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

132p.

PANAMA
PROJECT PAPER
GUAYMI AREA DEVELOPMENT

LAC/DR-79-4

Project Number: 525-0200

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT PAPER FACESHEET

1. TRANSACTION CODE

A ADD
 C CHANGE
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PP

2. DOCUMENT CODE
3

3. COUNTRY/ENTITY
PANAMA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 digits)
525-0200

6. BUREAU/OFFICE

A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (Maximum 40 characters)

GUAYMI AREA DEVELOPMENT

8. ESTIMATED FY OF PROJECT COMPLETION

FY 8 | 2

9. ESTIMATED DATE OF OBLIGATION

A. INITIAL FY 7 | 9 B. QUARTER 2
 C. FINAL FY 7 | 9 (Enter 1, 2, 3, or 4)

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 -)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL						
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OTHER U.S. 1.						
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HOST COUNTRY		140	140		568	668
OTHER DONOR(S)						
TOTALS	20	274	294	20	1,148	1,168

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY 79		H. 2ND FY		K. 3RD FY	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
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TOTALS				500					

A. APPROPRIATION	N. 4TH FY		O. 5TH FY		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED
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TOTALS					500		

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

1 1 = NO
2 = YES

14. ORIGINATING OFFICE CLEARANCE

SIGNATURE: *[Signature]*

TITLE: Director, USAID/Panama

DATE SIGNED: MM DD YY 01 22 89

15. DATE DOCUMENT RECEIVED IN AID, W. OR FOR AID, W. DOCUMENTS, DATE OF DISTRIBUTION

GUAYMI AREA DEVELOPMENT PROJECT
USAID/Panama

TABLE OF CONTENTS

	<u>Page</u>
Facesheet	
Project Authorization and Request for Allotment of Funds, parts I and II.	
Composition of the Project Development Team and Review Committee.	
<u>I. Description of Project</u>	1
A. Statement of the Problem	1
B. Detailed Project Description	2
1. Goal, purpose	2
2. Project Strategy	3
3. Outputs, inputs, EOPS	8
C. Project Beneficiaries	10
D. Project Priority and Relation to other Programs	18
1. Government of Panama Priorities	18
2. AID Priorities	18
3. Relation to other Activities	19
<u>II. Project Analyses</u>	22
A. Technical Feasibility	23
1. Conceptual Basis for Project Design	23
2. Technical Feasibility of Individual Project Elements	23
B. Financial Analysis	26
1. Service Post Construction	26
2. Subproject Activities	27
3. Guaymi Promoters	34
4. Training of Promoters and GOP Technicians	35
5. Special Studies/Evaluation	36
6. Vehicles	36
C. Social Soundness	37

1. The Target Group	37
2. Intra- and Inter-group Cooperation	38
3. Spread Effect	40
4. Implications for the Role of Women	40
D. Institutional Feasibility	42
1. Executing Organizations	43
2. Institutional Coordination	46
E. Environmental Concerns	47
III. <u>Financial Plan</u>	50
IV. <u>Implementation Plan</u>	54
A. Administrative Arrangements for Project Implementation	54
B. USAID Monitoring Responsibility and Administrative Procedures	54
C. Proposed Implementation Schedule	56
V. <u>Evaluation Arrangements</u>	58
VI. <u>Negotiating Status, Conditions and Covenants</u>	60
<u>Annexes</u>	
I. Statutory Checklists - Country and Project	
II. GOP Request for Assistance	
III. Draft Project Authorization	
IV. Draft Advice of Program Change	
V. DAEC PID Approval Cables	
VI. Logical Framework	
VII. Social Soundness Analysis	
VIII. IEE	
IX. Draft Ministerial Resolution Establishing National Directorate of Indian Affairs in MIDA	
X. Specimen Subproject Proposal Format	
XI. Drawing and Plans for Guaymí Service Post	

AGENCY FOR INTERNATIONAL DEVELOPMENT
**PROJECT AUTHORIZATION AND REQUEST
 FOR ALLOTMENT OF FUNDS PART I**

1. TRANSACTION CODE
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2. DOCUMENT CODE
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3. COUNTRY/ENTITY
 PANAMA

4. DOCUMENT REVISION NUMBER

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6. BUREAU/OFFICE
 A. SYMBOL: LA
 B. CODE:

7. PROJECT TITLE (Maximum 40 characters)

8. PROJECT APPROVAL DECISION
 A = APPROVED
 D = DISAPPROVED
 DE = DEAUTHORIZED

9. EST. PERIOD OF IMPLEMENTATION
 YRS.
 QTRS.

10. APPROVED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY 79		H. 2ND FY		K. 3RD FY	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
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TOTALS				500					

A. APPROPRIATION	N. 4TH FY		O. 5TH FY		LIFE OF PROJECT		11. PROJECT FUNDING AUTHORIZED (ENTER APPROPRIATE CODE(S)) 1 = LIFE OF PROJECT 2 = INCREMENTAL LIFE OF PROJECT	12. GRANT	13. LOAN
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C. PROJECT FUNDING AUTHORIZED THRU

12. INITIAL PROJECT FUNDING ALLOTMENT REQUESTED (\$000)

A. APPROPRIATION	B. ALLOTMENT REQUEST NO.		
	C. GRANT	D. LOAN	
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TOTALS			500

13. FUNDS RESERVED FOR ALLOTMENT

TYPED NAME (Chw/, SER/EM/ESD)

SIGNATURE

DATE

14. SOURCE/ORIGIN OF GOODS AND SERVICES
 300 941 LOCAL OTHER

15. FOR AMENDMENTS, NATURE OF CHANGE PROPOSED

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PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS

PART II

Name of Country: Panama
Name of Project: Guaymi Area Development
Number of Project: 525-0200

Pursuant to Part I, Chapter 1, Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize a Grant to the Republic of Panama, the "Cooperating Country" of not to exceed five hundred thousand United States Dollars (\$500,000), the "Authorized Amount" to help in financing certain foreign exchange and local currency costs of goods and services required for the project hereinafter described. The project consists of institutionalizing a coordinated, participatory system to raise the levels of productivity, health, education and nutrition of the Guaymi Indians (hereinafter referred to as the "Project"). The entire amount of the A.I.D. financing herein authorized for the Project will be obligated when the Project Agreement is executed.

I hereby authorize the initiation of negotiation and execution of the Project Agreement by the officer to whom such authority has been delegated in accordance with A.I.D. regulations and Delegations of Authority subject to such allotment and congressional notification procedures as are required and to the following essential terms, covenants and conditions together with such other terms and conditions as A.I.D. may deem appropriate:

a. Source and Origin of Goods and Services

Goods and services financed by A.I.D. under the Project shall have their source and origin in the Cooperating Country or in the United States except as A.I.D. may otherwise agree in writing.

b. Conditions Precedent to Disbursement

(1) Prior to initial disbursement, or the issuance of any commitment documents under the Project Agreement, Grantee shall furnish in form and substance satisfactory to A.I.D. written evidence that:

(a) A Council of Indian Affairs is established and functioning;

- (b) A Project Coordinator mutually acceptable to AID and the Grantee has been named by the Ministry of Agricultural Development; and
- (c) A Provincial Coordinator has been named for each of the participating provinces by the Ministry of Agricultural Development.

(2) Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement to finance subproject activities in any province of Panama, the Grantee shall furnish in form and substance satisfactory to A.I.D., written evidence that:

- (a) A Provincial Indian Commission has been established and is operating in the province; and
- (b) At least 2 Guaymi promoters per service post are employed and at work in the province.

(3) Prior to any disbursement or the issuance of any commitment documents under the Project Agreement to finance construction of each service post, AID and the Grantee shall have agreed-upon plans and specifications including site selection for that service post.

(4) Prior to any disbursement after the first year following initial disbursement under the Grant, the Parties will conduct an evaluation to determine if the subproject development and approval process is operationally effective and efficient and to recommend any modifications mutually acceptable to the Parties.

c. Covenants

The Grantee shall covenant that, except as AID and the Grantee may otherwise agree in writing, Grantee shall:

- (1) Continue priority assistance to the Guaymi Indians for five years after final disbursement of the Grant at the same level as under the Project during the life of the Grant;
- (2) Maintain a minimum of 65 Guaymi Indians trained under the Project as salaried employees of the Grantee working on the priority assistance program for a minimum of five years after final disbursement of the Grant; and
- (3) Establish with A.I.D. a joint annual evaluation program as part of the Project and enter into an evaluation of the Project within one year

after the first disbursement and at the close of the second and third years after such first disbursement. Except as the Parties may otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.


Robert E. Culbertson
Director, USAID/Panama

February 26, 1979
Date

Clearances:

Ullave
A/DD:WELane _____
ODP:WPSchoux *WPS* _____
ODR:RGRussell _____
A/CONT:RPSolloway *RPS* _____
OES:CCDonato _____
HRD:AJCauterucci *AJC* _____
ARD:L.HDavis *LHD* _____

iii. Composition of the Project Development Team and Review Committee

This Project is the result of more than sixteen months of collaborative effort. During this time, AID and GOP officials have worked closely with one another, and with the beneficiary group, the Guaymi. The participation of the Guaymi in the development of this Project has been at the Comarca level, with community members as well as leaders involved through internal meetings and 'congresos', through interviews by trained Guaymi promoters, and through more formalized GOP-AID-Guaymi work sessions. The Project Paper reflects this mutual effort and mutual understanding of a Project strategy which places beneficiary participation as the foundation of lasting and meaningful development.

It would require several pages to list the individuals who have contributed to the design of the Project, to the preparation of required studies and directly to the preparation of this Paper. A few of the many are listed below:

USAID PANAMA

Paul White, Project Manager
Christina Schoux, Project Officer
Charles Brooks
Vilma Jaen
Eva Mendez
Raymond White
Tomás Ugarte
Jane Stanley
Rubén Obregon

GUAYMI

C. Ortega, Cacique of Veraguas
L. Rodriguez, Cacique of Chiriqui
C. Monico, Cacique of Bocas del Toro

Various community members and leaders, and the Indian Policy Commission of the Ministry of Government and Justice.

GOP

Veraguas Commission Members

C. Parillon, MOH Provincial Director (until October 1978)
A. Blanco, MOE Provincial Director
R. de Parades, MIDA Indian Affairs Officer
E. Sanchez, Ministry of Planning and Economic Policy (MPPE)
N. Quijada, MIDA National Director of Indian Affairs
D. Name, MOH Provincial Director (October 1978 on)

GOP/Panama City

J. Montalvon, MOH Director of Evaluation
E. Davis, MOE Coordinator for Indian Affairs
F. Blanco, MOGJ, National Advisor for Indian Policy
H. Spadafora, MOH Vice Minister (to August 1978)
J. Arroyo, MOH Vice Minister (September 1978 on)
S. Cenci, MOE Vice Minister
C. Rodriguez, MOGJ Vice Minister

CONSULTANTS

P. Young, InterAmerican Development Institute
O. Seritella, InterAmerican Development Institute.

The Project Paper will be reviewed by a USAID Project Review Committee chaired by Warren E. Lane, Acting Deputy Director, and composed of:

William P. Schoux, Chief, Office of Development Planning
Ronald G. Russell, Chief, Office of Development Resources
Richard P. Solloway, Acting Chief, Officer of the Controller
Candeloro C. Donato, Chief, Office of Engineering Services
Anthony J. Cauterucci, Chief, Human Resources Development
L. Harlan Davis, Chief, Agriculture and Regional Development

PANAMA

G U A Y M I A R E A D E V E L O P M E N T

I. DESCRIPTION OF THE PROJECT

A. STATEMENT OF THE PROBLEM

Of Panama's 1.8 million people, approximately 100,000 are Indians, divided into three radically different groups. All have in common, however, minimal income, a bare subsistence living standard, and lack of access to basic services. The Guaymi comprise the largest Indian group with a population estimated at 50,000 - 60,000.

The Guaymi live in the sierra highlands reservation area (Comarca) spread across Panama's three western provinces: Veraguas, Chiriqui and Bocas del Toro. They are dirt poor with an annual per capita income hovering between \$50 and \$100. Although the majority are engaged in agricultural pursuits, harsh terrain, and poor or exhausted soils conspire against the Guaymi farmer's attempts to eke even a minimum satisfactory living from the land. His situation is further worsened by a steadily diminishing reservation and a phenomenal birthrate over the past 30 years which has caused the Guaymi population to double since 1950.

Illiteracy is the norm, estimated to be as high as 85% and is particularly acute among women and Guaymi over the age of 30. Few over 40 speak or understand Spanish. Health, education and agricultural services are mostly unknown in the Guaymi reservation area as a result of extreme geographical isolation, cultural insularity and a widely dispersed population. The latter has meant that in only a few instances have the Guaymi been sufficiently concentrated to be reached by Government assistance programs.

The Guaymi, in short, do not participate in Panama's development. Instead, the Comarca remains one of the most backward areas of the Republic with malnutrition, disease and poverty actually increasing rather than diminishing as in the rest of the country.

The Guaymi, however, are on the move. In the past few years, thanks to some GOP development efforts for the Guaymi and the AID-assisted Plan Guaymi, they are aware now that resources can be made available and what these resources can do for them. This awakening consciousness can be traced back to 1969 when the First Indian Congress was held and to the Constitution of 1972 which provided the first public, formal mention of the Comarca.

To sum up the current state of affairs, the Guaymi are pursuing development, on their own terms and at their own pace, and the GOP, in keeping with its development commitment to integrate the most marginal areas into the national economy, has publicly asserted its desire to be responsible and has sought AID's assistance in this endeavor.

B. DETAILED PROJECT DESCRIPTION

The goal of this Project is to improve the quality of life of Panama's marginal population. Specifically, the Project will seek to raise the standard of living of over 50% of Panama's severely disadvantaged Guaymi Indians clustered in the country's three westernmost provinces. It will do this by being responsive to Guaymi identified needs, providing resources for a series of subprojects to be administered largely by Guaymi which will raise levels of productivity, health, education and nutrition. The Project goal is consistent with both GOP and AID development priorities as borne out in the discussion in Part D of this chapter.

The purpose of this Project is to institutionalize a coordinated, participatory system for providing GOP services to the Guaymi. Far more important than any subproject benefits is the establishment of a system which will enable the target group to identify its development needs, work with skilled technicians to shape responses which are technologically and culturally appropriate, and secure the resources necessary to carry out the development activities which result from this process. The system, it almost goes without saying, is to be a model of bottom-up development. Nothing else will work, as we will see in discussing the Project strategy, when the target group is so culturally dissimilar from the dominant Latino culture.

Coordination and participation need to be underlined in describing the needs assessment/resource - transfer system which the Project will institutionalize. Past GOP development efforts directed toward the Guaymi have been scattered, unrelated, duplicative and sometimes in direct competition with one another for scarce national, provincial, and community resources. To rectify this scattershot effect, the Project will establish a system whereby all GOP inputs will be channelled through three Provincial Indian Commissions. A multi-ministerial National Council of Indian Affairs* will provide high level support and assure the availability of GOP inputs. Overall coordination of all Project efforts will be the responsibility of the Ministry of Agricultural Development which will chair all three Provincial Indian Commissions and the National Indian Affairs Council (See chart, p. 17).

* Four Ministries will hold permanent seats on the Council: Education, Health, Agricultural Development, and Government and Justice.

In regard to participation, the Project has been designed to assure that the Guaymi will fully participate in the selection, planning, implementation and evaluation of subproject activities. In a more general sense, too, the Project will enable the Guaymi to participate in decisions about the direction, level, and speed of the development process in their Comarca. This participatory thrust is the keystone of the Project and will be institutionalized through permanent Guaymi representation on the two bodies to be established under the Project* and through reliance on Guaymi as development agents at the community level.

The Project strategy, rooted in GOP coordination and Guaymi participation, responds to past failures. Because the Panamanian Government has placed high priority since 1968 on integrating the most marginal areas into the national economy, attempts have been made in the past few years to develop schools, health centers, and agricultural projects in the most populous and accessible Guaymi communities. However, many of these GOP efforts have met with only limited success, due primarily to three reasons:

- (1) the projects were designed by Latinos and imposed structures alien to Guaymi cultural patterns;
- (2) GOP technicians responsible for project implementation could not provide adequate follow-up to the projects due to the difficulty of access to and harsh living conditions in the Comarca;
- (3) there was little or no real Guaymi participation in the projects.

Plan Guaymi was another program which met with only limited success. This was an AID-funded \$828,000 OPG with the InterAmerican Development Institute (formerly the InterAmerican Literacy Foundation) which ran from June 1975 to June 1978. Although the project underwent major changes in scope and purpose due to a troubled first two years, by the time it terminated, it had achieved some success in providing training to over 400 Guaymi** and producing

* Provincial Indian Commission on which will sit the Cacique (chief) for the Province and the National Council of Indian Affairs which will have a representative of each Province Cacique as permanent members.

** Approximately 224 Guaymi were trained to be community social promoters in three three-month seminars while a variety of shorter courses provided a larger group with an introduction to specific tools and techniques to broaden Guaymi knowledge of and ability to participate in development activities.

some educational and instructional materials.

Outlined below are some of the major weaknesses of the Plan Guaymi Project which have been carefully considered (see right-hand column) in designing the new Project.

Plan Guaymi

Very little GOP or Guaymi participation in the design of Plan Guaymi.

No GOP counterpart. OPG money used for GOP salaries which were unrealistically high and which should have been financed out of GOP counterpart.

No money available for community projects although original design called for 100 community extension courses.

No GOP commitment was sought to utilize Guaymi and project professional staff. No GOP commitment to continue some form of assistance to Guaymi.

Implementation dominated by PVO with little substantive GOP involvement.

This Project

Project developed by joint GOP-USAID team with heavy Guaymi participation.

GOP to finance salary of all technicians and project administrators at standard GOP rates. GOP counterpart is about equal to AID input.

Almost all money to be spent in Guaymi communities for development projects.

GOP will covenant to hire 65 Guaymi by end of Project to serve as development agents in priority program for Guaymi. Professional staff will be members of GOP or Guaymi and will continue to work with Guaymi after AID assistance terminates.

GOP will implement the Project. Institutional structure will be subject to modification during Project life as needed and will be used eventually in working with all Indian areas.

Despite its weaknesses, Plan Guaymi was useful in paving the way for the new Project which without the predecessor effort might have proven neither acceptable nor feasible.

Cognizant of the lack of success in attempting to assist the Guaymi, the Minister of Agriculture in October 1977 requested the AID Mission to assist the GOP in designing and financing a new program which would respond to the special development needs and

problems of the Guaymi. The Project described in this Paper is the result of the AID-GOP-Guaymi collaborative undertaking which followed.

In keeping with its bottom-up development orientation, the Project will utilize a strategy similar to the one used for AID's Special Development Fund in which local communities select development activities they want to implement and contribute substantially to carrying them out.

It is estimated that approximately 60 Guaymi communities will participate in the Project over three years. At the time of this writing, the 30,000 Guaymi in Chiriqui are politically factionalized, and it is possible that no more than 10,000 of their number will want to participate in the Project. (Veraguas has an estimated 6,000 Guaymi and Bocas del Toro approximately 15,000.)

The process of subproject development at the community level begins with the preparation of an inventory of the resources and needs of the community by a GOP-Guaymi evaluation team composed of Government health, education and agriculture technicians and the Guaymi social promoter(s) assigned to that community. The inventory will detail community development needs as identified by the community, determine the feasibility of subproject activities proposed by the community, assess community resources and readiness to undertake and maintain the proposed subprojects, and identify beneficiaries and political or other issues which may influence subproject success and the general development of the area.

Using information contained in the inventory, the team of GOP technicians and Guaymi promoters will formulate a development plan for the community. The plan, which will list community needs in priority order, will be submitted to the Provincial Indian Commission for approval by it and the GOP Project Coordinator (i.e., the person appointed by the Ministry of Agricultural Development to manage the Project for the Government). From there it will go to the National Council of Indian Affairs for review and approval. It is at this point that the Council, at the working level, will determine which of the proposed activities can be funded from the current GOP programs (e.g., a health post or aqueduct could be funded under the Rural Health Delivery Systems project, school reconstruction under Education Sector II and roads upgraded using funds from the Rural Access Roads Project**) and which will require financing under the Project.

* Chiriqui is the birthplace of the anti-Latino, inward turning Mama Chi Movement, see footnote page 14

** All three projects are being partially financed with AID loan funds.

After this winnowing has occurred, the community plan will be modified, as needed, and approved. The community will then submit a first-year implementation plan which includes subproject proposals covering the one or more activities it intends to carry out during Year One of the Project.* Proposed subprojects will be carefully selected and analyzed to show what development constraint is being addressed, why the proposed response is technically and culturally recommended, and to demonstrate anticipated economic benefits. Each proposal will contain data for a rudimentary financial analysis consisting of estimated costs by funding source, number of beneficiaries, cost per beneficiary, estimated benefits, recurring costs to the community and the GOP and a cash flow analysis to insure that any recurring costs can be met.

After review and approval by the Provincial Indian Commission and Project Coordinator, the community plan with subproject proposals appended will be forwarded to AID for approval. Once approved, the community will then be in a position to begin implementing its first subproject assisted by GOP technicians and Guaymi promoters and/or technicians with backstopping from the Provincial Indian Commission.

At the close of the first year, AID and the GOP will carefully review the subproject development and review process and make any changes necessary to improve it. No second year funds for new subprojects will be made available until this review has occurred and the recommended changes have been effected. The Evaluation Unit attached to the National Council of Indian Affairs will evaluate subproject performance at regular intervals, and its findings will be used in judging the adequacy of the subproject development and review mechanism.

It is impossible at this point to identify with any precision the subprojects to be financed by this Project. To try and do so would defeat the purpose and strategy of the Project which rely on bottom-up development with heavy beneficiary involvement at every stage in the process. What is possible, however, is to talk in terms of illustrative subprojects. These are drawn, on the one hand, from activities already carried out by Guaymi communities with SDA financing and, on the other, from the work of

* Subproject proposals will be submitted on a form similar to that now used for Special Development Activities. The proposal will be prepared by the Guaymi and refined by the GOP technicians and Guaymi promoter for presentation to the GOP and AID. (See Annex X for suggested subproject proposal format.)

seven inter-agency, interdisciplinary committees* which met in San Francisco (Veraguas Province) in June and July of 1977. These committees, composed of GOP personnel and Guaymi, met to examine the priority development needs of the Guaymi area of Veraguas Province and portions of eastern Chiriqui.

Activities in three priority areas were identified; some have been tried, as noted above, with the help of SDA funds. The three general types of priority activities are as follows:

1. Agriculture/Nutrition: Subprojects in this category may include community or family managed fish/integrated small animal projects; garden and fruit tree projects; and activities to promote utilization of improved agricultural inputs to increase productivity and produce better quality traditional crops (principally corn, rice and beans). Appropriate technologies in agricultural production, harvesting, storage and food preparation techniques will be introduced through subproject activities.

2. Income Raising: Subprojects in this category may include pilot activities in coffee and cacao production and handicrafts and other small cottage industries. Current Guaymi handicrafts include the confection of straw hats and purses, "Chaquira" (a colorful, beaded bib-type necklace), and the traditional dress of the Guaymi women (a Hawaiian mumu type-garment made up of multicolored cotton panels). The Project will provide funds for materials and technical assistance and will facilitate access to markets to develop these pilot activities. It will also seek funding from other sources to provide for replicating successful efforts.

3. Infrastructure/Quality of Life: Subprojects in this category will include construction of multi-purpose service posts** and may also include improvement of school facilities,

* GOP agencies represented at the meeting included the following Ministries: Planning and Economic Policy, Agricultural Development, Education, Health, and Government and Justice. Seven were present from IFARHU (Institute for the Training and Use of Human Resources) and DIGEDECOM (Community Development Bureau) and six from the University of Panama. Over 90 Guaymi participated in the work of the committees each of which was co-chaired by a Guaymi. The seven committees were organized along functional lines: education, health, agriculture, public works, labor affairs, community development, and Indian policy.

** Each post will serve a cluster of Guaymi communities and will be staffed by two Guaymi community development promoters as well as specialist promoters, e.g., in fish production or literacy.

construction of latrines, wells, and aqueducts, housing improvement activities, construction of access roads, and non-formal education activities in literacy, family planning, child care, nutrition, and sanitation. Preliminary financial plans for some of these illustrative subprojects can be found in the Financial Analysis.

By the end of this three-year pilot effort, an estimated 31,000 Guaymi Indians will have benefited from expanded and improved GOP programs and services in agriculture, health, education and nutrition, either funded or stimulated by the Project.

Production of traditional crops will have been increased through the introduction of modern but appropriate agricultural technologies; nutrition will have been improved through various traditional and new food production interventions; income increasing opportunities will have been developed through pilot project activities in agriculture and small industries; and the quality of life will have been raised through increased access to health and educational services, formal and non-formal.

While the impact of specific subproject activities will contribute towards the achievement of the goal, the major activity contributing to achieving both the Project's goal and purpose will be the realization of a new relationship between the GOP and the Guaymi. This relationship calls for a collaborative, participatory development style wherein the Guaymi community is the prime mover and the GOP the facilitator of the development process. If accomplished during the life of this Project, indirect benefits could accrue to all 100,000 Indians in Panama, and to other groups, especially those with cultural patterns decidedly different from that of the dominant culture.

The Project purpose will have been achieved if by the end of three years there are: (a) an increased number of GOP service facilities, salaried GOP development personnel and GOP action programs operating in the Guaymi Comarca; (b) a continued GOP effort for the Guaymi at roughly the level of funding of this Grant utilizing a participatory system developed during the life of the Project. (c) an increase in coordinated inter-agency programs in the Comarca; (d) increased Guaymi participation in and satisfaction with development programs being implemented in the Comarca; and (e) a minimum of 65 Guaymi hired by the GOP during the life of this Project to form a cadre of development personnel who will continue to function in the area after termination of AID grant funding.

