Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 03/24/2020 | Report No: ESRSA00590
### BASIC INFORMATION

**A. Basic Project Data**

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
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<tr>
<td>Paraguay</td>
<td>LATIN AMERICA AND CARIBBEAN</td>
<td>P173805</td>
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<thead>
<tr>
<th>Project Name</th>
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<tr>
<th>Practice Area (Lead)</th>
<th>Financing Instrument</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
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<tr>
<th>Borrower(s)</th>
<th>Implementing Agency(ies)</th>
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<tr>
<td>Republic of Paraguay</td>
<td>Ministry of Public Health and Social Welfare</td>
</tr>
</tbody>
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**Proposed Development Objective(s)**

To strengthen the national health system for emergency preparedness and response to COV19 pandemic in the Republic of Paraguay.

**Financing (in USD Million)**

| Total Project Cost | 20.00 |

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

Strategic and country context.

The COVID-19 pandemic hits the Paraguay economy in a moment of economic recovery after growth stalled in 2019. The economy was in a recession in the first half of 2019 due to weak performance of its main trading partners, especially Argentina, and adverse climatic conditions, but started to recover in the second half of the year. According to Bank estimates, Gross Domestic Product (GDP) growth was 0.1 percent in 2019. Given the recession in the first half of 2019, the authorities invoked the escape clause from the fiscal rule, capping the budget deficit (the Fiscal Responsibility Law allows an increase of the ceiling from 1.5 percent to up to 3 percent of GDP in times of crises).
Therefore, the central government’s budget recorded a deficit of 2.9 percent of the estimated GDP in 2019. With the economic slowdown, poverty reduction slowed in 2019, leaving 1.6 million people below the official poverty line. The poverty rate fell from 24.2 percent in 2018 to 23.5 percent in 2019. Progress on poverty reduction almost halted in urban areas (from 17.8 percent in 2018 to 17.5 percent in 2019) due to a decrease in labor income in commerce and manufacturing. Rural poverty dropped from 34.6 percent in 2018 to 33.4 percent, despite the stagnation of agricultural labor income, which concentrates almost half (0.6 million) of mostly informal rural workers.

Against this backdrop, the authorities have reacted swiftly to the COVID-19 outbreak in March 2020 to mitigate the impact on the economy and people. The Central Bank reduced the interest rate by 75 bps to 3.25 percent, and temporarily relaxed provisioning rules so as not to penalize credit restructurings and prolongations. The fiscal package includes additional health spending, extra allocation on basic social assistance programs, and a moratorium on fines for delayed tax payments until June. In addition, the Government announced new credit lines by public development banks to support businesses, established price monitoring for sanitary goods and declared its intention to eliminate import duties and reduce the value-added tax (VAT) from 10 percent (standard rate) to 5 percent. So far, the Government has not asked for a supplemental budget and plans to reallocate spending to health and social assistance within the existing envelope. If the outbreak is protracted, the fiscal envelope will likely be expanded within the next months to finance additional mitigating measures.

Sectoral and Institutional Context.
Paraguay poses a high risk for the spread of COVID-19 due to a case that was classified as locally transmitted. The Government acted swiftly and implemented social distancing measures, population movement controls, and a strong social awareness campaign. So far, it has contained the number of cases to 27, with two deaths. However, the number of cases and deaths could rise rapidly, as a consequence of the already existing local circulation of the virus. Furthermore, Paraguay’s borders, broad and easily penetrable, with large neighboring countries with growing outbreaks, increase the risk of imported cases due to families living on both sides of the borders. Furthermore, the Argentine Province of Chaco in the north has one of the worst outbreaks in the country and directly borders Paraguay. Paraguay also has strong commercial and migratory ties with the Republic of Korea, the second most affected country by the pandemic in the Western Pacific Region.

Paraguay has a mixed health system, comprising a public, private and mixed sector. The National Health System, created by Law 1032 in 1996, is fragmented with several independent provider networks covering different population sub-groups. The public sector consists of the MSPBS; the health services of the Military, Police and Navy; the Institute of Social Welfare, and the Clinical Hospital, part of Asuncion’s National University. The private sector is made up of non-profit as well as for-profit institutions. Approximately 6 percent of the population relies on private health insurance, 20 percent receives health insurance through the social security system, and the reminder, 74 percent of the population is not covered by any health insurance and therefore relies entirely on services provided by the public health subsystems.

