Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 09-Apr-2020 | Report No: PIDA29031

Public Disclosure Authorized

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Honduras	P173861	Honduras COVID-19 Emergency Response Project	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
LATIN AMERICA AND CARIBBEAN	09-Apr-2020	15-Apr-2020	Health, Nutrition & Population
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Republic of Honduras	Honduran Strategic Investment Office (INVEST-H)	

Proposed Development Objective(s)

To detect and respond to the threat posed by COVID-19 in the Republic of Honduras.

Components

Component 1: Emergency COVID-19 Response
Component 2: Implementation Management and Monitoring and Evaluation

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

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

DETAILS

World Bank Group Financing

International Development Association (IDA)	20.00
IDA Credit	20.00

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **With 9.3 million inhabitants and an annual per capita income of US$2,693 (2019)[1], Honduras is the third poorest country[2] in the Western Hemisphere, after Haiti and Nicaragua.** Extreme poverty has globally decreased although Honduras's poverty rate is among the highest in the Latin America and the Caribbean (LAC) region: 16.5 percent of Hondurans (1.5 million people) lived on less than US$1.90 per day (the International Poverty Line) in 2018. Despite some progress achieved through several policy reforms and programs undertaken since 2015, the country's economic and social development continues to suffer from governance, fiscal, infrastructure, high emigration, and low-skilled labor force challenges as well as a high vulnerability to external shocks. Inequalities remain high which, among other factors, are driven by uneven access to basic services, poor social protection and high crime rates although crime and violence have been halved since 2012 as the number of homicides per 100,000 people has decreased from 84 to 41 in 2017[3].

2. **Real Gross Domestic Product (GDP) growth slowed from 3.7 percent in 2018 to 2.7 percent in 2019, due to lower agricultural exports and unfavorable domestic and external factors.** This was driven by lower agricultural and manufacturing outputs and exports, weak terms of trade, reduced investment, and severe droughts amplified by a prolonged sociopolitical crisis. Around 45 percent of the employed in these sectors – 1.8 million people – saw a decline in their incomes amid the slowdown, especially the poorest rural households. Meanwhile, services and remittance-fueled private consumption strongly contributed to growth, leading to poverty reduction in 2019. Remittances, representing 22 percent of GDP and 30 percent of household income for the poorest remittance-receiving households, helped buffer both rural and urban incomes. On the supply side, growth has been driven by services and supported by strong trade with the United States (U.S.) and regional partners.

3. **Honduras's vulnerability to climate disasters and health-related events is exacerbated by chronic institutional weaknesses.** According to the Global Climate Risk Index[4], Honduras was the country most severely impacted by extreme weather events between 1996 and 2015, with annual average losses equivalent to 2.1 percent of GDP, affecting critical sectors such as transportation, telecommunications, health, education,

[1] National Institute for Statistics, Honduras and Central Bank of Honduras (2019).
[2] Socio-Economic Database for Latin America and the Caribbean (SEDLAC), Poverty and Equity Global Practice, World Bank)
[3] Ministry of the Interior of Honduras (2019), *Secretaría de Seguridad de Honduras*.
[4] Germanwatch 2017.

water and sanitation. The impacts were far greater for the poorest segments of the population.[5] These weaknesses stem from the diffusion of responsibility, which is spread across various ministries and agencies, with no established central body to effectively coordinate efforts.

Sectoral and Institutional Context

4. **Despite some progress in the reduction of maternal and child health mortality and morbidity, Honduras's health outcomes remain poor.** Sustainable Development Goals (SDG) indicators of maternal mortality have decreased from 85 maternal deaths per 100,000 live births in 2000 to 65 deaths per 100,000 live births in 2017. Infant mortality has also fallen, from 30.3 infant deaths per 1,000 live births in 2000 to 15.1 infant deaths per 1,000 live births in 2017. Although challenges related to maternal and child health remain, population ageing, and the prevalence of Non-Communicable Diseases (NCDs) and risk factors have created new challenges for the health sector. In 2017, NCDs were responsible for 63 percent of mortality and morbidity, compared to 40 percent in 1990. Violence and injuries continue being significant causes of deaths and disability in Honduras, amounting to about 17 percent of total Disability Adjusted Life Years in 2017.[6] The age dependency ratio has been decreasing steadily in the last 40 years, and now there is only about two working age individuals to each dependent.[7] These demographic and epidemiological transitions make the country more vulnerable to COVID-19, as it is particularly lethal for the elderly and the population with NCDs such as cardiovascular disease, diabetes, cancer and pulmonary disease.