Major Project outputs will be:

-one National Council for Indian Affairs, established with Guaymi representation, providing high-level support and coordination for priority development of the Guaymi area, including provision of complementary support elements as required;

-three Provincial Indian Commissions, established with Guaymi representation, providing technical and operational support and coordination to participatory programs developed in the Guaymi area;

-a cadre of 65 Guaymi on GOP payrolls, working in development at the community level in the Guaymi Comarca;

- a minimum of 50 GOP technicians at work in the Comarca with more knowledge of and concern for Guaymi area development;

- a minimum of 60 Guaymi communities or groups actively participating in development efforts and taking more decision-making responsibilities in project activities;

- a minimum of 15 service centers constructed, equipped and operating;

- a minimum of 10 adult education centers established and operating;

-a minimum of 30 new environmental sanitation projects operating;

- a minimum of 30 agricultural projects established and operating;

-a minimum of 12 handicrafts/cottage industry projects established and operating.

Inputs

The total Project cost is estimated at \$1.168 million of which AID will finance \$500,000 (43%) through a development Grant. The GOP will provide cash and in-kind contributions totalling \$516,000. An additional counterpart contribution of \$152,000 will be provided by participating Guaymi communities in the form of land, labor, and local materials.

Major inputs comprise the materials, equipment and vehicles and the labor (including community labor, GOP and Guaymi technical expertise, supervision and administration) required to construct service posts and carry out subproject activities in Guaymi communities. Other inputs include a limited amount of in-country training for Guaymi promoters and GOP personnel and funds for evaluation and special studies. A summary input financial plan follows:

(U. S. \$000)

<u>Project Inputs</u>	<u>AID Grant</u>	<u>GOP</u>	<u>Guaymi Communities</u>	<u>Total</u>
Materials, Equipment, Tools, Vehicles	390	123*	16	529
Community Labor	-	-	136	136
Training	20	5	-	25
Promoters, Technical Specialists, Admini- stration	60**	388	-	448
Evaluation/Special Studies	30	-	-	30
	<hr/>	<hr/>	<hr/>	<hr/>
TOTALS	500	516	152	1,168

For greater detail, see Section III, Financial Plan and the Financial Analysis in Section II.

C. PROJECT BENEFICIARIES

Direct beneficiaries of this Project will be approximately 31,000 Guaymi residing in and around the 60 communities which it is anticipated will participate in the Project over its three-year life. These people inhabit the often inaccessible sierra highlands and lower slopes of three provinces: Veraguas, Chiriqui and Bocas del Toro.*** Victims of harsh living conditions, cultural and geographical isolation, and decades of public and private sector neglect,**** they comprise the Project's target group.

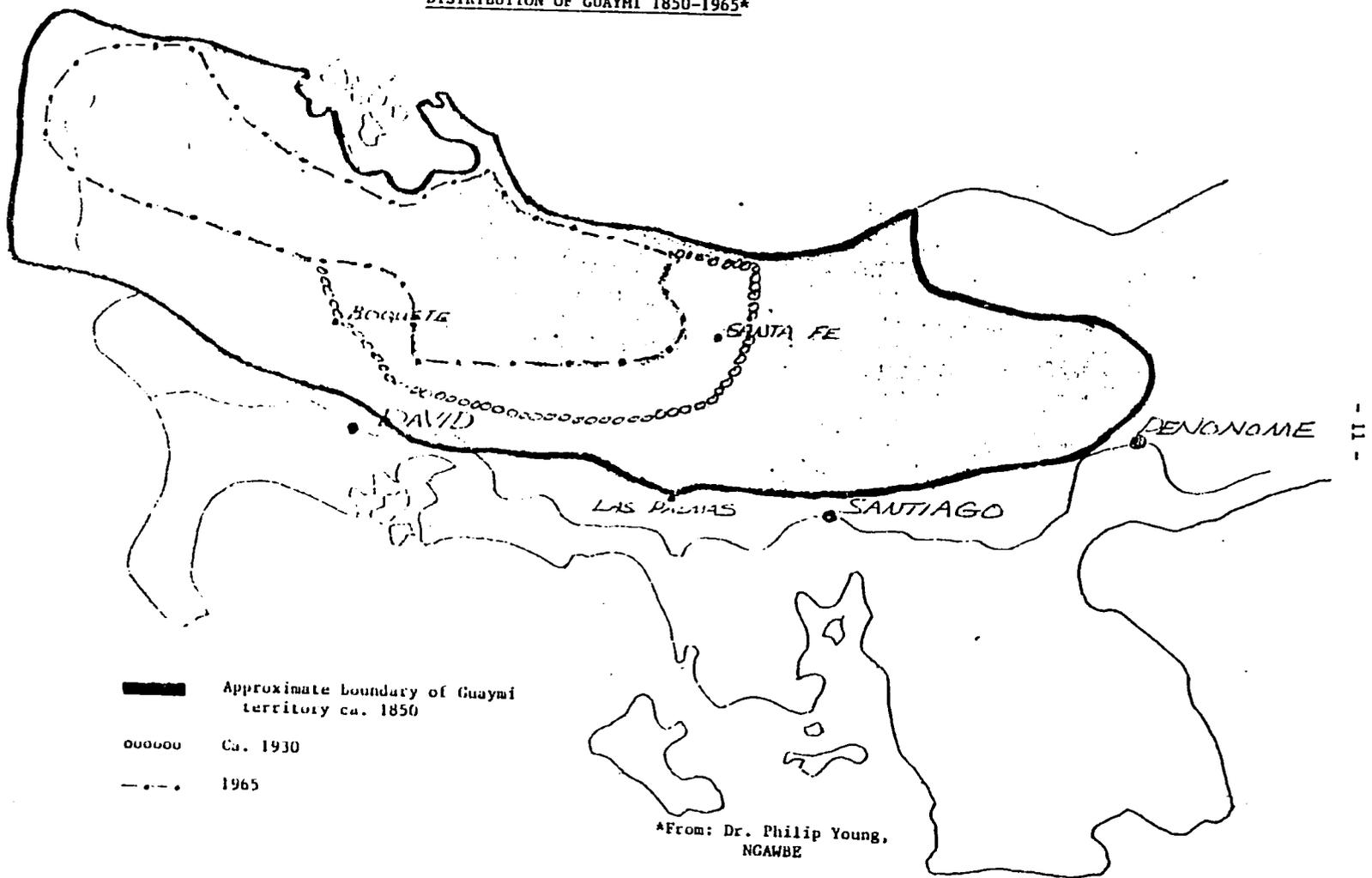
* Includes GOP supervision (technical, construction).

** Salary for Guaymi promoters.

*** See page 11 for distribution per province and map on page 12 for physical location in Western Panama.

**** Only very recently with the initiation of some assistance from the GOP and foreign agencies has this begun to change and only for the benefit of a few Guaymi areas.

DISTRIBUTION OF GUAYMI 1850-1965*





In estimating the number of beneficiaries, the Guaymi notion of community has governed our calculations. Although the Guaymi live in small groups* widely dispersed over the mountainous terrain of their three-province Comarca, they are effectively made more cohesive through the influence of kinship relationships and traditional communications patterns. To the Guaymi the existence of kinship ties far outweighs physical location or aggregation in determining community. Thus a house or group of houses located at a distance of several miles from a population cluster (community in the Latino sense) would be considered an integral part of that community if close consanguineous ties exist amongst occupants of the houses.

Service centers, for example, will be located by the Guaymi, based on the pattern of kinship group distribution and the traditional concentric locations which were used for congresos, balserias, and chicharias, all types of Guaymi gatherings. In Veraguas, sites for five centers have been chosen on a preliminary basis with each center serving approximately 1200 people even though the sites themselves may be home to no more than 70 or 80 people.

The number of beneficiaries will vary according to the type of activity. A dressmaking subproject will directly affect only a limited group (seamstresses and their family members) whereas a fish pond, a nutrition charla, a medical visit, or radio broadcasts on the value of brushing teeth or washing hands will benefit almost everyone within the sphere of influence of the service center. An SDA integrated fish pond project in Buenos Aires (Veraguas Province) is illustrative. MOH statistics for the pueblo credit it with six houses/29 people; recent visitors would increase these figures to 15 houses/75 people in the immediate vicinity. However, actual participation in the fish project in Buenos Aires has been well over 200 families/1,000 people. They help maintain the integrated fish/small animal facility and help harvest and eat the fish produced. While no estimate has been made of indirect beneficiaries, it is worth noting that some of the fish harvested is sold to non-participants in the project and that a number of communities on the outer fringes of the sphere of influence of the Buenos Aires area have either requested fish ponds or have dug their own and requested fingerlings from MIDA.

* These small groupings are generally composed of two to six houses occupied by one kinship group of consanguineously related males plus in-married females and unmarried children. Recently, because of increasing population pressure on a reduced land base, in some places several kinship groups have been forced to reside in close physical proximity. Where these more dense groupings (usually 10-15 houses/50-85 people) occur, Latinos and other non-Guaymi have given the population clusters place names and community status.

In like fashion, medical visits draw far more people than the small number of residents in a single community would indicate. In Altos de Jesus (Veraguas), a small community with an estimated 12 houses/82 people, medical visits attract between 300 and 1,000 people, depending on the schedule of other events and the length of the visit.

The point being made is that the Guaymi pattern of participation differs from that of the Latino. While population statistics for a given community present one picture, actual participation through kinship and traditional communications patterns tells quite another story. It leads us, on the basis of an anticipated five service centers per province, to estimate 6,000 beneficiaries for Veraguas (1200 served per center) and 15,000 for Bocas del Toro and 10,000 in Chiriqui (average 2,800 served per center).* If political differences are resolved amongst the Guaymi in Chiriqui, the number of Project beneficiaries could increase during the life of the Project.

Project Benefits to the Target Group

Economic benefits to the Guaymi will include increased income from a number of sources: new income-producing activities, both increased and more diversified agricultural production, greater productivity, and improved access to markets. In addition, 65 Guaymi will be directly employed by the Project at an average salary of \$100 per month. Social benefits to the group will include better diet, hygiene, and housing, and improved access to basic life skills and technologies through non-formal education covering such fields as literacy, family planning, child care, nutrition, village sanitation, and family hygiene. The Guaymi will also benefit from improved access to medical facilities and to educational and other social welfare benefits which were previously unavailable to them.

An important social benefit will be the Project's contribution to a more stable family life among the Guaymi by reducing the need for Guaymi males to seek employment outside the Comarca for extended periods. This will have political ramifications, in addition; it was owing to the need for employment beyond the Comarca (in this case, in Baru) that the Guaymi of Chiriqui spawned the anti-Latino, inward-turning Mama Chi movement.**

* The larger number of Guaymi served by each service center in the two more western provinces results from differences in population densities, total numbers of people, and settlement patterns.

** In September 1961, the Chiriqui Land Co. (CLC) mechanized its operations in Puerto Armuelles. This resulted in a reduction in the Guaymi labor force (hired seasonally) from approximately 2000/yr. to 300/yr. New hiring policy as a result of union activity restricted employees to full-time residents. The resulting economic

Women will directly benefit from the Project which is of particular significance given traditional male dominance in the Guaymi culture. Benefits to women will include new employment opportunities, improved homecraft and family skills, and a larger role in community activities and decision making. Changes in the status and role of the Guaymi woman are already occurring as a result of the Guaymi male's prolonged absence in the pursuit of work and the beginning of a transition in the Comarca from a subsistence to a limited market economy.

Other direct beneficiaries of the Project will be those Latinos who live in close proximity to participating Guaymi communities and who will be included in some subproject activities such as fish/small animal production. For the most part, they are small, low-income farmers who are not much better off than their Guaymi neighbors. The GOP has decided that, where warranted, such non-Guaymi participation should be permitted so as to avoid provoking ethnic resentment and hostilities in the Project area. This will be particularly true in Veraguas Province where there has been considerably more contact between the Guaymi and Latino populations than in the "purer" Indian regions of Chiriqui and Bocas del Toro. The Guaymi and Latinos of Veraguas are closely intertwined, and it is for this reason that approximately 3,000 Latinos are included amongst direct beneficiaries for the province.

Indirect Beneficiaries

Turning to the Project's indirect beneficiaries, a case may be made for considering them almost as important as those to be directly benefited. If the central purpose of the Project is

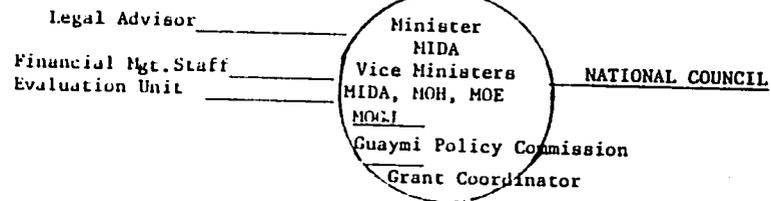
shock to the Guaymi was ~~love~~. Within a matter of weeks the Mama Chi movement was born after the Virgin Mary and her husband' Jesus Christ appeared to a young Indian woman in Chiriqui with a secret message to be conveyed to all Guaymi, but not revealed to outsiders (Latinos). The message foretold of an impending tragedy for the Guaymi if at the end of a five year period they had not complied with the message. The latter essentially called for the Guaymi to withdraw from various kinds of involvement in Latino society and culture. Latino clothes were to be discarded, as well as ID cards (cedula). Births and deaths were not to be registered, and children were to be withdrawn from Latino schools. Guaymi were urged to not go into towns where they might mingle with Latinos, and were ordered not to make sales or purchases from Latinos. The Latinos were seen as impure and a source of evil.

Guaymi customs, such as the balseria and chicheria, were prohibited. Churches were set up, and teachers of the new cult sprang from everywhere. Draught, plagues, and loss of land were prophesied for those who did not follow the new cult. The cult grew quickly, especially in Chiriqui, and to a lesser extent in Bocas del Toro and Veraguas.

achieved and a new relationship is forged between the Guaymi and the GOP, this will positively affect not only the remaining 29,000 or so Guaymi but also the Chocoe, Cuna, and Teribe peoples. It will mean that development for non-Latino groups and their incorporation into the mainstream of national life can be accomplished on their own terms and at a pace they feel comfortable with. In the long run, this will have positive political consequences for Panama. Indeed, Panama itself should not be overlooked as a beneficiary of this Project. While not guaranteeing political stability among minority groups, the Project, if shepherded with skill, patience and sensitivity through implementation, should contribute to a more positive attitude among the newly politically vocal Guaymi toward the Government of Panama and the country's dominant culture. Continued assistance for the Guaymi and other non-Latino groups beyond the life of this Project will be essential in helping to assure minority group support over the longer term. A one-shot effort is to be avoided at all costs.

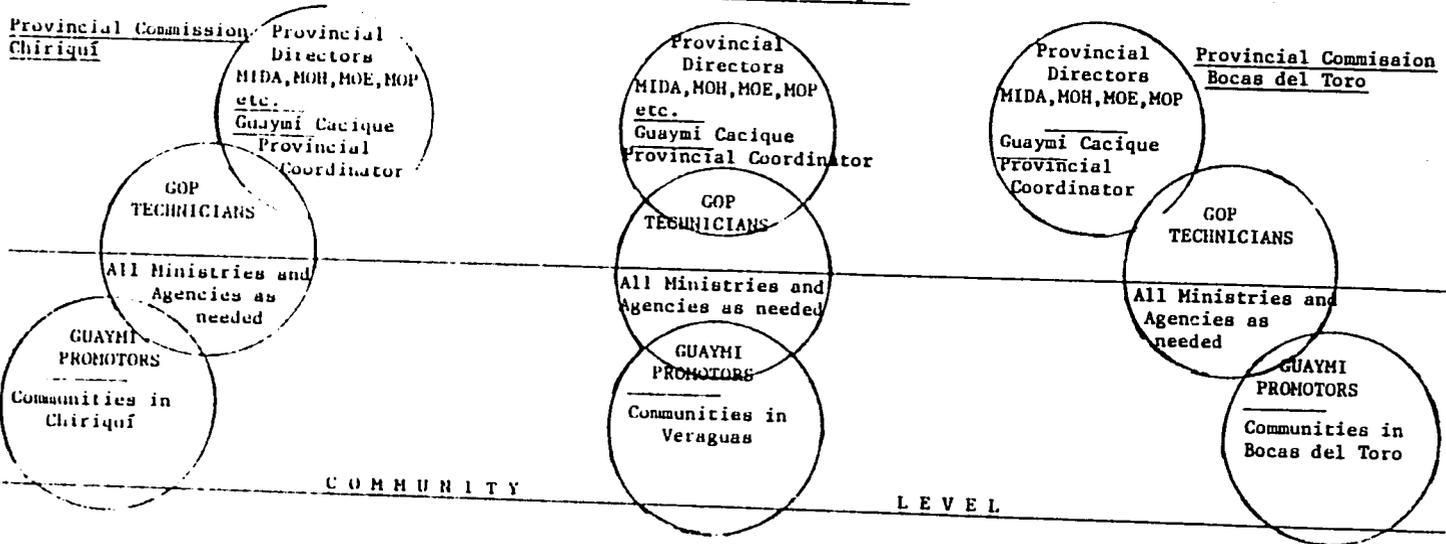
FUNCTIONAL DIAGRAM

NATIONAL LEVEL



PROVINCIAL LEVEL

Provincial Commission Veraguas



COMMUNITY

LEVEL

D. PROJECT PRIORITY AND RELATION TO OTHER PROGRAMS

1. Government of Panama Priorities

Since the early 1970's, GOP strategy has explicitly included in its major national objectives a higher rate of economic growth and a wider, more egalitarian distribution of the benefits of this growth. Translated into policy, the strategy encompasses, inter alia, a commitment to enhance participation of the poor in the development process. This includes raising the living standards of the rural poor (through, e.g., provision of social services) and integrating them into the political, social and economic life of the nation.

The Government's interest in extending assistance to its Indian populations has been growing since early in the decade. It became a priority in 1977, the same year it requested AID's support in helping to design and fund a program for the Guaymi. The Government, in fact, hopes that the Project will pave the way for the eventual creation of a high-level National Indian Commission which would be responsible for establishing development policy toward Panama's four main Indian groups and marshalling the resources necessary to improve their living conditions.

A noteworthy development along these lines was MIDA's recent establishment (January 1979) of a Directorate of Indian Affairs. Certainly the AID Project Team, during the months of preparing the Project for presentation, has been impressed with the sincerity and dedication displayed by MIDA personnel in working to make this new effort a reality.

On a broader front, through the Indian Policy Commission created within the Ministry of Government and Justice in March 1976,* the GOP has been working toward establishment of formal boundary lines for the Guaymi Comarca which has been steadily shrinking since the 1930's as a result of Latino incursions.

This Project clearly fits within the GOP's current development strategy and bespeaks its growing commitment, specifically, to do something for its long neglected Indian peoples.

2. AID Priorities

The Project is clearly in line with AID's current develop-

*The IPC is headed by the GOP's national advisor on Indian affairs and has strong Guaymi representation.

ment philosophy focussed on assisting the rural poor in an effort to meet their basic human needs.

It also is in line with the Mission's recently published Country Development Strategy Statement for Panama which cites the extreme poverty of the very areas of the country in which the Guaymi are found and suggests that because of their extremely limited access to services, the Guaymi merit special attention. The Mission proposes in the CDSS to continue assisting Panama to eliminate poverty in rural areas until 1985 by concentrating its efforts in 17 of Panama's poorest rural districts. Guaymi are found in 13 of these districts.

AID's interest in the Guaymi is not new. Since 1975 it has provided \$856,500 in grant funds to improve Guaymi living conditions. The largest effort was the \$828,000 OPG administered 1975-78 through the InterAmerican Development Institute. This project, which trained over 400 Guaymi in community development and technical fields, was based in the district of Tolé in Chiriqui Province and had its greatest impact in that province and in Bocas del Toro. The remainder of AID's contribution has been provided through SDA funds for the following activities:

<u>SDA Project</u>	<u>Location</u>	<u>AID Contribution</u>
Rice Production Cooperative	Canquintu, Bocas del Toro	\$6,500
Community Center	Orema, Chiriqui	5,000
Bee Project	Chichica, Chiriqui	300
Mule Project	Llanos Palmas, Chiriqui	700
Student Dormitory	Santiago, Veraguas	2,700
Fish Ponds	Various locales, Veraguas	11,000
Pilot Agricultural Projects	Las Palmas, Veraguas	3,000

The fish ponds and small agricultural projects (the latter also included a dressmaking subproject) in Veraguas were undertaken to provide specific information needed to develop subproject activities under this Project.

3. Relation to other Activities

Other donor activities have been sporadic and uncoordinated but, at a time when the GOP was virtually inactive in the Comarca, this assistance was welcome and valuable. The large majority of it has been concentrated in the provinces of Bocas del Toro and Chiriqui.

a. Assistance from Religious Organizations

For a long time, the major source of assistance to the Guaymi was the Catholic Church and, to a lesser extent, small Protestant missionary groups. The former has been especially active through two Augustine Missions located in Canquintu (Bocas del Toro) and Tolé (Chiriqui). In Bocas del Toro, the Catholic Church, with funds from a German Church group, MISEREOR, has assisted the Guaymi in the areas of health, education, and agriculture as well as sponsoring cultural and religious activities. MISEREOR's latest donation, an estimated \$40,000, is helping to establish a production cooperative for this most fertile region of the Guaymi Comarca.* A recent \$110,000 grant from the Inter-American Foundation to Fe y Alegria, a Catholic group, will provide additional assistance to the cooperative. An earlier mentioned SDA project also supported it with funds for infrastructure.

Over 10 Catholic and Protestant church groups are also active in Chiriqui Province, working in the areas of education and agriculture with some assistance in health and nutrition, as well. Clothing and relief supplies are also provided to the Guaymi by these groups.

The main church-sponsored activity in Veraguas Province is carried out through the Center for Education, Promotion and Social Assistance. This Catholic Church assisted agency is based in Santiago, the province capital.

The existence of considerable friction between religious groups, foremost among them the Catholic Church, and the GOP over activities sponsored in the Comarca should be mentioned. The friction arose because of Government resentment over evidence that the Guaymi felt a greater allegiance to church agencies, many of which were foreign, than to the National

*Despite the advantage of its fertility, this area's development has been hampered by problems of transportation and exploitation by Latino middlemen. The Guaymi have traditionally produced rice in the headwaters of Bocas' numerous rivers, transporting it to the most accessible points and selling it there to middlemen who took it to the province capital for milling. The Guaymi retained only enough rice to serve as seed stock for the next crop and for family consumption. However, hungry for additional cash income, they usually oversold to the middlemen, finding that six to eight months later they needed to re-buy from these same middlemen at five to eight times the price they had originally sold the rice for. MISEREOR funds have financed a rice mill, warehouse and boats to enable the Guaymi to purchase, mill and sell their rice production without resorting to Latino middlemen.

Government. Aware of GOP antagonism, religious groups have tended to work with the Guaymi under a cloud of secrecy and independently of each other; the results were often duplicative and tended to confuse the Guaymi more than help them. Fortunately, this friction has been reduced during the past several years as the Government has begun to provide assistance to the Guaymi and as Guaymi leaders have come to realize that their best bet for sustained support lies with the GOP rather than with private organizations.

b. United Nations Assistance

Briefly, the U.N. has provided assistance to the Guaymi through UNICEF and will undertake a new program in reforestation in CY 1979 under FAO auspices.

The UNICEF representative in Panama is based in Santiago and is a member of Veraguas' Provincial Indian Commission. UNICEF has provided materials and equipment for primary schools, ciclos basicos,* community health committees and COIFs** in Veraguas and school supplies and hand-operated tractors to the Guaymi in Chiriqui and Bocas del Toro.

A World Food Program (FAO) reforestation program is to assist an estimated 13,000 campesinos and Guaymi located in four districts** of Veraguas Province at a cost of \$987,400 over four years. The project plans to organize 2660 males into forestry cooperatives to carry out reforestation work. Participants will receive a family food supplement for two consecutive years and, when working on Government-owned land (as opposed to Comarca land) will receive, in addition, a small wage - \$1.50/day to be paid by MIDA. Within the community scheme, further, each participating farmer will be entitled to 10 hectares of the cooperative

* Grades one through nine with a vocational orientation in the upper grades.

** COIFs are Child and Family Orientation Centers which are established by IPHE; a private welfare agency in Panama. COIFs provide education and day care for pre-school age children of the rural and urban poor and programs for their parents, including income producing activities for women (e.g., dressmaking and rice growing projects for Guaymi women). Currently there are COIFs in the Guaymi communities of Altos de Jesus, Buenos Aires and Los Valles and five more are to be established in 1979. These are all in Veraguas Province.

*** La Yeguada, Los Valles, Alto Guarumo and Buenos Aires.

plantation which, it is estimated, will represent an average family income of \$3,000 per year throughout the twenty years of the forest cycle. MIDA will have overall responsibility for the project, and RENARE will be the executing agency.

