sharply increased the demand for patient transportation—for critical patients, for those who are stable but require hospitalization, and for those who need to be taken from isolation centers to hospitals and vice versa. Only 20% of first-level healthcare centers have an ambulance, and 68% of these are type C ambulances, meaning they lack medical equipment for patient support and care. The hospital system has an average of only three ambulances per hospital, and the new hospitals being built or adapted to care for COVID-19 patients have no ambulances.

²³ The SEM was supported by loan 2347/OC-ES. According to the program completion report, “the SEM allows for the delivery of prompt, efficient, high-quality service that facilitates immediate healthcare before the patient is taken to the hospital, with support from a systematized control room ... [that] optimizes existing resources and avoids duplication of efforts by using appropriate ambulances for patient transportation.”

²⁴ The SEM previously operated only in San Salvador and Santa Tecla. It is now being strengthened to serve as an operational center for the national hospital network (including management of available beds).

²⁵ EICE is headed by the Office of the President and consists of 14 government entities.

²⁶ The Ministry of Health, with support from the Basic Comprehensive Health Systems, has created the rapid-response teams to actively seek out and identify cases (including diagnostic testing, in conjunction with LNR personnel, to detect the disease in the community). El Salvador now has 391 rapid-response teams in both rural and urban areas. These multidisciplinary healthcare teams (consisting of a physician, a nurse, a laboratory clinician, and a driver) are deployed to communities to confirm COVID-19 cases and transport patients to hospitals.

- 1.16 The measures taken by the government have had a positive effect in the form of decreased transmission and fewer new cases. The country had been projected to have 12,288 positive cases by 26 April, but thanks to the government's strategies, only 323 cases were confirmed by that date. Still, the number of new cases resulting from community transmission continues to rise, making it increasingly urgent to ensure that the healthcare system has the capacity to care for patients and contain the spread of the disease.
- 1.17 The COVID-19 pandemic is having a significant effect on the most vulnerable groups in society, such as women and children. Measures taken to prevent the transmission of COVID-19, such as social distancing and stay-at-home orders, have led to an increase in violence against women in all countries in the region. El Salvador has reported a 70% increase in cases of violence against women.²⁷ Stay-at-home orders have meant that women experiencing intimate partner violence are now locked down at home with their abusers, while social distancing has resulted in weakened social networks and scaled-back services for victims of violence, thus making it more difficult to protect these victims. Violence against women also increases the likelihood of child abuse, including corporal punishment, negligence, and dysfunctional care. While violence against women was already a problem prior to COVID-19, it has been exacerbated by anxiety and other mental health disorders, as well as stress associated with the poverty and economic insecurity afflicting many households²⁸ in these circumstances. The 2017 National Survey on Violence Against Women found that 47% of women age 15 or older have endured intimate partner violence at some time in their lives, with 20% of them having experienced it in the last 12 months.²⁹ Other forms of violence outside the home (e.g., sexual violence)³⁰ also call for health sector intervention during the pandemic.
- 1.18 **Rationale.** As the number of cases of COVID-19 increases in Latin America and the Caribbean, the countries will need more investment to close gaps in their preparedness and response capacity, to be able to take key measures to contain transmission of the virus and mitigate the health and economic consequences of the pandemic. To respond to these challenges, WHO has prepared guidelines for drafting a COVID-19 Strategic Preparedness and Response Plan (SPRP) ([optional link 2](#)). Moreover, the Pan American Health Organization (PAHO) is leading technical support initiatives to help the region's governments prepare their own SPRPs, including priorities, actions, and financing needs. In El Salvador, the plan

²⁷ News article, *Diario de Hoy*, 3 April 2020. At <https://www.elsalvador.com/eldiariodehoy/violencia-domestica-coronavirus-cuarentena/702488/2020/>.

²⁸ Schwab-Reese et al. (2016). [Associations of financial stressors and physical intimate partner violence perpetration.](#)

²⁹ National Statistics and Census Bureau (2017). 2017 National Survey on Violence Against Women. El Salvador: Ministry of Economy.

³⁰ Across the country, 55.1% of women age 15 or older have experienced sexual violence in their communities at some time in their lives, and 17.6% have experienced it in the past 12 months. National Statistics and Census Bureau (2019), National Survey on Sexual Violence in El Salvador, 2019. El Salvador: preliminary findings. According to its own administrative data, MINSAL had a total of 3,771 contacts in which it provided services to women who had experienced sexual violence: 3,306 of these were first-time or subsequent outpatient consultations for sexual abuse, and 465 were for hospital discharges—i.e., women who required hospitalization after experiencing sexual violence. Salvadoran Institute for Women's Development (2019). *Informe sobre el estado y situación de la violencia contra las mujeres en El Salvador*, 2019. El Salvador: Government of El Salvador.

was prepared with support from PAHO and validated by all stakeholders in the sector. Given the dynamics of the pandemic, it is constantly being reviewed and updated.³¹

- 1.19 In this context, the eight pillars proposed under the SPRP are: (i) coordination, planning, and monitoring; (ii) risk communication and community engagement; (iii) surveillance, rapid-response teams, and case investigation; (iv) points of entry; (v) national laboratories; (vi) infection prevention and control; (vii) case management; and (viii) operational support and logistics. There is evidence of the effectiveness of the proposed interventions ([optional link 3](#)).
- 1.20 **Bank experience and lesson learned.** Through its projects [Integrated Health Program (loan 2347/OC-ES), executed from 2011 to 2017; Integrated Health Program II (loan 3608/OC-ES), currently in the pipeline; and the three successive operations of the Mesoamerican Health Initiative (operations GRT/HE-12982-ES and GRT/HE-12983-ES; GRT/HE-14650-ES, GRT/HE-14651-ES, and GRT/HE-16714-ES; and GRT/HE-16715-ES)], the Bank has helped strengthen first- and second-level healthcare with an emphasis on expanding coverage and enhancing care. As a result of this experience, capacities in first-level care can be leveraged for the pandemic with support from the Community Family Health Teams, which are key to continuously monitoring community healthcare (Component 3). The Regional Malaria Elimination Initiative in Mesoamerica and the Dominican Republic (grants GRT/MM-17186-ES and GRT/MM-17187-ES) has provided experience in strengthening epidemiological efforts, including the importance of diagnosis, treatment, investigation, and response for curbing disease transmission (Components 1 and 2). Loan 2437/OC-ES started the SEM, which is helping the community receive telephone assistance for any questions and guidance related to COVID-19 (Component 3). Loan 3608/OC-ES, currently in the pipeline, will finance the purchase of some US\$20 million in hospital equipment and supplies to care for COVID-19 patients, and a technical team has been strengthened for the design and execution of infrastructure works³² to support the planning of a large specialized hospital at the El Salvador Exhibition and Convention Center³³ and the design work for adapting network hospitals to accommodate COVID-19 patients. This lesson learned will support management of the project. Lastly, the Bank is supporting two budget support loans for a total of US\$500 million (“Emergency Program for Macroeconomic and Fiscal Sustainability—ES-L1142” and a policy-based loan to address the health and economic crisis).
- 1.21 **Coordination with other multilaterals and/or donor agencies.** The WHO’s regional organizations are helping countries with the preparation of their SPRPs. Since the IDB’s response is in line with WHO intervention pillars, coordination of efforts is under way to identify the most appropriate areas for Bank support. The

