



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
FOR THE
STRENGTHENING THE SOCIAL PROTECTION AND INCLUSION SYSTEM PROJECT
APPROVED ON SEPTEMBER 23, 2015
TO
REPUBLIC OF PANAMA

SOCIAL PROTECTION & JOBS

LATIN AMERICA AND CARIBBEAN

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ABBREVIATIONS AND ACRONYMS

120/65	Non-contributory pension program “120 at 65” (<i>120 a los 65</i>)
CCT	Conditional Cash Transfer
DA	Designated Account
DSI	Directorate of Social Inclusion
EVS	Social Vulnerability Survey (<i>Encuesta de Vulnerabilidad Social</i>)
IBRD	International Bank for Reconstruction and Development
INADEH	National Professional Training Institute (<i>Instituto Nacional de Formación Profesional y Capacitación para el Desarrollo Humano</i>)
IPPF	Indigenous Peoples Plan Framework
MEF	Ministry of Economy and Finance (<i>Ministerio de Economía y Finanzas</i>)
MIDES	Ministry of Social Development (<i>Ministerio de Desarrollo Social</i>)
MIS	Management Information System
MITRADEL	Ministry of Labor (<i>Ministerio de Trabajo y Desarrollo Laboral</i>)
ODSS	Office of Social Development Program (<i>Oficina de Desarrollo Social Seguro</i>)
PAIL	Support to Labor Market Insertion Program
PIU	Project Implementation Unit
PPCP	<i>Zero Poverty Strategy (Plan Panama Cero Pobreza)</i>
RdO	Network of Opportunities (<i>Red de Oportunidades</i>)
RT	Territorial Network (<i>Redes Territoriales</i>)
SP	Social Protection



BASIC DATA

Product Information

Project ID P155097	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 23-Sep-2015	Current Closing Date 28-Feb-2022

Organizations

Borrower Republic of Panama	Responsible Agency Ministerio de Desarrollo Social (MIDES)
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Project Development Objective (PDO)

Original PDO

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.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IBRD-85320	23-Sep-2015	18-Dec-2015	18-Apr-2016	28-Feb-2022	60.00	1.00	59.00

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

Project Status

1. The Project was approved by the Bank on September 23, 2015, signed on December 18, 2015 and declared effective on April 18, 2016. To date, the Project has disbursed US\$1 million. The first restructuring of the Project was processed in June 2018 to cancel US\$15 million of the loan as part of the agreement with the Government to realign the Project's activities to better respond to the Government's strategy for the sector. The overall implementation progress has been rated unsatisfactory and progress towards the achievement of the PDO has been rated moderately unsatisfactory since January 2016. The PDO is to increase the efficiency of the social protection system and improve the income generation capacity of the poor and vulnerable. The Project has three components: Strengthening and Efficiency of the Social Protection System (component 1); MIDES Territorial Structure and Direct Family Support (Component 2), and Productive Inclusion Services for the Poor and Vulnerable (Component 3). Project implementation has been adversely affected by a series of events that led to the slowdown in Project implementation and resulted in the lack of progress towards the achievement of the Project PDOs. These events included:

- a. **Lack of Government budget allocation:** Given that the loan was signed in December 2015, there was no budget allocation provided in the 2016 national budget, as the budget preparation process was completed. An allocation of US\$1 million was approved and disbursed to the designated Project account in December 2016,¹ and the allocations of US\$2 million were approved in both 2017 and 2018. The Project implementation remained on hold throughout 2017 due to internal reorganization of MIDES and changes in Government's priorities, and through the first part of 2018, as the discussions on the Project restructuring were on-going.
- b. **Reorganization of internal structure of the Ministry of Social Development (MIDES):** Soon after the Project effectiveness, the implementing agency, MIDES, was reorganized. A new Directorate of Social Inclusion (DSI) was created within MIDES to oversee the management of the three conditional-cash transfer (CCT) programs. The Project Implementation Unit (PIU), previously positioned within a unit managing the oldest CCT program, *Red de Oportunidades (RdO)*, also became part of the DSI. As a result, although overall institutional arrangements for the Project were not modified as the PIU is still under MIDES, the original internal MIDES institutional arrangements changed. The initial Director of the DSI, who was also the Project Coordinator, was appointed in June 2016, but left MIDES in September 2017. The focus on the internal reorganization and the changes of the Project Coordinator in MIDES delayed the implementation of all project activities, including those for which MIDES initially planned to fully rely on other agencies, i.e. the labor intermediation and training activities under Component 3, since the Cooperation Agreements with the Ministry of Labor (MITRADEL) and National Professional Training Institute (INADEH) were only signed in September 2017. Project discussions intensified following the appointment of a current Director and Project Coordinator, resulting in renewed commitment to project objectives, identification of the new activities that would better align the Project with new objectives of the Government, leading to the finalization of the request for the Project's restructuring, and the commencement of Project implementation.
- c. **Changes in Government's priorities:** In June 2017, the Government launched a Zero Poverty Strategy (*Plan Panama Cero Pobreza; PPCP*) with the objective to accelerate the reduction of extreme poverty across Panama. As the Project design already focused on the productive inclusion programs, the Government decided to expand the

