

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC12580

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Panama	Project ID:	P155097
Project Name:	Strengthening Social Protection and Inclusion System (P155097)		
Task Team Leader(s):	Edmundo Murrugarra		
Estimated Appraisal Date:	21-May-2015	Estimated Board Date:	30-Jul-2015
Managing Unit:	GSPDR	Lending Instrument:	Investment Project Financing
Sector(s):	Other social services (75%), Health (20%), Vocational training (5%)		
Theme(s):	Social Safety Nets/Social Assistance & Social Care Services (30%), Social Protection and Labor Policy & Systems (35%), Health system performance (10%), Indigenous peoples (10%), Income Support for Old Age, Disability & Survivorship (15%)		
Financing (In USD Million)			
Total Project Cost:	80.00	Total Bank Financing:	80.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
International Bank for Reconstruction and Development			80.00
Total			80.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

15. The Project Development Objective is to support the Government in increasing the efficiency of the social protection system and in promoting the inclusion of the poor and vulnerable population. The proposed Project would support the increase in the efficiency of the social protection system by strengthening the functioning of individual social assistance programs including the

improved targeting and coverage of programs and their harmonization in operational processes. The harmonized system of social programs is the necessary basis for facilitating the participation of the poor and vulnerable in other programs that address their employability and productive capacities.

C. Project Description

23. The proposed Project has four components addressing critical areas to achieve the PDO:

24. Component 1. Institutional strengthening and capacity building to support the consolidation of Panama's social protection system (US\$14 million). The objective of this Component is to strengthen the capacity of the Government to design and manage social programs to enhance the harmonization, transparency, accountability and follow up of social programs. Core programs include those managed by the MIDES (RO, 120 a los 65, Angel Guardian) and others like Beca Universal. This component would finance the improved management of social protection programs to increase their coverage, targeting, relevance, harmonization and impact. It includes three subcomponents: (1) improvement of social protection system instruments through, among other activities, a Single Registry; (2) strengthening of social protection program management tools; and (3) increased efficiency in payments of social assistance programs.

25. Subcomponent 1.1. Improvement of social protection system instruments (US\$5 million). This subcomponent would support the development of an information systems to facilitate information exchange across programs and consolidation for its use as a policy design and monitoring tool. This subcomponent would include: strengthening of the Single Registry and information systems; development of a modular Single Registration instrument that can be used across different programs to avoid separate and inconsistent registration instruments; and, strengthening of the MIDES Monitoring and Evaluation Unit, based on the SR data. This unit would be responsible for the design and implementation of monitoring and evaluation activities for the main social programs and in particular the cash transfer programs.

26. Subcomponent 1.2. Improvement of program management tools (US\$5 million). This subcomponent would support the strengthening of the management of individual social programs to increase their efficiency. This includes: (i) revision of targeting instruments in selected programs to enhance the use of a single social information registry that could differ in its indicators across programs addressing specificities of the target population; (ii) implementation of recertification strategies to strengthen the targeting of social programs beginning with corregimientos with larger inclusion errors; (iii) implementation of census and inclusion activities to strengthen the coverage of social programs by including eligible individuals into programs; (iv) revision of verification of co-responsibilities strategies for selected programs to ensure beneficiaries effectively comply with co-responsibilities and monitoring indicators adequately reflect these compliance indicators; (v) strengthening management information systems (MIS) for selected social programs to adequately ensure transparency and enable timely monitoring of registration, eligibility, compliance to co-responsibilities, payments and household roster changes; (vi) update of beneficiary rosters of selected social programs using the revised registration and targeting instruments and including beneficiary changes due to recertification of beneficiaries and census and inclusion activities; and (vii) revision of the operational manuals of social programs, in particular the rules of entry and exit to refine their links across programs and facilitate transitions between them, among others.

