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PD-AAB-159-B1

102 p.

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Washington, D.C. 20523

(CAP)

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AID-ILC/P-721  
June 7, 1968

MEMORANDUM FOR THE DEVELOPMENT LOAN COMMITTEE

SUBJECT: Panama: Rural Mobile Health Program (PUMAR)

Attached for your review are the recommendations for authorization of a loan in an amount not to exceed \$500,000 to the Government of Panama to assist in financing the United States dollar costs of drugs, medicine, medical equipment, supplies, mobile dispensary units, and spare parts necessary to conduct a Rural Mobile Health Program (PUMAR).

Please advise us as early as possible but in no event later than close of business on Friday, June 14, 1968, if you have a basic policy issue arising out of this proposal.

Rachel C. Rogers  
Assistant Secretary  
Development Loan Committee

Attachments:

Summary and Recommendations  
Project Analysis  
ANNEXES I-IV

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June 7, 1968

PANAMA - RURAL MOBILE HEALTH PROGRAM (PUMAR)

SUMMARY AND RECOMMENDATION

1. BORROWER: The Government of Panama. The administration and execution of the project will be the responsibility of the Ministry of Labor, Social Welfare, and Public Health. Hereafter the Government of Panama will be referred to as the "GOP" and the "Government"; the Ministry of Labor, Social Welfare, and Public Health as the "Ministry".
2. AMOUNT OF LOAN: Not to exceed \$500,000.
3. LOAN TERMS: Repayment over a 40-year term from date of first disbursement of loan funds, with a 10-year grace period of principal amortization. Interest will accrue at the rate of two percent (2%) annually during the grace period, and two and one half per cent (2½%) annually thereafter on the balance outstanding.
4. TOTAL COST OF THE PROJECT:

	<u>U. S. Costs</u>	<u>Local Cost</u>	<u>Total Cost</u>	<u>%</u>
A. I. D.	500,000	--	500,000	42
G.O.P.	-	540,000	540,000	45
Communities	-	150,000	150,000	13
	<u>500,000</u>	<u>690,000</u>	<u>1,190,000</u>	<u>100%</u>

5. DESCRIPTION OF ACTIVITY: The Loan will assist the GOP through the Ministry to expand an on-going mobile rural dispensary program called PUMAR (Programa de Unidades Móviles en Areas Rurales) which was begun in 1963 by the Ministry with grant assistance from A.I.D. Loan funds will be used to purchase in the United States 13 new mobile units (10 land and 3 marine) which will provide regular dispensary services to an additional 300,000 people in approximately 90 rural communities, and in addition will finance the add-on cost of drugs, medicines, and medical equipment for a 3-year period.

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6. PURPOSE OF ACTIVITY: To provide basic medical and health services to approximately 40% of the rural population of Panama who now lack these services. PUMAR will continue to provide these mobile health services until the GOP eventually has the capability for providing permanent facilities under future programs.
  
7. BACKGROUND OF ACTIVITY: The National Health Plan established the long range health needs for Panama and recommended, among other things, the construction of health centers and hospitals to meet the deficit in rural health services. This construction program was recognized as too ambitious by the GOP almost from the beginning. PUMAR was conceived as a means of providing the needed health services to remote areas and has been in operation for the past 5 years. A.I.D. assisted in the implementation providing funds to finance the cost of seven (7) mobile dispensary units, drugs, medicines, salaries and other operating expenses. In the first three years of operation, PUMAR had reached approximately 100,000 rural inhabitants at less than two dollars per patient contact. Furthermore it provided the stimulus for community development whereby democratically elected committees had been organized to help solve mutual problems through the effective utilization of local resources and manpower, material and funds.

The overall cost of the program through FY 1966 was approximately \$417,000 of which \$313,000 was provided through A.I.D. grant assistance and \$104,000 by GOP. In addition locally donated labor and materials valued in excess of \$42,000 and local cash contributions amounting to \$32,000 were raised by the communities. A.I.D. grant-funded support ended on June 30, 1966.

At that time, the GOP began revising the National Health Plan and formulated the expanded PUMAR program. Although the GOP has continued the previous program with its own resources, the GOP subsequently requested A.I.D. loan assistance of \$500,000 to help finance the expanded program. The GOP has agreed to seek appropriations of about \$180,000 annually over the next 3 years to maintain and operate the existing units as well as the 13 units to be financed under the proposed loan. In addition, about \$150,000 in cash and kind is expected to be raised within the local communities as a result of self-help promotional activities over the three-year period.

## 8. ALTERNATE SOURCES OF FINANCING

The International Bank for Reconstruction and Development (letter dated 3/2/67 ), the Export-Import Bank (letter dated 3/6/67 ), and the Interamerican Development Bank (letter dated 3/24/67 ) have stated that they are not interested in providing loan assistance to this project. UNICEF is not in a position to assist this program because: (1) two-thirds of the UNICEF budget is earmarked for malaria control; (2) requests for UNICEF assistance from participating countries far exceed available funds.

## 9. COUNTRY TEAM VIEWS

The GOP and the Ministry have given PUMAR a top priority and expect that health facilities will now be within reach of a substantial sector of the rural population who, due to budgetary limitations, could not previously be served. The self-help efforts of rural community development and the multiple benefits derived therefrom are featured throughout the program and the country team and the GOP consider this project to be a reasonable and inexpensive alternative to the construction of additional health centers at this time.

The country team considers this project to be of high and immediate importance to Panama and strongly recommends approval of this loan.

## 10. STATUTORY CRITERIA:

All statutory criteria have been or will be met. (See Annex I).

## 11. RECOMMENDATIONS

Authorization of a Loan to the Government of Panama for an amount not to exceed \$500,000 subject to the following terms and conditions:

### A. INTEREST AND REPAYMENT TERMS

Under Public Law Number 25 (January 30, 1967) the GOP may borrow from A.I.D. up to eight hundred thousand US dollars (\$800,000) at an interest of not more than six percent (6%) for no more than twenty five (25) years. In following A.I.D. policy (See E-3 Justification of Loan Terms, pg. 26) the Borrower will be offered the option in 3 below.

1. The Borrower shall pay to A.I.D. interest which shall accrue at the rate of two percent (2%) per annum for ten years following the date of the first disbursement and at the rate of two and one half percent (2½%) per annum thereafter on the outstanding balance of principal and on any due and unpaid interest.
2. The Borrower shall repay to A.I.D. the principal within twenty-five (25) years from the date of the first disbursement in thirty-one (31) approximately semi-annual installments of principal and interest.

3. At any time prior to the date the first installment of principal is due the Borrower may elect to pay the principal within forty (40) years in sixty-one (61) approximately equal semi-annual installments of principal and interest.

**B. OTHER TERMS AND CONDITIONS**

**1. Conditions Precedent to Disbursement**

Prior to the first disbursement or issuance of the first commitment document under the Loan the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and content satisfactory to A.I.D.:

- a. evidence that the full amount of the GOP's contribution to the Project will be made available on a timely basis in order to assure the success of the Project.
- b. evidence of budgetary and of other measures that the Borrower has taken and will continue to take to effectively maintain and operate all Ministry programs assisted by A.I.D.
- c. evidence that the Ministry will maintain standard cost accounting records that are identifiable to the PUMAR program.
- d. an implementation, operational, maintenance and administrative plan for PUMAR. This will include: (1) the character and scope of the services normally to be provided; (2) the responsibilities and functions of the professional and associated staffs; (3) the itinerary of the mobile units and the towns which will be served; (4) the criteria for the selection of these towns and any future towns that may be served; (5) the training program for the professional and associated personnel, emphasizing instruction in the principles of community organization and preventive medicine; (6) the training program for the non-medical PUMAR field staff (drivers and pilots) which will emphasize preventive maintenance; (7) the system for small payment contributions in cash and kind which will be collected and managed by the community health committees for local improvement projects; (8) the plan for maintenance, replacement and furnishing of parts for the mobile units; and (9) such additional plans, specifications, and information as A.I.D. may request.

**2. Conditions Precedent to Each Disbursement**

Prior to each disbursement or to the issuance of Letter of Commitment under the Loan, the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.

- a. Plans and specifications, bid documents, cost estimates, and time schedules for carrying out the activities of the Project;
- b. An executed purchase contract or other documentation for the Project acceptable to A.I.D.;
- c. Such additional plans and specifications for the Project as A.I.D. may request.

**3. Covenants to the Loan:**

The Borrower shall covenant, except as A.I.D. may otherwise agree in writing:

- a. that no loan funds shall be used to pay any salary or part thereof or related expenses pertaining to any position existing or that may come to exist within the Borrower.
- b. to continue the entire PUMAR program and to give full cooperation to such persons as A.I.D. shall nominate to monitor the performance of PUMAR.
- c. to maintain the mobile units in satisfactory operating condition, to provide spare parts as necessary and to replace units as older ones are removed from service.

PROJECT COMMITTEE

Loan Officer: J. Wood, USAID/Panama  
Engineer: C. Stevens, USAID/Panama  
Human Resources Officer: C. C. Briggs, USAID/Panama  
Technical Advisors: F. Vintinner, ROCAP  
Capt. A. Samuels, MD US Army  
Economic Officer: M. Dagata, USAID/Panama  
Drafted by: ASamuels/JWood/MDagata

CLEARANCES

Charles Briggs:HRD, USAID/Panama *C. C. Briggs*  
Charles Stevens:ENG, USAID/Panama *C. Stevens*  
Milton Eshleman:Controiler, USAID/Panama *M. Eshleman*  
John Gibson :ODPlanning, USAID/Panama *John W. Gibson*  
John Banville:CDO, USAID/Panama *John Banville*  
William Ketner:ADO, USAID/Panama *W. Ketner*  
Harry Ackerman:Actg. Director, USAID/Panama *H. Ackerman*

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SECTION I - DETAILED DESCRIPTION OF PROJECT

A. - BORROWER

The Borrower is the Government of Panama. The responsibility of the execution, implementation and administration of this project will be with the Ministry of Labor, Social Welfare and Public Health.

1. Organization:

The Ministry is divided into 3 branches, one of which is the Department of Public Health. It was created in 1947 and charged with the responsibility for providing basic health services to the country (See Annex II - Exhibit 1). The major health facilities in Panama are operated by 2 major divisions: the autonomous Social Security agency operates 1 hospital and 12 clinics; the National Department of Public Health (as the principal health agency of the Government) operates 71 hospitals and health centers, more than 100 health subcenters and posts and 6 mobile dispensary units which are under the PUMAR program. Although the original mobile health program has been in operation since 1962, 4 of the original 7 units are still in operation and 2 more are being added in CY 1968. The Department of Public Health also coordinates activities with the 3 major semi-autonomous government hospitals.

The Department of Public Health will be responsible for the operation of the mobile dispensary units and has a staff of trained and experienced personnel in the various fields of public health. All heads of divisions and regional directors have received Master's degrees in public health administration from schools in the US, Chile, Brazil, and Puerto Rico.

In order to effectively regionalize the National Health Services and to integrate these services with other development projects in the rural areas, the Ministry divided the country into 3 health regions, which were further subdivided into 16 medical-sanitary areas according to geographic location, population distribution, and requisite health needs (See Annex II Exhibit 2). Each region has a regional director (a physician with post-graduate training in public health administration) and a regional staff of supervisors including a medical director, a sanitary engineer, public health nurse, administrator, and sanitary inspector among other technical and supporting personnel. The regional directors supervise the operations and activities of health centers, posts, and mobile units

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within the region and coordinate the activities of these facilities with the hospitals and the National Directorate.

Each medical-sanitary area contains a network of smaller institutions ranging in size from small hospital-type facilities to subcenters and health posts staffed with permanent personnel but without beds, and mobile units. The mobile units operate from smaller health centers with beds, in order to complete the task of providing services to less densely populated rural areas (See Annex II Exhibit 3). As discussed elsewhere (See Section I-B), past experience has shown PUMAR to be an effective part of the available health facilities in the country. Having been integrated within the permanent infrastructure of health facilities and having stressed health education and prevention rather than merely the predominantly remedial care of the sick and infirm, PUMAR has avoided many of the problems encountered in this type of program elsewhere.

## 2. Personnel

The Ministry of Public Health has 5,979 permanent employees on its payroll and will utilize the professional and ancillary personnel already performing services under the present PUMAR program and within local and regional health facilities. The total medical and nursing personnel available in the Republic and their distribution by province is listed in the following chart:

DOCTORS AND NURSES IN PRACTICE IN THE REPUBLIC OF PANAMA BY PROVINCE AND THE CITIES OF PANAMA AND COLON: SEPT. 1966

Province and City	Doctors		Nurses	
	Total	Per 10,000 Inhabitants	Total	Per 10,000 Inhabitants
Total.....	645	5.3	872	7.1
Panama City....	423	12.3	590	17.2
Colon City.....	39	6.1	55	8.7
Bocas del Toro...	7	2.7	15	5.8
Coclé.....	28	2.6	25	2.3
Colon (1).....	40	4.1	55	5.7
Chiriquí.....	67	3.3	83	4.1
Darién.....	2	1.2	5	3.0
Herrera.....	19	2.7	20	2.8
Los Santos.....	17	2.2	17	2.2
Panama (1).....	446	9.4	631	13.3
Veraguas.....	19	1.3	21	1.4

(1) Includes the respective city.

Source: Department of Public Health, Ministry of Labor, Social Welfare and Public Health.

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403 of the 645 physicians and 565 of the 872 nurses are employed by the Ministry, the distribution of their services approximating that indicated in the chart.

The Ministry will draw from the ranks of medical and nursing school graduates who, by law, are obliged to serve half of their 2 year internship in rural areas. The Schools of Medicine and Nursing each expect to graduate approximately 50 students annually. In addition to these resources the Ministry will continue to make available health educators, sanitary engineers, medical and nursing supervisors and other qualified personnel as may be needed.

Although the Borrower has an adequate organization and well-qualified administrative and supervisory staff to effectively implement the project, the Ministry has had difficulties in the areas of maintenance and effective implementation of administrative policies through all levels of the health services. The Ministry has recognized these problems and continues to work for improvement through more effective implementation of its programs. The Ministry has been developing plans to bring about fiscal and administrative reforms and has established a medical equipment maintenance program. A. I. D. has continually stressed the necessity for improvement within these areas in all projects with the Ministry and will seek suitable assurances as a condition to the Loan, for adequate maintenance and administration under this Loan. In addition, a proposed A.I.D. Development Administration Loan project envisages a comprehensive institutional analysis aimed at increasing the overall effectiveness of this and other Government Ministries involved in national development programs.

3. Previous Assistance

When the PUMAR program was initiated in 1963, the GOP received grant funds and technical assistance from A.I.D. A team of public health specialists served on a regional basis in Central America and Panama for almost 18 months. Since then the Ministry has demonstrated the capacity to supervise and administer PUMAR within the infrastructure of the National health service.

There has been no assistance from other financial institutions to this Project.

B. - HISTORY AND BACKGROUND

1. Origin and Development of Project

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- a) Expansion of Health Services: During 1961-62, the National Plan for Public Health of the Republic of Panama 1962-70 was prepared by senior officials of the Ministry of Public Health, Labor and Social Welfare in collaboration with representatives of PAHO and A.I.D. The plan provided for the decentralization of an overburdened health service thus allowing for the orderly development of health facilities and services within a regional framework whereby medical and health services could be afforded to the greatest number of Panamanian citizens. The country was divided into 3 major health regions, each of which was to have a basic hospital serving as the referral center for a surrounding network of health centers, providing public health services and limited maternity and pediatric in-patient facilities. These health centers, in turn, have been serving as supervisory and referral centers for progressively smaller health posts and mobile health units in the less populated communities. Patients have been treated or referred to the better facilities as necessary, and preventive medicine programs have been carried out by the health centers, posts, and mobile units. For each type of unit involved the plan established guidelines for staffing, budgeting and the implementation, administration, and supervision of the programs.

Since 1962, A.I.D. provided approximately \$932,000 in grant assistance to the GOP for the construction, equipping and placing into use of 11 of the proposed rural health centers which are now providing medical and public health services. Simultaneously, grant assistance was afforded to implement distribution of integrated rural health services by providing 7 mobile medical units to areas previously without access to salutary care.

- b) Experience with Program: Mobile health teams have been providing health services in the countryside of Central America and Panama in an extensive rural development program under the Alliance for Progress since 1962. Known as PUMAR this program has been successful in reaching the grass roots by bringing basic remedial and preventive health services to more than two (2) million people or about one sixth (1/6) of the population of the five countries of Central America and Panama.

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Since its inception PUMAR in Panama has reached more than 100,000 people in more than 100 centers serving numerous smaller villages and communities while providing 198,000 consultations and 60,000 immunizations at less than two dollars per patient contact. The cost of the program since its initiation through FY 1966 was approximately \$417,000, of which A.I.D. grants provided \$313,000 and GOP provided \$104,000. In addition, \$32,000 in community funds were raised for local purposes plus free local labor and materials for community development projects valued at \$42,000. Furthermore, the Ministry contributed part-time services of its personnel as deemed necessary for specific activities such as health and nutritional education, sanitary engineering, dental care, laboratory diagnosis, and nurses for immunization campaigns, etc. Since July, 1966, the GOP has absorbed the entire operational costs of the original program. The CY 1968 budget for PUMAR is \$112,000 (which also provides for the purchase of 2 new vehicles). The GOP will provide suitable amounts in subsequent years to continue, maintain and operate the present mobile dispensary units and the 13 new units to be financed under this Loan.

Under the National Plan for Public Health, of which PUMAR has been an integral part, popular health has improved through the provision of previously unavailable remedial and preventive services.

For the first time professional medical and health services have been made accessible to significant rural populations in remote areas which has effected a reduction in hospitalizations and shortened convalescence through early diagnosis and treatment and first aid instruction. Furthermore, there has been a diminished incidence of specific diseases through immunization programs, environmental sanitation, and general health and nutritional education.

Communities have learned that their living conditions could be improved through working together for the common good. They have organized democratically elected local committees through which community problems could be resolved. Locally collected funds have been raised and administered to help develop community self-help projects. Through PUMAR the construction of 24 health centers, 150 latrine projects, several wells, and a variety of activities such as road repairs, bridges, waste disposal systems, community centers, etc., have been stimulated, generating a sense of pride and civic responsibility amongst the people of these rural villages.

As a result of the discernible improvements in their living conditions, the people have gained confidence not only in PUMAR and the National Government but also in their now, self-sustained local institutions. PUMAR has served as the vehicle to firmly establish the concepts of self-help and community organization in the spirit of the Alliance for Progress in addition to elevating the health status of these communities and the Republic of Panama.

Further information on the project is contained in a USAID/Panama Audit Report dated May 20, 1966. A ROCAP audit on PUMAR is currently in progress in Central America and Panama.

## C. TECHNICAL ANALYSIS AND JUSTIFICATION

### 1. Purpose of the Project:

The purpose of the mobile dispensary program is to provide necessary continuity to the GOP's rural health services by supplying: (1) simple remedial and preventive medical services and insuring patient follow-up; (2) environmental, nutrition and sanitary health education; and, (3) a constant means of patient evacuation to more complex facilities. The program will allow Panama to effectively extend its health services with fuller utilization of available resources in providing more services to more people at a lower cost than previously possible.

In addition to providing basic health services in these areas, which is one aspect of the National rural development program, PUMAR is considered by GOP and A.I.D. to be an effective vehicle for community development. The popular support and cooperation reflected in past achievements has converted the ideals of self-help into purposeful community action. It is expected that this program will continue to contribute to the development of a physically, socially and economically strengthened rural population.

Although the dissemination of family planning services has not been a stated purpose of this project, it is planned to phase this activity into the program within two years when there will be established facilities and trained personnel available in about 20 health centers throughout the country. The necessary time for training of personnel and construction of facilities does not permit an adequate program of family planning through PUMAR to begin until 1970.

**2. Description of Project:**

- a) **Overall Program:** The Loan will finance the addition of 13 new mobile dispensary units to the GOP's on-going PUMAR program and will equip only these new units with drugs, medicines and supplies, and spare parts for the 3-year program period. The medical supplies to be provided will be vaccines against the common communicable diseases of small pox, polio, diphtheria, tetanus whooping cough, and measles as well as drugs for the treatment of (1) water-borne and gastro-intestinal diseases such as typhoid and paratyphoid fevers, etc.; (2) respiratory, skin, and other infections; (3) parasitic infestation; and (4) anemias. The new units will service approximately 40% of the rural population an estimated 300,000 people in 90 central villages. The new mobile units will consist of 10, 4-wheel drive, ambulance-type vehicles similar to those now effectively used by PUMAR. Nine of these units will serve the following medical-sanitary areas on an established schedule: La Chorrera, Penonomé, Chitré, Santiago, Las Tablas, San Félix, Concepción, Aguadulce and Soná. The tenth vehicle will be used for (1) temporary replacement of any of the other vehicles should one breakdown, (2) for supply back-up, and, (3) for official inspection trips. \_\_\_\_\_ It will operate from Panama City.

