

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PANAMA

SOCIAL INCLUSION PROGRAM FOR PERSONS WITH DISABILITIES IN PANAMA

(PN-L1160)

LOAN PROPOSAL

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REQUIRED <ol style="list-style-type: none">1. Multiyear execution plan / Annual work plan2. Monitoring and evaluation plan3. Environmental and social management report4. Procurement plan
OPTIONAL <ol style="list-style-type: none">1. Project economic analysis2. Environmental and social analysis / Environmental and social management plan3. Sociocultural analysis4. Climate change analysis5. Infrastructure analysis6. Operating Regulations7. Bibliography8. Consultation report9. Vertical logic10. Safeguard Policy Filter and Safeguard Screening Form

ABBREVIATIONS

CGR	Comptroller General of the Republic
CONADIS	Consejo Nacional Consultivo de Discapacidad [National Advisory Council on Disability]
CRPD	Convention on the Rights of Persons with Disabilities
FODIS	Disability Revolving Fund
ICD-10	International Classification of Diseases, Tenth Revision
ICF	International Classification of Functioning, Disability and Health
INEC	National Institute of Statistics and Census
INMFRE	Instituto Nacional de Medicina Física y Rehabilitación [National Institute of Physical Medicine and Rehabilitation]
IPHE	Instituto Panameño de Habilitación Especial [Panamanian Institute of Special Habilitation]
MEDUCA	Ministry of Education
MEF	Ministry of Economy and Finance
MIDES	Ministry of Social Development
MINSA	Ministry of Health
PCU	Program coordination unit
PENDIS	First National Disability Survey
RENAB	Registro Nacional de Beneficiarios [National Beneficiary Registry]
RENACER	Registro Nacional de Certificación [National Certification Registry]
SENADIS	National Disability Office
SIES	Sistema Informático de Estadísticas de Salud [Health Statistics Information System]

PROJECT SUMMARY

PANAMA SOCIAL INCLUSION PROGRAM FOR PERSONS WITH DISABILITIES IN PANAMA (PN-L1160)

Financial Terms and Conditions					
Borrower:			Flexible Financing Facility ^(a)		
Republic of Panama			Amortization period:	15 years	
Executing agency:			Disbursement period:	5 years	
Ministry of Social Development (MIDES), acting through the National Disability Office (SENADIS)			Grace period:	5.5 years ^(b)	
Source	Amount (US\$)	%	Interest rate:	LIBOR-based	
IDB (Ordinary Capital):	40,000,000	97	Credit fee:	^(c)	
Local contribution:	1,300,000	3	Inspection and supervision fee:	^(c)	
			Weighted average life:	10.25 years	
Total:	41,300,000	100	Approval currency:	U.S. dollars	
Project at a Glance					
Program objectives: The general objective of the program is to support the social inclusion of persons with disabilities by increasing the State's ability to identify them and take their needs into account, as well as to foster improvements in the coverage and quality of the health-care, educational, and personal-autonomy support services they receive. The specific objectives are to: (i) increase the efficiency and effectiveness of the identification and certification systems for persons with disabilities; (ii) expand the diagnostic and coverage capacity of disability rehabilitation services, with an emphasis on early childhood; (iii) improve the quality of the educational services available for students with disabilities; and (iv) increase the autonomy of persons with severe disabilities (paragraph 1.25).					
Special contractual conditions precedent to the first disbursement of the loan proceeds: (i) the establishment by the executing agency of the program coordination unit and the contracting or assigning of its key personnel (program coordinator and specialists in monitoring, procurement, and finance); (ii) the signing of interagency agreements with the Ministry of Social Development (MIDES), the Ministry of Health (MINSa), and the Ministry of Education (MEDUCA); (iii) the establishment of a Strategic Committee that reports to the National Advisory Council on Disability (CONADIS) to oversee these agreements; and (iv) the approval of the program Operating Regulations (optional link 6), under terms previously agreed upon with the Bank (paragraph 3.3).					
Special contractual execution conditions: Prior to bidding for works, the executing agency will submit evidence of the legal ownership of the property where the planned works will be carried out (paragraph 3.4). In addition, the borrower will satisfy the special contractual execution conditions set forth in Annex B of the environmental and social management report .					
Exceptions to Bank policies: None					
Strategic Alignment					
Challenges: ^(d)	SI	<input checked="" type="checkbox"/>	PI	<input type="checkbox"/>	EI <input type="checkbox"/>
Crosscutting themes: ^(e)	GD	<input checked="" type="checkbox"/>	CC	<input checked="" type="checkbox"/>	IC <input checked="" type="checkbox"/>

- (a) Under the terms of the Flexible Financing Facility (document FN-655-1), the borrower has the option of requesting changes to the amortization schedule as well as currency, interest rate, and commodity conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.
- (b) Under the flexible repayment options of the Flexible Financing Facility, changes to the grace period are permitted provided that they do not entail any extension of the original weighted average life of the loan or the last payment date as documented in the loan contract.
- (c) The credit fee and the inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with applicable policies.
- (d) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).
- (e) GD (Gender Equality and Diversity); CC (Climate Change and Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problem to be addressed, and rationale

1. Situation of persons with disabilities in Panama

- 1.1 In Panama, a total of 317,391 people (7.8% of the population) have some type of disability.¹ This is more prevalent in rural areas (8.8%) than in urban areas (7.6%), and higher for women (8.1%) than for men (7.5%), as well as for people over age 65 (36.6%). The most common disabilities are visual (60.7%), physical (38.3%), cognitive (18.7%), and hearing (16.0%). According to the First National Disability Survey (PENDIS), conducted in 2006, 60% of persons with disabilities require support.² For people with multiple, systemic, or mental disabilities, the percentage is higher, more than 70%.³
- 1.2 There is a bidirectional relationship between poverty and disability. First, persons with disabilities have higher poverty rates than those without disabilities,⁴ as a result of lower workforce participation and incomes, as well as the costs associated with personal assistance, transportation, health care, and assistive technologies.⁵ Second, poverty exacerbates disability situations because of a lack of timely assistance and care⁶ and generates increased exclusion. Persons with disabilities have fewer resources to pay for equipment, technology, and aides to help them reduce barriers.⁷ In Panama, households with at least one member with a disability have a higher probability, 6 percentage points, of being in the two lowest income quintiles, compared to households without persons with disabilities.⁸

2. Progress toward inclusion of persons with disabilities in Panama

- 1.3 Panama has made regulatory and institutional advances that favor the social inclusion of persons with disabilities. Both the Political Constitution⁹ and the Equal Opportunity Act¹⁰ recognize persons with disabilities as a “social interest” group and require the State to create the conditions for their integration into

¹ Estimate based on the 2010 National Population and Housing Census and the 2017 Multiple Purpose Survey.

² Support refers to assistive technologies or help from a person.

³ Authors' calculations based on PENDIS. PENDIS and the Census use different methodologies to calculate the prevalence and type of disability. PENDIS uses the World Health Organization Disability Assessment Schedule 2.0 and the Census utilizes the recommendations of the Washington Group on Disability Statistics.

⁴ An analysis of 13 household surveys in developing countries showed that households where adults with disabilities live are poorer than the average household, in terms of per capita consumption. See [optional link 7](#).

⁵ In low-income countries, persons with disabilities, compared to those without them, have a 50% higher probability of facing ruinous health care costs. See [optional link 7](#).

⁶ See [optional link 7](#).

⁷ See [optional link 7](#).

⁸ See [optional link 7](#).

⁹ Article 19 of the Political Constitution calls for no discrimination based on disability.

¹⁰ See [optional link 7](#).

society and the maximum development of their abilities. In 2007, the country adopted the Convention on the Rights of Persons with Disabilities (CRPD) and its optional protocol,¹¹ aligning itself with a social approach to disabilities¹² and agreeing to undergo a review of the nationwide progress made to meet these international standards. The institutional framework for inclusion was strengthened through the creation in 2007 of the National Disability Office (SENADIS),¹³ whose mission is to execute inclusion policies, and the National Advisory Council on Disability (CONADIS)¹⁴ as the coordinating body for the institutional services offered. The National Disability Policy of 2009 establishes guidance for government institutions regarding the delivery of health care services, inclusive education, and professional and occupational training¹⁵ for persons with disabilities.

- 1.4 Some of the most significant advances that the country made in recent years are related to disability measurement and assessment systems. In 2006, the first statistics on the prevalence of disabilities were obtained through PENDIS. In 2010, the disability measurement methodology of the Washington Group on Disability Statistics¹⁶ was included in the National Population and Housing Census. Disability assessment systems are essential for inclusion since they provide access to social protection policies and resources¹⁷ for persons with disabilities. Having a disability certification in Panama makes it possible to benefit from Law 134.¹⁸ In 2014, Panama established its disability certification system, using the biopsychosocial approach of the International Classification of Functioning, Disability and Health (ICF) and the International Classification of Diseases, Tenth Revision (ICD-10).¹⁹ Between 2015 and 2019, SENADIS certified the disabilities of 6,754 people.²⁰ For this, it created Disability Assessment Committees and worked on the first stage of the National Certification Registry (RENACER), a digital system to streamline the process.
- 1.5 Panama also expanded services to prevent health conditions that interact with barriers from becoming disabilities, as well as to provide rehabilitation services,

¹¹ See [optional link 7](#).

¹² See [optional link 7](#).

¹³ SENADIS is an autonomous agency with independent legal status that is represented in the Executive Branch by MIDES.

¹⁴ The President of the Republic is the chair of CONADIS, while SENADIS acts as its Technical Secretariat, and the council is made up of representatives from ministries such as social development, education, and health.

¹⁵ See [optional link 7](#).