¹ The proposed budget allocation for the Project in 2019 is US\$2 million, but the Ministry of Finance has confirmed its intention to ensure additional allocation as the Project implementation picks up (in 2019, the projected disbursement amount is US\$9 million).



initially envisaged Project support to a broader range of productive inclusion activities that would also include strengthened support to rural areas and indigenous population.

2. Despite implementation delays, MIDES has initiated some activities that were initially envisaged under the Project by using other financing resources. For example, a new proxy means test and a new Unified Registration Form have already been developed, thus these activities, initially envisaged under Component 1, would no longer be financed under the Project. The Project will, however, continue to provide technical assistance to MIDES aimed at strengthening these tools.

3. Similarly, *promotores* of social programs have already been recruited in MIDES as staff, thus their engagement under the Project to strengthen the territorial outreach of the program, initially envisaged under Component 2 of the Project, would no longer be needed. The Project will, however, continue providing support to strengthen their capacity. In addition, and as a part of MIDES commitment within the PPCP, MIDES plans to implement a strategy on family monitoring (case management) and one stop shops in the territories covered by the PPCP. These activities will now be supported by the Project under Component 2.

4. In addition, MIDES has requested Project support to further enhance the focus on strengthening productive inclusion programs and interventions to provide vulnerable population across Panama with a path towards self-subsistence. Along with the activities envisaged with INADEH and MITRADEL, Component 3 will also support strengthening and implementation of existing MIDES productive inclusion programs that provide training, apprenticeship and tools for self-subsistence to poor and vulnerable population. The Project will also support MIDES in the development and piloting of a new vocational training program for poor and vulnerable youth.

Rationale for Restructuring

5. Given the delays in implementation based on the events described in the section above, and the fact that a number of activities that were initially envisaged under the Project were already completed, as well as the increased focus of the Government on strengthening MIDES' productive inclusion programs and interventions, and strengthen support to the objectives of the PPCP, the Ministry of Economy and Finance (MEF) sent a formal request to restructure the Project in March 2017. The request included a reallocation among expenditure categories, and revised support for productive inclusion activities. However, during the follow up discussions on the restructuring, this initial request was further revised. As a result, on February 7, 2018, the Bank received a revised Project restructuring request from the Ministry of Finance (MOF). Along with the changes in activities, the request also included a partial cancellation of the loan, reducing it from US\$75 million to US\$60 million.

6. Since some of the proposed activities contemplated in the productive inclusion programs under Component 3 include asset transfers, i.e. the distribution of various assets including livestock and seeds to beneficiaries, the Project's environmental risk category needs to be upgraded from C to B. Consequently, an Environmental Management Plan (EMP) with an embedded Pesticides Plan was prepared, agreed with the Bank and Government, consulted and disclosed in country and through the Bank.

7. To process the partial cancellation of the Project proceeds, while allowing the MIDES enough time to complete the EMP processes, the Bank carried out the restructuring in two steps: the first restructuring cancelled US\$15 million, and reallocated loan funds across components and categories. This was approved by the Bank on June 25th, 2018. The restructuring proposed in this paper addresses the rest of the Borrower's requests.

II. DESCRIPTION OF PROPOSED CHANGES



8. The restructuring aims to adjust project design to expand its activities to all MIDES social programs, including the productive inclusion programs, in line with the Government's Zero Poverty Strategy. Thus, the changes proposed under this restructuring are: (i) revision of the Project-supported activities; (ii) inclusion of stipends for additional productive inclusion programs included in the Project and minor works as eligible categories under the Project; (iii) revision of the Environmental category due to the new activities under Component 3; and (iv) revision of the Results Framework.

