



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
CRECER SANO: GUATEMALA NUTRITION AND HEALTH PROJECT
APPROVED ON MARCH 24, 2017
TO
REPUBLIC OF GUATEMALA

HEALTH, NUTRITION & POPULATION GLOBAL PRACTICE

LATIN AMERICA AND CARIBBEAN REGION

| | |
|--------------------------|--|
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ABBREVIATIONS AND ACRONYMS

| | |
|----------|--|
| BFP | Bank Facilitated Procurement |
| COVID-19 | Coronavirus disease |
| E&S | Environmental and Social |
| ESMF | Environmental and Social Management Framework |
| FM | Financial Management |
| GFF | Global Facility Financing |
| GoG | Government of Guatemala |
| IP | Implementation Progress |
| IPP | Indigenous Peoples Plan |
| MIDES | Ministry of Social Development (<i>Ministerio de Desarrollo Social</i>) |
| MS | Moderately Satisfactory |
| MSPAS | Ministry of Public Health and Social Assistance (<i>Ministerio de Salud Pública y Asistencia Social</i>) |
| MU | Moderately Unsatisfactory |
| PAHO | Pan-American Health Organization |
| PDO | Project Development Objective |
| PIU | Project Implementation Unit |
| PPE | Personal Protective Equipment |
| UN | United Nations |
| WBG | World Bank Group |
| WHO | World Health Organization |



BASIC DATA

Product Information

| | |
|--|--|
| Project ID P159213 | Financing Instrument Investment Project Financing |
| Original EA Category Partial Assessment (B) | Current EA Category Partial Assessment (B) |
| Approval Date 24-Mar-2017 | Current Closing Date 31-Jan-2024 |

Organizations

| | |
|-----------------------------------|---|
| Borrower Republic of Guatemala | Responsible Agency Ministry of Public Health and Social Assistance (Ministerio de Salud Pública y Asistencia Social - M |
|-----------------------------------|---|

Project Development Objective (PDO)

Original PDO

The Project Development Objective (PDO) is to improve selected practices, services and behaviors known to be key determinants of chronic malnutrition (with an emphasis on the first 1,000 days of life) in the intervention areas.

Summary Status of Financing

| Ln/Cr/Tf | Approval | Signing | Effectiveness | Closing | Net | | |
|------------|-------------|-------------|---------------|-------------|------------|-----------|-------------|
| | | | | | Commitment | Disbursed | Undisbursed |
| IBRD-87300 | 24-Mar-2017 | 15-May-2019 | 16-Sep-2019 | 31-Jan-2024 | 100.00 | 1.53 | 98.47 |
| TF-A4027 | 24-Mar-2017 | 15-May-2019 | 16-Sep-2019 | 31-Jan-2024 | 9.00 | 0 | 9.00 |

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Introduction

1. **This Restructuring Paper seeks the approval of the restructuring of the *Crecer Sano: Guatemala Nutrition and Health Project* (“Crecer Sano”) for the inclusion of an emergency response component to complement the Government of Guatemala’s (GoG) response to the coronavirus disease 2019 (COVID-19) pandemic.** The proposed restructuring responds to the GoG’s request to finance infrastructure and equipment for selected temporary hospitals and provide related healthcare services in its efforts to strengthen the country’s public health care system preparedness to control the spread of and respond to the COVID-19 pandemic. The proposed restructuring will entail the following changes: (i) revision of the Project Development Objective (PDO) to reflect the response to the threat posed by COVID-19; (ii) addition of a new emergency component (Component 4) to support the response to the COVID-19 pandemic; (iii) modification of the results framework; (iv) reallocation of funds across disbursement categories; (v) addition of a new disbursement category for the new Component 4; (vi) revision of the disbursement estimates; (vii) update of the environmental and social safeguards analysis and risk; (viii) update of financial management and procurement arrangements; (ix) update on the economic and financial analysis; and (x) addition of an effectiveness condition and revision of legal covenants to reflect the new Component 4 activities. The restructuring will not entail an extension of the closing date of the loan and the Project is expected to close on January 31, 2024 as scheduled.

B. Project Background and Status

2. **The *Crecer Sano* Project was approved by the World Bank Group (WBG) Board of Executive Directors on March 24, 2017 and by the Congress of the Republic of Guatemala on February 27, 2019.** The Project was signed on May 15, 2019 and became effective in September 2019. The Project is financed by a US\$100 million IBRD loan (8730-GT) and complemented by a performance-based US\$9 million grant (TF0A4027) from the Global Financing Facility (GFF) to buy-down the interest and/or other IBRD loan charges to more concessional terms.
3. **The current PDO is to improve selected practices, services and behaviors known to be key determinants of chronic malnutrition (with an emphasis on the first 1,000 days of life) in the intervention areas.** The Project aims to support interventions to improve access to health, nutrition, water and sanitation services, especially for the poorest and Indigenous Peoples, and increase both financial protection and demand for critical health and nutrition services. The Project is comprised of three components: Component 1 - Providing Inter-sectoral Services to Address Chronic Malnutrition Risk Factors (US\$81 million); Component 2 - Moving the Focus towards Results (US\$14.75 million); and Component 3 - Supporting Project Management, Monitoring and Evaluation (US\$4 million).



