

## TC ABSTRACT

### I. Basic Project Data

Country/Region:	Panama/CID
TC Name:	Closing the Poverty Gap: Enhancing Service Quality through Cultural Adequacy and a Territorially-based Approach
TC Number:	PN-T1147
Team Leader/Members:	Carmen Albertos (SCL/GDI) Team Leader, Leonardo Pinzón (SPH/CPN), Cynthia Hobbs (EDU/CPN), Juan Manuel Leaña (TSP/CPN), Beatriz Uribe (CID/CPN), Attorney (LEG/SGO), and Lina Uribe (SCL/GDI)
Indicate if Operational Support, Client Support, or Research and Dissemination:	Client and Operational Support
If Operational Support TC, give number and name of Operation Supported by the TC:	PN-L1115 Strengthening of Health Networks; PN-L1105 Program for Social Development and Inclusion; PN-L1064 Educational Facilities and Learning Quality
Reference to Request: (IDB docs #)	<a href="#">(IDBDOCS#39905974) Letter from MIDES</a>
Date of TC Abstract:	October 14, 2015
Beneficiary:	Republic of Panama
Executing Agency and contact name:	IDB, through the Gender and Diversity Division, Social Sector (SCL/GDI) in coordination with the Country Office in Panama (CID/CPN). Carmen Albertos (SCL/GDI, carmenal@iadb.org)
Donors Providing Funding:	Finnish Technical Cooperation Fund (FTA)
IDB Funding Requested:	US\$700,000
Local counterpart funding, if any:	US\$0
Disbursement period:	36 months
Required start date:	January 2016
Types of consultants	Firms and individual consultants
Prepared by Unit:	Gender and Diversity Division (SCL/GDI), in coordination with Social Protection and Health, Education, and Transportation Divisions in Panama (SPH, EDU, TSP)
Unit of Disbursement Responsibility:	Social Sector (SCL/SCL)
Included in Country Strategy (y/n);	Yes, Country Strategy for Panama 2015-2019 (pending approval)
TC included in CPD (y/n):	Yes, Country Strategy for Panama 2015-2019 (pending approval)
GCI-9 Sector Priority:	(i) Small and Vulnerable Countries (ii) Poverty reduction, equity promotion, (iii) IDB Strategy for Social Policy for Equity and Productivity (GN-2588-4); (iv) Sector Framework for Gender and Diversity (GN-2800-3).

### II. Objective and Justification

- 2.1 Since 2000, Panama has had a higher than average economic growth rate of 8.3%— which is higher than the Latin American average. This has contributed to reductions in poverty and unemployment rates. In spite of this economically favorable situation and the progress being made in terms of income distribution,<sup>1</sup> income disparities and social inequalities have remained high when compared

<sup>1</sup> Gini coefficient change from 0,56 in 2002 to 0,51 in 2012. World Bank, 2012.

- with other Latin American countries. Indeed, in Panama poverty levels in 2012<sup>2</sup> reveal a gap between urban areas (13.8% of the population), dispersed rural areas (49,7%), and indigenous *comarcas*<sup>3</sup> (86,9%).
- 2.2 The development gap between indigenous and non-indigenous peoples has been widely documented throughout Latin America.<sup>4</sup> In Panama, the disparity in education levels, health conditions, and access to services between non-indigenous and indigenous population is alarming.<sup>5</sup> The percentage of the indigenous population older than 15 years that has not completed primary education is three times higher than national average (45% vs 14%) and only 2% of indigenous peoples have completed tertiary education, compared with 13.1% for the nation as a whole. From 1990 until 2013, maternal mortality increased in Panama<sup>6</sup> from 53.4 to 55.6 deaths per 100,000 live births, which is much higher than the Millennium Development Goal of 13.4 deaths per 100,000 live births<sup>7</sup> for 2015. In the indigenous *comarcas*, maternal mortality is even higher, with 274.3 deaths per 100,000 live births in the Ngäbe Buglé *comarca*, which is ten times higher than the national average.
- 2.3 Several studies have documented the barriers encountered by indigenous peoples when accessing basic social services which explain the disparities. The gaps are due to lack of access to good quality social services, remote and dispersed geographical location, and lack of culturally relevant social services.<sup>8</sup> In addition, the development literature<sup>9</sup> has demonstrated the importance of going beyond a single-sector based approach and, instead, implementing a more comprehensive service model that incorporates multiple sectors. This model has proved to be more effective and efficient. However, in Panama interventions are delivered in the territory in a highly fragmented manner (for instance, schools are built, but they might lack water or electricity) due to the lack of coordination among the different public entities which prevents fully integrated responses to address local needs.
- 2.4 To overcome these challenges, the Government of Panama has prepared a new strategic plan (*Plan Estratégico de Gobierno (PEG) 2015-2019*), aimed to

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<sup>2</sup> Ministry of Economy and Finance (MEF) 2014: Population survey 2012-2013.