³¹ The Bank is in close communication with the Pan American Health Organization (PAHO), which is a strategic partner on projects such as the regional malaria initiative. Actions supporting the COVID-19 response are being coordinated to ensure alignment with PAHO recommendations.

³² The PMU has supported the administration of loans 2347/OC-ES and 3608/OC-ES, the Mesoamerican Health Initiative, and the Regional Malaria Elimination Initiative, and it has received training from the Bank in the building certification system known as Excellence in Design for Greater Efficiencies, as well as workshops on the design-build modality, *inter alia*.

³³ This hospital is expected to have capacity for 1,200 COVID-19 patients.

Bank has coordinated actions with the World Bank, the Central American Bank for Economic Integration (CABEI), and PAHO. The World Bank recently approved an emergency loan for US\$20 million aimed at strengthening 10 hospitals in the national system, supporting the communication strategy, and training health care personnel. CABEI is preparing a loan for US\$50 million to finance hospital medical equipment (beds, mechanical ventilators, etc.) to strengthen the 30 hospitals in the national system, and PAHO has been a strategic partner providing technical support in this crisis and is also a major donor to the country of PCR tests.³⁴ The breadth of this operation complements the World Bank and other donor agency operations. In addition, the IDB and World Bank procurement units are working closely to find and consolidate providers for the WHO supply list ([optional link 4](#)) and for COVID-19 actions ([optional link 5](#)).³⁵ Actions are also being coordinated through the Inter-American Government Procurement Network, which is managed by the Organization of American States (OAS) and the Council of Central American Ministers of Health (COMISCA). The Bank has also collaborated with the International Monetary Fund, in the context of the special development loan, which is aligned with the Rapid Financing Instrument the Fund approved on 14 April 2020.

- 1.22 **Strategic alignment.** The operation is consistent with the second Update to the Institutional Strategy (document AB-3190-2) and is aligned with the social inclusion and equality development challenge by focusing on strengthening health care service delivery to suspected or confirmed COVID-19 patients. In addition, the project will contribute to the Corporate Results Framework 2020-2023 (document GN-2727-12) through the indicator on beneficiaries receiving health services. The program is also aligned with the crosscutting areas of: (i) gender equality and diversity, by applying differentiated approaches that ensure access to information for diverse populations regarding prevention in the area of health and violence against women, together with the delivery of specialized services for women and children living in situations of violence, through the strengthening, care, and promotion of the Violence against Women Units in six hospitals, and (ii) institutional capacity and rule of law, by incorporating activities such as preparing protocols, training, communication, etc. aimed at institutional strengthening in health services delivery. The project is consistent with the Health and Nutrition Sector Framework Document (document GN-2735-7) by: (i) strengthening communication and information actions to foster behavioral change; (ii) strengthening service delivery, including providing the necessary medical equipment and supplies as well as training health care providers; and (iii) strengthening cross-sector coordination to achieve the expected outcomes. This project is consistent with the Proposal for the IDB Group's Governance Response to the COVID-19 Pandemic Outbreak (document GN-2996).

B. Objectives, components, and cost

- 1.23 **Objectives.** The overall objective of this project is to help reduce the morbidity and mortality caused by COVID-19 and to mitigate other indirect impacts of the pandemic on health. There are three specific objectives: (i) improving case detection and

³⁴ Financial support and support in kind has also been received from the United States and Japan, among others, for hospital equipment, supplies, and medicines.

³⁵ This is a nonexhaustive list subject to frequent updates.

- monitoring; (ii) supporting initiatives to break the chain of transmission of the illness; and (iii) improving service delivery capacity.
- 1.24 **Component 1. Case detection and monitoring (US\$6,186,119).** This component will support actions to speed up timely case detection and monitoring.
- 1.25 **Subcomponent 1.1. Surveillance, rapid-response teams, and case investigation.** To strengthen surveillance, rapid-response teams, and case investigation, financing will be provided to strengthen and establish the rapid-response teams, the function of which is to investigate, actively seek, and detect cases. To that end, it can finance the hiring of human resources for the rapid-response teams and surveillance, transportation expenses, equipment and necessary supplies. The aim is to have approximately 500 rapid-response teams equipped to standard that will be formed based on how the pandemic unfolds.
- 1.26 This subcomponent includes financing for two studies to monitor elements, including the disease trend, the intensity of transmission, and characterization of the virology. The financing will include hiring consultants, purchasing inputs for the study, and any needed equipment. The studies will produce evidence to be used in the country's public policy-making on the COVID-19 epidemic.
- 1.27 **Subcomponent 1.2. Laboratory network.** To build the diagnostic capacity of the National Reference Laboratory, which processes 80% of samples nationwide, and to reach the target of approximately 3,000 tests per day, it will finance: (i) the purchase of tests to diagnose COVID-19; (ii) the procurement of supplies for taking and processing samples; and (iii) the purchase of personal protective equipment (PPE) for staff processing COVID-19 diagnostic tests.
- 1.28 To ensure that laboratory results are reported in a timely manner and the data are integrated into the MINSAL information system for timely monitoring of cases, financing will be provided for the purchase of equipment and technology for COVID-19 Network connectivity. This strategy would monitor in real time test records, consultations on bed availability, patient transfers, and supply management, among other things.
- 1.29 **Component 2. Interruption of the chain of transmission (US\$785,000).** This component will finance support for interventions to contain transmission, including communicating with the public and encouraging social distancing.
- 1.30 **Subcomponent 2.1. Communication with the public.** MINSAL has crafted a communication strategy in close coordination with the President's Office, to keep the public informed: what is known about COVID-19, what is being done, where to find care, measures to prevent and treat the disease, etc. Project resources will finance implementation of a communication strategy aimed at prevention, including education campaigns for health care personnel and information campaigns for the general public. It will also finance production, equipment, and materials. The communication campaign will adjust the content for vulnerable persons and persons with differentiated capacities.
- 1.31 **Subcomponent 2.2. Protocols.** In a joint effort, the INS and the Health Surveillance Office will review and update the different technical guidelines and protocols of care

