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Report No: PAD3862

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT LOAN
IN THE AMOUNT OF US\$20 MILLION

TO

THE REPUBLIC OF PANAMA

FOR

PANAMA COVID-19 EMERGENCY RESPONSE PROJECT

UNDER THE

COVID-19 STRATEGIC PREPAREDNESS AND RESPONSE PROGRAM (SPRP)

USING THE MULTIPHASE PROGRAMMATIC APPROACH (MPA)
WITH A FINANCING ENVELOPE OF

UP TO US\$ 6 BILLION

APPROVED BY THE BOARD ON APRIL 2, 2020

Health, Nutrition & Population Global Practice
Latin America And Caribbean Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective May 30, 2020)

Currency Unit = US Dollar

PAB 1.00000 = US\$1

FISCAL YEAR

January 1 - December 31

Regional Vice President: J. Humberto Lopez (Acting)

Country Director: Y. Seynabou Sakho

Regional Director: Luis Benveniste

Practice Manager: Michele Gragnolati

Task Team Leader: Ronald Eduardo Gomez Suarez



ABBREVIATIONS AND ACRONYMS

BFP	Bank Facilitated Procurement
COVID-19	Coronavirus Disease 2019
CDC	Centers for Disease Control and Prevention
CGR	General Comptroller Office (<i>Contraloría General de la República</i>)
CODIPRO	Project Steering Committee (<i>Comité Directivo de Proyectos</i>)
CPF	Country Partnership Framework
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
FM	Financial Management
GDP	Gross Domestic Product
GoP	Government of Panama
GRS	Grievance Redress Service
FTCF	Fast Track COVID-19 Facility
IADB	Inter-American Development Bank
ICU	Intensive Care Unit
IFRs	Interim Financial Reports
IHR	International Health Regulations
IMF	International Monetary Fund
ISTMO	Integration and Technological Solutions of Operational Management Model (<i>Integración y Soluciones Tecnológicas del Modelo de Gestión Operativo</i>)
LAC	Latin America and the Caribbean
MEF	Ministry of Economy and Finance (<i>Ministerio de Economía y Finanzas</i>)
MIDES	Ministry of Social Development (<i>Ministerio de Desarrollo Social</i>)
M&E	Monitoring and Evaluation
MINSA	Ministry of Health (<i>Ministerio de Salud</i>)
MPA	Multiphase Programmatic Approach
PAD	Project Appraisal Document
PAHO	Pan American Health Organization
PIU	Project Implementation Unit
POM	Project Operational Manual
PPE	Personal Protective Equipment
SARS-CoV-2	Novel Coronavirus
SEP	Stakeholder Engagement Plan
SOEs	Statements of Expenditures
SPRP	Strategic Preparedness and Response Program
STA	Single Treasury Account
STEP	Systematic Tracking of Exchanges in Procurement
ToR	Terms of Reference
UGSAF	Health, Administrative and Financial Management Unit (<i>Unidad de Gestión de Salud, Administrativa y Financiera</i>)
UN	United Nations



The World Bank

Panama COVID-19 Emergency Response (P173881)

UNICEF	United Nations Children's Fund
WBG	World Bank Group
WHO	World Health Organization



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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Panama	Panama COVID-19 Emergency Response	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P173881	Investment Project Financing	Substantial

Financing & Implementation Modalities

<input checked="" type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	

Expected Project Approval Date	Expected Project Closing Date	Expected Program Closing Date
12-Jun-2020	29-Jul-2022	31-Mar-2025

Bank/IFC Collaboration

No

MPA Program Development Objective

The Program Development Objective is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness

MPA Financing Data (US\$, Millions)



MPA Program Financing Envelope	4,787.79
with an additional request to IDA	65.34

Proposed Project Development Objective(s)

To prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in the Republic of Panama.

Components

Component Name	Cost (US\$, millions)
Strengthening the response to COVID-19 and national systems for public health preparedness	19.50
Project Management and Monitoring	0.50

Organizations

Borrower: Republic of Panama
 Implementing Agency: Ministry of Health

MPA FINANCING DETAILS (US\$, Millions)

Board Approved MPA Financing Envelope:	4,722.45
MPA Program Financing Envelope:	4,787.79
of which Bank Financing (IBRD):	2,778.30
of which Bank Financing (IDA):	2,009.49
of which other financing sources:	0.00

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	20.00
Total Financing	20.00



of which IBRD/IDA	20.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	20.00
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Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2020	2021	2022	2023
Annual	0.00	15.80	3.90	0.30
Cumulative	0.00	15.80	19.70	20.00

INSTITUTIONAL DATA

Practice Area (Lead)

Health, Nutrition & Population

Contributing Practice Areas

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Substantial
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial



7. Environment and Social	● Substantial
8. Stakeholders	● Moderate
9. Other	
10. Overall	● Substantial
Overall MPA Program Risk	● High

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

Have these been approved by Bank management?

Yes No

Is approval for any policy waiver sought from the Board?

Yes No



Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

Section I.A.1 of Schedule 2 to the Loan Agreement.

The Borrower, through MINSAs, shall: (a) ensure that the Project is carried out in accordance with the COVID-19 Action Plan; and (b) maintain, at all times during the implementation of the Project, adequate public health emergency coordination and management arrangements, all in a manner acceptable to the Bank.

Sections and Description

Section I.A.2 of Schedule 2 to the Loan Agreement.

The Borrower, through MINSAs, shall: (a) operate and maintain, throughout Project implementation a unit within UGSAF (the “PIU”) and CODIPRO, both with functions, responsibilities, resources and composition satisfactory to the Bank, as set forth in the Project Operational Manual; (b) ensure that the PIU coordinates with the General Sub-Directorate of Environmental Health of MINSAs for the environmental aspects and with the Directorate of



Indigenous Health Affairs of MINSA for the social aspects.

Sections and Description

Section I.C.2 of Schedule 2 to the Loan Agreement.

The Borrower, through MINSA, shall ensure that the Project is implemented in accordance with the ESCP, in a manner acceptable to the Bank.

Sections and Description

Section II of Schedule 2 to the Loan Agreement.

The Borrower, through MINSA, shall furnish to the Bank each Project Report not later than one month after the end of each calendar semester, covering the calendar semester. Except as may otherwise be explicitly required or permitted under the Loan Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 of the Loan Agreement, the Borrower shall ensure that such information, report or document does not include Personal Data.

Conditions

Type

Disbursement

Description

Section III.B.1 of Schedule 2 to the Loan Agreement.

Retroactive Financing. No withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$ 8,000,000 may be made for payments made prior to this date but on or after January 22, 2020 (but in no case more than one year prior to the Signature Date), for Eligible Expenditures.



I. PROGRAM CONTEXT

1. **This Project Appraisal Document (PAD) describes the World Bank Group’s (WBG) emergency response to the Republic of Panama under the coronavirus disease 2019 (COVID-19) Strategic Preparedness and Response Program (SPRP) using the Multiphase Programmatic Approach (MPA), approved by the WBG’s Board of Executive Directors on April 2, 2020 (PCBASIC0219761) with an overall Program financing envelope of up to US\$6.00 billion.**

A. MPA Program Context

2. **An outbreak of the COVID-19 caused by the 2019 novel coronavirus (SARS-CoV-2) has been spreading rapidly across the world since December 2019, following the diagnosis of the initial cases in Wuhan, Hubei Province, China.** Since the beginning of March 2020, the number of cases outside China has grown exponentially and the crisis has reached global scale. On March 11, 2020, the World Health Organization (WHO) declared a global pandemic as the coronavirus rapidly spread across the world.

3. **COVID-19 is one of several emerging infectious diseases outbreaks in recent decades that have emerged from animals in contact with humans, resulting in major outbreaks with significant public health and economic impacts.** The last moderately severe influenza pandemics were in 1957 and 1968; each killed more than a million people around the world. Although countries are now far more prepared than in the past, the world is also far more interconnected, and many more people today have behavior risk factors such as tobacco use¹ and pre-existing chronic health problems that make viral respiratory infections particularly dangerous.² With COVID-19, scientists are still trying to understand the full picture of the disease symptoms and severity. Reported symptoms in patients have varied from mild to severe, and can include fever, cough and shortness of breath. In general, studies of hospitalized patients have found that about 83 percent to 98 percent of patients develop a fever, 76 percent to 82 percent develop a dry cough and 11 percent to 44 percent develop fatigue or muscle aches.³ Other symptoms, including headache, sore throat, abdominal pain, and diarrhea, have been reported, but are less common. While 3.7 percent of the people worldwide confirmed as having been infected have died, WHO has been careful not to describe that as a mortality rate or death rate. This is because in an unfolding epidemic it can be misleading to look simply at the estimate of deaths divided by cases so far. Hence, given that the actual prevalence of COVID-19 infection remains unknown in most countries, the pandemic poses unparalleled challenges with respect to global containment and mitigation. These issues reinforce the need to strengthen the response to COVID-19 across all IDA/IBRD countries to minimize the global risk and impact posed by this disease.

4. **This Panama COVID-19 Response Project is prepared under the global framework of the WBG COVID-19 SPRP utilizing the MPA financed under the Fast Track COVID-19 Facility (FTCF).**

¹ Marquez, PV. 2020. “Does Tobacco Smoking Increases the Risk of Coronavirus Disease (COVID-19) Severity? The Case of China.” <http://www.pvmarquez.com/Covid-19>.