27. Subcomponent 1.3. Increased efficiency in payments of social assistance programs (US\$4 million). This subcomponent would support the design and implementation of payments processes of social programs through financial intermediaries (bancarización). A first objective is to outsource

these processes and reduce the administrative costs of payment processes and households' costs in collecting their transfers. The use of financial and human resources in the process of payment of social programs divert significant attention from program priorities such as updating household information or monitoring of co-responsibilities. A second objective is to enhance the access to and use of financial services by all segments of the population, and in particular by the poor and vulnerable, in what is called financial inclusion. This subcomponent requires a strong effort of financial education and an active role of the local actors for the dissemination of information.

28. Component 2. Strengthen the MIDES territorial network and direct family support (US\$20 million). This Component would support the strengthening of the MIDES territorial network necessary to operationalize the program activities such as outreach and registration, management of non-compliance, and support to information collection processes, among others. This network aims to place MIDES personnel as one-stop-shop in the provision of information of social services and programs, especially towards those supporting human capital investments and productive and employability interventions. MIDES has more than 300 family sponsors (promotores), responsible for disseminating information to beneficiary families on the functioning of programs but have not evenly supported all social programs due to their contracting conditions and training. This component includes activities that enhance the role of promotores MIDES as the gateway to social programs offered by the MIDES and facilitate the programmatic supply of other institutions. This Component would include two subcomponents:

29. Subcomponent 2.1. Strengthening the MIDES territorial coverage of promotores (US\$2.9 million). This subcomponent would finance the contracting of promotores in areas undercovered by the existing network and would include the design of a strategic territorial allocation, and revision of terms of reference and outcome indicators.

30. Subcomponent 2.2. Strengthening the content of the MIDES territorial network (US\$2.1 million). This subcomponent would finance the design and implementation of the promotores training package, including both MIDES programmatic supply as well as critical thematic issues like children nutrition practices.

31. Component 3. Strengthening the supply of culturally pertinent health services in indigenous areas (US\$15 million). This Component would review and strengthen the actions carried out in the first Social Protection Project (P098328) and will support the culturally appropriate expansion of the strengthened health care package. Panama faces large inequalities in access to and quality of health care for the rural and indigenous population. Mortality among children under 5 reaches 19 percent at the national level, but in comarcas rates range between 45.6 and 30.4 percent. The disparity in health outcomes is due largely to inequitable health access for the poor, with the majority of medical care centralized in the wealthier urban areas.

32. The package of services delivered by the Extension of Coverage Strategy (EEC in its Spanish acronym) through the PSPV and PAISS+N mechanisms provides nutritional education services, birth control, among others to its target beneficiary population. However, beneficiary follow-up needs to be strengthened and the cultural adaptation focus needs to be reinforced to produce greater impact. This package will be strengthened to identify specific services towards the target population on other social programs like people with disabilities and the elderly. In addition, the capacity to identify warning signs for risky pregnancies or non-communicable diseases that may result in disabilities faces challenges in the form of early diagnosis, lack of methodical follow-up, lack of resources for transporting patients in urgent cases, lack of action or simple lack of community

support networks. This component will have four subcomponents:

33. Subcomponent 3.1. Improving Access to Health Services for the PAISS+N Beneficiaries (US\$7.5 million). This would finance the expansion of the delivery of PAISS+N to the indigenous community by financing the establishment of temporary rooms within the proximity of care centers for risky pregnancies, developing triggers for mobilizing needed transport services to ensure beneficiaries can access proper levels of care, introducing culturally appropriate practices in the centers of care that do not deter the indigenous beneficiaries from accessing care, and assessing approaches and incentives that can be introduced to increase health workforce accessibility in the rural, indigenous areas.

34. Subcomponent 3.2. Expanding the strengthened package of health services to priority populations in indigenous areas (US\$ 2.5 million). This would finance consultancies to review the services included in the basic package of maternal and infant health services provided through PAISS+N, and identify gaps in service delivery addressing the needs of the elderly and people with disabilities. In addition, this sub-component will finance inputs (essential medicines, equipment) required to deliver the new services identified as gaps in the current package.