4. **The Project experienced delays in effectiveness due to delays in Congressional approval and did not become effective until 30 months after Bank approval.** To reflect the delay in implementation and changes in implementation arrangements requested by the Government, the Project was restructured on May 15, 2019 to:
(i) revise the institutional arrangements, reflecting a Congressional decision to change the implementing agency;
(ii) extend the closing date by 22 months, from March 31, 2022 to January 31, 2024, to compensate for the two-year lag between the WBG Board and Congressional approvals; and (iii) include adjustments due to the change in implementation arrangements.
 5. **Progress towards achievement of the PDO and overall implementation progress (IP) were rated moderately satisfactory (MS) and moderately unsatisfactory (MU), respectively, in the Implementation Status and Results Report (ISR) archived in June 2020.** The IP was downgraded from MS to MU as a result of the Project's very slow implementation pace. Delays have been aggravated by the transition between government administrations as well as time consuming procedures to staff the Project Implementing Unit (PIU) at the Ministry of Public Health and Social Assistance (*Ministerio de Salud Pública y Asistencia Social*, MSPAS). Project implementation began in October 2019 with the selection of PIU staff, including fiduciary experts. However, due to the transition between administrations, many of the contracts did not start until April-May 2020. The COVID-19 crisis has further added to these delays. Progress in the implementation of components are as follows:
 - **Component 1- Providing Inter-sectoral Services to Address Chronic Malnutrition Risk Factors:** This component supports provision of quality nutrition and health services to mothers and children, promotion of behavioral change interventions, improving access to safe drinking water and sanitation, and improving cross-sectoral coordination for the implementation of the National Strategy to Prevent Chronic Malnutrition. Progress in implementation of activities include the development of instruments to carry out the water and sanitation diagnostic and the startup of the infrastructure strategy. A protocol to carry out the oversight of water quality has been developed by MSPAS to improve, among others, the water testing in targeted communities. MSPAS is also putting in place a new health care management information system and the COVID-19 surveillance mechanism is currently being developed as part of this system.
 - **Component 2 - Moving the Focus towards Results:** This component uses results-based financing to promote the use of health services, promote behavioral changes, and strengthen the conditional cash transfer (CCT) Program in the intervention areas. It promotes this by disbursing funds to finance CCT transfers related to health and nutrition conditionalities against the achievement of a subset of key results to reduce malnutrition. Progress has been made in the development of the user registry information system to support family transfers.
 - **Component 3- Supporting Project Management, Monitoring and Evaluation:** Twenty-four consultants have been hired for the staffing of the PIU. With this the PIU is fully conformed.
 6. **Although disbursements are less than 2 percent and the Project continues to experience delays, some relevant activities, such as the Project's baseline survey and the water and sanitation diagnostic are well advanced.** Approximately US\$13.1 million have been committed for Component 1 and US\$0.60 million for Component 3 for calendar year 2020. Safeguards, procurement, financial management (FM) and legal covenants compliance are all rated satisfactory.
- C. Rationale for Restructuring**
7. **Since December 2019, the outbreak of the coronavirus disease 2019 (COVID-19) has been spreading rapidly across the world, following the diagnosis of the initial cases in China.** On March 11, 2020, the World Health



Organization (WHO) declared a global pandemic. The Government of Guatemala (GoG) has responded swiftly to the pandemic. A national state of emergency (*Estado de Calamidad Pública*) was declared on March 5, 2020 through the *Decreto Gubernativo 05-2020* and ratified by the Congress of the Republic - *Decreto Legislativo 8-2020*. The GoG has also established a national COVID-19 Strategic Plan with the objective to adjust the public health system to respond to the epidemiological threat posed by COVID-19 in a prompt, efficient and effective way in any location in the country. On March 17, 2020 four days after the first confirmed COVID-19 case in Guatemala, the GoG suspended all schools and public and private workplaces, with exceptions for healthcare personnel, emergency aid personnel, and workplaces related to public safety and security. Public transportation services were also restricted. On March 22, 2020 the GoG declared a “shelter in place” order, suspending the rights of movement between 2 p.m. and 4 a.m., in order to mitigate the spread of COVID-19. This was changed on June 15, 2020 to between 6 p.m. and 5 a.m. during the weekdays and total suspension of the rights to movement during the weekends. The COVID-19 emergency poses some challenges in the implementation of *Crecer Sano*, including activities proposed under Component 4. However, the Bank and *Crecer Sano* implementation teams are considering various alternatives such as virtual meetings, to supervise remotely and continue implementation support to minimize delays.

8. **Guatemala faces a crisis as a result of the spread of COVID-19, both in terms of public health and the economy.** COVID-19 has worsened the country’s economic situation due to lockdown, job loss, and a reduction of remittances from Guatemalans abroad. This has resulted in a rise in malnutrition along with food shortages and increase in food prices. There is limited capacity of the health infrastructure in the country to respond to the crisis due to high demand and insufficient human resources, equipment and financing. Guatemala’s limited connectivity has also challenged the Government’s efforts to spread public health messages. However, social distancing measures have helped to contain the number of cases with over 23, 972 cases and 981 deaths reported as of July 9, 2020.
9. **On April 15, 2020, the GoG requested the World Bank to restructure the *Crecer Sano* Project by including an emergency response component to help support its overall response aimed at containing the threat posed by the COVID-19 outbreak, including the necessary related healthcare services.** The following areas of intervention were prioritized: (i) prevention of outbreak - including activities for an effective and tailored communication towards various population groups, social participation strategy and education on how to control the COVID-19 emergency; (ii) epidemiological surveillance as part of the early identification strategy, investigation and case and contact management; (iii) biosecurity for healthcare workers and the safety of the patient transport network; and (iv) installation of temporary modular hospitals to triage and provide health care services. The latter were considered as priority investments under this emergency component.
10. **The proposed emergency component will support the Government’s strategic plan to control the spread of and respond to COVID-19, strengthen health system preparedness to respond to emergencies, and protect the most vulnerable from the economic impacts of the pandemic.** This new component, as the rest of the *Crecer Sano* Project, will be implemented by MSPAS and the specific activities to be financed fit into the overall government strategy to: (i) strengthen the Government’s capacity for testing and early detection of cases; (ii) rapidly address hot spots by identifying, isolating and providing care for patients with COVID-19 and case tracing to minimize disease spread, morbidity and mortality; (iii) implement effective communication campaigns for mass awareness and education of the population to tackle the COVID-19 emergency; and (iv) strengthen the capacity of the public health system to provide intermediate and intensive care through the expansion of temporary and mobile medical pavilions to cope with the increasing demand of inpatient services in the vulnerable areas prioritized by the GoG. These proposed activities will complement ongoing efforts in the country to mitigate the impacts of the pandemic,



