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MULTILATERAL INVESTMENT FUND

PANAMA

**SANDBOX:
AN INTEGRATION SPACE FOR TECHNOLOGY AND THE PERFORMING ARTS**

(PN-T1259)

DONORS MEMORANDUM

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PROJECT SUMMARY

SANDBOX: AN INTEGRATION SPACE FOR TECHNOLOGY AND THE PERFORMING ARTS (PN-T1259)

Panama is home to 686,296 young people ages 15 to 24, representing a demographic strength of 16.7% of the total population, who struggle with low productive inclusion in the economy, especially those at social risk. There are several reasons for this. First, these young people at social risk do not possess the necessary skills that are required in the twenty-first century, despite growing demand from the labor market. Second, their social milieu is marred by violence in the street, in the home, and in schools.

The cultural and creative industries offer an opportunity for economic and social inclusion. However, a lack of training and opportunities to gain relevant practical experience for the development of the creative industries or for the application of technology in the sector, giving young people the tools for innovation, means that opportunities are not being leveraged for job creation and entrepreneurship. The technology gap in training and stage productions is holding back innovation and experimentation, which also contributes to the very limited growth of opportunities for young people in the performing arts and associated industries, due to low international competitiveness.

The project objective is to expand opportunities for productive inclusion around the cultural and creative industries for young people at social risk through a training offering that integrates the performing arts and technology to build 21st-century skills and creation of an internship program to give young people their first practical experience alongside industry professionals. The project seeks to strengthen the capacity for innovation and interdisciplinary experimentation with technology among professionals. It therefore proposes the creation of a “sandbox” workshop platform model, which combines a space equipped for training, interdisciplinary experimentation, and innovation based on the integration of technology with inclusive and innovative teaching models for young people at social risk, professional performers, and trainers. The proposed solution includes three main elements: (i) training and practical experience for young people at social risk with the STEAM platform; (ii) interdisciplinary collaboration using technology for the co-creation of innovative artistic works (more sophisticated offerings); and (iii) democratization, decentralization, and new distribution channels for performing arts works.

Opportunities for productive inclusion will be generated for 385 young people at social risk, specifically urban adolescents ages 12 to 25 living mainly in the Province of Panama’s the historic city center cluster communities (El Chorrillo, Santa Ana, Barraza, and San Felipe), where violence is high, and opportunities for jobs or educational and professional development are few. Through partnerships, the project will also enable the training model to be expanded to reach at-risk youth in an additional community outside the area of influence of the historic city center, and to young migrant refugees.

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IDB LAB PROJECT INFORMATION SYSTEM**

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ABBREVIATIONS

CCI	Cultural and creative industries
CRF	Corporate Results Framework
FCDS	Fundación Ciudad del Saber [City of Knowledge Foundation]
FEC	Fundación Espacio Creativo [Creative Space Foundation]
INEC	Instituto Nacional de Estadística y Censo [National Statistics and Census Institute]
IPM-NNA	Índice de pobreza multidimensional de niños, niñas y adolescentes en Panamá [multidimensional poverty index for children and adolescents in Panama]
LGBT	Lesbian, gay, bisexual, and transgender
MEDUCA	Ministry of Education
MITRADEL	Ministry of Labor and Employment Development
STEAM	Science, technology, engineering, art, and mathematics
STEM	Science, technology, engineering, and mathematics
TBD	To be determined
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund

**PANAMA
SANDBOX:
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(PN-T1259)**

EXECUTIVE SUMMARY

Country and geographic location:	San Felipe, Santa Ana, and El Chorrillo neighborhoods of the Panama City historic city center cluster and another community to be determined during execution.		
Executing agency:	Fundación Espacio Creativo (FEC)		
Focus Area:	Inclusive Cities		
Coordination with other donors/Bank operations:	The project is aligned with the Labor Markets (LMK) and Education (EDU) divisions of the IDB Social Sector and the Science, Technology, and Innovation Division (CTI) and Housing and Urban Development Division (HUD). It complements IDB Lab operations concerning the cultural and creative industries in Honduras (HO-T1322), Paraguay (PR-T1232), Argentina (AR-T1209), and El Salvador (ES-T1306), as well as two IDB/HUD operations in Panama (4944/OC-PN and RG-T3285).		
Project beneficiaries:	The project's direct beneficiaries are 385 young people at social risk, specifically urban adolescents ages 12 to 25 living mainly in the Province of Panama's the historic city center cluster communities (El Chorrillo, Santa Ana, Barraza, and San Felipe), where violence is high, and opportunities for jobs or educational and professional development are few. This includes 55 young people in a new target community and 82 women underrepresented in training and job opportunity programs related to STEM roles. A further 27,000 people currently unable to access cultural offerings will also be reached via digital channels.		
Financing:	Technical cooperation funding:	US\$692,650	50%
	TOTAL IDB LAB CONTRIBUTION:	US\$692,650	
	Counterpart:	US\$692,650	50%
	TOTAL PROJECT BUDGET:	US\$1,385,300	100%
Execution and disbursement periods:	36 months execution and 42 months disbursement.		
Special contractual conditions:	The following conditions precedent will be fulfilled to the Bank's satisfaction: (i) for the first disbursement, the appointment of the project coordinator; and (ii) for the second disbursement, an agreement signed by the owners of the physical space (Dekel Group), granting use of the space for the sandbox and the executing agency's operations for the next five years.		
Environmental and social impact review:	This operation was reviewed as required by the IDB Environment and Safeguards Compliance Policy (Operational Policy OP-703) on 4 March 2020 and classified as category "C."		
Unit with disbursement responsibility:	The Bank's Country Office in Panama (CID/CPN).		