35. Subcomponent 3.3. Strengthening the institutional capacity of the MINSA to coordinate actions across actors that form part of the health network (US\$ 2 million). This will support MINSA at the regional level for enhancing its capacity to supervise the activities delivered in this Component. This will include improving the institutional capacity of MINSA to plan and coordinate the implementation of PAISS+N with other health programs and develop a package of education and communications materials with the key messages and behaviors being promoted.

36. Subcomponent 3.4. Developing and implementing a Monitoring and Evaluation System (US \$ 3 million). This would create and set in motion mechanisms to identify, register, and monitor the beneficiary population in their accessing of the services offered through the PAISS+N package and other packages addressing the needs of the elderly and people with disabilities. The mechanism will also include developing a rigorous verification method to support the program's measurement of progress and results. To measure the impact of the program, MINSA will contract out an enhanced program assessment to assess the impact of the program using a baseline, treatment and control groups, and a follow-up survey.

37. Component 4: Facilitate social and productive services for the population of the Single Registry (US\$31 million). This Component seeks to complement the activities of social programs with actions that support complementary investments in human capital through training and insertion into labor and other markets. This component will finance the provision of employability and productive services for the poor and vulnerable population registered in the SR. This subcomponent aims to strengthen the productive inclusion of social program beneficiaries through the strengthening of their productive capabilities and facilitating their participation in labor and other markets. This Component would include two subcomponents:

38. Subcomponent 4.1. Strengthening the supply of employability and productive services for the vulnerable and poor (US\$16 million). In particular this subcomponent will finance the training for individuals in the SR in technical areas identified as strategic through a needs assessment of training, definition of family and community training strategy, and the implementation of the strategy. The training will be provided using the existing capacity of the INADEH. This component will exploit the lessons from similar strategies like PRONATEC in Brazil or PATI in El Salvador.

39. Subcomponent 4.2. Facilitating participation of the poor and vulnerable into labor markets (US\$15 million). This subcomponent aims to facilitate participation of vulnerable young people, particularly those members of participating families in social programs, in public programs that enhance labor market insertion like ProJoven and PAIL, managed by the MITRADEL. Existing programs would be assessed and adjusted to accommodate the socio-economic profile of the target population.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The Project will be country-wide, including indigenous autonomous territories (comarcas). Despite a decade of sustained fast growth and poverty reduction in Panama, there are sharp regional disparities as the extremely poor are increasingly concentrated in remote geographic areas where indigenous peoples live. The comarcas have the highest poverty rates (between 80 and 90 percent) and show the lowest poverty declines: poverty declined just 4.2 percentage points between 2007 and 2014. In 2014, extreme poverty was five times larger in comarcas (58.2 percent) compared to the national incidence. As a result, extreme poverty has become an indigenous phenomenon: in 2007, 24 percent of all extremely poor people in Panama lived in the comarcas, a figure which rose to 42 percent by 2012. The population in extreme poverty in Panama live in households where the heads have on average only 5 years of education (4.5 fewer than the national average), are concentrated in the agricultural sector, and work mainly as self-employed or unpaid family workers. They have much higher dependency ratios, driven by a much greater share of young children. The slower poverty reduction in comarcas and rural areas points to the need to address bottlenecks in access to social services and improvement in their productivity.

There are other demographic groups that are lagging behind in benefitting from the recent growth experience. The last years of growth had an impact on poverty through reduced unemployment rates (4.3 percent in 2014) and higher labor incomes that explain two thirds of the reduction in poverty. Still, labor markets did not benefit all individuals in the same way. Youth unemployment in 2014 reached 10.3 percent, more than twice the national rate, and it was particularly high among secondary education graduates (14.8 percent). Youth from families that receive social assistance like Red de Oportunidades conditional cash transfer program (CCT) that have lower levels of secondary completion, also show high unemployment rates reaching 17 percent. Unemployment has also a strong geographic concentration in urban areas, reaching 9.8 percent in areas like Colon. This recent growth and poverty reduction experience emphasizes the need for a differentiated social policy agenda across geographic areas in Panama and across socioeconomic and ethnic groups.

