

AIRGRAM

DEPARTMENT OF STATE

5250069 - (3)⁰

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TO - AID/WASHINGTON TOAID A- 1 , X

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DATE REC'D. - 1/11 Reference Center Room 1656 NS 27
DATE SENT 1/11/71

DISTRIBUTION
ACTION
INFO.

FROM - PANAMA CITY

SUBJECT - NON CAPITAL PROJECT PAPER (PROP)

REFERENCE -

Country: Panama

Project: 525-15-910-069

Submission Date: 1/11/71

Revision: No. 1

Project Title: Private Enterprise Development

U.S. Obligation Span: FY 1963 through FY 1973

Physical Implementation Span: FY 1963 through FY 1973

Gross Life-of-project financial requirements: (U.S. Dollars)

A.I.D. Contributions U.S. Dollars

Grant

\$2,188,000

Loan

Government of Panama Cash Contributions

(Cash value excluding existing physical
facilities and existing equipment)

\$1,199,000

Other Donor(s)

\$ 139,000

Total

\$3,526,000

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GRLindahl, Jr. v.p.

OFFICE
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PHONE NO. DATE
(12-28-70)

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1. Summary Description of the Project

The recently created Ministry of Commerce and Industry has brought together many of the various departments of government related to private sector investment, i.e. manufacturing, investment and export promotion, fisheries and minerals development, small industry assistance, regulation of securities trading, and industrial standards. Assistance has been requested from U.S.AID for advice on a systematic program of industrial promotion as well as training in methods and procedures for identifying investment projects for specific pre-feasibility study and promotion, particularly those that will result in accelerated growth of commercial agriculture, livestock production, forestry, and fisheries.

A second major activity requested by the GOP, to be carried out jointly by the MCI Department of Fisheries and the University of Panama, is a program of fresh water fish and shrimp culture to provide interior areas with an abundant source of low cost animal protein, to provide a potential for cash crops on marginal agricultural land, and to produce commercial quantities of shrimp for export.

The Ministry has also requested U.S.AID assistance in the legislative, institutional, and educational mechanisms that will lead to the creation of a capital market in Panama. Recent legislation establishing stock and bond trading controls have been designed to reduce the outflow of Panamanian capital into off-shore mutual funds and, at the same time, providing tax exemption benefits on capital gains to approved national brokerage and underwriting firms. An effort needs now be made to channel investment funds into new and expanding domestic productive enterprises as an alternative to term debt financing for which loan capital is in short supply and to broaden the base of corporate ownership. Within this context, consideration is to be given to the possible advantages of a regional securities exchange rather than one national in scope.

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II. Setting of the Project

A. Conditions and Trends

The pace of "new starts" in industry has slowed materially since 1968 partially because the PJG efforts to build new types of rapport and establish new communication links with the private sector naturally take time and partially because "quick-buck" types of import substitution projects so well exploited between 1960-1967 appear to provide fewer opportunities.

✓ ~~✓~~ GOP policy from 1960 through 1967 favored the formation of capital intensive, import substitution, domestic-market-oriented industries, which were largely dependent upon imported materials and components and protected through the device of import quota restrictions. The growth of the industrial sector did not contribute importantly to related growth in agricultural, forestry, or fisheries resources or employment.

✓ Manufacturing enterprise was, and continues to be, concentrated in the Panama City area, the principal center of consumption, port facilities, banking and government services. With a shortage of alternative employment possibilities in interior areas of the country, Panama City has borne the brunt of the social overhead burdens and accompanying problems inherent in absorbing unskilled rural born migrants in a metropolitan environment.

Little effort has been made to develop export oriented industries, despite favorable income tax benefits. These measures, however, were enacted in early 1970 and more time is necessary prior to judging impact. Major exports of bananas and petroleum products result from the activities of foreign producers and marketeers. Domestic investment has been centered in the easy to market export items such as sugar, shrimp, coffee, and beef. Sales from goods and services to the Canal Zone will probably level off, or possibly decline, and cannot be expected to compensate for the expanding trade deficit nor can traditional exports be meaningfully increased over the short term.