including activities supported under the Guatemala COVID-19 Response Project (P173854) approved by the Bank in June 2020.

II. DESCRIPTION OF PROPOSED CHANGES

11. **Project Development Objective.** The PDO will be adjusted to expand the Project’s scope in support of the response to COVID-19. The proposed change will not affect the economic, financial, institutional, technical aspects of the Project.

| Original PDO | Revised PDO |
|--|--|
| To improve selected practices, services and behaviors known to be key determinants of chronic malnutrition (with an emphasis on the first 1,000 days of life) in the intervention areas. | To (i) improve selected practices, services and behaviors known to be key determinants of chronic malnutrition (with an emphasis on the first 1,000 days of life), and (ii) respond to the threat posed by COVID-19, in selected intervention areas. |

12. **Results Framework.** The results framework will be modified to reflect new activities supported by the Project. Specifically, one outcome indicator [*Temporary hospitals established and equipped as per MSPAS guidelines (number)*], and one intermediate indicator [*Health staff trained in infection prevention and control per MSPAS-approved protocols (number)*] will be added to the results framework. The specific requirements for “establishing and equipping” the temporary hospitals will follow existing Government protocols. The intermediate indicator is being added as the specialized training of health staff in infection prevention and control is needed to adequately staff and operate the new temporary hospitals.

13. **Components and Costs.** A new emergency component (Component 4) "*Support the Borrower’s response to the COVID-19 pandemic*" will be added to the Project and US\$20 million reallocated to it, as described in paragraph 14. This component will finance medical equipment and supplies, temporary infrastructure, and the provision of support to MSPAS to strengthen the Borrower’s public health care system preparedness to control the spread of and respond to the COVID-19 pandemic. The component will finance the following activities, including, *inter alia*:

- (i) Boosting the Borrower’s capacity for testing, early detection of cases, and contact tracing/management to mitigate the spread of infection;
- (ii) Carrying out effective and tailored communication campaigns for mass awareness among different population groups, promoting coordination, social participation and education on how to tackle the COVID-19 emergency;
- (iii) Improving the Borrower’s capacity to provide low, intermediate and intensive care isolation for patients with COVID-19 through the installation of temporary mobile medical facilities, and acquisition of equipment and medical supplies to cope with the increasing demand of inpatient and triage services, particularly in vulnerable areas prioritized by the Borrower; and
- (iv) Implementing biosecurity regulations for healthcare workers, and measures to ensure the safety of the patient transport network.

14. **Reallocation and Disbursement Categories.** To finance the new emergency component, US\$20 million will be reallocated from Component 1 to Component 4 and a new disbursement category will be included in the Financing Agreement. As the original costing of Component 1 (US\$81 million) included 15 percent of it unallocated, the



proposed reallocation is not expected to affect, at least in the short run, the completion of the core activities originally planned. In addition, some of the activities foreseen under Component 1 are expected to cost less than originally estimated as they are being modified in response to COVID-19. For instance, face-to-face training will be replaced by virtual training, which is expected to have a significant reduction in costs. Notwithstanding, given that implementation has recently started and there is much uncertainty linked to the current COVID-19 crisis, in the next 18 months it will be important for the GoG and Bank to reassess whether further implementation adjustments will be needed under this component to reflect this reallocation, project objectives, and Borrower's needs.

15. **Disbursement Estimates.** The disbursement estimates will be revised to reflect a new implementation timeline, the proposed changes, and expected disbursements under the emergency component.
16. **Economic and Financial Analysis.** Due to the proposed investments to alleviate the impacts of COVID-19, the economics and financial analysis will change. Although there are very significant gaps in knowledge of the scope and features of the COVID-19 pandemic, it is apparent that main set of economic effects will derive from increased sickness and death among humans and the impact this will have on the potential output of the global economy. Another significant set of economic impacts will result from the measures of individuals to avoid becoming infected or to survive the results of infection. These measures have a severe demand shock for services sectors such as tourism, mass transportation, retail sales, and increased business costs due to workplace absenteeism, disruption of production processes, and shifts to more costly procedures. A last set of economic impacts are those associated with governments' policy efforts to prevent the epidemic, contain it, and mitigate its harmful effects on the population. For instance, the implementation of emergency measures like school closures may also generate adverse impacts on the human capital creation and accumulation.
17. **Conditions and Legal Covenants.** Consistent with Bank policies and procedures, the following dated legal covenants have been added to the amended Financing Agreement:
 - (i) **Environmental and Social Management Framework.** Prior to the award of work contracts under Part 4 of the Project, but no later than ninety (90) days from the effectiveness of this Amendment Letter, the Borrower shall update the ESMF to include the management of potential environmental and social risks and impacts that could emerge from Part 4 activities.
 - (ii) **Indigenous Peoples Plan.** The Borrower shall develop and adopt an Indigenous Peoples (IPP), and thereafter carry out Part 4 of the Project in accordance with its terms.
 - (iii) **Operations Manual.** No later than thirty (30) days after the effectiveness of the Amendment Letter, the Borrower, through MSPAS, shall, update, adopt and thereafter carry out the Project in accordance with the provisions of a manual (the Operations Manual), acceptable to the Bank.
 - (iv) **Terms of reference for consultancies under Components 1 and 4.** The Borrower, through MSPAS, shall ensure that the terms of reference of any consultancy in respect to Components 1 and 4 of the Project shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank's Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.
 - (v) **Project reports.** To guard against abuse of personal data, the Project will incorporate best international practices for handling data by revising an existing legal covenant that requires the Borrower/Recipient to provide the Bank with Project Reports 45 days after the end of each calendar semester. The legal covenant will be revised to state that except as otherwise required or permitted or requested by the Bank, in sharing



