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UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
U. S. AID MISSION TO PANAMA

P. O. Box "J" 9
BALBOA, CANAL ZONE

PD-AAB-161-D1

February 5, 1969.

MEMORANDUM TO: Mr. Frank Kimball, Acting Associate U.S. Coordinator
Development Resources

FROM: *J. K. Banville*
J. K. Banville, Capital Development Officer

SUBJECT: Answers to the questions raised during the LA/DR review
on the Santa Maria University Loan Paper - as reported by
Mr. G. F. Flood on January 30, 1969 in a conference with
the USAID Capital Development Office. (See attached memo).

1.(a) - Is not the sum of \$290,000 for "furniture and equipment" high?

Most of the amount is to be used to procure specialized furniture and equipment from the United States. The preliminary list has been carefully checked and the estimated unit costs were found to be reasonable. This applies to both the imported laboratory equipment and furnishings and the locally produced furniture.

(b) - Is it necessary to import \$260,000 worth of "furnishings and equipment" from the U.S.?

Yes, because Panama does not produce the type of furnishings and equipment (i.e. laboratory equipment) needed by the University. A very limited amount of imported off-the-shelf items of U.S. origin, could be procured locally but at exorbitant prices. In this case the USMA will effect savings by importing directly from the United States the necessary furnishings and equipment.

2. - How will the USAID assure that preliminary plans for the campus as a whole should be accomplished before final designs?

The contract with the A&E firm will be subject to USAID approval. USAID will insist on the inclusion of a specific clause to cover this point before approving any contract between the USMA and the A&E firm.

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3. Should not the statement on possible conflict of interest be broadened to exclude from participation as contractor on the project anyone who at any time during the project development was a member of the Board of the University or served in any other official capacity of the University?

Yes - the text proposed for page 44 should read:

The USAID position is that no one who at any time during the development of the project was a member of the USMA Board or held an official position at the University will be eligible to participate as a contractor for this project whether or not his participation is to be financed with loan funds.

4. Implementation schedule is it overly optimistic?

No - The target dates appearing on pages 36, 38 and 39 have been rechecked and found reasonable.

5. What is SALA doing now? How long will technical assistance last? What is the proposed use for the \$90,000?

The SALA technical assistance grant contract runs until August 31, 1969. It has provided assistance on a wide front of activities such as the following: University organization and Administration; Campus planning (over-all educational program, school plant and facilities); and Curriculum development and instructional methods. Eleven different consultants have presented twelve separate reports with recommendations along two lines, (1) the organization and operation of the university wherever it may be, and (2) the policy statements for the university of the future which is to be centered around the first four buildings on the new site.

Policy statements, ranging from courses and curricula in the natural sciences to budgeting procedure, have been presented by the SALA consultants. The Administrative Council of the University has accepted the recommendations and started the implementation of such. Since these recommendations have been built into the graphic program, the University can move this program into the final master planning and construction document phase. The refinement of the information for this phase of the work will take place under a contract for planning, architectural, and engineering services when the University obtains financing for the project. An estimate of \$23,000 was made for the Master Plan as outlined by the Planning Consultant on March 27, 1968, and this amount was included in the A&E cost. A similar estimate appears shown in the Engineering Feasibility Report submitted by the University as a supporting document to the loan application.

There will be need for continued technical assistance for approximately three years starting September 1, 1969. Such assistance should be made available during the disbursement period. There will be need for interpretation of the administrative and academic programs to the firm which is contracted to draw up the Master Plan document. Much of this will amount to monitoring the inclusion into the document of the policy statements made by the SALA consultants prior to August 31, 1969. Two consultants in particular, of those not yet reporting with specific data for the physical plant, will be those making recommendations on the Office of Physical Plant and Maintenance, and a Landscape and Traffic Engineer-Architect. A later stage of activity of technical assistance under the loan will be the application and implementation of the completed Master Plan and of the SALA recommendations for the USMA academic programs.