5. **The chronic poor performance of the health system continues to foster low quality of care and inequalities.** Limited availability and inadequate distribution of health system resources remain a challenge. In 2016, the density of human resources for health was significantly lower in Honduras than the LAC average: 3.1 doctors and 8.8 nurses per 10,000 population in Honduras versus 21.7 doctors and 47.2 nurses per 10,000 population for LAC.[8] Hospital bed density is also low, with 7 beds per 10,000 population in 2014, compared to the LAC average of 21 beds per 1,000 population. While primary level of care has been strengthened, and Intensive Care Units (ICUs) are available, the country is not prepared to provide health care services or mitigate the impacts of the COVID-19 if the number of cases were to increase considerably. Health and social challenges will be aggravated when health services are overburdened, posing an immediate challenge to the sustainability and effective functioning of the health system. Despite a recent expansion of coverage and services based on a primary health care model, significant challenges remain to ensure equal coverage across geographic regions and population groups. For example, in 2012, the percentage of the population that sought care and was attended by a physician was 94% in San Pedro Sula, but only 45% in Gracias a Dios. [9] There are still barriers in access to health services for specific population groups such as those with low education, low income, indigenous and Afro-descendants, and the elderly. Women aged 15 to 19 in the lower income and

[5] Indigenous Peoples and Afro-descendants are the groups most severely affected by poverty and social exclusion, which is normally exacerbated by extreme water events and disaster risk. While these groups account for an estimated 8.6 percent of the national population, rough estimates from indigenous organizations indicate that more than 70 percent live in poverty and more than half are unemployed. A lack of information from household surveys has translated into a lack of official estimates of poverty rates among these groups.

[6] Global Burden of Disease, Institute of Health Metrics and Evaluation, 2020. The disability-adjusted life year is expressed as the number of years lost due to ill-health, disability or early death.

[7] The dependency ratio is a measure of the number of dependents aged zero to 14 and over the age of 65, compared with the total population aged 15 to 64.

[8] World Development Indicators, World Bank, 2020.

[9] Demographic and Health Surveys, DHS, 2012.

lower education group, often report being unable to access services when needed. The under-5-year mortality rate is higher among Afro-descendants, with a reported rate of 70 deaths per 1,000 live births compared to 17 per 1,000 live births across Honduras.[10]

6. **There are still persistent weaknesses in Honduras's ability to respond to health-related emergencies.** With an assessed capacity of 34 percent, Honduras has one of the lowest capacities in the world to detect, assess, notify and respond to public health risks and emergencies, and is well below both global and regional average capacity (61 and 65 percent, respectively).[11] In particular, the assessment highlights a relatively good capacity for multisectoral coordination, including zoonotic events and the human–animal Interface but a weak legislation and financing for health emergency preparedness and relatively poor emergency risk communication as well as capacity at points of entry (airports, ports and ground crossing). These systemic organization and operational weaknesses are particularly acute at the sub-national level and hinder the early detection of outbreaks which hampers a timely response, ultimately increasing the probability of an outbreak escalating into a national emergency. These weaknesses translate into difficulties in early detection and control of disease outbreaks, epidemics and potential pandemics. Following outbreaks of Zika in 2015 and Chikungunya in 2016, Honduras is now facing a severe and uncontrolled outbreak of Dengue fever that so far has affected more than 110,000 people[12] and caused 180 suspected deaths since its inception in 2019. In response, the Government declared a national health emergency in July 2019, followed by a new declaration in February 2020 which included emergency measures to prepare for the – at the time- potential COVID-19 cases to Honduras.[13]

7. **As of April 8, 2020, Honduras had reported 312 confirmed cases and 22 deaths of COVID-19, with the first two cases identified on March 12, 2020**. More than 80 percent of the cases are concentrated in Cortés and Francisco Morazán departments which host Honduras's most populated cities: San Pedro Sula and Tegucigalpa. Honduras is highly vulnerable to imported and community transmission due to the high movement of people and porosity of borders. Migrants travelling north from Central and South America, and those returning from North America, can expose the local population. The pandemic has arrived at a time when health systems resources are already overburdened with the Dengue outbreak. In March 2020, the Honduran Government gradually enacted containment measures to slow down the spread of infection, including restrictions on public gatherings, schools, non-essential businesses, and border closures, and suspension of public transportation. Lockdown measures with strict curfews were implemented in major cities on March 16 and were expanded nation-wide on March 23, 2020.