The World Bank

Crecer Sano: Guatemala Nutrition and Health Project (P159213)

any information, report or document related to the Project's activities, the Borrower shall ensure they do not include personal data.



D. Procurement

18. **For eligibility purposes, the updated Project Procurement Strategy for Development (PPSD) and the updated procurement plan will need to be agreed with the Bank before activities can start being implemented.** The Government has shared with the Bank a summarized list of possible contracts to be procured under the Project, including the possibility to use fast track emergency procurement procedures and the Bank Facilitated Procurement (BFP).
19. **The procurement risk assigned to the Project remains Substantial, although the nature of some risks has changed with the introduction of new activities.** The additional procurement risks include: (i) failed procurement due to lack of sufficient global supply of essential medical consumables and equipment needed to address the health emergency needs as there is significant disruption in the supply chain, especially for PPEs; (ii) problems with the timely distribution of all the procured goods; and (iii) governance-related issues common in emergency situations. Procurement risks will be mitigated by: (i) the use of local providers and/or current providers of the MSPAS, including framework agreements in place; (ii) the use of United Nations agencies to supply and distribute the main medical equipment and goods; (iii) procurement arrangements to include distribution of services included in the contract; (iv) publication of all processes, including contracts/purchase order details including publications in Guatemala's electronic information system for purchases (Guatecompras); (v) hiring of a technical third party audit entity to reinforce WBG's procurement post review; (vi) use of rapid disbursement procedures and simplified procurement processes in accordance with emergency operations norms; and (vii) leveraging the Bank's comparative advantage as convener and facilitate Borrower's access to available supplies at competitive prices with the BFP.
20. **The proposed procurement approach prioritizes fast track emergency procurement for the required goods, works and services.** Key measures to fast track procurement include: (i) Requests for Bid (RFB) with simplified procedures; (ii) use of Requests for Quotations (RFQ) and Direct Contracting, both using national and international market approaches; and (iii) procure certain goods from UN agencies (e.g. WHO, Pan American Health Organization, United Nations Office for Project Services), depending on the international market conditions for those goods. As requested by the Borrower, the WBG will provide procurement hands-on expanded implementation support to help expedite all stages of procurement - from help with supplier identification, to support for bidding/selection and/or negotiations to contract signing and monitoring of implementation of the initial packages.
21. **The Bank has agreed to provide BFP to proactively assist the implementing agency in accessing existing supply chains for protective gear, laboratory supplies, temporary hospitals and medical equipment needed under the Project.**¹ The Borrower will remain fully responsible for signing and entering into contracts and implementation, including assuring relevant logistics with suppliers such as arranging the necessary freight/shipment of the goods to their destination, receiving and inspecting the goods and paying the suppliers, with the direct payment by the Bank disbursement option available to them. If needed, the Bank may also provide hands-on support to the implementing agency in contracting to outsource logistics.
22. **BFP to access available supplies may include aggregating demand across participating countries, whenever possible, and extensive market engagement to identify suppliers from the private sector and UN Agencies.** The Bank is coordinating closely with the WHO, PAHO and other UN agencies that have established systems for procuring medical supplies and charge a fee which varies across agencies and type of service and can be

¹ A request for HEIS under BFP was made by the client during negotiations of the Guatemala COVID-19 Response Project (P173854).



negotiated. In addition, the Bank may help the Borrower access governments' available stocks. In providing BFP, the Bank will remain within its operational boundaries and mandate which already include expanded hands-on implementation support to help the Borrower achieve the project's development objectives. Procurement for goods and services, for which the Bank will provide BFP will follow the Bank's standard procurement arrangements with the Borrower responsible for all procurement steps (or with normal hands-on implementation support, as applicable).

E. Financial Management (FM)

23. **FM agreements will remain as defined in the original project design, with some additional improvements.** Fast track disbursement arrangements will be set up to facilitate and expedite funds flow, as well as simplification of project reporting. At present, there are no overdue audits or financial project reports.
24. **The overall FM risk of the Project with the inclusion of Component 4 is considered Substantial.** The urgent nature of the activities under Component 4 bring together key risks and impacts, mainly related to ensuring that funds are used for their intended purposes, following all proper guidelines both in terms of procurement, provision and delivery of goods, as well as all the GoG and WB's anti-corruption guidelines and legislation.
25. **To mitigate these risks, the MSPAS will add the following specific measures:** (i) timely submit the financial information and reports prepared by the Project Implementing Unit (PIU) for purposes of financial reporting, disbursements and audits; (ii) ensure that the budget process is completed on a timely manner to secure funding for execution, and (iv) provide close supervision through the PIU, especially during the first year of implementation, including the use of ICT technology to verify assets and goods have been properly delivered.