After August of 1969 there will continue to exist requirements for aid in general administration and administrative reorganization. Short-time consultants will be necessary in helping move to the new campus, making administrative adjustments to fit the new campus, in establishing the offices to deal with the recently created auxiliary services and new facets of student life in a "campus atmosphere". Consultants are envisaged for the following areas: aid at the top echelons of administration (including Deans, Directors, and Department Chairmen); the Promotion of Fund Raising office; Business Office; Admissions and Registration; Counseling and Guidance; and various aspects of auxiliary services. In the academic realm there appears to be a need for consultants in curriculum development; instructional techniques; and teacher-training programs. The preparation of a healthy atmosphere of student life "on campus" will call for considerable guidance.

The USAID believes the sum of \$90,000 is sufficient for these required short-term consultants.

6. What is the USMA doing to improve its administration?

Some changes in the administrative organization have taken place in the last two months (December, 1968 and January, 1969) which make for greater efficiency. The Rector is responsible to the Supreme Board of the University. Representatives of the Supreme Board (Regents) constitute four of the eight members of a Permanent Executive Committee made up as follows: the four members from the Regents are Dr. Rodrigo Arosemena, Dr. Victor Florencio Goytia, Architect Guillermo Andreve, and Mr. Roberto Motta; the three members from USMA are Rector Jose Ma. Escamez, Vice Rector Carlos Ma. Ariz, and Director of Planning and Development Dr. Menalco Solis. Mons. Marcos Gregorio McGrath is an honorary member. This Executive Committee, meeting weekly, establishes guide-lines for operation, interprets policy statements, and acts on questions which require immediate answers.

Within the University a consultative Administrative Council advises the Rector. Its membership is as follows: Rector; Vice Rector; Secretary General; Treasurer; the three academic Deans; three representatives of the faculty; and one representative of the students. The members have equal representation.

The USMA budget is prepared through the following units: Office of the Rector and Vice Rector; Secretary General; Treasurer; Director of the Office of Planning and Development; Office of Director of Public Relations; Office of Director of Promotion of Funds; Office of Director of Student Activities; and the three academic Deans.

The budgeting procedure is established on a well organized basis with the Treasurer preparing an estimate of income prior to September 1 of each year. By the middle of September the budgetary units are to present their requests on the official forms. The Treasurer submits an organized budget and summary to the Rector by October 1. The Rector and Treasurer then hold separate hearings with each head of a budgetary units prior to October 21. The Rector is to have a final recommendation ready by the end of October, such to be printed prior to the close of November. By December 1st, the budget is to be presented to the Regents for approval. By December 7th the Treasurer is to have the approved budget and use it for authority to open entries in accounts for the ensuing year. The fiscal year coincides with the calendar year. Young and Young, a highly respected accounting firm of Panama audits the accounts.

Arrangements for administering the project will rest primarily in the office of the Director of Planning and Development which is headed by Dr. Menalco Solís. On January 30, 1969, the USMA Rector, Dr. José Ma. Escamez, informed the SALA Chief of Party that Dr. Solís would have this responsibility. Having been former Treasurer of USMA and being very familiar with AID development programs in which he has worked for many years, Dr. Solís will be in an ideal position to bring USMA into close coordination with USAID policies.

7. What are the plans of USMA to train its faculty and what are the incentives offered?

At the moment there are two principal procedures being followed so that USMA will be assured of having a better trained faculty. (In the majority of cases it already has well qualified professors). At the moment there are twenty (20) LASPAU students (The Latin American Scholarship Program of American Universities) studying toward the completion of the M.A. or M.S. degree in U.S. universities or colleges.