8. **The Government prepared a "COVID-19 Containment and Response Plan"** consistent with WHO's SPRP**.**[14] The plan's pillars are to: (i) coordinate at the national level to plan; (ii) communicate risk and socially mobilize the population; (iii) improve surveillance, rapid response teams and investigation protocols; (iv) ensure adequate protocols at entry points; (v) strengthen laboratory surveillance capacity; (vi) prevent and mitigate infections; (vii) strengthen case management capacity; and (viii) support operations and logistics. The World

[10] *Condiciones Socioeconómicas del Pueblo Afro Hondureño, Organización de Desarrollo Étnico Comunitario*, 2019.
[11] International Health Regulations State Party Self-Assessment Annual Report, Honduras. WHO 2017. https://extranet.who.int/sph/country/262.
[12] *Epidemiological Bulletin* EW52. Ministry of Health 2020 (January).
[13] The second declaration of state of emergency, on February 10, 2020, was intended to strengthen the response to the Dengue epidemic and prepare for the potential impact of the coronavirus (COVID-19).
[14] SESAL, *"Plan para la Contención Y Respuesta a Casos de Coronavirus (Covid-19) en Honduras*" March 2020.

Bank, the Inter-American Development Bank and other development partners are supporting the Government plan with financing and technical assistance and coordinating to ensure there is no duplication of activities.

9. **Honduras's ability to respond to COVID-19 is anticipated to be affected by climate change.** Climate change is expected to bring more prolonged and intense droughts, increase in heavy rainfall volume and flood flows, as well as more frequent and extreme weather events, especially in the northeast, leading to flooding, drought and landslides.[15] These disasters in turn lead to increasing damages to health care facilities and access constraints, sometimes disabling them completely at times when their services are most required. Furthermore, observed and anticipated climate change impacts, rising temperatures and changes in precipitation patterns and severity, also result in an increase in communicable disease transmission such as Dengue, Chikungunya or Malaria. Noting that 7.3% of the population of Honduras are above 60 years old and at risk from the extreme heat and also likely to be the most affected by COVID-19, this exposure to climate change impacts is exacerbating currently observed risks and vulnerabilities.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

10. **Project DO statement**: To detect and respond to the threat posed by COVID-19 in the Republic of Honduras.

Key Results

11. The specific activities financed by the Project fit into the overall government strategy to support the identification, isolation, and provision of care for patients with COVID-19 to minimize disease spread, morbidity and mortality. The achievement of the PDO will be measured through the following key indicators:

- Percentage of ICU beds in prioritized ICU units that are fully equipped and operational
- Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents;

D. Project Description

Component 1: Emergency COVID-19 Response (US$19 million).

12. ***Subcomponent 1.1: Strengthen surveillance and laboratory capacity*.** This subcomponent will support epidemiologic surveillance and diagnostic capacity of the Ministry of Health (*Secretaria de Salud*; SESAL) of Honduras and will focus on: (i) strengthening disease surveillance systems, public health laboratories[16], and epidemiological capacity for early detection and confirmation of cases at the central and sub-national levels

[15] World Bank Climate Change Knowledge Portal.
[16] The project will support the National Laboratory while the Government and other partners are anticipated to support the other laboratories that will be performing COVID-19 testing. Depending on the needs, the Project could support additional labs.

through the provision of technical assistance, training[17], goods and supplies[18], energy-efficient equipment and systems when possible; these includes strengthening the International Sanitary Offices at points of entry as well as mass isolation units[19]; (ii) operational support to SESAL's rapid response teams to investigate cases, perform contact tracing and implement community-based interventions for fast local outbreak containment; (iii) information systems to provide data as needed to guide decision-making; (iv) update, dissemination, operationalization and training regarding SESAL's norms, protocols and guidelines on case management, patient care and infection prevention and control; and (v) other measures supporting the detection and containment of COVID-19 and other potential infectious pathogens.