There will be three boats which will service areas accessible only by sea or inland waterways. As explained in Section I-C, only 1 boat will be purchased the first year, the other boats being added the second year. The boats will provide regularly scheduled services to the medical-sanitary areas of: Colon-San Blas, Bocas del Toro, and Darien. Therefore, mobile health services will be expanded in seven areas and will begin operating for the first time in five new areas. (See Annex II - Exhibit 4).

- b) **Local Operation of Project:** Each mobile unit and complement of staff will be based at an organized permanent health facility such as a hospital or health center. The staff will consist of a physician, sanitary inspector, nurse and other related health personnel as necessary. A driver also will be provided. Each mobile dispensary unit will operate on an established daily itinerary, called a circuit, to provide regular health services to 1 or more communities which have established small clinic facilities such as health sub-centers or posts. Four or five or more circuits will be visited weekly.

On the appointed day the mobile unit will arrive at the community sub-center. Upon arrival each member of the unit will then attend to his speciality, the physician dividing his time between dispensary services and preventive and public health education. Basic medical treatment will be provided and prescribed drugs and medicines distributed; patients who may require hospitalization will be referred to the nearest health center and emergency cases transported by the PUMAR vehicle. Vaccines against communicable diseases will be administered by medical specialists. Family planning and other information relating to basic health and hygiene practices will be diffused. When required food supplements will be distributed in connection with the Food for Peace Program. Sanitation will be discussed and projects for latrines, waste disposal and potable water systems planned with the local health committee. Before departing, the physician will see to it that the permanent auxiliary nurse is provided with the necessary medical supplies and follow up instructions relative to the care of patients seen by the physician and to the immunization program. The foregoing services will be in addition to the regular duties of the auxiliary nurse which comprise first aid care, health education, and limited maternity care. The same unit may serve more than one sub-center in a given day. At the end of the day, the mobile dispensary unit returns to its assigned base health center. The same services are provided to different health sub-centers the next day according to an established schedule.

- c) Description of Community Role: Community meetings are organized to discuss community-related topics. A local health committee is democratically elected by the community to deal with problems of health, sanitation, and nutrition. The committee is responsible for the planning, organization, and implementation of local program activities. It provides necessary assistance to the visiting health team and collects and administers locally donated funds, materials, and labor to be used for approved community development projects, such as the maintenance of health posts or the construction of appropriate clinic facilities, wells, and latrines, etc.

Serving to improve health standards, which in itself will yield a certain amount of increased productivity and fostering the creation of responsible civic organizations and institutions for the purpose of improving living conditions, PUMAR will become the cornerstone of community development. Collective action with local responsibility is the conceptual framework implicit in this program. No longer will the utilization of local manpower resources be so hindered and the realization of economic and social potential be so frustrated by disease, debility and early death.

- d) A.I.D. Assistance Requested: The GOP requests and A.I.D. loan of up to \$500,000 to finance the dollar costs of the initial capital investment under the Loan. The GOP will cover all the operating and maintenance costs of the program and will finance substantial subsequent capital investments.

### 3. Health Conditions

The state of health of Panama compares favorably to the more developed countries and, in general, is superior to the underdeveloped countries. The mortality rate of 7.3 deaths per 1,000 population is one of the lowest in Latin America. The infant mortality rate of 45.4 deaths per 1,000 live births is also one of the lowest in Latin America. Although it would appear that Panama enjoys a good standard of health, it must be pointed out that these figures are relative, more closely representing the health conditions in the urban centers where there exists larger densities of population within relatively easy accessibility to established health facilities. The data also indicates the mortality rates are at least 30% higher in rural Panama. (See Annex II Exhibit 5).

Despite the fact that since 1960, Panama has made general gains in providing more effective health services (largely accomplished through the reorganization and modernization of the National health services, the strengthening of nascent and established health facilities, and the construction and equipping of new facilities with the assistance of A.I.D., PAHO, and UNICEF), there still exists a large segment of the rural population who lack effective access to medical services within reasonable distances.

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Rural Panama, then, is fortified with a much less adequate defense against debilitating disease. This implies a serious and concrete impediment to the nation's development in general, and to those rural development programs, in particular, which seek to increase the productivity and standard of living of the rural community. The major health problems in these rural areas are respiratory infections, gastrointestinal infections and diseases, parasitic infestations, infant ailments, and malnutrition. In general, these maladies and their consequent sequelae within the population could be prevented and/or cured at local levels, if health services could be effectively expanded within the limits of financial and manpower resources available to the Government.

On a smaller scale Panama has been able to do this with the AID grant-funded PUMAR project. Although complete statistics are not available, data obtained from the initial PUMAR program reveal substantial decreases in the incidence of these and other diseases as well as decreased hospitalization and shortened convalescence. The available health services have been supplemented by reaching more people at lower per capita cost and there is no doubt that the successful implementation of the proposed program will result in additional health benefits to the rural communities and prove to be a reasonable alternative to the construction of more health centers.

4. Present Health Services

Of the 4,236 beds available in public, private, and social security hospitals, clinics, and health centers in Panama, 3715 beds within 71 institutions are Government operated. In addition there are more than 100 government health sub-centers and health posts without beds and mobile dispensary units presently providing outpatient services. At this time there are approximately 600 physicians and nearly 900 nurses licensed to practice in Panama. Of these, 62% of the doctors and 65% of the nurses work in government health facilities (See Annex II Exhibit 6).

By comparison of the hospital beds and doctor per capita ratios existing within Latin America, a good index of the degree of health facilities available, can be ascertained. The number of hospital beds per 1000 inhabitants is 3.5 in Panama. By contrast, there are more hospital beds

available in Panama than in the other countries of Central America, except Costa Rica. In South America, only Argentina, Chile and Uruguay have better ratios. There are about 2,200 inhabitants per doctor in Panama, while in Central America only Costa Rica has a better capita per doctor ratio.\*

Overall, roughly 40% of the rural population lack effective access to medical services within reasonable distances. The result is that large numbers of people rarely or never obtain health services and, moreover, remain relatively unaccounted for in the health data. To illustrate the discrepancy between urban and rural health services, the index of outpatient visits are used. These figures express the extent of the population reached by the National health services and illustrate the degree of health activities actually achieved - the assumption being that hospitalization will be generated from outpatient consultations. Taking the ratios of outpatient visits per 100,000 population for the year 1964 then, it can be seen that the average level of individual outpatient visits or consultations demanded was 2.6 for the country at large. (See Annex II Exhibit 7) The levels for the 3 major health regions, however, were 3.9, 1.6, and 1.7 for the Eastern, Central, and Western Regions, respectively. The Eastern Region contains the cities of Panama and Colon which together comprise more than 1/3 of the total population of the country and nearly 2/3 of the health resources -- including doctors, nurses, and hospital beds. Therefore, the data clearly show that an individual living in the rural areas was able to obtain medical treatment 1.6 times in the course of the year, whereas his city or sub-urban counterpart benefited from nearly 2½ times that number on the average.

##### 5. Technical Feasibility and Costs

- a) Costs of Program: The project will require funds amounting to \$1,190,000 over a 3-year period as shown in Annex II, Exhibit 8. The GOP has assumed the total cost for the existing program, which is in its fifth year of operation, and agrees to maintain it at the same level of efficiency. As the operation of the present program has normalized, the costs of operation have decreased from approximately \$125,000 to \$100,000 where it is expected to remain.

\* Source: America en Cifras, Panamerican Health Organization 1965.

1. The GOP contribution will be \$180,000 annually (or a total of \$540,000 over the next 3 years) to continue the existing units as well as the 13 units to be financed under the proposed loan. These funds will pay all local costs including salaries, travel and per diem, consultant fees, gasoline and oil, transportation and maintenance, general operating costs of vehicles and boats, spare parts, office supplies and general services. Since maintenance and operating expenses are likely to increase with the use of additional boats, the GOP has programmed \$25,000 of its contribution to the project for contingencies. On the basis of the previous grant program, it is conservatively estimated that about \$150,000 in cash and kind may be raised within the communities as a result of self-help promotional activities.
2. The A.I.D. Loan will be \$500,000 which will be used for U.S. costs in the purchase of 10 vehicles and 3 boats, drugs for only these units, supplies and equipment for the 3-year period. A.I.D. financing of add-on drug costs for the full three-year period is considered essential to insure quality and continuity of treatment.

A requirement for boats of different type and class is logical since the specifications for craft that can service inland-waterways, estuaries or otherwise protected waters and open waters must certainly be different. With the realization that the estimates for the marine units can be only approximate, it is planned to purchase one (1) boat the first year and use the experience derived therefrom in planning for the (2) vessels which may be required the second year. A total not to exceed \$60,000 is budgeted for the boats.

Of the \$100,000 (\$40,000 for vehicles, \$60,000 for boats) that is to be used for the purchase of the 13 units, an estimated 10% or about \$10,000 will be programmed for contingencies. (Annex II, Exhibits 9 and 10 provides lists of drugs and vehicle specifications).

b) Source of Estimates: The cost of estimates are based based upon the data available from the existing program in Panama and upon recommendations from the ROCAP Health Director, which were drawn from experience with similar programs elsewhere in Central America. The cost estimates for the boats were determined with additional assistance from the United States Navy Southern Command and these estimates are considered to be only very general guidelines for the operation of the boat dispensaries since there has been no similar previous experience. Nevertheless it is believed that these cost estimates are reasonably firm and sufficient to satisfy the requirements of section 611 (a).

#### 6. Technical Soundness and Justification

a) PUMAR Reviewed: The basis for the overall effectiveness of this program is clearly stated by Capt. Coulson A. Conn, M.D., U.S. Army, in his 3-year evaluation report: "The PUMAR program.....is one step below the basic sub-center of the Health Plan and appears to be an ideal basis upon which to begin the progression of medical care". (\*) The report recommended continuation of the program with general operational modifications.

PUMAR was supported also by Dr. Thomas L. Hall of the Division of International Health of John Hopkins School of Hygiene in his 1965 report covering health programs in Panama, when he stated:

"Despite such initial misgivings about the PUMAR (mobile clinic) program, I was generally well impressed with what I saw".

(\*) Conn, Coulson A., Cpt. M.C. PUMAR Evaluation - A 3-Year Report of a Field Consultation for USAID/Panama, March 21-May 13, 1966.

"By using the mobile units principally to permit health center staff to reinforce and supervise nascent permanent health facilities rather than emphasizing discontinuous rural dispensaries, PUMAR in Panama seems to have avoided many of the problems usually noted in mobile clinic programs". (\*\*)

Indeed PUMAR was conceived as an integrated part of the GOP's National Health Plan to provide better medical care to more people at less expense until such time as the Government would have the capacity of providing permanent facilities and personnel under future programs. The project has been realistically planned so that its goals could both fit the need and the technical and economic resources available to the GOP. Furthermore the GOP has given additional strength to the program insofar as it has integrated the PUMAR services with other development programs. In this respect the health services to be provided and the promotional activities for popular participation in self-help activities not only are essential components to the GOP's National Health Plan, but also fit well within the objectives of the National plan for rural development.

- b) Technical Justification: Experience in Panama has shown clearly that PUMAR is an effective and practical means by which the system of medical services can be amplified to reach larger populations in the rural areas. The project is expected to reach approximately 300,000 additional people. The program costs represent about  $\frac{1}{2}\%$  of the overall health budget allocated to the Ministry.

By comparison, the alternative of constructing more health centers and hospitals in the rural areas at this time could not accomplish the goals set forth by the Ministry. The GOP could not easily finance the high construction costs. The demand on the available professional human resources pool would be excessive.

(\*\*) Hall Thomas L., M.D. HEALTH INVESTMENTS - Priorities and Capabilities - Report of a Field Consultation for USAID/ Panama, August 17, 31, 1965.

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The corresponding cost of operation would be very high and the lack of continuity of outpatient care, preventive medical programs and health education would still prevail. The problem of excessive travel for treatment (or do without treatment) for common debilitating diseases which do not require hospital care also would not be solved.

Insufficient medical services not only increase the expenses of treating disease to the Ministry, but the effects on the Nation as a whole are significant. Doubtless the National loss in productivity is much greater from the widespread common debilitating illnesses, which do not usually require full hospital care, than from the fewer number of serious cases demanding more complex facilities. It only has to be noted that whereas about 54% of the people of Panama live in rural areas, the majority of whom depend upon the land for their livelihood, their level of production is far below the possible potential. This is not to say that the lack of medical care alone is responsible for this apparently low production achievement. Health is one facet of the isolation, poverty and backwardness of rural areas. It is with respect to the vicissitudes of inadequate and overcrowded housing, undependable and insufficient food and water supply, unproductive agriculture, high infant and child mortality, diversion of human energies through chronic and debilitating illness, and the frustration of trying to maintain a given standard of living let alone hoping for a better life, that national economic and social development campaigns are generated. In these programs, health is generally regarded as a basic aspect of economic progress and one of the fundamental factors in community development.

The newly revised National plan for rural development which was expanded to 12 areas, has been such a campaign in Panama. The provision of health services is a part of that plan and, among other services now being provided, PUMAR will be operant within 10 of these priority areas.

7. Conclusions:

The value and effectiveness of this type of project activity has been clearly demonstrated during the past five years. The expanded program has been well organized and planned. The cost estimates are reasonable and sound. The USAID/Panama Public Health Advisor will provide technical assistance and will monitor the program. The ROCAP Chief Public Health Advisor also will be available for consultation. The Ministry of Health has the necessary personnel and experience and is firmly committed to expanding operation of this program in the GOP selected rural areas of the country.

**D. ECONOMIC ANALYSIS****1. Trends During the Alliance Period**

Panama's economic performance during the period of the Alliance thus far has been very impressive. On the average, annual increases in GNP exceeded 9 percent from 1960 to 1966. (See Annex II, Exhibit 13). Notwithstanding this rapid growth, price level increases were minimal, averaging 1 percent annually. Thus, Panama's real per capita growth, despite a population increase of over 3 percent, well exceeded the Alliance growth target of 2.5 percent annually.

Supporting this growth were a substantial expansion of credit and domestic savings, vigorous private investment activity, and considerable increases in the country's capacity to import, supplemented by a strong flow of external financial resources. In terms of growth, the leading sectors were manufacturing; banking, insurance and real estate; transport and communication; and the construction sector. The agricultural sector retained its position as the most important contributor to GNP and, itself, grew at a moderately high rate due in large part, however, to substantial increases in the production of bananas.

The fiscal performance of the Central Government was generally good with marked increases in revenue resulting from a major tax reform in 1964. Central Government consumption expenditure, however, showed considerable increases as well.

**2. Current Situation (1966-1968)****a) General**

In 1966, GNP in current prices increased by well over 10 percent. Most significant was an over 40 percent increase in gross fixed investment.

Domestic credit continued to expand rapidly with impressive increases in domestic time and savings deposits contributing significantly to the banking system's credit potential.

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Country-wide, in spite of a large increase in the labor force, unemployment was reduced from 7.4 percent in 1965 to 4.9 percent in 1966. Unemployment in the Metropolitan Area (primarily Metropolitan Panama City and Colon) was reduced from 12.4 percent in 1965 to 8.3 percent in 1966. Underemployment increased moderately in the Metropolitan Area to 12.9 percent in 1966. (See Annex II, Exhibit 14).

Available data concerning Panama's economic performance 1967 are sketchy, but appear to indicate a continued high growth at a high level though likely lower than that of 1966. Incomplete data point to an expansion of domestic credit on the order of that of 1966. Compared to the performance of recent years, growth in commodity exports appears to have weakened but the important receipts from travel and from services to the Canal Zone may have compensated, to an extent, in terms of over-all growth in gross foreign exchange earnings. Growth in commodity imports appears to have slackened but was the result, in part of a slow-down in crude petroleum imports during a period coincident with a temporary interruption of refining operations for normal maintenance; and likely the result, as well, of increased production of import substitutes. Data on capital goods imports through the second quarter indicate the possibility of capital goods investment of a slightly greater magnitude than the high level attained in 1966. Finally, this high level of capital goods investment in 1966 was likely felt in a further strong expansion of industrial production in 1967.

Since 1968 is an election year, economic decisions may be more cautiously made and some investment decisions may be postponed until the political situation is clarified. In early 1968, however, business confidence remains high and, barring unforeseen circumstances, a continued high rate of economic growth (although again at a lower rate than that of 1966) can be expected.

b) Investment

Investment expenditure in Panama has been increasing at a rate well above the average rate of increase in GNP. Gross investment expenditure in Panama as a percent of GNP has compared quite favorably with the Latin American average. (See Annex II Exhibit 15).

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In 1966, investment activity in Panama was intense. Construction and capital goods investment shared nearly equally in generating an increase of over 40 percent in gross fixed investment. This sharp increase was almost entirely attributable to the private sector. While no doubt the result of several factors, including incentives in the form of import restrictions, the marked increases in private investment which have taken place since 1964 would not have been possible without the climate of stability which has prevailed since.

It would seem unlikely that the sharp rate of increase in private sector investment in 1966 could have been maintained in 1967. Rather, it is expected that 1967 data will show an increase, but at a somewhat reduced rate.

Fixed investment in the public sector did not increase measurably over the few years preceding 1966. In 1966 public sector fixed investment increased slightly over the 1965 level. One reason for this performance lies in the fact that a not unsubstantial sum of public sector capital outlays take the form of financial investment channeled to the private sector through industrial and agricultural credit and mortgage operations of the public sector. These sums do not appear in the national income accounts totals, nor do they appear on a gross basis in public finance publications.

According to Planning Office estimates, a substantial increase (over 30 percent) in fixed investment outlays of the public sector should have taken place in 1967 over the 1966 level of 24 million. Planning figures for 1968, based on the project "pipeline", indicate another large increase in public sector fixed investment outlays to some \$40 million. However, with attention focusing on the political campaign and with a change in administration to follow, this planning level may be somewhat optimistic.

**(c) Public Finance**

The revenue performance of the Central Government, as a result of a major tax reform in 1964 and improved administration, has been excellent with income and profits taxes gaining in relative importance to other revenue. During the early 1960's Central Government revenue was increasing at a rate below that of GNP. But by 1966, this trend had been reversed with revenue increasing by 16 percent over the 1965 level and with income and profits taxes alone increasing by 34 percent. In 1966, income and profits taxes represented 30 percent of the Central Government's ordinary revenue, comparing quite favorably with the 15 percent average of the five other Central American countries. According to preliminary data, ordinary receipts for 1967 increased by over 12 percent to \$112.7 million. (See Annex II, Exhibit 16).

Expenditure, however, has generally remained abreast of increases in revenue. Thus, while small "ordinary" budget surpluses were registered in 1965 and 1966, a small deficit (less than \$1 million) was registered in 1967, according to preliminary data. Although this increase in ordinary expenditure has been to a degree, in direct or indirect support of development (e.g. along with qualitative improvements, both the Planning Office and income tax staffs have been doubled since 1964), it has also been clear that fiscal restraint would have to be exercised. This apparently was accomplished in 1967 when ordinary expenditure was held below the amount budgeted.

Ordinary expenditure of roughly \$130 million has been budgeted for 1968 (revenue in 1967 was 112.7 million). Since it appears that the rate of increase in income and profits tax collections tapered off somewhat in 1967 (according to unofficial estimates) as did the increase in ordinary revenue as a whole, restraint in Central Government consumption expenditure will probably have to be exercised in 1968 to assure the commitment of budgeted amounts for capital outlays and to keep ordinary expenditure and revenue in reasonable balance. Since 1968 is an election year this may prove to be somewhat difficult.

### Debt Repayment Capacity

At the end of 1966, the funded debt outstanding of the Central Government was \$125 million. Service payments against this debt amounted to \$11.8 million. Payments against the floating debt of the Central Government, another \$3.2 million, brought total debt service payments to some \$15 million, or 15 percent of ordinary revenue.

Of the total funded debt of the Central Government in 1966, some \$69 million represented external debt. Service payments against this debt amounted to \$5.5 million. In addition, public autonomous institutions owed some \$25 million (against \$40 million authorized) in directly contracted external debt, and made service payments of \$1.4 million. Thus, in 1966 public sector servicing of external debt amounted to \$6.9 million, less than 3 percent of gross foreign exchange earnings.