Only recently has the GOP demonstrated a degree of alertness to the development opportunities inherent in Panama's special geographic position. A feasibility study for the improvement and expansion of Tocumen Airport is completed and negotiations with the World Bank for financing are in progress. A feasibility study for the construction of a fishing port and transshipment center is about to be awarded. Ways and means of making additional land available to the Colon Free Zone are being examined. Bids have been invited from engineering firms for provision of essential infrastructure for development of four tourism areas. The budget of the Panamanian Tourism Bureau has been increased substantially and its promotional posture greatly improved.

in the area of mineral resources, exploration contracts have been signed for copper deposits in the Colon - Coclé and Chiriquí provinces and for oil well drilling in the Bay of Panama. A study of the feasibility of a transisthmian oil pipeline has been completed and is being pursued with foreign financiers.

The GOP has enacted a series of laws designed to encourage private investment in priority industrial areas, hotels, and to attract retired persons to reside in Panama. Legislation establishing a Securities Commission (Comisión de Valores) has paved the way for reducing the outflow of Panamanian capital into off-shore mutual funds and for the establishment of a national (or regional) securities exchange with the objective of channeling investment funds into domestic enterprises, expanding investment banking services, and broadening the base of corporate ownership.

The GOP authority for administration of these legislative measures is vested largely in the newly created Ministry of Commerce and Industry split off earlier this year from the former Ministry of Agriculture, Commerce and Industry. Additionally, it has acquired the foreign trade staff of the Foreign Ministry, the Department of Fisheries, and the U.N.-ILO/SENAPI project now being re-oriented from arts and crafts training programs to small industry assistance in interior cities and food processing technology. The former semi-autonomous Industrial Development and Productivity Center has been incorporated into the Ministry as a line division. Through the above re-organization most of the non-agriculture resource development activities have been concentrated in one government agency. In general, the quality of the departmental directors is excellent and a conscientious and successful effort has been made to improve the technical qualifications of the staff.

The need for welding together the operational departments into a cohesive institutional entity (fomento) for the design of development strategy and the promotion of investment is the Ministry's principal challenge and one in which experienced external expertise is being sought for guidance and training not only to generate a positive response from the domestic private sector but to encourage a resumption of flow of foreign investment capital.

B. Obstacles to Development

The primary current obstacle to industrial development has been the reluctance of Panamanian entrepreneurs to invest in new projects during 1969 and 1970. Business per se for this period has remained at a high level, sales value of production increasing at about a 9% rate per annum. Capital investments continue to be made in maintenance, modernization, and expansion of the existing industrial establishments. The prevailing attitude among some important businessmen towards new investment, however, has been one of "wait and see" until GOP policy towards the private sector can be appraised with greater clarity. This has been induced partly by the GOP's apparent desire to diminish the past political strength of the entrepreneurial class without creating a resultant decline in economic activity and partly by a series of legislative reform efforts, e.g., income tax, banking, mutual funds, standards, compulsory unionism, and land expropriation (the latter two withdrawn) which contributed to an atmosphere of psychological worry despite the fact that the laws as finally promulgated proved not as bad as imagined.

A second obstacle stems from the GOP's policy of encouraging capital flow into non-traditional investment patterns, i.e. agribusinesses and export industries, and, to the extent feasible, encouraging or favoring improved geographic dispersal of manufacturing and processing industries throughout the country. The new industrial investment incentives law provides a legislative tool to support these objectives but the GOP lacks a dynamic implementation arm in the form of a "fomento" to spur private sector investment response, domestic or foreign.

C. Other Donors

United Nations Industrial Development Organization (UNIDO)

UNIDO has entered into an agreement with MCI to provide technical and capital assistance in the improvement of production of solar salt. Major elements are advice on construction of salt ponds of the cooperative salt producers of the Aguadulce peninsula and financing of a small refinery.

Food and Agriculture Organization (FAO)

The FAO has assigned a full time technician specialized in the marketing of fish to the Department of Fisheries of MCI. U.S.AID has been cooperating in the project through furnishing excess transport equipment for modification to mobile retail fish stores to last sales locations in low income districts and in the participant training of two home economists to instruct housewives in fish cookery. Panama also participates in the FAO Regional Fisheries Project for Central America and Panama.