Revision of Project-supported Activities

9. **Component 1 “Strengthening and Efficiency of the Social Protection System”:** Under this Component, the sub-component structure will remain the same, but the activities within sub-components will be modified. While some activities initially envisaged under the Project will be reduced in scope as their implementation has been initiated using other financing sources (i.e., development of a single registry), new activities will be added to support the evaluation and strengthening of all MIDES social programs. Under Sub-component 1.1 “*Social protection system instruments*,” the Project will support the development of a single entry window (*Ventanilla Unica*) to facilitate the referral of MIDES beneficiaries, strengthening and expansion of the use of existing instruments (unique registration form, proxy means test, etc.), digitalization of beneficiary records that are currently available only on paper, and development and enhancement of the Social Protection (SP) system to strengthen its ability to quickly address the needs of affected population post-disaster. The Project will also provide technical support to MIDES to strengthen its capacity to oversee the continued development of the single registry.² In addition to the original activities, sub-component 1.2 on “*Social programs management tools*” will include new activities to support the assessment and revision of operational procedures of key social programs in MIDES, as well as the development of the Management Information System (MIS) modules to manage the information gathered by productive inclusion programs in a comprehensive and coherent manner within MIDES. The sub-component will also include new activities to improve coordination, design, business processes, and management of the MIDES's productive inclusion programs, and to complete Operations Manuals for each of these programs. In addition, the Project will support the design of a pilot and development of an Operations Manual for a new vocational training program. Under the Sub-Component 1.3 “*Monitoring and Evaluation capacity*” a rapid impact assessment and process assessments of existing productive inclusion programs, and an evaluation of the productive inclusion pilot interventions designed under the Project, will be added.

10. **Component 2, “MIDES Territorial Structure and Direct Family Support”:** Under this Component, the two sub-components will remain the same, but with some changes to the envisaged activities, and a third sub-component will be added. The financing for the engagement of *promotores* and social workers as consultants in Sub-component 2.1 will no longer be needed as they became MIDES staff, but the activities related to the design and implementation of family support programs and the capacity building of *promotores* will be maintained and further strengthened through intensified training activities. Also, the Sub-component 2.1 “*MIDES Territorial coverage of promotores and social workers*” will expand to include the mapping and geo-referencing of the supply of social programs offered by MIDES, as well as the development of social programs for indigenous poor and vulnerable population that would complement the activities under the “Support for the National Indigenous Peoples Development Plan Project” (P157575). Activities under Sub-Component 2.2 “*Social Feedback Mechanism*” will be maintained and further expanded to include activities related to the development of culturally appropriate mechanisms for MIDES to deliver services to all the targeted population, including attending the specific needs of indigenous and afro-descendant populations. In addition, since MIDES has expressed the need to improve its territorial presence through the modernization of Centers for Infants and Seniors³ to provide adequate

² The registry is being developed with other resources, but the Project would support technical assistance to assist MIDES with the oversight of the registry development process.

³ Centros de Atención a la Primera Infancia (CAIPI) y Centros de Atención para Adultos Mayores



infrastructure for social services, a new Sub-component 2.3 is to be included under the Project to support the structural assessment, minor retrofitting⁴ and repairs of selected Children Integral Attention Centers and Centers for Old and Vulnerable, as well as the purchase and installation of equipment in these Centers. Implementation of this activity will be subject to MIDES's submission of the structural assessment report and the proposed retrofitting and repairs of these Centers to the Bank for review and approval. Repairs will only be implemented in Centers that are the property of the Government, deemed structurally sound and for which the Bank has provided a No Objection.

11. **Component 3, "Productive Inclusion services for the poor and vulnerable":** Under this Component, the existing two sub-components will remain the same, but with some changes to the envisaged activities, and a third sub-component will be added. This Component will be revised to focus on the implementation of a pilot for a new vocational training program for poor and vulnerable youth (including vocational training by INADEH), as well as scaling up of the existing MIDES apprenticeship (*Padrino Empresario/Enfoca/MITRADEL*) and asset-transfer (*Redes Territoriales* and *Cohesion Social*) programs. While the existing activities related to cooperation with MITRADEL (in Sub-component 3.2) and INADEH (in Sub-component 3.1) will remain similar to those in the original project design, they will be reduced in size. At the same time, the Component will support the implementation of a new vocational training program and of redesigned MIDES productive inclusion programs. Prior to commencing the implementation of these programs through the Project, an evaluation of programs' current results and processes will be conducted to inform the programs' redesign and facilitate the development of each program's operations manual. The implementation of each of these programs under the Project will be subject to Bank approval of the program's operations manual. The activities related to the design of a new vocational training program, and the evaluation and redesign of existing MIDES productive inclusion programs and their redesign, as well as finalization of operations manuals for each of these programs are planned under the Component 1.