F. Environmental and Social Safeguards Analysis

26. **The restructuring will not trigger any new safeguard policy, and the Environmental Assessment category will remain B (Partial Assessment).** The Integrated Safeguards Data Sheet (ISDS) was updated to reflect the new activities under Component 4 and was disclosed on the Bank's external website on June 11, 2020.
27. **The overall environmental and social (E&S) risk of the Project with the inclusion of Component 4 is considered Substantial.** Key risks and impacts as a result of project activities under Component 4 are related to: (i) Environmental, Social, Health and Safety (ESHS) risks from inadequate management, storage, transportation and disposal of infected medical waste; (ii) occupational health and safety risks related to the availability and appropriate use of PPE for health care workers, and the use of chemicals and other hazardous substances for cleaning and disinfection purposes; and (iii) minor risks related to civil works (e.g., waste from residual construction material, nuisance related to dust generation, vibration and noise, etc.) in the event that upgrade/refurbishment activities are required for the establishment of temporary modular hospitals.
28. **To mitigate these risks, the Project's ESMF will be updated to include:** (i) codes of conduct and occupational health and safety measures for health providers and contractors; (ii) waste management and disposal and waste treatment protocols; (iii) use and disposal of PPE; (iv) screening tools to determine that works are not triggering resettlement or displacement; (v) linguistically and culturally sensitive and non-discriminatory provision of emergency health services; (vi) training in protocols, support for mobilization of rural patients, and protective equipment for traditional healers accompanying infected people from rural areas; and (vii) any relevant update to the Project's Grievance Redress Mechanism to support Component 4 activities. In addition, a social assessment and consultations (via phone or social distance) will be carried out to include socio-cultural relevant measures



through an Indigenous Peoples Plan (IPP) to ensure that Indigenous Peoples can benefit from the proposed investments.

- 29. **Monitoring and Evaluation.** Large volumes of personal data, personally identifiable information and sensitive data are likely to be collected and used in connection with the management of the COVID-19 outbreak. The data collection would be under circumstances where measures to ensure the legitimate, appropriate and proportionate use and processing of that data may not feature in national law or data governance regulations or be routinely collected and managed in health information systems. In order to guard against abuse of that data, the Project will incorporate best international practices for handling such data in these circumstances. Measures may include: (i) data minimization (collecting only data that is necessary for the purpose); (ii) data accuracy (correct or erase data that are not necessary or are inaccurate); (iii) use limitations (data are only used for legitimate and related purposes); data retention (retain data only for as long as they are necessary); and (iv) informing data subjects of use and processing of data. In practical terms, the operation will ensure that these principles apply through assessments of existing or development of new data governance mechanisms and data standards for emergency and routine healthcare, data sharing protocols, rules or regulations, revision of relevant regulations, training, sharing of global experience, strengthening of health information systems, etc. In relation to this, a legal covenant will be revised as mentioned above.
- 30. **Overall Risk.** The overall risk rating of the Project is Substantial, the E&S risk rating will change from Moderate to Substantial and a new Substantial risk (“Other”) will also be added to reflect the impact of the overall COVID-19 pandemic, particularly capacity constraints at the MSPAS and lack of adequate coordination and participation of other relevant government agencies in the response to the pandemic, which may hamper the timely execution of Project activities. To manage these risks, additional staff will be hired to support the MSPAS.

III. SUMMARY OF CHANGES

| | Changed | Not Changed |
|--|---------|-------------|
| Project's Development Objectives | ✓ | |
| Results Framework | ✓ | |
| Components and Cost | ✓ | |
| Reallocation between Disbursement Categories | ✓ | |
| Disbursement Estimates | ✓ | |
| Overall Risk Rating | ✓ | |
| Legal Covenants | ✓ | |
| Financial Management | ✓ | |
| Procurement | ✓ | |
| Implementation Schedule | ✓ | |



| | | |
|---------------------------------|---|---|
| Other Change(s) | ✓ | |
| Economic and Financial Analysis | ✓ | |
| Social Analysis | ✓ | |
| Environmental Analysis | ✓ | |
| Implementing Agency | | ✓ |
| DDO Status | | ✓ |
| PBCs | | ✓ |
| Loan Closing Date(s) | | ✓ |
| Cancellations Proposed | | ✓ |
| Disbursements Arrangements | | ✓ |
| Safeguard Policies Triggered | | ✓ |
| EA category | | ✓ |
| Institutional Arrangements | | ✓ |
| APA Reliance | | ✓ |
| Technical Analysis | | ✓ |

IV. DETAILED CHANGE(S)

PROJECT DEVELOPMENT OBJECTIVE

Current PDO

The Project Development Objective (PDO) is to improve selected practices, services and behaviors known to be key determinants of chronic malnutrition (with an emphasis on the first 1,000 days of life) in the intervention areas.

Proposed New PDO

The Project Development Objective (PDO) is to (i) improve selected practices, services and behaviors known to be key determinants of chronic malnutrition (with an emphasis on the first 1,000 days of life), and (ii) respond to the threat posed by COVID-19, in selected intervention areas.