E. Borrowers Institutional Capacity for Safeguard Policies

The project would trigger the Indigenous Peoples (OD 4.10) safeguard policy. As a large fraction of MIDES beneficiaries live in indigenous comarcas, and subject to Project activities, an Indigenous People's Plan (IPP) would be developed during project preparation in consultation with government authorities. The IPP would build on the indigenous survey and the results from the impact evaluation survey of the previous Project (P098328). The implementation of the Indigenous People's Plan was limited and MIDES capacity will be further assessed by the World Bank Team during preparation and the need for capacity enhancement will be determined.

F. Environmental and Social Safeguards Specialists on the Team

Gunars H. Platais (GENDR)

Kimberly Vilar (GSURR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The Project has an Environmental Risk category B due to issues related to medical waste management and old medical equipment disposal in Component 3. While this component would not generate medical waste from immunizations and maternal and child care, Component 3 triggers OP/BP 4.01 due to issues related to medical waste in diagnostics of some non communicable diseases. The Project would use the environmental plans and other mitigation measures included in the previous operation (P098328).
Natural Habitats OP/BP 4.04	No	None of the activities under the project will have any impact on natural habitats.
Forests OP/BP 4.36	No	The Project does not consider any works in forest areas or changes to forest management.
Pest Management OP 4.09	No	The Project would not finance investments that would results in the procurement or significant use of pesticides.
Physical Cultural Resources OP/BP 4.11	No	The Project will not involve works and thus no significant impacts on physical cultural resources are expected.
Indigenous Peoples OP/BP 4.10	Yes	The Project triggers OP/BP 4.10 given the inclusion of indigenous peoples as one the project's beneficiary populations and the specific targeting of indigenous peoples in Component 3, Strengthening the Supply of Culturally Pertinent Health Services in Indigenous Areas. An Indigenous Peoples Plan will be prepared, broadly consulted, and disseminated both in country and on the Bank's website before appraisal. A social assessment that evaluates lessons learned from the previous Social Protection Project (P098328) and, especially, from previous work with indigenous communities in Panama, as well as indigenous governance structures and their relation to social service provision will be prepared to develop the IPP. The team will consult the IPP with indigenous groups in comarcas through the Indigenous Coordination Councils (Consejos de Coordinacion Indigena) in the comarcas Guna, Embera Wounanna and Ngäbe-Bugle. The Project Appraisal Document (PAD) and Appraisal Stage ISDS will contain a summary of the consultations, including a description of how the feedback was incorporated in project design.

		The PAD will also pay attention to comarca governance structures and their relation to social services provision, as the indigenous governance structures vary a good deal, and various ethnicities do not always take the same positions on issues. The social and environmental risk in the PCN is rated as substantial given the difficulties of implementing the previous Social Protection Project's IPP due to the very limited supervision until 2013, when many of its actions were already obsolete. The PAD will more specifically describe these difficulties.
Involuntary Resettlement OP/ BP 4.12	No	Project activities do not include any civil works that would involve any type of involuntary resettlement.
Safety of Dams OP/BP 4.37	No	The Project will not support the construction or rehabilitation of dams nor will support other investments which rely on the services of existing dams.
Projects on International Waterways OP/BP 7.50	No	The Project will not affect international waterways as defined under the policy.
Projects in Disputed Areas OP/ BP 7.60	No	The proposed Project will not affect disputed areas as defined under the policy.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 28-Apr-2015

B. Time frame for launching and completing the safeguard-related studies that may be needed.

The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

The IPP for this Project will be prepared, consulted, and disclosed before appraisal. Timing would be defined during preparation.

IV. APPROVALS

Task Team Leader(s):	Name: Edmundo Murrugarra	
Approved By:		
Safeguards Advisor:	Name: Glenn S. Morgan (SA)	Date: 10-Apr-2015
Practice Manager/ Manager:	Name: Margaret Ellen Grosh (PMGR)	Date: 27-Apr-2015

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.