Health service provision has improved due to a gradual increase in public funding allocated to health (excluding social security), which rose from 1 percent to 2.7 percent of GDP between 2002 and 2015. New resources have largely been invested in more infrastructure (hospitals and Family Health Care Centers (FHCCs)), equipment and human resources. Primary healthcare provision benefitted from the MSPBS’s establishment under the primary healthcare strategy, of approximately 800 new FHCCs between 2008 and 2016, achieving coverage of around 32 percent of the population.
However, the deficit in Paraguay’s health care infrastructure remains a critical factor for health care access as there are insufficient health facilities to meet the population’s needs. Estimates suggest that Paraguay needs around 1400 FHCCs to provide full coverage to the MSPBS population or 2450 to provide universal coverage. As part of the current government commitment to build a total of 400 new FHCCs, the Paraguay Public Health Sector Strengthening (PPHSS) Project supported by the WB will finance the construction of 152 new FHCCs facilities and the rehabilitation of 114 existing FHCCs and 10 district hospitals. Notwithstanding, the number of MSPBS hospital beds per 1000 people, 0.8, has remained unchanged between 2002 and 2015. Including the private health sector, Paraguay has a rate of 1.6 hospital beds per 1000 inhabitants, lower than the regional average of two beds per 1000 inhabitants which poses a tremendous challenge in the current health situation.

The risks of a failure to contain a rapid spread of COVID-19 is heightened by the current sanitary situation of Paraguay. The country is already facing one of the worst Dengue outbreaks of the last years, with more than 140,000 reported and 14,000 confirmed cases and 46 deaths. Based on these figures, an existing high bed occupancy rate in intensive care units is a risk since a rapid spread of COVID-19 would require additional intensive care beds in a country which, according to the WHO, currently has a deficit of 50 percent in terms of bed occupancy rates. As the flu season, autumn and winter, and Respiratory Syncytial Virus (RSV) approaches, the already stressed health system will come under further pressure. Therefore, given the existing sanitary situation, a rapid outbreak of the COVID-19 would dramatically aggravate the health situation of the country if the capacity of the health system is not improved.

Paraguay has formulated a comprehensive COVID-19 Preparedness and Response Plan (COVID-19 PRP), which is aligned with the WHO’s SPRP. The COVID-19 PRP is aimed at slowing transmission, delaying outbreaks and providing optimized care for all patients, especially the seriously ill, as well as minimizing the impact of the epidemic on the health system and social services and, consequently, on economic activity. It has four strategic components: (1) Coordination, planning and monitoring at the country level; (2) Risk communication and community participation; (3) Epidemiological and Laboratory Surveillance and, (4) Services and logistics strategies that support the nine components the WHO proposed globally to scale up country operational readiness and response. The Government has requested financial and technical support to help assure an appropriate and timely implementation of key activities under this Plan and the provision of specific supplies and logistical support to contain and mitigate the epidemic. This would include support for treatment measures that minimize the morbidity and mortality due to the epidemic and a strengthening of the public health sector to allow the simultaneous care for regular patients.

Paraguay has a mixed epidemiology; still struggling to resolve the disease burden of communicable and maternal and child conditions, while facing an increasing burden of non-communicable diseases (NCDs). This project will only support improvements of the country’s health system’s capacity to face and mitigate the effects of the COVID-19 outbreak through the provision of equipment and supplies necessary to strengthen the public sector’s intensive care unit capacity, while the PPHSS Project will contribute to strengthening the Public Primary Health Care Micro-Networks to deal with both NCDs and communicable and vector-borne diseases as well as maternal and child health. The PPHSS Project will invest in primary health care facility infrastructure, capacity building for public health providers, health information systems, procurement and distribution systems for pharmaceuticals and medical supplies and incentives to Local Health Councils to promote prevention activities and control of priority health conditions. Thus, the PPHSS Project aims to shift care from hospitals to a more efficient and less costly primary health care system, alleviating pressure on the secondary and tertiary level of care that are critical to respond to the most severe COVID-19 cases. Though this Project will support the immediate impacts of the pandemic, and the PPHSS will serve to reduce related medium-term impacts and, the strengthening of the Paraguayan health system still requires
additional investments (infrastructure, equipment, national surveillance and information systems, and supplies) in order to achieve an effective health system.