¹⁶ The questions that the Washington Group on Disability Statistics recommends are consistent with the CRPD, because they measure limitations. They ask about difficulties in six functional domains: hearing, seeing, mobility, cognition, communication, and self-care. According to the Economic Commission for Latin America and the Caribbean, it is advisable to use these questions to move forward with the international harmonization of disability statistics.

¹⁷ See [optional link 7](#).

¹⁸ Law 134 of 31 December 2013 provides health care, education, and job protection benefits.

¹⁹ Executive Decree 36 of 2014 adopted the ICF and the ICD-10.

²⁰ See [optional link 7](#).

inclusive education, and social protection for persons with disabilities. An institutional framework for early diagnosis of disabilities was established by means of the Neonatal Screening Law.²¹ This law requires the public and private health systems to conduct screening tests for health conditions that could become disabilities. The National Neonatal Screening Program, coordinated by the Ministry of Health (MINSa), oversees visual, hearing, and metabolic screening tests. These are part of the Integrated Early Childhood Care Pathway (RAIPI) of Panama's Integrated Early Childhood Care Policy.²² In 2018, 10,246 children served by MINSa had hearing screening tests²³ to diagnose whether they had hearing impairment or loss.²⁴ Metabolic screenings, which consist of six genetic tests to detect diseases that can cause intellectual disabilities or organ-related disorders, were conducted for 37,690 infants born in MINSa facilities in 2018.²⁵ With respect to rehabilitation, Panamanian law mandates the delivery of this service to all persons with disabilities, regardless of their health insurance status. According to the World Health Organization, timely, pertinent, and quality rehabilitation can reduce care costs, lessen the disability, and improve quality of life.²⁶ The Social Security Institute offers rehabilitation in its facilities, while MINSa offers it through the National Institute of Physical Medicine and Rehabilitation (INMFRE) in Panama City and the Centros Reintegra rehabilitation centers in eight provinces. Rehabilitation is focused on physical functioning, psychological functioning, speech therapy, and occupational therapy. In 2017, the INMFRE and the Centros Reintegra, administered by MINSa, provided physical rehabilitation services to 120,982 people.²⁷ SENADIS has a Disability Revolving Fund (FODIS) to pay for assistive technologies (wheelchairs, prosthesis, glasses, etc.)²⁸ for persons with disabilities in economically vulnerable situations.

- 1.6 Panama progressed toward the inclusion of persons with disabilities by adopting inclusive education,²⁹ guaranteeing that children and young people with disabilities have access to schools and receive education of the same quality as their peers.³⁰ In 2019, 17,279 children and young people with disabilities were enrolled in the regular education system, while 3,973 attended specialized educational centers managed by the Panamanian Institute of Special Habilitation

²¹ See [optional link 7](#).

²² Executive Decree 108 of 2014 adopted the Integrated Early Childhood Care Pathway and Executive Decree 201 of 2009 adopted the Integrated Early Childhood Care Policy, whose implementation is supported by the Social Inclusion and Development Program (loan 3512/OC-PN).

²³ See [optional link 7](#).

²⁴ A hearing impairment may hinder oral communication and cognitive abilities.

²⁵ The tests are glucose-6-phosphate dehydrogenase, congenital hypothyroidism, galactosemia, phenylketonuria, adrenal hyperplasia, and hemoglobin disease.

²⁶ See [optional link 7](#).

²⁷ See [optional link 7](#).

²⁸ Assistive technologies are support devices that improve the functionality of persons with disabilities and facilitate their daily living activities.

²⁹ Law 42 of 1999 mandates their inclusion in the regular education system.

³⁰ See [optional link 7](#).

(IPHE).³¹ There are 1,731 special education teachers at 813 educational centers throughout the country,³² who make it easier for children and young people with disabilities to enter and continue attending schools. Panama, along with Brazil, Costa Rica, and Uruguay, have the highest school attendance rates among children and young people with disabilities in the region.³³

- 1.7 With respect to income support, Panama has four cash transfer programs that benefit persons with disabilities who are living in poverty. Programa de Subsidios Económicos of SENADIS provides US\$50 per month to persons with disabilities living in poverty. Red de Oportunidades (RdO) of MIDES provides US\$50 per month to households living in extreme poverty, which include 3,125 persons with disabilities.³⁴ Programa Angel Guardián (AG) provides US\$80 per month to 19,254 persons with severe disabilities who are living in conditions of dependence and extreme poverty. Programa 120 a los 65 provides US\$120 per month to people over age 65 without social security living in poverty. Its beneficiaries include 9,513 persons with disabilities.

3. Challenges for the social inclusion of persons with disabilities

- 1.8 Despite the progress achieved, there are still challenges that limit the social inclusion of persons with disabilities in Panama. These challenges are related to gaps in disability measurement and assessment, low coverage and quality in the delivery of health care services, shortcomings in implementing inclusive education, and a lack of strategies that foster the personal autonomy of persons with disabilities. These gaps are even more pronounced in the country's rural areas and comarcas where the national government is implementing the Plan Colmena—an interagency strategy for multidimensional poverty reduction.³⁵
- 1.9 With respect to measuring disabilities, the only National Disability Survey was conducted 14 years ago, and the Census was taken 10 years ago. The National Disability Policy has not been updated since 2009, which constitutes a barrier in measuring disabilities as well as formulating and implementing public policies. The lack of updated national statistics is a result of the lack of budget appropriations to SENADIS³⁶ and delays in conducting the Census.
- 1.10 With respect to disability certification, SENADIS has only certified 2.1% of persons with disabilities.³⁷ Rural areas and comarcas lag behind the most, because of the lack or centralization of the certification system and geographic

³¹ See [optional link 7](#).

³² See [optional link 7](#).

³³ In these countries, the school attendance gap between children ages 6 to 11 with and without disabilities is less than 5 percentage points. See [optional link 7](#).

³⁴ Pursuant to Resolution 544 of 14 November 2016, benefits from the opportunity network can be provided to persons with disabilities living in extreme poverty who are between the ages of 18 and 64.

³⁵ Plan Colmena is the national government's poverty reduction strategy that focuses interagency action on 300 villages with a high rate of multidimensional poverty.

³⁶ The budget for the second National Disability Survey was cancelled in 2020. The Census was suspended indefinitely.

³⁷ Since this is a voluntary process, no country has certified all of its persons with disabilities.

and economic barriers. Only 21% of all certifications issued between 2015 and 2019 are for persons with disabilities in these areas.³⁸ Challenges in expanding certification include a lack of Assessment Committees, the centralization of the process at the headquarters of SENADIS (due to the lack of physical space, technological equipment, and human resources in the nine regional bureaus),³⁹ and the lack of institutional ties in the comarcas. The National Certification Registry (RENACER) still needs to automate processes and become interoperable with the information systems of other government institutions, including the National Beneficiary Registry (RENAB).⁴⁰ The certification system lacks coordination with other State entities in assigning benefits to persons with disabilities, such as the MIDES cash transfer programs. For example, MIDES and SENADIS use different methods to measure disabilities and poverty.

- 1.11 With respect to the early detection of disabilities, there are gaps in both coverage and reach of neonatal screening tests. Among newborns born in MINSA facilities, 75.7% did not receive hearing tests⁴¹ and 11% did not receive metabolic tests. Moreover, the country only performs six⁴² metabolic tests, which limits the scope of the diagnostics. For visual disabilities, MINSA only performs screenings for premature newborns at Hospital del Niño. These gaps remain because of the lack of hearing and vision screening equipment at the 53 rural hospitals and inpatient health care centers, and the insufficient purchase of test strips for metabolic screenings due to the lack of budgetary allocations.
- 1.12 Although persons with disabilities need more health care services compared to those without them, both general and specialized (rehabilitation) services, they face barriers that result in low coverage for these services.⁴³ In Panama, only one of every two persons with disabilities (48%) have social security, while in indigenous comarcas, it is 1 of 50 (1.9%).⁴⁴ This limits their access to a specialized portfolio of health care and protection services that are offered through disability pensions.
- 1.13 Gaps in access to rehabilitation services still remain. These services provide coverage to 38% of persons with disabilities, with even larger gaps in rural areas and comarcas. Of the total number of persons with disabilities in these areas,

³⁸ See [optional link 7](#).

³⁹ Based on an assessment by the IDB, one third of the regional offices do not have internet service; none of them has a private office for the certification process or meets accessibility standards for persons with disabilities; and four have infrastructure in critical condition.

⁴⁰ With assistance from loan 3512/OC-PN, RENAB is unifying the beneficiary rosters of the State's cash transfer programs and supporting their efficient management.

⁴¹ See [optional link 7](#).

⁴² To expand metabolic screening, it would be necessary to add the tandem mass spectrometry technique, which enables screening for 29 diseases.

⁴³ Results from 127 studies in low- and middle-income countries showed that persons with disabilities have higher health care needs and expenses but less coverage, access to rehabilitation, and assistive technologies. See [optional link 7](#).