I. THE PROBLEM

A. Description of the problem

- 1.1 **Problem.** Panama is home to 686,296 young people ages 15 to 24, representing a demographic strength of 16.7% of the total population,¹ who struggle with low productive inclusion in the economy, especially those at social risk. They face special challenges such as the third highest adolescent pregnancy rate in the Central American region at 78.5 pregnancies per 1,000 women ages 15 to 18 (INEC, 2019), net education coverage of just 52% in secondary education (MEDUCA, 2018), communities and schools rife with violence (1,445 cases reported in 2018, according to MEDUCA), and one out of three living in multidimensional poverty in Panama (IPM-NNA, 2018).
- 1.2 The youth unemployment rate (ages 15-24) has risen from 6.95% in 2014 to 10.02% in 2019. The unemployment rate has risen faster for young women than young men, from 8.78% in 2014 to 13.56% in 2019.² Additionally, young people, particularly women, have traditionally been discriminated against and/or excluded, faring worse in the labor market, which drives them toward informal work. An estimated 119,340 adolescents and young people are not in school, vocational training, or employment; 50% of these are women, many engaged in looking after the household, younger siblings, or their own children (MITRADEL, 2019).
- 1.3 Meanwhile, countries like Panama view the cultural and creative industries (CCI) as a strategic sector for diversification of their economies,³ which translates into job opportunities mainly in urban areas near young people at social risk who face barriers to sharing in the country's social and economic growth. These include:
- 1.4 **Insufficient 21st-century skills among young people at social risk.** Multiple studies by the IDB⁴ and other international organizations⁵ concur that 21st-century skills⁶ are crucial, not just to compete but to grow the labor market and achieve higher levels of well-being. These skills are even more critical in the cultural and creative industries, as the creative processes involved require communication, collaboration, and a high degree of curiosity, initiative, persistence, empathy, and social and cultural awareness. For young people at social risk, the lag in these 21st-century skills is even more pronounced due to the violent environments to which they are exposed.

¹ National Statistics and Census Institute (INEC).

² <https://data.worldbank.org/indicator/SL.UEM.1524.ZS?locations=PA>.

³ IDB-INDESA, *Industrias creativas y culturales en Panamá: diagnóstico del sector y relevancia económica*.

⁴ Mateo-Berganza et al., IDB, 2019, [El futuro ya está aquí: Habilidades transversales de América Latina y el Caribe en el siglo XXI](#).

⁵ World Economic Forum, 2015, [New vision for education: Unlocking the potential of technology](#).

⁶ "21st century skills" refers to a set of broad or core skills including: digital skills (such as computational thinking); advanced cognitive skills (such as critical thinking or problem solving); executive function skills (such as self-regulation), and socioemotional skills, traditionally called soft skills (such as self-esteem, perseverance, or empathy).

- 1.5 **Adolescents in Latin America and the Caribbean live with violence in the street, in the home, and in schools.** According to a study by Plan Internacional (*Estudio de Patrones de Convivencia Escolar en Panamá*, 2012), violence in schools is a very real phenomenon for children and adolescents, occurring in all school settings. Studies show correlations among manifestations of violence in school, early dropout (first years of secondary school), and involvement in crime.⁷ In the case of the project's target area, 85% of children and adolescents acknowledge that they are aware of the existence of gangs in their neighborhoods (the authorities have counted 91 gangs involved in crime in the Panama and San Miguelito communities).⁸ Nor is home a safe haven against violence, as it is estimated that parents and caregivers use violent methods to discipline 44.9% of children and adolescents ages 1 to 14.⁹
- 1.6 **Insufficient digital skills in a labor market with growing demand.** Based on the data collected during home visits by Fundación Espacio Creativo (FEC) in the project target area, less than one third of young people have a computer or Internet access at home. This is consistent with the results of the 2018 multidimensional poverty index for children and adolescents, where the indicator measuring Internet access makes the second biggest contribution to the level of poverty among children ages 10-14 (17.3%) and adolescents ages 15-17 (12.9%). This technology gap worsens social exclusion by reducing opportunities to enter a labor market that is demanding more people with digital skills. Of the 20 skills that grew most in Argentina, Brazil, Chile, and Mexico, 10 relate to technology development (Amaral et al., 2019).
- 1.7 **Absence of STEAM¹⁰ platforms for training and development of relevant practice experience for the cultural and creative industries.** The training offerings and physical spaces available are insufficient to integrate the performing arts and technology in such a way as to make them a vehicle for the social inclusion of at-risk youth and prepare them for the competitive demands of the marketplace. Several successful experiences across Latin America demonstrate that the training offered through artistic and cultural programs such as FEC's ENLACES¹¹ not only complements a quality overall education but trains participants in 21st-century skills.¹² Yet despite this, few cases of implementation in Panama and the region integrate new art- and technology-based teaching methods to help reduce young people's aggression and other risk behaviors reflecting the violent environments in which they live. These skills can effectively prepare young people to compete in the labor market in general, and in the

⁷ PLAN Internacional. *Estudio de Patrones de Convivencia Escolar en Panamá*. 2012.

⁸ National System of Criminal Statistics. Number of criminal gangs known to the police, by province. 2014-2016.

⁹ INEC. Multiple Indicator Survey by Population Cluster. 2013.

¹⁰ The acronym STEAM refers to the disciplines of science, technology, engineering, art, and mathematics. Traditionally, the focus of science and technology areas was on STEM, but in recent years the trend has been to include art, as a way of fostering innovation and creativity.

¹¹ The ENLACES preventive program for children and adolescents ages 9 to 18 seeks to develop their artistic potential and equip them with self-care mechanisms and social skills through the performing arts.