Relevance to higher-level objectives.
The project is aligned with World Bank Group (WBG) strategic priorities, particularly the WBG’s mission to end extreme poverty and boost shared prosperity. The Global Program is focused on preparedness, which is also critical to achieving Universal Health Coverage, and is aligned with the WB’s support for national plans and global commitments to strengthen pandemic preparedness through three key actions under Preparedness: (i) improving national preparedness plans including organizational structure of the government; promoting adherence to the International Health Regulations (IHR); and utilizing international framework for monitoring and evaluation of IHR. The economic rationale for investing in the MPA interventions is strong, given that success can reduce the economic burden suffered by both individuals and countries. The project complements both WBG and development partner investments in health systems strengthening, disease control and surveillance, attention to changing individual and institutional behavior, and citizen engagement. Further, as part of the proposed IDA19 commitments, the WB is committed to “support at least 25 IDA countries to implement pandemic preparedness plans through interventions (including strengthening institutional capacity, technical assistance, lending and investment).” The project contributes to the implementation of IHR (2005), Integrated Disease Surveillance and Response, and the World Organization for Animal Health international standards, the Global Health Security Agenda, the Paris Climate Agreement, the attainment of Universal Health Coverage and of the Sustainable Development Goals, and the promotion of a One-Health approach.

The WBG is committed to provide a fast and flexible response to the COVID-19 epidemic, utilizing all WBG operational and policy instruments and working in close partnership with government and other agencies. Grounded in One-Health, which provides for an integrated approach across sectors and disciplines, the proposed WBG response to COVID-19 will include emergency financing, policy advice, and technical assistance, building on existing instruments to support IDA/IBRD-eligible countries in addressing the health sector and broader development impacts of COVID-19. The WBG COVID-19 response will be anchored in the WHO’s COVID-19 global Strategic Preparedness and Response Plan (SPRP) outlining the public health measures for all countries to prepare for and respond to COVID-19 and sustain their efforts to prevent future outbreaks of EID.

The proposed Project is also aligned with the objectives of the latest Paraguay Country Partnership Framework (CPF) FY19-FY23 (Report No. 131046) discussed by the Board on January 22, 2019. It would contribute to CPF Focus Area 3 (Building Human Capital), Objective 8 (Reform the public health system to improve the conditions of the poor and vulnerable population). The Project will contribute to preserve Paraguay’s human capital through the strengthening of the capacity of the public health sector to respond to the COVID-19 outbreak. The proposed Project’s activities are also consistent with the priorities of the WB Health, Nutrition and Population Global Practice, focusing on health system strengthening global knowledge generation for pandemic preparedness. In addition, the proposed Project is aligned with the WB’s Human Capital Project, which calls for countries to make greater investments in health and education to improve the productive capacities of their populations.

Project description. The Project development objectives are aligned to the results chain of the COVID-19 Strategic Preparedness and Response Program (SPRP). The Project Development Objective (PDO) is to strengthen the national health system for emergency preparedness and response to COVID-19 pandemic in the Republic of Paraguay.
The proposed Project will consist of two components. The first component will help strengthen the country’s preparedness and response efforts in the fight against COVID-19. It will support activities aimed at: (i) identifying, isolating, and providing care to patients with COVID-19 in a timely manner to minimize disease spread, morbidity and mortality and (ii) preparing and strengthening the health system for increasing levels of demand for care.

Component 1: Emergency Response to COVID-19 (US$19.15 million) This component would provide immediate support to Paraguay to limit COVID-19 local transmission through containment strategies. It would support enhancement of disease detection capacities through the provision of technical expertise, laboratory equipment and systems to ensure prompt case finding and contact tracing, consistent with WHO guidelines in the Strategic Response Plan. It would enable Paraguay to mobilize surge response capacity through trained and well-equipped frontline health workers. Supported activities include:

Subcomponent 1.1 Case Detection, Confirmation, Contact Tracing, Recording, Reporting (US$2.5 million). This sub-component will support (i) the strengthening of the disease surveillance systems, public health laboratories, and epidemiological capacity for early detection and confirmation of cases; (ii) combination of detection of new cases with active contact tracing; (iii) provision of on-time data and information for guiding decision-making and response and mitigation activities; and the strengthening of health management information systems to facilitate recording and on-time virtual sharing of information. The sub-component will finance, among others: (i) medical and Information Technology (IT) equipment, supplies and IT systems; (ii) laboratory equipment, supplies and reagents for the diagnosis of COVID-19, influenza-type illnesses and other respiratory and infectious diseases.