The FAO project will not compete with this Project for funds, technical personnel or beneficiaries. The Provincial Indian Commission and the GOP Project Office located in MIDA, as well as close USAID/UNDP coordination, will assure that no major duplication of effort occurs between the two projects.

c. Cerro Colorado

The open pit copper mine to be developed in Chiriqui Province is expected to begin operations by 1983. It will provide wage employment for hundreds of unskilled Guaymi during its first decade; few Guaymi, however, will qualify for skilled jobs which make a minimum of 12 years schooling a prerequisite for admission to on-the-job training programs. Because open pit mines require only 10 to 20% of their initial workforce when fully operational, most of the Guaymi will be let go within eight to 10 years of the mine's inauguration; this may well have unsettling effects on a group of people who have left their traditional way of life to join a money economy. Hence the importance of sufficiently developing the Comarca over the next decade to offer alternative employment opportunities (e.g., wood processing industries) to the Guaymi eventually displaced by Cerro Colorado.

II. PROJECT ANALYSES

A. TECHNICAL FEASIBILITY

1. Conceptual Basis for Project Design

This Project is designed to provide assistance and extend services to Guaymi communities too small to be considered within the scope of current GOP, including AID-financed, projects, (particularly in the health sector) and proposes to develop a flexible mechanism to allow the GOP a quick response - high participation means of addressing Guaymi development problems. It will help implement the GOP's policy for promoting growth with equity in the most marginal and isolated areas of the Republic.

The conceptual model for this project was developed by USAID/P, Ministry of Education (MOE), and Ministry of Agricultural Development (MIDA) personnel, in close consultation with the Guaymi and an Inter-American Development Institute anthropologist. The model can be characterized as integrated, comprehensive and largely non-formal, calling for the utilization of paraprofessional development promoters working out of community level multipurpose service centers to promote grassroots development activities in health, education, agriculture and nutrition. High beneficiary participation in the selection, planning, implementation and evaluation of all subproject activities, and a careful analysis of the complete community environment by both the beneficiaries and a team of GOP-Guaymi evaluation experts prior to and after subproject implementation are incorporated into the model to insure that both the needs and the realities of the beneficiary group are reflected in subproject activities, and that maximum learning is gleaned from each subproject effort. The model envisions GOP involvement in the development process as a facilitator rather than as a prime mover or controller, and the model establishes a system which commits the GOP to institutionalize the successful elements of the model so that the basic level and orientation of assistance to the Guaymi provided under this Project will be maintained after AID funding has terminated.

The philosophical assumptions underlying this conceptual model are that development is essentially a human process; that both the means and the ends of the development process must be based on beneficiary participation; and that in order to be successful, a continuous process of translation, negotiation, mediation and accomodation must take place among all interested parties - a collaborative and participatory process requiring time, patience, and, above all, constant contact and dialogue.

2. Technical Feasibility of Individual Project Elements

A series of SDA projects was initiated by USAID/Panama as an integral part of developing this Project. The following types

of activities were financed: managed fish production/small animal; dressmaking; traditional crop improvement; and chicken, fruit tree and vegetable production projects. The purpose of these pilot SDA activities was to determine the technical feasibility of such activities in the Guaymi milieu. In addition, it was thought that the projects would provide information on the financial feasibility of these activities, the Guaymi pattern of participation in the projects and the GOP response, especially in providing technical assistance when needed.

The pilot activities have provided a substantial body of information related to the above mentioned areas. They have demonstrated that the projects are technically feasible and that they are financially feasible, either self-sustaining or producing income for project participants.

Finally, the projects have provided information about Guaymi and GOP responses. They provided evidence, for one thing, that certain activities will be supported across kinship groupings (fish projects are a good example) while other activities are better developed within a kinship grouping or individual family (fruit tree production). They have shown the GOP response to be quick and efficient most of the time. The biggest problems encountered in providing timely assistance have been lack of transportation or inaccessibility to an area because of weather or poor roads. SDA assistance in support of a small Guaymi consumer cooperative was also provided. The cooperative was viable, but transportation of goods to and from the community was a problem. The SDA purchased two mules to provide all-season transport for the community.

The promoter system has also been tried in Panama. The MOH has utilized community level promoters in its health program for several years. These health promoters, with roughly the same educational background as the Guaymi promoters, have been charged with carrying out a far more complicated program than the Guaymi promoters will be responsible for and have done so successfully. AID is now providing funds to expand the health promoter program. Field visits have shown that the promoters trained under Plan Guaymi are working part-time on their own with no outside assistance, building latrines, carrying out adult literacy programs and other similar activities.* This Project will reinforce the largely volunteer efforts of these promoters by providing funds for their community development activities.

* Because they are unsalaried, the promoters are able to devote only a small amount of their time to community development; the rest of the time they are at work to support themselves and their families.

One means of expanding outreach to the most inaccessible areas is to utilize a combination of para-professional promoter and mass media (radio and printed materials). The promoter system is already in place. Printed materials were produced under Plan Guaymi, and more will be produced under this Project. Radio has been used in some of the pilot SDA activities, e.g., managed fish production. Early on in the Project, a group of Guaymi leaders, GOP and AID officials will travel to Guatemala to explore the possibility of adapting portions of the Basic Village Education Model to this Project. A Government radio station is already set up in Veraguas and private stations also exist so funds would be utilized solely for broadcasting messages in support of subproject activities rather than for infrastructure.

In summary, pilot SDA activities have demonstrated the technical and financial feasibility of key subproject activities to be financed by this Project. They have also provided information on problems - organizational, administrative and technical - that were encountered. These pilot activities were considered in designing the proposed Project and will continue to provide advance information into the implementation phase of the Project.

B. FINANCIAL ANALYSIS

The financial plan for the Project is presented in the following tables found in Section III of this Paper. Table 1 , Overall Financial Plan, shows the costs of AID, GOP and Guaymi community inputs and Table 2 shows a projection of expenditures by Fiscal Year and funding source over the life of the Project. Table 3 shows an Overall Financial Plan and Cost Per Capita by Province.

PROJECT INPUTS

1. Service Post Construction

A minimum of 15 service centers are to be constructed and equipped to serve as office space, warehouse, meeting place, classroom and in some cases sewing room for dressmaking and space for a consumer coop. Plans and specifications, including proposed site, will be submitted as a Condition Precedent to disbursement for the service posts. The following is an engineering estimate of the costs of construction by AID, GOP and Guaymi Community.

Fixed Amount Reimbursement (FAR) is not being considered for this construction because the 15 units are not contemplated to be like units. Construction materials will depend on raw materials available in the area.

The highest cost estimate for a three-room service post is as follows:

	<u>AID</u>		<u>GOP</u>
Cement	\$ 850	Transportation of	
Wood	700	materials	\$ 200
Metal Roofing Joist	1,100	Design plans, topog-	
Alum. roofing	2,150	raphy, surveying	
" " ridge	75	work	300
Hardware (locks, handles,		Supervisory Labor	
nails, etc.)	525	2mm. x 500/m.	1,000
Structural rods & wire	<u>600</u>		
			<u>1,500</u>
Total AID	<u>\$6,000</u>	Total GOP	<u>\$ 1,500</u>
		<u>Community</u>	
		Sand, gravel	\$ 500
		Labor 333 day	
		x \$3	<u>1,000</u>
			<u>\$1,500</u>

Because lower cost units will probably be built using more local materials and less hardware, an estimated \$5,000 per service post (AID contribution) is shown in the overall budget.

Equipment to be provided for constructing each of the 15 posts for community use is budgeted as follows:

	Per Unit Cost	Total
3 Rakes	\$ 8	\$ 24
3 Shovels	8	24
1 Wheelbarrow	70	70
1 Sledge hammer	15	15
3 Hoes	8	24
5 Saws	15	75
5 Wood planes	13	65
12 Files	2	24
1 Cross cut saw	25	25
3 Hammer	5	15
		<hr/>
Total		\$361
	Contingency 10%	36
	Shipping 10%	36
		<hr/>
		<u>\$433</u>

In addition, two cement block machines will be provided at an estimated cost of \$350 each for making blocks for post construction and other community related construction activities. All above equipment will remain in the service center to be used for other construction activities.

The total budget per service post is \$7,500.

2. Subproject Activities

This component represents \$288,000 or 57% of the AID contribution. The Overall Financial Plan by Province includes a budget allocation for subprojects. It should be noted that funds may be shifted between activities based on demonstrated community interest. However, shifts between the Provincial Budgets should not exceed 15% of the total budgeted unless otherwise agreed to in writing by AID.

Communities will request activities which they are interested in supporting and implementing. Each request will contain data for a rudimentary financial analysis consisting of estimated costs by funding source, numbers of beneficiaries, cost per beneficiary, estimated benefits, recurring costs to the community and the GOP, and a cash flow analysis to insure that any recurring

costs can be met.

Presented on the following pages are detailed activity budgets to be used as a guide for funding an activity. SDA projects were the source of information for the costs developed.

a. Illustrative Budget for Fish Ponds/Animal I

These subprojects are designed to produce food for Project participants and, in the case of small animal projects, some income as well.

Budgets are presented below for fish ponds which are community projects. Contributions are shown by source.

Fish Pond Components	5000 M2	1500 M2
<u>AID</u>		
Earth Movement \$0.80/M2	\$4,000	\$1,200
Pipe, Cement	225	120
Nets (cost of thread and needles)	100	100
Fish	<u>400</u>	<u>120</u>
Total AID	<u>\$4,725</u>	<u>\$1,540</u>
<u>GOP</u>		
Supervision of construction, 10 days x \$30/day	300	5 days x 30 150
Technical supervision		
1st. year fish culturist, 26 visits x 30	780	20 x 30 600
2nd. year fish culturist, 26 visits x 30	<u>780</u>	<u>600</u>
Total GOP	<u>\$1,860</u>	<u>\$1,350</u>
<u>Guaymi Community</u>		
Sand and gravel	190	90
Labor for making nets, 20 days x \$3	60	5 days x 3 15
Labor for construction of ponds, 75 days x \$3	<u>225</u>	<u>25 days x \$3 75</u>
Total Community	<u>\$ 475</u>	<u>\$ 180</u>

The community also contributes time for maintaining the ponds once they are constructed.

The perimeter of the pond must be sodded to prevent erosion. This work is estimated at 15 person days for small ponds, 50 person days for medium ponds and 100 person days for the large ponds. Grass cutting around the pond accounts for 30 days' labor on small ponds and 50 days for the medium or large ponds. Large and medium ponds must be drained and cleaned annually; labor estimates are 30 days for medium ponds and 50 days for large ponds.

This labor valued at \$3.00 per day accounts for community contributions of \$135 for small ponds, \$390 for medium ponds and \$600 for large ponds, per year.

b. Illustrative Budget for Small Animal Projects, Types I and II

These projects consist of raising ducks, hogs and chickens. Budgets are presented below:

<u>AID</u>	<u>Ducks</u>	<u>Hogs</u>	<u>Chickens</u>
Cement	\$ 175	\$ 175	
Cement blocks		60	
Wood	140	120	\$120
Nails & wire	100	70	70
Feeders	30		30
Waterers	30		30
Cost of animals	160	650	85
Cost of feed	540	940	220
Medicines	<u>25</u>	<u>50</u>	<u>15</u>
Total AID	<u>\$1,200</u>	<u>\$2,065</u>	<u>\$570</u>

GOP

Supervision of construction, 15 days x \$30/day	450	2x30	60	1x30	60
1st. year technical supervision, 6 visits x \$30/visit	180		120		180
2nd. & 3rd. years technical supervision, 6 visits x \$30/visit	<u>180</u>		<u>120</u>		<u>180</u>
Total GOP	<u>\$ 310</u>		<u>\$ 300</u>		<u>\$ 420</u>

<u>Community</u>			
Sand & Gravel	\$120	\$140	\$150
Construction labor, 70 days x \$3/day	<u>210</u> 70x3	<u>210</u> 30x3	<u>150</u>
Total Community	<u>\$330</u>	<u>\$350</u>	<u>\$300</u>
Recurring labor for maintaining project, 50 days x \$3/day	<u>150</u> 270x3	<u>810</u> 90x3	<u>270</u>

c. Intergrated Fish/Animal II

<u>Pond Size</u>		<u>300 M2</u>
<u>AID</u>		
Pipe and cement		\$120
Nets		35
Fish		<u>25</u>
Total AID		<u>\$180</u>
<u>GOP</u>		
Construction supervision, 5 x \$30		\$150
1st. year technical supervision, 6 x \$30		180
2nd. & 3rd. year technical supervision, 6 x \$30		<u>180</u>
Total GOP		<u>\$510</u>
<u>Community</u>		
Earth movement (labor)		\$200
Sand, gravel		38
Labor		<u>200</u>
Total Community		<u>\$438</u>

Animal projects II would be the same as shown for Integrated Fish Ponds/Animal I.

d. Illustrative Budget for Cash Crops (Coffee, Cacao)

No illustrative budget has been prepared. However, if communities elect to produce these crops, AID would finance plants, fertilizer, insecticide, equipment and the GOP would contribute supervision. Local contribution would be labor for preparing the area, spraying for insects and caring for the crop once it was growing. The total financing would be AID \$20,000, GOP \$5,000, and Community \$15,000.

e. Illustrative Budget for Home Consumption

AID

Insecticides	\$ 80.00
Fertilizer	220.00
Seeds	90.00
Tools	<u>540.00</u>
Total AID	<u>\$930.00</u>

GOP

Transportation to select site, test soil, training, monitor project and transport produce	<u>\$200.00</u>
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Community

Labor	<u>\$400.00</u>
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The above budget is for a community-size garden package of lettuce, tomatoes, etc. A rice-corn-beans package would maintain approximately the same mix - chemical inputs \$300, seeds \$90 and hand implements \$540, \$200 transportation and soil testing.

The budget was based on implementing a total of 50 such packages over the Project's life, with AID paying a one-time cost for chemical inputs, seeds and implements.

GOP would have a three-year responsibility for transportation (minimum of 10 trips for three years to project site to test soils, select site, train, monitor projects, and transport produce). at the end of the third year, all monitoring should rest with the promoter. It is expected that the community will be able to purchase all seeds and most fertilizer from project earnings in the second year (in some cases the GOP may have to subsidize fertilizer

sales in the second year). By the third year the community will be fully responsible for all aspects of this activity.

None of these projects is at the level where it could be integrated into cooperatives or credit programs such as FECOPAN or COAGRO; however, a Project objective is to strengthen these types of community programs so they can in the future benefit from this type of assistance.

f. Illustrative Budget for Consumer Cooperatives

Coops would be established in the service posts or other locations and be started with \$500 funding (\$400 from AID and \$100 from the GOP). These funds would be used to purchase consumables which villagers badly need such as matches, cooking oil, kerosene, etc., and \$200 would be available to purchase villagers' production which would give them some cash or they might barter their produce for available consumables. Produce which is purchased by the cooperative would then be sold at the nearest market and with this cash, more consumables would be purchased. This type of credit program will only be carried out where the promoter has received training in rural administration and is considered capable of administering such a program.

In some cases, the GOP has provided contracts for vegetables to hospitals, schools and other such institutions. The possibility of such contracting with the Guaymi will be addressed as consumer cooperatives are established.

g. Illustrative Budget for Small Industries/Handicraft Activities

Traditional Guaymi Dresses

5 yds. of material and thread	\$ 7.50
Labor (local contribution)	
3 days x \$2.00 per day	<u>6.00</u>
	\$ 13.50
Sales price	20.00
Profit	<u>\$ 6.50</u>

Other traditional handicrafts such as Guaymi handbags and necklaces will be developed based on demand by the Guaymi for these activities.

The total financing is as follows: AID \$50,000; GOP \$10,000; and Community \$20,000.

h. Illustrative Budget for Education Sector Activities

AID

1) Equipment and materials to be used in 30 adult education centers at \$200/center*	\$ 6,000
2) Material for construction of 800 student benches at \$8.00/bench	6,400
3) Construction material for 30 classrooms at \$300/classroom	9,000
4) Material for improving 20 school kitchens at \$150/kitchen	3,000
5) Material for constructing 100 teachers' desks at \$10/desk	1,000
6) Other material production	<u>4,600</u>
Total AID	<u>\$30,000</u>

GOP

Supervision \$ 5,000

Community

Labor in construction of above \$20,000

i. Illustrative Budget for Health Sector Activities

A total of \$14,000 in construction is budgeted for wells, aqueducts and latrines. At present, Guaymi communities are too small to be included under the Health Delivery System Project, 525-U-045; however, the Mission is looking into the possibility of modifying the loan to permit coverage of smaller communities.

* Ministry of Education Adult Education Centers operate under the Directorate of Adult Education of the MOE and provide literacy training to adult students in a non-formal setting. The trained teacher works out of an available facility (school, church, community meeting house, etc.) and classes are usually held at night. Classes in rural areas are also arranged for slack periods in the agricultural cycle. Some centers offer vocational skills training also, but this is not contemplated for Indian areas.

3. Guaymi Promoters

TYPE	Year 1		Year 2		Year 3		EOP GOP
	AID	GOP	AID	GOP	AID	GOP	
1. Guaymi Evaluation Specialist, at \$100/Mo.	6 \$7,200		6 \$7,200		6 \$7,200		6
2. Guaymi Post Promoters, (generalists) at \$50/Mo.	9 5,400		15 9,000		6 3,600	9 5,400	15
3. Guaymi Promoters (Technical Specialist), at \$50/Mo	17 10,200		17 10,200			17 10,200	17
4. Guaymi Education Promoters, at \$50/Mo.		5 3,000		12 7,200		20 12,000	20
5. Guaymi Health Assistants, at \$50/Mo.		7 4,200		15 9,000		20 12,000	20
Total	\$22,800	\$7,200	\$26,400	\$16,200	\$10,800	\$39,600	78

4. Training of Promoters and GOP Technicians

The following types of seminars or training are budgeted under the Project, to be financed by AID with exception of the final line item.

<u>TYPE</u>	<u>Persons Per Course</u>	<u>No. of Courses</u>	<u>Duration</u>	<u>Cost \$/day</u>	<u>Total</u>
Seminar for Guaymi Leaders	20	3	2-3 days	\$3/day	\$ 540
Seminar for Provincial Leaders	15	3	2-3 days	"	405
Seminar for GOP Technicians	15	9	5 days	"	2,025
Workshop for Post Promoters	15	9	5 days	"	2,025
Workshop for Evaluation Specialists	15	3	10 days	"	1,350
Subject-specific workshops for promoter specialists		15	5-10 weeks	-	8,500
Observation trips to other countries					5,155
GOP counterpart for overhead costs					<u>5,000</u>
Total training					<u><u>\$25,000</u></u>

5. Special Studies/Evaluation

Special Studies are budgeted at \$2,000/pm to be performed by local contractors and are expected to take 10 pm. The total \$20,000 budget with the types of studies expected is as follows:

<u>Study</u>	<u>Duration person months</u>
Knowledge of and attitudes toward family planning	2
Socio-economic study	1
Nutrition study	4
Impact of other AID programs on the Guaymi	3

Impact Evaluations are expected to cost \$10,000. AID would finance the cost of two anthropologists, one to design the form for the evaluation and one to do the field work.

6. Vehicles

Four vehicles (four-wheel drive trucks from Excess Property) are to be provided under this Project at an estimated cost of \$5,000 each.

C. SOCIAL SOUNDNESS*

1. The Target Group

This project is directed toward the Guaymi Indians of Western Panama.

The 50,000-60,000 Guaymi constitute the largest Indian population in Panama and are distinguished from other Indian and Latino populations by language, dress, adornment and social organization more than by physical characteristics. Although little is known about pre-Conquest Guaymi, it is fairly certain that by the early 17th century most of the features of Guaymi culture were already present.

Traditionally, the Guaymi have lived in widely dispersed small communities of five to eight houses occupied by a core of consanguineously related males plus their wives and children. Dispersal rather than nucleation represented an efficient adaptation to the ecological conditions of an area where harsh and precipitous terrain reduced transportation and communication to a minimum and where slash and burn agriculture as the chief source of livelihood required shifting agricultural plots every few years.

Each house in a community kinship group formed an economic unit of production that performed most of the work necessary for its self-sufficiency and utilized most of the products of its labor. However, certain tasks were accomplished through the kinship group itself in the form of reciprocal or cooperative labor. In fact, reciprocal labor groups were a major aspect of the traditional Guaymi structure of production. Kinship groups also performed several other important functions in Guaymi society.

Traditional Guaymi society was well designed for the ecology of the sierra highlands and was adapted to a non-monetary economy with a slash and burn agricultural base. This system has been very stable over the past few centuries and is generally characteristic of present-day society. The stability, in part, has been

* Material for the social soundness analysis was drawn from the work of anthropologist Philip D. Young, the world's leading authority on Panama's Guaymi Indians. Dr. Young, who wrote his dissertation on the Guaymi in the early 1970's, lived amongst the Guaymi in Cerro Mamita (Chiriqui Province) for a year and spent a second year sometime later as project manager for Plan Guaymi, under contract with the InterAmerican Development Institute. He visited the Guaymi several times between the two twelve-month stays. Dr. Young participated in meetings held to formulate the Guaymi Area Development Project until his departure from Panama in June 1978.

due to geographic isolation, and the result has been a low intensity of cultural contact between Guaymi and Latino civilizations. The kinship group structure, without a more complex hierarchy of political power, also served to make conquest or domination by outside groups more difficult. There is evidence that Latinization has tended to be limited to out-migration from the Comarca into Latino settlements rather than by encroachment of Latinos or Latino culture into the Indian area.

Geographic isolation and cultural closeness have also meant that the Guaymi have not shared in the benefits of civilization and development. Until very recently, the Guaymi way of life had not changed from that of several centuries ago. There are few health facilities, schools, access roads and development projects in the Guaymi area, and bilingualism is essentially limited to the population under 40. Illiteracy rates are high, especially among women and people over 30. One estimate places the illiteracy rate at over 85%. Per capita income is estimated to be between \$50 and \$100 placing the Guaymi well within the GOP's definition of marginal (less than \$200 per capita income). Despite a few scattered and uncoordinated GOP initiatives in the last nine years, the Comarca still remains one of the most underdeveloped areas of Panama with malnutrition, disease and poverty increasing rather than diminishing.

2. Intra- and Inter-group Cooperation

Two factors which are key to understanding cooperation among the Guaymi are: (1) the nature of the activity and (2) land required for carrying out the activity.

Traditionally there are two types of Guaymi cooperative labor activities, festive and exchange. Festive labor involved little obligation on the part of participating parties to repay the labor invested; exchange labor implied a strong obligation on the part of the participants to repay to the organizer of the activity an amount of time equal to that invested. Festive labor usually involved persons who were not related to one another, while exchange labor usually involved persons with kinship ties.

There are two types of festive labor, the general and the particular. General festive labor involves activities based on mutual recognition of needs of a geographic area such as clearing or maintaining a trail or building a school. In these cases, a leaderless work group is formed involving all members of the area regardless of kinship affiliation. Each member of the work group supplies his/her food and the activity is carried out to achieve something which will benefit all of the residents of the area.

The second form of festive labor involves particular activities, that is, activities which will benefit one individual, family or kinship group. Building a house is a good example of

this type of activity. In this case, the activity is organized by a leader or 'patron', who supplies the food and drinks to those who assist in the effort. The patron, in traditional society, was expected to willingly participate in similar work groups organized by others; there was no formal obligation, however, to repay the labor as the food and drink provided was considered sufficient repayment for work done.

In exchange labor, the obligation to reciprocate is very strong. Any male may arrange a work group for exchange labor at any time, although the most common time is during the land clearing and the harvest periods of the agriculture cycle. The patron usually invites people of the kinship group to participate in exchange labor activities and invites as many people as he can reasonably repay "in-kind" without jeopardizing the economic security of his own household.

The patron provides foodstuff and drink to the workers, with the drink serving as a strong incentive for participation. After the work is performed, the patron will owe an equal period of labor to each of the participants in the work group except those of his own and his wife's households (these are considered normal obligations and are bound by another complex set of rules and regulations).

In most cases, the task can be accomplished in one day. It is this feature that makes exchange labor attractive. Timing is very important in the agriculture cycle of a swidden agriculturist, and while one could argue that it takes the same number of man-hours to clear a plot of land or to weed a field of corn whether the task is done by one man or several, in terms of the absolute amount of time that passes between the initiation and the completion of a task, this is not the case. When the Guaymi work in a group they all work harder and longer hours than an individual Guaymi working alone, and the companionship also makes the performance of routine jobs of this nature more enjoyable, so there is also a social benefit.

Another factor in the degree of inter and intra-group cooperation is land. Land is a perennial topic of conversation among the Guaymi. Changes in the critical man-land ratio caused by a declining land base and increasing population growth have resulted in an increasing number of land squabbles among kinship groups, and within kinship groups. Land is owned collectively by the members of a kinship group, but control of the land is vested in those members of the kinship group who actually live on the land.

Land becomes an important factor along with festive or exchange labor rules in how beneficiaries will cooperate in carrying out subproject activities under this Project. If the land on which an activity is to be carried out is owned by a kinship group, the beneficiary organization should not extend beyond this group. How-

ever, if the land is communal land and there is general accord among the various kinship groups of the area, larger beneficiary groupings can be realized. Cooperation across kinship groups can be expected if an activity will be of general benefit to all of the inhabitants of the area, such as a large fish pond, and if communal land is available for the activity. For other types of activities, the most appropriate organization might be the kinship group, or in some cases, the individual family unit.

Development efforts in the Guaymi area should be based on a close evaluation of the community structure, the type of activity and the ownership of the land the activity will be developed on. This evaluation can best be carried out by the Guaymi themselves, and a project design which incorporates the Guaymi beneficiaries into the selection and planning process is one that will provide the best chance for success in the important area of inter and intra-group cooperation.