¹² Organization of American States, "Construyendo ciudadanía. 16 experiencias colombianas." 2009.

creative industries in particular, where increasing importance is given to practical experience demonstrating the skills relevant to job opportunities.¹³

- 1.8 **Gender gaps in 21st-century skills.** Gender gaps in 21st-century skills are sharp in the digital and socioemotional areas.¹⁴ In the case of digital skills, the first gap is in education, where women in Latin America and the Caribbean make up just 30% of graduates of postsecondary and university studies in STEM, revealing their low affinity for choosing careers in high productivity sectors or ones that may benefit from technological innovation.¹⁵ This pattern in the selection of their training is also related to socioemotional skills, where the literature shows that women are more risk averse, less willing to compete, and have a lower propensity to negotiate. This results in their tending to select careers that are perceived as being lower risk, and to avoid male-dominated fields of study such as those in STEM.¹⁶ Additionally, a series of contextual factors highlighting gender biases or stereotypes may originate or amplify the gaps (e.g., women are more likely to be associated with care chains than men). However, this trajectory may be modified by working on the development and learning of socioemotional skills, with a special emphasis on the childhood and adolescence stages, and by working to neutralize stereotypes of women existing in systems and environments.¹⁷
- 1.9 **Orange economy sectors must prepare to innovate and devise solutions that leverage new technologies.** In contemporary art and culture, there is an ever stronger tendency to mix artistic elements with video, animation, sound, augmented and virtual reality, 3D printing, science, software, and social interactions,¹⁸ as well as with collaborations between artists and developers, technology experts, designers, and scientists.¹⁹ This is starting to happen in Latin America, too, as shown by the six cases presented in the IDB Lab study on technocreative ventures, “TechnoCreative entrepreneurship. Creativity and technology: Allies or enemies?” The ability of Latin America and the Caribbean to effectively take part in these innovation trends will largely depend on the training and exposure of talent to experimentation with new technologies.

¹³ Mateo-Berganza et al, IDB, 2019, [El futuro ya está aquí: Habilidades transversales de América Latina y el Caribe en el siglo XXI](#), Chapter 2.

¹⁴ Also known as soft or noncognitive skills.

¹⁵ Bustelo et al (2019). *El futuro del trabajo en América Latina y el Caribe: ¿Cómo será el mercado laboral para las mujeres?*

¹⁶ Mateo-Berganza et al, IDB, 2019, [El futuro ya está aquí: Habilidades transversales de América Latina y el Caribe en el siglo XXI](#), Chapter 4.

¹⁷ Idem.

¹⁸ The Guardian. (2016). Arts, culture, creativity and tech: Key trends for 2016. Available at: <https://www.theguardian.com/culture-professionals-network/2016/jan/08/arts-culture-creativity-technology-key-trends-2016>.

¹⁹ A. Souppouris. (2014). Technology has changed art, and this is what it looks like. The Verge.

- 1.10 **The technology gap in training and stage productions is holding back innovation and experimentation.** A study²⁰ commissioned by FEC in 2017 on academic offerings in the performing arts in Panama suggests that the sector's uncompetitiveness is due to the low standard of the educational programs,²¹ which mostly use training models based on outdated technologies and ideas. At the same time, it has not been possible to implement study programs seeking to bring in technology for lack of suitable personnel and the absence of an arts offering in public education at the technical diploma level for young people.²² Additionally, young professional performers have limited opportunities for practical training or to create productions with new technologies, given the lack of spaces meeting the necessary conditions (technology, acoustics, dance floors, etc.) that are accessible when preparing a show and allow the convergence for interdisciplinary creation. The option to hire equipment is limited to shows, and the cash flow produced by sporadic short-term work makes it infeasible to purchase equipment.
- 1.11 **Growth of opportunities for young people in the performing arts and associated industries is limited by low international competitiveness.** In small countries the growth of the performing arts and related industries, and ultimately the job opportunities they offer, largely depends on the internationalization of productions that become known through international festivals. Panamanian productions face limitations competing in national, regional, or international festivals. Specific examples of international performing arts festivals in Panama include Prisma and FAE (Festival de Artes Escénicas). The two have opted to extend separate invitations to perform, so they can include Panamanian groups that would otherwise be excluded from the formal selection process on account of their lack of a competitive offerings. By way of example, less than 1% of the 450 to 500 applications from 55 countries are from Panamanian creators.
- 1.12 **Performing arts offerings are centralized, and access is limited due to distance barriers.** A study on the Panamanian music industry (Stanziola, 2017) indicates that, despite a wide array of festivals and fairs across the country, performing arts offerings are concentrated in downtown Panama City.²³ One of the findings of the first study on cultural and artistic participation and consumption (Stanziola, 2019)²⁴ suggests that audiences at free open air events tend to have a higher level of formal education (20% have postgraduate studies) and earn significantly more than the median of US\$700 (17.6% earn US\$3,000 per month or more). This same study suggests that one of the most significant barriers to people attending cultural events is distance. Given the challenge of overcoming distances, technological innovation has the potential to democratize and decentralize artistic

²⁰ https://www.academia.edu/41055963/Centro_Internacional_de_Formaci3n_Profesional_de_Danza_Contempor3nea_Eje.

²¹ Institutions offering postsecondary programs in the arts are: Universidad del Arte Ganexa, the School of Fine Arts of the University of Panama, and the Universidad Especializada de las Américas. The Ministry of Culture manages the National Dance School, the only official center offering a higher vocational qualification in dance.

²² The Ministry of Education recognizes 112 technical schools, but none offers dance or arts programs.

²³ [*Estudio del mercado de la música de Panamá*](#), 2017, commissioned by Fundación Ciudad del Saber.

²⁴ [*Primera encuesta de consumo cultural de la Ciudad de Panamá*](#), July 2019, commissioned by the UNDP and the Panama City municipal government.

offerings. One example is the Teatrix video on demand platform in Argentina. This allows users to enjoy theater anywhere at any time from a variety of electronic devices, thus democratizing access by bringing it to different population groups, such as elderly or disabled people and other audiences.