12. **Vocational Training Program:** Sub-component 3.1 will support the piloting of a new vocational training program that seeks to increase the human capital of poor and vulnerable youth to improve their employability and ability for income generation. The pilot will primarily target the district of Las Minas in the Herrera province, and will be further expanded to other priority districts identified in the PPCP. The program would support poor and vulnerable youth from the targeted areas in finalizing vocational training in the skills that are in demand in the labor market. Also, the Program would provide beneficiaries with a stipend conditional on their participation in the training to cover their food and transportation costs. For the provision of training opportunities, the program will rely primarily on INADEH, based on the signed Memorandum of Understanding between MIDES and INADEH, as well as on other vocational training institutions in the priority districts identified in *Panama para Todos Strategy*.

13. **Apprenticeship Program:** Within the Sub-component 3.2, the restructuring will build on the existing MIDES apprenticeship program - *Padrino Empresario* and will rely on the cooperation of other existing MIDES programs such as the Office of Social Development Program (ODSS), and on continued cooperation with MITRADEL, to provide apprenticeship opportunities to poor and vulnerable youth. *Padrino Empresario* is an apprenticeship program that provides internship opportunities to youth-at-risk between 15 and 17 years. The program ensures placement of its beneficiaries for a three-month apprenticeship in a private sector company. Currently there are 94 companies registered under the program, but some do not participate actively due to the lack of clarity regarding the procedures, appropriate work placement opportunities, capacity to provide mandatory training in soft skills, or funding. As part of the restructuring, the program would be redesigned to expand the group of participants, secure the provision of social skills training prior to the internship through the support of the ODSS Program to reduce the barriers for participation of companies, and provide stipends to participants to cover the basic costs of program beneficiaries (transportation, food, etc.). Given that the inter-institutional agreement between MIDES and MITRADEL has also been signed, the program will

⁴ Small works that may be financed under this component are related to minor refurbishing (painting, electricity, adjustments needed to house equipment) that are not expected to have downstream social or environmental implications.



also continue to cooperate with MITRADEL and place some of its participants in internships in companies that are participating in the on-going MITRADEL *ProJóven* and Support to Labor Market Insertion Program (*PAIL*) programs.

14. **Asset-Transfer Productive Inclusion Programs:** A new Sub-category 3.3 will finance the implementation of *Redes Territoriales (RT)* and *Cohesion Social*, asset-transfer productive inclusion programs that provide poor and vulnerable households and communities with training, asset transfers and technical assistance to promote income generating activities. *Redes Territoriales* targets households in rural and peri-urban areas, while *Cohesion Social* targets indigenous territories. Both programs seek to improve the living standards of poor communities through productive inclusion activities that include community development and empowerment, human capital, and social sustainability. The RT program offers community development, provision of seeds, chicken, livestock or other assets to support the growth of crop and livestock production, training and technical advice and support throughout project implementation. *Cohesion Social* will use the same productive inclusion package as *Redes Territoriales* but tailored to the customs and cultures of indigenous populations. Both programs are expected to benefit 3,420 households across rural, peri-urban and indigenous areas of Panama which represents over 17,000 individuals.

15. **Revision of Environmental Category/New Safeguards Triggered.** While their potential impact on the environment is expected to be negligible, the asset-transfer programs include the distribution of various assets including livestock and seeds to beneficiaries, which can lead to potential environmental risks, thus resulting in the need to upgrade the Project's environmental assessment category from C to B, as the Project triggers two new safeguards, the umbrella Environmental Assessment (OP) (BP 4.01) and Pest Management (OP 4.09). The Environmental Management Plan (EMP) was prepared and published on the MIDES website on June 6, 2018⁵ and on the Government's *MiAmbiente* website on June 12, 2018, and consultations with stakeholders have been completed. Consultations will continue throughout the implementation of the Project to mitigate any possible environmental risks. Also, an overview of the EMP will be included as a part of the mandatory training curriculum within the Project, and the brochures with key information on the EMP will be published under the Project and distributed to the program beneficiaries. The Project triggers OP/BP 4.10 as Indigenous Peoples that meet the policy's four criteria are among the Project's beneficiary populations. An Indigenous Peoples Plan Framework (IPPF) was prepared, broadly consulted, and disseminated both in country and on the Bank's website before appraisal of the Project. All new activities are in line with the IPPF already developed. Consultations are ongoing with the Indigenous Peoples throughout the Project to ensure that the IPPF is updated to reflect their preference for involvement in the *Redes Territoriales* and *Cohesion Social* program interventions, and that the final IP Plans correctly capture all the activities that will occur in the IP areas.