COMPONENTS

| Current Component Name | Current Cost (US\$M) | Action | Proposed Component Name | Proposed Cost (US\$M) |
|------------------------|----------------------|--------|--|-----------------------|
| | 0.00 | New | Support the Borrower’s response to the COVID-19 pandemic | 20.00 |



| | | | | |
|--|--------------|---------|--|--------------|
| Providing Inter-sectoral Services to Address Chronic Malnutrition Risk Factors | 81.00 | Revised | Providing Inter-sectoral Services to Address Chronic Malnutrition Risk Factors | 61.00 |
| Moving the Focus towards Results | 14.75 | | Moving the Focus towards Results | 14.75 |
| Supporting Project Management, Monitoring and Evaluation | 4.00 | | Supporting Project Management, Monitoring and Evaluation | 4.00 |
| TOTAL | 99.75 | | | 99.75 |

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

| | Current Allocation | Actuals + Committed | Proposed Allocation | Financing % (Type Total) | |
|--------------------------------|----------------------|--|----------------------|--------------------------|----------|
| | | | | Current | Proposed |
| IBRD-87300-001 Currency: USD | | | | | |
| iLap Category Sequence No: 1 | | Current Expenditure Category: GO, CW NCS, CS, TR, OP parts 1 & 3 | | | |
| | 85,000,000.00 | 0.00 | 65,000,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 2 | | Current Expenditure Category: Results-based EEP part 2 | | | |
| | 14,750,000.00 | 0.00 | 14,750,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 3 | | Current Expenditure Category: GO, CW NCS, CS, TR, OP parts 4 | | | |
| | 0.00 | 0.00 | 20,000,000.00 | | 100 |
| Total | 99,750,000.00 | 0.00 | 99,750,000.00 | | |

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates
Yes

| Year | Current | Proposed |
|------|---------|----------|
| 2017 | 0.00 | 0.00 |



| | | |
|------|---------------|---------------|
| 2018 | 0.00 | 0.00 |
| 2019 | 1,000,000.00 | 0.00 |
| 2020 | 15,600,000.00 | 1,500,000.00 |
| 2021 | 25,118,000.00 | 38,500,000.00 |
| 2022 | 43,000,000.00 | 35,000,000.00 |
| 2023 | 23,400,000.00 | 27,000,000.00 |
| 2024 | 882,000.00 | 7,000,000.00 |
| 2025 | 0.00 | 0.00 |
| 2026 | 0.00 | 0.00 |

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

| Risk Category | Rating at Approval | Current Rating |
|--|--------------------|----------------|
| Political and Governance | ● High | ● High |
| Macroeconomic | ● Moderate | ● Moderate |
| Sector Strategies and Policies | ● High | ● High |
| Technical Design of Project or Program | ● Moderate | ● Moderate |
| Institutional Capacity for Implementation and Sustainability | ● High | ● Substantial |
| Fiduciary | ● High | ● Substantial |
| Environment and Social | ● Substantial | ● Substantial |
| Stakeholders | ● Moderate | ● Moderate |
| Other | | ● Substantial |
| Overall | ● High | ● Substantial |

LEGAL COVENANTS

| Loan/Credit/TF | Description | Status | Action |
|----------------|---|-------------|-----------|
| IBRD-87300 | Conditional Cash Transfers (recurrent). Schedule 2. Section I.D. Throughout Project Implementation, the Borrower, through MIDES, shall provide Conditional Cash Transfers | Not yet due | No Change |



| | | | |
|------------|---|---------------|-----------|
| | <p>under Part 2 of the Project in accordance with the updated CCT Operations Manual acceptable to the Bank.</p> | | |
| IBRD-87300 | <p>Procurement (recurrent). Schedule 2, Section III</p> <p>All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.</p> | Complied with | No Change |
| IBRD-87300 | <p>Throughout Project implementation, the Borrower shall ensure that MSPAS functions in a manner and with adequate staffing and budgetary resources, all acceptable to the Bank, and as set forth in the Operations Manual.</p> | Complied with | No Change |
| IBRD-87300 | <p>No later than three (3) months after the Effective Date, the Borrower, through MSPAS, shall hire and maintain throughout the implementation of the Project, as a minimum, professionals in the following areas: FM, accounting, budget, procurement, environment, and social, as set forth in the Operations Manual with qualifications and experience, and under ToRs acceptable to the Bank.</p> | Expected soon | No Change |
| IBRD-87300 | <p>For purposes of providing general Project oversight and coordination, the Borrower through MSPAS shall, not later than three months after the Effective Date, establish, and thereafter operate and maintain, throughout the implementation of the Project, a committee (the Steering Committee), ..., including representatives of SESAN and MIDES, all acceptable to the Bank, as set forth in the O Manual.</p> | Complied with | No Change |



| | | | |
|------------|---|---------------|-----------|
| IBRD-87300 | For purposes of facilitating the implementation of the Project, and no later than three (3) months after the Effective Date, the Borrower, through MSPAS, shall enter into separate arrangements with : (a) MIDES; and (b) SESAN, (“Inter Institutional Arrangements”), all under terms and conditions acceptable to the Bank. | Complied with | No Change |
| IBRD-87300 | To facilitate the carrying out of Part 1(c)(i) of the Project, and prior to the implementation of any Water Subproject under said Part of the Project that falls within the administrative jurisdiction of any given Participating Municipality, the Borrower, through MSPAS, shall enter into an agreement with said Participating Municipality (the “Water Subproject Agreement”) acceptable to the Bank. | Not yet due | No Change |
| IBRD-87300 | The Borrower, through MSPAS, shall exercise its rights and carry out its obligations under each Water Subproject Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower, through MSPAS, shall not assign, amend, abrogate, waive, terminate or fail to enforce any Water Subproject | Not yet due | No Change |
| IBRD-87300 | Operations Manual (recurrent) Schedule 2, Section I.E. 1 to 3. This covenant was revised to: replace MIDES-FODES with MSPAS, and to delete “(e) the functions, responsibilities and composition of the Steering Committee.” See the revised Loan Agreement for full covenant description. | Complied with | No Change |
| IBRD-87300 | For purposes of carrying out Part 2 of the Project, the Borrower, through MSPAS, in coordination with MIDES and SESAN, shall: no later than 270 days after the Effective Date, select, hire and retain an Independent Evaluation Entity with qualifications and experience, and under terms of reference acceptable to the Bank, in accordance with Section III of Schedule 2;... | Not yet due | No Change |