II. THE INNOVATION PROPOSAL

A. Project description

- 2.1 **Project objective.** To expand opportunities for productive inclusion in the cultural and creative industries for young people at social risk through a training offering that integrates the performing arts and technology to build 21st-century skills and creation of an internship program to give young people their first practical experience alongside industry professionals.
- 2.2 The project seeks to leverage the potential of the creative and cultural industries to generate employment and entrepreneurship, as well as the potential of creativity and artistic expression as tools for developing young people's soft skills and 21st-century skills. In both cases, the idea is to use the intervention model to help increase opportunities for productive and labor-market inclusion for at-risk youth.
- 2.3 The proposed solution includes: (i) training and practical experience for young people at social risk with the STEAM platform; (ii) interdisciplinary collaboration using technology for the co-creation of innovative artistic works (more sophisticated offerings); and (iii) democratization, decentralization, and new distribution channels for performing arts works. These goals will be achieved by: (i) strengthening the theoretical/practical training for at-risk youth through the performing arts with technology integration; (ii) fostering innovation and interdisciplinary experimentation with technology by creating a "sandbox;" and (iii) creating opportunities for practical training alongside creative industry professionals.
- 2.4 The project also seeks to strengthen the capacity for innovation and interdisciplinary experimentation with technology among professionals, in order to: (i) democratize cultural offerings by encouraging the quality and variety of content; and (ii) develop products in new digital formats that facilitate the decentralization of offerings by leveraging the potential of technology. The creative processes for these objectives will be co-creation with young people at social risk, contributing to their practical training, creating links with industry professionals, and broadening their vision of job opportunities in the cultural and creative industries. The "sandbox" workshop platform model combines a space equipped for training, interdisciplinary experimentation, and innovation based on the integration of technology with inclusive and innovative teaching models for young people at social risk, professional performers, and trainers (training of trainers, or ToT).²⁵

²⁵ See IDB Lab's 2019 video pitch for the Orange Challenge: <https://youtu.be/eCdMav6eboc>.

- 2.5 **Beneficiaries.** The beneficiaries will be 385 young people at social risk, specifically urban²⁶ adolescents ages 12 to 25, who attend school, if school age, living in the communities of El Chorrillo, Santa Ana, Barraza, and San Felipe, where violence is high, and opportunities for jobs or educational and professional development are few. These communities comprise Panama City's historic city center cluster, which is the heart of its cultural activity and currently undergoing gentrification. Through partnerships, the project will also enable the training model to be expanded to reach at-risk youth, a new community, and young migrant refugees.
- 2.6 The project's beneficiary population, served since 2010 by the ENLACES program, broadly resembles the national picture already described:²⁷ 41% are below the economic poverty line, with 11% in extreme poverty, 33% in multidimensional poverty, 60% living in vulnerable households (single parent, lone female headed, extended families living in cramped conditions, children cared for by relatives or guardians other than their biological parents), 47% of parents have not graduated from secondary school, 20% have lost a year's schooling or have had to repeat years due to limitations on recognition of academic credits (migrant and refugee children), 33% have an unemployed parent, 33% have been victims or witnesses of domestic violence, 13% have a parent who is or has been imprisoned, 46% face some form of neglect or estrangement from their parent or guardian as regards care.
- 2.7 Additionally, **50 young people from a range of social groups and 45 professional performers** will receive specialized training and awareness-building to develop their role as facilitators or co-creators with at-risk youth as part of the 21st-century skills development methodology. These performers include FEC members and nonmembers²⁸ working in the sphere of dance instruction, choreography and/or performance. Of these performers, 66% are women age 19 or over, and 98% are based in Panama City. They all belong to the gig economy,²⁹ supplemented by teaching as a source of steady monthly income; 41% have a university qualification in the performing arts, and 100% received it outside of Panama. The co-creation process will also include other interdisciplinary artists, who are leading figures in their field, such as photographers, cinematographers, musicians, graphic designers, video editors, architects, lighting technicians, and producers.
- 2.8 Lastly, the distribution and marketing of artistic products created in the sandbox will help give approximately **65,000** people who, for various reasons, are **excluded from the country's artistic offerings**, access to this type of content via digital means. This will considerably reduce the environmental cost of transporting people and equipment involved in long tours around the country.

²⁶ According to INEC's March 2019 multipurpose survey, 72% of the country's population lives in urban areas.

²⁷ Measurements from the 2019 ENLACES program.

²⁸ Performing artists such as dancers, choreographers, and dance instructors at key institutions such as Fundación Gramos Danse, Escuela Nacional de Danza, Ballet Nacional de Panamá.

²⁹ This refers to a model based on small-scale or on demand services. It represents a new economic model driven in particular by information and communication technologies and the consolidation of digital platforms. <https://www.ennaranja.com/para-ahorradores/que-es-la-gig-economy/>.

- 2.9 **Excluded population groups.** Through the Enlaces program and a number of projects since 2018,³⁰ FEC has managed to attract, integrate, and sustain working relationships with 235 young people in other excluded social groups, whose ongoing engagement will be a priority in this project: (i) **Afrodescendant** youth, who make up a large proportion of the inhabitants of the El Chorrillo, San Felipe, Calidonia, Santa Ana and Curundú neighborhoods and, even though they live near the huge development hub represented by the city's urban area and historic center, suffer from high levels of urban poverty, characterized by run-down housing, cramped living conditions, unemployment, underemployment, and fear for their personal safety;³¹ (ii) refugees, asylum seekers, and migrants; (iii) adolescent mothers; (iv) adolescents living in institutions and/or wards of the State; (v) young people in suburban communities, far from the existing cultural or training offerings (La Locería, Mañanitas, and Río Abajo neighborhoods).
- 2.10 **Gender inclusion.** The project will strive to maintain the gender balance, since social prejudices are such that incorporating technology tends to leave girls behind, and artistic training tends to exclude boys. This will be the first program formally opening up opportunities in the creative and cultural industries, so a target is set of 40% women completing the technical training and 35% women participating in internships. Additionally, care will be taken with language and content, to ensure materials and training processes are inclusive for nonbinary and LGBT individuals.
- 2.11 **Component 1. Access to technology and STEAM training program for vulnerable young people (IDB Lab: US\$265,000; Counterpart: US\$155,523).** The objective of this component is to strengthen FEC's theoretical/practical training for at-risk youth through the performing arts by systematically integrating technology, supporting the physical adaptation of the sandbox, and extending the scope to a new community in the country. Specifically, it aims to: (i) develop training offerings for production techniques and 21st-century skills that integrate technology and the performing arts; (ii) promote the co-creation of stage performances by young people with the support of performing artists and trained facilitators; (iii) adapt a physical space (sandbox) equipped with new technologies, and; (iv) replicate the training model in a new community in partnership with organizations in the industry and/or public education system.
- 2.12 IDB Lab resources will be used to design the program of theoretical/practical training integrating technology and contribute to the organization and implementation of the training. Additionally, resources will be invested in an information campaign and a program of incentives to facilitate women's participation in training and internships (child care and other services). Financing will also be provided for the process of expanding FEC's training offerings to a new community in an urban environment with similar risk characteristics for young people, where a relevant partnership is identified for execution. Lastly, to address the problem of the limited availability of spaces meeting the necessary conditions for practical training and creation of productions using new technologies