3. Spread Effect

The spread effects of the Project are assured by the institutionalization of systems to address the special development needs of the Guaymi, and by the training and utilization of Guaymi paraprofessionals to serve as community level change agents for the GOP. Most important of all, the relationship established between the GOP and the beneficiaries is one which has far broader implications than this small effort. Full acceptance by the GOP of a collaborative, participatory development approach for dealing with minority populations could assure that benefits accrue to all of the estimated 100,000 Indians in Panama, and to other groups with cultural patterns decidedly different from that of the dominant Latino culture.

4. Implications for the Role of Women

Women have traditionally played a significant role in the Guaymi economy, within clearly defined parameters. These traditional roles, still considered "ideal", are in transition due to changes which are occurring in the overall economic base and structure of Guaymi society.

The Guaymi woman is the conservative element in a very conservative society. Her dress has varied very little over the past several centuries even though men's dress has shown considerable change, and the vast majority of women are mono-lingual. Of course, girls of the present generation have increasing access to education. As schools are being built in the Guaymi area, more and more women are learning Spanish and showing some tendency to move away from traditional conservatism. However, the educational situation is still bleak with males dominating school attendance statistics.

There is a division of labor by sex in Guaymi society although in practice the division is often blurred by necessity. Traditionally, a woman never hunted, cleared the forest or cared for cattle, and such tasks as chopping fire wood, sharpening machetes and weeding were usually considered to be in the male domain. Planting and harvesting activities were usually shared.

As described earlier, one change brought about by the increasing participation of Guaymi men in wage-labor endeavors away from the Comarca has been a breakdown in the sexual division of labor. More and more of the agricultural tasks formerly performed by men are shifting to women out of economic necessity. In the absence of male family members, the women must rely on male kinsmen to accomplish the heavier and exclusively male tasks such as field clearing, but the erosion of traditional kinship relationships which served to cement kinship groups and obligate reciprocal labor is making it increasingly more difficult for a woman to demand time of her male kinsmen. Allocation of labor is coming more to depend upon labor availability than tradition. Recently, women have even been known to tend cattle when their men are absent despite strong cultural sanctions against such activity.

The Project will address the integration of women into the development process within the overall context of the Project rather than by developing special women-only projects. The traditional constraints and restrictions on Guaymi women will be respected; however, it is thought that this will not be as restrictive as an examination of past practices might indicate. The change from a traditional subsistence economy to limited dependence on a market economy is already bringing about changes in women's status and roles. It is not the intent of this Project to introduce or impose new structural changes on the Guaymi. The Project proposes, instead, to reinforce elements of Guaymi society which are already changing and provide women with the skills needed to better respond to their newly acquired responsibilities.

D. INSTITUTIONAL FEASIBILITY

Four GOP Ministries and the Guaymi will implement the project. The four ministries are Agricultural Development, Education, Health, and Government and Justice. A coordinated Government program of the type proposed by this Project to benefit the Guaymi Indian population has never before been undertaken. An assessment of institutional capabilities has been done on the basis of performance in developing this Project as well as performance to date in carrying out other projects and programs. The GOP's marked interest in developing an interagency outreach system that will provide effective and continuous assistance to the Guaymi helps guarantee that resources will be made available as needed during Project implementation.

The Mission has long experience in working with the participating ministries. Besides working closely with them in the course of designing the Project, it has executed large scale programs with MIDA, key implementing agency for this Project, and with the other implementing organizations, the Ministry of Education and the Ministry of Health. Within each institution the Provincial Directorate has been assigned responsibility for the Project and, in a more general sense, the development of the Indian population in Panama. Offices at the national level within each ministry have also been designated to work on this Project and they will compose the working level of the National Council of Indian Affairs.

Several positive factors which have emerged during the Project development period are worth mentioning. Satisfactory working relationships have been established with the Guaymi; the implementation is fully designed subject only to the changes that implementation will demonstrate to be necessary; an awareness exists that the Project's approach is quite different from other development efforts which have proven to be only partially effective and that, if it succeeds, there will be ramifications for other GOP development efforts.

As a result of recent GOP activity in the Comarca there is now a small core of public sector technicians who are interested in and supportive of the Guaymi and desirous of assisting them through well-designed development activities. Despite their motivation, however, even the best of these technicians is hampered by a lack of understanding of the Guaymi. The plans for training under this Project include a series of seminars for GOP personnel (technicians and other) that will provide them with more information about the special needs, conditions and culture of the Guaymi and how to deal effectively with them. These seminars will be offered by technicians who have an understanding of the Guaymi and have successfully worked with them and by anthropologists and sociologists and by the Guaymi themselves. It is hoped

that the cross-cultural training planned under the Project will contribute to more effective Latino-Guaymi interaction and lessen the sometimes marked cultural dissonance that has affected relations heretofore. With the training provided, the four ministries should be able to carry out the Project effectively.

1. Executing Organizations

a. Ministry of Agricultural Development (MIDA)

The Ministry of Agricultural Development will serve as the chief implementing agency for the Project and will be responsible for its overall coordination. MIDA demonstrated more than adequately the capacity to provide the necessary leadership and coordination for the Project during the lengthy and often trying Project development period; this included recruiting high level support for a revolutionary relationship between the GOP and the Guaymi.

In order to assure a functional, flexible structure for moving from the planning to the implementation phase of the Project, MIDA created a National Directorate of Indian Affairs (DINAI) on January 5, 1978, headed by the person designated to be Coordinator of the Project.* As the Directorate has been recently created it is still too early to comment extensively on its capacity. But it should be pointed out that most of the staff who will work in this Directorate are persons who have participated as mentioned above in the development of the Project. The staff of this Directorate will be composed of 17 persons of whom three have already been named (National Director, Deputy National Director and a driver); the remainder will be selected either from among MIDA's current personnel or outside (accountants and Guaymi-cacique representatives on the National Council of Indian Affairs **). Included in the total staffing are also three full-time Provincial Coordinators to head the three Provincial Indian Commissions.

MIDA will provide the major portion of the technical and financial assistance needed to support implementation under the Project.

* The Project coordinator is actively involved in the process of developing the policies and objectives of the National Directorate of Indian Affairs which will be an integral part of the ministerial Resolution that will formally legalize the Directorate. (A draft of this is included as Annex IX.)

** Two per province.

MIDA TECHNICAL AND ADMINISTRATIVE SUPPORT

Grant Coordinator, full-time 1 X \$14,000 x 3 years	\$ 42,000
Provincial Coordinators, full-time 3 X \$12,000 x 3 years	108,000
Six secretaries, full-time 6 X \$4,000 X 3 years	72,000
Financial Management 3 X \$6,000 X 3 X 1/2 year	18,000
Other (per diem, gasoline, maintenance, etc.)	<u>24,000</u>
TOTAL	<u>\$264,000</u>

b. Ministry of Education (MOE)

The MOE, through its Provincial Directors and working level representatives on the National Council of Indian Affairs, will coordinate all education sector activities for the Guaymi area, provide technical and financial assistance to the Adult Education Centers to be established in the Project area, and will also support planned school improvement activities.

MOE TECHNICAL AND ADMINISTRATIVE SUPPORT

Adult Educators 30 X \$3,000 X 1 X 1/10	\$ 9,000
Furniture Construction Instructors 3 X \$6,000 X 1 X 1/10	1,800
School/Kitchen Construction Foremen 3 X 1/4 x \$6,000 X 1	<u>4,500</u>
TOTAL	<u>\$ 15,300</u>

c. Ministry of Health (MOH)

The MOH, through its Provincial and working level representatives on the National Council of Indian Affairs, will have the responsibility for coordinating all health activities in the Guaymi Comarca. The MOH will provide support to carry out the environmental sanitation and safe water subprojects, provide nutrition and health education, family planning, child care and other similar classes to the Guaymi promoters and to community groups, and will be alert to promoting health assistant-social promoter cooperation and collaboration at the village level.

MOH TECHNICAL AND ADMINISTRATIVE SUPPORT

Environmental Sanitation 3 X \$6,000 X 1/4 X 3	\$ 9,000
Health, Nutrition, Family Planning Educators 15 X \$3,000 X 3 X 1/6	22,500
Evaluation Advisor 1 X \$12,000 X 3x1/10	<u>3,600</u>
TOTAL	<u>\$35,100</u>

d. Ministry of Government and Justice (MOGJ)

The Ministry of Government and Justice will provide office space for the administrative, management and evaluation personnel of the National Council, and through its National Commission for Indian Policy, will provide legal advice to the National Council and assist in such programs as cedulaion and Comarca boundary definition. Also, because of its close relationship with the Caciques and with the Provincial Governors, the MOGJ will maintain the kind of high level political support that Project-funded activities will need to be successful. The legal advisor has been an MOGJ employee for 10 years and has substantial experience in Indian-related matters.

MOGJ TECHNICAL AND ADMINISTRATIVE SUPPORT

Legal Advisor 1 X \$12,000 X 3 X 1/5	\$ 7,200
Secretary 1 X \$4,000 X 1/3 X 3	<u>4,000</u>
TOTAL	<u>\$11,200</u>

GOP technical specialists will only work on Project-related activities when there are specific assignments to be accomplished in their area of expertise and they are given the assignment by their representative on the Provincial Commission. However, when given an assignment, the technician may devote from 25 - 100% of his/her time on the task, as required. This would take place gradually after the annual subproject plans are approved and ready for implementation.

e. Guaymi

The Guaymi will have several major areas of responsibility under the Project. First, Guaymi communities, most of them remote and isolated, will have responsibility for defining specific

development objectives for their area, selecting development options for meeting those objectives, organizing themselves into individual, family or communal groups to provide the local initiative and resources needed to carry out the options, and cooperating with the social promoter, GOP technician and others to successfully implement and evaluate those options.

Second, the Guaymi will provide at least 65 individuals to serve as social promoters. Their function is twofold: (a) to serve as full-time, salaried paraprofessional development promoters within the Comarca and (b) to serve as a major link between the Comarca and the GOP, particularly in terms of conveying Guaymi needs for financial and technical resources. The promoter will report to his/her Provincial Indian Commission through the Guaymi Chief (Cacique) of the province who is a member of the Commission. The Project will utilize the services of promoters trained under the AID-financed Plan Guaymi Project. These promoters are currently working as volunteers in their communities but have been severely limited in what they have been able to accomplish to date because of a lack of resources.

Third, the Guaymi Chief for each of the three provinces will have responsibility for representing his constituents' interests on the Provincial Indian Commission for his region and naming a Cacique representative who will sit on the National Council for the Guaymi.

2. Institutional Coordination

The structure established for carrying out the Project is an innovative one in that it places the beneficiary group, the Guaymi, at the center of the development process, with the GOP serving as facilitator and technical backstopper of Guaymi efforts. This conceptual basis was developed and accepted by all parties, but the impetus for it originated with the Guaymi. The structure has been field-tested for over a year in the province of Veraguas. The system presented in this Project Paper is the result of this one-year test. It has been modified and refined by experience with what works and what does not. The system will be further refined based on experience during implementation, but it is the opinion of the Project development team that the system as presented in this Project Paper is practical, simple and implementable at the level of commitment required by the Project. It also represents the most cost effective and efficient alternative examined for delivering the kinds of services desired by the beneficiary group in a manner that will be accepted, understood and manageable by this group.

The opportunity for the Guaymi to fully participate in the selection, planning, implementation and evaluation of sub-project activities, and to participate in decisions made about

the direction, level and speed of the development process in their Comarca, will be institutionalized at all levels.

Coordination will be effected at two levels: provincial and national. In each of the three participating provinces, a Provincial Indian Commission, headed by a Provincial Coordinator appointed by MIDA, and composed of the provincial directors for the Ministries of Health, Education, and Agriculture and the Guaymi Cacique for the Province will be established; other GOP ministry and agency personnel will serve on the Commission as appropriate. Provincial Indian Commissions will be responsible for assembling provincial planning materials from each community and transmitting them up the system, for program coordination at the provincial level and for technical and operational backstopping of community activities. This last responsibility includes the timely provision of materials and technicians to support the local promoter and the development activities at the community level. Except for the Coordinator, who is a MIDA employee assigned full-time responsibility for Indian affairs, and the Guaymi Cacique, other commission members will normally not spend more than 10% of their time on Project-related activities.

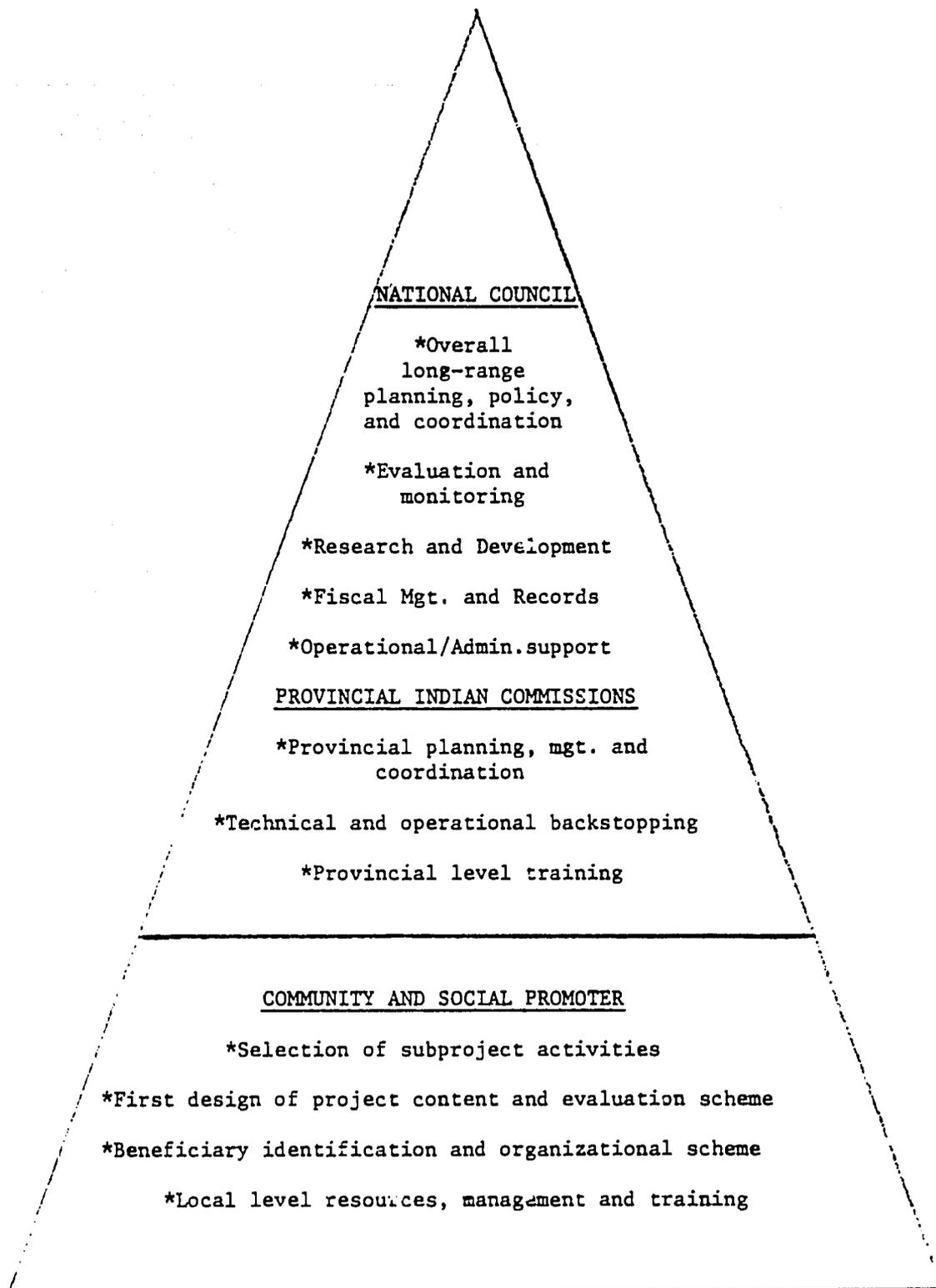
Providing overall support at the national level will be a National Council of Indian Affairs to be headquartered in the Ministry of Government and Justice. The Minister of Agricultural Development will preside over the Council; members will be the vice ministers of Government and Justice, Education and Health, Representatives of the Guaymi Nation and the Project Coordinator. This policy-making body has the responsibility for the overall administration of the Project, primary responsibility for fiscal affairs, evaluation, research and development, and will provide leadership for generating complementary resources essential to program development throughout the network. (See Page 49 for a schematic representation of institutional responsibilities.)

Because both the National Council and Provincial Commissions are multisectorial and subject, therefore, to inefficiencies and divisiveness, MIDA has been given clear administrative responsibility for the Project including overall coordination of all Project activities.

E. Environmental Concerns

An Initial Environmental Examination (IEE) was undertaken by the Mission to determine whether the proposed Project activities would have any significant adverse effects on the environment. The IEE concluded that the Project would have no significant effect on the human and natural environment. The Assistant Administrator for Latin America and the Caribbean approved a negative determination on July 12, 1978. (See Annex VIII)

No changes have occurred in the proposed Project activities since the PID was submitted. Therefore, no additional examination is needed.



III. FINANCIAL PLAN

The following tables present the financial plan for the Project. Table 1, Overall Financial Plan, shows the costs of AID, GOP and Guaymi community inputs; Table 2 shows the Overall Financial Plan and per Beneficiary Cost by Province; and Table 3 gives a projection of expenditures by fiscal year and funding source over the life of the Project.

AID's contribution of \$500,000 will be used to finance materials and tools to be used in the construction of service posts;* commodity and material costs of subproject activities; salary support on a declining scale for Guaymi promoters, who will develop and evaluate subprojects, for one to three years until fully financed by the GOP; in-country training of Guaymi promoters and GOP personnel; and special studies and evaluations of the Project.

The GOP counterpart of \$516,000 is for construction supervision; subproject technical supervision such as fishculturists and agronomists; transportation of materials and per diem for supervisory personnel. Salaries of some of the technical specialists are also GOP contributions as well as the administrative and clerical staff of MIDA's Directorate of Indian Affairs and their related costs: office expenses and per diem and maintenance and gasoline for the vehicles purchased under this Project.

Guaymi community contribution will consist of hand labor for construction of service posts, and construction of those items under subproject activities such as fish ponds and animal projects, local materials contributions and their time for maintenance of these subprojects once started. The value of this labor is \$3.00 per day.

Recurring Costs

The major recurring cost to be assumed by the GOP as result of this Project is the employment of at least 65 Guaymi over the life of the Project to institutionalize a system of community-level, paraprofessional development promoters beyond the termination of AID funding. The estimated annual cost is \$78,000, assuming \$100 per month average salary once the 65 promoters are hired by the GOP. The GOP, through MIDA, has indicated a strong commitment to absorb this recurring cost.

It is anticipated that subproject activities will be largely self-sustaining.

* After the construction of service posts has been completed, the tools will be used for community improvement projects.

Maintenance and repair of service posts will be the responsibility of the Guaymi; needed skills will be taught under the Project and will be applied also to schools and health facilities, thus reducing the burden on the GOP in this area.

Similarly, non-formal education activities in hygiene and sanitation, child care, nutrition and preventative health should help reduce the need for curative health and supplemental feeding programs in the area.

GUAYMI AREA DEVELOPMENT
Overall Financial Plan
(US \$000)

Table 1

<u>COMPONENT</u>	<u>AID</u>	<u>GOP</u>	<u>GUAYMI COMMUNITY</u>	<u>TOTAL</u>
Service Post Construction	\$ 82	\$ 22	\$ 23	\$ 127
Subproject Activities	288	90	129	507
Training of Promoters and GOP Technicians	20	5	—	25
Guaymi Promoters	60	63	—	123
Administration and Supervision	—	325	—	325
Vehicles	20	11	—	31
Evaluation/Special Studies	<u>30</u>	<u>—</u>	<u>—</u>	<u>30</u>
TOTAL	<u>\$500</u>	<u>\$516</u>	<u>\$152</u>	<u>\$1168</u>

GUAYMI AREA DEVELOPMENT

Table 2

Overall Financial Plan Indicating Per Capita Cost to Grant by Province

	<u>Veraguas</u>	<u>Bocas</u>	<u>Chiriquí</u>	<u>Total</u>
A. Service Post Construction	\$ 27,500	\$ 16,500	\$ 38,500	\$ 82,500
B. <u>Subproject Activities</u>				
Integrated Fish Ponds/Animals I	36,000	0	24,000	60,000
" " " " II	22,400	11,200	22,400	56,000
Coffee, Cacao, other Cash Crops	6,000	12,000	2,000	20,000
Home Consumption	20,000	10,000	20,000	50,000
Fruit Trees	625	500	625	1,750
Consumer Cooperatives	2,000	1,200	2,800	6,000
Small Industries/Handicrafts	20,000	10,000	20,000	50,000
Education	5,000	20,000	5,000	30,000
Health	4,000	5,000	5,000	14,000
C. Training of Promoters	6,667	6,667	6,666	20,000
D. Guaymi Promoters	20,000	17,600	22,400	60,000
E. Evaluation/Special Studies	10,000	10,000	10,000	30,000
F. Vehicles	<u>10,000</u>	<u>-</u>	<u>9,750</u>	<u>19,750</u>
TOTALS	<u>\$190,192</u>	<u>\$120,667</u>	<u>\$189,141</u>	<u>\$500,000</u>
Beneficiaries	9,000 <u>1/</u>	15,000	10,000 <u>2/</u>	34,000
Per Capita Cost	<u>\$ 21.13</u>	<u>\$ 8.04</u>	<u>\$ 18.91</u>	<u>\$ 14.71</u>
Subproject Activities	<u>\$116,025</u>	<u>\$ 69,900</u>	<u>\$101,825</u>	<u>\$287,750</u>
Per Capita Cost	<u>\$ 12.89</u>	<u>\$ 4.66</u>	<u>\$ 10.18</u>	<u>\$ 8.46</u>

1/ Includes 3,000 Latinos living in the Guaymi communities.

2/ There are an additional 20,000 Guaymi who belong to the socio-religious group "Mama Chi" who are not expected to participate in the Project in its initial stages but who may participate as subproject activities are developed.

GUAYMI AREA DEVELOPMENT

PROJECTION OF EXPENDITURES BY FISCAL YEAR

<u>COMPONENT</u>	<u>FY 1979</u>				<u>FY 1980</u>				<u>FY 1981</u>				<u>FY 1982</u>				<u>GRAND TOTAL</u>		
	<u>AID</u>	<u>GOP</u>	<u>COMMU- NITY</u>	<u>TOTAL</u>	<u>AID</u>	<u>GOP</u>	<u>COMMU- NITY</u>												
Service Post Construction	33	9	9	51	49	13	14	76	0	0	0	0	0	0	0	0	82	22	23
Subproject Activities	66	26	29	121	112	36	50	198	83	22	38	143	27	6	12	45	288	90	129
Training Promoters and GOP	10	2	0	12	6	2	0	8	4	1	0	5	0	0	0	0	20	5	0
Guaymi Promoters	23	7	0	30	26	16	0	42	11	40	0	51	0	0	0	0	60	63	0
Administration, Supervision	0	57	0	57	0	110	0	110	0	105	0	105	0	53	0	53	0	325	0
Vehicles	10	1	0	11	10	4	0	14	0	4	0	4	0	2	0	2	20	11	0
Evaluation/Special Studies	12	0	0	12	13	0	0	13	5	0	0	5	0	0	0	0	30	0	0
TOTAL	<u>154</u>	<u>102</u>	<u>38</u>	<u>294</u>	<u>216</u>	<u>181</u>	<u>64</u>	<u>461</u>	<u>103</u>	<u>172</u>	<u>38</u>	<u>313</u>	<u>27</u>	<u>61</u>	<u>12</u>	<u>100</u>	<u>500</u>	<u>516</u>	<u>152</u>

IV. IMPLEMENTATION PLAN

A. Administrative Arrangements for Project Implementation

The Grantee will be the Government of Panama (GOP), represented by the Ministry of Agricultural Development (MIDA) and a Council composed of the Vice-Ministers of Education, Health, Agriculture and Government and Justice, representatives of the Guaymi Nation and the Coordinator of the Project. The Minister of Agriculture will preside over this Council, and MIDA will be directly responsible for the execution of the Project through three Provincial Indian Commissions.

MIDA will assign a full-time Project Coordinator and will appoint three full-time Provincial Coordinators to work with the representatives of the other GOP Ministries and the Guaymi Caciques at the Provincial level in the preparation, implementation, supervision and evaluation of subproject activities. Even though MIDA is primarily responsible for implementing the Project, the strategy calls for an integrated approach to development based on intersectoral coordination, and coordination between these sectors and the beneficiary group, the Guaymi. MIDA will be responsible for maintaining a high level of collaborative participation among all interested parties, as called for in the strategy.

B. USAID Monitoring Responsibility and Administrative Procedures

1. Monitoring Responsibility will be carried out by the Mission Project Team. The Project Manager will be assigned from the Human Resources Division. The Capital Development Officer on the Project Team will be responsible for adherence to the Grant Agreement, issuance of implementation letters, and meeting reporting requirements. The Project Manager will be responsible for day-to-day implementation and field monitoring of Project activities. The Controller representative will review all disbursement requests and ensure that correct financial controls and management are being applied. The Engineering representative will review and approve all engineering and construction plans.

Subproject activities will be reviewed and approved by USAID prior to their initiation during the first year.

Activities initiated without the written approval of USAID will not be eligible for Grant financing. Delivery of services to the Guaymi in a timely fashion is key to maintaining beneficiary interest, and thus, to the success of the Project. Therefore, USAID will review all subproject activities and approve or reject them within two weeks of receipt from the GOP Project Coordinator. The special first-year evaluation will set policy for USAID review for years two and three of the Project.