- for the prevention, detection, and management of COVID-19 cases, with a risk-based approach. Financing will be provided for the review of those guidelines and protocols, and the reproduction of the updated technical documents and training of health care personnel at the different levels of care.
- 1.32 **Component 3. Improvement of the capacity for service delivery (US\$42,857,481).** This component will support building capacity for the entire population for case management and ensuring the continuity of essential care for people during the emergency.
- 1.33 **Subcomponent 3.1. Delivery of health care for COVID-19 patients.** To serve patients in need of prevention, transmission control, and medical care, MINSAL has developed a strategy for strengthening the national hospital network and the first-level care system.³⁶ At the hospital level, resources from this component will finance: (i) outfitting, supplies, and medicines,³⁷ furniture, human resources, and the reconditioning and remodeling of health care service delivery areas and construction of infrastructure that can be quickly put in place, include creating ICUs and hospitalization and isolation units in two hospitals in San Salvador;³⁸ (ii) purchasing medical equipment for digital imaging units in hospitals in the national network to have adequate diagnostic and monitoring capacity during the pandemic; and (iii) purchasing ambulances to strengthen the Medical Emergency System (SEM) and the MINSAL hospital network for transporting patients.
- 1.34 At the primary care level, it will finance: (i) PPE for Community Family Health Teams and the rapid-response teams; (ii) procurement of equipment, furniture, and supplies for triage areas and isolation spaces in primary care facilities; and (iii) creation of consultation and isolation areas using containers adapted for the exterior of up to 30 primary care health facilities.³⁹
- 1.35 **Subcomponent 3.2. Continuity of essential care.** This subcomponent will contribute to ensuring the continuity of care provided to sensitive and vulnerable populations. To that end, it will finance the design and implementation of a Telehealth platform for remote consultations and assistance with at-risk patients with chronic diseases, pregnant women, and others. The INS will be responsible for this platform and will use information technology, promoting quality, people-focused practices. This platform will continue to provide care and monitor patients with limited access to health services due to impacts on availability or the social distancing measures implemented.
- 1.36 To respond to the increase in cases of domestic violence against women and children, it will finance training for health care personnel serving patients who are

³⁶ MINSAL has Regulations for Managing Biohazardous and Infectious Waste (published in Official Gazette 162). Hospitals have private contracts for collection, transportation, treatment, and final disposal services for biohazardous and infectious waste. Proceeds from loan 3608/OC-ES will finance improvements to the solid waste treatment in primary care facilities by building containment cells for biohazardous and infectious waste; in addition, two wastewater treatment plants are being built for different hospitals.

³⁷ Vaccines could be purchased if they become available and are approved by MINSAL.

³⁸ "Dr. José Antonio Saldaña" National General Hospital of Pulmonology and Family Medicine and "Dr. Juan José Fernández" Zacamil National General Hospital ([optional link 6](#)).

³⁹ There is already a list of 30 priority Community Family Health Units.

victims of violence, including the reproduction of technical, educational, and promotional material. It will also outfit six Institutional Units for Specialized Care for Women in hospitals in departments with a high prevalence of sexual violence with the necessary equipment. It will also provide the kits⁴⁰ needed for specialized treatment of women victims of violence.

- 1.37 **Project administration (US\$171,400).** The existing project management unit (PMU) administering the funds for loan 3608/OC-ES will be in charge of project management. Administration costs for executing this project include hiring support staff to strengthen monitoring and tracking and to bolster the PMU's procurement and contracting areas. The costs of the final operational evaluation and audits will also be included.
- 1.38 **Beneficiaries.** The project will benefit the population in general through prevention measures that will be communicated to the public, particularly to the most vulnerable segments. It will also benefit people suspected of having COVID-19 and those who are already ill and need specialized healthcare.

C. Key results indicators

- 1.39 **Expected outcomes.** The objective of this project is to help reduce the morbidity and mortality caused by COVID-19 and to mitigate other indirect impacts of the pandemic on health. The main outcomes will be to increase the National Reference Laboratory's capacity to diagnose COVID-19, increase the capacity of the hospital network for diagnosis and to provide medical care, increase the percentage of health units with capacity for triaging and/or having isolation areas, and increase the number of health care workers who have the supplies and PPE needed to provide care and avoid the risk of transmission.
- 1.40 **Economic viability.** A cost-benefit analysis was prepared for the measures recommended under WHO guidelines. The analysis took into account the impact of these interventions to reduce COVID-19 mortality and morbidity rates under a treatment scenario with implementation of a package of measures, versus a counterfactual scenario in the absence of countermeasures. Scenarios were simulated using a basic SIR model (Susceptible - Infectious - Recovered), with evidence-based conservative parameters and assumptions available in published articles on COVID-19 or similar epidemics. The costs associated with interventions are those estimated by WHO in its COVID-19 Strategic Preparedness and Response Plan. Under the base case scenario for treatment, the economic evaluation found that the operation is efficient with a benefit/cost ratio of US\$4.97. Based on the analysis, the earlier the reproduction number is reduced, the higher the benefit/cost ratio—both because the costs of containing the outbreak are higher over time and because the benefits in terms of lives and work time saved are lower ([optional link 1](#)).

⁴⁰ There are two types of kits: dignity kits (including clothing and personal hygiene supplies) and rape test kits (antiretrovirals, antibiotics, etc.).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 This operation is a specific investment loan for a total of US\$50 million and will be financed with resources from the Bank's Ordinary Capital. The disbursement period will be 24 months.