III. Strategy and Course of Action

U.S.AID proposes to concentrate its resources in three principal areas:

- (1) Assistance to the Ministry of Commerce and Industry in restructuring line divisions into a development "fomento" capable of defining and mounting a program of investment and export promotion to spur private sector response, and, through the Ministry, to provide counsel and assistance to relevant private sector organizations such as the National Council for Private Enterprise (CoNEP), the Panamanian Exporters' Association (APEX), the Chamber of Industries (SIP) and the Executives Association (APEDE). Priority emphasis will be given to the need for expansion of food processing industries for providing efficient means of preserving harvested crops and seafoods, reducing physical losses and deterioration of product quality, improving transportation facilities, reducing seasonal price variations, and freeing the foodstuff market of seasonal surpluses.
- (2) Assistance to the Ministry of Commerce and Industry, Department of Fisheries, and the University of Panama, School of Agronomy, to develop research and extension capabilities in Panama for the production of cultured edible fish and fresh water shrimp for the purpose of increasing animal protein availability in interior areas, developing a "cash crop" for farm groups on marginal agricultural land, and in producing shrimp for export.
- (3) Assistance to the Ministry of Commerce and Industry (and through the Ministry to other participating groups, public and private) in carrying out the basic studies required to define the institutional, legal, and educational problems that need be solved to create a capital market, either national or regional in scope, and in providing the external expertise required for the legislation and physical establishment of a securities exchange, investment banking services, and investor education.

The course of action the U.S.AID proposes to initiate is as follows:

I. Industrial Promotion

- (a) Investment, Export and Tourism - Organization, Analysis, and Promotion

Institutional Contact

FY-71	\$300,000
FY-72	100,000

2 Man Years (1 technician full time)
 4 Man Years (short term technicians)
 18 Man Months (Participant training)

It is proposed to enter into a two year contract with a qualified firm experienced in the organization of an industrial "fomento" organization to assist the Ministry of Commerce and Industry in creating an institutional structure and strategy for industrial development including tourism and in training of staff in project identification, analysis, and promotion of investment to which private sector response may be generated. It is proposed to have one top management resident representative full time whose services will be augmented by specialized technicians in accordance with identified and agreed upon needs. It is also deemed advisable to include contract [REDACTED] within the program in order that the contractor may coordinate external training requirements within the framework of the project. FY-71 funding will be used to finance the first eighteen months of this contract. The final six months will be financed from FY-72 funds.

(b) Export Promotion

FY-71 \$ 44,300

- | | |
|---|-------------------------|
| (1) Export Promotion Advisor
(9/23/70 6/25/71)
(Personal Services Contract) | \$ 28,700 ^{1/} |
| (2) Export Market Study - Puerto Rico (5 participants/8 wks)
(Participants) | 3,800 |
| (3) Local Cost Assistance to Panamanian Exporters' Association (Other Costs) | 4,800 |
| (4) Processed Foods Technician - Freezing (2 wks)
(Personal Services Contract) | 2,000 ^{2/} |
| (5) Laboratory Combination Walk-In Refrigerator
(Commodities) | 5,000 ^{2/} |

^{1/} Obligated - in process
^{2/} Obligated - completed

One contract technician is now serving as export advisor to the Export Department of MCI and the Panamanian Exporters' Association (APEX) with the principal function of advising and assisting in a series of educational programs designed to create a public export consciousness including seminars, conferences, training programs, and participant studies. One export market study group was sent to the United States in CY-1970. It is proposed to send a similar mixed private-public team to study the Puerto Rico market in FY-1971. It is also proposed to assist APEX, which has 15 founding members, with local cost support in the form of a contribution equal to half the salary of a full time executive secretary whose services are essential to conduct a membership drive and establish services in cooperation with MCI.