³⁰ Local and international organizations such as ACNUR, RET Internacional, Voces Vitales, Fundación Amaneceres, Fundación Danzárea, and the Panama City municipal government.

³¹ UNICEF. *La niña indígena y el adolescente urbano: Entre riesgos y oportunidades: Una agenda para la acción*. Panama, 2011.

(see paragraph 1.10), the project will contribute to the technological adaptation of the sandbox in the space donated for its use by Dekel Group, developers in the historic city center with a vision of supporting the development of the city center's cultural life, and owners of the building in which FEC currently operates.

- 2.13 This component includes the following activities: (i) design and adaptation of the sandbox training spaces, and equipping them with technology; (ii) development of the STEAM curriculum, training of facilitators, and raising performers' awareness so they can work effectively with at-risk youth; (iii) selection process for program participants; (iv) development of training workshops; (v) development of performances integrating technology co-created by young people, facilitated by professional performers.
- 2.14 The main outcomes of this component include: (i) improved 21st-century skills³² among young people completing the training, with a 10% improvement in the average index of participants relative to the previous year beginning in year two; (ii) 145 at-risk young people completing a co-creation process; (ii) 55 young people in a new community benefiting from FEC's training offerings.
- 2.15 **Component 2. Innovation, democratization, and decentralization of cultural offerings with integration of technology (IDB Lab: US\$196,550; Counterpart: US\$268,850).** The objective of this component is to foster innovation and interdisciplinary experimentation with technology in the new sandbox. Specifically, it seeks to: (i) offer specialized training for performing arts professionals, leveraging FEC's experience, methodologies, and curricula on technology integration, collaboration skills, and project conceptualization; (ii) foster the experimental production of new high-quality performances using sandbox technology tools and formats for digital distribution; (iii) build partnerships to scale up the distribution of the offerings in lower income communities outside the city through networks such as Infoplazas;³³ and (iv) create a strategy and pilot to distribute and exhibit productions on digital channels such as YouTube, Vimeo, Digital Theatre, and Teatrix, which is considered to be the Netflix of the performing arts.
- 2.16 The IDB Lab resources will be used to run specialized training workshops in the new sandbox space, to foster technological innovation by performing arts professionals and the creation of experimental productions, building on the knowledge and skills acquired, in which at-risk youth will take part so as to gain practical experience. It will also invest in the design and implementation of the strategy enabling experimentation and the generation of learnings on the potential of digital formats and channels for the democratization and decentralization of the cultural offering.

³² In this project: (i) raise the level of digital skills measured by pre- and post-testing; (ii) develop socioemotional skills, such as creativity, initiative, and curiosity applied to problem solving through corporeality and teamwork, evaluable using rubrics.

³³ Infoplazas are approximately 300 centers at the national level whose objective is to bridge the digital divide in rural and urban areas: <https://www.infoplazas.org.pa/infoplazas/>.

- 2.17 This component includes the following activities: (i) training workshops specializing in training for professionals; (ii) development of experimental co-creations by interdisciplinary performers and with young people assisting or interning; (iii) forging partnerships within the city and beyond; (iv) design and implementation of a strategy for reaching audiences via digital channels.
- 2.18 The expected outcomes of this component are: (i) 12,000 new consumers of live cultural offerings; (ii) 27,000 unique users with access to content via digital channels; (iii) 45 professional performers completing specialized training; (iv) eight productions created in the sandbox, integrating technologies and interdisciplinary collaboration processes; and (v) 27 projects created by teams using the sandbox's physical space.
- 2.19 **Component 3. Practical experience in the creative industries for vulnerable young people (IDB Lab: US\$56,900; Counterpart: US\$31,550).** The objective of this component is to design and create opportunities for practical training for at-risk youth alongside creative industry professionals, so that they can make decisions and prepare themselves to join the labor market in the orange economy. Specifically, it aims to: (i) create a program of internships in productions and other roles in the cultural and creative industries related to STEAM training; (ii) forge partnerships in the creative industries to develop a sustainable source of internship opportunities; (iii) generate learnings from the internship model as a bridge to productive inclusion of young people in the cultural and creative industries.
- 2.20 IDB Lab resources will be used to hire consultants to design, monitor, and evaluate the internships program, to address the realities faced by at-risk youth and cultural and creative industry demands. It will also generate knowledge and dissemination products leveraging the training efforts of partnerships to ensure long-term sustainability.
- 2.21 This component includes the following activities: (i) design of the internships program; (ii) workshops and meetings to raise awareness and forge partnerships to generate internships; and (iii) consulting services for the monitoring, evaluation, and systematic documentation of learning and implementation of an internship pilot.
- 2.22 The outcomes of this component will include: (i) 43 at-risk young people completing at least one internship relating to the STEAM training plan; (ii) 42 at-risk young people completing at least one internship relating to an artistic co-creation process with performing arts professionals; (iii) 35% female participation in internships.
- 2.23 **Innovation.** The innovative element of the project lies in the **integration of technology in the performing arts**, starting with a process of **training for young people at social risk** on technology tools relating to artistic production and the development of new performing arts products. The aim is to integrate technology from the conceptualization stage to produce more internationally competitive cultural offerings, while at the same time facilitating a path to the labor market for vulnerable young people. The development of new technical skills will enable young people to penetrate an industry they are currently unable to access. Work