In 1967, the external debt of the public sector (Central Government and autonomous agencies) is estimated to have increased by a net of some \$15 to \$16 million and external debt service payments to have increased to a total of over \$8 million.

### (d) Balance of Payments

A well-defined trend in Panama's balance of payments accounts, over the years, has been a relatively sizeable and growing trade deficit which has been largely off-set by a growing services surplus with the Canal Zone. The net result in 1966 was a current account and transfer deficit of \$26.7 million. (See Annex II, Exhibits and 17).

In 1966 commodity exports, led by bananas, increased by 12.4 percent over 1965's level. Incomplete data for 1967 indicate that commodity exports may have increased at a somewhat lower rate. The primary reason for this anticipated slackening in the growth of exports in 1967 stems from a decrease in exports of petroleum products resulting from a normal shut-down for maintenance of the refining facility. This, to a large extent, will have compensated for an increase in exports of bananas of about 10 percent.

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With an expansion of refining capacity scheduled for completion in the summer of 1968, exports of refined petroleum will likely pick up during the second half (as will imports of crude petroleum). Banana exports should continue to register increases, although not on the order of recent years. No significant boost in the export total can be expected from Panama's secondary exports, with the possible exception of fishmeal and citrus products, the latter resulting from a recently established processing plant.

Of Panama's gross foreign exchange earnings in 1966, 60 percent originated from services, primary among which were travel receipts and earnings from services rendered to the Canal Zone. The services category, as a whole, can be expected to have generated increases in foreign exchange earnings in 1967 and, barring unforeseen circumstances, to do likewise in 1968. This conclusion is based on expected increases in receipts from tourism and from services to the Canal Zone.

The net result of this current account activity in 1967 was likely a small to moderate increase over Panama's 1966 current and transfer account deficit of \$26.7 million.

The deficit in 1968 will probably show another increase, the size of which will be dependent in large part on the rate of growth in travel receipts and on the completion of the refinery expansion project.

Panama's current and transfer account deficit has been financed primarily by private direct investment and official loans from abroad as well as by net increases in the foreign liabilities of the banking system.

Having increased to roughly \$15.1 million in 1966, net disbursements (net of amortization payments) from foreign official loans accounted for a substantial portion of the financing of the current deficit. In 1967 net disbursements from foreign official loans were estimated to have increased to \$18.8 million with another increase projected for 1968.

### Macro-Economic Summary

Panama's economic performance during the Alliance period has been excellent. Current prospects for further growth at high levels are good, but the rate of growth will probably not continue at the level achieved in 1966.

Since early 1964 when confidence was at a low ebb, the Government of Panama has undertaken a major tax reform, has established a "climate" conducive to strong private investment activity, and has carried out an impressive array of social and economic development projects.

As was pointed out in the October 1967 document prepared by the CIAP Secretariat, "the overall growth and fiscal record in Panama since 1960, although not without its problems, is one of gratifying progress justifying vigorous international support for future development efforts."

### 3. Relation to U.S. Assistance Strategy

The proposed loan project reflects USAID's continued emphasis on assistance in the development of rural Panama and on programs directed toward improving the lives and developing the potential of the large majority of the country's population whose resources are severely limited.

With A.I.D. assistance, the GOP initiated in 1964 a rural development program providing for agricultural education and health inputs designated principally for six priority rural areas. In support of this program, A.I.D. assistance has included a rural development loan project (for agricultural inputs), a rural school construction loan project, and grant assistance in a rural health center construction program and the PUMAR program. In addition, grant technical assistance has been provided for agricultural and housing cooperative and credit union development. Through the use of Special Development funds, rural community development activities have been encouraged.

The areas to be covered by the proposed project will generally correspond to the priority areas of the GOP rural development program and its contemplated expansion, the principal exceptions being those areas covered by the marine units. Thus, while the proposed project should yield directly a degree of increased productivity as a result of the improved health of some 300,000 rural Panamanians, the increasing availability of general education opportunities and of agricultural extension and credit facilities

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will further enhance these human resources and provide a measure of technology and capital, which can result in greater productivity and in a better way of life. On the other hand, it is clear that capital and technological inputs cannot yield their potential benefits while the human resources required to absorb and apply them are subjected to disease, debility and early death. The proposed project is thus an example of the inseparableness of economic and social development.

Another effect of the proposed program relates to demography. For decades the rate of population growth in Panama's urban areas (primarily Panama City) has increased at a substantially greater rate than the rate of growth in the rural population. Comprising some 54 percent of the country's population in 1968, the rural population is growing at an estimated rate of 3 percent compared to an urban rate of increase of roughly 4.5 percent. To the extent that the higher rate of the urban areas has been influenced by a rural-urban migration based on the relative lack of health care and other opportunities in rural Panama, the proposed project combined with other inputs may influence, downward the population pressure on the urban centers. In addition, it is expected that within the medium term the mobile health program itself will provide family planning as well as basic health services.

The relationship of the proposed project to the long-term political development of Panama appears to be evident. The health committees formed as a requisite of the program are often the first step taken toward organization at the local level. Beyond increasing the local level's capacity to absorb additional inputs (e.g. water wells, self-help schools, etc.) these people formerly outside the political and economic life of the country become participating members better able to help themselves and transmit their needs to the government.

Through the PUMAR program, the Government makes a direct and constructive contact at the local level by offering health care and by helping in the organization of the health committees, thus communication between the Government and local levels, a fundamental element for political development, is established. The possibilities for the strengthening of this relationship and for further development at the local level are clear.

**F. FINANCIAL ANALYSIS****1. Financial Plan:**

The follow-up Loan to the original Grant program is estimated to result in a \$1.19 million rural mobile health program. The A.I.D. contribution to the project will be a loan to the Government of Panama not to exceed \$500,000, with a disbursement period of the Loan expected to be 3 years from the date of execution of the Loan agreement. The proposed financial plan is as follows:

	<u>U.S. Costs.</u>	<u>Local Costs</u>	<u>Total Costs</u>	<u>%</u>
A.I.D.	500,000	-	500,000	42
GOP	-	540,000	540,000	45
Communities	-	150,000	150,000	13
	<u>500,000</u>	<u>690,000</u>	<u>1,190,000</u>	<u>100%</u>

The ten (10) land units, the three (3) water units, drugs, medical supplies, and medical equipment will be purchased under the Loan with source and origin in the United States.

The GOP input to the PUMAR program will be approximately \$180,000 per year which will cover the costs for the present and expanded program. In addition to the GOP's part in PUMAR, the recipient communities will continue to support the program at the local level (See Section 1-B); these self-help measures are estimated to be \$150,000.

	<u>A.I.D.</u>	<u>GOP</u>	<u>Communities</u>
1st. year	215,000	175,000	50,000
2nd year	159,000	180,000	50,000
3rd year	<u>126,000</u>	<u>185,000</u>	<u>50,000</u>
	<u>500,000</u>	<u>540,000</u>	<u>150,000</u>

**2. Repayment Terms Under the Loan**

The Loan repayment terms agreed to by the USAID and the loan committee are set forth below for the Loan between A.I.D. and the GOP:

Repayment	40 years
Interest	2% per annum during grace period 2-1/2 per annum for remaining 30 yrs.
Grace Period	10 years

Under Public Law Number 25 (January 30, 1967) the GOP may borrow from A.I.D. up to eight hundred thousand US dollars (\$800,000) at an interest of not more than six percent (6%) for no more than twenty five (25) years. In following A.I.D. policy the Borrower will be offered the option in (b) below:

- a) The Borrower shall repay to A.I.D. the principal within twenty-five (25) years from the date of the first disbursement in thirty-one (31) approximately equal semi-annual installments of principal and interest.
- b) At any time prior to the date the first installment of principal is due, the Borrower may elect to pay the principal within forty (40) years from the date of the first disbursement in sixty-one (61) approximately equal semi-annual installments of principal and interest. The first installment of principal shall be payable nine and one half ( $9\frac{1}{2}$ ) years after the date on which the first interest payment is due in accordance with the Section on Interest Terms of the Loan Agreement.

### 3. Justification of Loan Terms

The project committee recommends the terms as reasonable for the following reasons. The activity is primarily one of social impact and without an immediate revenue producing capacity for the GOP. In accord with Alliance for Progress policy to give all assistance to the health sector possible all A.I.D. loans of this type for Central America and Panama have been made with the most concessional terms. Further, much of Panama's external financial assistance has been in the form of medium to long-term loans, and all A.I.D. loans to the GOP have been made at the most concessional terms.

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SECTION II - IMPACT ON U.S. ECONOMY

The provisions of the Loan Agreement will limit loan financed procurement to goods produced in the United States. Provision will be made in the Loan Agreement for use of U.S. Government owned excess property whenever possible. No competition with U.S. enterprise will arise from this project.

**SECTION III - CONDITIONS AND COVENANTS**

**1. Conditions Precedent to Disbursement**

Prior to the first disbursement or issuance of the first commitment document under the Loan the Borrower shall, except as A.I.D. may otherwise agree in writing furnish to A.I.D. in form and content satisfactory to A.I.D.:

- a. evidence that the full amount of the GOP's contribution to the Project will be made available on a timely basis in order to assure the success of the Project.
- b. evidence of budgetary and of other measures that the Borrower has taken and will continue to take to effectively maintain and operate all Ministry programs assisted by A.I.D.
- c. evidence that the Ministry will maintain standard cost accounting records that are identifiable to the PUMAR program.
- d. an implementation, operational, maintenance and administrative plan for PUMAR. This will include: (1) the character and scope of the services normally to be provided; (2) the responsibilities and functions of the professional and associated staffs; (3) the itinerary of the mobile units and the towns which will be served; (4) the criteria for the selection of these towns and any future towns that may be served; (5) the training program for the professional and associated personnel, emphasizing instruction in the principles of community organization and preventive medicine; (6) the training program for the non-medical PUMAR field staff (drivers and pilots) which will emphasize preventive maintenance; (7) the system for small payment contributions in cash and kind which will be collected and managed by the community health committees for local improvement projects; (8) the plan for maintenance, replacement, and furnishing of parts for the mobile units; and (9) such additional plans, specifications, and information A.I.D. may request.

**2. Conditions Precedent to Each Disbursement**

Prior to each disbursement or to the issuance of Letter of Commitment under the Loan, the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.

- a. Plans and specifications, bid documents, cost estimates, and time schedules for carrying out the activities of the Project;
- b. An executed purchase contract or other documentation for the Project acceptable to A.I.D.;
- c. Such additional plans and specifications for the Project as A.I.D. may request.

3. Covenants to the Loan

The Borrower shall covenant, except as A.I.D. may otherwise agree in writing:

- a. that no funds shall be used to pay any salary or part thereof or related expenses pertaining to any position existing or that may come to exist within the Borrower.
- b. to continue the entire PUMAR program and to give full cooperation to such persons as A.I.D. shall nominate to monitor the performance of PUMAR.
- c. to maintain the mobile units in satisfactory operating condition, to provide spare parts as necessary and to replace units as older ones are removed from service.

**SECTION IV - IMPLEMENTATION PLAN**

**A. MEETING CONDITIONS PRECEDENT**

It is estimated that the Conditions Precedent can be met in not more than ninety (90) days of execution of the Loan Agreement. Assuming GOP ratification within the same period, the first advance of funds may be effected ninety (90) days after signature.

**B. TECHNICAL ASSISTANCE**

The Public Health Advisor USAID/Panama will provide technical assistance and will monitor the program to insure proper utilization of funds. The Chief Public Health Advisor for ROCAP will be available for consultation.

**C. DISBURSEMENTS OF THE LOAN**

Loan disbursements will be made under letters of commitment for dollar costs. It is estimated the loan will be completely disbursed, as needed, within three years.

**D. CONTROL, MAINTENANCE AND REPORTING**

Fiscal control of loan funds will be the responsibility of the USAID/Panama Controller, who will supplement his review of documents with occasional spot checks of the Ministry of Health and its PUMAR procedures, as appropriate. Certification of commodity procurement will be provided by the USAID/Panama Public Health Advisor.

Technical Monitoring of the project will be the responsibility of the USAID/Panama Public Health Advisor who will report on the actual progress of the project.

Periodic progress reports will be submitted to USAID/Panama by the Ministry of Health and will be forwarded to A.I.D./W by the USAID/Panama Capital Development Officer. Evaluation of the Borrower's reports and compilation of supplementary reports on the project will be the responsibility of the USAID/Panama Project Coordinator.

June 7, 1968

AID 1240-2 (11-67)

CHECKLIST OF STATUTORY CRITERIA

(Alliance for Progress)

PANAMA: MOBILE RURAL HEALTH PROGRAM (PUMAR)

In the right-hand margin, summarize for each item the information or conclusion requested. As necessary, reference the section(s) of the Capital Assistance Paper, or other clearly identified and available document, in which the matter is further discussed. This form may be made a part of the Capital Assistance Paper.

The following abbreviations are used:

FAA - Foreign Assistance Act of 1961, as amended by the Foreign Assistance Act of 1967.

App.- Foreign Assistance and Related Agencies Appropriations Act, 1968.

COUNTRY PERFORMANCE

Progress Towards Country Goals

1. FAA §.208; §.251(b)(1); §.251(b)(5); §.251(b)(6). Extent to which country is:

a. *Making appropriate efforts to increase food production and improve means for food storage and distribution.*

The growth in agricultural production in Panama is among the highest in Latin America. Improvement in food storage and distribution has been satisfactory and efforts to improve this is continually being made.

b. *Creating a favorable climate for foreign and domestic private enterprise and investment.*

The climate for foreign and domestic private enterprise and investment has been most satisfactory as evidenced by the very high rate of increase in this area over the past several years.

c. *Increasing the public's role in the developmental process.*

The public's role in the developmental process is being encouraged through many of the AID and GOP programs.

d. *Allocating expenditures to development rather than to unnecessary military purposes or intervention in other free countries' affairs.*

Panama's efforts have been directed to internal economic development, rather than for military purposes or external intervention.

e. *Willing to contribute funds to the project or program.*

The GOP has allocated its funds for the Project.

f. *Making economic, social, and political reforms such as tax collection improvements and changes in land tenure arrangement, and making progress toward respect for the rule of law, freedom of expression and of the press, and recognizing the importance of individual freedom, initiative, and private enterprise.*

Many improvements have been made in Panama during recent years. Best evidence is seen from country's growth in all sectors of the economy.

g. *Adhering to the principles of the Act of Bogota and Charter of Punta del Este.*

Panama is adhering to the best principles of the Act and Charter.

h. *Responding to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures.*

PUMAR is such a response, and demonstrates the self-help measures of the communities.

2. FAA §.251(b). *Information and conclusion on country's efforts to repatriate capital invested in other countries by its own citizens.*

Repatriation of capital invested abroad is not a problem in Panama.

Relations With U. S. and Other Nations

3. FAA §.620(c). *If assistance to a government, existence of indebtedness to a U. S. citizen for goods or services furnished or ordered where such citizen has exhausted available legal remedies, debt is not denied or contested by such government or indebtedness arises under an unconditional government guaranty.* Panama is not known to be so indebted to a U.S. citizen.
4. FAA §.620(d). *If assistance for any productive enterprise which will compete in the U. S. with U. S. enterprise, existence of agreement by the recipient country to prevent export to the U. S. of more than 20% of the enterprise's annual production during the life of the loan.* Not applicable.
5. FAA §.620(e)(1). *If assistance to a government, extent to which it (including government agencies or subdivisions) has taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U. S. citizens or entities beneficially owned by them without taking steps to discharge its obligations.* Panama has not taken such actions.
6. FAA §.620(j). *Information whether the country permits, or fails to take adequate measures to prevent, the damage or destruction, by mob. action, of U. S. property.* Adequate measures by Panama have been and are being taken.

7. FAA §.620(l). *Consideration which has been given to denying assistance to a government which after December 31, 1966, has failed to institute the investment guaranty program for the specific risks of inconvertibility and expropriation or confiscation.* Panama has signed and instituted, such an agreement.
8. FAA §.620(o). *If country has seized, or imposed any penalty or sanction against, any U. S. fishing vessel on account of its fishing activities in international waters, consideration which has been given to denying assistance.* Panama has not taken any such action.
9. FAA §.620(q). *Existence of default under any FAA loan to the country.* At the time this paper was prepared, there was no default under any FAA loan to Panama
10. FAA §.620(t). *Prohibition on aid if country has severed diplomatic relations with U. S., unless agreements have been negotiated after resumption of relations.* Not applicable
11. FAA §.620(u). *Status of the country on delinquent U. N. obligations.* To the best of our knowledge, Panama is not delinquent on any U.N. obligations.
12. FAA §.209. *Information about multilateral assistance being furnished to the country.* Other international financial institutions are presently providing assistance to Panama. However, none wished to participate in the financing of this project (See Section I.D.)

13. FAA §.620(a); App. § 107(a) and (b). *Compliance with prohibitions against assistance to Cuba and any country (a) which furnishes assistance to Cuba or failed to take appropriate steps to prevent ships or aircraft under its registry from carrying equipment, materials, or supplies from or to Cuba; or (b) which sells, furnishes, or permits any ships under its registry to carry items of primary strategic significance, or items of economic assistance, to Cuba.* No assistance will be furnished under this loan to the present Government of Cuba, nor does Panama furnish assistance to such government. Panama has taken appropriate steps to prevent ships or aircraft under its registry from engaging in any Cuba trade.
14. FAA §.620(b). *If assistance to a government, existence of determination it is not controlled by the international Communist movement.* Panama is not controlled by the international Communist movement; this has been determined by the Secretary of State.
15. FAA §.620(i). *Information on representation of the country at any international conference when that representation includes the planning of activities involving insurrection or subversion against the U. S. or countries receiving U. S. assistance.* No information exists regarding the representation of Panama at any international conference which included the planning of activities involving insurrection or subversion against the U.S. or countries receiving U.S. assistance.
16. FAA §.620(n); App. 107(b) and 116. *Compliance with prohibition against assistance to countries which traffic or permit trafficking with North Viet-Nam.* Panama does not traffic nor permit trafficking with North Vietnam.

#### Military Expenditures

17. FAA §.620(i). *Existence of determination that the country is engaging in or preparing for aggressive military efforts.* No determination has been made that Panama is engaging in or preparing for aggressive military efforts.

18. FAA §.620(s). Information and conclusion whether country is devoting unnecessary percentage of budget for military purposes and using foreign exchange for military equipment.

Panama is not devoting an unnecessary percentage of its budget for military purposes or using foreign exchange for military equipment.

19. App. §.119. Information on reduction in assistance by amounts spent by country for the purchase of sophisticated military equipment.

Panama has not purchased sophisticated military equipment.

#### CONDITIONS OF THE LOAN

##### General Soundness

20. FAA §.201(d). Information and conclusion on legality (under laws of country and U. S.) and reasonableness of lending and relending terms of the loan.
21. FAA §.251(b)(2); §.251(e). Information and conclusion on activity's economic and technical soundness, including information on availability of an application together with assurances to indicate that funds will be used in an economically and technically sound manner.
22. FAA §.251(b). Information and conclusion on capacity of the country to repay the loan, including reasonableness of repayment prospects.

AID development loans at terms similar to this loan have been made in Panama. The terms are both legal and reasonable. (See section I.G.3.)

For information on project's technical and economic soundness see Sections I.E. and I.F. An application has been made by the GOP placing its highest priority on the project.

There are reasonable prospects of repayment of this loan. (See Section I.G.3)

23. FAA §.611(a)(1). *Information and conclusion on availability of engineering, financial, and other plans necessary to carry out the assistance and of a reasonably firm estimate of the cost to the U. S. of the assistance.* There are sufficient plans necessary to carry out this project and a reasonably firm estimate of cost. (See sections I.E. and I.G.)
24. FAA §.611(a)(2). *If legislative action is required within recipient country, basis for reasonable anticipation such action will be completed in time to permit orderly accomplishment of purposes of loan.* The Loan Agreement will provide that the repayment schedule may be increased from 25 years to 40 years at the option of the Borrower (See Summary and Recommendations)
25. FAA §.611(e). *Compliance with requirement that Mission Director certify, with respect to projects estimated to cost over \$1 million, as to the country's capability effectively to maintain and utilize the project.* Not applicable.
26. FAA §.251(b). *Information and conclusion on availability of financing from other free-world sources, including private sources within the United States.* Financing from other free-world sources, including private U.S. sources, is not available (See Section I.D.)