² Fauci, AS, Lane, C, and Redfield, RR. 2020. “COVID-19 — Navigating the Uncharted.” *New Eng J of Medicine*, DOI: 10.1056/NEJMe2002387.

³ Del Rio, C. and Malani, PN. 2020. “COVID-19—New Insights on a Rapidly Changing Epidemic.” *JAMA*, doi:10.1001/jama.2020.3072.



B. Updated MPA Program Framework

5. Table-1 provides an updated overall MPA Program framework for the proposed project for the Republic of Panama.

Table 1. MPA Program Framework

Phase #	Project ID	Sequential or Simultaneous	Phase’s Proposed DO*	IPF, DPF or PforR	Estimated IBRD Amount (\$ million)	Estimated IDA Amount (\$ million)	Estimated Other Amount (\$ million)	Estimated Approval Date	Estimated Environmental & Social Risk Rating
2	Panama COVID-19 Emergency Response (P173881)	Sequential	to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in the Republic of Panama	IPF	20.00	0	0	June 16, 2020	Substantial

6. All projects under SPRP are assessed for Environmental and Social Framework (ESF) risk classification following the WBG’s procedures and the flexibility provided for COVID-19 operations.

C. Learning Agenda

7. **The proposed Panama COVID-19 Emergency Response Project (the Project) under the MPA Program will support adaptive learning throughout implementation, as well as from international organizations including WHO, Pan American Health Organization (PAHO), United Nations Children’s Fund (UNICEF), Inter-American Development Bank (IADB), International Monetary Fund (IMF), United States Centers for Disease Control and Prevention (CDC), and others.** Given the limited experience with this pandemic, the exchange of information across countries, facilitated by international partners such as the WBG, will be instrumental for Panama in managing their response to COVID-19. Learning needs include modeling the progression of COVID-19 cases and deaths, modeling the economic impact of disease outbreaks under different scenarios to better understand the effects of COVID-19 in the use of the Panama Canal and its chain effects, and defining supply chain approaches during times of emergencies and disrupted global supply chains, including assessments for timely distribution of medicines and other medical supplies. Another area of learning is how to control the spread of the disease by engaging in the right communication strategies to the public, and how to implement appropriate policies for testing, triage and isolation of patients. The WBG and other partners will provide continuous support to facilitate learning on good practices learned through their experience with other



countries. Moreover, the MPA provides opportunities for Panama to learn from other countries' experiences in strengthening health systems and improving resilience to pandemic threats.

II. CONTEXT AND RELEVANCE

A. Country Context

8. **Panama's economy has demonstrated impressive growth over the years; however, the COVID-19 outbreak's effects on trade will significantly impact economic growth.** Between 2010 and 2018, Panama's annual Gross Domestic Product (GDP) growth averaged 6.5 percent, triple the average annual growth for the Latin America and the Caribbean (LAC) region.⁴ However, COVID-19 has emerged during a slowdown in major economies like China and the United States, Panama's largest trading partners. Global growth of 2.4 percent in 2019⁵ was the lowest observed since the 2008-09 financial crisis, and Panama's 3 percent growth in 2019⁶ was also the lowest in the decade since the crisis. As the effects of COVID-19 are felt more deeply in Panama and around the world, the Government of Panama (the Government, the GoP) will need to implement ambitious measures to mitigate the pandemic's impact on health and on economic growth.

9. **Despite strong economic performance, reducing poverty and inequality remains a major challenge to boosting Panama's human capital.** With a GINI of 49.2,⁷ Panama has one of the highest inequality rates among countries in the region. The national poverty rate was 20.7 percent in 2017;⁸ however, this masks major inequalities across geographic and ethnic divisions. In the Indigenous "Comarcas," for example, poverty rates surpass 80 percent,⁹ highlighting the need to create more equal opportunities for growth and human capital development. Further, despite Panama's robust economic growth, progress toward reducing inequality has been slower than in other countries in the region. Between 2007 and 2017, each percentage point increase in GDP resulted in only a 0.05 percent reduction in the GINI in Panama, compared to 0.28 percent in the LAC region.¹⁰

⁴ World Bank. 2020. World Development Indicators.

<https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=PA&view=chart>.

⁵ World Bank. 2020. Global Economic Prospects, January 2020: Slow Growth, Policy Challenges.

<https://www.worldbank.org/en/publication/global-economic-prospects>

⁶ Contraloría General de la Republica. 2019. Avance de Cifras del Producto Interno Bruto: Anual y Trimestral 2019. Instituto Nacional de Estadística y Censo.

https://www.inec.gob.pa/publicaciones/Default3.aspx?ID_PUBLICACION=996&ID_CATEGORIA=4&ID_SUBCATEGORIA=26

⁷ World Bank. 2020. World Development Indicators.

<https://data.worldbank.org/indicator/SI.POV.GINI?locations=PA>

⁸ IMF. 2019. Panama: Staff Report for the 2018 Article IV Consultation.

<https://www.imf.org/en/Publications/CR/Issues/2019/01/17/Panama-2018-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-46528>.

⁹ Astudillo, Jhonatan, Marco Fernández, and Carlos Garcimartin. 2019. *La desigualdad de Panamá: su carácter territorial y el papel de la inversión pública*. Banco Interamericano de Desarrollo (BID). Nota técnica del BID; 1703.

https://publications.iadb.org/publications/spanish/document/La_desigualdad_de_Panam%C3%A1_su_car%C3%A1cter_territorial_y_el_papel_de_las_inversiones_p%C3%BAblicas.pdf

¹⁰ Astudillo et al. 2019.



10. **The challenges related to inequality are further exacerbated by Panama’s exposure to multiple hazards.** Panama ranks 14th worldwide among countries most exposed to multiple hazards including intense and protracted rainfall, windstorms, floods, droughts, wildfires, earthquakes and landslides.¹¹ The economic and livelihood impacts affect Indigenous populations in particular, given their dependence on their natural surroundings for subsistence (food, medicine, shelter) and customary practices.

B. Sectoral and Institutional Context

11. **Over the past few years, Panama has made important progress in improving key health outcomes, but significant barriers to human capital accumulation still need to be addressed.** Between 2010 and 2018, infant mortality declined from 17 to 13.6 deaths per 1,000 live births, and maternal mortality declined from 79 to 52 deaths per 100,000 live births. These improvements notwithstanding, inequalities persist between urban and rural areas, and between the autonomous Indigenous regions and the rest of the country. For example, life expectancy is 78 years nationwide, compared to only 70 years in Indigenous regions.¹²

12. **High levels of chronic diseases and the aging of the population place many Panamanians at increased risk of COVID-19 complications.** The pandemic is especially dangerous for the elderly, who face higher COVID-19 mortality rates than other age groups; an estimated 8.1 percent of Panama’s population is aged 65 and above.¹³ Further, Panama has high levels of chronic diseases which also place individuals at increased risk; among the adult population, 19 percent has hypertension, 9 percent has diabetes mellitus, and 23 percent is obese.¹⁴

13. **COVID-19 is stretching Panama’s health system capacity and demands a surge in resources in order to achieve containment.** COVID-19 presents a major challenge to the health system not only because it is transmitted rapidly and is more deadly than other viruses, but also because severe cases require lengthy hospitalization. The Ministry of Health’s (*Ministerio de Salud*, MINSAL) service delivery network is comprised of 18 hospitals and 190 primary healthcare centers. Together, these account for a total of 23 beds per 10,000 population, compared to the Central American average of 11 beds per 10,000 population and the LAC average of 22 beds per 10,000 population; among Panama’s peers across high-income countries, the average is 41 per 10,000 population.¹⁵ In 2016, there were 15.7 physicians and 14.1 nurses per 10,000 population in Panama, compared to an average of 9.9 physicians and 13.1 nurses per 10,000 population in Central America, and 22 physicians and 47 nurses per 10,000 population in LAC.¹⁶ Given its resources, Panama is not fully prepared to provide health care services or mitigate the severe impacts caused by COVID-19. To mitigate these impacts, the GoP has taken prevention measures such as early social distancing, reinforcing its health system’s capacity to

¹¹ Out of 85 countries studied. See Dilley, M., Chen, R. S., Deichmann, U., Lerner-Lam, A. L., and Arnold, M. 2005. Natural Disaster Hotspots: A Global Risk Analysis. Disaster Risk Management Series. No. 5 See also Disaster Risk Management Program Panama; Magrin et al., 2007. Latin America. Climate Change 2007: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Fourth Assessment Report of the IPCC

¹² PAHO. Health in the Americas. https://www.paho.org/salud-en-las-americas-2017/?page_id=145

¹³ World Bank. 2020. World Development Indicators. <https://data.worldbank.org/indicator/SP.DYN.IMRT.IN?locations=PA>.

¹⁴ WHO. 2018. Noncommunicable Disease Profile: Panama. https://www.who.int/nmh/countries/pan_en.pdf?ua=1

¹⁵ World Bank. 2020. World Development Indicators. <https://data.worldbank.org/indicator/SH.MED.BEDS.ZS?locations=PA>

¹⁶ World Bank. 2020. World Development Indicators. <https://data.worldbank.org/indicator/SH.MED.PHYS.ZS?locations=PA>; <https://data.worldbank.org/indicator/SH.MED.NUMW.P3?locations=PA>



cope with the relatively high number of cases of COVID-19 by expanding Intensive Care Unit (ICU) capacity and operationalizing makeshift hospitals.