16. **Realignment of MIDES Institutional Arrangements.** While the current institutional arrangements supporting the implementation of the Project are acceptable to the Bank and will not be changed, increased emphasis on productive inclusion programs requires stronger coordination among various MIDES programs. To ensure this, MIDES has decided to establish a new Directorate that would house all productive inclusion programs. While the establishment of the Directorate will be informed by the institutional assessment that is being undertaken under the Project, to facilitate the implementation of project activities in the meantime, MIDES has established direct reporting of all productive inclusion programs to the Directorate of Social Inclusion.

17. **Changes in Disbursement Arrangements.** Given the inclusion of stipends for additional productive inclusion programs included in the Project and minor works as new eligible categories under the Project, the Category descriptions have been revised to align them to the new activities included under the revised components, as per table below.

⁵ <https://www.mides.gob.pa/wp-content/uploads/2018/06/PAM-BM-MIDES-MIDA-OFICIAL-REDES-TERRITORIALES-completo-1.pdf>



Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Parts 1, 2 and 3 of the Project	52,500,000	100%
(2) Stipends under Part 3.1(f) and 3.2(d) of the Project	4,500,000	100%
(3) INADEH Training Payments under Part 3.1(g) of the Project	1,500,000	100%
(4) MITRADEL Intermediation Payments under Part 3.2(g) of the Project	1,500,000	100%
Amount cancelled as of February 8, 2018	15,000,000	
Original Loan Amount	75,000,000	

18. **Revision and Inclusion of new Legal Covenants.** As some project activities would be changed, the covenants stating requirements relevant to those activities (including safeguards) would also be adjusted, in order for them to refer to the corresponding sections within the legal agreement amendment. In addition, two new legal covenants have been included, one related to the preparation of manuals for Part 3 of the Project and the other one to include the obligation of MIDES to ensure that the terms of reference for any consultancies related to technical assistance provided under the Project is acceptable to the Bank and incorporate the requirement of the Bank’s Safeguard Policies then in force as applied to the advice conveyed through such technical assistance.

Revision of the Results Framework

19. **Intermediate Results Indicators:** While the Project Development Objective remains unchanged, the restructuring proposes a revision of one PDO result indicator and of some intermediate result indicators, removal of intermediate indicators, and the inclusion of new indicators to: (i) better measure progress of PDO achievement; (ii) measure the implementation progress of the productive inclusion programs; (iii) drop intermediate indicators that measure activities no longer financed by the Project; and (iv) revise targets to better align them with the current implementation time frame and reduced project amount. The proposed revisions are presented in the table below and in the revised Results Framework.



The World Bank
Strengthening the Social Protection and Inclusion System (P155097)