U.S.AID assistance to the MCI food technology laboratory at Divisa is in collaboration with the I.L.O. which is the U.N. implementing agency for a United Nations - GOP project being oriented from assistance in arts and crafts to a small industry development program in interior areas and in food technology research. The I.L.O. has the prime advisory responsibility. U.S.AID emphasis is centered on the industrialization of frozen tropical fruits, such as papaya, whose entry as fresh products into the U.S. and other countries is prohibited due to fruit fly infestation. U.S.AID procured a combination walk-in refrigerator, negotiated a grant from Du Pont of a laboratory "freezant" freezer and supplies, and arranged for instruction in its use under a personal services contract with a professor of food technology from the University of California at Davis.

(c) Processed Foods Quality Control Laboratory and
Technical Assistance in Food Technology Research

Institutional Contract

FY-71 \$ 55,000

- # Man Months (one food technology Technician)
- 6 Man Months (Participants 2-3 Man months each)
- Commodities

It is proposed to enter into a contract with the University of California at Davis to provide further technical assistance to the MCI food technology laboratory at Divisa in cooperation with the I.L.O., in the research of freezing of tropical products for export and in experiments with controlled atmosphere shipping systems.

Additionally, it is proposed to provide assistance in the area of processed foods standards and quality laboratory certifications essential for the export of processed food products abroad and to the Panama Canal Zone. The GOP has enacted legislation establishing a Department of Standards in MCI. MCI proposes to create a quality control laboratory for the processed foods industry within the School of Agronomy of the University of Panama in order that facilities may be utilized for both commercial and academic purposes.

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U.S.AID proposes to provide training in the United States through the University of California to two qualified faculty members in the commercial operation of a processed foods quality control laboratory, commodities required to provide for modern laboratory ~~operation~~ and technical assistance to install and initiate laboratory operations. A pre-requisite to U.S. AID assistance in quality control will be the enactment of legislation governing labeling requirements.

(d) Agro-Industry Project Promotion

Institutional Contract

FY-71 \$ 40,000

1 Man-Year - Agro-Industry Promotion
Specialist

It is proposed to enter into a contract with a firm having demonstrated capability in agro-industry project promotion to furnish one man year of technical services and staff training to MCI in the active promotion of projects for which pre-feasibility or complete feasibility studies have been made. These include a portion control meat cutting plant, a seafood processing plant, a frozen fruit and vegetable processing plant, and a pickled products plant. This activity could be initiated immediately and would be an interim step pending preparation and negotiation of the more comprehensive "fomento" institutional building contract delineated in 1. above.

(e) Regional Development

Institutional Contract

(FY 70) \$ 12,000^{1/}

At the request of MCI, U.S.AID entered into a contract with Conway Research, Inc., to execute a study of a prepared industrial site using the city of David as a model. The new industrial incentives legislation provides special contract term and income tax exemption benefits to enterprises locating in interior areas in prepared industrial sites approved by the MCI. Incorporated in the contract was a short term participant study of the design, development, promotion, and management of industrial parks in the Atlanta, Georgia area. It is anticipated that private financing will be available to carry forward a David industrial park project. The United Nations Industrial Development Organization (UNIDO) has evidenced interest recently in providing the GOP with additional technical assistance in the development of industrial parks and is being encouraged to do so by U.S.AID.

^{1/} Completed (except for receipt of final study due 12/71.)

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(f) Management Training and Investment Forum

8 Man Weeks (Personal Services Contract Management and/or Motivational Training)	FY-71 \$ 6,000
Investment Forum (Other Costs)	FY-71 \$ 10,000

U.S.AID proposes to continue the modest program of management training technical assistance to the Panamanian Executives Association (APEDE) by funding the international travel and fee of eight to eight U.S. professors of business administration and/or [redacted] trainers to lead seminars and conferences for which local expertise is either not available or the subject matter best presented by a foreign expert. Per diem, internal transportation, interpreting and translating costs, etc. are defrayed by APEDE.