Table II-1. Estimated project costs (US\$)

Components	IDB total	%
Component 1. Case detection and monitoring	6,186,119	12.37
Subcomponent 1.1. Surveillance, rapid-response teams, and case investigation	2,586,119	5.17
Subcomponent 1.2. Laboratory network	3,600,000	7.20
Component 2. Interruption of the chain of transmission	785,000	1.57
Subcomponent 2.1. Communication with the public	700,000	1.40
Subcomponent 2.2. Protocols	85,000	0.17
Component 3. Improvement of capacity for service delivery	42,857,481	85.71
Subcomponent 3.1. Delivery of health care for COVID-19 patients	35,979,707	71.96
Subcomponent 3.2. Continuity of essential care	6,877,774	13.76
Project administration	171,400	0.34
Project administration	106,400	0.21
Evaluation	30,000	0.06
Auditing	35,000	0.07
Total	50,000,000	100

Note: These amounts are indicative. The loan contract will include an aggregated table of costs.

Table II-2. Disbursement schedule (US\$)

Source	Year 1	Year 2	Total
IDB	30,500,000	19,500,000	50,000,000
%	61	39	100

B. Environmental and social risks

- 2.2 Based on Directive B.13 of the Environment and Safeguards Compliance Policy (Operational Policy OP-703), this was classified as a category "C" operation since its environmental and social impacts are minimal and pertain to upgrades of existing spaces at two hospitals to care for COVID-19 patients. To mitigate any risk or impact—particularly in relation to the management of hospital waste or contaminated solid waste, the emergency and contingency plan, and a mechanism for addressing complaints—this operation has an environmental and social management plan ([optional link 8](#)).

C. Fiduciary risks

- 2.3 There is a medium fiduciary risk of a failure to allocate sufficient budget for the first year of the operation. As a mitigation measure, MINSAL will prepare a proposed

amendment to the Budget Act to make resources available for this operation once it is approved.⁴¹

D. Other key risks and issues

- 2.4 **Development risks.** Three development risks were identified and classified as high. The first involves the interruption of the global supply chain of key items needed to respond to the pandemic—including PPE for health care providers, such as surgical gloves, face masks and respirators, ventilators, and diagnostic kits. High worldwide demand has created shortages and price increases for these products, which could impact the timing and costs of supplies to be procured under the project. The second risk is associated with border closings and disruption of global air transportation, which could also impact delivery times and costs of supplies for the country.
- 2.5 To mitigate these risks, coordination with public procurement agencies from Latin America and the Caribbean (through the Inter-American Government Procurement Network managed by the OAS) is under way to evaluate available supply and demand, as well as current framework agreements, in order to analyze the potential for aggregated, faster purchases via virtual platforms. With support from international organizations such as PAHO, the World Economic Forum, and the World Bank, work is also under way to identify available suppliers, with a special focus on domestic suppliers and/or those located in Latin America and the Caribbean. This is intended to match available supply with the region's demand for goods and services and to seek a fast agreement mechanism. Lastly, access is being requested to the Global Pandemic Supply Chain Network for the World Economic Forum, through its COVID Action Platform. The threshold to be taken into consideration for direct contracting was raised to accelerate processes.
- 2.6 The third risk is tied to the potential shortage of health care providers due to the large number of patients needing medical care and the disproportionate manner in which the disease affects front-line staff at hospitals. To mitigate this risk, MINSAL is discussing contingency plans such as mobilizing health sector professionals, and a call has been put out for volunteer doctors and nurses.
- 2.7 **Sustainability.** The interventions financed under this project follow WHO recommendations for the containment, management, and treatment of epidemics/pandemics due to infectious diseases such as COVID-19. This project will strengthen country capacities for the detection, treatment, and control of these diseases in the medium term. It will also improve the preparedness of the health sector to confront future outbreaks, epidemics, and pandemics, including organizational capacity and knowledge, and staff experience to face future outbreaks. In addition, containing and overcoming health challenges is considered a prerequisite for sustainable economic and social recovery in the medium and long terms. Moreover, differentiated approaches will enable the efficient identification of demand and needs for service supply for the most vulnerable population groups in El Salvador.

⁴¹ The Bank has requested that the Ministry of Finance take the corresponding steps with the Legislative Assembly to amend the budget.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Implementation arrangements

- 3.1 **Borrower and executing agency.** The borrower for this operation will be the Republic of El Salvador, through the Ministry of Finance. The Ministry of Health, as the lead agency and main service provider, will be the project executing agency. The project will be executed by the Ministry of Health in a centralized manner and does not allow for the transfer of resources to other national agencies or institutions.
- 3.2 **Execution and administration.** The PMU, as part of MINSAL's National Office for Project Coordination,⁴² will execute the project. The PMU, in addition to general coordination of project execution, will be directly responsible for procurement processes and for coordinating with the Institutional Financial Unit, which will manage project finances.⁴³
- 3.3 **Interagency coordination.** To directly monitor the pandemic in El Salvador and the measures to control and contain it, an Expanded Health Committee consisting of a variety of institutions (paragraph 1.6) has been created. This committee is up and running and, when convened by the Office of the President or MINSAL, as needed, holds technical roundtables with relevant actors. Key actors within MINSAL include its units engaged in COVID-19 work, such as the INS, the National Hospital Authority, the National First-level Care Authority, the Health Surveillance Authority, the Unit for Responding to All Forms of Violence, the Information Technology Unit, and the Communications Unit. The PMU, as the entity responsible for general coordination of project execution, will maintain ongoing communication with these units.
- 3.4 **Special contractual conditions precedent to the first disbursement of the loan proceeds:** There will be an Operating Manual for project execution, outlining the procedures for executing project components, the responsibilities and functions of entities involved in the operation, and fiduciary management mechanisms. **A special contractual condition precedent to the first disbursement of the loan proceeds will be that the project Operating Manual has been approved and is in force, under the terms agreed with the Bank.⁴⁴ The appointment of the PMU as the entity responsible for execution and administration will also be a condition precedent to the first disbursement.⁴⁵**
- 3.5 **Exceptions to Bank policies.** No exceptions to Bank policies are anticipated. The following special temporary measures approved by the Board of Executive Directors

⁴² The program Operating Manual details the establishment of the PMU. Program resources would be used to strengthen that unit with technical and procurement consultants.