These persons are committed to return to teach at USMA. The first one is scheduled to return to Panama in May of 1970. Administrators at the University have provided for them by an expanded salary item in the budget. Another form of strengthening some of the key faculty positions is the participant training program which is under way. USMA pays the salaries for six professors who are scheduled to study (five in U.S. and one in Mexico) for a period of approximately two months each. Two are already in the U.S. (one at the University of Colorado and another at Oklahoma University) a third is scheduled to leave on February 15, 1969, and a fourth on June 9. The other two will soon be scheduled for departure. Following the recommendation of SALA, USMA has adopted a plan for the ranking of faculty from Full Professor to Instructor with an appropriate standard for evaluation and remuneration. The budget for 1969 included more than three times the number of full-time professors than had existed in the 1968 budget. The design here is to eliminate as many short-time faculty as possible and build around a nucleus of well-qualified professors. In order to achieve the advance that has been made it was necessary to greatly increase the budgeted figure for salaries.

8. What are the Library plans focussed on? What are the sources of funds for the Library?

With the exception of its Reference Books the USMA Library has been well along in most phases of development. SALA Library Consultant, Dr. Paul Kruse of North Texas State University, noted that the Library contained approximately 18,000 volumes. The Library follows the Dewey Decimal Classification scheme. Approximately 9,000 of the volumes were received through donations. The 1968 budget totalled \$13,520 which barely met the minimal student per capita support recommended as a standard for libraries of academic institutions. Although the fine USIS Library is available to students, the USMA book acquisition fund needs to be increased. Dr. Robert Howard of the University of Oklahoma, consultant in the area of natural sciences, was favorably impressed with the holdings and the arrangement in the area of science.

The plans call for an interim library of 2,500 square feet or more. The long-range plan as outlined by Dr. Kruse calls for a separate library building with a capacity for at least 100,000 books (as well as room for future expansion) with adequate reading space, and all the facilities which are being recommended currently for libraries in the United States.

A textbook rental or sale "Book Bank" or "Book Store", apart from the library, is being readied for opening in April of 1969. Seed money in the amount of \$7,500 is being provided for this enterprise which will become self-supporting. A University committee has worked out the program for formal adoption of textbooks for the majority of the classes offered. The program is designed to provide each student (by low-price rental or sale) with the textbooks which have been adopted by the professors. This should lessen the demand upon library services at the same time that it increases the effectiveness of teaching. The books for the semester starting in April of 1969 have been ordered and the University has remodeled a section of the second floor so that it now has secured and ready a 17' x 21' foot space available for textbook storage and handling.

Several large donations have already been received for the purpose of building up the book collection. The Rector states that along with other prime needs, the Office of Promotion of Funds will make special requests to seek funds for development of the Library, recognizing that the Reference Section deserves priority. Future acquisitions will follow generally along present lines, i.e. library expansion in areas of academic strength (natural sciences, business administration, psychology). Before areas such as biology, teacher training, and social sciences are expanded in the curriculum, greater collections of both books and periodicals must be secured.

9. Where does USMA fit within the National Plan for Educational Development?

A "National Plan for Educational Development" being prepared by a contract team from Pennsylvania State University is nearing completion but has not been submitted for Ministry of Education acceptance and adoption. In a utilization survey of Panamanian educational institutions conducted by the Ministry Coordinator and PSU team members, discussions were held in a series of meetings with Santa Maria officials on a variety of possible ways in which Santa Maria University could furnish cooperating services within the Plan. Among the topics was a proposal that Santa Maria University create a School of Education to serve as a center for the professional preparation of secondary school teachers and educational administrators and supervisors. Santa Maria agreed to study the proposal but stated it cannot give its answer until financing for its new campus facilities is assured. The PSU team has taken the position that such a school should not be created at the University of Panama under its present organizational structure.

10. What is the approach taken by USMA on the matter of student representation? Is the USAID satisfied with such approach?

USAID has accepted the early SALA recommendations as provisional guidelines while recognizing the fluidity of conditions in this phase of university life. Panama university students, from the beginning

of the National University, has been accustomed to a greater participation in university affairs (even administration) than have students in most U.S. colleges and universities.