- experience initiatives for young people have been run in Panama,³⁴ but they focused on immersion in traditional industries such as banking and services. There have also been artistic training programs³⁵ that have not been involved in the internship program or the integration of STEAM disciplines. At the local level, this is the first experience that, in terms of its focus and number of participants, uses the development of 21st-century skills, and the comprehensive development and training in STEAM to spearhead the incorporation of vulnerable young people in the promising field of the creative economy.
- 2.24 A distinguishing feature of this project globally is its comprehensive approach, combining the performing arts, **development of 21st-century skills**, and experience with **internships**. Although multiple organizations at the regional and global level work with dance as a tool for change and use artistic development as a teaching tool, as well as offering opportunities for professional development through partnerships with higher education and technical training establishments, these **do not involve the development of technical training processes or the integration of new technologies with the performing arts**. Examples of such organizations include Colegio del Cuerpo (Colombia), MindLeap (Rwanda), Kolkata Sanved (India), In Movement (Uganda), Fundación Anar (Spain), Voces (Spain), Fundación Plan Internacional (Spain) and Save the Children – Transhuella (Colombia).
- 2.25 Research at the international level bears out the **effectiveness of programs** similar to the one proposed in this project. The American Journal of Dance Therapy evaluated dance programs at 54 multicultural schools in the United States, finding them to be effective at reducing violent behavior and developing prosocial behaviors, self-control strategies, and conflict resolution tools.³⁶ During its 2018 evaluation of the effects of implementation of the Enlaces program as a proposed modification to strengthen the core components of development in pre-adolescents, FEC found positive effects on the development of students taking part in the study.³⁷ The methodology of the Enlaces program in general, and the sandbox in particular, is aligned with the novel practices suggested by international organizations, which invite us to think of education in the twenty-first century as a process of “deschooling the school,” so as to further develop creativity and the capacity for exploration through teamwork. The FEC offers a space enabling learning to be put into context, the acquisition of tools to solve real problems together with other people of different ages and origins, through collaborative work.
- 2.26 **IDB Lab additionality.** In addition to financial resources, IDB Lab will contribute experience and networks of contacts in projects relating to the creative industries, and how these can be turned into a source of job creation and entrepreneurship, as well as an instrument for education and life skills development, particularly for vulnerable young people. In addition, IDB Lab will support the strengthening of the

³⁴ COSPAE, Fundación Alberto Motta, Glasswing, Voces Vitales.

³⁵ Danzárea, Movimiento Nueva Generación, Danza Nova.

³⁶ Koshland, L., J. Wilson, and B. Wittaker. PEACE through dance/movement: Evaluating a violence prevention program. In American Journal of Dance Therapy. Volume 26, Issue 2, September 2004.

³⁷ Hernández, M., 2018. *Efectos de la Danza contemporánea como técnica para fortalecer los elementos fundamentales del desarrollo en preadolescentes*.

strategy of engagement with FEC in the public sector by facilitating connections and opportunities for collaboration.

B. Project outcomes, measurement, monitoring, and evaluation

- 2.27 **Results Matrix indicators.** The main project indicators are divided into outcome indicators and component-specific indicators (Results Matrix, Annex I of this document). In three years, the main outcomes regarding the productive inclusion of at-risk youth are 385 young people completing a 21st-century skills program, 145 young people completing participation in co-creation processes, 55 young people in a new community benefiting from FEC's training offerings, 43 young people completing at least one internship relating to the STEAM training plan, with 35% female participation in the internships. It will also contribute to decentralizing and democratizing cultural offerings, reaching 12,000 new consumers of live cultural offerings, and 27,000 unique users with access to content via digital channels. The expected outcomes in terms of capacities for experimentation and innovation in content supporting the foregoing outcomes include: 45 professional performers completing specialized training in technological innovation, 8 sandbox productions integrating technologies and interdisciplinary collaboration, and 27 projects created by external teams using the sandbox.
- 2.28 **Sustainable Development Goals (SDGs).** The intervention addresses four SDGs on the 2030 Agenda: (i) Goal 1: End Poverty; (ii) Goal 4: Quality Education; (iii) Goal 5: Gender Equality; and (iv) Goal 10: Reduced Inequality.
- 2.29 **Monitoring and evaluation.** The FEC will be responsible for monitoring project outcomes as presented in the Results Matrix, using its own tools and the new versions developed during project implementation. The FEC will develop a dashboard for the project and a quarterly monitoring tool, to measure the level of fulfillment of the Results Matrix indicators and the effectiveness of the proposed intervention model. The outcome review mechanism will be based on six-monthly project status reports in the IDB Lab systems and six-monthly meetings where proactive or corrective action plans will be prepared, as appropriate. Lastly, the budget includes the hiring of an external evaluator to produce an external evaluation report on the project in the third year, using the monitoring system database.