14. **Despite proactive measures to slow the spread of COVID-19, Panama is the hardest hit country in the region and faces challenges to contain the spread of the pandemic.** On January 28, 2020, the President of Panama issued an Executive Decree to adopt all necessary measures in the National COVID-19 Action Plan.¹⁷ A state of emergency was declared on March 13 by the President with the support of the Cabinet. This was followed by a series of sweeping measures to contain the spread of the virus. In addition to the emergency declaration, the National Assembly approved Law 139 of April 2, 2020 “Adopting a General Law on Emergency Measures to Deal with the Health Crisis caused by the COVID-19 Pandemic.” Among the measures adopted are: (i) distancing and social isolation; (ii) setting a sanitary fence around main cities; (iii) enacting an indefinite quarantine with a 24-hour curfew; (iv) suspending all construction projects except those that are health-related; (v) closing of schools and non-essential businesses; and (vi) suspending all commercial flights (except cargo and humanitarian). Moreover, the measures include the establishment of a respiratory triage in the network of health facilities and the implementation of healthcare technological solutions (e.g. remote consultations) that allows continuity in safe conditions.

15. **Additionally, the Government has taken steps to mitigate the economic and social impacts of COVID-19.** Among various measures to strengthen the GoP’s ability to mitigate the crisis, Law 139 allows for expedited processes for budget execution and implementation of activities related to COVID-19 and allows the Executive to mobilize Sovereign Wealth Fund (*El Fondo de Ahorros de Panama*) resources for the pandemic response. These resources will support, among other measures, the *Plan Panama Solidario* program managed by the Ministry of Social Development (*Ministerio de Desarrollo Social, MIDES*), which has begun providing cash and in-kind transfers to families financially affected by the pandemic. In addition, MIDES launched an action plan against COVID-19,¹⁸ which includes measures to ensure the outreach of measures to contain the pandemic for vulnerable population, such as the preparation and distribution of materials to minimize the impact of the new Coronavirus, including in traditional languages such as Guna, Emberá, and Nāge y Buglé. In addition, the GoP has started the implementation of an economic plan to respond to the pandemic’s effect on the economy. It includes a set of monetary policy measures making financial conditions more flexible, allowing the private financial system liquidity to provide access to credit and ease pressure on struggling businesses. The economic plan also includes fiscal and tax incentives for businesses to preserve jobs and guarantee workers’ wages during the emergency period.

16. **As of June 9, 2020, MINSa has reported 16,854 cases of COVID-19, including 398 deaths,¹⁹ which account for more than 46 percent of cases in the Central American region.** The situation is even more alarming considering that the size of Panama’s population (4.7 million) is among the smallest in Central America, suggesting not just higher disease incidence but higher prevalence as well. As a global hub of international commerce (through the Panama Canal), the impact of an uncontained outbreak could also disrupt international flows of commerce and increase negative economic effects at a global level. As the number of cases in Panama

¹⁷ Action Plan against an Outbreak or Epidemic of COVID-19 In the National Territory (*Plan de Accion ante un brote o epidemia de COVID-19 en el territorio nacional*). February 2020

¹⁸ Action Plan for the Social Promotion, Prevention, and Intervention against the New Coronavirus Hazard (*Plan de Accion para la Promocion, Prevencion y Intervencion Contra el riesgo de Coronavirus*). on March 27

¹⁹ MINSa. 2020. Casos de Coronavirus COVID-19 en Panamá. <http://minsa.gob.pa/coronavirus-covid19>. Accessed, June 9, 2020.



risers, MINSA will need to significantly expand the capacity to test, triage, and treat cases (suspected and detected) of COVID-19. Measures needed to expand health system capacity to provide services for COVID-19 patients demand additional financial and technical resources. Given the need for surge capacity and the existing restrictions on travel, the GoP has enlisted the assistance of several hotels to serve as temporary hospitals and quarantine facilities and MINSA has reallocated staff to operate these temporary facilities. However, gaps remain to ensure the availability of medical supplies and equipment, particularly for ICU beds.

17. **The challenges to Panama’s health system and ability to implement measures as a response to COVID-19 are exacerbated by the observed and anticipated impacts of climate change.** Both human and ecological systems in Panama are at risk of increased vulnerability due to more frequent and intense storms, floods, and droughts that are causing economic losses and affecting the livelihoods of the poorest and most marginalized members of society in particular. Dry season temperatures in Panama are projected to increase between 1 and 3 degrees by 2050 and precipitation by 80 percent overall by 2080 under certain climate scenarios. These anticipated climate variabilities have clear links to human health through direct exposure (e.g., heat waves, floods and droughts) as well as indirect pathways (e.g., climate impacts on water, food and air quality). More extreme weather events, for instance, can lead to increasing damages to health care facilities, sometimes disabling them completely at times when their services are most required. In addition, rising temperatures and recurrent heat waves can create severe health impacts including the proliferation of diverse pathogens, increased dehydration and other respiratory diseases. Since a large proportion of Panama’s vulnerable population are the elderly, who are also those most at risk from COVID-19, the exposure to climate change impacts exacerbates currently observed risks and vulnerabilities.²⁰

C. Relevance to Higher Level Objectives

18. **The Project is aligned with WBG’s strategic priorities, particularly the WBG’s mission to end extreme poverty and boost shared prosperity.** The Project is focused on public health emergency preparedness, which is critical to achieving Universal Health Coverage. It is also aligned with the WBG’s support for national plans and global commitments to strengthen pandemic preparedness through three key actions: (i) improving national preparedness plans including organizational structure of the GoP; (ii) promoting adherence to the International Health Regulations (IHR); and (iii) utilizing the international framework for monitoring and evaluation (M&E) of IHR. The economic rationale for investing in the MPA interventions is strong, given that success can reduce the economic burden suffered both by individuals and countries. The Project complements both WBG and development partner investments in health systems strengthening, disease control and surveillance, attention to changing individual and institutional behavior, and citizen engagement. Additionally, the Project’s design would ensure reducing observed vulnerabilities facing Panama’s population and enable the country’s health system to respond to the COVID-19 emergency without increasing disparities and poverty. This includes the provision of medical equipment and supplies to health care facilities and training and communication strategies. Additionally, the Project is in line with the WBG’s climate change commitments, particularly by incorporating climate change considerations throughout the Project’s design that reduce observed vulnerabilities of Panama’s population and enable the health system to adapt to climate-induced changes while effectively responding to COVID-19-related risks.

²⁰ <https://climateknowledgeportal.worldbank.org/>



19. **The WBG remains committed to providing a fast and flexible response to the COVID-19 epidemic, utilizing all WBG operational and policy instruments and working in close partnership with the GoP and other agencies.** Grounded in One-Health, which provides for an integrated approach across sectors and disciplines, the proposed WBG response to COVID-19 includes emergency financing, policy advice, and technical assistance, building on existing instruments to support IDA/IBRD-eligible countries in addressing the health sector and broader development impacts of COVID-19. The WBG COVID-19 response is anchored in the WHO’s COVID-19 global SPRP outlining the public health measures for all countries to prepare for and respond to COVID-19 and sustain their efforts to prevent future outbreaks of emerging infectious diseases.

20. **The proposed Project is well aligned with the WBG’s Country Partnership Framework (CPF) for the Republic of Panama for the Period FY15-FY21 discussed by the Board of Executive Directors on April 7, 2015, and the Performance Learning Review for the same period dated June 8, 2018.** The proposed Project contributes directly to the third pillar of the CPF (Bolstering Resilience and Sustainability), under the Objective 6: “Strengthen resilience to natural disasters.” The proposed Project will strengthen the institutional capacity of the MINSAs for delivering services, help to improve the quality of services, and promote Universal Health Coverage. The COVID-19 emergency has elevated the priority of protection of health and human capital, and of vulnerable and poor populations, which is fully aligned with the CPF’s objectives. In addition, the Project complements the COVID-19 components of other WBG operations in Panama (Table 2), by focusing specifically on strengthening the health system response.

Table 2. WBG Projects with COVID-19 related activities

Name	Type	ID	Effective	Value (US\$ M)	Actions
Pandemic Response and Growth Recovery	DPF	P174107	Under Preparation	500	Focused on mitigating the impact of the pandemic and economic recovery
Support for the National Indigenous Peoples Development Plan	IPF	P157575	Sep-2018	80	Specific health expenses to contain COVID-19 pandemic in indigenous territories
Strengthening Social Protection and Inclusion System	IPF	P155097	Apr-2016	75	Reallocation of resources to finance supplies and personal protective equipment (PPE) for staff
Disaster Risk Management Development Policy Loan with a Catastrophe Deferred Drawdown Option (CAT-DDO)	DPF	P122738	Mar-2012	66	Disbursed \$41M to support emergency measures

21. **The proposed Project is fully aligned with the GoP’s objectives in its 2019-2024 National Strategic Plan and its COVID-19 Action Plan.** The GoP’s National Strategic Plan aims to guarantee “the right to Universal Health with a modern, equitable, efficient and safe public health system.” Panama’s National COVID-19 Action Plan delineates the country’s strategy to address and mitigate the pandemic’s threat, and covers epidemiologic surveillance, health service provision, and safety. The proposed Project’s activities were designed by MINSAs, in close cooperation with the WBG, in order address the specific needs identified in the National COVID-19 Action Plan. While the majority of Panama’s COVID-19 response is financed by domestic resources, project activities



take into consideration the support of Panama’s other Development Partners in order to avoid any duplication of efforts. For instance, MINSA has received test kits from the Central American Bank for Economic Integration (CABEI), among other donations, and the IADB and CABEI are providing approximately US\$1 million to US\$2 million each for the health sector. The proposed Project will support remaining gaps in assistance for critical areas of prevention and treatment in MINSA hospitals.