Revised/New Indicators						
PDO indicators						
Description	Deleted	Revised Description	Baseline	End Target	End Target Revised	Justification
Percent of households in the bottom two quintiles participating in productive inclusion programs. (Percentage, Custom)		Percent of MIDES CCT beneficiary household members participating in productive inclusion	No change	No change		Revised to include a more adequate indicator to measure progress towards PDO achievement.
Intermediate Indicators						
Percentage of poor households included in the Single Registry	Yes					
Monitoring and Evaluation Strategy operational (Text, Custom)		No change	No change	Impact Evaluation for two MIDES CCT programs and for INADEH Training completed	Impact Evaluation for MIDES flagship CCT and at least two productive inclusion programs completed	Revised to include productive inclusion programs and to be better aligned with the current implementation
Percent of MIDES CCT beneficiary households receiving program information from promotores (Percentage, Custom)		Percent of MIDES CCT beneficiary households receiving program information (Percentage,	No change	No change		
Eligible MIDES Participants enrolled in INADEH Trainings (Number, Custom)	Yes					Indicators no longer relevant due to the revised project design, deleted to include revised indicators better aligned with the revised Components and activities focused on productive inclusion programs as included in the restructuring.
Eligible female MIDES Participants enrolled in INADEH Trainings (Number, Custom Breakdown)	Yes					
Eligible MIDES participants enrolled in Panama ProJoven program (Number, Custom)	Yes					
Eligible female MIDES participants enrolled in Panama ProJoven program (Number, Custom Breakdown)	Yes					
MIDES participants enrolled in PAIL program (Number, Custom)	Yes					
Female MIDES participants enrolled in PAIL program (Number, Custom Breakdown)	Yes					
MIDES participants included in National Employment Exchange (Number, Custom)	Yes					
Female MIDES participants included in National Employment Exchange (Number, Custom Breakdown)	Yes					
Eligible MIDES Participants enrolled in vocational training program (Amount (USD)		New	0.0	1660.0		New indicator to monitor participation of beneficiaries in new vocational training programs as per revised Component 3.
Eligible female MIDES Participants enrolled in vocational training program (Amount (USD)		New	0.0	830.0		Same as above
Eligible MIDES participants enrolled in MIDES apprenticeship program (Amount USD)		New	0.0	1980.0		New indicator to monitor participation of beneficiaries in apprenticeship programs as per revised Component 3.
Eligible female MIDES participants enrolled in MIDES apprenticeship program (Amount USD)		New	0.0	990.0		Same as above
Eligible MIDES household enrolled in Redes Territoriales (Amount USD, Custom)		New	0.0	3600.0		New indicator to monitor participation of beneficiaries in Redes Territoriales program as per revised Component 3.
Eligible MIDES household enrolled in Cohesion Social (Amount USD, Custom)		New	0.0	900.0		New indicator to monitor participation of beneficiaries in Cohesion Social program as per revised Component 3.



III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Disbursements Arrangements	✓	
Disbursement Estimates	✓	
Safeguard Policies Triggered	✓	
EA category	✓	
Legal Covenants	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Components and Cost		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Overall Risk Rating		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

**DISBURSEMENT ESTIMATES**

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2016	0.00	0.00
2017	1,000,000.00	1,000,000.00
2018	500,000.00	1,500,000.00
2019	15,000,000.00	9,000,000.00
2020	21,500,000.00	24,000,000.00
2021	22,000,000.00	24,000,000.00
2022	0.00	500,000.00

COMPLIANCE**Safeguard Policies**

Safeguard Policies Triggered	Current	Proposed
Environmental Assessment (OP) (BP 4.01)	No	Yes
Performance Standards for Private Sector Activities OP/BP 4.03	No	No
Natural Habitats (OP) (BP 4.04)	No	No
Forests (OP) (BP 4.36)	No	No
Pest Management (OP 4.09)	No	Yes
Physical Cultural Resources (OP) (BP 4.11)	No	No
Indigenous Peoples (OP) (BP 4.10)	Yes	Yes
Involuntary Resettlement (OP) (BP 4.12)	No	No
Safety of Dams (OP) (BP 4.37)	No	No
Projects on International Waterways (OP) (BP 7.50)	No	No
Projects in Disputed Areas (OP) (BP 7.60)	No	No

Environmental Assessment (EA) Category



Change of EA Category	Original EA Category
Yes	Not Required (C)
Current EA Category	Proposed EA Category
Not Required (C)	Partial Assessment (B)

