

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA13152

Date ISDS Prepared/Updated: 03-Aug-2015

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I. BASIC INFORMATION

1. 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:	03-Aug-2015	Estimated Board Date:	23-Sep-2015
Managing Unit:	GSP04	Lending Instrument:	Investment Project Financing
Sector(s):	Other social services (80%), Vocational training (20%)		
Theme(s):	Social Safety Nets/Social Assistance & Social Care Services (35%), Social Protection and Labor Policy & Systems (35%), Indigenous peoples (15%), Income Support for Old Age, Disability & Survivorship (15%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	75.00	Total Bank Financing:	75.00
Financing Gap:	0.00		
Financing Source		Amount	
Borrower		0.00	
International Bank for Reconstruction and Development		75.00	
Total		75.00	
Environmental Category:	C - Not Required		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The Project Development Objective is to increase the efficiency of the social protection system and improve the income generation capacity of the poor and vulnerable. The efficiency of the social protection system would be increased through improved performance and enhanced harmonization of MIDES Conditional Cash Transfer (CCT) programs. Improved income generating capacity of the

poor and vulnerable would be addressed through increased participation of the poor and vulnerable in productive inclusion programs.

3. Project Description

Component 1. Strengthening and efficiency of social protection system. The objective of this Component is to strengthen the capacity of the Government to improve the harmonization, transparency, accountability and follow up mechanisms of MIDES CCT programs. This Component finances three Sub-components: (i) improving social protection system instruments; (ii) enhancing social program management tools; and (iii) strengthening the monitoring and evaluation capacity of MIDES.

Component 2. MIDES territorial structure and direct family support. This Component will support the strengthening of the MIDES territorial structure to operationalize activities such as outreach and registration, management of non-compliance, transparency and accountability, and information collection processes including implementation of feedback mechanisms, among others. This component includes activities to enhance the role of provincial and comarcal coordinators, social workers and family sponsors (promotores) as the gateway to social programs offered by MIDES and those of other relevant institutions. Building on the existing Provincial and Comarca Coordinators and more than 300 MIDES promotores, the role of the latter will be institutionalized and scaled to better provide services across MIDES CCTs.

Component 3: Productive inclusion services for the poor and vulnerable. This Component seeks to complement the activities of CCT programs with support to investments in human capital that enhance income generating capacity. This Component will institutionalize and scale up the productive and training activities for the poor and vulnerable population registered in the single registry. Eligible population include those MIDES Participants and members of families that are beneficiaries of MIDES CCTs.

4. 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

5. Environmental and Social Safeguards Specialists

Gunars H. Platais (GENDR)

Kimberly Vilar (GSURR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	The project originally at concept stage had an Environmental Risk Category B due to issues related to medical waste management and old medical equipment disposal in the former Component 3 on health service provision. The health component was dropped from the project design during preparation. As such the project does not support any activities that would cause any adverse environmental impacts and is has now an Environmental Risk Category C.
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 of the Project's beneficiary populations. An Indigenous Peoples Planning Framework has been prepared, consulted with all twelve of Panama's indigenous congresses and disclosed both in-country (July 31, 2015) and on the World Bank's website by appraisal (August 3, 2015). During early stages of implementation, the MIDES will work closely with technical liaisons from each indigenous community already assigned by corresponding members of indigenous congresses, in consultation with the indigenous women's networks and program beneficiaries. They will design specific actions that each of the three MIDES programs and activities supported by the Project will incorporate into their differentiated service delivery to indigenous populations in order to ensure that their programs' methodologies and associated services are culturally appropriate.
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.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The Ministry of Social Development's three social protection programs (Red de Oportunidades, Angel Guardian, 120 a los 65) are currently already providing services to a targeted population of Panamanians. The programs' users already benefit from the programs' cash transfers, and in compliance with co-responsibilities related to the programs, access government financed health and education services. However the health and educational services are not fully adapted to the cultural diversity of their users, especially the diverse indigenous populations living within comarcas and other areas (e.g. collective territories). Similarly, the implementation of training activities in Component 3 would need adequate consultation and adaptation to the specific indigenous peoples that are being addressed. The supply of conventional services (education, health, trainings) that are not tailored to cultural norms and practices may pose risks such as low take up or utilization of services by potential users resulting in ineligibility to receive cash transfers and potential deterioration of health and education indicators. On the other hand, use of culturally inappropriate services could include the risk of the programs' conditions contributing to a loss of cultural identity in the case of indigenous users who comply with these conditions in order to receive their cash transfers.