⁴³ The Institutional Financial Unit is an organizational unit of MINSAL. It reports directly to the Office of the Minister of Health and functionally to the Operations Manager's Office.

⁴⁴ The Operating Manual will be available by the date this loan proposal is submitted to the Board.

⁴⁵ The PMU has already been appointed for execution of loan 3608/OC-ES, so the only action required will be to send the appointment note.

and described in document GN-2996, paragraph 4.2, and Resolution DE-28/20, paragraph 2, may be used as appropriate:

- (i) Goods originating from non-member countries of the Bank may be eligible for procurement, and suppliers, contractors, consultants, and service providers from non-member countries of the Bank may participate in procurement processes.
- (ii) The procurement policies of procurement agents and specialized agencies may be used when contracted as such by the borrower or executing agency.
- (iii) International consolidated contracting and adherence to the borrower's existing procurement contracts may be used as procurement methods in addition to those described in the Bank's procurement policies.

3.6 **Retroactive financing.** The Bank may retroactively recognize against the loan proceeds up to US\$14 million (28% of the proposed loan amount) in eligible expenditures incurred by the borrower to purchase ambulances and/or digital imaging and hospital equipment prior to the loan approval date for both components, provided that requirements substantially similar to those of the loan contract have been met. Such expenditures must have been made on or after 30 January 2020, when the World Health Organization (WHO) declared COVID-19 a global health emergency. Even though this predates the project officially entering the pipeline (document GN-2259-1), authorization of the retroactive financing on an exceptional basis is justified as of that date, given the exceptional circumstances surrounding the global health emergency.⁴⁶

3.7 **Procurement.** Procurements financed in whole or in part with proceeds from the Bank loan will be made in accordance with the Policies for the Procurement of Works and Goods Financed by the IDB (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-15), or those in effect at the time of project execution. It should be noted that direct contracting is planned for the procurement of PCR tests to diagnose COVID-19 pursuant to paragraph 3.7(e) in the emergency situations outlined in the procurement policies and policies for contracting individual consultants (e.g. general medicine physicians and specialists, nursing staff, etc.) needed to care for COVID-19 patients in the areas addressed in prioritized hospitals, pursuant to paragraph 3.22 "service contractors" and single-source selection, pursuant to paragraph 5.4 (c) "emergency situations...", of the policy on consultants. The procurement plan ([required link 2](#)) includes details of the planned procurement processes.

3.8 **Disbursements.** Disbursements will be made through advances of funds based on liquidity needs, and supporting justification for advances will be provided pursuant to the provisions of the Financial Management Guidelines for IDB-financed Projects

⁴⁶ El Salvador declared a health emergency on 23 January and a national emergency on 14 March. Since those dates, MINSAL has been working to strengthen the health care network to confront the pandemic. Accordingly, it has requested considering the possibility of retroactive financing to move forward with procurements to address growing needs.

(document OP-273-12) or the guidelines in effect at the time of program execution. Large contracts with providers abroad are anticipated; so, at the borrower's request, direct payments to suppliers will be used. Nonetheless, advances of funds will be used for execution of local and/or recurring activities planned for periods of up to six months. Accounts must be rendered for at least 80% of balances pending justification for there to be another advance of funds.

- 3.9 **Audit.** Throughout the loan disbursement period, the executing agency will submit to the Bank the project's annual audited financial statements within 120 days after the close of the fiscal year. The audit will be conducted by a Bank-eligible independent audit firm. The scope and related considerations will be governed by the Financial Management Guidelines (document OP-273-12) and the Guide for Financial Reports and Management of External Audits. Audit costs will be financed with project resources.

B. Summary of arrangements for monitoring results

- 3.10 **Monitoring.** The executing agency will be responsible for implementing the monitoring and evaluation plan. In light of the crisis, the main monitoring tools for this project will be the results matrix and the procurement plan. The main sources for monitoring impact, outcome, and output indicators will be the service delivery records from the health system and the epidemiological data for local, regional, and national monitoring. The executing agency will prepare multiyear and annual execution plans as soon as the situation has stabilized. The main reporting tool will be the progress monitoring report (PMR), which will use the project's annual and semiannual reports as its main sources of information.
- 3.11 **Evaluation.** Given the nature of this operation, a final evaluation will examine the project's contribution to the specific objectives: (i) LNR with COVID-19 diagnostic capacity; (ii) implementation of a COVID-19 community outreach and social behavior plan; (iii) percentage of prioritized hospitals with Institutional Units for Specialized Care for women; (iv) percentage of health care facilities with triage and/or isolation capacity; (v) percentage of health centers with capacity to isolate patients in 30 priority Community Family Health Units; (vi) percentage of priority hospitals with capacity to treat patients diagnosed with COVID-19 in accordance with the national protocols in place; and (vii) percentage of hospitals with digital imaging capacity to diagnose COVID-19 ([required link 1](#)).
- 3.12 Whenever feasible, the evaluation will also analyze the contributions to the final objectives of reducing the morbidity and mortality caused by COVID-19, as well as their social and economic repercussions. To that end, a "before and after" analysis will be performed, using information from available time series on results indicators. For the purpose of attributing the observed results to project interventions, the quantitative analysis will be supplemented with a review of the theory of change supported by relevant evidence of the effectiveness of similar interventions in comparable contexts. Wherever feasible and appropriate, the evaluation will also take into account epidemiological evidence and models, as well as qualitative evidence and impact analyses.

Development Effectiveness Matrix		
Summary		ES-L1144
I. Corporate and Country Priorities		
1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Themes	-Social Inclusion and Equality -Gender Equality and Diversity	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Beneficiaries receiving health services (#)	
2. Country Development Objectives		
Country Strategy Results Matrix		
Country Program Results Matrix		The intervention is not included in the 2020 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		The project was requested by GOES to deal with the emergency situation experienced by the pandemic. Par. 1.17
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		9.6
3.1 Program Diagnosis		3.0
3.2 Proposed Interventions or Solutions		3.6
3.3 Results Matrix Quality		3.0
4. Ex ante Economic Analysis		10.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		3.0
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		1.0
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		7.9
5.1 Monitoring Mechanisms		1.1
5.2 Evaluation Plan		6.8
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		High
Identified risks have been rated for magnitude and likelihood		Yes
Mitigation measures have been identified for major risks		Yes
Mitigation measures have indicators for tracking their implementation		
Environmental & social risk classification		C
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)		
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project		

Note: (*) Indicates contribution to the corresponding CRF's Country Development Results Indicator.