⁴⁴ See [optional link 7](#).

only 26% received rehabilitation services in 2017.⁴⁵ Coverage is limited, because there are no rehabilitation centers or community-based models in comarcas. Community-based rehabilitation is a strategy that the World Health Organization created to improve access for persons with disabilities in low- and middle-income countries to health care, rehabilitation, education, livelihood, and community participation services.^{46,47}

- 1.14 Rehabilitation services face challenges with respect to quality, including the lack of standards for service delivery, because there are no homogeneous care protocols and the Centros Reintegra are excluded from the budgets of the regional offices of MINSA. With respect to assistive technologies, the Disability Revolving Fund (FODIS) has limited reach and coverage, particularly in rural and indigenous areas. Of the persons with disabilities who said they need assistive technologies,⁴⁸ only 1.4% have requested them from FODIS and 0.4%⁴⁹ received them in the past five years, because of budget constraints.⁵⁰ Only one third of the assistive technologies provided were given to persons with disabilities in rural and indigenous areas.
- 1.15 Panama is currently under a state of national emergency due to COVID-19, the disease caused by SARS-CoV-2, declared a pandemic by the World Health Organization on 11 March 2020. Persons with disabilities are at high risk for mortality, morbidity, and poverty because of COVID-19.⁵¹ They have increased risks of developing complications due to underlying health conditions⁵² and could suffer larger economic impacts because of their overrepresentation among populations living in poverty. Other risks are the lack of information—which is often not available through accessible means—and the lack of personal care services due to social distancing measures. The national emergency in Panama due to the COVID-19 pandemic⁵³ has demonstrated the lack of mechanisms for the protection and safety of persons with disabilities in situations of risk.
- 1.16 **Panama faces challenges consolidating an inclusive education model.** Among children and young people with disabilities of school age, 61.5% receive

⁴⁵ According to SENADIS, 44,468 persons with disabilities received services in Centros Reintegra and 76,514 in INMFRE facilities in 2017, for a total of 120,982 people. This includes rural areas and comarcas where the services of Centros Reintegra are provided in all provinces, except for Panama and Colón.

⁴⁶ Community-based rehabilitation has health, education, livelihood, social, and empowerment components for persons with disabilities and their families. See [optional link 7](#).

⁴⁷ Community-based rehabilitation evaluations show increased independence, mobility, and involvement for persons with disabilities. See [optional link 7](#).

⁴⁸ According to PENDIS, 104,358 persons with disabilities need assistive technologies.

⁴⁹ PENDIS estimated that 97,259 persons with disabilities need assistive technologies. As of 2019, FODIS has received 1,411 requests and fulfilled only 393.

⁵⁰ In the past three years, FODIS obtained 14% of the budgetary resources it requested.

⁵¹ See [optional link 7](#).

⁵² Evidence shows that people with cardiovascular disease, diabetes, and chronic lung diseases are at higher risk of morbidity and mortality because of COVID-19. See [optional link 7](#).

⁵³ See [optional link 7](#).

inclusive educational services.⁵⁴ Although the attendance gap is low, young people with disabilities have a lower probability of completing the primary levels of education; this situation worsens for secondary education.⁵⁵ There are regulations that mandate inclusive education. However, only 21% of educational centers (and 5% in the comarcas)⁵⁶ have special education teachers to offer resources and support. Of these schools, 36.4% lack equipped classrooms.⁵⁷ In addition, 35% of educators said they lack training or equipment to address the specific needs of students with disabilities.⁵⁸ The reasons are: (i) attitude barriers among teachers and principals; (ii) lack of human resource training on how to implement reasonable accommodations; and (iii) a regulatory framework that perpetuates institutional design with duplication of activities⁵⁹ and lacks the necessary robustness to manage quality inclusive education that is consistent with the CRPD.

- 1.17 **Recognition and exercise of the legal capacity and personal autonomy of persons with disabilities in Panama is another challenge for inclusion.** The country has in effect legal provisions under which persons with disabilities are limited from effectively exercising their fundamental rights and freedoms. These include guardianship rules that prevent persons with disabilities from representing their own interests and require them to delegate decision-making.⁶⁰ In addition, Panama lacks support systems⁶¹ and assistance measures for persons with disabilities to exercise their rights and duties.⁶²
- 1.18 For persons with disabilities, exercising their autonomy and having the ability to perform the activities of daily living is often limited by the need for support. In Panama, 60% of persons with disabilities need support.⁶³ The majority receive it from their families (46%),⁶⁴ particularly from women.⁶⁵ As the 2011 Time Use

⁵⁴ Inclusive education serves 17,279 children with disabilities (3,973 receive specialized services at the IPHE). Based on the 2010 Census and the 2017 Multiple Purpose Survey, it is estimated that there are 28,088 children with disabilities between 6 and 19 years of age.

⁵⁵ Attendance gaps between persons with and without disabilities are wider in secondary education than in primary education. The gaps intensify in secondary school because shortcomings in the quality of education become cumulative with time and students with disabilities drop out of school more often. See [optional link 7](#).

⁵⁶ See [optional link 7](#).

⁵⁷ See [optional link 7](#). Equipped classrooms have materials and furniture that facilitate access, participation, and learning in the regular education system for students with disabilities.

⁵⁸ See [optional link 7](#).

⁵⁹ The Ministry of Education (MEDUCA) provides educational services in schools. However, the IPHE manages the enrollment of students with disabilities in these centers and the special education teachers who work there are on its payroll. Both institutions work simultaneously to deliver educational services to students with disabilities.

⁶⁰ Guardianship is the designation of a person or guardian to represent another.

⁶¹ An evaluation is required to determine the level of support needed for decision-making.

⁶² See [optional link 7](#).

⁶³ Authors' calculations based on PENDIS.

⁶⁴ According to PENDIS, among persons with disabilities, 39.6% said they do not need support, 46.6% obtain support from their families, 11.4% do not receive support, 1.1% obtain support from friends or neighbors, 0.9% did not know or did not respond, and 0.5% get support from a paid caregiver.

⁶⁵ See [optional link 7](#).

Survey indicated, women account for 69% of caregivers, which shows unequal gender distribution in support tasks,⁶⁶ including support provided to persons with disabilities. This permanent support limits the participation of women in job, educational, and recreational activities, and represents a risk factor for their physical and mental health.⁶⁷ Panama lags behind in developing personal assistance alternatives that enable persons with disabilities to fulfill their right to live independently and be included in the community, without their families being solely responsible for decision-making regarding their lives and providing support. The CRPD recommended that the country begin offering services to foster an independent living structure, including personal assistance.⁶⁸ This would contribute to reducing caregiver burnout and free up time for productive activities that decrease the economic vulnerability of the families of persons with disabilities.

- 1.19 **Complementarity with other Bank operations.** This program complements the IDB's current social portfolio in Panama in terms of child development, social protection, health care, gender, and education. The program supports the expansion of early childhood care promoted by the Social Inclusion and Development Program (loan 3512/OC-PN) by extending neonatal screening coverage. On social protection, the operation will harmonize poverty and disability assessment tools in order to verify eligibility for cash transfer programs targeting persons with disabilities. It will also establish interoperability between the National Certification Registry and the National Beneficiary Registry. The program will strengthen the health care services portfolio offered by the Integrated Health Service Networks Strengthening Program (loan 3615/OC-PN) by expanding the coverage and quality of rehabilitation in rural and indigenous areas. The operation strengthens the broad faculty-training agenda fostered by the Program to Improve Efficiency and Quality in the Education Sector (loan 4357/OC-PN).⁶⁹ Lastly, it supports the economic inclusion of women promoted by the Program to Support Gender Equality Policies (loan 4777/OC-PN) by creating assistance services for populations in situations of dependency.
- 1.20 **Lessons learned.** For the design of this program, lessons learned from operations 3512/OC-PN and GRT/HE-15092 (Mesoamerica Health Initiative 2015 Panama) were considered. These helped prepare protocols and quality standards for the delivery of maternal and child health services and instruments to monitor quality, which will serve as benchmarks to design the national rehabilitation system described in Component 2. From the Support Program for the Social Inclusion of People with Disabilities in Ecuador (loan 4634/OC-EC), this operation includes the concept of a cross-sector coordination body that

⁶⁶ See [optional link 7](#).

⁶⁷ See [optional link 7](#).

⁶⁸ Recommendations in the Panama Report (CRPD/C/PAN/1) for its 350th session, 2017.

⁶⁹ The selection of 30 elementary schools in rural areas to equip classrooms with assistive resources will be conducted in coordination with the team working on the Program to Improve Efficiency and Quality in the Education Sector (loan 4357/OC-PN).

ensures the coordinated implementation of multisectoral activities. While the execution mechanism in Ecuador includes execution units in every ministry involved (health, education, social development, and housing), they are coordinated through the Technical Secretariat for the “Plan Toda Una Vida.” This program proposes the creation of a high-level Strategic Committee at CONADIS to facilitate cross-sector coordination. SENADIS will serve as the primary executing agency to ensure the prioritization of activities during execution, which for the line ministries represent a small percentage of their budgetary resources. With respect to program implementation arrangements, the experience with the Panama Online Program (loan 3683/OC-PN), which has a small executing agency—the National Authority for Government Innovation—similar to SENADIS, was considered in order to increase institutional empowerment to meet objectives.

- 1.21 The environmental and cultural infrastructure modifications proposed in Components 1 and 2 for the comarca Ngäbe Buglé incorporate recommendations from the Guía de Etnoingeniería [Ethnoengineering Guide] (Perafán, 2005) from the Gender and Diversity Division. The experience with the portfolio in Panama with respect to delays in procurement processes and construction of works because of the lack of formalization of land ownership was considered. Therefore, a special contractual execution condition is for the executing agency to submit evidence of the legal ownership of the property where the planned works for Components 1 and 2 will be carried out prior to the startup. The lessons learned from the evaluation of the IDB Country Strategy with Panama (2015-2019) (document GN-2838)⁷⁰ were considered. Since this evaluation identified delays and high costs associated with interventions in indigenous areas, the study, design, and tendering phases for the infrastructure works planned for the comarca in Components 1 and 2 will move forward with resources from technical cooperation funding ATN/OC-17943-PN.
- 1.22 **Strategic alignment.** The project is consistent with the second Update to the Institutional Strategy 2020-2023 (document AB-3190-2) and aligned with the challenge of social inclusion and equality by improving access to public services for persons with disabilities. The program is also aligned with the crosscutting areas of: (i) institutional capacity and rule of law by supporting the strengthening of the capacity of SENADIS to measure and assess disabilities; (ii) gender equality and diversity by promoting, through care models and culturally relevant infrastructure, the preservation of the cultural heritage of indigenous peoples (paragraph 1.25) and the participation of women in the workforce using a personal assistance model; and (iii) climate change and environmental sustainability by including energy and water savings options in the regional offices of SENADIS and the Centros Reintegra. The program contributes to the Corporate Results Framework 2020-2023 (document GN-2727-12) through: (i) beneficiaries receiving health services; (ii) beneficiaries of targeted anti-poverty programs; and (iii) agencies with strengthened digital technology and managerial capacity. In addition, the program is consistent with the Social

⁷⁰ See [optional link 7](#).