2. Disbursement Procedures will be fully outlined in Project Implementation Letter N°1. Generally, funds will be disbursed through MIDA by means of an initial advance which will be adjusted quarterly, based on anticipated disbursement schedules and actual expenditures for the proceeding quarters. All requests for reimbursements will be accompanied by satisfactory evidence of claimed expenditures. Regular financial reports and certified copies of payment orders for goods and services are required. Grant funds will be disbursed over a three-year period. (See table 3 for projected disbursements by fiscal year and source and pages 56-57 for Proposed Implementation Schedule)

3. Procurement Procedures

The selection of consultants and contractors, procurement of equipment and materials, shipping and insuring will be carried out in accordance with the standard procedures called for in the Grant Agreement. It is anticipated that all goods and services procured under the Grant, with the exception of vehicles, will be contracted directly by the Grantee, with AID's prior concurrence. Vehicles will be purchased from the Situs Excess Property program in the United States.

Appropriate reports will be obtained, where necessary, concerning procurement requirements, including source/origin. These reports and requirements will be monitored by the Office of Development Resources and the Controller's Office through review of vouchers and supporting documentation submitted in substantiation of reimbursement requests.

V. EVALUATION ARRANGEMENTS

Two types of evaluation will be carried out during the course of this Project. The first will be a once-only evaluation near the end of Year One which will assess how effectively and efficiently the subproject development and approval process is operating. If it is proving too slow or cumbersome, permits a too cursory review, or is otherwise weak, the system will be modified. No disbursements will be made for Year Two of the Project until this review has been completed and any improvements have been agreed to in writing by AID and the GOP.

A standard evaluation of the Project will be conducted annually, with the first scheduled for April 1980. These evaluations will be carried out by the GOP and Guaymi with AID participation and will be conducted according to procedures to be established in either Annex 1 of the Project Grant Agreement or in Project Implementation Letter N° 1. They will utilize baseline data gathered by the Evaluation Unit attached to the National Council of Indian Affairs; the unit is directed by the Ministry of Health's chief evaluation specialist. Two Guaymi per province, salaried by AID, will serve as evaluation specialists during the life of the Project, assigned to the Council Evaluation Unit; their principal tasks will be to assist with inventories of community needs and resources and collect the aforementioned baseline data.

Annual evaluations should measure progress towards achieving outputs, covering, inter alia, the following points;

- (a) utilization of the grant;
- (b) timeliness and adequacy of counterpart contributions, including the relevance and effectiveness of GOP technical assistance provided to the Guaymi;
- (c) effectiveness of institutional arrangements and coordination (including both AID and GOP arrangements);
- (d) extent of Guaymi participation in Project implementation; and
- (e) assessment of individual subprojects in terms of adequacy of community support and GOP technical assistance; cost per beneficiary; impact of the new skill or information transmitted; and the prospects for continuation of the subproject

activity and any problems, actionable or not, associated with it.

The final evaluation, of the three to be conducted, will be the most extensive and important. It will assess such factors as employment and income generated by the Project and increase in access to Government services (e.g. health, family planning, education, agricultural extension, marketing). The evaluation should also identify any constraints to Guaymi participation which were adequately anticipated in the Project design and what the effects of the Project have been on groups, Guaymi and non-Guaymi, who did not directly participate in the Project.

The final evaluation should help AID and the GOP determine whether or not the system established by the Project to facilitate GOP-Guaymi interaction resulted in improvements in the quality of Guaymi life. This information will be essential in establishing the character of follow-on activity for Guaymi and other Indian groups in Panama and the advisability of adopting a similar system for reaching the remainder of Panama's rural poor.

VI. NEGOTIATING STATUS, CONDITIONS AND COVENANTS

A. Negotiating Status

The Mission has worked closely with the concerned GOP Ministries during all phases of Project development, and no outstanding issues remain to be resolved at this time. The process of negotiating a grant agreement with the GOP is less complex than for a loan and should take no longer than a month from authorization to signature of the agreement in this case.

B. Conditions Precedent to Disbursement

Prior to initial disbursement, or the issuance of any commitment documents under the Project Agreement, Grantee shall furnish in form and substance satisfactory to A.I.D. written evidence that:

- (a) A Council of Indian Affairs is established and functioning;
- (b) A Project Coordinator mutually acceptable to AID and the Grantee has been named by the Ministry of Agricultural Development; and
- (c) A provincial Coordinator has been named for each of the participating provinces by the Ministry of Agricultural Development.

2. Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement to finance subproject activities in any province of Panama, the Grantee shall furnish in form and substance satisfactory to A.I.D., written evidence that:

- (a) A Provincial Indian Commission has been established and is operating in the province; and
- (b) At least 2 Guaymi promoters per service post are employed and at work in the province.

3. Prior to any disbursement or the issuance of any commitment documents under the Project Agreement to finance service post construction, AID and the Grantee shall have agreed-upon plans and specifications including site selection for that service post.

4. Prior to any disbursement after the first year following initial disbursement under the Grant, the Parties will conduct an evaluation to determine if the subproject development and approval process is operationally

effective and efficient and to recommend any modifications mutually acceptable to the Parties.

C. Covenants

The Grantee shall covenant that, except as AID and the Grantee may otherwise agree in writing, Grantee shall:

1. Continue priority assistance to the Guaymi Indians for five years after final disbursement of the Grant at the same level as under the Project during the life of the Grant;
2. Maintain a minimum of 65 Guaymi Indians trained under the Project as salaried employees of the Grantee working on the priority assistance program for a minimum of five years after final disbursement of the Grant; and
3. Establish with A.I.D. a joint annual evaluation program as part of the Project and to enter into an evaluation of the Project within one year after the first disbursement and at the close of the second and third years after such first disbursement. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

ANNEXES

- I. Statutory Checklists - Country and Project
- II. GOP Request for Assistance
- III. Draft Project Authorization
- IV. Draft Advice of Program Change
- V. DAEC PID Approval Cables
- VI. Logical Framework
- VII. Social Soundness Analysis
- VIII. IEE
- IX. Draft Ministerial Resolution Establishing
National Directorate of Indian Affairs in
MIDA
- X. Specimen Subproject Proposal Format
- XI. Drawing and Plans for Guaymí Service Post

AID HANDBOOK 3, App 5C Part I	TRANS. MEMO NO. 3:22	EFFECTIVE DATE April 12, 1978	PAGE NO. 5C(1)-1
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Annex I
Page 1 of 11

5C(1) - COUNTRY CHECKLIST

Listed below are, first, statutory criteria applicable generally to FAA funds, and then criteria applicable to individual fund sources: Development Assistance and Security Supporting Assistance funds.

A. GENERAL CRITERIA FOR COUNTRY

1. FAA Sec. 116. Can it be demonstrated that contemplated assistance will directly benefit the needy? If not, has the Department of State determined that this government has engaged in consistent pattern of gross violations of internationally recognized human rights? Yes.
2. FAA Sec. 481. Has it been determined that the government of recipient country has failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully? No. The Government of Panama is actively cooperating with U.S. and international agencies in the control of illicit drugs and narcotics traffic.
3. FAA Sec. 620(b). If assistance is to a government, has the Secretary of State determined that it is not controlled by the international Communist movement? Yes, it has been so determined.
4. FAA Sec. 620(c). If assistance is to government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) debt is not denied or contested by such government? The GOP is not known to be indebted under any of these circumstances to any U.S. citizen for goods and services furnished or ordered.
5. FAA Sec. 620(e) (1). If assistance is to a government, has it (including government agencies or subdivisions) 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 toward such citizens or entities? No.

Part I

AID HANDBOOK 3, App 5C	TRANS. MEMO NO. 3:22	EFFECTIVE DATE April 12, 1978	PAGE NO. 5C(1)-3
------------------------	-------------------------	----------------------------------	---------------------

A12

Annex I
Page 3 of 11

Upward changes in the Sec. 620(s) factors occurring in the course of the year, of sufficient significance to indicate that an affirmative answer might need review, should still be reported, but the statutory checklist will not normally be the preferred vehicle to do so.)

13. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No.
14. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? Panama is not delinquent with respect to dues, assessments, or other obligations to the U.S. for the purposes of Article 19 of the Charter.
15. FAA Sec. 620A. Has the country granted sanctuary from prosecution to any individual or group which has committed an act of international terrorism? No.
16. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA? No.
17. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977 although not a "nuclear-weapon State" under the nonproliferation treaty? No.
18. FAA Sec. 901. Has the country denied its citizens the right or opportunity to emigrate? No.

B. FUNDING CRITERIA FOR COUNTRY1. Development Assistance Country Criteria

- a. FAA Sec. 102(c), (d). Have criteria been established, and taken into account, to assess commitment and progress of country in effectively involving the poor in development, on such indexes as: (1) small-farm labor intensive agriculture, (2) reduced infant mortality, (3) population growth, (4) equality of income distribution, and (5) unemployment. Yes.

PAGE NO.	EFFECTIVE DATE	TRANS. MEMO NO.	AID HANDBOOK 3, App 5C
5C(1)-4	April 12, 1978	3:22	

B1

Annex I
Page 4 of 11

- b. FAA Sec. 104(d)(1). If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to urban poor? Yes.
- c. FAA Sec. 201(b)(5), (7) & (8); Sec. 208; 211(a)(4), (7). Describe extent to which country is:
- (1) Making appropriate efforts to increase food production and improve means for food storage and distribution.
 - (2) Creating a favorable climate for foreign and domestic private enterprise and investment.
 - (3) Increasing the public's role in the developmental process.
 - (4) (a) Allocating available budgetary resources to development.
(b) Diverting such resources for unnecessary military expenditure and intervention in affairs of other free and independent nations.
 - (5) Making economic, social, and political reforms such as tax collection improvements and changes in land tenure arrangements, 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.
 - (6) Otherwise responding to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures.
- (1) The GOP is implementing a broad range of agricultural programs, including farm credit, land development & resettlement schemes, & improved food distribution and storage.
- (2) Panama's Banking Law of 1970, the use of the U.S. Dollar as legal tender, and the complete freedom of international payments and exchange transactions combine to create a favorable climate for foreign and domestic private enterprise and investment.
- (3) The GOP continues to encourage grass roots participation in the development process. For example, it has strengthened local governments involvement in determining national priorities, policies, & programs; encouraged local initiative thru the establishment of community committees in health & education; and actively promoted the development of cooperatives.
- (4) The Mission has concluded that development goals and programs in the 1976-1980 National Development Plan for economic and social development are reasonable.
- Panama's military expenditures continue to represent a small percentage of the national budget. Panama has not intervened in the affairs of other free and independent nations.
- (5) In recent years GOP has effected tax reforms to significantly increase public revenues; provided public land for group farming schemes; and has attempted to maintain an open dialogue with the private sector.
- (6) The Government is clearly responding in an effective manner to the development needs of its people, particularly in the areas of agriculture, health, education, and housing.
- d. FAA Sec. 201(b), 211(a). Is the country among the 20 countries in which development assistance loans may be made in this fiscal year, or among the 40 in which development assistance grants (other than for self-help projects) may be made? Yes.
- e. FAA Sec. 115. Will country be furnished, in same fiscal year, either security supporting assistance, or Middle East peace funds? If so, has Congress specifically authorized such use of funds, or is assistance for population programs, humanitarian aid through international organizations, or regional programs? No.

Part I

AID HANDBOOK 3, App 5C	TRANS. MEMO NO. 3:22	EFFECTIVE DATE April 12, 1978	PAGE NO. 5C(1)-5
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B

Annex I
Page 5 of 11

2. Security Supporting Assistance Country Criteria

Not applicable.

- a. FAA Sec. 502B. Has the country engaged in a consistent pattern of gross violations of internationally recognized human rights? Is program in accordance with policy of this Section?
- b. FAA Sec. 531. Is the Assistance to be furnished to a friendly country, organization, or body eligible to receive assistance?
- c. FAA Sec. 533(c)(2). *Will assistance under the Southern African Special Requirements fund be provided to Mozambique, Angola, Tanzania, or Zambia? If so, has President determined (and reported to the Congress) that such assistance will further U.S. foreign policy interests?*
- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?
- e. App. Sec. 113. *Will security assistance be provided for the purpose of aiding directly the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?*
- f. FAA Sec. 620B. *Will security supporting assistance be furnished to Argentina after September 30, 1978?*

Part I

AID HANDBOOK 3, App 5C	TRANS. MEMO NO. 3:22	EFFECTIVE DATE April 12, 1978	PAGE NO. 5C(2)-1
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5C(2) - PROJECT CHECKLIST

Annex I

Page 6 of 11

Listed below are, first, statutory criteria applicable generally to projects with FAA funds, and then project criteria applicable to individual fund sources: Development Assistance (with a sub-category for criteria applicable only to loans); and Security Supporting Assistance funds.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? IDENTIFY. HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

Country Checklist attached. The standard item checklist has been reviewed.

A. GENERAL CRITERIA FOR PROJECT.

1. App. Unnumbered; FAA Sec. 653(b); Sec. 671
 - (a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project;
 - (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure)

(a) The Project was included in the A.I.D.-FY 79 Congressional Presentation, p. 795; a revised notification will be forwarded to the Congress (see Annex IV).
(b) Yes.
2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes.
3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

N.A.
4. FAA Sec. 611(b); App. Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per *the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973*?

N.A.
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified the country's capability effectively to maintain and utilize the project?

N.A.
6. FAA Sec. 209, 619. Is project susceptible of execution as part of regional or multi-lateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. If assistance is for newly independent country, is it furnished through multi-lateral organizations or plans to the maximum extent appropriate?

The Project will assist Guaymi Indians who are indigenous to Panama; therefore, the Project cannot be executed as part of a regional or multi-lateral project. It might serve as a model, however, for other developing countries seeking to assist minority groups.

PAGE NO. 5C(2)-2	EFFECTIVE DATE April 12, 1978	TRANS. MEMO NO. 3:22	AID HANDBOOK 3, App 5C
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A

Annex I

Page 7 of 11

7. FAA Sec. 601(a); (and Sec. 201(f) for development loans). Information and conclusions whether project 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 Project should assist Panama's efforts in relation to items (b), (c), (d) and (e). Project is not applicable to items (a) and (f).
8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).
- The Grant will provide for procurement of equipment and supplies from U.S. suppliers. Technical assistance and training under the Project will be provided by in-country sources.
9. FAA Sec. 612(b); Sec. 636(h). Describe steps 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 foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.
- Not applicable. (The currency used in Panama is the U.S. Dollar although it is denominated a "Balboa". There is no U.S. owned "local currency".)
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency and, if so, what arrangements have been made for its release?
- Not applicable.
11. ISA 14. Are any FAA funds for FY 78 being used in this Project to construct, operate, maintain, or supply fuel for, any nuclear powerplant under an agreement for cooperation between the United States and any other country?
- No.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria
- a. FAA Sec. 102(c); Sec. 111; Sec. 281a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production, spreading investment out from cities to small towns and rural areas; and (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions?

This Project is designed to extend the benefits of social and economic development to one of the poorest groups in Panama, the Guaymi Indians. They will benefit from locally planned initiatives in employment-generating activities, increased access to Government services, and the establishment of consumer cooperatives. The Project is also designed to strengthen the role of the Guaymi in decisions about the direction, level and speed of development in their reservation.

AID HANDBOOK 3, App 5C	TRANS. MEMO NO. 3:22	EFFECTIVE DATE April 12, 1978	PAGE NO. 5C(2)-3
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81

Annex I
Page 8 of 11

b. FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available: [include only applicable paragraph -- e.g., a, b, etc. -- which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.]

- (1) [103] for agriculture, rural development or nutrition; if so, extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, is full account taken of needs of small farmers;
- (2) [104] for population planning or health; if so, extent to which activity extends low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and poor;
- (3) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development;
- (4) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:
 - (a) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;
 - (b) to help alleviate energy problem;
 - (c) research into, and evaluation of, economic development processes and techniques;
 - (d) reconstruction after natural or manmade disaster;
 - (e) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;
 - (f) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

One of the Project's central objectives is to increase productivity and income amongst the Guaymi through the introduction of modern but appropriate agricultural technologies; improved nutrition, health and education; and new income-generating activities in agriculture and small or cottage industries.

Not applicable.

Not applicable.

Not applicable.

PAGE NO. 5C(2)-4	EFFECTIVE DATE April 12, 1978	TRANS. MEMO NO. 3:22	AID HANDBOOK 3, App 5C
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B1b

Annex I
Page 9 of 11

(5) [107] by grants for coordinated private effort to develop and disseminate intermediate technologies appropriate for developing countries.

Not applicable.

c. FAA Sec. 110(a); Sec. 208(e). Is the recipient country willing to contribute funds to the project, and in what manner has or will it provide assurances that it will provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?

The Ministry of Planning and Economic Policy has agreed to a GOP counterpart contribution equal to 44% of the total Project cost.

d. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, *or is the recipient country "relatively least developed"?*

Not applicable.

e. FAA Sec. 207; Sec. 113. Extent to which assistance reflects appropriate emphasis on: (1) encouraging development of democratic, economic, political, and social institutions; (2) self-help in meeting the country's food needs; (3) improving availability of trained worker-power in the country; (4) programs designed to meet the country's health needs; (5) 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; or (6) integrating women into the recipient country's national economy.

The Project will contribute to the achievement of items (1), (4), (5), and (6). It will partially impact on item (2) by helping to make the Guaymi self-sufficient in food and reversing their current, severe and widespread malnutrition.

f. FAA Sec. 281(b). Describe 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 skills required for effective participation in governmental and political processes essential to self-government.

The Project was formulated with strong beneficiary group (Guaymi) participation and has been designed to assure that the Guaymi fully participate in the selection, planning, implementation and evaluation of project activities. The Project will strengthen the ability of at least four Panamanian ministries to deliver services to the rural poor and will strengthen Guaymi skills in planning for and articulating development needs.

AID HANDBOOK 3, App 5C	TRANS. MEMO NO. 3:22	EFFECTIVE DATE April 12, 1978	PAGE NO. 5C(2)-5
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B1

g. FAA Sec. 201(b)(2)-(4) and -(8); Sec. 201(e); Sec. 211(a)(1)-(3) and -(7). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth; or of educational or other institutions directed toward social progress? Is it related to and consistent with other development activities, and will it contribute to realizable long-range objectives? And does project paper provide information and conclusion on an activity's economic and technical soundness?

The Project is designed to stimulate incentive and provide inputs and support services for increased productivity and income among the beneficiary group. It will also improve host country institutional capacity to further social and economic progress among the poor. The Project complements development activities and long-range objectives of both the U.S. Government and Panama. See Section II of PP for analysis of Project feasibility.

h. FAA Sec. 201(b)(6); Sec. 211(a)(5), (6). Information and conclusion on possible effects of the assistance 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 or safeguarding the U.S. balance-of-payments position.

The Project will have no foreseeable adverse effects on the U.S. economy; to the extent that the limited procurement of equipment and supplies planned under the Project is effected in the United States, its balance-of-payments position will be enhanced.

2. Development Assistance Project Criteria (Loans only)

a. FAA Sec. 201(b)(1). Information and conclusion on availability of financing from other free-world sources, including private sources within U.S.

This section is not applicable. Project is a Grant.

b. FAA Sec. 201(b)(2); 201(d). Information and conclusion on (1) capacity of the country to repay the loan, including reasonableness of repayment prospects, and (2) reasonableness and legality (under laws of country and U.S.) of lending and relending terms of the loan.

c. FAA Sec. 201(e). If loan is not made pursuant to a multilateral plan, and the amount of the loan exceeds \$100,000, has country submitted to AID an application for such funds together with assurances to indicate that funds will be used in an economically and technically sound manner?

d. FAA Sec. 201(f). Does project paper describe how project will promote the country's economic development taking into account the country's human and material resources requirements and relationship between ultimate objectives of the project and overall economic development?

PAGE NO. 5C(2)-6	EFFECTIVE DATE April 12, 1978	TRANS. MEMO NO. 3:22	AID HANDBOOK 3, App 5C
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B2

Annex I
Page 11 of 11

e. FAA Sec. 202(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?

f. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an 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?

3. Project Criteria Solely for Security Supporting Assistance

a. FAA Sec. 531. How will this assistance support promote economic or political stability?

b. FAA Sec. 533(c)(1). *Will assistance under the Southern African Special Requirements Fund be used for military, guerrilla, or paramilitary activities?*

4. Additional Criteria for Alliance for Progress

[Note: Alliance for Progress projects should add the following two items to a project checklist.]

a. FAA Sec. 251(b)(1), -(8). Does assistance take into account principles of the Act of Bogota and the Charter of Punta del Este; and to what extent will the activity contribute to the economic or political integration of Latin America?

b. FAA Sec. 251(b)(8); 251(h). For loans, has there been taken into account the effort made by recipient nation to repatriate capital invested in other countries by their own citizens? Is loan consistent with the findings and recommendations of the Inter-American Committee for the Alliance for Progress (now "CEPCIES," the Permanent Executive Committee of the OAS) in its annual review of national development activities?

This section is not applicable. Project is funded from Development Assistance.

Yes; however, given the nature of the Project, it can make no real contribution to the economic or political integration of Latin American.

Not applicable.



República de Panamá

Ministerio de Planificación y Política Económica

Danamá, 29 de marzo de 1979.

Señor
Robert Culbertson
Director de la Agencia para el
Desarrollo Internacional
E. S. D.

Señor Director:

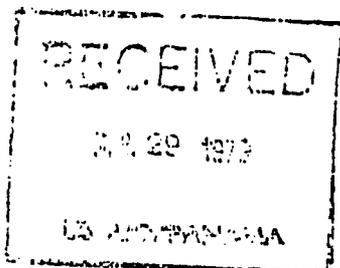
Por este medio nuestro Gobierno solicita a la Agencia para el Desarrollo Internacional (AID) una donación por la suma de B/500,000.00 para la ejecución, en las provincias de Veraguas, Bocas del Toro y Chiriquí, de un proyecto de desarrollo para lograr la incorporación de la población indígena guaymí a la economía nacional.

El objetivo central del programa es el de aumentar la producción agrícola y, por ende, mejorar el nivel de ingresos de dicha población, usando un modelo organizacional basado en el sistema utilizado por los guaymíes en la toma de decisiones. El Gobierno Nacional participará en este programa a través de los ministerios de Desarrollo Agropecuario, Salud, Educación y Gobierno y Justicia.

Los fondos provenientes de la donación solicitada, serán utilizados para financiar las siguientes actividades:

Const.de puestos de servicios	B/ 32,000.00
Subproyectos agropecuarios	288,000.00
Adiestramiento	20,000.00
Salarios de promotores guaymíes	60,000.00
Vehículos	20,000.00
Evaluación y estudios especiales	<u>30,000.00</u>
	B/500,000.00

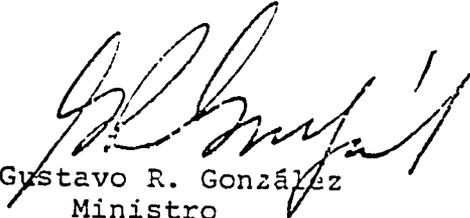
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EMB		
C&P		✓



- 2 -

El Gobierno de Panamá aportará, durante los tres años de ejecución del proyecto, la suma de B/516,000 para sufragar salarios del personal técnico, gastos administrativos, combustibles y lubricantes y otros gastos adicionales. Las mismas comunidades guaymíes participantes del proyecto, contribuirán con un estimado de B/152,000 en concepto de labores no especializadas y materiales de origen local.

Atentamente,



Gustavo R. González
Ministro

Republic of Panama
Ministry of Planning and Economic Policy

March 29, 1979.

Mr. Robert Culbertson
Director, Agency for International Development
Panama, R. of Panama

Dear Mr. Director:

The Government of Panama requests from AID a donation in the sum of \$500,000 for the implementation, in the provinces of Veraguas, Bocas del Toro and Chiriquí, of a development project which will enable the incorporation of the Guaymi Indian population into the national economy.

The main objective of the program is to increase agricultural production in order to increase the income level of the target population, using an organization model based on the Guaymi decision-making system. The National Government will participate in this program through the Ministries of Agriculture, Health, Education and Government and Justice.

The funds from the requested donation will be utilized to finance the following activities:

Service Post Construction	\$ 82,000.00
Agriculture Subprojects	288,000.00
Training	20,000.00
Salaries of Guaymi Promoters	60,000.00
Vehicles	20,000.00
Special Studies/Evaluations	<u>30,000.00</u>
	\$500,000.00

The Panamanian Government will contribute, during the three-year implementation period, the sum of \$516,000 covering technician salaries, administrative expenses, gas and lubricants and other additional costs. The Guaymi communities participating in the project will contribute an estimated sum of \$152,000 in the form of unskilled labor and local materials.

Sincerely,

Gustavo R. González
Minister

DRAFT PROJECT AUTHORIZATION

Name of Country: Panama
Name of Project: Guaymi Area Development
Number of Project: 525-0200

Pursuant to Part I, Chapter 1, Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize a Grant to the Republic of Panama, the "Cooperating Country" of not to exceed five hundred thousand United States Dollars (\$500,000), the "Authorized Amount" to help in financing certain foreign exchange and local currency costs of goods and services required for the project hereinafter described. The Project consists of institutionalizing a coordinated, participatory system to raise the levels of productivity, health, education and nutrition of the Guaymi Indians (hereinafter referred to as the "Project"). The entire amount of the A.I.D. financing herein authorized for the Project will be obligated when the Project Agreement is executed.