III. PROJECT DESCRIPTION

A. Development Objectives

22. The Project objectives are aligned to the results chain of the COVID-19 SPRP.

PDO statement:

23. The Project Development Objective (PDO) is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in the Republic of Panama.

24. **The PDO will be monitored through the following outcome indicators:**

- Laboratories with COVID-19 diagnostic equipment, test kits, and reagents (number)
- Confirmed cases of COVID-19 reported and investigated²¹ per approved protocol in the country (percent); and
- ICU and intermediate care units equipped pursuant to National COVID-19 protocol²² (number).

B. Project Components

25. Project components will support the GoP’s capacity to detect and respond to the threat posed by COVID-19. Specifically, they will support the identification and treatment of patients with COVID-19 to minimize disease spread, morbidity and mortality. The proposed Project will implement climate-change adaptation measures when possible, and address gender issues, as necessary.

26. **Component 1: Strengthening the response to COVID-19 and national systems for public health preparedness (US\$19.5 million).** This component would provide immediate support to the National COVID-19 Action Plan. Specifically, it aligns with the Action Plan by providing support for the procurement of key medical equipment and supplies for the prevention, detection and treatment of COVID-19. The component will support prevention and containment by financing critical inputs for infection control in health facilities, as well as investigation of suspected cases and contact tracing. It will also aim to strengthen disease detection capacities

²¹ The country protocols are based on WHO/PAHO protocol, where the definition of investigation of confirmed cases includes contact tracing in order to “Systematically identify all social, familial/household, work, health care, and any other contacts who have had contact with a probable or confirmed case from 2 days before symptom onset of the case and up to 14 days after their symptom onset (or in the case of asymptomatic cases, 2 days before through 14 days after the sample was taken which led to the confirmation of COVID-19 infection).” For further details see the WHO guidance “Considerations in the investigation of cases and clusters of COVID-19, Interim Guidance April 2, 2020” (<https://www.who.int/publications-detail/considerations-in-the-investigation-of-cases-and-clusters-of-covid-19>) and the WHO “Household transmission investigation protocol for coronavirus disease 2019 (COVID-19)” version 2, Feb 28, 2020 ([https://www.who.int/publications-detail/household-transmission-investigation-protocol-for-2019-novel-coronavirus-\(2019-ncov\)-infection](https://www.who.int/publications-detail/household-transmission-investigation-protocol-for-2019-novel-coronavirus-(2019-ncov)-infection)).

²² National Plan. See footnote 18 paragraph 15



through the provision of laboratory equipment and supplies to ensure prompt testing and diagnosis. The Project would also support critical aspects of health service provision in order to mobilize surge response capacity, particularly the provision of intermediate and intensive care services. The activities under this subcomponent will prioritize energy-efficient goods and services, including supplies for diagnosis and medical equipment.

27. **Sub-component 1.1: Support measures to prevent the spread of COVID-19.** This sub-component aims at safeguarding the environment for frontline workers providing care under protocols critical to the COVID-19 response and supporting the application of hygiene protocols for prevention of transmission among the overall population. This subcomponent will finance, *inter alia*: (i) basic cleaning and sanitation supplies; (ii) essential equipment for disinfection and sterilization procedures, including, *inter alia*, medical supplies and supplies to ensure safe hospital waste management practices; and (iii) communication activities related with COVID-19.

28. **Sub-component 1.2: Strengthen case detection capacity and support critical aspects of health service provision.** This sub-component will focus on case detection, tracing and proper care provision, which are critical elements of the COVID-19 response, ensuring that potential cases are identified and referred to treatment as appropriate. Rapid investigation of suspected cases and potential contacts, along with proper testing and follow up, is a key tool to prevent further spread of the disease. This subcomponent will finance: (i) key case detection inputs and supplies, including laboratory supplies for COVID-19 diagnostics and testing booths to protect health workers during COVID-19 testing; (ii) key health service delivery inputs, including equipment for hospitals and ICUs, personal protective equipment (PPE) and medical supplies, ensuring the use of climate-smart technologies while addressing the immediate health system needs of medical supplies and medical devices to treat severe cases affected by COVID-19 emergency; (iii) surge staffing due to increased patient load, including expert support on clinical care of COVID-19 patients; and (iv) relevant training activities. Purchases under this category would prioritize, when possible, the use of climate-smart technologies, while addressing the immediate health system needs of medical supplies and medical devices to treat severe cases affected by COVID-19 emergency.

29. **Component 2: Project Management and Monitoring [US\$0.5 Million].** This component would finance the required operational costs of the Health, Administrative, and Financial Management Unit (*Unidad de Gestión de Salud, Administrativa y Financiera*, UGSAF) at MINSa. The main activities include: (i) Financial Management (FM), procurement, environmental and social requirements, and audits of the Project; and (ii) monitoring and evaluating the Project. These activities will be carried out in accordance with WBG guidelines and procedures.

C. Project Beneficiaries

30. **This Project is expected to benefit Panama's entire population of 4.7 million people by focusing on prevention, control and deceleration of community spread of COVID-19 and by providing critical health care services that may be needed by those infected by the virus.** In addition, the COVID-19 Action Plan also aims to strengthen the public health care network to be prepared to face future health emergencies and care provision. Specific at-risk population groups, particularly the elderly and people with chronic conditions, are more likely to benefit from the Project. Similarly, Panamanians living in slums within and around Panama City, also more vulnerable to the spread of the virus due to cramped living conditions and lack of access to improved water and sanitation facilities, are more likely to benefit from the Project. Finally, rural communities which depend entirely on MINSa coverage are expected to be among key beneficiaries.



IV. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

31. **MINSA would be responsible for the overall project implementation and coordination.** The Project will be implemented by UGSAF, which typically serves as the Project Implementation Unit (PIU) for MINSA's externally financed projects and will be responsible for project coordination and execution. UGSAF is a well-established unit that has operated since 2002 and managed multiple projects financed by the WBG and other multilaterals. For the WBG, UGSAF has most recently implemented the Health Equity and Performance Improvement Project (P106445) between 2008 and 2014. The UGSAF has developed extensive expertise in FM and procurement procedures and activities of multilateral projects over the years and will be responsible for all procurement processes financed by the Project.

32. **UGSAF will use its own administrative structure and personnel to execute the proposed Project, and for technical aspects it will rely on the administrative units of MINSA, each with its own structure and personnel.** The UGSAF staff structure is made up of a Medical Director, an Operations Deputy Director, a Finance Specialist, a Procurement Specialist, and a Planning Specialist. An additional Procurement Specialist will be hired to ensure adequate staffing for procurement activities. Project implementation would follow existing country public FM systems, considering provisions to enable the expedited flow of funds as specified in Law 139. Decision-making will be done through the Project Steering Committee (*Comité Directivo de Proyectos, CODIPRO*), an internal group already established in the UGSAF which includes the Minister of Health, General Directorate of Health, Directorate of Health Provision and the UGSAF Technical Director, who acts as Technical Secretary of the Committee.

B. Results Monitoring and Evaluation Arrangements

33. **M&E activities will be the responsibility of the UGSAF.** As and when necessary, the UGSAF will coordinate with different departments and directorates of the MINSA, including the department of Monitoring and Evaluation of Health Service Provision (*Departamento de Monitoreo y Evaluación de la Dirección de Provisión de Servicios de Salud*), the Directorate of Administration, the Department of Epidemiology, and the Directorate of Public Health (*Dirección General de Salud Pública*), among others, to: (i) compile, and collect as necessary, data on outcome and intermediate indicators; and (ii) report results to the WBG immediately prior to each semiannual supervision mission. The Project will rely, to the extent possible, on the country's existing M&E systems at MINSA.

34. **The UGSAF will prepare project reports and share data and information on:** (i) compliance with the planned project activities; (ii) the updated Procurement Plan; (iii) progress on the achievement of indicators as defined in the Results Framework; and (iv) the application of the Environmental and Social Management Framework (ESMF), Stakeholder Engagement Plan (SEP) and Project Grievance Redress Service (GRS). These reports will be submitted to the WBG on a semi-annual basis.

35. **The Project will take measures in order to protect personal data.** Large volumes of personal data, personally identifiable information, and sensitive data are likely to be collected and used in connection with the management of the COVID-19 outbreak under circumstances where measures to ensure the legitimate, appropriate and proportionate use and processing of that data may not feature in national law or data



governance regulations, or be routinely collected and managed in health information systems. In order to guard against abuse of that data, the Project will incorporate best international practices for dealing with such data in such circumstances. Such measures may include, by way of example, data minimization (collecting only data that is necessary for the purpose); data accuracy (correct or erase data that are not necessary or are inaccurate); use limitations (data are only used for legitimate and related purposes); data retention (retain data only for as long as they are necessary); information to data subjects of use and processing of data; and opportunity for data subjects to correct information about them, etc. In practical terms, data operations will ensure that these principles apply through assessments of existing or development of new data governance mechanisms and data standards for emergency and routine healthcare, data sharing protocols, rules or regulations, revision of relevant regulations, training, sharing of global experience, unique identifiers for health system clients, strengthening of health information systems, etc.