III. ALIGNMENT WITH THE IDB GROUP, SCALABILITY, AND PROJECT RISKS

A. Alignment with the IDB Group

- 3.1 This project is aligned with the Update to the Institutional Strategy 2020-2023 (document GN-2933) in terms of the challenges of social inclusion and equality, as well as productivity and innovation.
- 3.2 **IDB Social Sector.** The project is aligned with the Future of Work and 21st-century skills initiatives, which (i) analyze strategies enabling young people to transition from unemployment or underemployment to better earning jobs—**Labor Sector Framework Document** (document GN-2741-7)—and (ii) examine the use of technologies to stimulate education/training and strengthen the development of 21st-century skills—**Education and Early Childhood Development Sector**

- Framework Document** (document GN-2708-5)—under dimension of success four, which refers to adequate resources.
- 3.3 **Orange economy.** From the Creativity and Culture Division (KIC/ICD), the project is aligned with the strategy to support the development of the innovation and creativity ecosystem and the strengthening of learning on creative industries.
- 3.4 The project is aligned with the Competitiveness, Technology, and Innovation Division (CTI) through the Economic Diversification and Competitiveness Promotion Program (loan PN-L1149), which seeks to promote Panama's sustainable economic growth by advancing the development of emerging sectors that generate sources of growth, specifically including the cultural and creative industries. It is also aligned with technical cooperation program PN-T1197, Support to the Creative and Cultural Ecosystem of Panama, which involves support for the development of Panama's new culture ministry's medium-term strategy.
- 3.5 **Alignment with the country strategy.** This operation is not aligned with the current IDB Country Strategy with Panama (2015-2019). Although the IDB Country Strategy with Panama 2020-2024 is now in development, as part of a study by the Bank³⁸ the project contributes to generating inclusive growth, enhancing competitiveness, and sector education/skills. It is aligned with the recommendation/opportunity of fostering the advancement of cultural and creative industries by developing creative offerings and training talent.
- 3.6 In addition, the project activities will complement and provide lessons learned for other IDB operations, specifically the interventions of the Cities Lab and the "Living Heritage" technical cooperation operation (RG-T3285) of the Housing and Urban Development Division (CSD/HUD), both of which focus on the historic city center and the neighborhoods of San Felipe, Santa Ana, and El Chorrillo in Panama City, thus coinciding with the project's thematic and target area. There is also the potential to contribute to future IDB Group operations, in which case, the relevant modifications will be made to the project activities and budget to accommodate these possible activities.
- 3.7 The project falls within the **IDB Lab Inclusive Cities** thematic area, as it aims to develop skills and opportunities for vulnerable young people in the urban area, particularly through the creative industries and activities surrounding them, promoting more competitive cities and raising their inhabitants' quality of life. The project aims to contribute new knowledge on questions such as: (i) What learning platforms are most effective at preparing talent for the knowledge industry?; (ii) How can the inclusive participation of at-risk youth in urban and heritage-related productive activities be promoted to reduce poverty?
- 3.8 The operation will coordinate efforts with, and will be supported by lessons learned from, IDB Lab projects related to the cultural and creative industries in Honduras (HO-T1322), Paraguay (PR-T1232), Argentina (AR-T1209), El Salvador (ES-T1306), and Panama (PN-T1237). The project will also work in coordination with public authorities that are being supported by cultural and creative industry projects in Panama, such as the new Ministry of Culture.

³⁸ Comprehensive diagnostic assessment and opportunities for Panama's inclusive and sustainable development 2019.

B. Scalability

- 3.9 The path to scale proposed for the project involves a mixed approach in which FEC expands direct implementation of the program through partnerships with the public sector, while forging partnerships with other private sector organizations that replicate the program with FEC's involvement.
- 3.10 In the case of partnerships with the public sector, a first opportunity has been identified for collaboration with the Ministry of Education (MEDUCA) through its new internship model for young people in secondary school (ages 15 to 18, the last three years of study), called "Academias de Excelencia: Panamá para el Futuro" [Academies of Excellence: Panama for the Future]. During the first year of the project the channel of communication with MEDUCA will be kept open so as to share learning, monitor the model's scaling plan, and propose integration of FEC's methodology in the curricular or extracurricular education program from the project year two onward.
- 3.11 A second collaboration will center on two Ministry of Culture initiatives: (i) development of a cultural district in the historic city center; (ii) component of IDB/HUD operation 4944/OC-PN, "Program of Comprehensive Urban Development of Cities with Tourism Potential," approved in 2019 and executed by the Panamanian Tourism Authority with the collaboration of the Ministry of Culture to create Cultural Innovation Centers in six tourist cities across the country. In both cases, the training offerings and internships program would become part of the culture ministry's range of services. During the project, coordination will be maintained with the Ministry of Culture and the Housing and Urban Development Division (IDB/HUD) to monitor progress and establish a plan of action going into project year three.
- 3.12 In the case of the private sector, the Fundación Ciudad del Saber (FCDS) will begin construction of an Arts and Media Center in 2021. The FEC currently maintains a close relationship with the FCDS and will jointly evaluate the potential integration of this project's model as part of the Arts and Media Center offerings, which could start execution in project year two. The Arts and Media Center will also be a source of new opportunities for internships in the cultural and creative industries for at-risk youth.
- 3.13 An amount has been earmarked in the project budget for the creation and dissemination of knowledge products (videos, websites, infographics) and participation in monitoring and coordination meetings to support the partnership-building process.

C. Project and institutional risks

- 3.14 **Risk: Gentrification**, which may cause forced displacement of the target community. **Mitigation:** Planning of resources to attract young people to the physical sandbox space.
- 3.15 **Risk: Limited investment**, both public and private, in cultural initiatives and ventures, affecting long-term financial sustainability. In the case of the public sector, the risk is heightened by the pending change of administration during the final stage of the project. **Mitigation:** Influencing public policies and ongoing strengthening of public and private institutional arrangements.

- 3.16 **Risk:** Higher than estimated **dropout rate**. **Mitigation:** The FEC will devote efforts and resources to developing awareness-raising sessions and building families' support for the project.
- 3.17 **Risk:** Difficulty offering **internships**. **Mitigation:** Building of partnerships, the cost of which has been included in the budget.
- 3.18 **Risk:** Young women and adolescent girls have difficulty finding time after meeting their family responsibilities. **Mitigation:** Provision of child care services timed to coincide with the training.