Subcomponent 1.2. Health System Strengthening (US$16.65 million). This sub-component will support efforts to provide optimal medical care to patients at risk as well as maintain essential community services and to minimize risks for patients and health personnel. The sub-component will finance, among others: (i) appropriate protective equipment and hygiene materials for health personnel; (ii) medical supplies, medicines and equipment for public health facilities and specific equipment for intensive care units; (iii) supplies and equipment for blood banks; (iv) ambulances for patient transportation; and (v) medical waste management and disposal systems.

Component 2: Implementation Management and Monitoring and Evaluation (US$0.8 million) Provide technical support to strengthen Project management and supervision, including institutional arrangements for coordination, financial management (FM), procurement, M&E and environmental and social management. Relevant structures would be strengthened through the recruitment of additional personnel responsible for overall project administration, procurement, FM, M&E and environmental and social management. As a result, the project will finance consulting services and operational costs associated with project coordination and implementation, and financial audit activities.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The Project will be implemented at the national level, so beneficiaries will be the population at large. This Project will neither finance nor support civil works and most of the Project investments are planned to take place on existing infrastructure. The activities supported by the Project therefore, are not expected to have adverse physical environmental impacts. Social impacts of the Project are also expected to be positive, as activities will support prevention, detection, and response efforts in the fight against COVID-19, as well as the strengthening of national systems for public health preparedness. Training will ensure that health care professionals provide care irrespective of social or economic status.
D. 2. Borrower’s Institutional Capacity

The Project will be implemented by the Ministry of Public Health and Social Welfare (MSPBS) through the General Directorate of Health Networks and Services (DHNS) under the guidance of the Emergency Operations Center created within the MSPB to respond to the COVID-19 pandemic outbreak. The DHNS will work in a coordinated manner with the General Directorate of Health Surveillance which is responsible for outbreak monitoring. The DHNS will be responsible for Project technical issues and will receive fiduciary and administrative support from the General Directorate of Administration and Finance (DGAF, for its acronym in Spanish).

The DGAF will be responsible for Project coordination and overall administrative and fiduciary matters such as FM, procurement and environmental and social standards. The DGAF will also coordinate with the General Directorate of Environmental Health (DIGESA, for its acronym in Spanish) and the Directorate of Indigenous People Health (DINASAPI, for its acronym in Spanish) the activities required to accomplish the WB environmental and social standards that apply to this Project. The Project will be implemented using the MSPBS structure and staff.

The Korean International Cooperation Agency (KOICA) has contributed to the institutional strengthening of the sector by granting scholarships to Paraguayan officials since 2017 and in 2019 has begun to finance the Improvement Project for the comprehensive management of waste generated at the Mariano Roque Alonso District Hospital, and from which good practices will be learned and mainstreamed in the Project.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

**Environmental Risk Rating**

The environmental risk rating for this Project is Moderate. Risks are limited and manageable related to the use and disposal of medical supplies, use of cleaning and disinfection chemicals, and waste-related issues that are already managed appropriately in the target health facilities of the project. The project will neither finance nor support any civil works and all of the Project investments will be installed and used in selected and existing public health care facilities and laboratories. Project funds will support the purchase of (i) ambulances; (ii) medical supplies and equipment, including lab and blood bank equipment and reagents; (iii) test kits; and (iv) medicine. The MSPBS has in place mechanisms for medical waste management disposal of: a) laboratory waste, b) hospital and infectious waste, and c) environmental risk management in general, which have been found appropriate in a recent Bank operation and meet the WHO protocol for managing infectious waste. Environmental and social risk management and training will be needed to prevent, minimize and mitigate any negative impact of the management of HCW, including other hazardous waste that can be expected to increase in volume and challenge the existing management capacity, from the generation of laboratory waste, and the hospitalization of the sick.