Protection and Poverty Sector Framework Document (document GN-2784-7) by strengthening programs that serve populations in situations of dependency. It is also consistent with the Gender and Diversity Sector Framework Document (document GN-2800-8) by benefitting women's inclusion in the workforce and fostering culturally competent social services. The program is consistent with the Diversity Action Plan for Operations 2019-2021 (document GN-2531-17) in its objective of implementing operations that directly invest in development with identity and inclusion. It is aligned with the IDB Country Strategy with Panama (2015-2019) (document GN-2838), specifically the strategic objectives of improving the delivery of basic services to population segments living in poverty and strengthening the educational profile of the population. This operation is included in the Update of the Annex III of the 2020 Operational Program Report (document GN-2991-3). It is aligned with the element of combating poverty and inequality of the Panamanian government's 2020-2024 Strategic Plan. This includes strengthening access for persons with disabilities to public services, inclusive education, and a rights-based approach to the national legal framework.⁷¹ By focusing action on the country's rural areas and comarcas, the program aligns with the territorial prioritization of the Plan Colmena.

- 1.23 Of the operation's resources, 16% will finance climate change mitigation (11.2%) and adaptation (4.8%) activities, based on the [Multilateral Development Banks' joint methodology](#) ([optional link 4](#)). The works will feature bioclimatic architecture, energy-efficient equipment, water-saving devices, and low-impact building materials throughout their lifecycle, generating savings equivalent to those necessary to obtain EDGE certification.
- 1.24 Works will be designed following universal accessibility criteria for interiors, outdoor spaces, and furniture. For the comarca Ngäbe Buglé, this will include the use of culturally relevant criteria for direction and setup, stylistic elements, and the construction of a shelter. All the works will include public utility services and connectivity ([optional link 5](#)).

B. Objectives, components, and cost

- 1.25 **Program objectives:** The general objective of the program is to support the social inclusion of persons with disabilities by increasing the State's ability to identify them and take their needs into account, as well as to foster improvements in the coverage and quality of the health-care, educational, and personal-autonomy support services they receive. The specific objectives are to: (i) increase the efficiency and effectiveness of the identification and certification systems for persons with disabilities; (ii) expand the diagnostic and coverage capacity of disability rehabilitation services, with an emphasis on early childhood; (iii) improve the quality of the educational services available for students with disabilities; and (iv) increase the autonomy of persons with severe disabilities (see [optional link 9](#)).

⁷¹ See [optional link 7](#).

- 1.26 **Component 1. Strengthening of the measurement and assessment of disabilities (IDB US\$10,000,000; local counterpart US\$60,000).** The investments associated with this component will help increase the efficiency and effectiveness of the identification and certification systems for persons with disabilities. They are also intended to strengthen the leadership functions and service delivery of SENADIS. This component will benefit 15,800 persons with disabilities who will have access to the disability certification system for the first time.⁷²
- 1.27 **Subcomponent 1. Disability measurement.** The following will be financed: (i) the design, implementation, and dissemination of the second National Disability Survey; and (ii) the development of a National Disability Atlas.
- 1.28 **Subcomponent 1.2. Disability certification system.** The following will be financed: (i) a training program for existing health care personnel to make up 24 Disability Assessment Committees in nine provinces and one comarca; (ii) a trainer accreditation program at SENADIS for application of the ICF and the ICD-10; (iii) the expansion of the National Certification Registry (RENACER), including its interoperability with the National Beneficiary Registry (RENAB) and coordination of benefits for persons with disabilities; (iv) the harmonization between MIDES and SENADIS in applying instruments to evaluate poverty and disabilities to verify eligibility for participation in cash transfer programs targeting persons with disabilities;⁷³ and (v) the adaptation of the physical plant, furniture, technological equipment, and connectivity services for eight regional offices⁷⁴ and the construction of two regional offices for SENADIS in Veraguas and the comarca Ngäbe Buglé, to expand and decentralize the certification system.
- 1.29 **Component 2: Expansion of early diagnostic and rehabilitation services (IDB US\$16,500,000; local counterpart US\$480,000).** The investments associated with this component will help expand the diagnostic and coverage capacity of disability rehabilitation services, with an emphasis on early childhood. The beneficiaries are: (i) 40,000 newborns⁷⁵ in 53 primary and secondary health-care facilities of MINSA with access to metabolic, vision, and hearing screening tests; (ii) 57,993 persons with disabilities receiving rehabilitation services at upgraded or newly built Centros Reintegra and 3,000 persons with disabilities benefitting from a community-based rehabilitation model; and (iii) 2,000 persons with disabilities receiving new assistive technologies.

⁷² The system will be available to serve 158,737 persons with disabilities, except for the province of Panama, where the headquarters of SENADIS are located.

⁷³ The interoperability between RENACER and RENAB will improve the efficiency of social spending by preventing duplication in allocating benefits. The harmonization of poverty and disability criteria between MIDES and SENADIS for benefit allocation generates savings by decreasing the volume of transactions conducted by both institutions.

⁷⁴ Bocas del Toro, Chiriquí, Coclé, Colón, Darién, Herrera, Los Santos, and Panamá Oeste.

⁷⁵ The total live births in 2018 in MINSA facilities is 40,000.

- 1.30 **Subcomponent 2.1. Early diagnostic services.** The following will be financed: (i) procurement of 77,000 metabolic screening tests to detect 29 metabolic diseases; (ii) procurement of hearing and vision screening equipment for 53 primary and secondary health-care facilities that provide birthing services, in alignment with the Plan Colmena; and (iii) training of existing health care professionals on the use of screening equipment.
- 1.31 **Subcomponent 2.2. Rehabilitation.** The following will be financed: (i) adaptation of physical plant and equipment in six Centros Reintegra, expansion of the Centro Reintegra⁷⁶ in Darién, and construction of a new center in the comarca Ngäbe Buglé;⁷⁷ (ii) modification of the administrative structure of the Centros Reintegra for their addition to the regional bureaus of MINSA; (iii) creation of a national rehabilitation system with homogeneous care protocols and rules; (iv) design and implementation of a community-based model that provides rehabilitation services to 3,000 persons with disabilities in rural and hard-to-access areas, in alignment with the Plan Colmena coordinated by SENADIS; and (v) procurement and delivery of 2,000 quality assistive technology devices.
- 1.32 In the context of the COVID-19 pandemic, financing will be provided for the following medium-term actions to address the differentiated needs of persons with disabilities: (i) preparation of a proposal to add a differentiated approach for persons with disabilities to the National Operating Plan for Prevention and Control of COVID-19 in the Health System;⁷⁸ and (ii) preparation of a National Plan for Risk Situations and Humanitarian Emergencies to enable government entities, led by SENADIS, to strengthen response guidelines and protocols for persons with disabilities.
- 1.33 **Component 3. Strengthening of the inclusive education model (IDB US\$2,865,000; local counterpart US\$256,500).** This component will help improve the quality of the educational services available for students with disabilities. Students with disabilities at 477 educational centers in rural areas⁷⁹ will benefit, in alignment with the Plan Colmena. The following will be financed: (i) the diagnostic assessment and update of the regulatory framework that governs special education; (ii) the design and implementation of an awareness campaign for principals and faculty at 477 public schools regarding inclusion in the school environment; (iii) the implementation of a training plan for hired faculty on inclusive teaching methodologies and the use of reasonable accommodations;⁸⁰ (iv) the procurement of 30 resource libraries to improve the accessibility of teaching materials and assistive technologies in educational

⁷⁶ Chiriquí, Coclé, Colón, Herrera, Los Santos, and Veraguas.

⁷⁷ The Centro Reintegra in Bocas del Toro was not included since it opened recently.

⁷⁸ See [optional link 7](#).

⁷⁹ The 477 educational centers selected are inclusive, meaning that they have special education teachers.

⁸⁰ Reasonable accommodations refer to adjustments or resources that the education system must provide based on every student's needs.

centers;⁸¹ (v) the diagnostic assessment of requirements for reasonable accommodations and assistive technologies for 6,911 students with disabilities attending inclusive schools;⁸² and (v) the evaluation of the impact of an awareness campaign and personnel training on including children with disabilities in regular education.