Loan's Relationship to Achievement of Country and Regional Goals

27. FAA §.207; §.251(a). *Extent to which assistance reflects appropriate emphasis on:*
- a. *Encouraging development of democratic economic, political, and social institutions.* AID assistance to Panama is encouraging development of democratic, economic, political and social institutions.

*b. Self-help in meeting the country's food needs.*

The growth in Panama's agricultural sector is among the highest in Latin America.

*c. Improving availability of trained manpower in the country.*

Effort is continually being made by the GOP and AID to improve local trained manpower.

*d. Programs designed to meet the country's health needs.*

AID and the GOP have many programs designed to meet the country's health needs.

*e. Other important areas of economic, political, and social development, including industry; free labor unions, cooperatives, and voluntary agencies; transportation and communication; planning and public administration; urban development; and modernization of existing laws.*

All of AID's assistance to Panama is designed to meet the needs of the sectors referred to in this section.

28. FAA §.251(b)(3). *Information and conclusion on activity's relationship to and consistency with other development activities, and its contribution to realizable long-range objectives.*

The Loan is consistent with other development activities and contributes to long range objectives. (See Section I.B. and I.D.)

29. FAA §.251(b)(7). *Information and conclusion on whether or not the activity to be financed will contribute to the achievement of self-sustaining growth.*

This project is an essential ingredient for the achievement of self-sustaining growth of Panama.

30. FAA §.281(a). *Extent to which the loan will contribute to the objective of assuring maximum participation in the task of economic development on the part of the people of the country, through the encouragement of democratic private and local governmental institutions.*
- The Loan will encourage maximum participation of community and local government institutions. (See Section I.B. and I.E.)
31. FAA §.281(b). *Extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in governmental skills.*
- The answer given to item #30 above is equally applicable to this item.
32. FAA §.601(a). *Information and conclusions whether loan will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.*
- The Loan will increase the flow of international trade, foster private initiative, and develop community action.
33. FAA §.619. *Compliance with requirement that assistance to newly independent countries be furnished through multilateral organizations or plans to maximum extent appropriate.*
- Not applicable

34. FAA §.251(h). *Information and conclusion on whether the activity is consistent with the findings and recommendations of the Inter-American Committee for the Alliance for Progress in its review of national development activities.* This activity is consistent with the findings and recommendations of CIAP.
35. FAA §.251(g). *Information and conclusion on use of loan to assist in promoting the cooperative movement in Latin America.* Not applicable.
36. FAA §.209; §.251(b)(8). *Information and conclusion whether assistance will encourage regional development programs, and contribute to the economic and political integration of Latin America.* PUMAR is a regional program and has had A.I.D. assistance in other ROCAP countries.

Loan's Effect on U. S. and A.I.D. Program

37. FAA §.251(b)(4); §.102. *Information and conclusion on possible effects on U. S. economy, with special reference to areas of substantial labor surplus, and extent to which U. S. commodities and assistance are furnished in a manner consistent with improving the U. S. balance of payments position.* The full amount of the loan will be used for U.S. procurement.
38. FAA §.601(b). *Information and conclusion on how the loan will encourage U. S. private trade and investment abroad and how it will encourage private U. S. participation in foreign assistance programs (including use of private trade channels and the services of U. S. private enterprise).* Not applicable

39. FAA §.601(d). *If a capital project, compliance with the Congressional policy that engineering and professional services of U. S. firms and their affiliates are to be used in connection with capital projects to the maximum extent consistent with the national interest.* Not applicable.
40. FAA §.602. *Information and conclusion whether loan will permit U. S. small business to participate equitably in the furnishing of goods and services financed by it.* All of the loan funds will be used for U.S. procurement. U.S. small business will be permitted to participate equitably in the project.
41. FAA §.620(h). *Compliance with regulations and procedures adopted to ensure against use of assistance in a manner which, contrary to the best interests of the U. S., promotes or assists the foreign aid projects or activities of the Communist-Bloc countries.* This project will not promote or assist foreign aid projects or activities of the Communist-bloc countries.
42. FAA §.621. *Information and conclusion on how the loan in providing technical assistance will utilize to the fullest extent practicable goods and professional and other services from private enterprise on a contract basis. If the facilities of other Federal agencies will be utilized, information and conclusion on whether they are particularly suitable, are not competitive with private enterprise, and can be made available without undue interference with domestic programs.* Not applicable

43. FAA §.252(a). Total amount of money under loan which is going directly to private enterprise, is going to intermediate credit institutions or other borrowers for use by private enterprise, is being used to finance imports from private sources, or is otherwise being used to finance procurements from private sources.

All of the AID loan funds will be used to procure goods and services from private sources. All of the AID loan monies will finance imports from private sources.

Loan's Compliance with Specific Requirements

44. FAA §.608(a). Information on measures to be taken to utilize U. S. Government excess personal property in lieu of the procurement of new items.

Procurement of commodities will be by the private contractor. The availability of excess property will be made known to the procuring parties.

45. FAA §.604(a); App. §.108. Compliance with restriction of commodity procurement to U. S. except as otherwise determined by the President and subject to statutory reporting requirements.

Procurement under this loan will be limited to the U.S.

46. FAA §.604(b). Compliance with bulk commodity procurement restriction to prices no higher than the market price prevailing in the U. S. at time of purchase.

Procurement under the loan will be by competitive bid.

47. FAA §.604(d). Compliance with requirement that marine insurance be placed in the U. S. on commodities financed by the loan if the host country discriminates against U. S. companies.

Marine insurance will be procured in the U.S., where applicable.

48. FAA §.604(e). *Compliance with requirement that funds not be used for procurement of any agricultural commodity or product thereof outside the U. S. when the domestic price of such commodity is less than parity.* Funds will not be used for procurement of any agricultural commodity or product.
49. FAA §.611(b); App. §.101. *If water or water-related land resource construction project or program, information and conclusion on benefit-cost computation.* Not applicable.
50. FAA §.611(c). *Compliance with requirement that contracts for construction be let on competitive basis to maximum extent practicable.* Not applicable.
51. FAA §.620(f); App. §.109. *Compliance with prohibitions against assistance to any Communist country.* This loan will not assist any Communist Country.
52. FAA §.620(a). *Compliance with prohibition against use of assistance to compensate owners for expropriated or nationalized property.* This loan will not be used to compensate owners for expropriated or nationalized property.

53. FAA §.612(b); §.636(h). Steps that have been taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and that foreign currencies owned by the U. S. are utilized to meet the cost of contractual and other services.
- Appropriate steps have been so taken. The U.S. owns no local currencies that could be used for this project.
54. App. §.102. Compliance with requirement that payments in excess of \$25,000 for architectural and engineering services on any one project be reported to the Congress.
- Not applicable.
55. App. §.104. Compliance with bar against funds to pay pensions, etc., for military personnel.
- No loan funds will be used to pay pensions, etc., for military personnel.
56. App. §.106. If country attempts to create distinctions because of their race or religion among Americans in granting personal or commercial access or other rights otherwise available to U. S. citizens generally, application which will be made in negotiations of contrary principles as expressed by the Congress.
- No distinctions on the basis of race or religion will be attempted.
57. App. §.111. Compliance with requirements for security clearance of personnel.
- All such personnel will be cleared.
58. App. §.112. Compliance with requirement for approval of contractors and contract terms for capital projects.
- Not applicable.

59. App. 8.114. *Compliance with bar against use of funds to pay U.N. assessments, etc.* Funds will not be used to pay U.N. assessments, etc.
60. App. 8.115. *Compliance with regulations on employment of U. S. and local personnel for funds obligated after April 30, 1964 (Regulation 7).* Regulation 7 will be complied with.
61. FAA 8.636(i). *Prohibition on financing non-U. S.-manufactured motor vehicles.* Loan funds will not be used to finance non-U.S. manufactured motor vehicles.
62. App. 8.401. *Compliance with bar against use of funds for publicity or propaganda purposes within U. S. not authorized by the Congress.* Loan funds will not be used for publicity or for propaganda purposes within the U.S.
63. FAA 8.620(k). *If construction of productive enterprise where aggregate value of assistance to be furnished by U. S. will exceed \$100 million, identification of statutory authority.* Not applicable

June 7, 1968

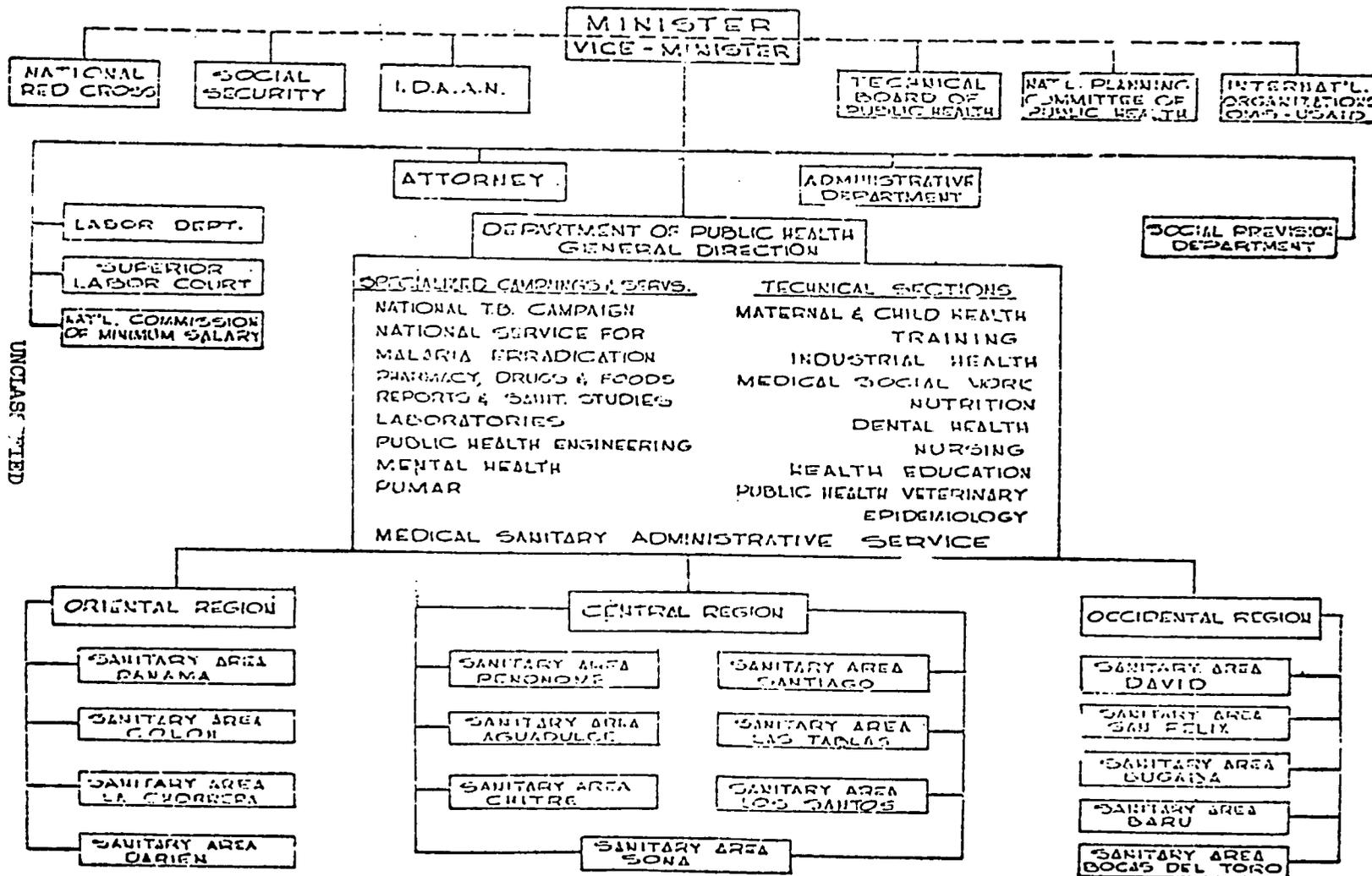
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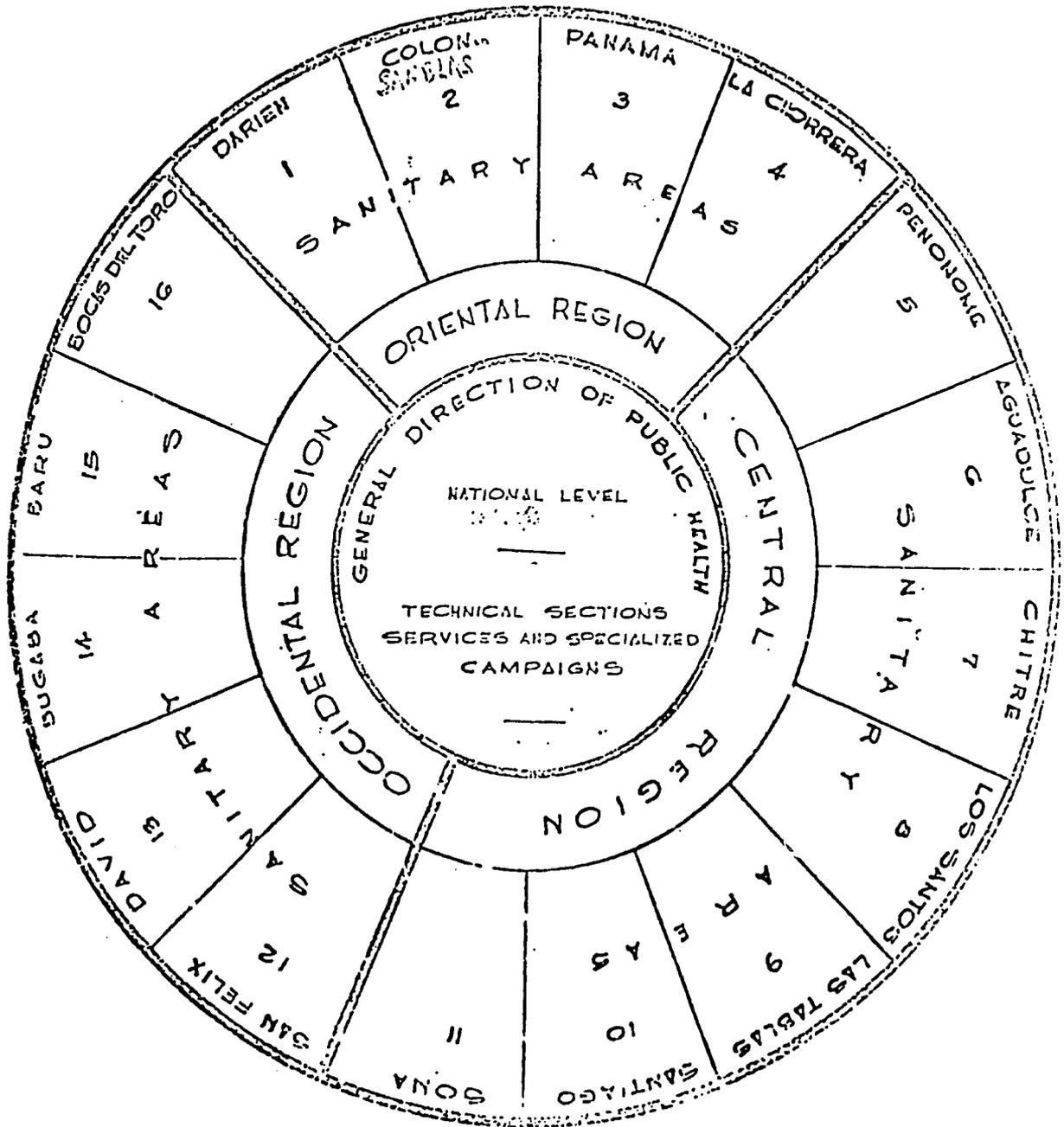
MINISTRY OF LABOR, SOCIAL WELFARE & PUBLIC HEALTH  
 963 1970



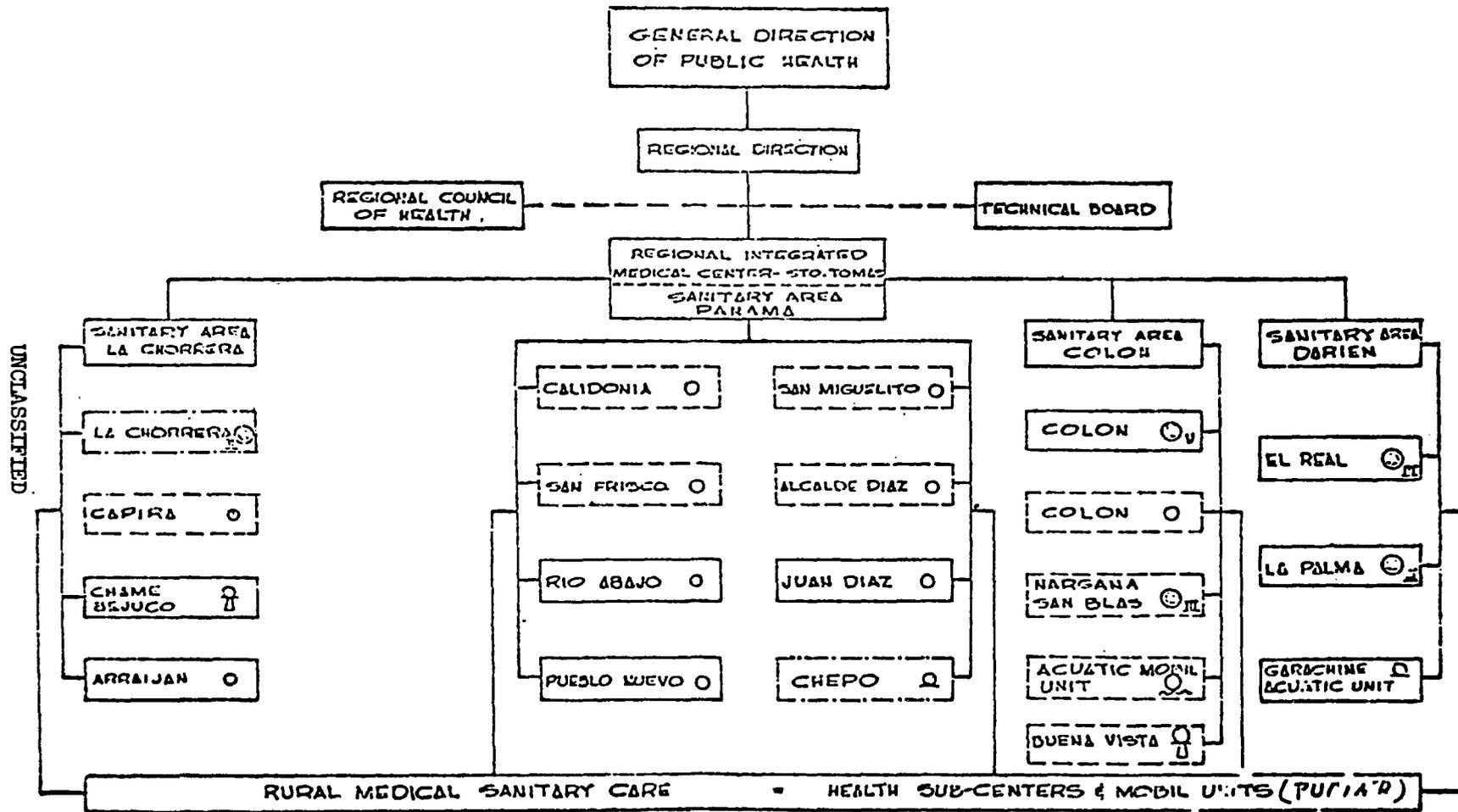
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# FUNCTIONAL CHART OF THE DEPARTMENT OF PUBLIC HEALTH