**Social Risk Rating**

The social risk rating for this Project is Low. The Project is expected to have only positive social impacts, as the supplies acquired through this project will be directed to the public national healthcare system, which provides care and epidemiological containment to everyone, including the most vulnerable population and historically excluded groups. Care is provided irrespective of ability to pay. The Project will not involve resettlement or land acquisitions and will not include new activities or hiring of additional staff. The funds will be used to prop up existing mechanisms
of epidemiological control and health care, through already established programs and protocols. Key activities supported under the Project are aligned with the COVID-19 SPRP developed by the WHO.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

**Overview of the relevance of the Standard for the Project:**

This standard is relevant. Environmental risks include: (i) the removal and disposal of sharp and pointed items, discarding medical supplies related to isolation measures (gloves, masks, hospital gowns, goggles, leftover medicines, etc.) in health centers, labs, blood banks, and home quarantine; (ii) contamination to the environment and health and safety risks due to the use of cleaning and disinfection products, chlorine, or their combinations; (iii) risks including health and safety risks to personnel from handling and use of oxygen tanks in clinical care settings and from handling, use, storage, and disposal of chemicals and reagents in diagnostic laboratory settings; and (iv) transport and disposal of viral contaminated materials once used in clinical care and laboratory diagnosis. The project will rely on the WHO protocols and technical guidance related to, inter alia: (i) health program impacts, including waste management and health personnel health and safety; (ii) risk communication and community engagement; (iii) country-level coordination, planning and monitoring; and (iv) laboratory biosafety.

The Paraguay Public Health Sector Strengthening (PPHSS) Project (IBRD 8963-PY) prepared in 2019 has an Environmental and Social Management Framework (ESMF) that analyzed the national system, capacities, and procedures; includes the relevant risk management and mitigation measures to Bank and WHO/PAHO standards for both health personnel and patient care as well as laboratory biosafety protocols and will be applicable to this project.

ESS10 Stakeholder Engagement and Information Disclosure

This Standard is relevant. The borrower has already prepared and is implementing a COVID-19 Preparedness and Response Plan (COVID-19 PRP), which includes protocols and mechanisms for inter-sectorial, intercountry and international collaboration and timely information exchange, dialogue, and mobilization of resources. The plan also includes provisions and two-way communication mechanisms with beneficiaries, populations at risk and vulnerable communities. Currently, at Containment Phase, the MSPBS has already created an Emergency Operations Center (COE) and established a multidisciplinary technical team to ensure multi-sectoral technical collaboration on different aspects including the coordination of the communications strategy. The Project will rely on these structures to engage with stakeholders. The main actions included in the COVID-19 PRP comprise guidelines for: (i) internal and external coordination with all relevant stakeholders; (ii) public communication through mass media and other channels; (iii) community-driven participation, including the use of social networks.

The COVID-19 PRP also includes guidance for different stakeholders (e.g. health workers, general population, the population at risk, etc.); strengthening of the epidemiological surveillance system (e.g. homogenize isolation methods and follow up mechanisms, etc.); and laboratory capacity (e.g. assess decentralized diagnostic capacities, monitor diagnostic supplies, etc.) which complies with ESS10. The COVID-19 PRP has been published on the MSPBS’s website (https://www.mspbs.gov.py/covid-19.php?q=CORONAVIRUS&modo=1).
The Government has established a telephone number (154) as the main Grievance Mechanism. The number also works as one of the sources of information and assistance for early diagnostic and quarantining advice. The PIU will monitor this feedback mechanism as the project’s GRM to ensure that any project-specific issues are included in a project GRM log that is managed quickly, responded to, and settled.

The Project will also enable beneficiaries and stakeholders to provide feedback and integrate received feedback to improve results through the existing User Attention Service (SAU) of the MSPBS, which is currently used by the public health system users to ask for information, make claims and bring up grievances by phone (021 2374232), email (sau@mspbs.gov.py) or the web (https://www.mspbs.gov.py/atencion-usUARIO.html).