| | | | |
|------------|--|---------------|-----------|
| IBRD-87300 | For purposes of carrying out Part 2 of the Project, the Borrower, through MIDES, shall maintain an agreement with the Financial Institution (the Financial Institution Agreement) on terms and conditions acceptable to the Bank, including, inter alia the Financial Institution's obligations to provide, on behalf of the Borrower, the Conditional Cash Transfers to Eligible Beneficiaries, in a manner... | Not yet due | No Change |
| IBRD-87300 | The Borrower, through MSPAS, shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines. | Complied with | No Change |
| IBRD-87300 | The Borrower, through MSPAS, shall carry out the Project in accordance with the ESMF. Except as the Bank shall otherwise agree, the Borrower, through MSPAS, shall not assign, amend, abrogate, terminate, fail to enforce or waive the ESMF or any of its provisions thereof. The Borrower, through MSPAS, shall ensure that the terms of reference of any consultancy in respect to Part 1 of Project. | Complied with | No Change |
| IBRD-87300 | The Borrower, through MSPAS, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators set forth in the Operations Manual. Each Project Report shall cover the period of one calendar semester and shall be furnished to the Bank not later than 45 days after end of period | Not yet due | Revised |
| Proposed | The Borrower, through MSPAS, shall monitor Project progress and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators set forth in the Operations Manual. Each Project Report shall cover the period of one calendar semester and shall be furnished to the Bank not later than 45 days after end of period.No personal data will | NYD | |



| | | | |
|------------|--|-------------|-----------|
| IBRD-87300 | The Borrower, through MSPAS, shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions. The Borrower, through MSPAS, shall prepare and furnish to the Bank not later than 45 days after the end of each calendar semester, interim unaudited financial reports for the Project... | Not yet due | No Change |
| IBRD-87300 | Prior to the award of work contracts under Part 4 of the Project, but no later than ninety (90) days from the effectiveness of this Amendment Letter, the Borrower shall update the ESMF to include the management of potential environmental and social risks and impacts that could emerge from Part 4 activities | Not yet due | New |
| IBRD-87300 | The Borrower shall develop and adopt an IPP, and thereafter carry out Part 4 of the Project in accordance with its terms | Not yet due | New |
| IBRD-87300 | No later than thirty (30) days after the effectiveness of the Amendment Letter, the Borrower, through MSPAS, shall, update, adopt and thereafter carry out the Project in accordance with the provisions of a manual (the Operations Manual), acceptable to the Bank | Not yet due | New |
| IBRD-87300 | The Borrower, through MSPAS, shall ensure that the terms of reference of any consultancy in respect to Components 1 and 4 of the Project shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank's Safeguard Policies then in force | Not yet due | New |



Results framework

COUNTRY: Guatemala

Crecer Sano: Guatemala Nutrition and Health Project

Project Development Objectives(s)

The Project Development Objective (PDO) is to improve selected practices, services and behaviors known to be key determinants of chronic malnutrition (with an emphasis on the first 1,000 days of life) in the intervention areas.

Project Development Objective Indicators by Objectives/ Outcomes

| Indicator Name | PBC | Baseline | Intermediate Targets | | | | | End Target |
|---|-----|----------|----------------------|-----------|-----------|-----------|-----------|------------|
| | | | 1 | 2 | 3 | 4 | 5 | |
| To improve selected practices, services and behav. key to chronic malnutrition in the interv. areas | | | | | | | | |
| Proportion of municipalities where combined interventions were implemented (coordinated interventions/services) (Percentage) | | 0.00 | 10.00 | 20.00 | 40.00 | 60.00 | 70.00 | 70.00 |
| Number of families being served by new or rehabilitated water systems in the intervention areas (services) (Number) | | 0.00 | 15,000.00 | 35,000.00 | 50,000.00 | 60,000.00 | 80,000.00 | 80,000.00 |
| Coverage of growth promotion for children under 24-months old in the intervention areas (practices and services) (Percentage) | | 19.00 | 20.00 | 30.00 | 40.00 | 60.00 | 70.00 | 70.00 |



| Indicator Name | PBC | Baseline | Intermediate Targets | | | | | End Target |
|--|-----|----------|----------------------|-------|-------|-------|-------|------------|
| | | | 1 | 2 | 3 | 4 | 5 | |
| Percentage of children six months old with exclusive breastfeeding in the intervention areas (behavior) (Percentage) | | 43.00 | 45.00 | 50.00 | 55.00 | 65.00 | 65.00 | 65.00 |
| Respond to the threat posed by COVID-19 (Action: This Objective is New) | | | | | | | | |
| Temporary hospitals established and equipped as per MSPAS guidelines (Number) | | 0.00 | | | | | | 2.00 |
| Action: This indicator is New | | | | | | | | |