- 1.34 **Component 4. Expansion of the autonomy of persons with disabilities (IDB US\$8,135,000; local counterpart US\$3,500).** The investments associated with this component are intended to increase the autonomy of persons with severe disabilities. This component will benefit 2,000 persons with disabilities with high support needs who are beneficiaries of Programa Angel Guardián.
- 1.35 **Subcomponent 4.1. Personal assistance.** This will finance the design, implementation, and evaluation of a pilot personal assistance model for persons with disabilities with high support needs who are beneficiaries of Programa Angel Guardián. The model consists of providing personal assistance services including, but not limited to supporting persons with disabilities with activities of daily living. These will be provided by personal aides trained, certified, and supervised by SENADIS in coordination with MIDES. To this end, the following will be financed: (i) a plan to provide training on autonomy to 1,750 persons with disabilities with high support needs; (ii) the design of a pilot personal assistance model for 1,050 persons with disabilities with high support needs⁸³ who are beneficiaries of Programa Angel Guardián; (iii) the design and implementation of a training and certification program for 650 personal aides; (iv) the design and implementation of a payment mechanism for personal aides who are certified and employed; and (v) the impact evaluation of personal assistance on the perception of autonomy of the beneficiaries and the well-being of their family caregivers.
- 1.36 **Subcomponent 4.2. Legal capacity.** The following will be financed: (i) the preparation of a draft bill to update the regulations that violate the fundamental rights of persons with disabilities⁸⁴ and the principles of personal autonomy; and (ii) the design of a support system to help persons with disabilities in exercising their rights.⁸⁵

⁸¹ The 30 educational centers that will benefit from these resource centers will be selected from the 175 elementary educational centers in the treatment group for the impact evaluation, prioritizing those with larger populations of students with disabilities and geographical representation.

⁸² See [optional link 7](#).

⁸³ The pilot model will be offered to a total of 1,750 persons with disabilities (875 from the treatment group and 875 from the control group). However, of the total, it is assumed that 60% would agree to participate in the pilot; therefore, the number of beneficiaries is 1,050.

⁸⁴ The scope of the proposed draft bill, to be validated by the Judicial Branch and presented to the National Assembly of Deputies, includes amendments to the Civil, Family, and Judicial Codes.

⁸⁵ The support system will be designed under the program, based on the needs of persons with disabilities. From experiences in other countries, this could include court facilitators, translation of documents to braille, and sign language interpreters to facilitate communication.

- 1.37 **Program management and contingencies (IDB US\$2,500,000; local counterpart US\$500,000).** This will finance administrative, financial, audit, and supervision needs related to program management, including: (i) project-management software licenses and training; (ii) financial and operational audit of the operation; (iii) contingency expenses; and (iv) midterm and final evaluations. The local contribution will finance the costs related to contracting the personnel for the program coordination unit (PCU), including personnel for coordination, procurement, finance, monitoring, architecture, engineering, and environmental and social specialists.

C. Key results indicators

- 1.38 **Indicators.** The following indicators in the Results Matrix are expected to increase: (i) percentage of persons with disabilities who are certified; (ii) percentage of children with a hearing disability that has been diagnosed; (iii) percentage of persons with disabilities who access rehabilitation services; and (iv) attendance ratio between children with and without disabilities. This is expected by achieving the following outcomes: (i) increased percentage of persons with disabilities whose disabilities are evaluated using ICF parameters; (ii) reduced time for effective certification of disabilities; (iii) increased percentage of children who undergo hearing, vision, and metabolic screening tests; (iv) percentage of persons with disabilities served at Centros Reintegra; (v) increased percentage of Centros Reintegra applying quality standards; (vi) increased percentage of persons with disabilities who receive quality services through a community-based rehabilitation model; (vii) increased percentage of public institutions adopting the National Plan for Risk Situations and Humanitarian Emergencies; (viii) increased percentage of students with disabilities in elementary schools attending classrooms smaller than one standard deviation from the average classroom size; (ix) increased percentage of students with disabilities who have an Individualized Education Plan; (x) increased index of decision-making ability for persons with disabilities with high support needs; and (xi) decreased burden scale for the family caregivers of persons with disabilities with high support needs.
- 1.39 **Economic analysis.** The preparation of the economic analysis for this operation was extremely challenging, given the lack of evidence to quantify and express in monetary terms the benefits associated with all the interventions. However, since it was necessary to conduct an economic assessment of the operation, resources from other disciplines such as medicine and job markets were used in the economic analysis to evaluate some of the interventions. The program promotes a biopsychosocial approach to disabilities. By using medical and employment perspectives, the economic analysis leaves out fundamental matters regarding the dignity and rights of persons with disabilities. See [optional link 1](#).
- 1.40 While the costs associated with the components whose benefits are quantified in this document account for 68.4% (US\$20,101,500) of the total, all the costs associated with the operation were considered. The analysis considered the sensitivity of the value of the program to changes in the assumptions. As the literature suggests, a 3% discount rate was used for the base-case scenario, and rates of 6%, 9%, and 12% were used for alternative scenarios. The interventions with benefits expressed in monetary terms are those related to Components 2, 3,

and 4. The analysis included the benefits of expanding neonatal screening and assistive technologies, expressed as quality-adjusted life years and disability-adjusted life years, which are utilized in the medical literature. The benefits of inclusive education were also analyzed, since the graduation rates of persons with disabilities, and as a result, their earned income, are expected to increase. In addition, the indirect benefits of assistive technologies and the personal assistance model for persons with disabilities were analyzed, with respect to freeing up time for the main caregiver to potentially obtain paid work. The economic analysis showed a positive cost-benefit ratio of 1.19 for the base-case scenario, with a positive net present value of US\$7.4 million and an internal rate of return of 66%.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The program will have a total cost of US\$41.3 million and will be financed with a US\$40 million specific investment loan from Ordinary Capital resources and a local contribution of US\$1.3 million. The type of loan is justified because the components complement each other to favor the social inclusion of persons with disabilities. The disbursement period will be five years.

Table 1. Estimated program costs (US\$ thousands)

Components	IDB	Local	Total	%
1. Strengthening of the measurement and assessment of disabilities	10,000	60	10,060	24.4
2. Expansion of early diagnostic and rehabilitation services	16,500	480	16,980	41.1
3. Strengthening of the inclusive education model	2,865	256.5	3,121.5	7.6
4. Expansion of the autonomy of persons with disabilities	8,135	3.5	8,138.5	19.7
Administration and contingencies	2,500	500	3,000	7.2
Total	40,000	1,300	41,300	100

Table 2. Disbursement schedule (US\$)

Source	Year 1		Year 2		Year 3		Year 4		Year 5	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
IDB	3,360,700	8.1	9,872,995	23.9	11,218,185	27.2	8,456,920	20.5	7,091,200	17.2
Local	143,742	0.3	639,390	1.5	189,390	0.5	199,390	0.5	128,090	0.3
Total	3,504,442	8.4	10,512,385	25.4	11,407,575	27.7	8,656,310	21.0	7,219,290	17.5

B. Environmental and social risks

- 2.2 In accordance with Environment and Safeguards Compliance Policy (Operational Policy OP-703), the program has been classified as a category "B" operation, because the works for rehabilitation and construction of the regional offices of SENADIS and the Centros Reintegra in rural areas, including the comarca

Ngäbe Buglé, could have negative socioenvironmental impacts that will be localized, short-term, not scalable, and can be mitigated with standard mitigation measures.

- 2.3 An environmental and social analysis and [environmental and social management plan](#) was prepared for the group of works. In addition, a [sociocultural analysis](#) was prepared for the intervention in the comarca, including property matters, cultural uses of land, and the Ngäbe people's cultural approach to disabilities. It proposes to include ethnoengineering considerations in infrastructure design and location, and to make intercultural adjustments to the service delivery model to ensure its cultural relevance.
- 2.4 Significant consultations with program stakeholders were conducted in June and July 2020. Because of the COVID-19 emergency, the consultations were mostly virtual. The participants in the consultations for Darién and Veraguas were representatives from national and local associations for persons with disabilities, public institutions, and local authorities. Their main concerns are the challenges for persons with disabilities to physically access the Centros Reintegra and the potential turnover of the professionals who deliver services. In the comarca, there were conference calls with traditional authorities, indigenous social organizations, and the Ngäbe Association of Traditional and Natural Health Agents (ASASTRAN). There was also an in-person meeting held with the Buätbi community to fulfill the prior consultation requirements of the comarca's rules. The recommendations were: adapt services with an intercultural focus; train personnel on intercultural considerations and traditional medicine; consider the difficulties in accessing Buätbi from other communities; hold consultations and keep people informed; and hire local employees. Participants in the consultations expressed their full support for the program. The environmental and social analysis / environmental and social management plan, the sociocultural analysis, and the consultation report are available on the IDB website.

C. Fiduciary risks

- 2.5 The program coordination unit (PCU) will be established in SENADIS. This entity has suitable personnel and procedures to process procurement financed with domestic funds. However, there is a medium risk with respect to fiduciary management, because SENADIS: (i) lacks experience executing operations financed by the IDB and other multilateral organizations; and (ii) the PCU may contract personnel unfamiliar with the Bank's financial and procurement policies. The mitigation measures are to: (i) strengthen the executing agency by contracting a general coordinator and financial, procurement, and monitoring specialists who will be dedicated exclusively to the operation, using the terms of reference detailed in the program Operating Regulations; and (ii) train the PCU on the Bank's financial and procurement policies.