I hereby authorize the initiation of negotiation and execution of the Project Agreement by the officer to whom such authority has been delegated in accordance with A.I.D. regulations and Delegations of Authority subject to such allotment and congressional notification procedures as are required and to the following essential terms, covenants and conditions together with such other terms and conditions as A.I.D. may deem appropriate:

a. Source and Origin of Goods and Services

Goods and services financed by A.I.D. under the Project shall have their source and origin in the Cooperating Country or in the United States except as A.I.D. may otherwise agree in writing.

b. Conditions Precedent to Disbursement

(1) Prior to initial disbursement, or the issuance of any commitment documents under the Project Agreement, Grantee shall furnish in form and substance satisfactory to A.I.D. written evidence that:

- (a) A Council of Indian Affairs is established and functioning;

- (b) A Project Coordinator mutually acceptable to AID and the Grantee has been named by the Ministry of Agricultural Development; and
- (c) A Provincial Coordinator has been named for each of the participating provinces by the Ministry of Agricultural Development.

(2) Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement to finance subproject activities in any province of Panama, the Grantee shall furnish in form and substance satisfactory to A.I.D., written evidence that:

- (a) A Provincial Indian Commission has been established and is operating in the province; and
- (b) At least 10 Guaymi promoters are employed and at work in the province.

(3) Prior to any disbursement or the issuance of any commitment documents under the Project Agreement to finance service post construction, AID and the Grantee shall have agreed-upon plans and specifications including site selection.

(4) Prior to any disbursement after the first year following initial disbursement under the Grant, the Parties will conduct an evaluation to determine if the subproject development and approval process is operationally effective and efficient and to recommend any modifications mutually acceptable to the Parties.

c. Covenants

The Grantee shall covenant that, except as AID and the Grantee may otherwise agree in writing, Grantee shall:

(1) Continue priority assistance to the Guaymi Indians for five years after final disbursement of the Grant at the same level as under the Project during the life of the Grant;

(2) Maintain a minimum of 65 Guaymi Indians trained under the Project as salaried employees of the Grantee working on the priority assistance program for

a minimum of five years after final disbursement of the Grant; and

(3) Establish with A.I.D. a joint annual evaluation program as part of the Project and to enter into an evaluation of the Project within one year after the first disbursement and at the close of the second and third years after such first disbursement. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

Robert E. Culbertson
Director, USAID/Panama

Date

DRAFT

Annex IV
Page 1 of 1

AGENCY FOR INTERNATIONAL DEVELOPMENT

ADVICE OF PROGRAM CHANGE

Country:	Panama
Project Title:	Guaymi Area Development
Project No:	525-0200
FY 1979 CP Reference:	Page 795
Appropriation Category:	Food and Nutrition
Intended Obligation:	\$500,000

The Guaymi Area Development Project appeared on page 795 of the FY 1979 Congressional Presentation under the name Guaymi Development Project. Life of project funding was given as \$400,000, drawn from the Education and Human Resources Functional Account.

Design of the Project is now complete; an additional \$100,000 is required to enable the Government to reach its planned objectives. Project activities have been expanded to include financial and technical assistance for handicrafts and other small cottage industries, consumer cooperatives, improvement of school facilities, and non-formal education activities in literacy, family-planning, child care, nutrition and sanitation. The Project's major emphasis, however, is on agricultural subprojects - to improve production of traditional subsistence crops and introduce cash crops to the Guaymi; for this reason, the functional account has been changed to food and nutrition.

The Government of Panama's contribution, principally in the form of technical, supervisory and administrative personnel and transportation of materials, has increased from an estimated \$200,000 dollars to approximately \$516,000. Guaymi communities will contribute an estimated \$152,000 in the form of local labor, materials, and land.

The Project will no longer provide supplementary feeding to the Guaymi; this will be accomplished instead through an FAO/World Food Program Project scheduled for 1979-82 implementation in Veraguas Province. In addition, the AID Project will address dietary deficiencies amongst the Guaymi through a series of agriculture/nutrition subprojects and non-formal education activities in nutrition.

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Annex V

Page 1 of 5

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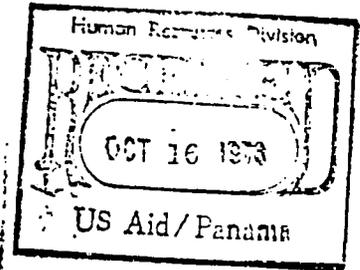
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ACTION: AID

INFO: DCM

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ALL INFORMATION COPY
TO: CIA NAN
ACTION TAKEN
DATE: 10/23/78
DATE OF INITIALS: C618



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E.O. 11652: N/A

TAGS:

SUBJECT: BARC REVIEW - GUAYMI ARDA DEVELOPMENT PID

REF: (A) FOAID A-38

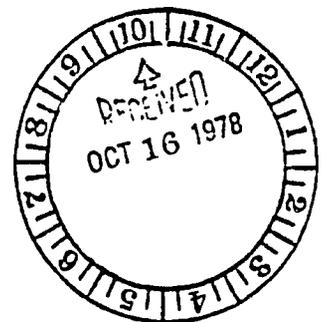
1. BARC REVIEWED AND APPROVED SUBJECT PID ON SEPTEMBER 26, 1978. HOWEVER, MEETING RAISED SERIOUS QUESTIONS CONCERNING PROJECT DESIGN AND FEASIBILITY WHICH MISSION SHOULD ADDRESS IN PROJECT PAPER. THESE QUESTIONS FALL INTO SIX MAJOR CATEGORIES, EACH OF WHICH IS DISCUSSED BELOW IN MORE DETAIL -- PROJECT DESIGN, INSTITUTIONAL ARRANGEMENTS, GOP COMMITMENT, COST EFFECTIVENESS, OTHER DONOR ACTIVITIES, AND SOCIAL ANALYSIS.

OFF	ACT	INF
DIR		✓
D/DIR		
CONT		
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EX-O		
DP		✓
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RHUCO		
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--A. PROJECT DESIGN.

BECAUSE THE PID DOES NOT STATE A CLEAR AND CONCISE PROJECT PURPOSE, AND IN FACT SEEMS TO VACILLATE BETWEEN TWO PURPOSES -- TO INCREASE PARTICIPATION OF THE GUAYMI AND TO INSTITUTIONALIZE A SYSTEM TO IMPROVE GOP SERVICES TO THE GUAYMI -- IT IS DIFFICULT TO SEE HOW THE PROPOSED PROJECT ACTIVITIES RELATE TO ANY SET OF END OF PROJECT INDICATORS.

IN AN ATTEMPT TO CLARIFY PROJECT DESIGN FOR BARC, A ROUGH LOGICAL FRAMEWORK WAS PREPARED PRIOR TO MEETING. THIS LOG FRAME HAS GOAL AS STATED IN PID, WITH PURPOSE BEING QUOTE TO INSTITUTIONALIZE A SYSTEM TO IMPROVE GOP SERVICES TO THE GUAYMI UNQUOTE. MAJOR END OF PROJECT INDICATOR IS A SYSTEM IN PLACE WITH THE CHARACTERISTICS DESCRIBED IN FIRST PARA OF PAGE 13 IN PID: (1) GUAYMI PARTICIPATING AS PROMOTERS AND IN SELECTION, PLANNING, AND IMPLEMENTATION OF PROJECTS; (2) GOP PROVIDING CONTINUING ASSISTANCE TO GUAYMI AT A LEVEL EQUAL TO OR GREATER THAN THE TOTAL AID AND GOP CONTRIBUTIONS TO THIS PROJECT; AND (3) SERVICES BEING PROVIDED TO ISOLATED GUAYMI COMMUNITIES, AS WELL AS TO THOSE NEAR ROADS.



IF ABOVE ACCURATELY REFLECTS OBJECTIVES OF PROJECT, IT IS NOT CLEAR THAT PLANNED OUTPUTS NATIONAL VICE-MINISTER IAI COUNCIL, PROVINCIAL I DIAK COMMISSIONS, 10 SERVICE POSTS, 65 TRAINED GUAYMI, NFE COURSES AND MATERIALS, AND INCOME PRODUCING SUBPROJECTS WILL BE SUFFICIENT TO

ACHIEVE THE PROJECT PURPOSE. IT IS LIKELY THAT CO-
SIDERABLY MORE EMPHASIS WOULD NEED TO BE PLACED ON INSTI-
TUTIONAL ARRANGEMENTS AND ON THE DELIVERY OF COMPLEMENTARY
SERVICES (HEALTH, CREDIT, EDUCATION, AG EXTENSION, ETC.)

Annex V
Page 2 of 5

MISSION IS THEREFORE REQUESTED IN THE PROJECT PAPER
TO CLARIFY THE PROJECT PURPOSE AND OUTPUTS. IF PURPOSE
IS AS STATED ABOVE, MISSION SHOULD CAREFULLY ASSESS
WHETHER PROPOSED OUTPUTS ARE ADEQUATE TO ACHIEVE THE
PROJECT PURPOSE. IF NOT, INPUTS -- AID AND GOP -- MAY
NEED TO BE INCREASED. PARTICULAR ATTENTION SHOULD BE
PAID TO INCOME GENERATING SUBPROJECTS SINCE IT APPEARS
UNLIKELY THAT THE PROPOSED SMALL NUMBER OF THEM WILL BE
ADEQUATE TO INSTITUTIONALIZE ANY KIND OF SYSTEM. THE
PP SHOULD CLEARLY STATE END OF PROJECT INDICATORS,
INCLUDING THE GOP'S LONG-TERM ROLE IN A SPECIALIZED
PROGRAM FOR THE GUAYMI AND WAYS IN WHICH COMPLEMENTARY
DEVELOPMENT SERVICES ARE TO BE DELIVERED.

--P. INSTITUTIONAL ARRANGEMENTS.

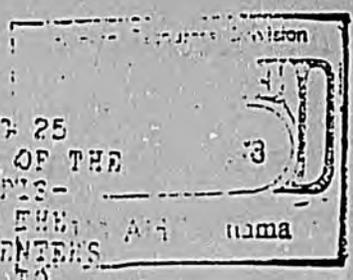
ALTHOUGH THE PIT DESCRIBES SOME OF THE BASIC INSTITUTIONAL
MECHANISMS WHICH WILL BE EMPLOYED TO IMPLEMENT THE PROJECT
(SERVICE POSTS/LOCAL COMMUNITIES, PROVINCIAL COMMISSIONS,
AND THE NATIONAL VICE-MINISTERIAL COUNCIL) CONSIDERABLY
MORE DETAIL WILL NEED TO BE PROVIDED IN THE PP. THE PP
SHOULD DEMONSTRATE THAT THE VICE-MINISTERIAL COUNCIL
WILL BE MORE THAN A POLICY MAKING AND COORDINATING UNIT,

AND THAT IT WILL BE ABLE TO ENSURE THE PROVISION OF
REQUIRED COMPLEMENTARY SERVICES. THE PP SHOULD INDICATE
WHETHER GOP MINISTRIES HAVE PLANS TO EXTEND SERVICES
TO THE GUAYMI; IF SO, THE PP SHOULD DESCRIBE HOW AND
WHEN. THE PP SHOULD ALSO DESCRIBE THE PEOPLE WHO STAFF
THESE ORGANIZATIONS, AND THE NATURE OF THEIR RELATION-
SHIP, SATISFACTORY OR OTHERWISE, WITH THE GUAYMI. THE
PP SHOULD ALSO ASSESS WHETHER MINISTRY OFFICIALS CAN BE
EXPECTED TO DEAL PRODUCTIVELY WITH THE PROMOTERS AND
OTHER GUAYMI SPOKESMEN, AND WHETHER THE GUAYMI WILL
HAVE AN EFFECTIVE VOICE AT THE MID AND UPPER LEVELS OF
THE BUREAUCRACY. THE PP SHOULD ALSO EXPLAIN HOW THE
THREE LEVELS OF INSTITUTIONS RELATE TO ONE ANOTHER.
THIS MIGHT BE ILLUSTRATED MOST CLEARLY BY DESCRIBING
THE ROLES OF THE VARIOUS INSTITUTIONS IN SELECTING,
DESIGNING, AND IMPLEMENTING SUBPROJECTS. IN LINE WITH
THE EARLIER SUGGESTIONS CONCERNING PROJECT DESIGN, THE
PP SHOULD INDICATE WHETHER THIS INSTITUTIONAL SYSTEM
WILL REMAIN IN PLACE AFTER AID FUNDS HAVE BEEN EXPENDED.

--C. GOP COMMITMENT.

BECAUSE OF PROBLEMS ENCOUNTERED IN THE EARLIER PLAN

GUAYMI PROJECT, THE PP SHOULD DEMONSTRATE THAT ADEQUATE GOP MOTIVATION, FUNDING, AND STAFFING WILL BE AVAILABLE. THE DAEC THEREFORE RECOMMENDS THAT THE PROJECT BE DESIGNED TO ENSURE INCREASING GOP CASH CONTRIBUTIONS DURING THE THREE YEAR LIFE OF THE PROJECT. ALSO, THE GOP SHOULD AGREE TO PAY SALARIES OF THE PROMOTORS EARLY IN THE PROJECT, I.E., AS SOON AS THEY BEGIN TO FUNCTION AS PART OF DELIVERY MECHANISM.



--D. COST EFFECTIVENESS:

THE PID PROPOSES TRAINING 65 PROMOTORS AND BUILDING 25 SERVICE POSTS, BUT DOES NOT QUANTIFY WHAT COVERAGE OF THE GUAYMI POPULATION WOULD RESULT. GIVEN THE HIGHLY DISPERSED NATURE OF GUAYMI SOCIETY, IT IS LIKELY THAT THE NUMBER OF PERSONS REACHED BY THESE PROMOTORS AND CENTERS WILL BE QUITE LIMITED. THE PP WILL THEREFORE NEED TO ANALYZE CAREFULLY THE POTENTIAL COVERAGE AND COSTS OF THE PROGRAM. IS THE SERVICE POST APPROACH THE MOST COST EFFECTIVE MEANS, OR DO ALTERNATIVES NEED TO BE EMPLOYED? IN ORDER TO SHOW POTENTIAL COSTS AND BENEFITS, THE PP MIGHT USEFULLY COST OUT SOME ILLUSTRATIVE PROJECTS, USING DATA FROM THE PER-PP STUDIES CITED ON P. 15 OF THE PID. THE PP SHOULD ALSO DISCUSS THE LONG-RANGE COST IMPLICATIONS TO THE GOP OF SUCH AN APPROACH, ESPECIALLY IF THE PROJECT PURPOSE IS TO INSTITUTIONALIZE A SYSTEM FOR REPLICATION.

--E. OTHER DONOR ACTIVITIES:

UNDER REPAIR, MISSION HAS BEEN SENT A COPY OF A DOL. 2.7 MILLION WORLD FOOD PROGRAM PROPOSAL TO WORK WITH THE GUAYMI. THE PP SHOULD DISCUSS RELATION OF WFP PROPOSAL TO THE AID PROJECT, ESPECIALLY WITH REGARD TO THE AVAILABILITY OF GOP FUNDS AND PERSONNEL TO MEET COMMITMENTS FOR BOTH PROGRAMS. PP SHOULD ALSO DISCUSS HOW THESE TWO PROGRAMS RELATE TO A BROADER GOP STRATEGY FOR THE GUAYMI.

--F. SOCIAL ANALYSIS:

PID SUGGESTS THAT JOINT OR COMMUNAL ACTIVITY AMONG TARGET GROUP MEMBERS IS ESSENTIAL FOR SUCCESSFUL PROJECT IMPLEMENTATION. IN LIGHT OF EVIDENCE SUGGESTING INTERNAL DISPUTE (E.G., LAND USE RIGHT AS DESCRIBED BY YOUNG IN 1971), THE PP SHOULD DEMONSTRATE THAT THE PROPOSED INTER-COMMUNAL COOPERATION IS FEASIBLE. THE PP SHOULD ALSO, TO EXTENT POSSIBLE, DISCUSS THE DECISION-MAKING PROCESS AMONG GUAYMI, AND WHAT THIS MIGHT MEAN WITH REGARD TO THE TYPES OF SUBPROJECTS SELECTED. A SEPARATE MESSAGE FOLLOWS WITH ADDITIONAL GUIDANCE FOR SOCIAL ANALYSIS. CHRISTOPHER BT

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Annex V
Page 4 of 5

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TAGS:

SUBJECT: GUAYMI DEVELOPMENT PROJECT

REF: STATE 267611

1. PER PARAGRAPHS I REFTEL THE FOLLOWING COMMENTS SHOULD BE CONSIDERED IN FINAL PROJECT DESIGN.

--A. COMMUNAL/INTER-COMMUNITY ACTIVITIES. ONE OF THE PROJECT ELEMENTS NOTED IN THE PID IS INFRASTRUCTURE-- CONSTRUCTION OF 25 MULTIPURPOSE SERVICE CENTERS. THE PID ARGUES THAT CONSTRUCTION AND USE OF THESE CENTERS ON A JOINT, COMMUNAL BASIS IS POSSIBLE BECAUSE OF THE EXTENSIVE KIN NETWORK AMONG THE GUAYMI. HOWEVER, THE DOCUMENT IS UNCLEAR AS TO WHETHER EACH CENTER IS TO SERVICE ONLY ONE COMMUNITY OR SEVERAL COMMUNITIES. STRONG KINSHIP BONDS, AND RELATED PATTERNS OF RECIPROCALITY, DO EXIST BOTH WITHIN PARTICULAR SETTLEMENTS (WHERE THEY ARE STRONGEST) AND BETWEEN SETTLEMENTS. HOWEVER, THERE IS ALSO EVIDENCE OF LONG STANDING CONFLICT BETWEEN CERTAIN SETTLEMENTS DUE PRINCIPALLY TO LAND DISPUTES. OBVIOUSLY, ATTEMPTS TO CARRY OUT A JOINT ACTIVITY BETWEEN SETTLEMENTS WHICH ARE OR HAVE BEEN IN DISPUTE IS LIKELY TO MEET WITH LITTLE SUCCESS.

THE PROCESS TO BE UTILIZED FOR BOTH SELECTING SUBPROJECTS AND PARTICIPATING VILLAGES SHOULD INCLUDE A PROVISION TO INSURE THAT SUBPROJECTS ARE PROMOTED AMONG VILLAGES WHICH HAVE POSITIVE ALLIANCES--AT A MINIMUM NOT IN CONFLICT WITH ONE ANOTHER--WHILE AVOIDING JOINT VENTURES AMONG VILLAGES WHICH ARE AT ODDS WITH EACH OTHER. VILLAGE HEADMEN OR CACIQUES AND THE GUAYMI PROMOTERS WOULD BE MOST LIKELY THE BEST SOURCES TO IDENTIFY ALLIANCE AND CONFLICT PARTNERS.

--B. SOCIAL COMPANY. OFTEN PROJECTS DO NOT ACHIEVE EXPECTED GOALS BECAUSE OF THE SOCIAL COMPANY UNQUOTE WHICH THEY KEEP. THAT IS, THERE IS A GULF OR CULTURAL DISSONANCE BETWEEN THE RECIPIENTS AND THOSE WHO OFFER CHANGE. IN THIS PARTICULAR CASE THE GUAYMI REPRESENT A MINORITY CULTURAL GROUP IN PANAMA WHICH IS MARGINAL TO THE NATIONAL MAINSTREAM. THE LITERATURE NOTES A HISTORY OF LATINO-GUAYMI FRICTION, ESPECIALLY OVER LAND. THIS IN TURN HAS CAUSED TENSION BETWEEN

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THE TWO GROUPS IN OTHER AREAS AND DEEP SEATED SUSPICION BY THE GUAYMI OF LATINO MOTIVES IN CONTACT SITUATIONS. SINCE THE INITIATIVE FOR THE PROJECT IS ESSENTIALLY A LATINO EFFORT, AID/A RECOMMENDS THAT SERIOUS CONSIDERATION BE GIVEN TO SENSITIZING LATINOS INVOLVED IN THE PROJECT, ESPECIALLY THOSE AT THE FIELD, DIRECT-CONTACT LEVEL, TO THE CULTURAL SENSITIVITIES NEEDED TO DEAL EFFECTIVELY WITH THE GUAYMI. INDEED THE USE OF INDIGENOUS GUAYMI AS PARA-PROFESSIONALS IS A POSITIVE STEP IN THIS REGARD. SHORT COURSE TRAINING IN CULTURAL SENSITIVITY FOR FIELD WORKERS AND/OR THE SERVICES OF A QUALIFIED SOCIAL SCIENTIST PERIODICALLY DURING IMPLEMENTATION TO MAKE ADJUSTMENTS IN THE PROJECT AS NEEDS ARISE WOULD REDUCE THE MAGNITUDE OF THE QUOTE CULTURAL DISSONANCE UNQUOTE CONSTRAINT. VANCE

Annex V
Page 5 of 5

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PROJECT DESIGN SUMMARY
 LOGICAL FRAMEWORK

(INSTRUCTION: THIS IS AN OPTIONAL FORM WHICH CAN BE USED AS AN AID TO ORGANIZING DATA FOR THE PAR REPORT. IT NEED NOT BE RETAINED OR SUBMITTED.)

Life of Project:
 From FY 1979 to FY 1982
 Total U.S. Funding \$ 500,000
 Date Prepared: February, 22, 1979

Project Title & Number: Guaymi Area Development, Project No. 525-0200

PAGE 1

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>To assist the GOP in meeting its development objective of bettering the quality of life for its marginal populations.</p>	<p>Measures of Goal Achievement: *</p> <p>Quantity and quality of production is increased at the family level.</p> <p>Income in the project area is increased from estimated \$75 per month per capita to \$115 p.a.</p> <p>Increased access to GOP health, education and agricultural services for the Guaymi.</p> <p>Housing and recreation facilities are improved.</p> <p>Improved nutritional status for participants in nutrition subprojects (e.g., up to 100% increase registered in consumption of animal protein).</p> <p>*Baseline data to be gathered at outset of Project will be used to establish quantified targets.</p>	<p>GOP statistics and reports.</p> <p>Comparison of Guaymi baseline statistics with end-of-project statistics.</p> <p>Project periodics reports and final evaluation results.</p>	<p>Assumptions for achieving goal targets:</p> <p>Present conditions of political stability prevail and GOP continues to give priority to improvement of conditions and opportunities for the Guaymi.</p> <p>Present inputs and output targets and project objectives are achieved.</p>

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 1979 to FY 1982
Total U.S. Funding \$ 500,000
Date Prepared: February 22, 1979

Project Title & Number: Guaymi Area Development, Project No. 525-0200

PAGE 2

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose:</p> <p>To institutionalize a coordinated participatory system for providing GOP services and financial resources to the Guaymi.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <p>Increased GOP service facilities and action programs in area. *</p> <p>Increase in coordinated, inter-agency programs in the Comarca. *</p> <p>Increased Guaymi community participation in action programs and increased satisfaction of Guaymi with these programs. *</p> <p>A minimum 65 Guaymi development promoters hired by GOP by the end of the project.</p> <p>A continued GOP effort for the Guaymi at roughly the level of funding of this Grant set in place utilizing lessons learned from the Grant.</p> <p>* Baseline data to be gathered at outset of Project will be used to establish quantified targets.</p>	<p>Ministry of Health, Education and Agriculture statistics.</p> <p>Controller General reports.</p> <p>Promoter reports.</p> <p>Field trips and evaluation reports.</p>	<p>Assumptions for achieving purpose:</p> <p>GOP will have the resources to continue its program initiatives for the Guaymi.</p> <p>Guaymi continue to maintain a high interest in development programs.</p> <p>GOP will continue to maintain its interest in training and hiring Guaymi as Development Agents.</p>

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 1979 to FY 1982
Total U.S. Funding \$ 500,000
Date Prepared: February 22, 1979

Project Title & Number: Guaymi Area Development, Project No. 525-0200

PAGE 3

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Outputs:</p> <ol style="list-style-type: none"> 1. National Council for Indian Affairs established and functioning. 2. Provincial Indian Commissions established and functioning. 3. Trained Guaymi promoters and other technical personnel assigned to Guaymi area development. 	<p>Magnitude of Outputs:</p> <ul style="list-style-type: none"> 1 National Commission composed of the Vice Ministers of Agriculture, Education, Health and Government and Justice & Guaymi representatives 3 Provincial Commissions headed by a full-time coordinator named by MIDA and composed of Provincial Directors of MIDA, MOH, MOE and Provincial Guaymi Cacique. 3.-15 Guaymi post promoters hired/at work -6 Guaymi evaluation specialists hired/at work -17 Guaymi promoters (technical specialists) hired/at work -20 Guaymi education promoters hired/at work -20 Guaymi health assistants hired/at work -50 GOP technicians providing assistance to Guaymi -1 full-time Project Coordinator -3 full-time Provincial Coordinators. <p>Training</p> <ul style="list-style-type: none"> - 3 Seminars for Guaymi leaders* (20 persons per course) - 3 seminars for provincial leaders - 9 seminars for GOP technicians (including cross-cultural) <p>* Estimated 15 persons per seminar or course unless otherwise indicated.</p>	<ul style="list-style-type: none"> USAID records and project documents. GOP reports, records and accounts. Promoter project and statistical reports. Interim project evaluations. Field monitoring reports. 	<p>Assumptions for achieving outputs:</p> <ul style="list-style-type: none"> Continued GOP support for project initiatives through provision of agreed inputs.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 1979 to FY 1982
Total U.S. Funding \$ 500,000
Date Prepared: February 22, 1979

Project Title & Number: Guaymi Area Development, Project No. 525-0200

PAGE 3

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Outputs:</p> <p>4. Service posts constructed, equipped and operating.</p> <p>5. Increased Guaymi participation in development concerns.</p>	<p>Magnitude of Outputs:</p> <ul style="list-style-type: none"> -9 workshops for post promoters -3 workshops for evaluation specialist -15 subject-specific workshops for Guaymi promoters (technical specialists) N* of participants unspecified. 2-5 observation trips to other countries. <p>15 service posts constructed, staffed and equipped with a minimum of 82 projects functioning in agriculture, health, handicrafts/cottage industries, and non-formal education.</p> <ul style="list-style-type: none"> -3 Guaymi participating in National Council -3 Guaymi Caciques participating in Provincial Indian Commissions - A minimum of 65 Guaymi working as promoters formally hired as COP development agents by end of project. - Community involvement, including women, in the basic decisions made about development in the 60 areas to be assisted under this project. 	<p>See preceding page.</p>	<p>Assumptions for achieving outputs:</p> <p>See preceding page.</p>

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: _____
From FY 1979 _____ to FY 1982 _____
Total U.S. Funding: \$ 500,000
Date Prepared: February 22, 1979

Project Title & Number: Guaymi Area Development, Project No. 525-0200

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS			MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS																					
<p>Inputs:</p> <ol style="list-style-type: none"> 1. Materials, Equipment, Tools, Vehicles. 2. Community labor 3. Training 4. Promoters, Technical Specialists, Administration. 5. Evaluation, Special Studies. 	<p>Implementation Target (Type and Quantity) Targets (U.S. \$000)</p> <table border="1" data-bbox="611 478 1015 940"> <thead> <tr> <th>AID</th> <th>GOP</th> <th>Guaymi Communities</th> </tr> </thead> <tbody> <tr> <td>390</td> <td>123*</td> <td>---</td> </tr> <tr> <td>---</td> <td>---</td> <td>152</td> </tr> <tr> <td>20</td> <td>5</td> <td>---</td> </tr> <tr> <td>60**</td> <td>388</td> <td>---</td> </tr> <tr> <td>30</td> <td>---</td> <td>---</td> </tr> <tr> <td>500</td> <td>516</td> <td>152</td> </tr> </tbody> </table> <p>* Includes GOP supervision (technical, construction) ** Salary for Guaymi promoters.</p>			AID	GOP	Guaymi Communities	390	123*	---	---	---	152	20	5	---	60**	388	---	30	---	---	500	516	152	<p>USAID records and project * documents. GOP accounts, records, reports.* Field monitoring reports.</p> <p>* Signed contracts, purchase orders, training records, voucher reports, etc.</p>	<p>Assumptions for providing inputs:</p> <p>AID funds available as planned. GOP economic situation permits provision of counterpart funds as required. Qualified GOP personnel available. Guaymi with adequate background to qualify for training are available and interested in the program.</p>
AID	GOP	Guaymi Communities																								
390	123*	---																								
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60**	388	---																								
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SOCIAL SOUNDNESS ANALYSIS

Material for the social soundness analysis was drawn from the work of anthropologist Philip D. Young, the world's leading authority on Panama's Guaymi Indians. Dr. Young, who wrote his dissertation on the Guaymi in the early 1970's, lived amongst the Guaymi in Cerro Mamita (Chiriqui Province) for a year and spent a second year sometime later as project manager for Plan Guaymi, under contract with the InterAmerican Development Institute. He visited the Guaymi several times between the two twelve-month stays. Dr. Young participated in meetings held to formulate the Guaymi Area Development Project until his departure from Panama in June 1978.