Evaluability Assessment Note: The operation ES-L1144, for US\$50,000,000 is part of the Bank's operational response to the COVID-19 Pandemic Immediate Public Health Response to contain and control Coronavirus and mitigate its effect on provision of services. The general objective of the program is to contribute to reduce COVID-19 morbidity and mortality and mitigate the other indirect effects of the pandemic on health. The specific objectives are: (i) improve diagnosis and follow up of cases; (ii) support efforts to interrupt the transmission chain of the disease; and (iii) improve the capacity for provision of services.

The loan proposal presents a solid diagnosis of the problem, as well as a review of international evidence. The proposed solutions are an appropriate response to the problems identified in the proposal and its contributing factors. The results matrix is consistent with the vertical logic of the project, presenting adequate indicators at the level of outcomes and impacts. The outcome indicators are appropriately defined to measure the achievements of the project's specific objectives. The impact indicators reflect the contribution to the final health -number of COVID-19 deaths and number of confirmed COVID-19 cases.

The economic evaluation shows that the operation is efficient, with a benefit /cost ratio of US \$ 4.97. In a context of high uncertainty, the analysis considers the benefits in employment and labor income derived from the reduction of mortality and morbidity rates due to COVID-19, while the costs are those associated with the implementation of a proposed standard intervention package proposed by WHO.

The monitoring and evaluation plan proposes a reflective analysis of the outcome and impact indicators included in the result matrix, complemented by a review of the theory of change, an updated review of international evidence and qualitative studies. In addition, for time series outcome indicators, an interrupted time series analysis will be implemented, using the indicator of possible COVID-patients that received care in isolation units in primary care centers, to empirically estimate the magnitude of the effects to which the program contributes. The monitoring and evaluation activities will be carried out by the Ministry of Health in coordination with the Bank.

RESULTS MATRIX

EXPECTED IMPACTS

Indicators	Unit of measure	Baseline	Baseline year	Target	Final target	Means of verification	Comments
Number of COVID-19 deaths	Deaths	17	2020	16,191	16,191	MINSAL epidemiological surveillance system	A scenario without the project would be expected to result in 30,137 deaths. ¹
Confirmed COVID-19 cases	Cases	889 ²	2020	3,643,191	3,643,191	MINSAL epidemiological surveillance system	A scenario without the project would be expected to result in 5,642,343 cases.

EXPECTED OUTCOMES

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Final target	Means of verification	Comments ²
Specific objective 1. Improve timely case detection and monitoring								
Number of COVID-19 tests processed per day by the National Reference Laboratory	Tests processed	0	2020	0	3,000	3,000	PMU reports based on data from MINSAL website	This is the average number of tests over the reporting period.
Specific objective 2. Support efforts to break the chain of transmission of the illness								
Implementation of a COVID-19 community outreach and social behavior plan	Plan	0	2020	1	1	1	PMU reports based on report from MINSAL Communication Unit	The report should detail materials developed and distributed to the public and the media plan.

¹ Estimates based on the model developed by Imperial College London.

² Baseline numbers of confirmed cases and deaths are from 9 May.

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Final target	Means of verification	Comments ²
Percentage of suspected cases who receive the PCR test to confirm COVID-19	%	0	2020	0	80%	80%	Report by the Health Surveillance Authority / Final project report by the PMU	Suspected cases testing positive via PCR test for COVID-19 (this definition applies to the first 2,000 cases; definitions based on epidemiological contacts will be used thereafter), in view of the technical guidelines for clinical care for persons with COVID-19 (3rd edition).
Specific objective 3. Increased service delivery capacity								
Percentage of prioritized hospitals with specialized institutional units for women	%	0	2020	0	100%	100%	Reports by the National Hospital Authority (DNH) and the First-level Care Authority / PMU reports	Specialized institutional units for women at prioritized hospitals / six prioritized hospitals
Percentage of health facilities with triage and/or isolation capacity at 30 prioritized Community Family Health Units (UCSFs)	%	0	2020	0	100%	100%		Targeted UCSFs / 30 prioritized UCSFs
Percentage of healthcare centers with the capacity to isolate patients at 30 prioritized UCSFs	%	0	2020	0	100%	100%		Targeted UCSFs / 30 prioritized UCSFs
Percentage of prioritized hospitals with the capacity to care for COVID-19 patients in accordance with national protocols	%	0	2020	0	100%	100%		Hospitals with capacity subjected to intervention / two prioritized hospitals
Percentage of hospitals with imaging capacity to diagnose COVID-19	%	0	2020	0	100%	100%		Equipped hospitals / total national hospitals

OUTPUTS

Output	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Final target	Means of verification	Comments ²
Component 1. Case detection and monitoring								
1.1. Number of strengthened rapid-response teams for actively seeking out cases in the community	Teams	0	2020	200	300	500	Primary care facilities/INS reports / PMU report.	Rapid-response teams strengthened / 500 rapid-response teams up and running.
1.2. Number of COVID-19 research studies completed	Studies	0	2020	0	2	2	Preliminary report on the study received by INS authorities	
1.3. National Reference Laboratory with equipment and supplies for administering and processing COVID-19 diagnostic tests	Laboratory	0	2020	0	1	1	Acceptance certificates for at least 80% of received supplies Regional distribution reports	
1.4. Number of lab personnel who have personal protective equipment and have been trained to use it	Personnel	0	2020	0	50	50	Acceptance certificates for at least 80% of received supplies Regional distribution reports	
1.5. Health information system with telemedicine platform implemented	Platform	0	2020	0	1	1	Report on number of telemedicine appointments DNI/INS/DTIC reports / PMU report	