IV. INSTRUMENT AND PROPOSED BUDGET

- 4.1 The project will be a nonreimbursable technical cooperation operation for US\$1,385,300. Of that amount, US\$692,650 (50%) will be provided by IDB Lab, and US\$692,650 (50%) by the local counterpart.

	IDB Lab (US\$)	Counterpart (US\$)	Total (US\$)
Project components			
Component 1: Access to technology and STEAM training program for vulnerable young people	265,200	155,523	420,723
Component 2: Innovation, democratization, and decentralization of cultural offerings with integration of technology	196,550	268,850	465,400
Component 3: Practical experience in the creative industries for vulnerable young people	56,900	31,550	88,450
Project administration	144,000	232,227	376,227
Evaluations, audits, and contingencies	30,000	4,500	34,500
Grand total	692,650	692,650	1,385,300
% of financing	50%	50%	100%

V. EXECUTING AGENCY AND IMPLEMENTATION STRUCTURE

A. Description of the executing agency

- 5.1 Fundación Espacio Creativo (FEC)³⁹ is a not-for-profit organization established in 2013 and located in the historic center of Panama City. Since its creation, FEC has focused on supporting opportunities for change through dance and strengthening the local cultural scene through high-impact sociocultural interventions. The FEC's main intervention programs are the Enlaces program and the professional development program.

³⁹ www.fec.org.pa.

- 5.2 The Enlaces program has been running for over 10 years⁴⁰ and has had an impact on over 1,500 socially vulnerable children and young people ages 8 to 18 through the development of soft skills and artistic skills. Supported by the Ministry of Culture, FEC's professional development program is considered a benchmark in local contemporary dance.
- 5.3 The FEC has extensive experience managing international performing arts projects (in the United States, Mexico, the Dominican Republic, Guatemala, Costa Rica, and Panama). Its productions have been awarded Fondo Iberescena funding on three occasions, it has produced seven original professional productions, six editions of the NUESTROS CREADORES national choreography competition, cofinanced 15 local artistic productions, and run more than 20 workshops with international teachers. The FEC has also made inroads into the integration of technology in the performing arts in terms of both training and production. Some examples of this integration include the development of three dance video productions, two of which involved vulnerable young people and one with professional performers. The FEC has the support of owners of the iconic Hertematte building in the historic center, where it currently operates for the development of the sandbox. The FEC has built partnerships with, or has been awarded competitive funding from, the Ministry of Culture, United Nations Children's Fund (UNICEF), the IDB, the United Nations Development Programme (UNDP), the National Science and Technology Department, the INCAE Business School, the Panama City Mayor's Office, and others.

B. Implementation structure and mechanism

- 5.4 The FEC will establish an execution unit with the necessary structure to implement the project's activities and manage its resources effectively and efficiently. It will also be responsible for delivering status reports on the progress of project implementation. The execution unit will consist of: (i) a coordinator; and (ii) an administrative/financial specialist. Key members of FEC's management are also expected to devote time to the project, namely the Director of the Enlaces Program (30%), the Artistic Director (50%), and members of the Executive Board (20%) for pro bono consulting support on interdisciplinary production and strategic engagement in the industries.

VI. FULFILLMENT OF MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

- 6.1 **Results-based disbursement and fiduciary arrangements.** The executing agency will commit to the standard IDB Lab arrangements related to results-based disbursements, procurement, and financial management policies applicable to the private sector, consistent with the provisions of the 12 June 2019 version of the Financial Management Guidelines for IDB-financed Projects (document OP-273-12) and the specifications of the Operational Guidelines for Management of Milestones and Financial Supervision for IDB Lab and SEP Technical Cooperation Projects. IDB Lab sets aside resources for audits (or ex post supervision), which it can use depending on the project's supervision needs.

⁴⁰ Enlaces was begun by Fundación Calicanto and transferred to FEC when the latter was established.

- 6.2 The foregoing is consistent with the findings of the diagnostic assessment of integrity and institutional capacity, reflecting a low level of risk (Annex V). The FEC manages resources from private funds and cooperation agencies that it accesses to conduct its projects and activities. These resources are audited annually and have a monitoring and accountability structure supported by an audit firm contracted to provide advisory and other support on these issues and to prepare the institution's audited financial statements.
- 6.3 **Risk- and performance-based project management.** Under this modality, project disbursements will be determined according to the project's projected liquidity needs for a period of up to six months. These needs will be agreed upon between IDB Lab and the executing agency and will reflect the activities and costs programmed in the annual planning exercise.
- 6.4 **Disbursements.** Project disbursements will be contingent on verification of the fulfillment of milestones, based on the means of verification agreed upon by the executing agency and IDB Lab. Fulfillment of milestones does not exempt the executing agency from the responsibility to fulfill the Results Matrix indicators and the project objectives. The first disbursement will be contingent on fulfillment of the conditions precedent. Subsequent disbursements will be made when the following conditions are met: (i) IDB Lab has verified that milestones have been met, as agreed in the annual planning document; and (ii) the executing agency has justified at least 80% of cumulative advances of funds. If the milestones are not fulfilled, the executing agency will submit an action plan for their fulfillment for the Bank's no objection. If the action plan fails to achieve the agreed results, the Bank may cancel the undisbursed balance of the project.

VII. ACCESS TO INFORMATION AND INTELLECTUAL PROPERTY

- 7.1 **Access to information.** In accordance with the Bank's Access to Information Policy, this document is available to the public.
- 7.2 **Intellectual property.** The Bank will retain ownership and control of any and all intellectual property rights, including but not limited to copyright, in relation to and/or associated with all deliverables to be developed, i.e., specialized technical assistance; study of trends, studies on alternative financing instruments for the sector; and studies of modalities of recording/use of intellectual property in the sector, or other similar studies relevant to the project. The Bank will grant the executing agency a nonexclusive license free of charge for noncommercial use covering the use, copying, distribution, reproduction, exhibition, and public execution of any project work or output, within the country of execution.