<sup>3</sup> There are 7 distinct indigenous peoples in Panamá (Ngäbe, Buglé (Bokota), Kuna, Emberá, Wounaan, Naso (Teribe) and Bri-Bri) that represent 12.3% of total population. Most of the indigenous population (77%) live in rural areas and 23% in urban centers (National Census 2010). As part of the administrative organization of the country, there are 5 indigenous *comarcas* (3 as provinces - Guna Yala, Embera Wounaan y Ngäbe Buglé- and 2 as *corregimiento* - Kuna de Madungandi and Kuna de Wargandi). Of the rural indigenous, 76,1% live inside *comarcas* while 38% live in rural areas outside *comarcas*, either in recognized collective territories or communities in process of land titling.

<sup>4</sup> Hall, G. and H.A. Patrinos. 2006. Indigenous Peoples, Poverty and Human Development in Latin America. London: Palgrave Macmillan; United Nations (2009) State of the World's Indigenous Peoples ([http://www.un.org/esa/socdev/unpfii/documents/SOWIP/en/SOWIP\\_web.pdf](http://www.un.org/esa/socdev/unpfii/documents/SOWIP/en/SOWIP_web.pdf))

<sup>5</sup> Instituto Nacional de Estadística y Censo (2013). *Diagnóstico de la Población Indígena de Panamá con base en los Censos de Población y VII de Vivienda de 2010*. Ciudad de Panamá: Contraloría General de la República de Panamá. [http://www.contraloria.gob.pa/inec/archivos/P6571INDIGENA\\_FINAL\\_FINAL.pdf](http://www.contraloria.gob.pa/inec/archivos/P6571INDIGENA_FINAL_FINAL.pdf)

<sup>6</sup> Tendencia contraria a la de la mayoría de los países de la región donde ha habido una reducción anual de aproximadamente 4%. Hogan, MC et al. (2010).

<sup>7</sup> ODM, III Informe de Panamá, 2009.

<sup>8</sup> BID (2015): Asuntos de familia. Estudio cualitativo sobre las redes sociales durante el embarazo y parto en Mesoamérica Chiapas-México, Guatemala, Panamá, Honduras y Nicaragua (<https://publications.iadb.org/handle/11319/6954>); Programa de las Naciones Unidas para el Desarrollo (2014). Imaginando Un Futuro Común: Plan de Desarrollo Integral de los Pueblos Indígenas. Ciudad de Panamá. <http://www.pa.undp.org/content/panama/es/home/library/poverty/sistematizacion-plan-desarrollo-indigena/>

<sup>9</sup> Patrinos, H. 2007 Indigenous peoples in Latin America : economic opportunities and social networks, Policy Research Working Paper WPS4227.

improve competitiveness and promote social inclusion in a sustainable development model.<sup>10</sup> The PEG contains six areas of intervention: diversification and economic productivity; improvement of quality of life; capacity building and strengthening of human capital; connectivity; territory and environmental sustainability; and institutional strengthening and governability. The new IDB Strategy for 2015-2019 is consistent with the PEG and it is focused on improvement of access to social services for the poor and extreme poor, strengthening human capital, and improvement of connectivity for productive infrastructure. Lessons learned from the IDB Strategy 2010-2014 emphasize the need for better multi-sectorial coordination at the local level.

- 2.5 The objective of this TC is to support the Government of Panama to close the poverty gap by promoting cultural pertinence in social service delivery for the poor, especially in indigenous *comarcas* and by implementing a multi-sectorial approach in territories to increase the efficiency of public expenditure. The results of the TC will enhance the quality of several IDB loans by addressing the geographical and cultural barriers facing *comarcas* and other remote rural populations.
- 2.6 This TC will contribute to the main objectives of the Panama Country Strategy 2015–2019 namely: (i) improving quality of life of the poor; (ii) strengthening the education profile of the population; and (iii) promoting the connectivity of productive infrastructure. In addition, it will support executing agencies (MEDUCA; HEALTH; TSP, WSA) to better coordinate at the local level to deliver services in an efficient and effective manner.