APEDE is organizing an investment forum to be held in Panama City in the first half of CY-1971 in which it is proposed to invite approximately 50 foreign top level corporate officials from the U.S. and other countries to expose them to specific investment opportunities. The GOP, through MCI, has committed \$30,000 in conference expense support and is providing technical assistance in preparation of projects. It is indicated that financial assistance will be solicited from the Council of the Americas, OAS and A.I.D. The other cost element of \$10,000 proposed is in the nature of a contingency fund in the event there is a short fall from other contributing organizations and, in case of need, would be limited to transportation expenditures of U.S. participants. In view of the decline in new investment over the past two years and the need for a clear enunciation of GOP favorable attitude towards foreign investment which the forum will provide, U.S.AID places considerable importance upon the successful execution of this activity.

2. Fresh Water Fish and Shrimp Aquaculture

<u>Institutional Contract</u>	FY-71 \$200,000
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2 Man Years (technician services)

4 Participants (1 Man Year each)

Commodities

Following a survey by faculty of Auburn University in CY-1970, MCI has requested technical assistance in a project of aquaculture to develop the research and extension capabilities in Panama for the production of cultured edible fish and fresh water shrimp for the purpose of increasing animal protein availability and cash crops in interior areas and developing export

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products. The project would involve both the University of Panama, Faculty of Agronomy, and the Department of Fisheries of MCI, the former in managing the research station and introducing aquaculture curriculum and the latter in directing the extension ponds and services to be located in the Province of Veraguas where fingerlings would be raised and sold to fish growers for domestic consumption. When a production quantity has been achieved in excess of grower consumption needs, it is expected that surplus adult fish will be resold to the extension service for finishing and commercial processing.

It is proposed that U.S.AID enter into a contract with Auburn University, with which AID/W now has a contract in this area, to provide the following services:

- a. Participant Training. An academic year of study at the Masters' level at Auburn University in aquaculture over a two year period for two each selected participants from the Faculty of Agronomy of the University of Panama and the Department of Fisheries, MCI.
- b. Contract Services. Two man years of technical assistance in the construction of a research station to be located on University property near Tocumen Airport and extension service ponds in Veraguas and in curriculum development at the University.
- c. Commodities. Approximately \$25,000 in scientific apparatus required for the project.

The GOP will provide all required land and buildings and the Civic Action section of the National Guard has agreed to provide equipment and personnel for the construction of ponds and dams.

Alternatively, AID/Washington may prefer to centrally fund this contract as part of its world-wide ongoing contract with Auburn University.

3. Capital Market Development

The Minister of Commerce and Industry has requested assistance from U.S. AID in several areas that could lead to the formation of a capital market and trading mechanism (either national or regional) in Panama. A regulatory agency (Comisión de Valores) has been created by decree law and a capable director appointed. An ad hoc committee of responsible citizens has been appointed by MCI to advise the Ministry on the legislation required to establish a securities exchange, develop investment banking services, and promote an active market for corporate financing instruments.

U.S.AID proposes to proceed with assistance to MCI, and through MCI to the citizen's committee and Comisión de Valores, in the following steps:

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- a. Basis Study of Existing Situation. It is proposed to contract with a qualified Panamanian retired professor of law, journalist, and banker to conduct a study in depth of the existing conditions of corporate shareholdings in Panama, how they are held and transferred, problems of, or needs for, liquidity, types of investment instruments preferred (shareholdings, common or preferred, debentures, straight or convertible, etc.), negative or positive effects of dividend taxation, competing forms of investment as to yield and tax advantages, i.e. mortgages, time deposits, etc. Comparative advantages to Panama of the possibility of establishing a regional securities exchange vis-a-vis one national in scope (as has been proposed by the ADELA Investment Co.) will also be examined.

FY-71 - \$10,000

- b. Investment Banking Advisor. Assuming that current exploratory discussions with Banco Nacional result in an A.I.D. loan for long term industrial project financing (possibly a system of consortium or syndicated financing of commercial bank loan maturities in excess of three years on a re-discount basis), it is desirable that the Bank also establish a trust department for the purpose of underwriting and marketing investment instruments for capital formation for industrial investment. U.S.AID would propose assistance in the organization of a trust department through the three month assignment of a foreign expert, probably Mexican, from Banco General de Aceptaciones de Monterrey which has been most effective in this field of capital accumulation. Three months of participant study in Monterrey in trust department management and operations is also contemplated.

