Early Warning System

# IDBI-12372-02

## Sustainable Development of Primary Schools in Rural Areas of Panama

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### Quick Facts

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|---|---|
| **Countries** | Panama |
| **Specific Location** | Bocas del Toro and Cocle |
| **Financial Institutions** | IDB Invest (IDBI) |
| **Status** | Closed |
| **Bank Risk Rating** | B |
| **Voting Date** | 2019-04-22 |
| **Borrower** | A&A Arroyo y Asociados S.A., Air Care Corp. |
| **Sectors** | Education and Health, Infrastructure |
| **Investment Type(s)** | Loan |
| **Investment Amount (USD)** | $ 21.00 million |
| **Project Cost (USD)** | $ 39.27 million |

## Project Description

In 2017, through a public tender process, the Ministry of Education of Panama (MEDUCA, for its Spanish acronym) awarded 10 construction contracts to the contractor A&A Arroyo y Asociados ("A&A") for the design, demolition, remodeling and construction of 28 rural schools located in vulnerable and difficult to access regions of the Ngabe-Bugle district and the provinces of Bocas del Toro and Cocle. The purpose of this MEDUCA initiative is to eradicate 189 aulas rancho (rustic, one-room rural schools), located mainly in the most isolated and poorest areas of the country, and replace them with modern infrastructure that meets the optimal criteria that the MEDUCA has defined with advice from the Inter-American Development Bank (IDB).

In September 2017, A&A formed a private consortium called Consorcio Escuelas Siglo XXI with Air Care Corp. and HMG Investment Corp., in order to combine the resources of each sponsor for the funding and execution of the construction contracts.

The IDB Invest loan seeks to provide two years of funding for the construction expenses associated with the contracts. The total cost of the project is US$39.27 million, which will be funded through a class A IDB Invest loan of up to US$16 million and a loan from IDB's Chinese Fund of up to US$8 million. The funding plan will be completed with the contribution of "B" loans and other capital contributions. Through this loan, IDB Invest aims to improve the current state of the infrastructure in rural and isolated schools in the mentioned areas and provide optimal conditions for the learning and development of approximately 302 teachers and 5,488 students, in line with the IDB and Panama's 2015-2019 strategy to strengthen the educational profile of the population. The new schools will be equipped with modern classrooms, electricity, water, sanitary systems and, in some cases, with solar panels to provide renewable energy.

## Investment Description

- IDB Invest (IDBI)

## Contact Information

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ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).

**Bank Documents**

- ENVIRONMENTAL AND SOCIAL ACTION PLAN (ESAP).PDF
- Environmental and Social Review Summary.pdf [Original Source]