Output	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Final target	Means of verification	Comments ²
1.6. Epidemiological surveillance system strengthened with the COVID-19 network	System	0	2020	0	1	1	Acceptance certificates for at least 80% of received equipment and technology DVS/DTIC report / PMU report	
Component 2. Interruption of the chain of transmission								
2.1. Community outreach campaign for COVID-19 prevention implemented	Campaign	0	2020	0	1	1	Report by the Communication Unit / PMU media plan and report on content	The existing outreach plan will be strengthened.
2.3. Technical documents (technical guidelines and/or protocols) reviewed, updated, and reproduced	Guidelines/ protocols	0	2020	0	3	3	Priority technical documents (technical guidelines and/or protocols), most recent version published by the INS	Protocols address procedures between national, local, and intersectoral levels and are updated in view of scientific evidence.
Component 3. Improving service delivery capacity								
3.1. Number of prioritized hospitals strengthened for COVID-19 patient care	Hospitals	0	2020	0	2	2	PMU work acceptance certificate Acceptance certificates of at least 80% of received equipment	Hospitals prepared in accordance with the CDC hospital preparedness checklist in terms of a properly trained and equipped healthcare team

Output	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Final target	Means of verification	Comments ²
3.2. Number of hospitals strengthened with imaging units	Hospitals	0	2020	0	30	30	Acceptance certificates for at least 80% of installed and received equipment	
3.3. Number of type A ambulances transporting COVID-19 patients within the SEM	Ambulances	0	2020	20	20	40	Acceptance certificate / PMU report.	
3.3. Number of type B ambulances transporting COVID-19 patients within the SEM	Ambulances	0	2020	30	30	60		
3.4. Number of specialized institutional units for women strengthened at hospitals in departments with the highest prevalence of sexual violence	Specialized institutional units for women	0	2020	3	3	6	PMU acceptance certificate for at least 80% of received equipment Training reports	
3.5. Healthcare personnel trained in addressing violence against women	Personnel	0	2020	0	300	300	Minutes from training by the Unit for Addressing All Forms of Violence / PMU report	
3.6. Number of primary care facilities with capacity for triage/isolation of suspected COVID-19 patients	Facilities	0	2020	0	30	30	Work acceptance certificate	

Output	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Final target	Means of verification	Comments ²
3.7. Healthcare centers strengthened with equipment, materials, and medical supplies for COVID-19 patient care	Facilities	0	2020	30	60	90	Acceptance certificate for at least 80% of received equipment Regional distribution reports	

Country: El Salvador **Sector:** Health **Project number:** ES-L1144 **Year:** 2020

Cofinancing: Not applicable

Co-execution: Not applicable

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agency: Ministry of Health—project management unit (PMU)

Name: Immediate Public Health Response to Contain and Control the Coronavirus and Mitigate Its Impact on Service Delivery in El Salvador

I. EXECUTING AGENCY’S FIDUCIARY CONTEXT

1. Use of country systems in project¹

Budget	<input checked="" type="checkbox"/>	Reports	<input type="checkbox"/>	Information system	<input checked="" type="checkbox"/>	NCB	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	Internal audit	<input type="checkbox"/>	Shopping	<input checked="" type="checkbox"/>	Advanced NCB	<input type="checkbox"/>
Accounting	<input checked="" type="checkbox"/>	External control	<input type="checkbox"/>	Individual consultants	<input type="checkbox"/>	Consulting firm	<input type="checkbox"/>

2. Applicable laws/regulations:

- Public Procurement Act and its regulations
- Technical Standards on Internal Control (issued by the National Audit Office)

Justification of the direct contracting called for in the procurement plan: El Salvador’s Legislative Assembly issued Legislative Order 593 of 14 March 2020, declaring a national state of emergency as a result of the COVID-19 pandemic and establishing a quarantine period for all residents; it also issued Legislative Order 594 of 14 March 2020, “Law on the Temporary Restriction of Specific Constitutional Rights to Respond to the COVID-19 Pandemic”; and Executive Order 14 for the Health Sector, published in the Official Gazette, vol. 426 of 30 March 2020, declared Salvadoran territory to be subject to health-related special prevention and containment measures and specified activities that are exempted from the quarantine order.

In response, the Public Procurement Regulatory Unit of El Salvador’s Ministry of Finance, as the lead entity for public procurement, issued the General Guidelines for Direct Contracting under the National State of Emergency Related to the COVID-19 Pandemic, on the basis of Article 7, paragraphs (b) and (i) of the Public Procurement Act and Article 3, section 2, paragraph (h) of the regulations thereof. These guidelines note that Article 72 establishes exceptional grounds for the use of direct contracting to procure works, goods, and services during a national emergency pursuant to the principles of legality, transparency, rationality of public spending, publicity,

¹ Any system or subsystem subsequently approved may be applicable to the operation, in accordance with the terms of the Bank’s validation thereof.

impartiality, ethics, timeliness, speed, and efficiency that govern public procurement, thereby avoiding delays in procurement procedures directly related to the emergency response.

The criteria and principles set forth in the aforementioned guidelines are consistent with the Bank's policies on procurement and consulting services.

3. The executing agency's fiduciary capacity

The fiduciary capacity of the Ministry of Health was assessed for loan 3608/OC-ES, and its execution capacity was determined to be high, in conjunction with a low fiduciary risk. The Ministry of Health has performed well in executing the aforementioned loan operation, as well as technical cooperation operations GRT/MM-17186-ES and GRT/MM-17187-ES and the already completed Integrated Health Program I (loan 2347/OC-ES) and Mesoamerican Health 2015 (grants GRT/HE-12982-ES and GRT/HE-14650-ES).

4. Fiduciary risks and mitigation measures

Fiduciary risk: High ; Medium ; Low

Risk	Level of risk (medium/high)	Mitigation plan
Failure to allocate sufficient budget for the operation	Medium	The Ministry of Health will prepare a proposed amendment to the Budget Act to make resources available for this operation once it is approved

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE CONTRACT

The program's annual financial reports, duly audited by an independent audit firm acceptable to the Bank, will be submitted to the Bank within 120 days after the end of each fiscal year of the executing agency. The final audited financial reports will be submitted within 120 days after the program's last disbursement.