It is recognized by both USMA officials and USAID that a flexible approach is necessary. The SALA consultant on Student Life report of January 24, 1969 points this up. He recommends the employment of the University Center (Student Union) and the office of Dean of Students as the main vehicles for creating a spirit of community at USMA so that student interest in USMA, pride in USMA, and student participation in building a better USMA will ensue. To further such a cause, an annual planning session of USMA officials and similar number of student leaders is suggested. This should be held away from the campus and preferably before classes start at the beginning of the academic year. Other regularly scheduled student-faculty, and student-administration discussions should be held to provide for free and full interchanges of views. A Student Life assembly has also been proposed for student entertainment, for the recognition of student achievements, and for the encouragement of student identification with the development of the greater university.

In the light of the experience of student participation at the National University, the USMA considers that a progressive policy for gradually increasing student participation in University administration is the best approach. The steps described above lead to the implementation of such policy. The USAID agrees that hard and fast rules are difficult to establish and that the solution may be to stimulate simultaneously a growing sense of responsibility in the students and a better understanding of the students needs by the Administration and the Faculty.

The unrest which has convulsed many Universities in the United States, in Europe, and in Latin America during the past three years must have led AID/W to establish broad policy guidelines in this matter. If the above approach is inconsistent with such guidelines, the USAID will encourage the future consultants, as provided for by the loan, to revise the USMA practices accordingly.

11. Should paragraph three (3) of the Section on "Impact on U.S. Economy" page 13 of the CAP be retained?

The USAID has no objection to the deletion of the paragraph in question if LA/DR deems that such action will enhance prompt approval of the CAP by the CAEC.

cc: Dr. Briggs/HRD



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P. O. Box "J"
BALBOA, CANAL ZONE

January 30, 1969.

MEMORANDUM TO: Mr. J. K. Banville, Capital Development Officer,
USAID/Panama

FROM:


G. F. Flood Jr., LA/DR

SUBJECT: Loan Paper for Santa Maria University.

During the LA/DR review of the subject loan paper on January 24, 1969, a number of questions were raised. As we discussed, I will list these questions below and you will set out the answers to them in a memorandum directed to Frank Kimball, LA/DR.

1. The \$290,000 for "equipment and furniture" appears high. Is it necessary to import \$260,000 worth from the U.S. or could a substantial portion of it be procured locally, thus reducing the cost?
2. The loan paper says that an architectural-engineering firm will be contracted among other things to finalize a "Campus Master Plan" It was felt that this Plan (including preliminary architectural plans) should be completed (in a manner satisfactory to AID) before final design for project construction begins. How will the USAID assure that this statement and preliminary plans are obtained prior to final design?
3. The loan paper (p.44) says that no member of the USMA Board will be eligible to participate as a contractor on the project. Shouldn't this be broadened to exclude from participation anyone who at any time during project development was a member of the board (or other official of the University)?
4. Some dates on the implementation schedule appear overly optimistic. Schedule should be rechecked.
5. The technical assistance component of the project should be explained and related to the work being done by SALA under the grant contract. The total, types, magnitude and duration of the grant contract with SALA and the proposed loan contract should be stated.

6. The administrative organization (planning, budget and finance, etc) of the University should be described. If administrative organization is not complete, its current status should be described as well as what USAID will do to assure organization is completed and implemented satisfactorily. This discussion should give special emphasis to its arrangements for administering this project.

7. What training is planned for faculty development, by magnitude and type and what would be the source of financing? What plans are there for establishing incentives to keep good faculty members (salaries, opportunities teaching and research, etc.)

8. What is being done about library development? What are the needs and how will they be met (in terms of physical facilities, book acquisition and the like)?

9. We understand a national education plan is nearing completion. What are its recommendations for higher education - so far as we know them, and how will the project fit in with them? (The LA Education Division would like a copy of the plan when available.

10. The participation described in the first paragraph of "Student Representation" on p. 17 of the loan paper appears based on the SALA recommendations. Has the USAID accepted these recommendations? If so, what is the rationale for their acceptance? If not, or if only until the further study indicated in the last paragraph on p.17 is completed, the paper should so indicate.

11. It was questioned whether paragraph three of the section on "Impact on U.S. Economy" should be retained.