13. ***Subcomponent 1.2: Strengthen critical aspects of health delivery to cope with increased demand of services posed by COVID-19*.** This sub-component seeks to finance the strengthening of the public health services, by equipping essential medical services, including ICUs, to provide optimal medical care to patients at risk as well as to minimize contagious risks for patients and health personnel. The sub-component will finance, among others: (i) medical supplies, medicines and equipment for public health facilities and specific equipment for intensive care units[20] promoting the use of climate smart technologies when possible, as well as the associated training and Technical Assistance (TA) to health workers to ensure appropriate use of the equipment and provision of quality care according to WHO protocols; and (ii) protective equipment, biosafety[21] and hygiene materials and equipment for health personnel in public health facilities, including laboratories, isolation units, and international sanitary offices.

Component 2: Implementation Management and Monitoring and Evaluation (US$1 million).

14. **This component would finance the required staff and operational costs of the Project Implementation Unit (PIU) at Honduran Strategic Investment Office (INVEST-H)[22] to perform financial management, procurement, monitoring and evaluation (M&E) and safeguards functions, and to conduct project audits.** This component also seeks to support SESAL's overall technical coordination responsibilities and leadership at the central and sub-national health units (including reporting of project activities and results). Among other activities, this includes support for the timely and adequate provision of all necessary technical inputs and guidance to the PIU to ensure the appropriate procurement of medical equipment and supplies and quality control activities for product deliveries.

15. **This component would also support monitoring and evaluation of pandemic prevention and preparedness, building capacity for clinical and public health research, including joint-learning within Honduras and with other countries.** Finally, it would support training in monitoring and evaluation at all administrative levels, evaluation workshops, and development of an action plan for M&E and replication of successful approaches related to prevention and response to COVID-19.

[17] Especially training for health workers at laboratories, communities, health facilities, departmental health directorates and central units.
[18] Including lab reagents, equipment and supplies and transportation means.
[19] As of April 1, 2020, there are 35 International Sanitary Offices at points of entry (*Oficinas Sanitarias Internacionales)* set up in Honduras and 47 isolation units for COVID-19 (*Unidades de Aislamiento Masivo*).
[20] Including support for the isolation of confirmed cases or suspected cases as needed.
[21] Including materials required for appropriate management of deceased patients.
[22] *Inversión Estratégica de Honduras* has been hosting several Project Implementation Units for Bank-financed Projects with satisfactory fiduciary performance, among others Honduras Rural Competitiveness Project - COMRURAL (P101209) and Honduras Pilot Program for Climate Resilience (P157795). Given the emergency time constraints and the procurement nature of the Project, INVEST-H capacity and experience with WB-financed projects was deemed more appropriate than SESAL to execute the proposed Project.

Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

16. **The Environmental and Social Risk Classification is considered Substantial under the World Bank Environmental and Social Framework.** With respect to social risks, the primary concerns are: (i) difficulties in access to services by marginalized and vulnerable social groups (i.e. the poor, disproportionately represented by Afro-descendants and Indigenous Peoples, migrants, the elderly, and the disabled), and those with underlying medical conditions who would be most at risk as a result of the pandemic outbreak; (ii) patient-centric risks for those receiving treatment for COVID-19 symptoms, including Gender Based Violence (GBV) or Sexual Exploitation and Abuse (SEA) of patients in quarantine; (iii) high risk of exposure to frontline and informal health care providers, many of whom are women; (iv) discrimination towards ethnic minority groups, Indigenous Peoples, Afro-Hondurans, or limited communication channels to inform their communities of preventive measures against COVID-19 contagion; and (v) misinformation (fake news) in social media networks which may contribute to propagate contagion. Difficult access to health in rural and remote areas of the country can also pose a challenge for service and supply delivery, which could be a deterrent for an effective national response. With respect to environmental risks, which are considered substantial, primary concerns are: (i) environmental and community health related risks from inadequate storage, transportation and disposal of infected medical waste, (ii) occupational health and safety issues related to the availability, and appropriate use of personal protective equipment (PPE) for healthcare workers as well as handling of heavy machinery and equipment such as oxygen tanks; and (iii) pollution and human health and safety risks stemming from cleaning and disinfection products, chlorine and other hazardous byproducts, etc.