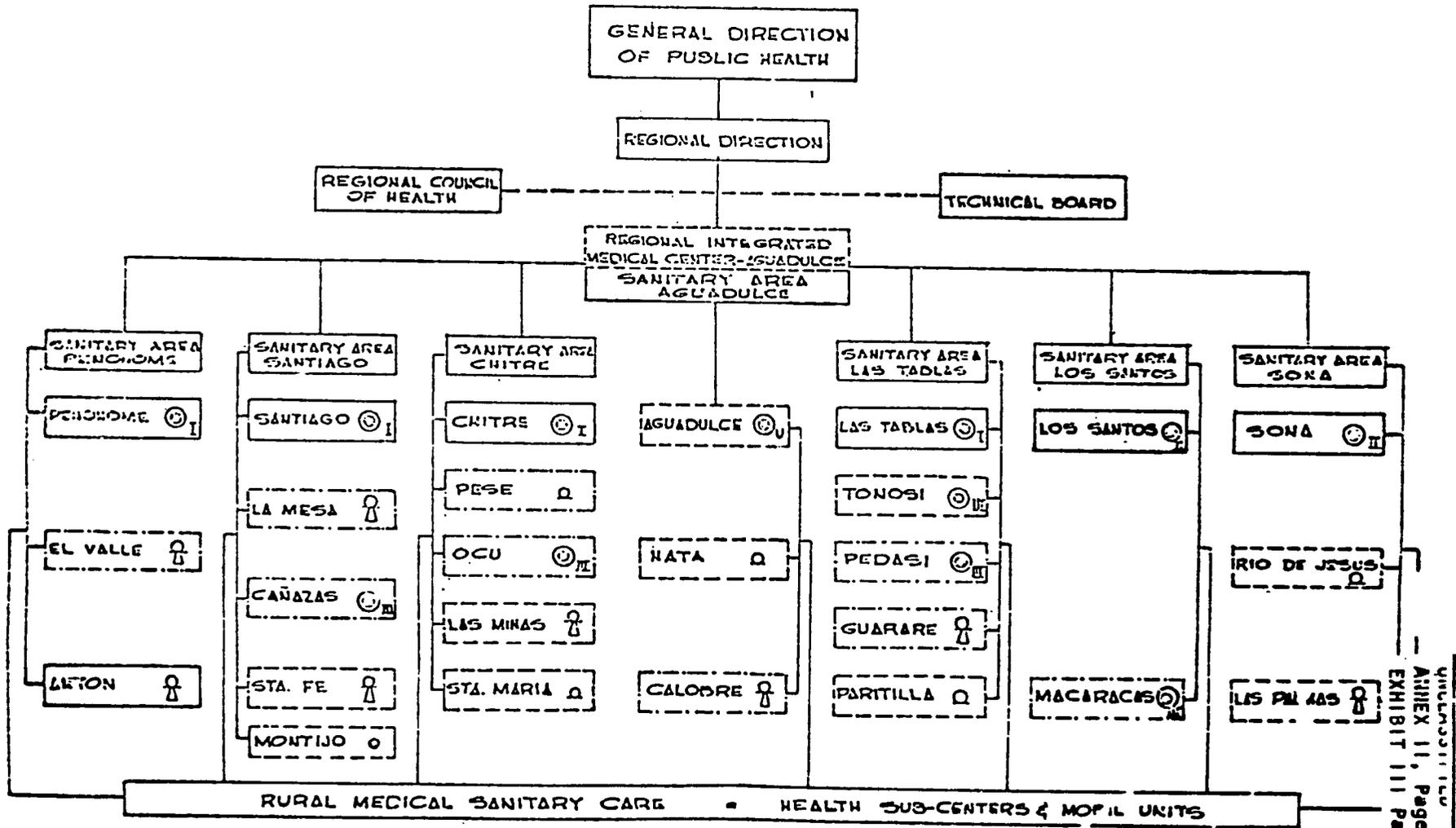
ORIENTAL REGION  
1963 - 1970



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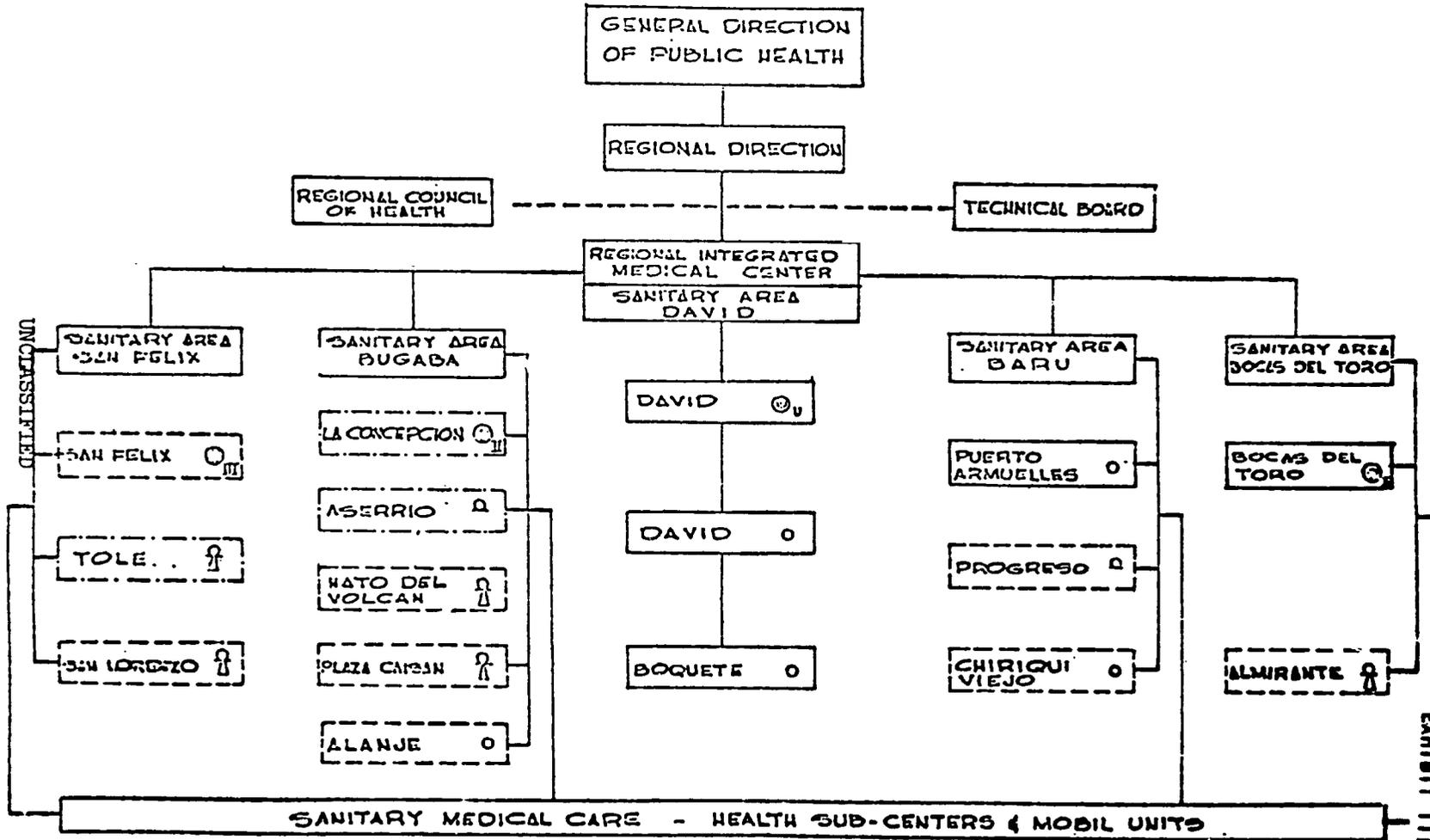
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ANNEX II, Page 3 of 4  
EXHIBIT III, Page 1 of 4

CENTRAL REGION  
1963 - 1970



# OCCIDENTAL REGION

1963 - 1970



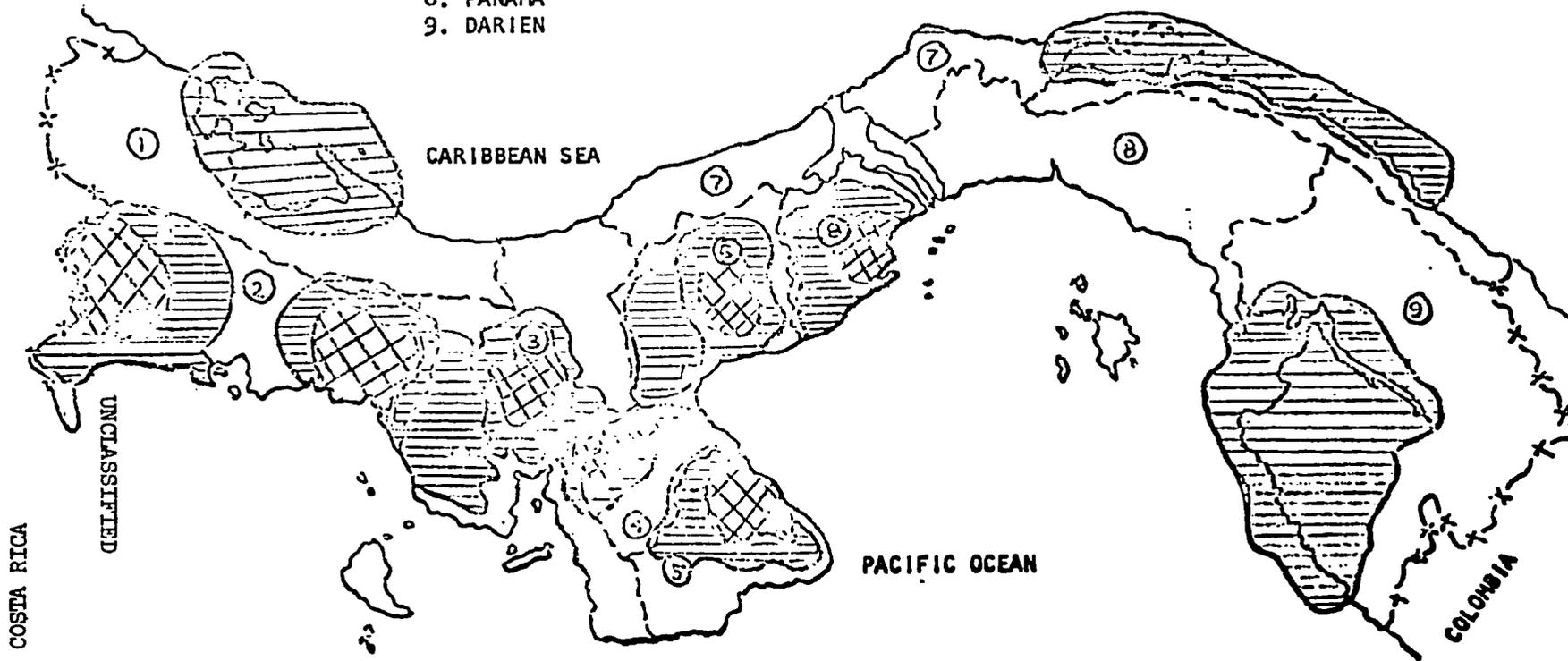
## MAPS AND ORGANIZATIONAL CHARTS LEGENDS

	INTEGRATED MEDICAL CENTER - REGIONAL.		OTHER IMPORTANT VILLAGES IN THE AREA
	INTEGRATED MEDICAL CENTER - TYPE I		SOCIAL SECURITY HOSPITAL
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	HEALTH CENTER, PEDIATRIC AND MATERNITY STATION		EXISTING MEDICAL SERVICES
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	HEALTH CENTER		MEDICAL SERVICES UNDER PROJECTS
	MOBILE UNIT - AQUATIC		SANITARY AREA LIMITS
	HEALTH SUB-CENTER		REGIONAL LIMITS
	UNIVERSITY MEDICAL CENTER		FINISHED ROADS
	PSYCHIATRIC HOSPITAL		ROADS IN CONSTRUCTION
	TB HOSPITAL		ROADS UNDER PROJECTS
	EXISTING HOSPITAL IN 1960		
	EXISTING HEALTH CENTER IN 1960		

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LEGEND

1. BOVAS DEL TORO
2. CHIRIQUI
3. VERAGUAS
4. HERREPA
5. LOS SANTOS
6. COCLE
7. COLON
8. PANAMA
9. DARIEN



- ▬▬▬ - Projected Areas to operate under Loan
- ▧ - Areas in present program
- - Headquarters from which mobile units operate
- - (more than one mobile unit may be based at a given site)

REPUBLIC OF PANAMA  
 "P U M A R"  
 (Mobile Rural Health Program)

PUMAR - COMMUNITIES AND ESTIMATED POPULATIONS

Province and Sanitary Area	Community	Population
<u>LAND UNITS</u>		
1. Panamá		
La Chorrera	* La Chorrera	(34,620)
	Veracruz	1,000
	Nuevo Emperador	600
	Blique & Cerro Silvestre	700
	Santa Rita	400
	Campana	370
2. Coclé		
Penonomé	* Penonomé	(36,370)
	Membrillo	800
	Rincón de Las Palmas	650
	Juan Díaz	575
	Pajonal	500
3. Aguadulce		
	* Aguadulce	(17,700)
	El Roble	770
	El Cortejo	800
	El Jaquito	560
	Luna de los González	750
	Toza	650
	El Guzmán	800
	Naranjal	900
	El Caño	810
	Liano Sánchez	540
	La Laguna	500
	Los Volcanes	620
	El Pinzón	830
	Perequé	775
4. Los Santos		
Las Tablas	* Las Tablas	(19,840)
	La Palma	1,743
	San José	602
	Purio	724
	Los Asientos	731
	Lajamina	750

5. Veraguas Santiago	* Santiago	(33,190)
	Los Hatillos.	1,648
	San Francisco	1,000
	El Espino de Santa Rosa	480
	San Pedro del Espino	1,500

Soná	* Soná	(23,330)
	Guarumal	452
	Puerto Vidal	153
	El Marañón	150
	Jorones	337

6. Chiriquí San Félix	* San Félix	(7,330)
	Santa Cruz	354
	Las Matas	300
	Horconcitos	1,206
	Santa Cruz	403
	Quebrada de Piedra	357
	Cerro Iglesia	600
	Nancito	300
	Lajas de Tolé	2,400
	San Juan	750

Bugaba	* Concepción	(45,170)
	Río Sereno	303
	Las Mercedes	404
	Santa Marta	1,433
	San Andrés	770
	Aserrío de Gariché	1,100
	San Antonio	1,054
	Canoas Arriba	446
	Divalá	875

BOAT UNITS

7. Bocas del Toro Bocas del Toro	* Bocas del Toro	(39,300)
	Chiriquí Grande	333
	Tobcbé	711
	Loma Partida	612
	Bisira	968
	Bahía Azul	202
	Bastimientos	414
	Punta Rábalo	158
	Changuinola	2,382
	Santa Catalina	1,744

8. Darien	* La Palma	(22,900)
Darien	Garachiné	1,436
	Jaqué	1,347
	Yaviza	1,723
	Tucutí	565
	Boca de Cupe	442
9. Colon	* Narganá	(19,360)
Colon - San Blas	Mulatupo	1,553
	Playón Grande	1,343
	Alegandí	1,486
	Sasardí	1,737
	Ustupo	2,000

\* - Headquarters where mobile units will be principally garaged.

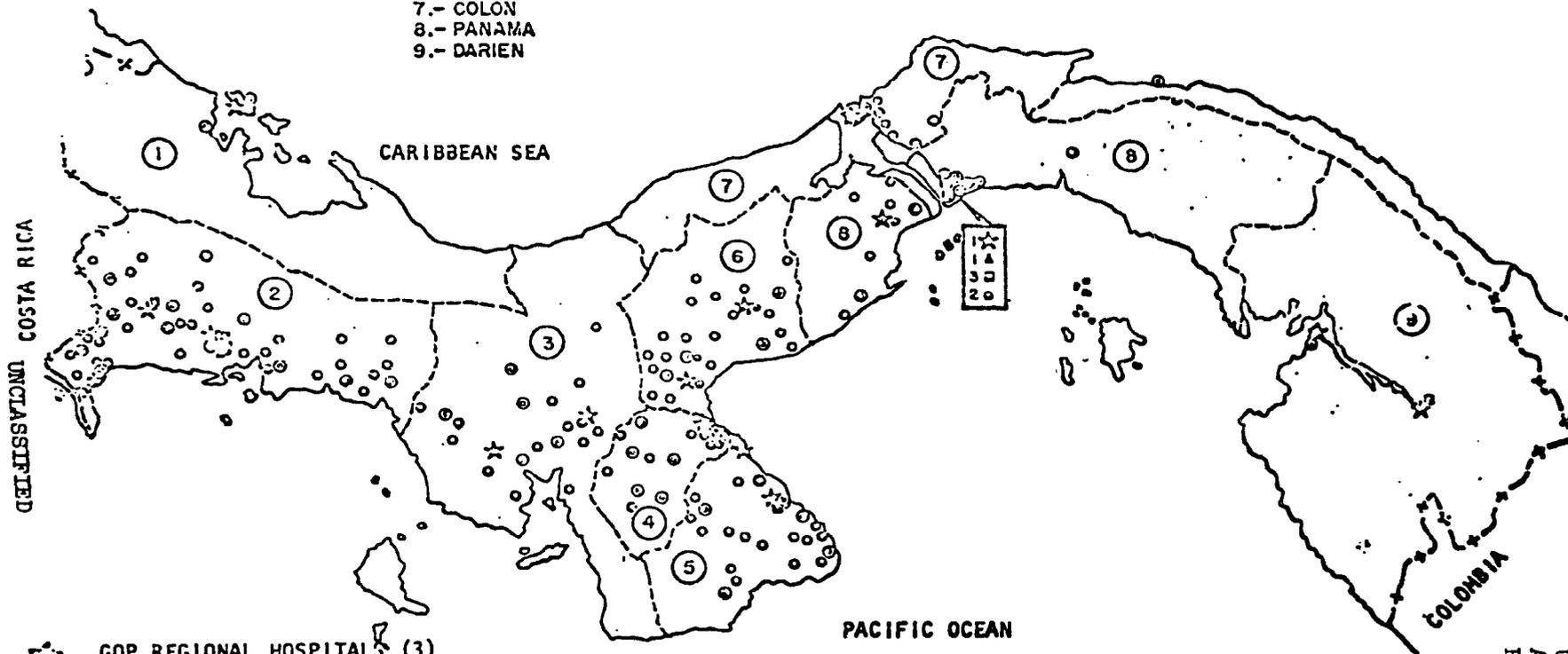
BIRTHS AND DEATHS OF THE POPULATION OF  
THE REPUBLIC BY AREA AND CITIES OF PANAMA AND COLON:  
YEARS 1962 TO 1966 (1)

RESIDENCE AND YEAR (2)	Births (Born alive)		D E A T H S					
			General (3)		Children (less than 1 year old (3))		Mothers (4)	
	Total	Rate per 1,000 Inhabitants	Total	Rate per 1,000 Inhabitants	Total	Rate per 1,000 born alive	Total	Rate per 1,000 born alive
<b>REPUBLIC:</b>								
1966 (5) .....	49,405	39.8	9,115	7.3	2,241	45.4	65	1.3
1965 .....	47,351	39.4	8,739	7.3	2,116	44.7	74	1.6
1964 .....	46,516	39.9	8,558	7.3	1,934	42.6	75	1.6
1963 .....	45,847	40.5	9,004	8.0	2,180	47.5	79	1.7
1962 .....	45,228	41.1	7,947	7.2	1,925	42.6	81	1.8
<b>Urban:</b>								
1966 (5) .....	20,183	34.8	3,418	5.9	735	36.4	7	0.3
1965 .....	19,509	35.2	3,336	6.0	708	36.3	13	0.7
1964 .....	18,925	36.5	3,118	6.0	678	35.8	17	0.9
1963 .....	18,783	37.6	3,212	6.4	677	36.0	11	0.6
1962 .....	18,092	37.8	3,108	6.5	724	40.0	22	1.2
<b>Rural:</b>								
1966 (5) .....	29,222	44.2	5,697	8.6	1,506	51.5	58	2.0
1965 .....	27,842	43.0	5,403	8.4	1,408	50.6	61	2.2
1964 .....	27,591	42.6	5,420	8.4	1,306	47.3	58	2.1
1963 .....	27,004	42.7	5,792	9.1	1,503	55.5	68	2.5
1962 .....	27,136	43.7	4,839	7.8	1,201	44.2	59	2.2

- (1) Rates are based on population estimates up to 1<sup>st</sup> July of the respective year. It excludes alive births and deaths of residents who are purely indigenous, except for the Provinces of Bocas del Toro and Darien.
- (2) Births according to residence of the mother and deaths according to ~~country of~~ residence of the deceased.
- (3) Excludes fetal deaths. (4) Deaths due to complications during pregnancy, parturition and puerperal status.
- (5) Preliminary figures.