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

This Standard is relevant. There are only limited, or minimal negative risks and impacts related to labor and working conditions expected under this Project. The Project will be carried out in accordance with the applicable requirements of ESS2, in a manner acceptable to the Bank, including through, inter alia, implementing adequate existing occupational health and safety measures (including emergency preparedness and response measures) and incorporating labor requirements into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms, as applicable. The National Coronavirus Response Plan of 2020 specifically mentions the need to include personal protective equipment (PPE) for health care workers and laboratory personnel. The Project will be entirely implemented by staff of the MSPBS (Government Civil Servants). The project will not directly contract workers; however, it is likely private contractors will be required for handling, transport, and disposal of health management waste derived from the supplies purchased by the project, which will follow national laws on the collection, management, and disposal of medical waste that meet World Bank standards. The PIU will prepare a Labor Management Procedures document accordingly, during the first 30 days after Effectiveness. As per applicable legislation, working conditions for all project workers are materially consistent with ESS2. In all cases, the MSPBS will ensure that all workers under this Project have access to a GRM intended for them and developed within one month after effectiveness, based on existing national laws and regulations. The Project will also incorporate labor requirements into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms.

ESS3 Resource Efficiency and Pollution Prevention and Management

This Standard is relevant. The project will generate moderate amounts of contaminated disposable medical materials and chemicals used for testing, reagents, and cleaning agents related to the emergency response within public health facilities and diagnostic laboratories. The overall health care system capacity in regard to management of medical waste and laboratory waste is weak, however the project investments will focus on the parts of the system that have incorporated GIIP and WHO protocols including the National Central Laboratory that is a BSL3 level rated lab and selected hospitals and primary health care facilities. The country has a 2011 Procedural Manual for Integrated Management of Wastes from Health Care and Associated Facilities prepared with support from PAHO and a 2013 National Integrated Plan for Management of Pathological and Common Wastes. The legislative framework is
consistent with Good International Industry Practice (GIIP) including Law 3361/07 and its regulatory decree 6538/2011 on Wastes Generated in Health and Associated Facilities. Health wastes of the key facilities that will be associated with the project have protocols incorporated for proper handling, use, storage, and disposal. Health Waste Management (HWM) includes a third-party operator that is the only one currently licensed for this service following GIIP and national legislative and regulatory licensing requirements. Those that may not be up to standard will be supported to ensure they follow the protocols in the ESMF and national legislation. The laboratory also complies with WHO standards and has recently purchased upgraded testing equipment and follows protocols of a BSL Level 3 lab. The lab wastes are also managed by a licensed hazardous waste operator that are regulated by both the DIGESA of the MSPBS and licensing of the Ministry of Environment (MADES).

ESS4 Community Health and Safety
This Standard is relevant. The Project will not generate any adverse impacts on communities and will be carried out in a safe manner with low incidences of accidents and incidents in line with Good International Industry Practice, following WHO protocols. Ambulances to be purchased will be driven by duly licensed and trained drivers of the MSPBS and associated hospitals and are expected to follow basic road safety protocols to protect both community members as well as the patients and personnel within the vehicles. Only licensed operators will manage health and laboratory wastes with adequate protection of all types of patients and the general public from any potential threat of contagion and contamination. The ESMF has provisions for adequate training of personnel and adequate equipment to manage sharps and other contaminated materials. The COVID-19 diagnostic laboratory has BSL 3 certification.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
This Standard is not currently relevant. The outcome of E&S screening did not identify any potential risks and/or impacts relevant to ESS5. The Technical Assistance will not require land acquisition that would result in the impacts covered under this Standard.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
This Standard is not currently relevant. Activities are limited to purchase of goods and training. Waste will be managed through licensed operators that would not imply risks to natural habitats or biodiversity.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
This Standard is relevant. Since this is a national Project, Indigenous Peoples (IPs) are present in the project implementation area. It is not expected that any of the activities related to the Project will have neither direct nor indirect negative impacts on Indigenous Peoples. All the activities financed by the Project will respect the human rights, dignity, aspirations, identity, culture, and livelihoods of IPs. The Project will ensure that care is provided for all, irrespective of origin or ethnicity, and with due care to take into account the cultural and language requirements of IPs.
ESS8 Cultural Heritage

This Standard is not currently relevant. The outcome of E&S screening did not identify any potential risks and/or impacts relevant to ESS8. It is not expected any possibility of directly or indirectly affecting tangible or intangible cultural heritage. No civil works means no earth excavation under the project.