C. Sustainability

36. **In addition to preparing the public health system to respond to the COVID-19 emergency, many of the activities envisaged under the Project would also contribute to strengthening the health system capacity for dealing with public health emergencies.** This capacity improvement would lead to greater preparedness to combat future disease outbreaks and is also pertinent to the health sector's day-to-day functioning even under normal circumstances. Support to strengthen systems for case detection and contact tracing is critical in future stages of the pandemic when the caseload is reduced, and the focus would shift toward preventing a resurgence. This is especially important given Panama's position as a hub of global trade and travel.

V. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

37. **Technical Analysis.** As determined by WHO, there are five important stages for successfully addressing epidemics: first is the anticipation of new and re-emerging diseases to facilitate faster detection and response; followed by their early detection of emergency in the second stage. The third stage is the containment of the disease at its early stages of transmission; followed by the control and mitigation of the epidemic during its amplification (the fourth stage); and fifth is the elimination of the outbreak risk or eradication. The first two stages have passed for COVID-19. But, for countries like Panama where the epidemic has progressed to community spread, it is paramount to focus on mitigation measures as well as containment, the third and fourth stages of the response. The GoP's COVID-19 Action Plan focuses on critical activities that are relevant for these third and fourth stages of epidemic control.

38. **Economic impacts.** Although there are very significant gaps in knowledge of the scope and features of the COVID-19 pandemic, it is apparent that one main set of economic effects will derive from increased sickness and death among humans and the impact this will have on the potential output of the global economy. During the Spanish Influenza pandemic (1918-19) 50 million people died - about 2.5 percent of the then global population of 1.8 billion. The most direct economic impact of COVID-19 would be through the effects of increased illness and mortality on the size and productivity of the world labor force. The loss of productivity as



a result of illness, which even in normal influenza episodes is estimated to be ten times as large as all other costs combined, will be quite significant.

39. **Another significant economic impact will result from the uncoordinated efforts of private individuals to avoid becoming infected or to survive the results of infection.** The SARS-CoV outbreak of 2003 provides a good example. The number of deaths due to SARS-CoV was estimated at 800 and resulted in economic losses of about 0.5 percent of annual GDP for the entire East Asia region. The measures that people took resulted in a severe demand shock for services sectors such as tourism, mass transportation, retail sales, and increased business costs due to workplace absenteeism, disruption of production processes and shifts to more costly procedures. Prompt and transparent public information policy can reduce economic losses. A last set of economic impacts are those associated with governments' policy efforts to prevent the epidemic, contain it, and mitigate its harmful effects on the population. These policy actions can be oriented to the short, medium or long-term or, in spatial terms to the national, regional or global levels.

B. Fiduciary

Procurement

40. **Procurement for the Project will be carried out in accordance with the WBG's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 1, 2016 (revised in November 2017 and August 2018).** The Project will be subject to the WBG's Anticorruption Guidelines, dated October 15, 2006, revised in January 2011, and as of July 1, 2016. The Project will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record and track procurement transactions.

41. **The major planned procurements are the following:** (i) prevention and infection control inputs including cleaning and sanitation supplies, autoclaves and sterilization equipment, medical supplies, and supplies to ensure safe hospital waste management practices; (ii) case detection inputs and supplies, including laboratory supplies for COVID-19 diagnostics, testing booths that protect health workers during COVID-19 testing, and other equipment and supplies as needed; and (iii) health service delivery inputs, including medicines, equipment and supplies. This will include equipment for hospitals and ICUs, such as emergency carts, PPE and surgical medical supplies, as well as other equipment, supplies and ancillary services as needed. The finalization of the streamlined Project Procurement Strategy for Development (PPSD) and procurement plan, have been deferred to implementation. To date, the GoP has shared with the WBG a proposal of the use of the projects funds which details a summarized list of goods and services to be procured as part of the Project.

42. **The proposed procurement approach prioritizes fast track emergency procurement for the emergency goods, works and services needed.** Key measures to fast track procurement include: (i) use of simple and fast procurement and selection methods fit for an emergency situation including direct contracting, as appropriate; (ii) streamlined competitive procedures with shorter bidding time; (iii) use of the GoP's electronic framework agreements and e-procurement system; (iv) procurement from United Nations (UN) agencies enabled and expedited by WBG procedures and templates; and (v) no prior review for emergency procurement. As requested by the Borrower, the WBG will provide hands-on expanded implementation support to help expedite all stages of procurement – from help with supplier identification, to support for bidding/selection and/or negotiations to contract signing and monitoring of implementation (if applicable).



43. **The Project may be significantly constrained in purchasing critically needed supplies and materials due to significant disruption in the supply chain, especially for PPE.** The supply problems that have initially impacted PPE are emerging for other medical products (e.g. reagents and possibly oxygen) and more complex equipment (e.g. ventilators) where manufacturing capacity is being fully allocated by rapid orders from other countries.
44. **Bank Facilitated Procurement (BFP):** Upon the Borrower's request, in addition to the above procurement approach options, the WBG has agreed, as part of its hands-on expanded implementation support (HEIS), to provide BFP to proactively assist the Borrower's implementing agency in accessing existing supply chains for the agreed list of critical medical consumables and equipment needed under the Project. Once the suppliers are identified, the WBG will proactively support the Borrower with negotiating prices and other contract conditions. The Borrower will remain legally responsible for entering into and implementation of contracts, including assuring relevant logistics with suppliers such as arranging the necessary freight/shipment of the goods to their destination, receiving and inspecting the goods and paying the suppliers, with the WBG Direct Payment disbursement option available to it. If needed, the WBG may also provide HEIS to the implementing agency in contracting to outsource logistics.
45. **BFP to access available supplies may include aggregating demand across participating countries, whenever possible, extensive market engagement to identify suppliers from the private sector and UN Agencies.** The WBG is coordinating closely with the WHO, PAHO and other UN agencies (specifically PAHO-WHO and UNICEF) that have established systems for procuring medical supplies and charge a fee which varies across agencies and type of service and can be negotiated. In addition, the WBG may help the Borrower access governments' available stock. In providing BFP the WBG will remain within its operational boundaries and mandate which already include expanded hands-on implementation support to help the Borrower achieve the Project's development objectives. Procurement for goods and services, for which the WBG will provide BFP, will follow the WBG's standard procurement arrangements with the Borrower responsible for all procurement steps (or with normal hands-on implementation support, as applicable).
46. **Procurement by the Borrower will be carried out by UGSAF.** UGSAF has previous experience implementing projects funded by the WBG and IADB. Additionally, staff from UGSAF have received training in the WBG's Procurement Regulations. Streamlined procedures for approval of emergency procurement will be agreed for implementation to expedite decision making and approvals by the Borrower. Procurement processes will be subject to ex-post reviews conducted by WBG or third parties acceptable to the WBG.
47. **Advance Procurement and Retroactive Financing:** The Borrower may advance with the procurement under the above procurement arrangements and may seek the WBG's approval of advance contracting and the recognition of retroactive financing within the parameters set forth in the Loan Agreement. Financing eligibility of advance contracting depends on the Contractor/supplier's acceptance of the WBG's Anti-Corruption Guidelines and Sanctions Framework.
48. **The major risks to procurement are:** (i) possible lack of availability of certain goods due to increased world-wide demand that may expose weaknesses in the supply chain and/or significant price increases; (ii) problems with the timely distribution of all the procured goods; and (iii) governance-related issues common in emergency situations. These risks will be mitigated by: (a) the Project, through its procurement processes, will



access local and international markets to reserve stock, fix prices and order the increase of production with local and international suppliers; (b) at the GoP's request, the use of special procurement arrangements to purchase from multiple suppliers depending on their stock of goods, and support by the WBG through BFP; (c) procurement via UN agencies (PAHO, United Nations Operations Support (UNOPS) or others) of goods where they have a comparative advantage; and (d) procurement arrangements that will include distribution as related services included in the contract. The risk from a procurement perspective of the Project is deemed substantial.

Financial Management

49. **Given its emergency nature, the Project is being designed to be streamlined in terms of implementation arrangements from a FM perspective.** FM arrangements will fundamentally be the same as those for ongoing WBG-financed operations implemented by the GoP. The Project will be implemented by UGSAF, which typically serves as the PIU for MINSA's externally financed projects. UGSAF has acceptable institutional capacity, long standing experience with implementation of the WBG-financed projects. The overall FM arrangements are considered adequate for this operation. Detailed FM arrangements are described in Annex 2.

50. **Project implementation would follow existing country public FM systems, considering provisions to enable the expedited flow of funds as specified in Law 139 and in line with FTCF arrangements.** Some of these systems and procedures involve: (i) use of the Integration and Technological Solutions of Operational Management Model (*Integración y Soluciones Tecnológicas del Modelo de Gestión Operativo ISTMO*), which is MINSA's institutional financial information system that allows for adequate FM and controls by integrating all budgeting, accounting and treasury functions; (ii) the allocation of the Project's budget into MINSA's institutional annual budget to be concurred by the Ministry of Economy and Finance (*Ministerio de Economía y Finanzas*, MEF) and approved by the National Congress. Hence, budget execution will be also subject to provisions of the General Law on Budgeting, Budgeting Classification Manual, and General Rules on Budgeting, among others; and (iii) the registration of project transactions based on the General Accounting Manual and institutional chart of accounts, issued by the national Supreme Audit Institution (General Comptroller Office / *Contraloría General de la República*, CGR).