PROVINCES

- 1.- BOGAS DEL TORO
- 2.- CHIRIQUI
- 3.- VERAGUAS
- 4.- HERRERA
- 5.- LOS SANTOS
- 6.- COCLE
- 7.- COLON
- 8.- PANAMA
- 9.- DARIEN



UNCLASSIFIED  
COSTA RICA

COLONIA

- GOP REGIONAL HOSPITALS (3)
- Social Security Hospitals (1)
- GOP Integrated Health Centers; Private Clinics.
- GOP Health Centers with beds
- GOP Health Sub-Centers and Posts without beds served by Auxiliary Personnel

REPUBLIC OF PANAMA

PANAMA

LOCAL HEALTH UNITS, INCLUDING HOSPITALS, BY PROVINCE

Province	Hospitals <sup>a/</sup>				Other Health Units <sup>a/</sup>					Total Local Health Units
	MTPSSP <sup>b/</sup>	Social Security	Private Clinics	Total	MTPSSP <sup>b/</sup>		Poli-clinics Social Security	Private	Total	
					Health Centers	Auxiliary Health Centers				
Bocas del Toro .....	1	-	1	2	2	-	-	-	2	4
Chiriquí .....	2	-	4	6	13	28	2	-	43	49
Veraguas .....	2	-	-	2	5	13	1	-	19	21
Herrera .....	1	-	2	3	5	7	1	3	16	19
Los Santos .....	2	-	1	3	5	15	1	-	21	24
Coclé .....	2	-	-	2	4	18	3	-	25	27
Colón .....	1	-	-	1	2	5	1	-	8	9
Panamá .....	2	1	3	6	10	5	1	2	18	24
Darién .....	2	-	1	3	1	-	-	-	1	4
Total .....	15	1	12	28	47	91	10	5	153	181

<sup>a/</sup> Data obtained from the "Plan Nacional de Salud Pública, Ministerio de Trabajo, Previsión Social y Salud Pública"

<sup>b/</sup> "Ministerio de Trabajo, Previsión Social y Salud Pública."

PANAMA  
 NUMBER OF LOCAL HEALTH UNITS (INCLUDING HOSPITALS)  
 PER 10.000 INHABITANTS AND PER 2.500 Km<sup>2</sup>, BY PROVINCE

Province	Total Local Health Units	Population (estimated) 1960	No. of Inhabitants per Local Health Unit	Local Health Units per 10.000 Inhabitants	Area (Km <sup>2</sup> ) <sup>a/</sup>	Km <sup>2</sup> per Local Health Unit	Local Health Units per 2,500 Km <sup>2</sup>	Inhabitants per Km <sup>2</sup>
Bocas del Toro .....	4	32.600	8.150	1.2	8.917	2.037	2.2	3.6
Chiriquí .....	49	188.350	3.844	2.6	8.758	179	14.0	21.5
Veraguas .....	7	131.685	6.271	1.6	11.086	528	4.7	11.9
Herrera .....	19	61.072	3.246	3.1	2.427	128	19.6	25.4
Los Santos .....	24	70.554	2.940	3.4	3.867	161	15.5	18.2
Coclé .....	27	93.156	3.450	2.9	5.035	186	13.4	18.5
Colón .....	9	105.416	11.713	0.8	7.465	829	3.0	14.1
Panamá .....	24	372.393	15.516	0.6	11.292	470	5.3	33.0
Darién .....	4	19.715	4.929	2.0	16.803	4.201	0.6	1.2
Total .....	181	1.075.541	4.929	1.7	75.650	418	6.0	14.2

<sup>a/</sup>According to the Sixth Census of Population, and the Second of Habitation, "Dirección de Estadística y Censo", September 1963

ANNEX I: CAPACITY, MEDICAL AND NURSING PERSONNEL OF THE GENERAL  
AND SPECIALIZED HOSPITALS OF THE REPUBLIC  
November 1962 to 1966

Year and Type of Hospital	Beds (1)	Percentage of beds oc- cupied (2)	Daily Average of Patients	Doctors (3)	Nurses	Practical Nur- ses and Aids
<b>TOTAL:</b>						
1966 (4).....	4,236	92.4	3,918	403	620	1,218
1965.....	4,434	91.5	4,062	373	612	1,213
1964.....	4,304	89.6	3,862	423	586	1,139
1963.....	4,364	84.0	3,676	420	604	1,035
1962.....	4,358	87.5	3,812	377	615	979
<b>General:</b>						
<b>Official:</b>						
1966 (4).....	2,257	69.5	1,571	317	454	726
1965.....	2,310	71.8	1,660	280	433	693
1964.....	2,226	69.2	1,547	302	388	659
1963.....	2,218	65.0	1,438	296	400	686
1962.....	2,236	69.4	1,551	270	421	649
<b>Private:</b>						
1966 (4).....	521	47.1	246	29	55	115
1965.....	598	43.1	260	42	72	137
1964.....	574	36.5	210	78	85	120
1963.....	587	32.0	200	78	98	127
1962.....	536	33.0	177	66	83	124
<b>Specialized (5):</b>						
1966 (4).....	1,458	144.1	2,101	57	111	377
1965.....	1,526	140.4	2,142	51	107	383
1964.....	1,504	140.0	2,105	43	113	360
1963.....	1,559	130.8	2,038	46	106	222
1962.....	1,536	131.4	2,084	41	111	206

- (1) Includes cribs of new born babies. (2) Percentage calculated on the basis of total patient-days.  
(3) Doctors who were reported as on duty at the hospital during the month of inquiry for the respective year.  
(4) Preliminary figures. (5) Only refers to official hospitals since there is no private specialized hospital in the country.

CHART 10: BEDS IN HOSPITALS OF THE RÉPUBLIC BY  
PROVINCE AND CITIES OF PANAMA AND COLON: NOVEMBER 1962 TO 1966 (1)

Province and City	1966 (2)		1965		1964		1963		1962	
	Total	Per every 1,000 In- habitants								
TOTAL.....	<u>4,236</u>	<u>3.5</u>	<u>4,434</u>	<u>3.8</u>	<u>4,304</u>	<u>3.8</u>	<u>4,364</u>	<u>3.9</u>	<u>4,358</u>	<u>4.0</u>
Bocas del Toro.....	196	7.6	192	7.8	192	8.2	198	8.7	198	9.1
Coclé.....	174	1.6	173	1.6	171	1.7	161	1.6	176	1.8
Colón (3).....	161	1.7	210	2.2	230	2.5	234	2.6	234	2.6
Ciudad de Colón.	161	2.5	210	3.3	230	3.7	234	3.8	234	3.8
Chiriquí.....	424	2.1	431	2.2	419	2.2	443	2.4	378	2.1
Darién.....	54	3.2	53	3.3	44	2.8	50	3.2	46	3.1
Herrera.....	105	1.5	115	1.7	109	1.6	102	1.5	101	1.5
Los Santos.....	181	2.3	185	2.4	171	2.3	172	2.3	174	2.3
Panamá.....	2,800	5.9	2,935	6.4	2,839	6.5	2,860	6.9	2,927	7.3
Ciudad de Panamá	2,477	7.2	2,620	7.9	2,519	8.0	2,540	8.3	2,605	8.9
Veraguas.....	141	1.0	140	1.0	129	0.9	144	1.0	124	0.9

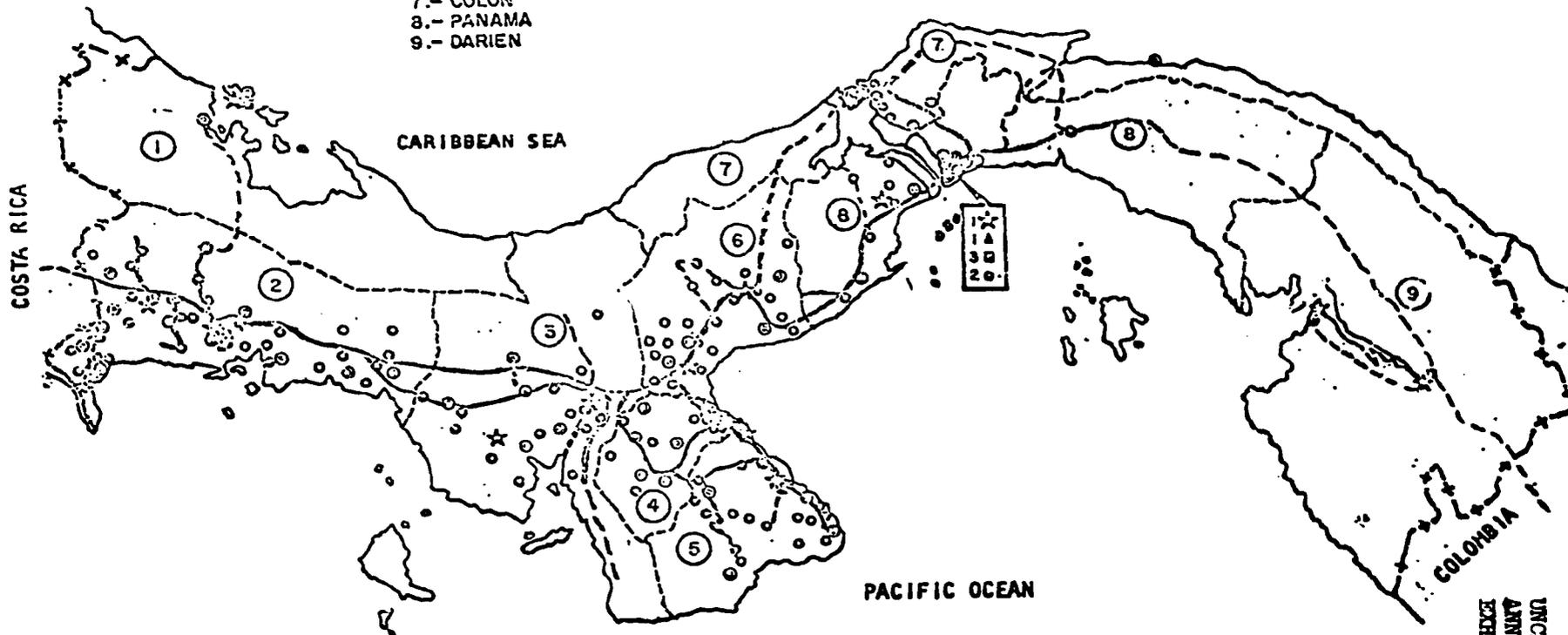
(1) Includes cribs of new born babies. The proportion of beds per every 1,000 inhabitants has been calculated on the basis of the population ~~estimated~~ estimated up to 1<sup>st</sup> July of the respective year.

(2) Preliminary figures.

(3) Includes the respective city.

Provinces

- 1.- SOCAS DEL TORO
- 2.- CHIRIQUI
- 3.- VERAGUAS
- 4.- HERRERA
- 5.- LOS SANTOS
- 6.- COCLE
- 7.- COLON
- 8.- PANAMA
- 9.- DARIEN



——— - Paved Roads - Completed  
- - - - - Roads - Planned

REPUBLIC OF PANAMA

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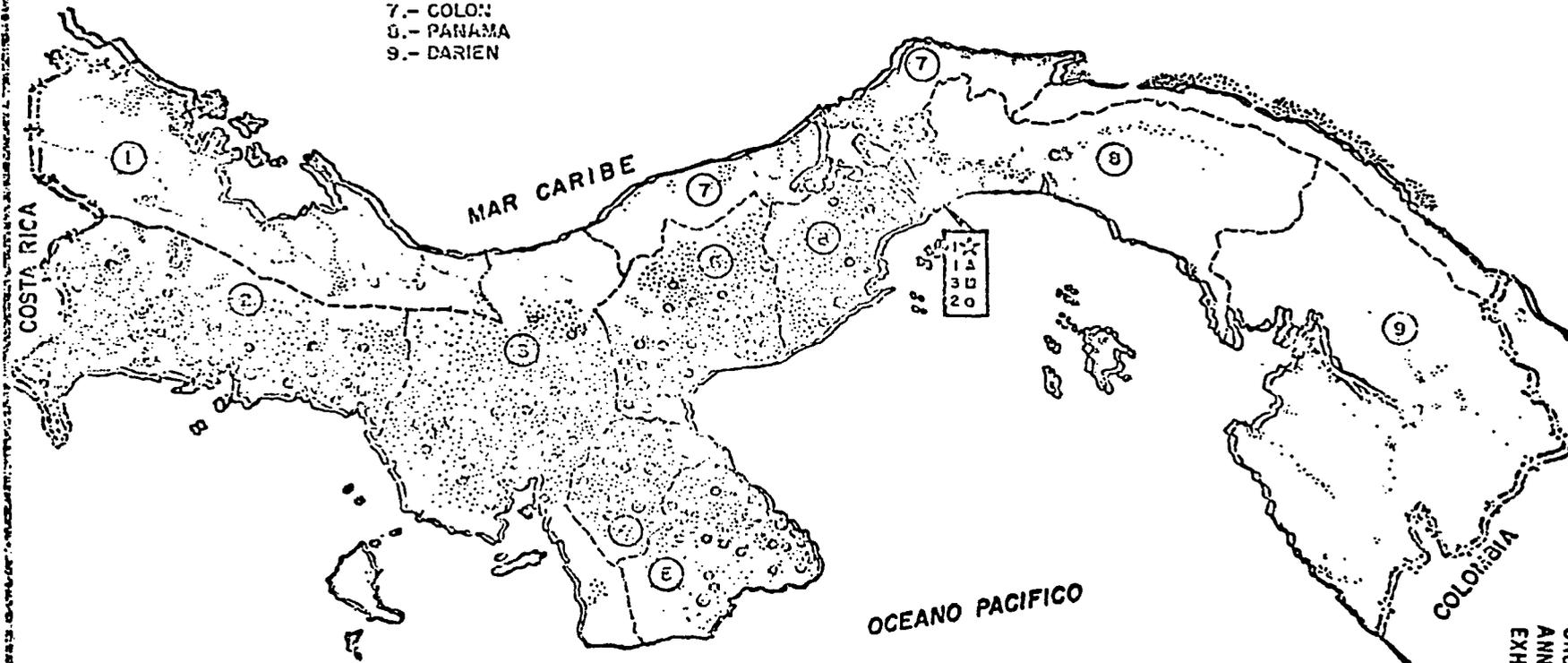
KILOMETERS OF ROADS, ACCORDING TO TYPE OF ROAD SURFACE IN THE REPUBLIC, BY PROVINCE:  
31 DECEMBER 1966 (1)

Province	Total 1966	Concrete 1966	Asphalt 1966	Gravel 1966	Dirt 1966
Total.....	<u>6,634</u>	<u>,590</u>	<u>765</u>	<u>1,171</u>	<u>4,108</u>
Bocas del Toro.....	41	0	0	9	32
Coclé.....	1,068	(2) 106	57	166	739
Colón.....	280	56	32	123	69
Chiriquí.....	1,480	141	129	279	931
Darién.....	14	0	0	2	12
Herrera.....	850	10	133	70	637
Los Santos.....	1,120	0	165	122	833
Panamá.....	890	195	115	240	340
Veraguas.....	891	82	134	160	515

(1) Includes 97 kms. of roads which are located within the perimeter of the Cana Zone.  
(2) Corrected distance based on the longitude of sections in the Interamerican Highway.

Source: Departamento de Caminos, Aeropuertos y Muelles del Ministerio de Obras Públicas.

- 1.- BOCAS DEL TORO
- 2.- CHIRIQUI
- 3.- VERAGUAS
- 4.- HERRERA
- 5.- LOS SANTOS
- 6.- COCLE
- 7.- COLON
- 8.- PANAMA
- 9.- DARIEN



1	2
3	4
5	6
7	8
9	0

PANAMA.

One dot represents 100 inhabitants \*

\* Based on the 50 National Census of Pop. 1960

POPULATION OF THE REPUBLIC, BY PROVINCE AND DISTRICT: YEAR 1966

Up to July 1<sup>st</sup>

Province and District	Area in km <sup>2</sup>	Population	1 9 6 6 Inhabitants per
Total...	<u>75,650</u>	<u>1,286,700</u>	<u>17.0</u>
Bocas del Toro.....	<u>8,917</u>	<u>39,300</u>	<u>4.4</u>
Bastimentos.....	2,293	5,770	2.5
Bocas del Toro.....	4,316	23,830	5.5
Chiriquí Grande....	2,308	9,700	4.2
Coclé.....	<u>5,035</u>	<u>108,700</u>	<u>21.0</u>
Aguadulce.....	477	17,700	37.1
Antón.....	722	23,150	32.1
Natá.....	662	11,100	16.8
Olá.....	382	4,860	12.7
Penonomé.....	1,704	36,370	21.3
La Pintada.....	1,088	15,520	14.3
Colón.....	<u>7,465</u>	<u>115,000</u>	<u>15.4</u>
Colón.....	690	82,030	118.9
Chagres.....	452	5,290	11.7
Donoso.....	1,810	3,930	2.2
Portobelo.....	518	1,980	3.8
Santa Isabel.....	789	2,410	3.0
Comarca de San Blas	3,206	19,360	6.0
Chiriquí.....	<u>8,758</u>	<u>226,200</u>	<u>25.8</u>
Alanje.....	488	8,380	17.2
Barú.....	771	44,730	58.0
Boquerón.....	319	6,290	19.7
Boquete.....	514	13,010	25.3
Bugaba.....	1,229	45,170	36.8
David.....	931	48,350	51.9
Dolega.....	254	8,760	34.5
Gualaca.....	592	6,310	10.6
Remedios.....	388	5,160	13.3
San Félix.....	587	7,330	12.5
San Lorenzo.....	1,481	12,390	8.4
Tolé.....	1,204	20,320	16.9
Darién.....	<u>16,803</u>	<u>22,900</u>	<u>1.4</u>
Chepigana.....	8,931	14,810	1.6
Pinogana.....	7,872	8,090	1.0

POPULATION OF THE REPUBLIC, BY PROVINCE AND DISTRICT: YEAR 1966

Province and District	Area in km <sup>2</sup>	1966	
		Population	Inhabitants per km <sup>2</sup>
Up to July 1 <sup>st</sup> -Cont.-			
Herrera.....	<u>2,427</u>	<u>70,600</u>	<u>29.1</u>
Chitré.....	95	16,990	178.8
Las Minas.....	512	7,650	14.9
Ocú.....	636	14,770	23.2
Parita.....	373	7,420	19.9
Pesé.....	282	10,070	35.7
Los Pozos.....	377	8,640	22.9
Santa María.....	152	5,000	33.3
Los Santos.....	<u>3,867</u>	<u>77,800</u>	<u>20.1</u>
Guararé.....	220	8,000	36.4
Macaracas.....	488	11,520	23.6
Pedasí.....	388	5,730	14.8
Pocrí.....	294	5,900	20.1
Los Santos.....	425	15,710	37.0
Las Tablas.....	697	19,840	28.5
Tonosí.....	1,355	11,100	8.2
Panamá.....	<u>11,292</u>	<u>475,900</u>	<u>42.1</u>
Arraiján.....	147	14,520	98.8
Balboa.....	318	3,000	9.4
Capira.....	1,009	15,550	15.4
Chame.....	377	9,680	25.7
Chepo.....	5,312	7,310	1.4
Chimán.....	1,077	1,410	1.3
La Chorrera.....	675	34,620	51.3
Panamá.....	2,018	379,500	188.0
San Carlos.....	344	8,450	24.6
Taboga.....	15	1,860	124.0
Veraguas.....	<u>11,086</u>	<u>150,300</u>	<u>13.6</u>
Atalaya.....	159	4,500	28.3
Calobre.....	784	11,750	15.0
Cañazas.....	1,178	13,000	11.0
La Mesa.....	502	11,120	22.2
Montijo.....	2,091	12,630	6.0
Las Palmas.....	1,172	18,920	16.1
Río de Jesús.....	319	6,780	21.2
San Francisco.....	441	7,380	16.7
Santiago.....	1,025	33,190	32.4
Santa Fé.....	1,927	7,700	4.0
Soná.....	1,488	23,330	15.7

CHART No.3  
REPUBLIC OF PANAMA  
PERSONS EXAMINED, CONSULTATIONS PER PERSON,  
HOME VISITS, IMMUNIZATIONS, LABORATORY AND  
RADIOLOGIC EXAMINATIONS (\*)