The Physical Setting

The Guaymi Indians occupy the precipitous and largely inaccessible sierra highlands and portions of the lower slopes of the three western-most provinces of Panama. Thirty percent live in the Province of Bocas del Toro, 60% in Chiriqui and 10% in Veraguas (see Map Page 12). Technically, by Panamanian legislation, the land they occupy is reservation land although the boundaries have never been firmly fixed by survey. The reservation(s) or, as preferred by the Guaymi, "comarca", is estimated to be 2,500 square miles of land ranging from 350 feet above sea-level to altitudes of over 7,000 feet, with the Guaymi living at altitudes of up to 5,000 feet. Less than one-half of the comarca land is arable utilizing techniques that the Guaymi currently possess, and this land, mostly thin laterite with patches of volcanic soils, is agriculturally classified as "severely or very severely limited" by the Ministry of Agriculture. Population density varies between three and thirty-six people per square mile, with an average of approximately fourteen persons per square mile.

The continental divide, formed by the central cordillera, divides Guaymi territory into a northern or Caribbean area and a southern or Pacific area. The northern slopes have no marked dry season and vegetation is of the tropical and subtropical rain forest type. The southern slopes offer a marked dry season from mid-December through mid-April and a vegetational cover of tropical deciduous forest interspersed with open savanna. Water is plentiful throughout the year except in Veraguas.

Transportation and communication facilities are practically non-existent in the comarca. The vast majority of Guaymi still travel by foot on narrow paths and trails; however, a small percentage own horses, or in the case of Bocas del Toro, outboard motors and canoes. Telephone, telegraph and postal communications are non-existent.

Beneficiary Group Identification and Characteristics

The 50,000-60,000 Guaymí constitute the largest Indian population in Panama, and are distinguished from other Indian and Latino populations by language, dress, adornment and social organization more than by physical characteristics. Little is known about the pre-Conquest Guaymí although it is fairly certain that by the early 17th century most of the features of Guaymí culture were already present.

Traditionally the Guaymí lived in widely-dispersed small communities of five to eight houses occupied by a core of consanguineally related males plus their wives and children. Dispersal rather than nucleation represented an efficient adaptation to the ecological conditions of an area where harsh and precipitous terrain reduced transportation and communication to a minimum and slash and burn agriculture as the chief source of livelihood required shifting agricultural plots every few years.

Each house in a community kinship group formed an economic unit of production that performed most of the work necessary for its self-sufficiency and utilized most of the products of its labor. However, certain tasks were accomplished through the kinship group itself in the form of reciprocal or cooperative labor. In fact, reciprocal labor groups were a major aspect of the traditional Guaymí structure of production. Kinship groups also performed several other important functions in Guaymí society.

The kinship group served as a means to balance distribution of surplus food through a cultural tradition of extensive reciprocity among kinsmen, and land was owned collectively by the kinship group. Land use was usually regulated by the senior male. Marriage was often used to form an alliance between kinship groups of different communities, establishing a mutual set of rights and obligations between the males of the two kinship groups.

Traditional Guaymí society was well designed for the ecology of the sierra highlands and was adapted to a non-monetary economy with a slash and burn agricultural base. This system has been very stable over the past few centuries and is generally characteristic of present day society. The stability, in part, has been due to geographic isolation and the result has been a low intensity of cultural contact between Guaymí and Latino civilizations. The kinship group structure, without a more complex hierarchy of political power, also served to make conquest or domination by outside groups more difficult. There is evidence that Latinization has tended to be limited to out-migration from the Comarca into Latino settlements rather than by encroachment of Latinos or Latino culture into the Indian area.

Geographic isolation and cultural closeness have also meant that the Guaymi have not shared in the benefits of civilization and development. Until very recently, the Guaymi way of life had not changed from that of several centuries ago. There are few health facilities, schools, access roads and development projects in the Guaymi area; and bilingualism is essentially limited to the population under 40. Illiteracy rates are high, especially among women and people over 30. One estimate places the illiteracy rate at over 85%. Per capita income is estimated to be less than \$100. Despite a few scattered and uncoordinated GOP initiatives in the last nine years, the Comarca still remains one of the most underdeveloped areas of Panama with malnutrition, disease and poverty increasing rather than diminishing.

Economics and Change in Guaymi Society

The traditional Guaymi economy consists of subsistence agriculture utilizing swidden (slash and burn) techniques. The most important crops are corn, beans, bananas, rice and various tubers, supplemented by small-scale animal husbandry. The digging stick and machete are the basic agricultural implements. The swidden cycle begins in late December or early January when new lands are cleared for planting by the male members of a kinship group. This difficult task continues through April. The felled trees and bushes are left lying on the ground to dry thoroughly, and the fields are burned just before the coming of the rains. Corn, rice, squash, bananas, gourds, and tubers are planted with the coming of the first rains in May. Harvesting begins in August and lasts through September.

The man-land ratio is extremely important to swidden agriculturalists, and a delicate balance between man and land has usually evolved in traditional societies. The Guaymi say that it takes roughly two acres of land to support one person, and that after planting for two successive years the plot must be left fallow for about twelve years to allow for the second-growth forest to choke out the weeds and restore fertility to the soil. This cycle sets parameters for the traditional life style of the Guaymi.

History documents significant reductions in the Guaymi homeland from the time of Spanish Conquest up to about 1930. Since 1930 the size of the comarca has remained fairly stable. However, the land of the present-day comarca is typified by harsh terrain and extremely poor agricultural soils, the more fertile agricultural land having been lost to the Latinos.

As total land area occupied by the Guaymi has diminished, the population in the comarca has increased at a phenomenal rate, doubling since 1950. These two trends have combined to produce imbalances in the critical man-land ratio which threaten the very existence of the Guaymi as a discrete cultural group.

Shortening or complete elimination of swidden cycles has resulted in over-intensive cultivation of already poor soils, causing soil exhaustion, erosion, and low productivity. Without the chance to expand their territory or increase their productivity through use of improved agricultural tools, techniques and inputs, Guaymi men have been forced to leave the area to seek wage employment to meet minimal subsistence needs. Changes in the economic structure of Western Panama such as the completion of the Pan-American Highway and increased opportunities to work as seasonal laborers has also served to increase Guaymi dependency on external economic institutions, resulting in an intensification of what previously had been an extremely marginal commitment to a market economy.

Swidden agriculture remains the mainstay of the Guaymi economy. However, the heightened involvement and dependence on a market economy is having dramatic effects on Guaymi society. Working as migrant seasonal laborers has required Guaymi men to be away from home for extended periods of time, often during times of peak agricultural activity. This has shifted women into roles formerly occupied by men and caused other complex sociological and psychological changes in Guaymi society. Perhaps the most profound change has been the erosion of a series of traditional rituals. These rituals provide the stimulus for food production beyond subsistence needs in traditional society, with the excess production serving as a provider of food in hard times. The rituals also served to reinforce kinship bonds through exchange of food and labor, and therefore formed an important underpinning of Guaymi society.

The weakening of these traditions is threatening Guaymi political and economic stability and is creating significant stresses which are evident throughout the society. Although de-emphasizing production in favor of wage labor employment off the comarca is an ever more appealing individual economic strategy among Guaymi men, the declining economic situation in Panama has diminished the sources of wage labor as Guaymi dependence on cash has increased. As a result, this strategy seems to be worsening rather than alleviating the Guaymi plight.

Guaymi Politics

The Guaymi do not have nor does it appear that they ever possessed a complex political structure. The traditional system was characterized by its fragmentation and incohesiveness. The swidden agriculture/reciprocal work economic system did not require complex organization because of the high degree of self-sufficiency within the kinship group, and the highest political power and authority resided within the kinship group. The kinship group also controlled access to the land, and through traditional rituals, distributed excess production as a form of security for lean agricultural years. Ritual and marriage were used by the kinship

group to enhance political power by establishing cooperative or reciprocal connections which served to bind the different groups together.

As described above, demographic and economic pressures have brought about changes in the system which are resulting in serious society-wide stresses. The changes are making themselves most evident in the increasing evidence of economic and nutritional problems; however, sociological, psychological and political problems are also emerging.

Some of the earlier responses to the "falling apart" of traditional life were religious in nature, the most well-known being the Mama Chi movement. There have also been politically oriented responses. The Revolutionary Government came to power in 1968 and quickly recognized three Guaymi, one in each province, as provincial caciques (chiefs) for the Guaymi populations. Then in 1972, the same Government held elections and created representatives to the National Assembly, one from each county in the Republic, including the Guaymi areas. There are approximately 50 Guaymi counties and perhaps as many as 40 Guaymi representatives. The caciques, representatives and kinship groups form the three most powerful political factions in the comarca.

The caciques represent a liberal and progressive political element and have considerable support. However, decisions by traditional kinship groups still appear to hold more weight than decisions by caciques. The representatives are officially responsible for all Guaymi-GOP dealings; however, they are probably the weakest of the three power factions. Their authority area is physically smaller than that of the caciques and this brings them into more frequent and direct conflicts with kinship groups. The representatives are not as organized as the caciques, and while there seems to be some evidence of "caciques" in traditional society, the Guaymi view the representative system, and sometimes even the cacique-system, as non-traditional and imposed from the outside.

Kinship groups, with their traditional power over the use of land and of distribution of goods, are still the most important and enduring decision-making bodies in Guaymi society and are the primary focus of Guaymi loyalty. Any program with the Guaymi must maintain a careful balance among these three power groups, the caciques, the representantes and the kinship groups. However, most important for project success is that there must be popular participation and decision-making at the lowest level to insure kinship group support for the intervention. The social promoters who are normally members of a kinship group in the community in which they are working are a logical choice as project cadre. The use of these promoters as base-level development agents is the most important element in obtaining community-level support and participation in sub-project activities.

The Guaymi Decision Making Process

Decisions on important issues are usually made in traditional 'congreso' or group meetings. A particular issue is introduced to the group usually consisting of the older males in the community. On issues of importance to the entire community, the women and children often stand outside of the meeting house or area to listen.

At the first meeting in which a particular issue or idea is introduced only a brief discussion will ensue and no direct action or decision will be taken, unless the issue is very trivial or if it is obvious that there is general accord. If the issue is at all controversial, it is raised in the meeting and then dropped. However, after the meeting, and prior to the next one, the issue will be discussed informally. These informal discussions are casual for smaller issues, or in the case of controversial issues, are sometimes deliberately arranged encounters.

In these smaller meetings the proponent of a particular issue will strongly state his case and attempt to convince his audience that he is correct. He will continue to lobby for his issue with small groups until the next open meeting. The issue will be raised again for acceptance by the group. Supporters will nod and express agreement, but there will be no vocal disagreement. Overt verbal confrontations are not acceptable, but if, in the opinion of the leader, there is substantial resistance to the proposal, the issue is dropped at the formal meeting. In such a case another series of informal discussions will take place, and the issue will be raised again at a formal meeting of the group. This process may be repeated at several successive meetings, accompanied by interim lobbying between open forums.

Throughout this process no formal vote is ever taken to determine if there exists majority approval or disapproval. However, if after several months it becomes evident that no significant progress is being made toward a compromise acceptable to all, the matter is dropped from the agenda of future meetings. In other words, the leader has made a conscious decision about the issue - not pro or con, but that consensus can't be reached and a decision is made to not decide.

The understanding of this process is important to development agents. Too often in joint Guaymi-GOP meetings, the GOP has presented its ideas for a project and received several nods of approval and no negative reaction. Based on this reaction, the GOP has initiated programs thinking that there was general acceptance of the project, commitments from the community and agreement on other issues raised at the meeting. Subsequent lack of Guaymi participation or failure of the community to respond to GOP initiatives have resulted from this lack of cultural understanding of the Guaymi decision-making process.

The key factor in the process towards group consensus for the Guaymi is that overt verbal conflict must be avoided in open meetings. In fact, protagonists do not debate issues in the Western sense. Each presents his position, describing the advantages of his idea, but seeks to avoid direct discussion of the protagonists' argument. The most skillful and respected speakers avoid all direct comparisons of conflicting positions, stressing the strengths of their position and subtly implying the existence of weakness or disadvantages in the positions of others. In some cases protagonists present their ideas at two separate meetings to avoid the possibility of open debate or conflict. Even then, the other man's argument or his person is never overtly and directly attacked.

Another important factor in this process is the lack of direct assessment of opinion through voting. This places a heavy burden on the leader to determine if there exists majority approval or disapproval of the issue. This determination usually comes from the series of smaller informal meetings that take place between formal meetings, with the leader reflecting the wishes of the groups as he interprets them. A leader that renders 'good' decisions, that is, decisions that seem reasonable to both parties or to the assembled group, will achieve increased prestige in the eyes of the community. With continued success his reputation will spread and upward mobility in the traditional leadership structure will be enhanced. On the other hand, a leader making 'weak' or unpopular decisions will find that his reputation and status suffer, and his position will be placed in jeopardy.

The conflict - avoidance system appears to be undergoing some changes as younger Guaymi educated in the Latino school system begin to take their place in Guaymi communities. Younger Guaymi males tend to argue issues overtly in open forums and because of their outspoken manner, sometimes dominate meetings. This departure from accepted traditional practice creates a great deal of stress at meetings where the two generations are present. These generational conflicts are further dividing an already politically factionated Guaymi nation faced with several divisive forces which it is having difficulty dealing with.

An analysis of Guaymi procedures for arriving at a consensus leads to several major conclusions of relevance to the smooth implementation of subproject activities under the proposed Grant:

First, the traditional Guaymi decision-making process is not well adapted to dealing with situations of sharp conflict. Where such conflict is identified, the Project should leave conflict resolving actions in the hands of the Guaymi themselves. Acting without group consensus, or in contested situations, especially when this involves siding with one faction of the dispute, should be avoided by Project personnel at all cost.

Second, to place conflict resolution in Guaymi hands will require flexibility in the Project implementation plan because traditional Guaymi procedures for arriving at consensus are not well adapted to restricted schedules. Deadlines may be missed in some cases but the chances that subproject activities will be successful will be greatly enhanced.

Third, much care must be taken to ensure that decisions by traditional leaders are in fact based on popular support. Some evaluation should be made of the local leader's power base and decision-making reputation before accepting decisions made about subproject interventions. As is explained later in this analysis, decisions reported at the leader level should be confirmed at the kinship group level to insure that real participation and support for subproject activities will be forthcoming.

Intra- and Inter-Group Cooperation among the Guaymi

Although much of the work in Guaymi society is accomplished by the household as an economic unit, certain tasks are customarily accomplished through the cooperation of kinsmen residing in different households and different communities. There are also situations where non-kinship groups carry out joint activities.

Traditionally, there are two types of Guaymi cooperative labor activities, festive and exchange. Festive labor involves little obligation on the part of participating parties to repay the labor invested; exchange labor implies a strong obligation on the part of the participants to repay to the organizer of the activity an amount of time equal to that invested. Festive labor usually involves persons who are not related to one another, while exchange labor usually involves persons with kinship ties.

There are two types of festive labor. General festive labor involves activities based on mutual recognition of the needs of a particular geographic area such as clearing or maintaining a trail or building a school. In these cases, a leaderless work group is formed involving all members of the area regardless of kinship affiliation. Each member of the work group supplies his/her food, and the activity is carried out to achieve something which will benefit all of the residents of the area.

The second form of festive labor involves particular activities, that is, activities which will benefit one individual, family or kinship group. Building a house is a good example of this type of activity. In this case, the activity is organized by a leader or 'patron', who supplies the food and drink to those who assist in the effort. The patron, in traditional society, was expected to willingly participate in similar work groups organized by others, although there was no formal obligation to repay the labor because the donated food and drink was considered sufficient repayment for the work done.

In exchange labor, the obligation to reciprocate is very strong. Any male may arrange a work group for exchange labor at any time, although the most common time is during the land clearing and the harvest periods of the agriculture cycle. The patron usually invites people of the kinship group to participate in exchange labor activities and invites as many people as he can reasonably repay "in-kind" without jeopardizing the economic security of his own household.

The patron provides foodstuff and drink to the workers, with the drink serving as a strong incentive for participation. After the work is performed, the patron will owe an equal period of labor to each of the participants in the work group except those of his own and his wife's households (these are considered normal obligations and are bound by another complex set of rules and regulations).

In most cases, the task can be accomplished in one day. It is this feature that makes exchange labor attractive. Timing is very important in the agriculture cycle of a swidden agriculturist, and while one could argue that it takes the same number of man-hours to clear a plot of land or to weed a field of corn whether the task is done by one man or several, in terms of the absolute amount of time that passes between the initiation and the completion of a task, this is not the case. When the Guaymi work in groups they all work harder and longer hours than an individual Guaymi working alone, and the companionship also makes the performance of routine jobs of this nature more enjoyable, so there is also a social benefit.

Another factor in the equation is land. Land is a perennial topic of conversation among the Guaymi. Changes in the critical man-land ratio caused by a declining land base and increasing population growth rate has resulted in a growing number of land squabbles among and within kinship groups. Land is owned collectively by the members of a kinship group, but control of the land is vested in those members of the kinship group who actually live on the land.

Both land and the rules governing festive and exchange labor will influence beneficiary cooperation in carrying out sub-project activities under the Project. If the land on which an activity is to be carried out is owned by a kinship group, the beneficiary organization should not extend beyond this group. However, if the land is communal land and there is general accord among the various kinship groups of the area, larger beneficiary groupings can be realized. Cooperation across kinship groups can be expected if an activity will be of general benefit to all of the area, such as a large fish pond, and if communal land is available for the activity. For other types of activities, the most appropriate organization might be the kinship group, or in some cases, the

individual family unit. Each subproject activity will have to be considered based on a close evaluation of the community structure, the type of activity and the ownership of the land the activity will be developed on. This evaluation can best be carried out by the Guaymi themselves, and a project design which incorporates the Guaymi beneficiaries into the selection and planning process is one that will provide the best chance for success in the important area of inter- and intra-group cooperation.

Role of Women

Women have traditionally played a significant role in the Guaymi economy, within clearly defined parameters. These traditional roles, still considered "ideal", are in the process of change due to changes which are occurring in the overall economic base and structure of Guaymi society.

The daily routine for a Guaymi woman begins with the first light of day. An hour or so before the men arise she kindles the fire and prepares the morning meal. After the morning meal she goes to gather food, returning within a few hours to take care of the multitude of chores that most rural women world-wide must perform: caring for the children, washing and sewing clothes, attending the health and medical needs of the family, cleaning, carrying water, seeking firewood, feeding the chickens, pigs or other domestic animals, planting and weeding the garden, making baskets, water vessels and other household items. In addition to these time and energy consuming tasks she also bears the weight of repeated childbirth, lack of adequate medical care, and insufficient nutrient intake. The day's drudgery is only ended at nightfall when she retires to her bed platform to listen to the men discuss work and pleasure around the fire over a few drinks of "chicha".

The Guaymi woman is the conservative element in a very conservative society. Her dress has varied very little over the past several centuries even though men's dress has shown considerable change, and the vast majority of women are mono-lingual. Of course, girls of the present generation have increasing access to education. As schools are being built in the Guaymi area more and more women are learning Spanish and showing some tendency to move away from traditional conservatism. However, the educational situation is still bleak with males dominating school attendance statistics.

There is a division of labor by sex in Guaymi society although in practice the division is often blurred by necessity. Traditionally, a woman never hunted, cleared the forest or cared for cattle, and such tasks as chopping fire wood, sharpening machetes and weeding were usually considered to be in the male domain. Planting and harvesting activities were usually shared.

As described earlier, one change brought about by the increasing participation of Guaymi men in wage labor endeavors away from the comarca has been a breakdown in the sexual division of labor. More and more of the agricultural tasks formerly performed by men are shifting to women out of economic necessity. In the absence of male family members, the woman must rely on male kinsmen to accomplish the heavier and exclusively male tasks such as field clearing, but the erosion of traditional kinship relationships which served to cement kinship groups and obligate reciprocal labor is making it increasingly more difficult for women to demand time of their male kinsmen. Allocation of labor is coming more to depend upon labor availability than tradition. Recently, women have been known to tend cattle when their men are absent despite strong cultural sanctions against such activity.

Women played an important role in the traditional means of balancing the distribution of agricultural production. This balance was maintained through gift-giving, borrowing and formal requests for aid. These exchanges were structured by marriage alliances and kinship ties. Formal requests occurred only between kinsmen and normally was the responsibility of Guaymi women. Such formal requests are still an important means of redistribution of goods among the Guaymi although changes in the economic base due to decreasing dependence on agriculture and a corresponding increase in involvement in the money economy are undermining this tradition.

One of the most serious problems in the Guaymi area is the rapid increase in population. Family size is large, and almost all Guaymi women are ignorant of contraceptive techniques. Contraceptive devices are little known and seldom if ever used, and family planning programs are still considered as attempts by Latinos to limit the size and power of the Indian population.

Most Guaymi women do not have the right to choose their own spouse. Marriage in traditional society was used by kinship groups to form the basis of reciprocal alliances with exchange of two women between kinship groups as the preferred form. Child betrothal used to be common but no longer is. However, multiple marriages (polygamy) is traditional among the Guaymi and is a status-related phenomenon. Contemporary marriage customs do not deviate substantially from these traditional ideals.

Guaymi men make most, if not all, decisions. While women might have an input, it is subtle and seldom public. However, there is no large gap between men and women in terms of knowledge of use of modern agricultural inputs, access to cooperatives, credit and agricultural training, because neither Guaymi man nor woman have benefited from these activities. This Project is aimed at correcting some of these deficiencies through the creation of an infrastructure which will permit a more extensive offering of services to the Guaymi.

The Project proposes to assist Guaymi women in the traditional manner of developmental assistance for rural women: education in such skills as sewing, cooking, dietary planning, basic health and nutrition, small-scale gardening, animal husbandry, and handicrafts. However, to the extent that traditional culture will allow, the Project will also attempt to move women's participation from the arena of homecrafts and family skills to involvement in agricultural production and income-producing projects. To accomplish this, the Project contemplates concentrating on the following areas:

- a. Non-formal courses will be given in nutrition and health education, literacy, maternal and child health including family planning and other topics to be selected by the women themselves. To the extent possible, Guaymi women will be selected as special promoters and trained to teach these courses at the community level.
- b. Women will be selected along with men to participate in the normal training courses for participants in agricultural projects designed to improve farming practices. This is especially important considering the new responsibilities women are assuming in agriculture due to changes in the economic and social context of Guaymi society.
- c. Short courses for women and men will be offered in handicrafts and artisan production, both for market and for domestic use, and in construction techniques for village-level self-help projects.
- d. To the extent possible, women will be encouraged to join in all community participation and decision-making aspects of this Project. Traditional male dominance in this area may somewhat limit this; however, it is hoped that the Project will have made measurable changes in the participation of women by the time it terminates.