D. Other risks and key issues

- 2.6 The risks, classified as medium, are: (i) the limited coordination between the ministries participating in program execution (MEDUCA, MINSA, and MIDES), which will be mitigated by signing agreements between SENADIS and these ministries that establish their respective responsibilities and by creating a high-level Strategic Committee at CONADIS to oversee these agreements;

- (ii) the limited capacity of SENADIS to supervise the environmental and social impacts of the civil works planned, which will be addressed by strengthening the PCU with an engineer, an architect, and specialists on environmental and social impacts; (iii) the lack of a beneficiary tracking system, limiting the ability of SENADIS to monitor the execution, outcomes, and beneficiaries, which will be addressed by developing a case tracking system as part of RENACER; (iv) the low allocation of budgetary resources to SENADIS, for which this operation includes contingent resources to make up for deficits in local counterpart resources to the program and provide support to SENADIS on budget planning and communicating with the Ministry of Economy and Finance (MEF); (v) the potential impact on fiscal accounts and revenue as well as the budget allocation for SENADIS due to decreased economic growth and an increased current account deficit. An open dialogue will be established with MEF to ensure the appropriation of the necessary budget; and (vi) a delay in the implementation of outputs requiring in-person actions such as personal assistance services due to physical distancing measures implemented in the context of COVID-19. As a mitigation measure, during the first year of execution, priority will be given to preparatory activities or those that do not rely on in-person actions.
- 2.7 **Sustainability.** Most of the program's activities expand the coverage and quality of existing services (certification, health care, and education). The training activities and investment in equipment and technology will increase the capacity of institutions to provide quality services to persons with disabilities. For infrastructure, the program Operating Regulations include maintenance plans to ensure the sustainability of structures. In addition, SENADIS will receive financial planning support to ensure the annual allocation of budgetary resources, particularly to help with the continuity and scaling up of personal assistance services for persons with disabilities with high support needs.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Borrower and executing agency.** The borrower is the Republic of Panama and the executing agency will be the Ministry of Social Development (MIDES), acting through the National Disability Office (SENADIS). That office will be the executing agency for the program. A PCU will be established in SENADIS, which will report to the director of this agency and will be responsible for planning, management, procurement, and monitoring activities. Interagency agreements will be signed between SENADIS and MIDES, the Ministry of Health (MINSAL), and the Ministry of Education (MEDUCA). These will establish the responsibilities of the ministries to provide SENADIS with the technical inputs necessary for procurement and supervision of the planned activities. The agreements will set forth the requirements for the transfer of supplies, equipment, and real property from SENADIS to the ministry responsible for their administration. A high-level Strategic Committee will be created and coordinated by the National Advisory Council on Disability (CONADIS) to facilitate the implementation of these agreements.

- 3.3 **Conditions precedent to the first disbursement of the loan:** (i) the establishment by the executing agency of the program coordination unit and the contracting or assigning of its key personnel (program coordinator and specialists in monitoring, procurement, and finance); (ii) the signing of interagency agreements with MIDES, MINSA, and MEDUCA; (iii) the establishment of a Strategic Committee that reports to the CONADIS to oversee these agreements; and (iv) the approval of the program Operating Regulations ([optional link 6](#)), under terms previously agreed upon with the Bank. These conditions are necessary to ensure that the borrower is prepared to start program execution under the terms agreed upon with the Bank, by transferring responsibilities and resources to SENADIS and assigning the basic personnel needed to operate the PCU.
- 3.4 **Special contractual execution condition:** (i) prior to bidding for works, the executing agency will submit evidence of its legal ownership of the property where the planned works will be constructed, to prevent delays in procurement processes for the planned works.
- 3.5 **Procurement.** The Policies for the Procurement of Goods and Works financed by the Inter-American Development Bank (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants financed by the Inter-American Development Bank (document GN-2350-15) will apply. Annex III presents the general management framework for procurement. Procurement supervision by the Bank will be based on the procurement plan ([required link 4](#)).
- 3.6 For the execution of Subcomponent 1.1, SENADIS will sign an agreement with the National Institute of Statistics and Census (INEC) to conduct the second National Disability Survey.⁸⁶
- 3.7 **Financial management and audits.** The program's financial management will follow the Financial Management Guidelines for IDB-Financed Projects (document OP-273-12). These guidelines include the methods for disbursement and external audits of the operation's financial reports to be agreed upon with the Bank. With loan proceeds, SENADIS will retain an independent firm acceptable to the Bank to audit the program's financial statements.
- B. Summary of arrangements for monitoring results**
- 3.8 **Monitoring.** In addition to the annual work plan ([required link 1](#)) and annual procurement plans, the PCU will submit semiannual status reports within 60 days after the end of every six-month period (monitoring and evaluation plan, [required link 2](#)). The Bank will conduct a midterm review of the operation to evaluate the progress in execution once disbursements reach 50%. The PCU will also keep all relevant administrative information available to facilitate this review.

⁸⁶ Created pursuant to Law 10 of 22 January 2009 as an agency of the Comptroller General of the Republic (CGR), INEC is authorized by this law to enter into agreements with other State entities to conduct statistical research because of its specialization and competency in this subject. Article 10 of this law enables INEC to receive resources from other State entities to conduct statistical research. To this end, the CGR will set up a special account for the requesting entity to receive the funds to cover research expenses.

- 3.9 **Evaluation.** There will be two impact evaluations. The evaluation of Component 3 will measure the impact of an awareness campaign and personnel training with a randomized control trial, comparing schools in the treatment group to schools in the control group. The evaluation will measure the impact of the inclusion of children with disabilities in regular education as a change in the ratio of class sizes between children with disabilities and children without disabilities at the same school. The evaluation of Component 4 will measure the effect of activities to expand the autonomy of persons with disabilities with a randomized control trial, comparing beneficiaries of Programa Angel Guardián in the treatment group to the beneficiaries of this program in the control group, with a baseline survey and a follow-up survey. Considering that the eligible population for personal assistance services (19,254 beneficiaries of Angel Guardián) is higher than the population that can benefit from the resources available, conducting an evaluation through a randomized control trial is viable. Both groups in the intervention—treatment and control—will receive personal assistance services before the end of the program. The evaluation will analyze: (i) improvements in the perception of autonomy of the beneficiaries, e.g. self-determination in general and autonomy on daily decisions; and (ii) changes in the situation of family caregivers related to the well-being of persons with disabilities, specifically in terms of stress levels.

Development Effectiveness Matrix		
Summary		PN-L1160
I. Corporate and Country Priorities		
1. IDB Development Objectives		
Development Challenges & Cross-cutting Themes	-Social Inclusion and Equality -Gender Equality and Diversity -Climate Change and Environmental Sustainability -Institutional Capacity and the Rule of Law	
Country Development Results Indicators	-Beneficiaries receiving health services (#)* -Beneficiaries of targeted anti-poverty programs (#)* -Government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery (#)* -Teachers trained (#)*	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-2838	(i) Improve the provision of basic services to the population in poverty. (ii) Strengthen the educational profile of the population.
Country Program Results Matrix	GN-2991-3	The intervention is included in the 2020 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		See paragraphs 1.22-1.24
II. Development Outcomes - Evaluability		
		Evaluable
3. Evidence-based Assessment & Solution		
		9.2
3.1 Program Diagnosis		3.0
3.2 Proposed Interventions or Solutions		4.0
3.3 Results Matrix Quality		2.2
4. Ex ante Economic Analysis		
		10.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		3.0
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		1.0
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		
		10.0
5.1 Monitoring Mechanisms		2.5
5.2 Evaluation Plan		7.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium
Identified risks have been rated for magnitude and likelihood		Yes
Mitigation measures have been identified for major risks		Yes
Mitigation measures have indicators for tracking their implementation		Yes
Environmental & social risk classification		B
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, Accounting and Reporting, External Control, Internal Audit. Procurement: Information System, Price Comparison, Contracting Individual Consultant.
Non-Fiduciary	Yes	Strategic Planning National System.
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	Technical Cooperation for operational support PN-T1241

Note: (*) Indicates contribution to the corresponding CRF's Country Development Results Indicator.

Evaluability Assessment Note: The general objective of the Program is to support the social inclusion of people with disabilities (PcD) by increasing the State's capacity to identify them and weigh their needs, as well as promoting improvements in the coverage and quality of health services, education and to support the personal autonomy they receive. The specific objectives are: (i) to increase the efficiency and effectiveness of the PcD identification and certification systems; (ii) expand the diagnostic capacity and coverage of disability rehabilitation services with an emphasis on early childhood; (iii) improve the quality of educational services available to students with disabilities; and (iv) increase the autonomy of severe PcD.

The loan proposal presents a solid diagnosis of the problem, quantifies the development gaps and duly explains its causes. The proposed solutions are appropriate to respond to the identified problems and their contributing factors. The results matrix is consistent with the vertical logic of the project, presenting adequate indicators at the level of results and impacts. The outcome indicators are appropriately defined to measure the achievements of the program and the fulfillment of its specific objectives. Impact indicators reflect the contribution to the overall objective.

The economic analysis shows a positive cost-benefit ratio of 1.19 for the base scenario, achieving a positive net present value of US\$7.4M and an Internal Rate of Return of 66%. The analysis monetizes the direct benefits derived from neonatal screening, technical aids, and improvements in educational outcomes. Additionally, indirect benefits of interventions on the primary caregiver are monetized in terms of opportunity costs of time.

The monitoring and evaluation plan proposes to carry out an analysis before-after for all the outcome indicators, complemented by an analytical narrative framed by international evidence. Two rigorous randomized impact evaluations are planned to estimate the impact of: 1) interventions that seek to increase the inclusion of PcD in the education system, and; 2) initiatives to increase the personal autonomy of the PcD. The monitoring and evaluation activities will be carried out by SENADIS in coordination with the Bank.

RESULTS MATRIX

Project objective:	The general objective of the program is to support the social inclusion of persons with disabilities by increasing the State's ability to identify them and take their needs into account, as well as to foster improvements in the coverage and quality of the health-care, educational, and personal-autonomy support services they receive.
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EXPECTED IMPACT

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Means of verification	Comments
Impact 1:											
Percentage of persons with disabilities certified nationwide	Percentage	2.1	2019	2.8	3.7	4.6	5.6	6.9	6.9	Source: Numerator: RENACER – SENADIS / Denominator: Census	
Impact 2:											
Percentage of persons with disabilities receiving effective rehabilitation at MINSA	Percentage	38.1	2017	38.1	38.1	39.8	41.7	42.4	42.4	Source: Health Statistics Information System (SIES) - Planning Division, MINSA	
Impact 3:											
Percentage of children with a hearing disability that has been diagnosed at MINSA	Percentage	3.8	2018	4.0	4.2	4.4	4.6	4.8	4.8	Source: SIES	
Impact 4:											
Attendance ratio of children with disabilities / children without disabilities (MEDUCA-IPHE)	Ratio	N/A	2019							Source: Inclusive education diagnostic assessment ¹	

¹ Financed under Component 3 (output 3.1.1).