LEGAL COVENANTS

Loan/Credit/TF	Description	Status	Action
IBRD-85320	Finance Agreement :INADEH Agreement Description : (Legal Agreement, Schedule 2, Section I, B.1) To facilitate the carrying out of Part 3.1 of the Project, the Borrower, through MIDES, shall enter into an agreement with INADEH (the INADEH Agreement) under terms and conditions acceptable to the Bank and set forth in the Project Operational Manual. Frequency :CONTINUOUS	Complied with	Revised
Proposed	INADEH Agreement LA, Schedule 2, Section I, B.1. "To facilitate the carrying out of Parts 3.1(c), 3.1(d) and 3.1(f) of the Project, the Borrower, through MIDES, shall: (a) select, hire and retain a Training Provider with qualifications and experience, and under terms of reference acceptable to the Bank; and/or (b) enter into an agreement with INADEH (the INADEH Agreement), as applicable."	Partially complied with	
IBRD-85320	Finance Agreement :MITRADEL Inter-Institutional Agreement Description : (Legal Agreement, Schedule 2, Section I, B.2) To facilitate the carrying out of Part 3.2 of the Project, the Borrower, through MIDES, shall enter into an agreement with MITRADEL (the MITRADEL Inter-Institutional Agreement), under terms and conditions acceptable to the Bank and set forth in the Project Operational Manual. Frequency :CONTINUOUS	Complied with	Revised
Proposed	MITRADEL Inter-Institutional Agreement LA, Schedule 2, Section I, B.2. "To facilitate the carrying out of Parts 3.2(a), 3.2(d), 3.2(e) and 3.2(f) of the Project, as applicable, the Borrower through MIDES, shall enter into an arrangement with MITRADEL (the MITRADEL Inter-institutional Agreement), under terms and	Partially complied with	



	conditions acceptable to the Bank and Project Operations Manual."		
IBRD-85320	Finance Agreement :Independent Auditor-Legal Agreement, Schedule 2, Section I, D. 1 and 2 a. and b Description :The Borrower through MIDES shall no later than 30 days after the Effective Date, select, hire and retain an Independent Auditor, under terms of reference acceptable to the Bank, and cause it to carry out a periodical technical verification of compliance, prepare and furnish to the Borrower quarterly Independent Verification Reports of scope as set forth in the Project Operational Manual. Frequency :CONTINUOUS	Expected soon	Revised
Proposed	Verification Entity / LA, Schedule 2, Section D.1 and 2. "No later than six (6) months after this Amendment has become effective, select, hire and retain a Verification Entity acceptable to the Bank, and cause it to carry out a periodical technical verification of compliance, and prepare and furnish to the Borrower quarterly Independent Verification Reports."	Not yet due	
IBRD-85320	Manuals for MIDES' Production Inclusion Programs (LA, Schedule 2, Section I.E.4). "Prior to the carrying out of any MIDES's Productive Inclusion Program under Part 3.1, 3.2 or 3.3 of the Project, the Borrower shall furnish to the Bank a separate manual for each of said Parts of the Project (each a MIDES's Productive Inclusion Program Manual), satisfactory to the Bank."	Not yet due	New
IBRD-85320	Safeguards (LA, Schedule 2, Section I.G.1 and G.2. "The Borrower shall carry out the Project in accordance with the IPPF and the EMP and ensure that the terms of reference for any consultancies related to technical assistance provided under the Project, shall be acceptable to the Bank."	Expected soon	New



Results framework

COUNTRY: Panama

Strengthening Social Protection and Inclusion System

Project Development Objectives(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.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Increase the efficiency of the social protection system									
Percent of the bottom quintile benefitting from social assistance, defined as MIDES CCTs (Percentage)		38.00	38.00	40.00	43.00	45.00	48.00	50.00	50.00
Percent of the bottom quintile benefitting from social assistance, defined as MIDES CCTs (in comarcas) (Percentage)		65.00	65.00	67.00	70.00	72.00	75.00	75.00	75.00
Percent of MIDES CCT programs beneficiaries recertified (Percentage)		0.00	4.00	8.00	20.00	35.00	45.00	50.00	50.00
Percent of MIDES CCT programs female		0.00	6.00	10.00	25.00	40.00	45.00	50.00	50.00



Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
beneficiaries recertified (Percentage)									
Direct project beneficiaries (Number)		183,328.00	183,328.00	195,000.00	200,000.00	200,000.00	202,000.00	205,000.00	205,000.00
Female beneficiaries (Percentage)		60.00	60.00	61.00	62.00	63.00	64.00	65.00	65.00
Improve the income generation capacity of the poor and vulnerable									
Percent of MIDES CCT beneficiary household members participating in productive inclusion programs (Percentage)		0.00	1.00	3.00	4.00	5.00	6.00	7.00	7.00
Action: This indicator has been Revised	Rationale: <i>Revised to include a more adequate indicator to measure progress towards PDO achievement.</i>								

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Strengthening and efficiency of social protection system									
Single Registration Form used for MIDES CCT programs (Text)		Not developed	Designed Piloted	Adopted	Used for one MIDES CCT program	Used for two MIDES CCT programs	Used for three MIDES CCT programs	Used for three MIDES CCT programs	Used for three MIDES CCT programs



Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Percentage of poor households included in the Single Registry (Percentage)		0.00	20.00	35.00	45.00	55.00	65.00	65.00	65.00
Action: This indicator has been Marked for Deletion									
Co-responsibilities verified in MIDES CCT programs (Text)		Not developed	Designed and Piloted	Strategy applied to one MIDES CCT program	Strategy applied to two MIDES CCT programs	Strategy applied to three MIDES CCT programs	Strategy applied to three MIDES CCT programs	Strategy applied to three MIDES CCT programs	Strategy applied to three MIDES CCT programs
Monitoring and Evaluation Strategy operational (Text)		Not developed	Strategy Designed	Monitoring Framework Functioning	Process Evaluation for MIDES CCT programs completed	Impact Evaluation for one MIDES CCT program completed	Impact Evaluation for two MIDES CCT program completed	Impact Evaluation for INADEH Training completed	Impact Evaluation for MIDES flagship CCT and at least two productive inclusion programs completed
Action: This indicator has been Revised									
Rationale:									
End Target revised to include productive inclusion programs and to be better aligned with the current implementation timeframe.									
MIDES Territorial structure and direct family support									
Percent of MIDES CCT beneficiary households receiving program information (Percentage)		40.00	50.00	60.00	70.00	80.00	90.00	90.00	90.00
Action: This indicator has been Revised									
Percent of promotores completing annual		0.00	15.00	35.00	55.00	85.00	90.00	90.00	90.00



Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
training plan (Percentage)									
Citizen Feedback Mechanisms operational (Text)		Not developed	Designed	Pilot in three different locations	Operational in 30% of territorial units	Operational in 50% of territorial units	Operational in 60% of territorial units	Operational in 70% of territorial units	Operational in 70% of territorial units.
Productive inclusion services for the poor and vulnerable									
Eligible MIDES Participants enrolled in INADEH Trainings (Number)		0.00	500.00	2,500.00	6,000.00	10,000.00	15,000.00	20,000.00	20,000.00
Action: This indicator has been Marked for Deletion									
Eligible female MIDES Participants enrolled in INADEH Trainings (Number)		0.00	200.00	1,200.00	2,750.00	4,500.00	7,500.00	10,000.00	10,000.00
Action: This indicator has been Marked for Deletion									
Eligible MIDES participants enrolled in Panama ProJoven program (Number)		0.00	150.00	500.00	1,000.00	2,500.00	4,500.00	5,000.00	5,000.00
Action: This indicator has been Marked for Deletion									



Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Female MIDES participants included in National Employment Exchange (Number)		0.00	100.00	200.00	300.00	500.00	1,000.00	1,500.00	1,500.00
Action: This indicator has been Marked for Deletion									
Eligible MIDES Participants enrolled in vocational training program (Number)		0.00	0.00	520.00	1,090.00	1,660.00			1,660.00
Action: This indicator is New		Rationale: New indicator to monitor participation of beneficiaries in new vocational training programs as per revised Component 3.							
Eligible female MIDES Participants enrolled in vocational training program (Number)		0.00	0.00	260.00	545.00	830.00			830.00
Action: This indicator is New		Rationale: New indicator to monitor participation of beneficiaries in new vocational training programs as per revised Component 3.							
Eligible MIDES participants enrolled in MIDES apprenticeship program (Amount(USD))		0.00	0.00	550.00	1,200.00	1,980.00			1,980.00



Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Action: This indicator is New	<i>Rationale: New indicator to monitor participation of beneficiaries in apprenticeship programs as per revised Component 3.</i>								
Eligible female MIDES participants enrolled in MIDES apprenticeship program (Number)	0.00	0.00	275.00	600.00	990.00				990.00
Action: This indicator is New	<i>Rationale: New indicator to monitor participation of beneficiaries in apprenticeship programs as per revised Component 3.</i>								
Eligible MIDES household enrolled in Redes Territoriales (Number)	0.00	400.00	1,070.00	2,123.00	3,600.00				3,600.00
Action: This indicator is New	<i>Rationale: New indicator to monitor participation of beneficiaries in Redes Territoriales program as per revised Component 3.</i>								
Eligible MIDES household enrolled in Cohesion Social (Number)	0.00	0.00	300.00	600.00	900.00				900.00
Action: This indicator is New	<i>Rationale: New indicator to monitor participation of beneficiaries in Cohesion Social program as per revised Component 3.</i>								



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