51. **The FM Risk rating after the application of the risk mitigation measures (residual FM risk) is assessed as Moderate.** This Project entails inherent FM risks such as: (i) budget constraints and excessive ex-ante controls implemented by CGR that have caused delays in project implementation in current projects; (ii) possible ineligibility of expenditures or retroactive expenditures (in case they are considered for this operation); (iii) disbursements and flow of funds without due process in view of the emergency situation; (iv) procured goods not being delivered or funds not used for the Project's intended purposes due to the convoluted scenario of the urgency; and (v) the use of a Single Treasury Account (STA) given the country's limited experience implementing projects using that modality.²³ Although active, the projects using the STA have yet to process any disbursements, and thus have no previous records.

²³ In 2019 Panama's MEF established that the external financed funds should be executed through the STA. The WBG completed the assessment of the STA and agreed to use it as a pilot for 2 active projects (Panama Indigenous – P157575 and Panama Health System - P162475).



52. **To mitigate these risks, the Project’s fiduciary design has included fast track disbursement arrangements to facilitate and expedite funds flow, as well as simplified project reporting.** Mitigation measures include ensuring that: (i) the budget process is completed to secure funding for project execution, documented in the Annual Operational Program (POA), and periodically monitoring budget approval and execution; (ii) any retroactive expenditures considered for this operation are eligible and properly documented through detailed reporting; (iii) all disbursement and expenditure documentation are properly expedited and reviewed; (iv) the flow of funds are designed to provide flexibility (use reimbursement, advances, and direct payments methods to withdraw funds). Under the advance method, a Designated Account (DA) will be opened under the STA in MEF to be used exclusively for deposits and withdrawals of Loan proceeds for eligible expenditures. Funds deposited into the DA as advances will follow the WBG’s disbursement policies and procedures, described in the Loan Agreement and Disbursement and Financial Information Letter (DFIL). Following current practices, advances made to the DA will be documented through use of Statements of Expenditures (SOEs) and supporting documents defined in the DFIL; (v) the UGSAF must ensure a process that provides timely provision of delivery of procured goods and (use of funds) for their utilization for the Project’s intended purposes. This process must be reviewed and approved by the WBG and shall be documented in the project’s operational manual; and (vi) the use of the STA shall be closely monitored: UGSAF will prepare and submit to the WBG bi-annual non-audited Interim Financial Reports (IFRs). Project financial statements and SOEs will be subject to audits to be conducted by eligible external auditors and a single audit should be submitted covering the entire life of the Project and based on Terms of Reference (ToR) acceptable to the WBG.

53. **Supervision Plan:** FM supervision and implementation support will include on-site and off-site supervision. If circumstances permit, on-site visits will be carried out at least twice a year and calibrated based on assessed risks and project performance. In case of lack of physical access to project facilities once implementation begins, virtual FM implementation support and supervision will be conducted using information technology tools. Off-site implementation support will comprise desk reviews of IFRs and audited financial statements, continuous monitoring of funds flow and budget execution progress.

C. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

D. Environmental and Social Standards

Environmental

54. **The Environmental risk rating is considered substantial given the emergency context and the likelihood that existing resources and capacity in health facilities will be stretched as the outbreak evolves.** The main risks include: (i) environmental and community health related risks from inadequate storage, transportation and disposal of infected medical waste; (ii) occupational health and safety issues related to the availability and



supply of PPE for healthcare workers and the logistical challenges in transporting PPE across the country in a timely manner; and (iii) community health and safety risks given close social contact and limited sanitary and hygiene services (clean water, soap, disinfectants) and isolation capabilities at health facilities across the country.

55. **To mitigate these risks UGSAF will prepare an Environmental and Social Management Framework (ESMF).** The ESMF will contain provisions for storing, transporting, and disposing of contaminated medical waste and outline guidance in line with international good practice and WHO standards on COVID-19 response on limiting viral contagion in healthcare facilities. The relevant parts of the WHO COVID-19 quarantine guidelines and COVID-19 biosafety guidelines will be reviewed so that all relevant occupational and community health and safety risks and mitigation measures will be covered. In addition to the ESMF, the Borrower will implement the activities listed in the Environmental and Social Commitment Plan (ESCP). The Project will also support UGSAF in coordination with PAHO, UNICEF, US CDC, and other partners in overcoming logistical constraints in the timely provision of technical expertise, supplies, equipment and systems across the country.

Social

56. **The social risk rating for the project is considered substantial.** The proposed Project is expected to generate important positive impacts, including strengthening the ability of the GoP, through the MINSA, to respond to the COVID-19 pandemic, through the acquisition of medical supplies and equipment, improved ability to trace, detect and treat COVID-19 patients, and support communication efforts geared toward informing the public about COVID-19 and ensuring their participation in social distancing and prevention measures.

57. **The main risk associated with the Project is the possibility that procured supplies and equipment is biased for the benefit of urban or particular health regions.** Historical and existing inequalities in access to quality health services exacerbate this risk, particularly for areas of difficult access, and for marginalized and vulnerable social groups -- specifically the poor living in overcrowded slums, migrants and refugees, and ethnic minorities, including Indigenous populations and Afro-descendants, living in Indigenous territories or other dispersed communities. In addition, such groups could potentially be subject to discrimination or lack of cultural pertinence in the service delivery and could be excluded from communications and outreach material if this is not disseminated through the proper channels or if it is not in the language of use. The Project will coordinate with the ongoing Support for the National Indigenous Peoples Development Plan Project (IP Project - P157575), which has among its objectives to strengthen the delivery of healthcare services in indigenous territories. This Project will support these efforts and seek synergies with the IP Project to prop up the country's capacity to respond to the pandemic jointly with IP authorities. No risks associated to gender-based violence were identified during preparation, but sexual exploitation and abuse and sexual harassment risks (SEA/SH) will be assessed and addressed during implementation, including screening and putting in the corresponding measures to prevent and mitigate the SEA/SH risks.

58. **Measures to mitigate risks related to elite capture have been identified and include the MINSA's distribution channels and systems to ensure delivery and restock of supplies for all health regions of the country, particularly those regions prioritized.** A Grievance Redress Mechanism in the SEP will also ensure that



medical personnel and the public have the channels to report on supply shortage or issues with distribution or quality of supplies and equipment purchased.

59. **Disclosure of documents:** The draft SEP and ESCP have been disclosed on the WBG's website on April 23, 2020 and redisclosed on May 11, 2020²⁴ and on MINSA's website²⁵ on June 6, 2020. The ESMF and final SEP will be developed and disclosed within 30 days of Project effectiveness.

VI. GRIEVANCE REDRESS SERVICES

60. **Communities and individuals who believe that they are adversely affected by a WBG supported project may submit complaints to existing project-level grievance redress mechanisms or the WBG's GRS.** The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WBG's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the WBG's attention, and WBG Management has been given an opportunity to respond. For information on how to submit complaints to the WBG's corporate GRS, please visit: <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the WBG Inspection Panel, please visit www.inspectionpanel.org.

VII. KEY RISKS

61. **The overall project risk is assessed as Substantial.** The main risks and their mitigating measures are described below.

62. **The Political and Governance risks are considered substantial due to possible delays in budget allocation and approval by the MEF and the CGR, which would inevitably lead to implementation delays.** The GoP has adopted emergency measures and is convening emergency committees to expedite required budget approvals for projects and activities related to COVID-19.

63. **The Institutional Capacity risk is also considered substantial due to possibly stretching UGSAF's implementation capacity due to response to the COVID emergency and restrictions posed by social distancing and telework, as well as broader institutional capacity constraints, including at MINSA, that may delay project implementation.** The additional temporary staff being contracted for the UGSAF under the Project, and the establishment of emergency procedures by the GoP (described in paragraph 14) should help mitigate these risks.

²⁴ WBG source: <http://documents.worldbank.org/curated/en/894461589215526623/Environmental-and-Social-Commitment-Plan-ESCP-Panama-COVID-19-Emergency-Response-P173881>

²⁵ MINSA source: <http://www.minsa.gob.pa/node/15059>



64. **The Fiduciary risk is assessed as substantial on the basis of the procurement and financial management risks.** *Procurement risks* comprise of (i) lack of availability of certain goods due to increased world-wide demand that may expose weaknesses in the supply chain and/or significant price increases; (ii) problems with the timely distribution of procured goods; and (iii) governance-related issues common in emergency situations. As described in Section V of the PAD, these risks would be mitigated by: (a) including procurement processes to access local and international markets to reserve stock, fix prices and order the increase of production with local and international suppliers; (b) taking advantage of special procurement arrangements to purchase from multiple suppliers and support by the WBG through BFP; (c) enlisting UN agencies to procure goods, where they have a comparative advantage; and (d) including distribution as related services under goods contracts. *Financial Management risks* include: (i) budget constraints and excessive ex-ante controls that may cause implementation delays; (ii) ineligibility of retroactive expenditures; (iii) disbursements and flow of funds without due process; (iv) disruptions in delivery of procured goods due to the emergency; and (v) challenges in using the STA due to the country's lack of history in projects of this nature. Mitigation measures to FM risks include: (a) ensuring the budget process is completed to secure funding for project execution; (b) proper documentation of retroactive expenditures and review of disbursement and expenditure documentation to secure continuous and correct funds flow; (c) monitoring for timely and relevant provision of delivery of procured goods; (d) close monitoring of STA and periodic reports from UGSAF; and (e) FM supervision and implementation support by the WBG.

65. **The Environmental and Social risk is also considered substantial,** primarily driven by: (i) the health and safety risks to health care and other project workers deploying the goods and services procured under the Project; (ii) medical waste that would be generated; and (iii) the dangers of elite capture of project benefits. These risks will be managed through the Project's ESMF, which includes a medical waste management plan and labor management protocols for ensuring the health and safety of all project workers. The ESMF will also include attention to ensuring project benefits – especially access to medical services supported under the Project – are provided on an as needed basis without attention to ability to pay, ethnicity or gender.



VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Panama

Panama COVID-19 Emergency Response

Project Development Objective(s)

To prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in the Republic of Panama.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	End Target
Prevent, detect and respond to the threat by COVID-19 and strengthen national health systems			
Laboratories with COVID-19 diagnostic equipment, test kits, and reagents (Number)		1.00	14.00
Confirmed cases of COVID-19 reported and investigated per approved protocol in the country (Percentage)		0.00	70.00
ICU and intermediate care units equipped pursuant to National COVID-19 protocol (Number)		0.00	9.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
Strengthening the response to COVID-19 and national systems for public health preparedness			
Participating healthcare facilities with personal protective equipment and infection control products and supplies (Percentage)		10.00	80.00
Participating sanitary facilities that comply with the Surface Cleaning and Disinfection Guide (Percentage)		10.00	80.00
Share of modules for the care of patients with severe respiratory symptoms located in health facilities (Percentage)		0.00	80.00
Rapid Response Teams (ERR) to provide COVID-19 care services nationwide (Number)		0.00	80.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Laboratories with COVID-19 diagnostic equipment, test kits, and reagents	Number of laboratories that make up the Health Service Network for conducting COVID-19 tests in operation, including only MINSA	Monthly	Gorgas Commemorative Institute for Health Studies (<i>Instituto Conmemorativo Gorgas de Estudios de la Salud, ICGES</i>)	Administrative data	MINSA

Confirmed cases of COVID-19 reported and investigated per approved protocol in the country	Numerator: Confirmed COVID-19 cases (via test) receiving proper care and tracing, following WHO protocol. Denominator: Total number of confirmed COVID-19 cases.	Monthly	MINSA, Department of Epidemiology	Surveillance data	MINSA
ICU and intermediate care units equipped pursuant to National COVID-19 protocol	Number of additional ICU and intermediate care beds fully equipped to manage serious respiratory illness.	Monthly	<i>MINSA (Dirección de Provisión de Servicios)</i>	Administrative data	MINSA

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Participating healthcare facilities with personal protective equipment and infection control products and supplies	Numerator: Total participating MINSA healthcare facilities that have personal protective equipment and infection control products and supplies. Does not include private or Social Security. Denominator: Total health facilities that have been selected to treat patients with COVID-19 nationwide	Quarterly	MINSA	<i>Administrative data. (Dirección de Provisión de Servicios de Salud del MINSA)</i>	MINSA
Participating sanitary facilities that comply with the Surface Cleaning and	Numerator: Total participating MINSA	Quarterly	MINSA	<i>Administrative data: Dirección de Provisión de</i>	MINSA

Disinfection Guide	sanitary facilities that comply with the Guide for Cleaning and Disinfecting Surfaces. Does not include private or Social Security. Denominator: Total health facilities that have been selected to treat patients with COVID-19 nationwide.			<i>Servicios de Salud o Dirección General de Salud del MINSA</i>	
Share of modules for the care of patients with severe respiratory symptoms located in health facilities	Numerator: Total modules enabled for the care of patients with respiratory symptoms (severe and mild) in MINSA facilities. Does not include private or Social Security. Denominator: Total participating MINSA health facilities	Quarterly	MINSA	<i>Administrative data. (Dirección de Provisión de Servicios de Salud del MINSA)</i>	MINSA
Rapid Response Teams (ERR) to provide COVID-19 care services nationwide	Number of Rapid Response Teams (ERR) formed at the national level to provide COVID-19 care services. ERR: composed of doctor, nurse, driver, equipment and supplies	Quarterly	MINSA	<i>Administrative data. (Dirección de Provisión de Servicios de Salud del MINSA)</i>	MINSA



ANNEX 1: Project Costs

COUNTRY: Republic of Panama
Panama COVID-19 Emergency Response

COSTS AND FINANCING OF THE COUNTRY PROJECT

Program Components	Project Cost (US\$ million)	IBRD Financing (US\$ million)	IBRD Financing (% of Total)
Component 1: Emergency COVID-19 response	\$19.45	\$19.45	100%
Subcomponent 1.1 Support measures to prevent the spread of COVID-19			
Subcomponent 1.2. Strengthen case detection capacity and support critical aspects of health service provision			
Component 2. Project Management and Monitoring	\$0.5	\$0.5	100%
Total Costs	\$19.95	\$19.95	100%
Front End Fees	\$0.05	\$0.05	100%
Total Financing Required	\$20.0	\$20.0	100%



ANNEX 2: Implementation Arrangements and Support Plan

COUNTRY: Republic of Panama Panama COVID-19 Emergency Response

Implementation Support Plan

1. The Project will require intensive implementation support and a continuous dialogue with the client. The WBG's implementation support strategy combines periodic supervision with timely technical support and policy advice as necessary. Implementation support will include: (i) bi-annual WBG supervision; (ii) interim technical discussions and field visits by the WBG; (iii) monitoring and reporting on implementation progress and achievement of results; (iv) reviews of the annual IFRs and the single financial audit; and (v) periodic post reviews. If the situation permits, the WBG team will visit randomly selected hospitals to assess and physically verify the use and operations of equipment financed by the Project. These site visits will include interaction with hospital managers, public procurement officers, and interested parties.
2. The Project's implementation will be based on the strategy designed by the GoP to respond to the threat posed by *COVID-19: The National Operational Plan for Prevention and Control of the Novel Coronavirus*. The Project will be executed by MINSAs as steward of the health sector and leader of the national COVID-19 response. Within MINSAs, the Project will be implemented by the UGSAF, which has experience implementing multilateral loan-financed projects and has the capacity to implement the Project.
3. Technical management of the Project will be coordinated by UGSAF and supported by the relevant technical units of MINSAs, with follow-up by the WBG to ensure that coordination is maintained, and the objectives of the Project are achieved.
4. FM of the Project will be executed by UGSAF on the ISTMO platform, which is acceptable to the WBG and in accordance with the provisions agreed upon with the MEF, given the national emergency.
5. The early implementation of the Project could face challenges, which will be addressed with the following actions:
 - a. **Implementation support strategy.** This will be largely built on constant policy dialogue and work in partnership with the UGSAF. The WBG's implementation support team will have continuous interaction with all stakeholders of the Project. This will require consistency in the composition of the core WBG task team, technical expertise, and familiarity with country/local situations. The WBG task team will also provide hands-on support in the preparation of the Project Operational Manual (POM).
 - b. **Capacity building of implementation agency.** Relevant training and hands-on support will be provided on a technical level in terms of procurement, fiduciary and safeguards management. This will include supporting UGSAF in: (i) developing annual works and financial plans; (ii) task planning and task supervision of the UGSAF; (iii) reviewing ToRs for key consultancies; (iv) coordinating with



development partners; (v) troubleshooting any emerging challenges with project implementation; and (vi) monitoring the evolution of any risks to ensure compliance with the legal agreements.

- c. **M&E and learning.** The Project will rely on the country's existing M&E systems. The UGSAF has a platform called "PENTAGON" that supports the registration and verification of compliance with the Project's indicators. Additionally, UGSAF will submit monitoring and progress reports to the WBG in accordance with the M&E Framework. The WBG implementation support team will review the data and help address any quality issues as necessary.
- d. **Fiduciary assurance support.** FM supervision and implementation support will include on-site and off-site supervisions. If circumstances permit, on site missions will be carried out at least twice a year and calibrated based on assessed risks and project performance. In case of lack of physical access to project facilities once implementation begins, virtual FM implementation support and supervision will be conducted using information technology tools. Off-site implementation support will comprise desk reviews of IFRs and audited financial statements, continuous monitoring of funds flow and budget execution progress. The implementation support plan reflects the preliminary estimates of skill requirements, timing, and resource requirements over the life of the Project. Keeping in mind the need to maintain flexibility over project activities from year to year, the implementation support plan will be reviewed periodically to ensure that it continues to meet the implementation support needs of the Project.
- e. **Operation.** The WBG Task Team will provide day-to-day support and supervision of all operational aspects, as well as coordination with the Borrower.

Implementation Arrangements

6. Project implementation will be coordinated by UGSAF, which was created in 2002 and has the capacity necessary to implement project activities in accordance with WBG requirements.

7. UGSAF presently coordinates implementation of three other lending operations for the IADB, including the Regional Malaria Elimination Initiative in Panama (PN-G1007), the Integrated Health Service Networks Strengthening Program (PN-L1115), and the Second Operation of Mesoamerican Health 2015 Panama (PN-G1004). Previously, UGSAF has also executed WBG-financed projects, including the Health Equity and Performance Improvement Project (P106445) from 2008 to 2014. UGSAF's experience managing sizable lending operations makes it the ideal implementing unit for the proposed Project, and its role on multiple projects will allow the WBG and project staff to streamline coordination with other stakeholders, thus avoiding duplication of efforts.

8. The financial and administration responsibilities that the UGSAF will assume for the proposed Project include budget formulation and monitoring, processing of WBG disbursement requests, maintaining the accounting records system, preparation of financial statements, and contracting of external audit services.

9. The procurement responsibilities that the UGSAF will assume for the proposed Project include formulation of the Procurement Plan, procurement processing using the WBG's procurement platform operation (STEP), preparation of bidding documents, execution of all stages of the procurement processes,



handling and management of complaints regarding procurement, and contract management.