EXPECTED OUTCOMES

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Means of verification	Comments
Specific objective 1: Increase the efficiency and effectiveness of the identification and certification systems for persons with disabilities.											
1.1 Percentage of persons with disabilities evaluated using ICF parameters.	Percentage	2.5	2019	3.4	4.4	5.5	6.8	8.3	8.3	Source: RENACER - SENADIS	
1.2 Average time for effective certification.	Months	5	2020	4.5	4	3.5	3	3	3	Source: RENACER - SENADIS	
Specific objective 2: Expand the diagnostic and coverage capacity of disability rehabilitation services, with an emphasis on early childhood.											
2.1 Percentage of children undergoing hearing screening tests.	Percentage	24.3	2018	25.0	25.0	50.0	70.0	90.0	90.0	Source: SIES	
2.2 Percentage of children undergoing vision screening tests.	Percentage	25.0	2019	25.0	25.0	50.0	70.0	90.0	90.0	Source: SIES	
2.3 Percentage of children undergoing metabolic screening tests.	Percentage	89.3	2018	95.0	95.0	95.0	95.0	95.0	95.0	Source: SIES	
2.4 Percentage of persons with disabilities served at Centros Reintegra.	Percentage	28.0	2017	28.0	28.0	31.4	35.1	36.5	36.5	Source: SIES	
2.5 Percentage of Centros Reintegra applying approved quality standards (at least 80%).	Percentage	0	2020	0	0	30	50	80	80	Source: Quality management system for Centros Reintegra	
2.6 Percentage of persons with disabilities receiving quality services through a community-based rehabilitation and health-care model.	Percentage	0	2020	0	0	2.5	5.0	7.5	7.5	Source: Quality management system of the community-based rehabilitation model	

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Means of verification	Comments
2.7 Percentage of public institutions adopting the National Plan for Risk Situations and Humanitarian Emergencies, of those with equal opportunity offices.	Percentage of institutions	0	2020	0	0	15%	15%	20%	50%	Source: Approved institutional resolutions	
Specific objective 3: Improve the quality of the educational services available for students with disabilities.											
3.1 Student-teacher ratio.	Standard deviation from the baseline	N/A	2020	0	0	0	0	0.25	0.25	Source: Experimental evaluation on inclusive education ²	
3.3 Percentage of students with disabilities who have an Individualized Education Plan in the public education system (MEDUCA).	Percentage	N/A	2019							Source: Inclusive education diagnostic assessment ³	
Specific objective 4: Increase the autonomy of persons with disabilities with high support needs.											
4.1 Index of decision-making ability for persons with disabilities with high support needs in the Programa Angel Guardián.	Standard deviation from the baseline	N/A	2022	0	N/A	0	0	0.22	0.22	Test: Locus of control to be collected during the impact evaluation on autonomy ⁴	
4.2 Short version of the Burden Scale for Family Caregivers (BSFC-s) of persons with disabilities with high support needs in Programa Angel Guardián.	Standard deviation from the baseline	N/A	2022	0	N/A	0	0	0.22	0.22	Test: BSFC-s to be collected during the impact evaluation on autonomy ⁵	

² Budgeted in the monitoring and evaluation plan (Table 6).

³ See reference 3.

⁴ Budgeted in the monitoring and evaluation plan (Table 6).

⁵ Ibid.

OUTPUTS

Outputs	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Means of verification	Comments
Component 1: Strengthening of the measurement and assessment of disabilities											
Subcomponent 1.1: Disability measurement											
1.1.1 Conducted National Disability Survey	Survey	0	2020	0	1	0	0	0	1	Source: INEC database	
1.1.2 Prepared Disability Atlas	Atlas	0	2020	0	0	1	0	0	1	Source: Document prepared by SENADIS	
Subcomponent 1.2: Disability certification system											
1.2.1 Number of SENADIS regional bureaus equipped and interconnected with headquarters	Number of regional bureaus	0	2020	0	2	3	3	2	10	Source: SENADIS Annual Report ⁶	
1.2.2 Designed communication campaign	Campaign	0	2020	0	1	0	0	0	1	Source: SENADIS Annual Report	
1.2.3 Number of conditional cash transfer program beneficiaries registered in RENACER	Number of conditional cash transfer program beneficiaries	3,036	2019	0	0	3,500	4,000	4,500	4,500	Source: RENACER (SENADIS) / RENAB (MIDES)	
1.2.4 Number of Assessment Committees established	Number of Assessment Committees	9	2020	12	15	18	21	24	24	Source: RENACER	

⁶ Pursuant to the law, every institution must submit an Annual Report to the National Assembly of Deputies.

Outputs	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Means of verification	Comments
1.2.5 Number of people trained and certified to be part of Assessment Committees	Number of people trained and certified	120	2020	128	143	158	173	188	188	Source: RENACER	
1.2.6 Number of employees trained on Phase 2 of RENACER	Number of employees trained	0	2020	0	0	210	0	0	210	Source: SENADIS Annual Report	
Component 2: Expansion of early diagnostic and rehabilitation services											
Subcomponent 2.1: Early diagnostic services											
2.1.1 Number of MINSA health care facilities equipped for hearing-vision screening	Number of health care facilities	6	2020	0	0	53	0	0	53	Source: Record of delivery/receipt of equipment to MINSA	
2.1.2 Number of metabolic screening tests provided to Hospital del Niño	Number of metabolic screening tests	0	2020	45,000	33,750	22,500	11,250	0	0	Source: Record of delivery/receipt of equipment to MINSA	
2.1.3 Number of screened metabolic diseases	Number of metabolic diseases	6	2020	6	29	29	29	29	29	Source: Technical datasheet for metabolic screening test strips	
2.1.4 Number of health care employees trained in the neonatal screening process	Number of employees trained	0	2020	0	300	0	0	0	300 ⁷	Source: Training attendance lists	

⁷ This includes five employees per facility and one coordinator for every Regional Children's Office.

Outputs	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Means of verification	Comments
Subcomponent 2.2: Rehabilitation											
2.2.1 Number of Centros Reintegra constructed	Number of Centros Reintegra	0	2020	0	0	1	0	0	1	Source: Record of asset transfer to MINSA	
2.2.2 Number of rehabilitated and equipped Centros Reintegra	Number of Centros Reintegra	0	2020	0	0	3	2	2	7	Source: SENADIS Annual Report and records of equipment transfer to MINSA	
2.2.3 Number of persons with disabilities served through the community-based rehabilitation and health-care model	Number of persons with disabilities served	0	2020	0	0	1,000	2,000	3,000	3,000	Source: Quality management system of the community-based rehabilitation model	
2.2.4 Number of assistive devices purchased	Number of assistive devices	393	2020	793	1,193	1,593	1,993	2,393	2,393	Source: FODIS	
2.2.5 Designed National Plan for Risk Situations and Humanitarian Emergencies ⁸	Plan	0	2020	0	1	0	0	0	1	Source: SENADIS Annual Report	
Component 3: Strengthening of the inclusive education model											
3.1.1 Conducted diagnostic assessment of the national regulatory framework and state-of-the-art review	Diagnostic assessment document and state-of-the-art review document	0	2020	0	1	1	0	0	2	Source: Report on diagnostic assessment and state-of-the-art review	

⁸ The National Plan will include: (i) regulatory framework; (ii) strategic framework; and (iii) risk management policies and tools.

Outputs	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Means of verification	Comments
3.1.2 Prepared regulatory framework proposal	Document	0	2020	0	0	1	0	0	1	Source: Proposal report	
3.1.3 Designed awareness campaign	Campaign	0	2020	0	1	0	0	0	1	Source: MEDUCA Annual Report	
3.1.4 Number of faculty members trained	Number of faculty members trained	0	2020	0	210	210	210	210	840	Source: MEDUCA Annual Report	
3.1.5 Number of students with disabilities diagnosed as needing reasonable accommodations and assistive technologies	Number of students with disabilities	0	2020	0	2,000	2,000	2,000	911	6,911	Source: MEDUCA Annual Report	
3.1.6 Number of installed resource libraries	Number of resource libraries	0	2020	0	0	15	15	0	30	Source: MEDUCA Annual Report	
3.1.7 Impact evaluation of inclusive education	Evaluation document	0	2020	0	0	0	0	1	1	Source: Impact evaluation report	
Component 4: Expansion of the autonomy of persons with disabilities											
Subcomponent 4.1: Personal assistance											
4.1.1 Designed personal assistance model for persons with disabilities with high support needs ⁹	Model	0	2020	0	1	0	0	0	1	Source: SENADIS Annual Report	

⁹ The model consists of providing personal assistance services including, but not limited to providing support to persons with disabilities in conducting activities of daily living. These will be provided by personal aides trained, certified, and supervised by SENADIS in coordination with MIDES.