1964

O C C A T I O N	OUTPATIENT CONSULTATIONS		HOME VISITS	IMMUNIZATIONS (*)	EXAMINATIONS	
	Persons Examined (8)	Consultations requested by persons			Laboratory (*)	X Ray (*)
Median	21 990.1	1.6	1 059.5	18 406.4	24 544.7	(**)
REPUBLIC	24 949.8	2.6	2 518.6	18 638.5	41 182.5	1 774.5
ORIENTAL REGION	21 053.8	3.9	3 940.5	12 557.4	51 418.2	604.7
Darien	20 186.8	2.3	92.6	1 504.8	5 083.7	-
Colon	18 999.0	1.6	566.6	9 188.3	2 126.5	-
Panama	19 101.4	5.4	5 123.5	9 618.5	69 051.0	955.2
La Chorrera	33 397.1	2.3	4 450.0	34 443.8	52 991.9	-
CENTRAL REGION	23 054.1	1.6	903.3	22 974.1	26 094.6	2 833.4
Penonome	28 697.8	1.8	80.2	44 626	28 034.7	3 501.7
Aguadulce	22 913.4	1.2	193.0	16 246.0	37 053.2	-
Chitre	30 346.3	1.3	2 541.5	32 292.6	31 407.2	4 510.1
Los Santos	44 429.9	1.3	1 496.3	25 165.5	21 054.6	1 587.9
Las Tablas	23 090.1	1.4	2 554.2	18 466.4	25 390.7	3 492.9
Santiago	13 631.6	2.7	14.0	14 663.3	28 881.5	3 911.1
Sona	8 918.9	1.4	0.0	6 649.5	3 427.7	-
OCCIDENTAL REGION	36 830.8	1.7	1 790.9	25 793.9	41 359.4	2 798.7
San Felix	21 066.8	1.6	2 839.0	18 346.4	4.5	-
David	79 442.2	1.6	1 707.9	28 796.4	124 426.4	9 802.5
Bugaba	37 563.3	1.8	3 079.1	42 442.5	20 067.5	-
Baru	20 804.8	1.2	622.8	26 588.9	8 158.0	-
Bocas del Toro	5 472.2	5.4	0.0	218.6	-	-

(\*) Per 100,000 inhabitants

(\*\*) Median not determined

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EXHIBIT F - PUMAR ESTIMATED BUDGET

<u>F I R S T Y E A R</u>		
<u>I T E M S</u>	<u>G O P</u>	<u>A I D</u>
<u>PERSONNEL SERVICES</u> (1)	<u>122,600</u>	
Physicians	40,200	
Nurses	21,000	
10 Chauffeurs	11,220	
3 Pilots	5,400	
3 Pilots (Asst.)	2,700	
Sanitary Inspectors	11,970	
Storehouse Employee	1,800	
Secretarial Services	360	
Supervisors, Chiefs, local and regional areas	6,500	
Public Health Specialists (Part-time) (est. 6,000 man-hours at \$3/hour) (2)	18,000	
Travel and Per Diem	3,450	
<u>GENERAL SERVICES</u>	<u>11,500</u>	
Operational Costs (Gasoline, Oil, General Maintenance & Repairs (including spare parts)	4,500	
Office (Supplies, material, com- munications)	6,000	
	1,000	
<u>COMMODITIES</u>	<u>35,900</u>	<u>212,000</u>
Medicines and Drugs	33,900	110,000
Medical Supplies (other)	2,000	2,000
10 Ambulances (Jeep-type) (\$4,000 each)		40,000
Boats		30,000
Surcharges (Handling, shipping, etc.)		30,000
<u>CONTINGENCIES</u>	<u>5,000</u>	<u>3,000</u>
Sub Total	<u>175,000</u>	<u>215,000</u>
<u>COMMUNITY PARTICIPATION</u>	<u>50,000</u>	
TOTAL	<u>225,000</u>	<u>215,000</u>

(1) Personnel services are estimated on the basis of actual man-hours of work performed and not on specific positions.

(2) From local resources.

EXHIBIT F - PUMAR ESTIMATED BUDGET

S E C O N D   Y E A R

<u>I T E M S</u>	<u>G O P</u>	<u>A I D</u>
<u>PERSONNEL SERVICES (1)</u>	<u>122,600</u>	
Physicians	40,200	
Nurses	21,000	
10 Chauffeurs	11,220	
3 Pilots	5,400	
3 Pilots (Asst.)	2,700	
Sanitary Inspectors	11,970	
Storehouse Employee	1,800	
Secretarial Services	360	
Supervisors, Chiefs, local and regional areas	6,500	
Public Health Specialists (Part-time) (est. 6,000 man-hours at \$3/hour) (2)	18,000	
Travel and Per Diem	3,450	
<u>GENERAL SERVICES</u>	<u>18,500</u>	
Operational Costs (Gasoline, Oil)	6,500	
General Maintenance & Repairs (including spare parts)	11,000	
Office (Supplies, material, com- munications)	1,000	
<u>COMMODITIES</u>	<u>33,900</u>	<u>156,000</u>
Medicines and Drugs	33,900	110,000
Medical Supplies (Other)		1,000
2 Boats		30,000
Surcharges (Handling, shipping, etc.)		15,000
<u>CONTINGENCIES</u>	<u>5,000</u>	<u>3,000</u>
Sub Total	<u>190,000</u>	<u>159,000</u>
<u>COMMUNITY PARTICIPATION</u>	<u>50,000</u>	
TOTAL	<u>230,000</u>	<u>159,000</u>
Total from Page 1	<u>225,000</u>	<u>215,000</u>
	<u>455,000</u>	<u>374,000</u>

- (1) Personnel services are estimated on the basis of actual man-hours of work performed and not on specific positions.  
(2) From local resources.

EXHIBIT F -- PUMAR ESTIMATED BUDGET

THIRD YEAR

<u>I T E M S</u>	<u>G O P</u>	<u>A I D</u>
<u>PERSONNEL SERVICES (1)</u>	<u>122,600</u>	
Physicians	40,200	
Nurses	21,000	
10 Chauffeurs	11,220	
3 Pilots	5,400	
3 Pilots (Asst.)	2,700	
Sanitary Inspectors	11,970	
Storehouse Employee	1,800	
Secretarial Services	360	
Supervisors, Chiefs, local and regional areas	6,500	
Public Health Specialists (Part-time) (est. 6,000 man-hours at \$3/hour) (2)	18,000	
Travel and Per Diem	3,450	
<u>GENERAL SERVICES</u>	<u>18,500</u>	
Operational Costs (Gasoline, Oil)	6,500	
General Maintenance & Repairs	11,000	
Office (Supplies, material, Com- munications)	1,000	
<u>COMMODITIES</u>	<u>33,900</u>	<u>122,000</u>
Medicines and Drugs	33,900	110,000
Medical Supplies (Other)		1,000
Surcharges (handling, shipping, etc.)		11,000
<u>CONTINGENCIES</u>	<u>10,000</u>	<u>4,000</u>
Sub Total	<u>185,000</u>	<u>126,000</u>
<u>COMMUNITY PARTICIPATION</u>	50,000	
TOTAL	<u>235,000</u>	<u>126,000</u>
Total from Pages 1 and 2	<u>455,000</u> <u>690,000</u>	<u>374,000</u> <u>500,000</u>

- (1) Personnel services are estimated on the basis of actual man-hours of work performed and not on specific positions.  
 (2) From local resources.

LIST OF DRUGS & MEDICAL SUPPLIES FOR THE RURAL MOBILE  
HEALTH PROGRAM (12 CIRCUITS) FOR A YEAR

1.- Expecto-rant-syrup, with <sup>Codaine</sup> Iodine in 1-gal btls.	100 gals	8.30	830.00
2.- Expecto-rant syrup, plain in 1- gal. btls	100 gals	9.90	1,485.00
3.- Kapectate with Meemicin, 1 gal jars.	100 gals	1.90	285.00
4.- Chloramphenicol Palmitate Oral Suspension (chloramycetin) 60 c.c. bottle	2000 bot.	2.10	4,200.00
5.- Chloramphenicol caps. U.S.P 250 mgs. in bot. of 100 caps.	200 bot	11.35	2,270.00
6.- Chloramphenicol caps.U.S.P. 100 mgs in bot of 100 caps	200 bot	4.70	940.00
7.- Sulfamethoxyypyridozine 5 mg. tabs. U.S.P. 1000 tabs. per jar.	250 bot	3.14	785.00
8.- Zinc <sup>Vitadonin Acid (Purified)</sup> oxide ointment, 9 ounce tubes (Purified)	2000 tubes	0.55	1,100.00
9.- Ferrous sulphate, 5 grs, bottle of 1000 tablets eap entericoated	500 bot	3.14	1,570.00
10.- Ferrous sulphate Elixir, Feosol, 12 oz. bottles.	1000 bot	1.11	1,110.00
11.- A.P.C. bot. of 1000 compound	500 bot	2.80	1,400.00
12.- Piperazine phosphate, liquid 1 gal- bottles	300 gals	4.65	1,395.00
13.- Calamine lotion, bot of 1/2 gal	100 bot	3.00	300.00
14.- Doxnatal Elixir, 1 gal. bot.	150 bot	4.40	660.00
15.- Sutesin Picrate with methogen, jars of lb. ea.	50 jars	2.00	100.00
16.- Ophthalmic ointment w/polymyxin B sulfate (Tetracyclin) 1/8 oz. tube or similar	600 tubes	0.45	270.00
17.- Benzetacil, immediate and sustained penicillin, dry powder in one-dose vial, each dose to contain:	6000 amp.	0.504	3,024.00.,
Benzathine Penicillin 6-300,000 units.			

Procain Penicillin 3-300,000 units			
Potassium Penicillin 3-300,000 units			
18.- Tetracycline hydrochloride 250 mg. U.S.P. 100 caps per bottle (Pammycin) or similar	200 bot.	15.00	3,000.00
19.- Tetracycline hydrochloride (Pammycin) syrup 125 mg. per 5 c.c. 60 c.c. bot.	200 bot	1.50	300.00
20.- Acetone, 1-gallon bottles	24 gals	2.00	48.00
21.- Small pox vaccine aluminum precipitated capillary tubes, tubes of 10 e.a.	3,000 tubes	0.365	1,095.00
22.- Diphtheria and Tetanus toxoids and pertussis vaccine combined aluminum phosphate absorbed, 7 1/2 c.c. vials, packed in individual cardboard boxes	8,500 vials	0.355	2,550.00
23.- Measles vaccine, Hirungen-Schwarz type with syringe and detachable needles in vials.	30,000 vials	1.56	46,800.00
24.- Thermos Jug, 1 gal. unbreakable liner, rust proof base, wide mouth	12	5.00	60.00
25.- Canned Refrigerant, Jerrywil's iceberger, 1- pint-size	24 cans	0.30	7.20
26.- stethoscopes	24	2.75	66.00
27.- Sphygmomanometer, aneroid	24	16.00	384.00
28.- Ophthalmoscope/otoscope set	12	95.00	1,140.00
29.- Hammer, reflex, percussion large	12	1.20	12.00
30.- Thermometers clinical, centigrade oral	12 doz	5.68	68.16
31.- Thermometers, clinical, centigrade rectal	12 doz	5.68	68.16
32.- Liquid detergent (lavacol) or similar 1-gal	50 gals	2.25	112.50
33.- Cotton Rolls (1 lb)	200 lb	1.00	200.00
34.- Tongue depressors (box of 500)	100	0.75	75.00

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EXHIBIT 9, Page 3 of 3

35.-	Syringes disposals 2.5. cc	10,000	0.0548	548.60
36.-	Syringes disposals 5. c.c.	200,000	0.0875	875.00
37.-	Syringes disposals 10 c.c.	12,000	0.1013	1215.60
38.-	Rubraton Elixir or similar tonic, in 1-gal jars	150	20.00	3,000.00
39.-	Infantile aspirin, bottle of 500 ea.	150	.81	121.50
40.-	Antireumatic or antiphlogistic (Robaxin) or similar	48 bot.	54.00	2,592.00
41.-	Hexylresorcinol (adults) bottle of 500 ea.	150 bot	33.00	4,950.00
42.-	Hexylresorcinol (childrens) bottle of 500 ea.	150 bot	22.95	3,442.50
43.	Tetanus Antitoxin, 1500 units per vial, package of 50 vials	12 pck	21.12	253.44
44.	Neo-synephrine 0.25 % bottle of 102.	600	0.50	300.00
45.	Multi-Vitamins with minerals, tabs., 5000 by bottle (Abdol or similar)	100	45.00	4,500.00
				<hr/>
		Total	\$	108,954.18
		10% surcharge		<hr/> 10,895.41
		GRANDTOTAL ANNUALLY	\$	119,849.59

UNCLASSIFIED

## SPECIFICATIONS FOR VEHICLES

The vehicles to be purchased must fill the following requirements:

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- 10 - Jeep type utility ambulances -  
Double differential and double power, 6 cylinder  
4500 lbs: net weight  
Propeller Shaft 48S:1  
Lubrication system: 5-qt. capacity, 35 lbs. normal oil  
pressure at 1700 rpm's  
Machine: 6 cylinders, L-Head, Displacement - 226.2 cu.ft.  
Maximum horse power - 115 at 3650 rpm's  
Taxable horsepower - 26.33  
Compression rate 6.86:1 (7:3:1 optional)  
Gasoline tank: 15 gallons capacity, feeder line 5/16",  
tank filter, security cap with ventilation.  
Clutch: Pressure plate complete 100.5 square feet  
Body: all metal, 100 cu. ft. capacity  
Brakes: 4-wheel, hydraulic, internal expansion  
Motor Mount: Rubber-based, balanced, 4-point suspension  
2 at the front and 2 at the rear of the transmission.  
Battery: 15 plates, 6 volts, 100 amp-hr. capacity  
Cooling System: Radiator with 11 Quart capacity, & 7 lbs.  
pressure.  
Tires: 700 x 15, 4 - 6" ply  
Springs: Front and rear, semi-elliptical, leaf type  
Additional Equipment: case for stretchers, 2 cases for first  
aid equipment, siren, axle and axle mounting, fire extinguisher,  
seats for field personnel (fold down if preferable), jack and  
lug wrench for changing tires. Tool case.

CHART 1. ECONOMIC AND SOCIAL INDICATORS OF  
THE REPUBLIC: YEARS 1962 TO 1966

Detail	Absolute Figures					Index: 1960=100			
	1966	1965	1964	1963	1962	1966	1965	1964	1963
<b>Demography (thousand of persons):</b>									
Total Population.....	1,286.7	1,245.9	1,205.1	1,167.3	1,129.7	121.2	117.4	113.5	110.0
Economically active population.....	406.1	392.8	379.4	367.0	354.8	122.1	118.1	114.1	110.4
Live Births..... (1)	49.4	47.4	46.5	45.8	45.2	119.0	114.2	112.0	110.4
Deaths..... (1)	9.1	8.7	8.5	9.0	7.9	107.0	102.4	100.0	105.9
Deaths of less than 1 year of age..... (1)	2.2	2.1	2.0	2.2	1.9	91.7	87.5	83.3	91.7
Rate of birth (for every 1,00 inhabitants) (1)	39.8	39.4	39.9	40.5	41.1	97.1	96.1	97.5	98.8
Rate of mortality for every 1,000 inhabitants (1)	7.3	7.3	7.3	8.0	7.2	86.9	86.9	86.9	95.2
Rate of natural growth for every 1,000 inhabitants..... (1)	32.5	32.1	32.6	32.5	33.9	99.7	98.5	100.7	99.7
<b>Social Assistance (number)</b>									
Hospital and Health Centers.....	75	74	77	69	71	123.0	121.3	126.2	113.1
Hospitals.....	20	21	22	22	22	105.3	110.5	115.8	115.8
Hospital Clinics.....	6	6	6	6	6	85.7	85.7	85.7	85.7
Health Centers..... (2)	49	47	49	41	43	140.0	134.3	140.0	117.1
Doctors in service..... (1)	645	586	534	492	462	160.8	146.1	133.2	122.7
Nurses working in Government institutions..... (1)	872	800	790	775	753	134.8	123.6	122.1	119.8
Hospital beds.....	4,242	4,434	4,304	4,364	4,358	97.7	102.2	99.2	100.6

(1) Preliminary figures  
(2) Includes Mobile Units

ANNEX III - CURRICULUM VITAE

Director General of Public Health

██████████ has had a long career in the field of Public Health and for the past 5 years has been Director General of Public Health in Panama and Professor and Chief of the Department of Preventive Medicine at the University of Panama. ██████████ began his career in health by obtaining his degree in Pharmacy in 1936 from the National School of Pharmacy in Panama. He went on to receive his Master's degree in Public Health from the John Hopkins University in 1942 and later the degree of Doctor of Medicine from the University of Illinois in 1948.

Since 1942, ██████████ has held numerous positions in the teaching of Public Health, Hygiene and Bio-Statistics in Panama as well as serving in the Department of Public Health in various Administrative and Directorate positions, most notably being twice Director of Public Health, Director of the National Anti-tuberculosis Campaign, and Chief of Medical Services of the National Tuberculosis Hospital.

In addition to being a member and officer of numerous national and international medical associations, ██████████ has published widely in the fields of Public Health, diseases of the chest, and biostatistics in both national and international journals.

The following is a list which includes his professional accomplishments and experiences:

UNIVERSITY DEGREE AND SPECIALTY STUDIES:

- |                                 |                                      |           |
|---------------------------------|--------------------------------------|-----------|
| 1. Bachelor in Sciences         | - Instituto Nacional                 | Feb. 1931 |
| 2. Licenciata in Pharmacy       | - Escuela Nacional de Farmacia       | Feb. 1936 |
| 3. Diploma of Pre-Medicine      | - Universidad de Panamá              | Feb. 1941 |
| 4. Master in Public Health      | - John Hopkins University, Baltimore | June 1942 |
| 5. Doctor in Medicine & Surgery | - Illinois University, Chicago       | June 1948 |

POSITIONS HELD IN THE EDUCATION FIELD:

- |  |  |                 |
|--|--|-----------------|
| 1. Hygiene Professor   | - Instituto Nacional                                     | 1942-1944       |
| 2. Bio-Statistics Professor                                    | - Facultad de Ciencias Médicas - Universidad de Panamá   | 1944            |
| 3. Public Health Professor                                     | - Escuela de Servicio Social - Universidad de Panamá     | 1949-1950       |
| Assistant Professor for Preventive Medicine & Public Health    | - Escuela de Medicina Universidad de Panamá              | 1953-1957       |
| 5. Associate Professor for Preventive Medicine & Public Health | - Escuela de Medicina Universidad de Panamá              | 1953-1961       |
| 6. Professor of Preventive Medicine & Public Health            | - Escuela de Medicina Universidad de Panamá              | 1961 At present |
| 7. Secretary   | - Escuela de Medicina Universidad de Panamá (Ad-honorem) | 1958-1961       |

POSITIONS HELD BESIDES TEACHING:

- |  |   |                |
|--|---|----------------|
| 1. Chief of Bio-Statistics & Sanitary Education    | - Public Health Dept.   | 1942-1944      |
| 2. Representative of the Ministry of Public Health | - Panamerican Bureau of Sanitation - Vital Statistics & Epidemiology Com. | 1943-1944      |
| 3. Intern  | - Hospital Santo Tomás  | 1948-1949      |
| 4. Resident  | - Hospital Santo Tomás  | 1949-1951      |
| 5. Director  | - Hospital Ezequiel Abadía, Soná  | June-Aug. 1950 |

6. Chief of Section	- Dept. of Medicine Hospital Santo Tomás (Ad-honorem)	1951-1955
7. Director General	- Public Health Dept.	May 1951-Jan. 1953
8. Member (Vice-President)	- Technical Council of Public Health	May 1951-Jan. 1953 May 1963 At present
9. President of Counseling Boards	- Hospital Nicolas A. Solano, y Hospital Santo Tomás	May 1951-Jan. 1953
10. Chief of the Medical Services Department	- Hospital Nicolás A. Solano	1953-1958
11. Specialist (Tisiólogo) 3rd. and 2nd. category	- Social Security	1953-1958
12. Specialist, 1st. category	- Social Security	1958-1963
13. Director	- Campaña Nacional Anti- tuberculosa Min. Tra- bajo, Previsión Social y Salud Pública	1958-1963
14. Director General	- National Dept. of Public Health	1963 At present
15. <u>OTHER</u> : President	- National Committee of Nursing	1963 At present
Member	- Board of Directors Instituto de Acueductos y Alcantarillados Nal. (IDAAN)	1963 At present

IMPORTANT COMMISSIONS

1. Member	- Com. for the Organiza- tion of the School of Medicine, Universidad de Panamá	1950-1951
2. President	- Organizing Commission of the Seminar on Me- dical care administra- tion, sponsored by the American Hospital Asso- ciation, and member of the staff of professors	1962
3. Member	- National Commission on Vital Statistics & Health	1963

- |  |  |           |
|--|--|-----------|
| 4. Member                              | - Commission for the re-<br>building of the Medicine<br>Faculty into a Medical<br>Sciences Faculty | 1962-1963 |
| 5. Member of Counseling<br>Group       | - Commission for problems<br>related to the Panama<br>Canal  | 1964      |
| 6. Secretary                           | - Superior Council of<br>Public Health for<br>Centro America and Panama                            | 1965-1966 |
| 7. Vice-President                      | - Executive Committee of<br>the Panamerican Health<br>Organization                                 | 1965-1966 |
| 8. President                           | - Executive Committee of<br>the Panamerican Health<br>Organization                                 | 1966-1967 |
| 9. Member of the Board<br>of Directors | - World Health Organiza-<br>tion   | 1967      |

AD-HONOREM POSITIONS:

- |   |   |                                     |
|---|---|-------------------------------------|
| 1. Vice-President   | - National Medical Associa-<br>tion                             | 1953-1954                           |
| 2. President  | - Panamanian Phthisiology<br>Association                        | 1958-1960                           |
| 3. President  | - Panamanian Association<br>for Public Health                   | 1955-1957<br>1965-1966<br>1966-1967 |
| 4. Executive Secretary<br>& Vice-President<br>1st. Vice-President | - Organización Panameña<br>Antituberculosa<br>- (OPAT)          | 1952-1960<br>1960 At pre-<br>sent   |
| 5. President  | - Panamanian Chapter<br>American College of<br>Chest Physicians | 1960-1962                           |
| 6. Member   | - International Committee<br>of Chest Surgery A.C.C.P.          | 1959-1962                           |
| 7. Vice-President   | - Latin American Associa-<br>tion of Public Health              | 1966-1967                           |

[REDACTED]

National Director of PUMAR

[REDACTED]

[REDACTED] received his degree of Doctor of Medicine from the University of Panama in 1956. After taking his internship and residency in internal medicine in Panama, he studied preventive medicine and public health at the University of Panama and the School of Hygiene and Public Health in Sao Paulo, Brazil, receiving the degree of Master in Public Health from the latter institution in 1960. Since 1961, Dr. Garcia has held various executive and directive positions in the Department of Public Health in Panama:

Medical Director for the Public Health Service of the City of Panama.....	1961-62
Member of the Municipal Commission for Public Health.....	1961-62
Medical Director, Programa de Unidades Móviles en Areas Rurales (PUMAR).....	1963 at present
Assistant to the Inspector General of Public Health.....	1963-64
National Supervisor of Public Health..	1966 at present
Sub-Director General of Public Health.	1966 at present

In addition to holding membership to numerous national and international medical associations, Dr. Garcia has held a faculty appointment as assistant professor of public health and preventive medicine at the University of Panama School of Medicine since 1961.