ESS9 Financial Intermediaries

This Standard is not currently relevant. The Project will not involve the use of Financial Intermediaries.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

No

OP 7.60 Projects in Disputed Areas

No

III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

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<tr>
<th>DELIVERABLES against MEASURES AND ACTIONS IDENTIFIED</th>
<th>TIMELINE</th>
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<tbody>
<tr>
<td>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</td>
<td>03/2022</td>
</tr>
<tr>
<td>Organizational structure: The Project will be implemented using the MSPBS structure and staff. The General Directorate of Administration and Finance (DGAF) will be responsible for the management of the ESHS risks and impacts of the Project. The DGAF will coordinate with DIGESA and DINASAPI, as required to accomplish the Environmental and Social Standards (ESSs) that apply to this Project.</td>
<td>03/2022</td>
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<tr>
<td>E&amp;S assessment: Assess the E&amp;S risks and impacts of the Project activities in accordance with the COVID-19 PRP and the Good International Industry Practice (GIIP), including the WHO SPRP, and the ESMF prepared for the PY Public Health Sector Strengthening Project; in a manner consistent with ESS1, including to ensure that individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable, have access to the development benefits resulting from the Project.</td>
<td>03/2022</td>
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<tr>
<td>Management plans and instruments: Prepare, disclose, adopt, and implement any environmental and social management plans or other instruments required for the respective Project activities as per the assessment process, in accordance with the ESSs, the EHGSS, and the WHO SPRP and the Paraguay COVID-19 PRP; in a manner acceptable to the Bank.</td>
<td>03/2022</td>
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<td>Contractors: Incorporate the relevant aspects of this ESCP, including, inter alia, any environmental and social management plans or other instruments, ESS2 requirements, and any other required ESHS measures, into the ESHS specifications of the procurement documents and contracts with contractors</td>
<td>03/2022</td>
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and supervising firms. Thereafter ensure that the contractors and supervising firms comply with the ESHS specifications of their respective contracts.

### ESS 10 Stakeholder Engagement and Information Disclosure

Adopt measures, as set out in the ESS10 and the WHO's (SPRP) to ensure that the carrying out of Project activities includes stakeholder engagement and information disclosure consistent with ESS10, in a manner acceptable to the Bank.

- **Grievance Mechanism**: Accessible grievance arrangements shall be made publicly available to receive and facilitate the resolution of concerns and grievances in relation to the Project, consistent with ESS10, in a manner acceptable to the Bank.

### ESS 2 Labor and Working Conditions

- **Labor Management**: The Project shall be carried out in accordance with the LMP to be prepared for the Project and ESS2, in a manner acceptable to the Bank, including through, inter alia, implementing adequate occupational health and safety measures.

### ESS 3 Resource Efficiency and Pollution Prevention and Management

- Relevant aspects of this standard shall be considered, as needed, including, inter alia, measures to manage health care wastes and other types of hazardous and non-hazardous wastes.

### ESS 4 Community Health and Safety

- Relevant aspects of this standard shall be considered, as needed, under the Environmental and Social Assessment, Management Plans and Instruments.

### ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

### ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

### ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

- Relevant aspects of this standard shall be considered, as needed, throughout Project implementation.

### ESS 8 Cultural Heritage

### ESS 9 Financial Intermediaries

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**B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts**

**Is this project being prepared for use of Borrower Framework?**  
No

**Areas where “Use of Borrower Framework” is being considered:**
Borrower Framework is not being considered for this Project.

IV. CONTACT POINTS

World Bank
Contact: Luis Orlando Perez Title: Sr Public Health Spec.
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Contact: Daniela Paula Romero Title: Operations Officer
Telephone No: 5260+3727 / Email: dromero1@worldbank.org

Borrower/Client/Recipient
Borrower: Republic of Paraguay

Implementing Agency(ies)
Implementing Agency: Ministry of Public Health and Social Welfare

V. FOR MORE INFORMATION CONTACT
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Washington, D.C. 20433
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VI. APPROVAL
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