17. **To mitigate these risks, INVEST-H, in coordination with SESAL, will develop an Environmental and Social Management Framework (ESMF) within 30 days of project effectiveness.** The ESMF will outline comprehensive procedures and requirements for the safe handling, storage, and use of COVID-19 treatment and testing materials, safety of medical workers and hospital staff, safe management of biohazardous medical wastes, as well as requirements for receiving facilities to ensure non-discrimination in provision of services and equal treatment to all project beneficiaries, including the poor, marginalized and ethnic minorities. Since frontline service providers are also at risk, part of the training efforts will include, in addition to technical aspects, general sensitization principles such as the respect of codes of conduct, work-related risks and discrimination during the provision of emergency response services. The ESMF will also clearly outline the implementation arrangements to be put in place for environmental and social risk management, training programs focused on COVID-19 biosafety as well as compliance monitoring and reporting requirements, and will include Labor Management Procedures (LMP) detailing rights and protections for project workers, as well as a labor grievance mechanism. Safeguards instruments will be disclosed before negotiations. In addition, a draft Stakeholder Engagement Plan (SEP) has been prepared and disclosed on INVEST-H website on April 9,

2020 to guide INVEST-H in their interactions with and outreach to a wide range of stakeholders (including the most vulnerable among them) regarding basic health precautions, access to emergency response services under the project, and other emergency measures as needed. The SEP includes a Grievance Redress Mechanism (GRM) for addressing any concerns and grievances raised that are related to the Project.

18. **These instruments and measures are specified in the Environmental and Social Commitment Plan (ESCP), which will form part of the legal agreement and ensure project compliance with the Environment and Social Standards and the World Bank Group (WBG) Environmental, Health and Safety (EHS) Guidelines.** The Bank will review the Environmental and Social Risk Classification (ESRC) on a regular basis throughout the project life cycle to ensure that it continues to accurately reflect the level of risk the Project presents.

19. **INVEST-H (the project implementer) will establish and maintain adequate capacity to oversee implementation of environmental and social standards relevant to the Project.** As PIU, INVEST-H will include one environmental specialist and one social specialist. In addition, PAHO will be contracted to the Project to support the adequate application of environmental and social management aspects, particularly those related to waste disposal protocols and sanitary procedures. PAHO is also expected to deliver capacity building trainings and technical assistance to medical personnel and hospital and laboratory officials receiving the supplies to be procured, and to support compliance supervision at facilities receiving project resources.

E. Implementation

Institutional and Implementation Arrangements

A. Institutional and Implementation Arrangements

20. **INVEST-H will have overall implementation responsibility for the proposed Project, with technical inputs from SESAL.** INVEST-H and SESAL will enter into an Inter-institutional Cooperation Agreement (*Convenio de Cooperación Interinstitucional*) to establish responsibilities and processes required to ensure a timely project implementation and compliance with World Bank fiduciary and safeguards policies. It is anticipated that the Project will contract PAHO and other United Nations (UN) agencies to support the Government in project implementation. Such support may include technical assistance to ensure appropriate compliance of the Government with World Bank safeguards policies concerning medical waste management. An Operational Manual will be prepared within one month after effectiveness.

a) **Fiduciary, M&E, and Safeguards responsibilities.** All fiduciary and safeguards responsibilities for the proposed Project will be assigned to an existing World Bank-financed Project's PIU at the INVEST-H.[23] The PIU is headed by a designated Coordinator and includes financial management and procurement staff who will be responsible for performing fiduciary functions under the proposed Project, with technical inputs from SESAL. The PIU includes one environment safeguard specialist and one social safeguard specialist as well as an M&E specialist. No additional staffing is anticipated; however, additional staff could be hired to ensure effective project implementation if needed.

[23] The PIU at INVEST-H has been managing the COMRURAL (P101209) and its additional financing (P158086).

b) **Technical responsibilities**. In coordination with INVEST-H, technical planning, implementation, and supervision of the Project will be SESAL's responsibility. In particular, the General Directorate for Integrated Health Services Networks (DGRISS) at SESAL will be coordinating health-related technical aspects of project implementation with regional health directorates at the sub-national level. To ensure appropriate and timely procurement and financial management (FM) processes, SESAL will be responsible for providing INVEST-H with all the necessary information regarding the technical needs of the COVID-19 response, to be further established in the Inter-institutional Cooperation Agreement (*Convenio de Cooperación Interinstitucional*) to be signed between INVEST-H and SESAL.

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