Intermediate Results Indicators by Components

| Indicator Name | PBC | Baseline | Intermediate Targets | | | | | | End Target |
|---|-----|----------|----------------------|----------|----------|----------|----------|----------|------------|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | |
| Providing Inter-sectoral Services to Address Chronic Malnutrition Risk Factors | | | | | | | | | |
| Health posts in the intervention areas with updated census of houses and families (services) (Percentage) | | 5.00 | 70.00 | 90.00 | 90.00 | 90.00 | 90.00 | 90.00 | 90.00 |
| Number of families served by new or rehabilitation works for | | 0.00 | 600.00 | 2,500.00 | 4,000.00 | 6,000.00 | 7,000.00 | 7,000.00 | 7,000.00 |



| Indicator Name | PBC | Baseline | Intermediate Targets | | | | | | End Target |
|---|------------|------------|----------------------|------------|------------|------------|---|------------|------------|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | |
| sanitation systems in the intervention areas (services) (Number) | | | | | | | | | |
| Percentage of children 12-months old in the intervention areas receiving micronutrients as defined in the protocol (services) (Percentage) | 5.00 | 10.00 | 30.00 | 40.00 | 50.00 | 60.00 | | 60.00 | |
| Percentage of children 12-months old in the intervention areas receiving complete vaccination scheme required for their age (services) (Percentage) | 74.00 | 80.00 | 90.00 | 92.00 | 95.00 | 95.00 | | 95.00 | |
| Number of women of reproductive age in the intervention areas having access/receiving at least one family planning method (practices and services) (Number) | 190,000.00 | 190,000.00 | 190,000.00 | 200,000.00 | 220,000.00 | 230,000.00 | | 230,000.00 | |
| Health personnel receiving training (number) (Number) | 0.00 | 500.00 | 1,000.00 | 1,500.00 | 2,000.00 | 2,400.00 | | 2,400.00 | |
| Health personnel in the intervention areas receiving training | 0.00 | 375.00 | 750.00 | 1,125.00 | 1,500.00 | 1,800.00 | | 1,800.00 | |



| Indicator Name | PBC | Baseline | Intermediate Targets | | | | | | End Target |
|---|-----|----------|----------------------|----------------------------|---|--------|--------|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | |
| (female health workers) (Number) | | | | | | | | | |
| Surveillance system for safe drinking water in place, and reporting as defined in the protocols (services) (Yes/No) | | No | | | | | | | Yes |
| Health facilities constructed, renovated, and/or equipped (number) (Number) | | 0.00 | 30.00 | 70.00 | 100.00 | 130.00 | 154.00 | | 154.00 |
| People who have received essential health, nutrition, and population (HNP) services (CRI, Number) | | 0.00 | | | | | | | 680,000.00 |
| Number of children immunized (CRI, Number) | | 0.00 | | | | | | | 400,000.00 |
| Number of women and children who have received basic nutrition services (CRI, Number) | | 0.00 | | | | | | | 280,000.00 |
| Moving the Focus towards Results | | | | | | | | | |
| The Unique Registry of Beneficiaries receives individual level data on | | No | | Implementation has started | Data is being shared with the CCT Program | | | | Data is being shared with the CCT Program for |



| Indicator Name | PBC | Baseline | Intermediate Targets | | | | | | End Target |
|---|-----|----------|----------------------|-------|-------|-------|-------|------|--------------------------------------|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | |
| health system usage (services) (Text) | | | | | | | | | verification of co-responsibilities. |
| Percentage of children under two years old who are beneficiaries of the CCT Program receiving transfers based on compliance with full verification cycle of health co-responsibilities in the interventi (Percentage) | | 0.00 | | 30.00 | 50.00 | 60.00 | 70.00 | 0.00 | 70.00 |
| CCT information system tracks and reports compliance with health and nutrition co-responsibilities of individual household members (services) (Yes/No) | | No | No | No | Yes | Yes | Yes | | Yes |
| Coverage of prenatal care with at least four visits in the intervention areas (services) (Percentage) | | 18.70 | 25.00 | 30.00 | 40.00 | 50.00 | 50.00 | | 50.00 |
| Supporting Project Management, Monitoring and Evaluation | | | | | | | | | |
| Percentage of municipalities in the intervention areas that are using a monitoring | | 0.00 | 30.00 | 45.00 | 70.00 | 90.00 | 90.00 | | 90.00 |



| Indicator Name | PBC | Baseline | Intermediate Targets | | | | | | End Target |
|---|-----|----------|----------------------|-----------|-----------|-----------|-----------|---|------------|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | |
| dashboard for chronic malnutrition (services) (Percentage) | | | | | | | | | |
| Participants in consultation activities during project implementation (number) (Number) | | 0.00 | 5,000.00 | 10,000.00 | 20,000.00 | 30,000.00 | 40,000.00 | | 40,000.00 |
| Participants in consultation activities during project implementation - female (Number) | | 0.00 | 3,500.00 | 7,000.00 | 14,000.00 | 21,000.00 | 28,000.00 | | 28,000.00 |
| Support the Borrower's response to the COVID-19 pandemic (Action: This Component is New) | | | | | | | | | |
| Health staff trained in infection prevention and control per MSPAS-approved protocols (Number) | | 0.00 | | | | | | | 5,000.00 |
| Action: This indicator is New | | | | | | | | | |



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Crecer Sano: Guatemala Nutrition and Health Project (P159213)