Outputs		Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Means of verification	Comments
4.1.2	Number of personal aides trained and approved	Number of personal aides	0	2020	0	650	0	0	0	650	Source: Training attendance list; certifications issued by SENADIS	
4.1.3	Number of persons with disabilities with high support needs receiving guidance on autonomy	Number of persons with disabilities	0	2020	0	0	875	0	875	1,750	Source: Attendance list	
4.1.4	Number of persons with disabilities supported by personal aides	Number of persons with disabilities	0	2020	0	0	525	525	1,050	1,050	Source: Record of contracts for personal aides	
4.1.5	Impact evaluation on autonomy	Evaluation document	0	2020	0	0	0	0	1	1	Source: Impact evaluation report	
Subcomponent 4.2: Legal capacity												
4.2.1	Designed regulatory framework proposal to encourage persons with disabilities to exercise their legal capacity	Proposal document	0	2020	0	1	0	0	0	1	Source: Proposal report	
4.2.2	Designed support system	Support system document	0	2020	0	0	1	0	0	1	Source: Support system report	

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Country: Panama

Project: PN-L1160

Name: Social Inclusion Program for Persons with Disabilities in Panama

Executing agency: Ministry of Social Development

Prepared by: Ezequiel Cambiasso and David Ochoa (FMP/CPN)

I. THE EXECUTING AGENCY'S FIDUCIARY CONTEXT

- 1.1 The borrower will be the Republic of Panama. The executing agency will be the Ministry of Social Development (MIDES), acting through the National Disability Office (SENADIS). SENADIS will establish a program coordination unit (PCU) within its organizational structure, reporting directly to its director.
- 1.2 The PCU will be responsible for technical, administrative, and fiduciary matters. For program implementation, it will receive support from the bureaus of SENADIS and government institutions such as the Ministry of Health (MINSA), the Ministry of Education (MEDUCA), and the MIDES.
- 1.3 An institutional capacity assessment of the executing agency was conducted during program design, which demonstrated its experience managing its own institutional matters. However, in the fiduciary area, the executing agency lacks experience with the policies of multilateral lenders.

II. FIDUCIARY RISK EVALUATION AND MITIGATION ACTIONS

- 2.1 Medium-level fiduciary risks were identified. SENADIS lacks experience executing operations financed by the IDB and other multilateral organizations. However, creating a new, independent PCU within the organizational structure of SENADIS to address that risk may expose the operation to contracting personnel unfamiliar with the Bank's financial and procurement policies. The executing agency will be strengthened by financing the contracting of a general coordinator; financial, procurement, and monitoring specialists; an architect; and an engineer, who will be dedicated exclusively to the operation. This will ensure the basic experience needed for financial management and procurement. Bank personnel will provide training on the IDB's financial and procurement policies.

III. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE CONTRACT

- 3.1 The following agreements and requirements will be considered in the special clauses:
- a. The provisions of the Financial Management Guidelines for IDB-financed Projects (document OP-273-12) will apply, and therefore: (i) financial statements for the program audited by an independent audit firm acceptable to the Bank will be requested annually, within the 120 days following the close of each fiscal period or the date of the last disbursement. (ii) the advances of funds will be requested for financial plans of up to 180 days; and (iii) a new advance of funds may be requested when rendering of accounts has been provided for at least 80% of total cumulative balances pending justification.

IV. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

- 4.1 The fiduciary agreements and requirements regarding procurement establish the provisions that apply to the execution of all of the operation's planned procurements.
- A. Procurement execution**
- 4.2 The Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15) will apply.
- 4.3 **Procurement of works, goods, and nonconsulting services:** International competitive bidding (ICB) will be executed using the standard bidding documents issued by the Bank. Bid requests subject to national competitive bidding (NCB) and the shopping method will be executed using the templates prepared for this operation by the Bank. The program sector specialist is responsible for reviewing the technical specifications for procurement during the preparation of selection processes.
- 4.4 **Selection and contracting of consultants:** Contracts will be executed using the standard request for proposals issued by the Bank. The program sector specialist is responsible for reviewing the terms of reference for the contracting of consulting services.
- 4.5 **Selection of individual consultants:** These consultants will be selected based on their qualifications to perform the work, after comparing the qualifications of at least three candidates.
- 4.6 **Use of the country procurement system:** With document GN-2538-11, the Bank's Board of Executive Directors approved the use of framework-agreement subsystems up to the threshold of US\$250,000 established for NCB as well as a mechanism for minor procurement up to US\$50,000. This could vary as the Bank approves higher usage levels. The operation's [procurement plan](#) and any updates to it will indicate which contracts are to be executed through the approved country procurement systems.

- 4.7 **Agreement with INEC.** SENADIS will sign an agreement with the National Institute of Statistics and Census (INEC) of the Comptroller General of the Republic (CGR) to implement Subcomponent 1.1, the second National Disability Survey. This is based on its experience conducting national surveys. Created pursuant to Law 10 of 22 January 2009 as an agency of the CGR, INEC is authorized by this law to enter into agreements with other State entities to conduct statistical research because of its specialization and competency on this subject. Article 10 of this law enables INEC to receive resources from other State entities to conduct statistical research. For this purpose, the CGR will set up a special account for the requesting entity to receive the funds to cover research expenses.
- 4.8 **Domestic Preference:** Not applicable.
- 4.9 **Procurement Plan:** The Procurement Plan Execution System (SEPA) or its updated version will be used to monitor procurement.

B. Table of threshold amounts (US\$)

Works			Goods			Consulting services	
ICB	NCB and shopping	Shopping for complex works	ICB	NCB and shopping	Shopping for complex goods	International	National
≥US\$3,000,000	>US\$250,000 and <US\$3,000,000	<US\$250,000	≥US\$250,000	>US\$50,000 and <US\$250,000	<US\$50,000	>US\$200,000	≤US\$200,000

C. Main procurement processes

Activity	Type of process	Estimated amount (US\$)
Construction and rehabilitation of SENADIS regional bureaus	ICB	3,470,000
Rehabilitation and equipping of Centros Reintegra	ICB	3,890,000
Assistive technologies; procurement of goods	Shopping	4,800,000
Implementation of Disability Survey	SSS	3,168,300
Impact evaluation of personal assistance model	QCBS	800,000
Design of works for construction and adaptation	QCBS	475,000

D. Procurement supervision

- 4.10 All ICB and direct contracting of goods, works, and nonconsulting services will be subject to ex ante review. Selection of consulting firms for more than US\$200,000 and single-source selection will be subject to ex ante review. For other contracts, the type of review will be determined on a case-by-case basis in the procurement plan.

E. Special provisions

- 4.11 None expected.

F. Records and files

- 4.12 The executing agency will keep records up-to-date and files well organized for review by the Bank, in accordance with the following guidelines:
- a. The record of procurement documentation will be kept in a single dedicated file or folder, easily distinguished from those processes financed with local contribution resources or with resources outside the program.
 - b. The documents will be kept and preserved in a well-organized manner and paginated and numbered in such a way that they can be clearly and immediately located and identified at any time for Bank review and audit.

V. FINANCIAL MANAGEMENT

A. Programming and budget

- 5.1 SENADIS will include the funds needed for program execution in its proposed budget and submit it to the Ministry of Economy and Finance (MEF) every year before 30 April. MEF is responsible for formulating and controlling the budget. Before 31 July of each fiscal year, it submits a proposal for approval by the National Assembly, along with any budget increases. The budget is annual and includes all public sector investments, revenues, and expenditures. This operation was included in the List of Country Projects. Also, National Public Investment System (SINIP) codes were created, and a favorable technical opinion was obtained from the MEF's Bureau of Investment Programming. Therefore, the operation can be included in the budget act for the fiscal year. The entire annual budget for the local contribution will be requested, and once the loan is approved, the executing agency will request substitution of the source of financing.

B. Accounting and information systems

- 5.2 To modernize governmental management, the national government of Panama, through MEF and the National Accounting Office, implemented a system known as ISTMO (Integration and Technological Solutions of the Operational Management Model). The PCU will work with the Accounting Office to obtain information about their respective system users, training, and parameters in order to manage the budget, commit expenditures, and make payments through the system. The system is currently being evaluated to determine whether it can be used in IDB-financed projects, or whether a parallel system must be used.
- 5.3 Accounting will be governed by the standards issued by the CGR, which are based on the International Public Sector Accounting Standards (IPSAS).

C. Disbursements and cash flow

- 5.4 Panama approved a law establishing the use of the single treasury account. Its implementation started in the central government. In 2019, an evaluation of the single treasury account and its relationship with the implementation of the ISTMO system was conducted to determine whether it can be used in IDB-financed projects.
- 5.5 The IDB will transfer resources to the single treasury account, and these will be recorded in a subaccount for the program, to be opened by SENADIS with support from MEF. Disbursements will be made through advances for liquidity needs,

based on the respective financial plan of up to 180 days. A new advance may be requested once rendering of accounts has been provided for at least 80% of total cumulative balances pending justification. Reimbursement of payments incurred or direct payments to providers may also be made.

D. Internal control and internal audit

- 5.6 As a result of the prior control exercised by the CGR, the internal control and internal audit systems of government institutions are weak because they rely on the control work done by the CGR rather than having effective processes and controls. Therefore, they are not considered adequate for the control function required in projects.

E. External control and reports

- 5.7 The CGR has focused its efforts on prior control over actions involving government assets since its audit function is weak. In addition to carrying out administrative processes through prior control, the CGR does not have the necessary autonomy to conduct audits.
- 5.8 Financial statements for the program audited by an independent audit firm acceptable to the Bank will be requested annually, within the 120 days following the close of each fiscal period or the date of the last disbursement.

F. Financial supervision plan

- 5.9 Financial supervision will focus on the auditors' reports mentioned in the preceding paragraph. Supporting documentation for disbursements will be reviewed on an ex post basis by the auditors when the audits are conducted or during the financial inspection visits.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/20

Panama. Loan ___/OC-PN to the Republic of Panama
Social Inclusion Program for Persons with Disabilities in Panama

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Panama, as borrower, for the purpose of granting it a financing to cooperate in the execution of the "Social Inclusion Program for Persons with Disabilities in Panama". Such financing will be for the amount of up to US\$40,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ___ 2020)