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

Exceptions to policies and guidelines:

<p>No exceptions to Bank policies are anticipated. The following special temporary measures approved by the Board of Executive Directors and described in document GN-2996, paragraph 4.2, and Resolution DE-28/20, paragraph 2, may be used as appropriate:</p> <ol style="list-style-type: none"> 1. Goods originating from non-member countries of the Bank may be eligible for procurement, and suppliers, contractors, consultants, and service providers from non-member countries of the Bank may participate in procurement processes. 2. The procurement policies of procurement agents and specialized agencies may be used when contracted as such by the borrower or executing agency. 3. International consolidated contracting and adherence to the borrower's existing procurement contracts may be used as procurement methods in addition to those described in the Bank's procurement policies. 	
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<p>Retroactive financing and/or advance procurement²</p>	<ul style="list-style-type: none"> • The Bank may retroactively finance up to US\$14 million (28% of the proposed loan amount) in eligible expenditures made by the borrower prior to the loan approval date for the procurement of ambulances and/or imaging and hospital equipment, provided that requirements substantially similar to those established in the loan contract were met. These expenditures must have been made on or after 30 January 2020, the date the WHO declared COVID-19 a global health emergency. Even though this predates the project officially entering the pipeline (document GN-2259-1), authorization of retroactive financing on an exceptional basis is justified as of that date, given the exceptional circumstances surrounding the global health emergency.³
<p>Expenditures made prior to the effective date of the amending contract</p>	<ul style="list-style-type: none"> • Not applicable.
<p>Additional procurement support</p>	<ul style="list-style-type: none"> • Not applicable.
<p>Alternative procurement arrangements</p>	<ul style="list-style-type: none"> • Not applicable.
<p>Projects with financial intermediaries</p>	<ul style="list-style-type: none"> • Not applicable.

² In accordance with the Bank's policy on recognition of expenditures, retroactive financing, and advance procurement (document GN-2259-1) or any equivalent policy in effect at the time of the operation.

³ El Salvador declared a health emergency on 23 January and a national emergency on 14 March. Since those dates, MINSAL has been working to strengthen the health care network to confront the pandemic. Accordingly, it has requested considering the possibility of retroactive financing to move forward with procurements to address growing needs.

Procurement agents	<ul style="list-style-type: none"> • Direct contracting and/or recognition of agreements with procurement agents and specialized agencies acting as such (UNOPS, UNDP, PAHO, IOM, FAO, UNFPA, UNICEF, IICA, UNESCO, WFP, OEI, etc.) is anticipated.
Direct contracting	<ul style="list-style-type: none"> • The following direct contracting is authorized: <ul style="list-style-type: none"> • Procurement of personal protective equipment (PPE) for US\$1.89 million; • Procurement of supplies for the safety of staff on the rapid-response teams, for US\$396,000; • Procurement of specialized protective equipment for laboratory personal for COVID-19 testing, for US\$300,000; • Procurement of supplies for administering and processing COVID-19 diagnostic tests, for US\$100,000; • Procurement of safety sets (mask, gloves, cap, shoe covers, gown), for US\$1.0 million; • Procurement of PCR tests to diagnose COVID-19, for US\$1.8 million, and • Contracting a specialized agency to implement the communication strategy for prevention. The experience of the hired agency that MINSAL has will be used to continue the service (including educational campaigns for health care personnel and information for the general population), for US\$240,000. <p>These contracts are in accordance with paragraph 3.7(e) of document GN-2349-15 (“emergency situations”). Details are provided in the procurement plan.</p>
	<p>Individual consultants (e.g. general physicians and specialists, nurses, etc.) to care for COVID-19 patients in targeted areas of prioritized hospitals, in accordance with paragraph 3.22 (“Service delivery contractors”) and paragraph 5.4(c) (“emergency situations”) of document GN-2350-15.</p>

Operating expenses will be financed: <input type="checkbox"/> Not applicable	Domestic preference: <input type="checkbox"/> Not applicable
General project procurement supervision method:	
Supervision method: Ex post	As agreed in the project procurement plan.

Country thresholds: www.iadb.org/procurement

IV. FINANCIAL MANAGEMENT AGREEMENTS AND REQUIREMENTS

Programming and budget	The country system will be used. MINSAL will prepare a proposed reform to the Budget Law to add resources for this operation, once it is approved.
Treasury and disbursement management	<p>The usual form for disbursements will be submitted online.</p> <p>The country subsystem for treasury will be used. The executing agency will request that a special account be opened at the Central Reserve Bank for receiving disbursements and making project-related payments. This mechanism will be part of the treasury single account of the Ministry of Finance.</p> <p>Because large contracts with international suppliers are anticipated, at the borrower's request direct payments to suppliers will be used frequently. However, funds will be advanced to execute all planned local and/or recurrent activities for up to six months.</p> <p>At least 80% of balances pending justification must be accounted for in order to request further advances of funds.</p> <p>Cash flow programming by the PMU will be consistent with the annual work plan and procurement plan that have received the Bank's no objection and will cover a moving horizon of at least 12 months.</p>
Accounting, information systems, and reporting	The country system will be used. The executing agency's Institutional Financial Unit will maintain the accounting records. These records will be complemented by manual processes for the preparation of special-purpose financial statements in Bank-required formats. Responsibility for maintaining support documents will be shared between the Institutional Financial Unit and the PMU, and these documents will be kept for at least three years after the date of the last disbursement.
External control	A Bank-eligible independent audit firm will perform external control. Loan proceeds will be used to hire this firm in accordance with the terms of reference and request for proposals that have received the Bank's no objection. The executing agency will submit the reports on the audited financial statements to the Bank within 120 days after the end of the corresponding fiscal year. The audit firm may be hired for the execution period of the loan contract. Efforts will be made to use the same independent audit firm that is already under contract for the operation currently being executed by the same executing agency (loan 3608/OC-ES). The recommendations issued by the Ministry of Health's Internal Audit Unit will be followed.
Project financial supervision	Due to the nature of the main procurement items and the fact that direct payments will primarily be used, ex ante reviews will be performed for these transactions. In addition, at least two visits will be conducted per year.

V. RELEVANT INFORMATION FOR THE OPERATION

Policies and guidelines applicable to the operation

Financial management	Procurement
1. Document GN-2811-1 [OP-273-12]	2. Document GN-2349-15 3. Document GN-2350-15

Records and files

The Ministry of Health's PMU will maintain all original procurement and financial management files (as applicable) for which it is responsible in the context of program execution.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/20

El Salvador. Loan ____/OC-ES to the Republic of El Salvador
Immediate Public Health Response to Contain
and Control the Coronavirus and Mitigate its
Impact on Service Delivery in El Salvador

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of El Salvador, as borrower, for the purpose of granting it a financing to cooperate in the execution of the project "Immediate Public Health Response to Contain and Control the Coronavirus and Mitigate its Impact on Service Delivery in El Salvador". Such financing will be for the amount of up to US\$50,000,000 from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on _____2020)