### III. Description of Activities and Outputs

- 3.1 **Component 1. Improving quality of social service delivery and increasing human capital (US\$275,000).** The objective of this component is to enhance quality and increase the efficiency of basic service delivery to the poor by generating knowledge and culturally adapted tools. This component will finance, among other activities: (i) participatory and ethnographic research with Guna, Ngäbe and Embera communities to generate knowledge on their concepts of health and illness, intercultural health, social protection services focused on women and children, and bilingual and intercultural education; and (ii) design and implementation of a participatory methodology to generate ethno-engineered<sup>11</sup> proposals to adapt the physical structure of health centers, hospitals, and *Centros de Atención Infantil* (COIF) to the local culture in which they are located. Products and results: (i) culturally appropriate health and social protection protocols for MINSA and MIDES personnel and technical notes on Guna, Embera and Ngäbe culture; (ii) curricula proposals and indigenous school practices for intercultural and bilingual education; and (iii) Guna, Ngäbe and Embera ethno-engineering proposals.

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<sup>10</sup> Gobierno de Panamá. “Plan Estratégico de Gobierno 2015-2019”, 2015.

<sup>11</sup> Ethno-engineering is a methodology that incorporates participatory research to select, design, and maintain, in a sustainable way, infrastructure works. It takes into account environment as well as sociocultural aspects ensuring the resulting infrastructure is adequate to local communities culture and context (Perafán, C. 2005 *Ethno-engineering Guidelines*, IDB: Washington, DC).

- 3.2 **Component 2. Connectivity for production (US\$325,000).** The objective is to develop proposals to strengthen permanent connectivity between indigenous areas and productive and commercial chains, and identify income generation opportunities for indigenous *comarcas*. This component will finance, among other activities: (i) a study on transportation conditions, services and needs to identify existing rural roads and bridges and other routes (existing and potential) for commercial or productive centers that will include a proposal for participatory and gender-focused approaches to rural road maintenance; (ii) identification of income generating proposals in the *comarcas* with participation from indigenous peoples; (iii) social management activities for basic infrastructure, such as water and sanitation projects or rural electricity; and (iv) identification of barriers for communication and development in remote rural areas and proposals for innovation. Products and results: (i) transportation study in rural areas and *comarcas*; (ii) design of an income generating plan for a specific territory; (iii) a technical note on social management for basic infrastructure; and (iv) a study on barriers and solutions for innovation.
- 3.3 **Component 3. Territorial management and multi-sectorial coordination (US\$75,000).** The objective is to strengthen government institutions at the national, departmental and local levels to improve coordination in planning and services delivery in the territory. Strengthening of local governance institutions, such as indigenous Congresses, are also contemplated. This component will finance: (i) the design of a methodology for multidisciplinary coordination in the territory; (ii) the development of investment plans with participatory methodologies; and (iii) pre-investment activities to facilitate integrated delivery of services. Products and results: (i) multi-sectorial coordination methodology; (ii) investment plans; and (iii) pre-investment studies in water, sanitation, energy (including renewable energy), etc.

#### IV. Budget

- 4.1 The estimated cost of this operation is US\$700,000. It is proposed that the Finish Technical Assistance Fund (FTA) finances the operation subject to GCM SW consideration.

##### Indicative Budget (US\$)

Activity/ Component	Description	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1	Improving quality of social service delivery and increasing human capital	275,000	0	<b>275,000</b>
Component 2	Connectivity for production	325,000	0	<b>325,000</b>
Component 3	Territorial management and multi-sectorial coordination	75,000	0	<b>75,000</b>
Incidentals		25,000	0	<b>25,000</b>
<b>Total</b>		<b>700,000</b>	<b>0</b>	<b>700,000</b>

## **V. Executing Agency and Execution Structure**

- 5.1 Given the multi-sectorial nature of the activities contemplated in this Technical Cooperation and the multiple coordination efforts with different public entities that will occur during execution, the Government of Panama has requested the Bank to serve as the executing agency. Therefore, the Bank, through SCL/GDI in coordination with the Country Office in Panama will be the contracting agency.

## **VI. Project Risks and Issues**

- 6.1 The main risks identified in this operation are: (i) that a lack of adequate coordination between TC activities and the loan investment activities could delay execution; and (ii) execution capacity of the loans executing agencies could potentially delay investments in rural dispersed populations risking credibility built with indigenous peoples through participatory processes. To mitigate these risks the following mitigation measures are proposed: (i) IDB team is comprised of specialists in charge of the loans who will meet regularly to guarantee coordination when planning TC activities; and (ii) the TC includes component 3 focused on strengthening institutional capacities for execution and to support public entities to overcome new challenges of multi-sector interventions.

## **VII. Environmental and Social Classification**

- 7.1 Given the characteristics of this TC, there are no expected environmental or social adverse impacts. Therefore, it has been classified as [category "C"](#) as per OP-703.