FY-72 \$ 23,000

- c. Investment Clubs Advisor. Related to (b) above is the proposed three months services of a specialist in the organization and operation of investment clubs in order to concentrate investor education effort and expense and develop a clientele for issues underwritten by Banco Nacional. The 450 member Panamanian Executives Association, through its Board of Directors, has expressed active interest in sponsoring the technical assistance required to stimulate the formation of such clubs. U.S.AID would probably seek to recruit a specialist from Banco General de Aceptaciones which has been successful in organizing more than 100 investment clubs in Monterrey, Mexico, as a market for its underwritings.

FY-72 \$12,000

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- d. Securities Exchange Legislation Advisor. Contingent upon positive findings from the basic study referred to in a. above, U.S.AID would propose to engage the services of a specialist in securities exchange legislation, possibly by FASA with SEC with an individual having had prior experience in similar assignments outside the U.S., for up to a six month's period to assist the citizen's committee and MCI in recommending the legislation required for establishment of a securities exchange within the realities of Panamanian conditions.

FY-72 or FY-73 \$ 20,000

- e. Securities Exchange Operations Advisor. In the last phase, proceeding from d. above, U.S.AID would propose to engage the services of a qualified specialist up to a period of six months to provide advice and counsel on the actual establishment and operation of a securities exchange.

FY-73 \$ 20,000

4. Direct-Hire Staff

It is proposed to maintain two direct-hire staff, a Private Enterprise Officer and Deputy, for FY-71-73 to manage and monitor both grant and loan programs in addition to providing the advisory and counseling services normally required for these positions:

	<u>FY-71</u>	<u>FY-72</u>	<u>FY-73</u>
Private Enterprise Officer, FSR-1	\$45,000	\$46,000	\$46,000
Deputy Private Enterprise Officer, FSR-3	14,000	33,500	33,500
5. <u>Local Personnel</u>			
One bi-lingual secretary	6,000	6,500	6,500
6. <u>Other Costs (Not previously enumerated)</u>			
International Travel	1,000	1,500	1,500
Invitational Travel (U.S.)	5,000	5,000	5,000
Invitational Travel (non-U.S.)	5,000	5,000	5,000
Local Travel	1,000	1,000	1,000
Miscellaneous U.S. Technician Support			
Equipment	500	500	500

IV. Summary of Financing

<u>Activity</u>	<u>FY 1971</u>	<u>FY 1972</u>	<u>FY 1973</u>
TOTAL PROJECT COST	<u>743,800</u>	<u>254,000</u>	<u>119,000</u>
1. INDUSTRIAL PROMOTION	<u>455,300</u>	<u>100,000</u>	<u>-</u>
a. Investment, Export and Tourism - Organization, Analysis and Promotion	300,000	100,000	
Institutional Contract:			
3 Man Years - one technician full time	100,000		
4 Man Years - short term technicians	270,000		
18 Man Months of contract participant training	30,000		
b. Export Promotion	44,300		
Personal Services Contract - Export Promotion Advisor	28,700 ^{1/}		
Participants - 5 parts. to Puerto Rico for 3 weeks	3,800		
Other Costs - local assistance to Panamanian Exporters Assoc.	4,800		
Personal Services Contract - Food Processing Technician	2,000 ^{1/}		
Commodities - laboratory com- bination walk-in freezer	5,000 ^{1/}		
d. Processed Foods Quality Control Laboratory and Assistance in Food Technology Research		55,000	
Institutional Contract:			
3 Man Months - one food tech- nology advisor	23,000		
6 Man Months Contract Partic- ipant training	7,000		
Commodities	25,000		