PANAMA  
GROSS NATIONAL PRODUCT  
1960-1966

(IN MILLIONS OF DOLLARS - CURRENT MARKET PRICES)

<u>YEAR</u>	<u>GNP</u>	<u>PERCENT CHANGE</u>
1960	407.6	
1961	449.7	+ 10.3
1962	492.4	+ 9.5
1963	543.5	+ 10.4
1964	571.6	+ 5.2
1965	630.4	+ 10.3
1966	697.8	+ 10.7

Source: Dirección de Estadística y Censo

PANAMA  
Employment and Unemployment  
(In Thousands)

<u>Year</u>	<u>Economically <sup>1/</sup> Active</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Under- Employed</u>	<u>Percent Unemployed</u>	<u>Percent Under-Employed</u>
1960	346	313	33	N.A.	9.5	
1963	374	354	20	34	5.3	9.1
1964	377	352	25	34	6.6	9.0
1965	393	364	29	28	7.4	7.1
1965	404	384	20	34	4.9	8.4

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<sup>1/</sup> Defined as a person 10 years of age or more seeking employment.

N.A. - Not available.

Source: Dirección de Estadística y Censo, 1967.

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EXHIBIT 24, Page 1 of 2

PANAMA  
Employment and Unemployment

Metropolitan Area <sup>1/</sup>  
(In Thousands)

<u>Year</u>	<u>Economically <sup>2/</sup> Active</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Under- Employed</u>	<u>Percent Unemployed</u>	<u>Percent Under-Employed</u>
1960	158	135	23	N.A.	14.5	--
1963	170	153	17	25	10.0	14.7
1964	174	155	19	25	10.9	14.4
1965	185	162	23	21	12.4	11.3
1966	193	177	16	25	8.3	12.9

<sup>1/</sup> The Metropolitan Area is comprised of the districts of Arraijan, Capira, La Chorrera, Panama and part of Cheop, in the Province of Panama; and Colon, Chagres, Portobelo and Santa Isabel in the Province of Colon.

<sup>2/</sup> Defined as a person 10 years of age or more seeking employment.

N.A. - Not available.

Source: Dirección de Estadística y Censo, 1967.

P A N A M A  
G R O S S I N V E S T M E N T & D O M E S T I C S A V I N G S  
1960 - 1966 <sup>a/</sup>  
(M I L L I O N S O F D O L L A R S)

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
Private Sector Total (of which fixed)	56.4 (49.4)	67.1 (58.7)	72.2 (61.3)	80.7 (69.6)	74.6 (62.3)	91.0 (78.0)	135.1 (121.6)
Public Sector Total (of which fixed)	11.4 (12.0)	21.3 (21.7)	25.1 (24.2)	27.8 (27.0)	26.2 (25.5)	23.1 (22.1)	20.1 (20.5)
Grand Total (of which fixed)	67.8 (61.4)	88.4 (80.4)	97.3 (85.5)	108.5 (96.6)	100.8 (87.8)	114.1 (100.1)	155.2 (142.1)
Gross Investment As % of GNP (PANAMA)	16.6	19.7	19.8	20.0	17.6	18.1	22.2
Gross Investment As % of GNP (18 Latin American Republics)	18.5	19.0	18.1	17.1	18.1	17.6	17.8
Savings (Domestic) As % of GNP (PANAMA)	8.9	13.9	15.4	15.1	14.2	14.0	17.4

<sup>a/</sup> Includes Gross fixed Investment plus change in Inventories

Sources: GOP National Income Accounts (Census & Statistics) and Latin American Economic Growth Trends (AID), October, 1967

PANAMA  
DOMESTIC REVENUES AND ORDINARY EXPENDITURES OF THE CENTRAL GOVERNMENT  
1960 - 1967  
( IN MILLIONS OF DOLLARS )

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u> <sup>a/</sup>
<b>ORDINARY REVENUES, TOTAL</b>	<u>58.0</u>	<u>62.9</u>	<u>67.6</u>	<u>69.1</u>	<u>75.6</u>	<u>86.5</u>	<u>100.3</u>	<u>112.7</u>
<b>Tax Revenues, Total</b>	<u>44.3</u>	<u>47.6</u>	<u>54.1</u>	<u>55.0</u>	<u>60.1</u>	<u>69.7</u>	<u>81.4</u>	<u>90.7</u>
Imports	19.4	20.7	21.5	18.2	17.3	19.6	21.3	24.0
Income & Profit	10.8	10.7	14.9	15.6	18.5	22.2	29.7	32.5
Property	2.7	3.3	3.5	3.7	3.9	4.3	4.4	4.5
Consumption	5.7	6.1	6.8	8.9	11.4	12.6	13.7	14.6
Other	5.7	6.8	7.4	8.6	9.0	11.0	12.3	15.1
<b>Non-Tax Revenues, Total</b>	<u>13.7</u>	<u>15.3</u>	<u>13.5</u>	<u>14.1</u>	<u>15.5</u>	<u>16.8</u>	<u>18.9</u>	<u>22.0</u>
Public Enterprises	5.2	6.5	6.9	7.8	8.7	10.0	11.2	13.3
Other	8.5	8.8	6.6	6.3	6.8	6.8	7.7	8.7
<b>ORDINARY EXPENDITURES</b> <sup>b/</sup>	<u>63.7</u>	<u>66.5</u>	<u>67.3</u>	<u>77.2</u>	<u>80.8</u>	<u>86.2</u>	<u>98.4</u>	<u>113.6</u>
Personnel	34.9	36.0	36.0	40.2	42.6	45.2	58.8	62.3
Operation	28.3	29.3	27.6	32.3	33.7	36.4	37.4	43.8
Capital Outlay	0.5	1.2	3.7	4.7	4.5	4.6	2.2	7.5

<sup>a/</sup> USAID/P Estimates based on Preliminary Data

<sup>b/</sup> Excludes payments on Accrued Floating Debt

Source: Dirección de Estadística y Censo

PANAMA  
BALANCE OF PAYMENTS  
1960 - 1967  
(IN MILLION OF DOLLARS - CURRENT MARKET PRICES)

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u> <sup>a/</sup>	<u>1967</u> <sup>b/</sup>
<u>CURRENT TRANSACTIONS</u>	<u>- 33.7</u>	<u>- 27.6</u>	<u>- 22.7</u>	<u>- 25.0</u>	<u>- 15.0</u>	<u>- 22.0</u>	<u>- 26.4</u>	<u>- 30.4</u>
<u>A. GOODS &amp; SERVICES</u>	<u>- 34.4</u>	<u>- 31.6</u>	<u>- 22.6</u>	<u>- 25.2</u>	<u>- 15.2</u>	<u>- 25.9</u>	<u>- 28.3</u>	<u>- 32.9</u>
1. Exports	123.3	140.2	175.6	195.7	210.3	228.7	253.5	268.7
2. Imports	157.7	171.8	198.2	220.9	225.5	254.6	281.8	301.6
<u>B. TRANSFER PAYMENTS (Net)</u>	<u>2.7</u>	<u>4.0</u>	<u>- 0.1</u>	<u>0.2</u>	<u>0.2</u>	<u>3.9</u>	<u>1.9</u>	<u>2.5</u>
<u>II CAPITAL ACCOUNT</u>	<u>29.4</u>	<u>38.8</u>	<u>34.6</u>	<u>30.5</u>	<u>33.0</u>	<u>22.7</u>	<u>31.5</u>	<u>34.7</u>
<u>A. PRIVATE SECTOR (Net)</u>	<u>14.6</u>	<u>32.2</u>	<u>29.8</u>	<u>11.2</u>	<u>6.1</u>	<u>10.1</u>	<u>12.9</u>	<u>19.1</u>
1. Long-term (Net)	15.6	32.6	25.6	13.1	2.9	13.2	15.4	21.6
2. Short-term (Net)	- 1.0	- 0.4	4.2	- 1.9	3.2	- 3.1	- 2.5	- 2.5
<u>B. PUBLIC SECTOR</u>	<u>8.3</u>	<u>- 2.5</u>	<u>4.1</u>	<u>24.8</u>	<u>3.7</u>	<u>7.2</u>	<u>10.9</u>	<u>14.5</u>
1. Loan Disbursements	7.8	3.2	8.0	22.6	8.4	10.6	14.5	17.0
2. Loan Repayments	- 0.7	- 0.8	- 2.7	- 1.2	- 2.2	- 3.0	- 3.1	- 1.9
3. Other	1.2	- 4.9	- 1.2	3.4	- 2.5	- 0.4	- 0.5	- 0.6
<u>C. CHANGE IN MONETARY RESERVES</u>	<u>6.5</u>	<u>9.</u>	<u>0.7</u>	<u>- 5.5</u>	<u>23.2</u>	<u>5.4</u>	<u>7.7</u>	<u>1.1</u>
<u>III NET ERRORS &amp; OMISSIONS</u>	<u>4.3</u>	<u>- 11.2</u>	<u>- 11.9</u>	<u>- 5.5</u>	<u>- 18.0</u>	<u>- 0.7</u>	<u>- 5.1</u>	<u>- 4.3</u>

a/ Revised Estimates

b/ USAID/Panama Estimates

Source: Dirección de Estadística y Censo; USAID/Panama

PANAMA

EXPORTS OF GOODS AND SERVICES

1960 - 1967

(In Million of Dollars - Current Market Prices)

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u> <sup>a/</sup>	<u>1967</u> <sup>b/</sup>
<b><u>COMMODITIES</u></b>	<b><u>39.35</u></b>	<b><u>41.35</u></b>	<b><u>59.81</u></b>	<b><u>72.55</u></b>	<b><u>82.00</u></b>	<b><u>92.61</u></b>	<b><u>104.10</u></b>	<b><u>106.58</u></b>
1. Bananas	18.16	20.13	20.13	25.07	29.13	39.61	44.50	48.29
2. Refined Petroleum	-	-	13.85	23.61	24.94	23.07	25.91	21.84
3. Shrimp	4.99	5.85	7.94	6.17	7.40	7.78	9.25	9.33
4. Coffee	1.11	0.26	1.41	0.39	1.45	0.70	0.60	0.60
5. Cocoa	0.77	0.51	0.48	0.45	0.38	0.24	0.20	0.16
6. Sugar	0.40	0.78	0.53	1.56	2.49	2.12	1.56	2.00
7. Re-exports	1.38	1.88	1.92	0.79	0.94	1.20	0.64	.78
8. Other	12.54	11.94	13.55	14.51	15.27	17.89	21.44	23.58
<b><u>SERVICES</u></b>	<b><u>83.97</u></b>	<b><u>98.82</u></b>	<b><u>115.76</u></b>	<b><u>123.12</u></b>	<b><u>128.30</u></b>	<b><u>136.07</u></b>	<b><u>149.40</u></b>	<b><u>162.08</u></b>
1. Freight & Insurance	0.01	0.01	0.03	0.06	0.05	0.07	0.08	0.09
2. Other Transportation	6.42	6.93	8.24	9.51	12.21	14.62	15.90	17.80
3. Travel	25.09	29.86	34.98	35.01	32.61	38.31	42.34	46.64
4. Investment Income	2.25	2.50	2.50	2.50	5.27	2.50	2.50	2.50
5. Government	2.38	3.01	3.49	5.66	6.84	7.98	9.15	10.12
6. Other Services	47.82	56.51	16.52	70.38	71.32	72.59	79.43	84.93
<b>TOTAL EXPORTS</b>	<b>123.32</b>	<b>140.17</b>	<b>175.57</b>	<b>195.67</b>	<b>210.30</b>	<b>228.68</b>	<b>253.50</b>	<b>268.66</b>

<sup>a/</sup> Revised Estimates

<sup>b/</sup> (K.A.I.D./Panama Estimates

Source: Dirección de Estadística y Censo

PANAMA

IMPORTS OF GOODS AND SERVICES

1960 - 1967  
(In Million of Dollars - Current Market Prices)

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u> <sup>a/</sup>	<u>1967</u> <sup>b/</sup>
<b><u>COMMODITIES</u></b>	<b><u>109.09</u></b>	<b><u>123.83</u></b>	<b><u>144.34</u></b>	<b><u>163.35</u></b>	<b><u>167.76</u></b>	<b><u>191.77</u></b>	<b><u>217.42</u></b>	<b><u>233.52</u></b>
1. Food Products	13.26	15.08	14.65	15.93	18.35	17.08	18.58	18.22
2. Beverages & Tobaccos	2.82	2.80	3.82	1.49	1.39	1.78	1.94	2.00
3. Raw Materials	1.05	1.47	1.79	2.17	2.67	2.13	2.09	2.15
4. Fuels & Mineral Lubricants (of which: Crude Petroleum)	10.81	11.04	27.09 (17.12)	37.76 (33.03)	35.47 (33.72)	40.35 (38.46)	47.59 (46.08)	48.04 (46.12)
5. Fats & Oils	0.23	0.43	0.45	0.43	0.55	0.60	1.11	1.09
6. Chemical Products	11.37	13.25	13.80	15.22	16.80	18.15	19.42	23.12
7. Manufactures	44.65	49.34	51.70	58.37	57.94	69.60	73.86	78.07
8. Machinery & Equipment	24.14	30.27	31.83	31.27	32.12	39.88	49.72	57.75
9. Miscellaneous	0.76	0.15	0.79	0.71	2.47	2.20	3.11	3.15
<b><u>SERVICES</u></b>	<b><u>48.61</u></b>	<b><u>47.97</u></b>	<b><u>53.90</u></b>	<b><u>57.52</u></b>	<b><u>57.74</u></b>	<b><u>62.81</u></b>	<b><u>64.36</u></b>	<b><u>68.00</u></b>
1. Freight & Insurance	13.37	14.98	17.87	17.32	16.99	19.59	20.99	21.50
2. Other Transportation	3.75	4.02	5.03	5.81	6.02	5.74	5.43	5.50
3. Travel	7.07	7.44	7.15	7.88	10.31	10.02	11.76	12.50
4. Investment Income	12.69	10.42	9.96	11.14	10.50	17.67	15.91	17.00
5. Government	2.82	4.10	5.07	7.67	5.26	2.67	3.36	3.50
6. Other Services	8.91	7.01	8.82	7.70	8.66	7.12	7.00	8.00
<b>TOTAL IMPORTS</b>	<b>157.70</b>	<b>171.80</b>	<b>198.24</b>	<b>220.87</b>	<b>225.50</b>	<b>254.58</b>	<b>281.78</b>	<b>301.59</b>

<sup>a/</sup> Revised Estimates

<sup>b/</sup> USAID/Panama Estimates

Source: Dirección de Estadística y Censo

MINUTES

L.A. CAPITAL ASSISTANCE EXECUTIVE COMMITTEE

February 24, 1967

PANAMA - IRR - Mobile Rural Health Program (MHR) - (LA-CAEC/P-67/52)  
(with L&CD Comments)

The CAEC approved the referenced IRR, subject to the following comments.

1. The Capital Assistance Paper should contain a discussion of the entire Panama Health Program and show how this program fits into it. What percent of the total Panamanian health budget will be allocated to this project? Is this a high priority activity in the countrywide health program?
2. Since this financing represents a continuation of an activity previously financed by a U.S. grant, what will happen when the funds from this loan are depleted? Will the GOP agree to continue this activity on at least the same level as projected under the proposed loan with its own resources?
3. The Mission should explore the possibility of UNICEF's contributing medicine to this program.
4. It was agreed that A.I.D. should finance only the add-on drug cost in line with the accelerated activities and not the total drug cost. The GOP should finance drug cost at the prior disbursing level. Provide a detailed break-down of cost of equipment, drugs, and spare parts in the CAP? How intensively will this program serve the rural area? Describe types of treatments and drugs to be disbursed. How often are patients seen?

DRAFT

LOAN AUTHORIZATION

Provided from: Alliance for Progress

PANAMA: RURAL MOBILE HEALTH PROGRAM (PUMAR)

Pursuant to the authority vested in the Deputy U.S. Coordinator, Alliance for Progress, by the Foreign Assistance Act of 1961, as amended, and the delegations of authority issued thereunder, I hereby authorize the establishment of a loan pursuant to Part I, Chapter 2, Title VI, Alliance for Progress, of said Act, to the Government of Panama (Borrower) of not to exceed five hundred thousand United States dollars (\$500,000) to assist in financing the United States dollar costs of drugs, medicines, medical equipment, supplies, mobile dispensary units, and spare parts necessary to conduct a Rural Mobile Health Program (PUMAR), the loan to be subject to the following terms and conditions:

1. Interest and Terms of Repayment: Borrower shall repay the loan to the Agency for International Development ("A.I.D.") in United States dollars within forty (40) years from the first disbursement under the loan, including a grace period not to exceed ten (10) years. The Borrower shall pay interest to A.I.D. in United States dollars on the disbursed balance of the loan of two (2) percent per annum during the grace period and two and one-half (2½) percent per annum thereafter.
2. Other Terms and Conditions:
  - A. Conditions Precedent to Disbursement

Prior to the first disbursement of issuance of the first commitment document under the Loan the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and content satisfactory to A.I.D.:

    1. evidence that the full amount of the GOP's contribution to the project will be made available on a timely basis in order to assure the success of the project.
    2. evidence of budgetary and of other measures that the Borrower has taken and will continue to take to effectively maintain and operate all Ministry programs assisted by A.I.D.
    3. Evidence that the Ministry will maintain standard cost accounting records that are identifiable to the PUMAR program.

4. an implementation, operational, maintenance and administrative plan for PUMAR.

**B. Conditions Precedent to Each Disbursement**

Prior to each disbursement or to the issuance of Letter of Commitment under the Loan, the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

1. plans and specifications, bid documents, cost estimates, and time schedules for carrying out the activities of the Project;
2. an executed purchase contract or other documentation for the Project acceptable to A.I.D.;
3. such additional plans and specifications for the Project as A.I.D. may request.

**C. Covenants to the Loan:**

The Borrower shall covenant, except as A.I.D. may otherwise agree in writing:

1. equipment, materials and services financed under the loan shall have their origin in the United States and be procured from the United States.

- D. The loan shall be subject to such other terms and conditions as A.I.D. may deem advisable.

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Deputy U. S. Coordinator  
Alliance for Progress

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Date