<p>The Project originally at concept stage had an Environmental Risk Category B due to issues related to medical waste management and old medical equipment disposal in former Component 3 that supported provision of health care. In the course of Project preparation, this component was dropped from the Project (and component numbering adjusted). Thus the Project's risk rating has been adjusted to an Environmental Risk Category C.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>Not applicable</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>Not applicable</p>
<p>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p>
<p>The Project triggers OP/BP 4.10 given that Panama's diverse indigenous peoples are targeted. An Indigenous Peoples Planning Framework has been prepared, consulted with all twelve of Panama's indigenous congresses- and disseminated both in-country and on the Bank's website before appraisal. During early stages of implementation, MIDES will work closely with delegates from each indigenous community already assigned by corresponding members of indigenous congresses, in consultation with the indigenous women's networks and program beneficiaries. They will design specific actions that each of the three MIDES programs and activities supported by the Project will incorporate into their differentiated service delivery to indigenous populations in order to ensure that their programs' methodologies and services are culturally appropriate. A draft social assessment was already prepared describing demographic data, as well as knowledge gaps, on indigenous peoples in the country and in each of the three MIDES programs, detailed minutes of the dialogue and consultation that MIDES initiated with the twelve congresses. In terms of borrower capacity, the Ministry's Department of Social Policies has recently brought together a team of social scientists dedicated to mainstreaming ethnicity across the Ministry's programs. This is very promising to the efforts of establishing instruments within the three programs supported by the current project. Moreover, the three programs vary substantially in terms of their own capacity to implement social safeguards. Red de Oportunidades has in-house social scientists who are currently the recipients of capacity building provided by a local expert on indigenous engagement in public policy and indigenous consultation methodology. On the other hand, the other two programs will be building their capacity more during implementation. The MIDES team supporting RO would also be involved in the coordination of activities in Component 3.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p>
<p>The main stakeholders of the project are the users of the Ministry of Social Development's three social protection programs (Red de Oportunidades, Angel Guardian, 120 a los 65) and their families. In the case of indigenous families, their own governing structures and traditional authorities, as well as technical and advocacy organizations play an important role in influencing public policy and how and to what extent the Ministry's programs intersect with their own National Indigenous Development Plan, as well as each congress's development plan for their members. Given this context, the consultations on the project, the social assessment and the Indigenous Peoples' Planning Framework were carried out with the main representatives from the country's twelve indigenous congresses. The first workshop was carried out and well attended in</p>

May, 2015 in Panama City and was considered by all participants to be an initial dialogue rather than a “consultation”. Subsequently, a consultation workshop was held and well attended on June 12th in Panama City. The components of the Project were discussed and minor observations and suggestions were made, which were thoroughly documented by the MIDES team and included in the draft social assessment. Generally, the Project design was accepted as a starting point that will be completed and enhanced by the specific Indigenous Peoples Plans, to be jointly developed by the Ministry and the relevant congresses to identify design and implementation improvements to suitably serve the country's diverse indigenous populations.

The two workshops provided recommendations regarding the proposed methodology that will guide the consultations processes that the Ministry will carry out in order to prepare an Indigenous Peoples Plan for each indigenous group. As a result, the MIDES prepared a draft framework based on these inputs and circulated it to all participants and their designated technical liaisons for feedback. Instructions were provided as to how the feedback should be presented and the timeline (seven days). Despite an extension of the deadline for feedback submission, some congresses have not yet provided their feedback. MIDES has been documenting the feedback status from each congress and its incorporation into the IPPF. The IPPF also states that the Government is committed to receiving and incorporating the remaining feedback and will be updating the framework once feedback or acceptance from all twelve congresses is received.

B. Disclosure Requirements

Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	30-Jul-2015
Date of submission to InfoShop	31-Jul-2015
"In country" Disclosure	
Panama	31-Jul-2015
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP 4.10 - Indigenous Peoples			
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input checked="" type="checkbox"/>]
The World Bank Policy on Disclosure of Information			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Edmundo Murrugarra	
Approved By		
Practice Manager/ Manager:	Name: Margaret Ellen Grosh (PMGR)	Date: 03-Aug-2015