1/ Obligated

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d. Agro-Industry Project Promotion	40,000		
Institutional Contract: 1 Man Year - one Agro-Industry Promotion Spec.	40,000		
e. Regional Development			
Institutional Contract with Conway Research, Inc.	12,000 ^{1/}		
f. Management Training and Investment Forum	16,000		
Personal Services Contract - 3 Man Months	6,000		
Other Costs - support for Investment Forum	10,000		
2. FRESH WATER FISH AND SHRIMP ACQUACULTURE	<u>200,000</u>	-	-
Institutional Contract: 2 Man Years - technician services	143,000		
4 Man Years - contract partici- pant training	32,000		
Commodities	25,000		
3. CAPITAL MARKET DEVELOPMENT	<u>10,000</u>	<u>55,000</u>	<u>20,000</u>
a. Basic Study of Existing Situation	10,000		
Personal Services Contract	10,000		
b. Investment Banking Advisor		23,000	
Personal Services Contract - 3 Man Months	21,000		
Participants - one partici- pant for 3 Man Months	2,000		
c. Investment Clubs Advisor		12,000	
Personal Services Contract - 3 Man Months	12,000		

^{1/} Obligated FY 1970

d.	Securities Exchange Legislation Advisor		20,000	
	PASA - one technician for 6 Man Months	20,000		
e.	Securities Exchange Operations Advisor			20,000
	Personal Services Contract one technician 6 Man Months	20,000		
4.	DIRECT HIRE STAFF	<u>59,000</u>	<u>79,500</u>	<u>79,500</u>
	Private Enterprise Officer	45,000	46,000	46,000
	Deputy Private Enterprise Officer	14,000	33,500	33,500
5.	LOCAL PERSONNEL	<u>6,000</u>	<u>6,500</u>	<u>6,500</u>
	Bi-lingual Secretary	6,000	6,500	6,500
6.	OTHER COSTS (Not previously enumerated)	<u>12,500</u>	<u>13,000</u>	<u>13,000</u>
	International Travel	1,000	1,500	1,500
	Invitational Travel - U.S.	5,000	5,000	5,000
	Invitational Travel - Non U.S.	5,000	5,000	5,000
	Local Travel	1,000	1,000	1,000
	Miscellaneous U.S. technician support equipment	500	500	500

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NONCAPITAL PROJECT FUNDING (OBLIGATIONS IN \$000)

Table 1
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PROP DATE

Original

Rev. No. 1

17

COUNTRY: PANAMA

Project Title: Private Enterprise Development

Project No. 525-15-910-069

Fiscal Years	Ap	L/G	Total	Cont ^{1/}	Personnel Serv. ^{2/}		Participants		Commodities		Other Costs	
					AID	PASA	CONT	U.S. Agencies	CONT	Dir U.S. Ag	CONT	Dir & U.S. Ag
Prior through Act. FY70			110	21	12	75	21					2
	AB	G										
	AG	G	962	563	345	5	563	11		11		27
Oper. FY 71			743	654	65	-	523	4	69	5	50	27
	AG	G										
Budg. FY 72			254	133	86	20	133	2	-	-	-	13
	AG	G										
B + 1 FY 73			119	20	86	-	20	-	-	-	-	13
	AG	G										
B + 2 FY												
B + 3 FY												
All Subs.												
Total Life			2,188	1,391	594	100	1,250	17	69	16	50	82

^{1/} Memorandum (nonadd) column^{2/} Includes Local and TCN Personnel Costs

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Table 1
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Exchg rate A1- B/ 1.00

Project No. 525-15-910-069

Fiscal Years	AID-controlled Local Currency		Other Cash Contribution Cooperating Country	Other Donor Funds ^{1/} (\$ Equiv.)	Food for Freedom Commodities	
	U.S.-owned	Country-owned			Metric Tons (000)	FOB Value & Freight (000)

Prior through Alt. FY 70	N/A	N/A	989	73	N/A
Oper. FY 71	N/A	N/A	160	17	N/A
Budg. FY 72	N/A	N/A	170	22	N/A
B + 1 FY 73	N/A	N/A	180	27	N/A
B + 2 FY 74					
B + 3 FY 75					
B + 4 FY 76					
B + 5 FY 77					
B + 6 FY 78					
B + 7 FY 79					
B + 8 FY 80					
Total Life			1,499	139	

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^{1/} Private sector donations (CONEP), fees for services and training courses.

Note: In kind contributions are additional to above and include principally, U.S. Contract Technician support, office space and facilities, air travel, transportation, etc.

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