10. Decision-making will be done through the CODIPRO, an entity already established and operating for the other projects managed by the UGSAF. The following MINSAs staff participate in this Committee: Minister of Health, General Directorate of Health, Directorate of Health Provision and UGSAF, whose Director assumes the role of Technical Secretary of the Committee.

Financial Management

11. **Implementing Agency (staffing and institutional arrangements):** UGSAF will undertake responsibility for FM functions in terms of budgeting, accounting and treasury, led by a FM Specialist that would oversee four areas: (i) Administrative; (ii) Budget; (iii) Treasury; and (iv) Accounting. The UGSAF is staffed with experienced professionals who are familiar with local FM requirements, and with knowledge of WBG fiduciary requirements.

12. **Budget Formulation.** In accordance with the POM and the Procurement Plan, it will be the responsibility of UGSAF to formulate the budget and follow the procedure established by the MEF for the approval and disposition of budget items to execute the Project. Activities to be financed by the loan will form part of UGSAF's budget framework. This budget will be incorporated into the general state budget for its approval by Congress. After approval, it should be reflected in MINSAs annual budget proposal, and following Panama's program budget and laws, inserted in their planning and budget system, following the budget structure used for the public sector.

13. **Accounting and Financial Reporting.** The accounting policies and procedures that will be applied to the proposed Project correspond to current budget administration regulations in Panama, as well as the manuals, norms and procedures of MINSAs and UGSAF. Project budget will be processed, recorded and executed through ISTMO, Panama's integrated FM system, following the established procedures. On the basis of the approved budget, MINSAs will adjust as needed its Annual Operational Program (POA) and procurement plan, which will be reviewed by the WBG. UGSAF will record all project transactions on the ISTMO platform. In addition to ISTMO, UGSAF will use the PENTAGON system for project implementation, that will generate the information for the timely preparation and submission of financial statements and periodic reports agreed with the WBG.

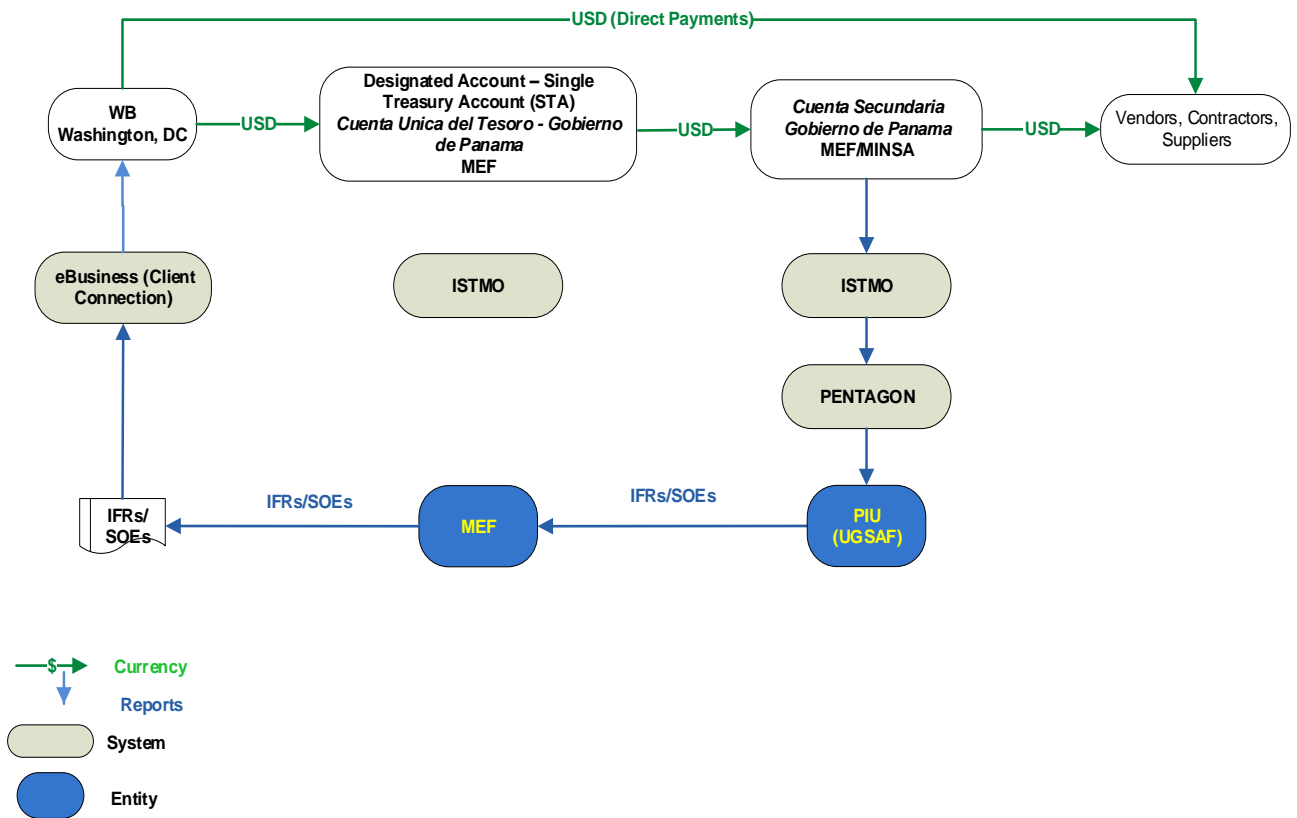
14. **Internal Controls.** UGSAF has procedures in place for processing payments, mainly covering the accounting in ISTMO/PENTAGON, with clear roles and responsibilities, including recording and approval of payments, and specific flowcharts for procurement and FM processes, which shall be reflected in the Operational Manual. The internal control environment of the Project is adequate. All transaction processing uses MINSAs institutions, processes and systems that provide for separation of duties, supervision, quality control reviews, reconciliations, and independent external audits.

15. **Funds Flow and Disbursement Arrangements.** Taking into consideration the emergency nature of this operation, the disbursement arrangements for this operation are designed to provide more flexibility and facilitate expedite implementation. Disbursement methods that may be used to withdraw funds are reimbursement, advances, and direct payments. Under the advance method, a Designated Account (DA) will be opened under the Multilaterals' STA in MEF in United States Dollars, to be used exclusively for deposits and withdrawals of loan proceeds for eligible expenditures. Funds deposited into the Designated Account as advances will follow the WBG's disbursement policies and procedures, described in the Loan Agreement and



Disbursement and Financial Information Letter. The DA will have a variable ceiling and disbursements will be based on expenditure forecasts for six-month periods, subject to WBG’s approval, advances will be documented using agreed SOEs. Nonetheless, disbursements under contracts for goods, works, non-consulting services and consulting services procured or selected through international open or limited competition or Direct Selection, as set out in the procurement plan, can also be made only through Direct Payment and/or Special Commitment disbursement methods. Following current practices, advances made to the Designated Account will be documented through use of SOEs and supporting documents defined in the Disbursement and Financial Information Letter. Supporting documentation requirements for Project expenditures as well as the minimum value for direct payments and reimbursements are defined in the Disbursement and Financial Information Letter.

16. Flow of Funds



17. **Financial Reporting:** The ISTMO budget classification system used would allow the incorporation of project components/cost categories which would facilitate the preparation of financial reports. Information extracted from ISTMO will be complemented with PENTAGON and will be used to record project transactions by Component/subcomponent and in US\$. The UGSAF will submit to the WBG bi-annual non-audited IFRs. These will be submitted to the WBG no later than 45 days after the end of each semester and will contain: (i) the sources and uses of funds, reconciling items, and cash balances, with expenditures classified by Project Component/cost category; and (ii) a statement of uses of funds reporting the current semester and the accumulated operations against ongoing plans, as well as footnotes explaining any important variances. The POM must include the required internal controls of all transactions processed in ISTMO/PENTAGON.



18. **External Auditing:** On an annual basis, MINSA will prepare Project financial statements, including cumulative figures, for the year and as of the end of the fiscal year. An external, independent, private audit firm, acceptable to the WBG, will be contracted by MINSA no later than six months after the Loan’s effectiveness. The audited financial statements report for the entire life of the Project shall be furnished to the WBG not later than six months after the end of closing date. According to the WBG’s policy on access to information, audited financial statements shall be made public.

Table 2.1. Implementation Support Plan and Skill Mix

Time Needed	Focus	Skills
0–24 months	<ul style="list-style-type: none"> Developing additional technical and operational expertise within UGSAF, including on medical equipment, fiduciary, safeguards, and M&E Capacity building of UGSAF staff Medical equipment planning and maintenance 	<ul style="list-style-type: none"> Core team, particularly FM, procurement, Safeguards, and M&E. Public health experts Medical equipment experts

19. **Skill mix.** The skill mix and task team composition for supporting project implementation is as proposed in table 2.2.

Table 2.2. Skill Mix and Team Composition

Skills Needed	No. of Staff Weeks	Number of Missions	Comments
Task team leader(s)	10	Two per year	Staff in Washington DC
Sr Technical Advisor	4	Two per year including field travel	Staff in Washington DC
Procurement Specialist	3	Two per year including missions	Staff in Panama
FM Specialist	3	Two per year including missions	Staff in Washington DC
Social Development Specialist	3	Two per year including missions	Staff in Washington DC
Environmental Specialist	2	Two per year including missions	Staff in Washington DC
Medical Equipment Expert	3	Two per year (occasional travel)	Consultant (international)
Health Expert	3	Two per year (occasional travel)	Consultant (international)