In summary, the Project will address the integration of women into the development process within the overall context of the Project rather than by developing special women-only projects. The traditional constraints and restrictions on Guaymi women will be respected, but it is thought that they will not be as restrictive as an examination of past practices might indicate. The change from a traditional subsistence economy to limited dependence on a market economy is already bringing about changes in women's status and roles. It is not the intent of this Project to introduce or impose new structural changes on the Guaymi. The Project proposes to reinforce elements of Guaymi society which are already changing and to provide women with the skills needed to better respond to their newly acquired responsibilities.

DEPARTMENT OF STATE LAC/DR-IEE-73-21
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20521

ENVIRONMENTAL THRESHOLD DECISION

Location : Panama
Project Title : Guaymi Development Project
Funding : FY '78 \$500,000
Life of Project : Three Years

Mission Recommendation:

Based on the Initial Environmental Examination, the Mission has concluded that the project will not have a significant effect on the human environment and therefore recommends a Negative Determination.

The Latin America and the Caribbean Bureau's Development Assistance Executive Committee has reviewed the Initial Environmental Examination for this project and concurs in the Mission's recommendation for a Negative Determination.

AA/LAC Decision:

Pursuant to the authority vested in the Assistant Administrator for Latin America and the Caribbean under Title 22, Part 216.4a, Environmental Procedures, and based upon the above recommendation. I hereby determine that the proposed project is not an action which will have a significant effect on the human environment, and therefore, is not an action for which an Environmental Impact Statement or an Environmental Assessment will be required.

Edward W. Coy
Assistant Administrator for
Latin America and the Caribbean

July 12, 1978
Date

Clearances:

DAEC Chairman: MDBrown [Signature]
LAC Environmental Advisor: R. Cotto [Signature]

INITIAL ENVIRONMENTAL EXAMINATION

Project Location: Panama
Project Title: Guaymi Development Project
Funding: FY 78 \$500,000
Life of Project: Three years

IEE prepared by: Jane E. Stanley Date: June 1, 1978

ENVIRONMENTAL ACTION RECOMMENDED

Based upon the following environmental examination, I recommend the Guaymi Development Project be given a Negative Determination requiring no further environmental review.

Concurrence: Ch B W Date: 6/22/78
Charles B. Weinberg
Director

Assistant Administrator's Decision:

Signature: _____ Date: _____

INITIAL ENVIRONMENTAL EXAMINATION

GUAYMI DEVELOPMENT PROJECT

I. Project Description

The goal of the Guaymi Development Project is to assist the Government of Panama (GOP) in achieving its development objective of improving the quality of life for Panama's marginal populations by providing them with services which will help them improve their agricultural productivity, income and health. The specific target group to be benefitted by this project are the Guaymi Indians living in the Sierra highlands (Guaymi Comarca) of the three western provinces of Panama: Bocas del Toro, Chiriqui and Veraguas. Currently these areas are among the most underdeveloped areas of Panama due to isolation, lack of agriculturally productive land, and a dearth of government action programs for the Guaymi.

The project proposes to assist the GOP in the achievement of this objective in two ways:

- 1) through establishment of an institutional framework within the GOP to carry out development programs for its Indian populations, in particular the Guaymi.
- 2) through development of the capability within the Guaymi Nation to effectively participate in the selection, planning and implementation of development programs addressing priority needs.

Specific actions proposed by the project are:

- 1) The establishment of a National Commission for Indian Affairs composed of the Ministers of Education, Health, Agriculture and Justice, and three provincial level Indian affairs commissions composed of representatives of the Ministries of Health, Education, Agriculture and Justice and the Guaymi cacique (chief) of the province.
- 2) The establishment of 25 services posts at the community level to serve as foci for the implementation of specific development projects.
- 3) The provision of additional training to existing Guaymi community promoters to develop their capabilities to plan,

-2-

implement, monitor and evaluate projects in the following four categories: income producing projects, projects for internal consumption, infrastructure projects and motivational projects (such as recreation, housing improvements).

4) Specific projects have been identified as:

- a. Managed Fish Production
- b. Coffee Production
- c. Cacao Production
- d. Maize/Rice/Bean Production
- e. Small Animal Projects
- f. Garden Projects
- g. Fruit Tree Projects
- h. Handicraft Projects
- i. Aqueduct Projects
- j. Latrine Projects
- k. Construction of Service Posts
- l. Housing Improvement
- m. Recreation Development

All project activities will be closely co-ordinated with other AID financed projects extending assistance to the Guaymi.

The project's proposed training component will build upon activities financed under AID grant 525-0]77 as it will further train and employ at least 25 Guaymi trained under this previous grant to act as promoters of GOP development programs in the most rural and marginal Guaymi populations.

Several of the proposed subprojects will be coordinated with, AID loans 043 (Education Sector Loan II) and 045 (Rural Health Delivery System). These subprojects are: small animal and garden projects, aqueduct and latrine projects.

Finally the project will be complemented by the following PL 480 supplementary feeding programs: MCH programs for mothers and pre-school children; school feeding for school age children; and food for production programs for adults involved in designated project activities.

II. Site Description

The Guaymi Indians occupy an estimated 2500 square miles of rugged, largely inaccessible sierra highlands, of the three Western provinces of Panama. Because of the geographic isolation of these areas, population density is low, ranging from 3 to 36 people per square mile,

-3-

and transportation and communication facilities are practically non-existent.

Much of the land occupied by the Guaymi has a very low agricultural potential, with soils that are classified by the Ministry of Agriculture (MIDA) as "severely or very severely limited". Despite poor soils, most Guaymi's chief source of livelihood is traditional "slash and burn" agriculture which requires shifting agricultural plots every 2 or 3 years once a plot's soils have become depleted.

The Guaymi live in widely dispersed small communities of 5 to 8 houses occupied by kinship groups or a core of consanguineally related males plus their wives and children. Each house in the community forms a fairly self-sufficient economic unit, however certain tasks are accomplished by the kinship group as a whole in the form of co-operative labor. As this way of life has been very stable over the past few centuries, the Guaymi have not developed a very complex economic and political structure. The highest political power and authority still resides in the kinship group although the Revolutionary Government, in 1968, recognized 3 Guaymi as provincial chiefs for the 3 Guaymi populations, and, in 1972, created positions for 40 Guaymi representatives to the National Assembly.

The traditional political, economic and geographic isolation of the Guaymi society has meant that the Guaymi have not shared in the benefits of development. Despite a few scattered GOP initiatives in the past few years, the areas occupied by this group still remain some of the most underdeveloped areas of Panama, with malnutrition, disease, and poverty increasing rather than decreasing. Furthermore, in recent years, the economic situation of the Guaymi has worsened due to losses of land to the latino population. These land losses have reduced the critical land-man ratio needed to practice slash and burn agriculture, and forced many Guaymi men to seek wage employment to meet minimum subsistence needs at a time when a declining economic situation in Panama has diminished sources of employment.

III. Impact Identification and Evaluation

This section sets forth the reasonably foreseeable impacts of the Guaymi Development Projects activities on the natural and human environment.

Project activities can be divided into three basic categories:

- 1) Establishment of institutions
- 2) Provision of training
- 3) Implementation of specific subprojects.

Project activities receiving the most detailed evaluation in this section will be the implementation of agriculturally-oriented subprojects (for which community promoters will be trained by MIDA) as these activities will have the most direct impact on the environment. These subprojects are listed below:

- 1) Managed Fish Production Projects
- 2) Coffee Production
- 3) Cacao Production
- 4) Maize, Rice and Bean Production
- 5) Fruit Tree Production

Other proposed activities and subprojects will receive less attention in this evaluation as they either 1) will be funded under other AID loans (such as the construction of latrines and aqueducts) or 2) will have very insignificant impacts on the environment.

A summary Impact Identification and Evaluation Form is contained in Annex A.

A. Impacts on Land Use

The project's impact on the character of the land should be minor and beneficial.

Maize, rice and bean production subprojects will be promoted on lands already committed to such use, and will actually improve the land's capability to support agriculture through the promotion of improved farming techniques.

Coffee, cacao and fruit tree subprojects will be established on lands currently dedicated to agricultural use. The promotion of these subprojects will also improve the character of the land, as lands which are currently subject to erosion, due to the utilization of shifting slash and burn agricultural techniques, will be planted with permanent vegetative cover that will reduce the amount of soil loss due to erosion.

The project proposes 6 managed fish production subprojects which will each use approximately 400 hectares of flat land for the establishment of fish ponds. The establishment of these ponds should be a productive use of the land, as most lands in Guaymi areas have a low agricultural production potential. In addition, land usually becomes more fertile when used for fish ponds and may later be converted back to cropland with a higher production potential.

Finally, because of the nature of the Guaymi Development project, all the above mentioned impacts should be minor as small land areas (1-4 HA) will be used in widely dispersed Guaymi communities in 3 provinces of Panama.

B. Impact on Water Resources

All proposed agricultural subprojects (maize, rice, bean, coffee, cacao and fruit tree production) will have beneficial impacts on water quality as they will promote improved land management that will reduce erosion and subsequent sedimentation of nearby streams.

Managed fish production will have a potential for producing adverse impacts on the quality and quantity of water resources. Degradation of water quality could result from the leakage and disposal of fish pond water to nearby waterways. However MIDA's sound performance record in fish pond construction and management should ensure that ponds will be properly constructed to prevent leakage, and that community promoters will be adequately trained in fish ponds management. The draining of ponds for cleaning cannot be avoided. If the pond is properly managed, however, cleaning should occur only once a year and at a time when the receiving stream has sufficient volume to assimilate much of fish pond wastes. Water quantity impacts will result when water is diverted from nearby streams for purposes of fish pond operation. With proper fish pond management such water diversions will be infrequent and quantities of water will be small in relation to stream flow.

Again, all the above mentioned should have a minor effect on the overall environment as they will be implemented in widely dispersed areas in 3 provinces of Panama.

C. Impacts on Air Quality

The project's activities should produce no significant impacts on air quality.

D. Impacts on Natural Resources

The project's impacts on the land and its soils, and water resources are discussed in previous sections.

Another possible impact of the managed fish pond subprojects is the effect the escape and subsequent breeding of the fish pond culture in nearby streams would have on an areas native fish species. Although the nature and extent of this potential impact cannot be assessed without information on specific project sites, the probability of this impact will be low due to anticipated careful fish pond management.

E. Impacts on Culture

The project's activities should not produce significant changes in the traditional Guaymi life-style. The project's social soundness analysis stresses two important facets of the Guaymi culture:

-6-

- 1) The traditional emphasis on the isolated kinship group as the highest form of authority with power over the use of land and distribution of goods.
- 2) The traditional reliance on agriculture as a source of livelihood.

The project should not weaken these traditions as the Guaymi promoters will work in the community, as members of the kinship group, and all subprojects decisions will be made at the kinship group level. In addition, many of the subprojects proposed will strengthen a community's agriculturally based economy and reduce the need for Guaymi to seek wage labor outside the community to meet minimal subsistence needs.

F. Impacts on Socio-Economic Conditions

The project's activities will have a positive impact on the socio-economic status of Guaymi communities as all subprojects are aimed at improving the quality of life of the Guaymi.

Income will be increased through the sale of surplus agricultural products and handicrafts. Greater awareness and access to a better life style will be created through the training provided at service posts and through the implementation of the various subprojects that will increase amounts of food for consumption and improve community infrastructure and environment.

G. Impacts on Health

The project's activities should have a beneficial impact on the health of the Guaymi population through increasing its nutritional well-being. The agricultural and managed fish production subprojects should increase the amount of food available to the Guaymi, and the fish production projects, in particular, should provide a much needed source of protein to their diets.

IV. Conclusions and Recommendations

The proposed project will have many beneficial impacts on the natural and human environment of the Guaymi population especially in terms of socio-economic status and health. It also has the potential to produce some adverse impacts; however these impacts should be insignificant due to both the highly dispersed setting of the project's proposed activities, and the careful management of these activities.

Based on the preceding findings it is recommended that the Guaymi Development Project be given a Negative Determination, thus requiring no further environmental review.

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact Areas and Sub-Areas

Impact Identification
and Evaluation

A. LAND USE

- | | |
|--|-------|
| 1. Changing the character of the land through: | |
| a. Increasing the population----- | N |
| b. Extracting Natural Resources----- | N |
| c. Land clearing----- | N |
| d. Changing soil character----- | L+ |
| 2. Altering natural defenses----- | L+ |
| 3. Foreclosing important uses----- | L+ |
| 4. Jeopardizing man or his works----- | N |
| 5. Other factors | |
| _____ | _____ |
| _____ | _____ |

B. WATER QUALITY

- | | |
|--|-------|
| 1. Physical state of water----- | L |
| 2. Chemical and biological states----- | L |
| 3. Ecological balance----- | L |
| 4. Other factors | |
| _____ | _____ |
| _____ | _____ |

C. ATMOSPHERIC

1. Air additives-----	N
2. Air Pollution-----	N
3. Noise Pollution-----	N
4. Other Factors	
_____	_____
_____	_____

D. NATURAL RESOURCES

1. Diversion, altered use of water-----	L-
2. Irreversible, inefficient commitments-----	N
3. Other factors	
_____	_____
_____	_____

E. CULTURAL

1. Altering physical symbols-----	N
2. Dilution of cultural traditions-----	N
3. Other factors	
_____	_____
_____	_____

F. SOCIOECONOMIC

1. Changes in economic/employment patterns-----	L+
2. Changes in population-----	N
3. Changes in cultural patterns-----	L+
4. Other factors	
_____	_____
_____	_____

G. HEALTH

1. Changing a natural environment-----	N
2. Eliminating an ecosystem element-----	N
3. Other factors	
_____	_____
_____	_____

H. GENERAL

1. International impacts-----	N
2. Controversial impacts-----	N
3. Larger program impacts-----	N
4. Other factors	
_____	_____
_____	_____

I. OTHER POSSIBLE IMPACTS (not listed above)

_____	_____
_____	_____

Explanation of codes:

- N- No environmental impact
- L- Little environmental impact
- M- Moderate environmental impact
- H- High Environmental impact
- U- Unknown environmental impact
- + Positive impact on the environment
- Negative impact on the environment

Resolución ministerial

CONSIDERANDO:

Annex IX
Page 1 of 5

Que es interés primordial del Estado promover la adecuación de la política agropecuaria y las acciones que de ella emanen e incidan en las zonas indígenas para proporcionarle los medios que les permitan alcanzar su desarrollo;

Que las diferentes sectores del Gobierno Nacional están interesados en promover la organización de la población indígena para la producción de acuerdo con esquemas adecuados a las costumbres, tradiciones, recursos existentes, etc.; y

Que las distintas dependencias del sector público agropecuario junto con las Direcciones Nacionales y Regionales del MIDA, deben trabajar coordinadamente a fin de formular e implementar acciones específicas para las zonas indígenas;

RESUELVE

- PRIMERO: Crear la DIRECCION NACIONAL DE ASUNTOS INDIGENISTAS, en el Ministerio de Desarrollo Agropecuario, cuyo objeto principal será la de coordinar, promover y orientar a las diferentes Direcciones Nacionales y Regionales la formulación e implementación de las acciones, planes, programas y proyectos que tengan incidencia en las zonas indígenas del país.
- SEGUNDO: La DIRECCION NACIONAL DE ASUNTOS INDIGENISTAS, representará al Ministerio ante la Comisión Nacional de Asuntos Indígenas o cualquier otro organismo supra-sectorial que lo requiera en el futuro.
- TERCERO: La DIRECCION NACIONAL DE ASUNTOS INDIGENISTAS, estará constituida por un Director Nacional,

Notifíquese y cumplase

Ministro

Vice-Ministro.

LINEAMIENTOS GENERALES DE LA DIRECCION NACIONAL
DE ASUNTOS INDIGENISTAS

OBJETIVOS :

Partiendo de los lineamientos enunciados por el Señor Ministro, cuando señala que el sector hará esfuerzos para lograr la incorporación plena de los indígenas proporcionándoles los medios que les permitan alcanzar su desarrollo, se definen los siguientes objetivos para la Dirección Nacional de Asuntos Indigenistas :

1. Promover la adecuación de la política agropecuaria y las acciones que de ella emanen e incidan en las zonas indígenas, a los lineamientos definidos por la Política Nacional Indigenista.
2. Coordinar con las diferentes Direcciones Nacionales y Regionales del MIDA, así como con las diferentes dependencias del sector público agropecuario la formulación e implementación de acciones específicas para las zonas indígenas.
3. Coordinar con los diferentes sectores del Gobierno la realización de acciones de carácter integral dirigidas a las zonas indígenas.
4. Promover, con la participación de los interesados y las Direcciones Nacionales y Regionales, la organización de la población indígena para la producción de acuerdo con esquemas adecuados a las costumbres, tradiciones, recursos existentes, etc.

FUNCIONES DE LA DIRECCION NACIONAL DE ASUNTOS INDIGENISTAS: (DINAI)

1. Coordinar con las diferentes Direcciones Nacionales la formulación de acciones orientadoras específicas dirigidas a las zonas indígenas del país.
2. Orientará a las Direcciones Regionales que tengan zonas indígenas, en todo lo relacionado con la for-

..... /

mulación e implementación de los planes, programas y proyectos que tengan incidencia en estas zonas.

3. Canalizará hacia el resto de las Direcciones Nacionales o al Despacho Superior, los asuntos que se originen en las Direcciones Regionales y que no puedan ser resueltos al interno de la Dirección de Asuntos Indigenistas, por ser competencia de otras dependencias del sector y/o de otros sectores.
4. Mantendrá una permanente consulta con los Dirigentes o Comisionados de los diferentes grupos indígenas del país, en lo relacionado con la definición de la política agropecuaria para las zonas indígenas y con todas las acciones que se deriven de la aplicación y desarrollo de ésta.
5. La Dirección de Asuntos Indigenistas, representará al Ministerio de Desarrollo Agropecuario ante la Comisión Nacional de Asuntos Indígenas o cualquier otro organismo supra-sectorial que lo requiera en el futuro.

PROGRAMA DE ACTIVIDADES DE LA DIRECCION NACIONAL DE ASUNTOS INDIGENISTA:

1. Levantar, con el apoyo de las Direcciones Nacionales y Regionales, un diagnóstico de la situación agropecuaria de las zonas indígenas, incluyendo:
 - a) Recursos disponibles;
 - b) Aprovechamiento (uso) de los recursos;
 - c) Acciones específicas promovidas por el sector público agropecuario en estas zonas y estado actual de los programas y proyectos.
 - d) Limitaciones para el desarrollo agropecuario;
 - e) Potencialidad para el desarrollo;
 - f) Otros aspectos de interés.
2. Elaborar un plan operativo anual para 1979, que recoja

todas las acciones programadas por las diferentes Direcciones, orientando a los ejecutores, a fin de que se tomen en cuenta los criterios que permitan alcanzar el mayor impacto.

3. Estructurar e instrumentar una organización institucional funcional y operativa para el enfrentamiento de las tareas de la promoción del desarrollo agropecuario de las zonas indígenas.
4. Adelantar gestiones, interna y externamente al MIDA, para lograr una mayor asignación de recursos para el desarrollo agropecuario de las zonas indígenas, previa formulación de planes, programas y/o proyectos.
5. Contribuir a la definición de la política Nacional Indigenista e instrumentar, con el apoyo de el sector, las medidas que correspondan al(S.P.A), Sector Público Agropecuario.
6. Constituir a nivel nacional y regional, un equipo humano mínimo indispensable para hacer frente a las tareas programadas, considerándose necesario el nombramiento de personal indígena capacitado y la capacitación de indígenas para la realización de tareas concretas.

OBSERVACIONES:

1. La existencia de comarcas y la naturaleza de la problemática indígena conllevan la necesidad de establecer, institucionalmente, un tratamiento muy especial en cuanto a la gestión del Sector Público Agropecuario a nivel de las (comarcas) zonas indígenas. Por ello, la Dirección Nacional de Asuntos Indigenistas asume el papel rector, sobre las demás Direcciones, en el manejo de la política agropecuaria para las zonas indígenas.
2. A nivel nacional y regional sobre todo, deberán asignarse recursos específicos para la ejecución de las tareas inherentes a la gestión del sector.
3. A nivel de Región, la consulta y la coordinación con la

comunidad indígena, a través de sus dirigentes regionales y locales, es una condición que debe acompañar cualquier esfuerzo dirigido a las zonas indígenas.

SUB PROJECT SUBMISSION FORMAT

Project Number _____
Community _____
Area Profile/Need Assessment Number _____
Community Project Contact _____ (Signature)
Promoter _____ (Signature)
GOP Technical Backstop _____ (Signature)
Financial Totals;
AID _____, GOP _____, Local _____

GOAL

- Development Problem Addressed
 - Overall Goal to be Achieved
 - Description of Process Which Led to Selection of Goal/Objectives
Who Participated, How,
 - How Goal Relates to Profile and Need
 - Critical Indicators Selected by Community With Comments by Promoter,
Technician, etc., if Different than Community Indicators
-

PROJECT DESCRIPTION

- Brief Description of Activity
- Relationship to Other Community Activities
- Similar Projects Reviewed - Lessons Learned
- Beneficiary Identification, Characteristics and Organization
- Pre-Project KAP

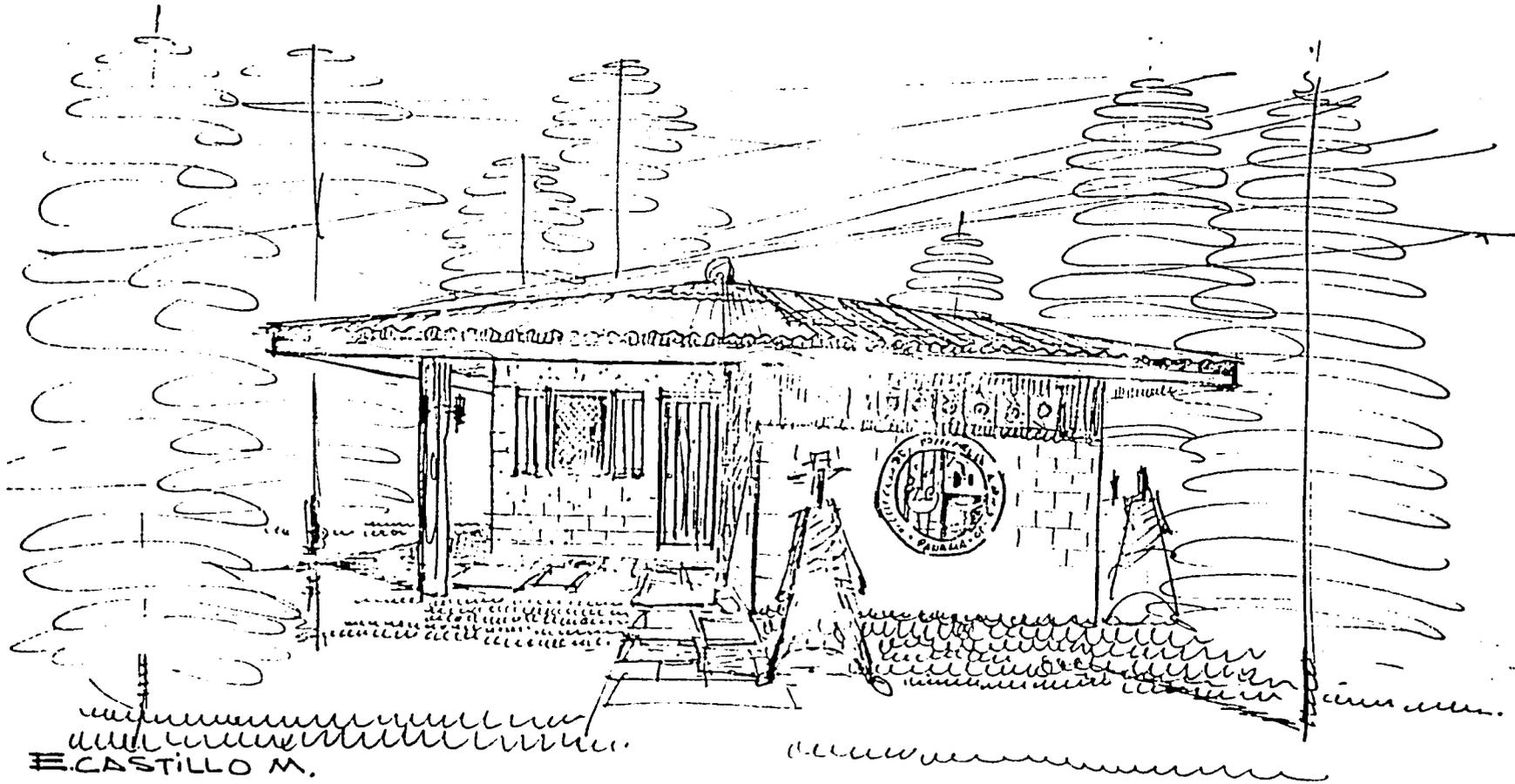
- Specific Objectives and Desired Outcomes
 - How Chosen, By Whom, Why, How Relate to Project Goal?
 - Estimated Cost/Benefit
 - Cost per Beneficiary
 - Time-Phased Activity Plan
 - Required GOP Complementary Activities
 - Recurring Costs to GOP - Community
-

INPUTS

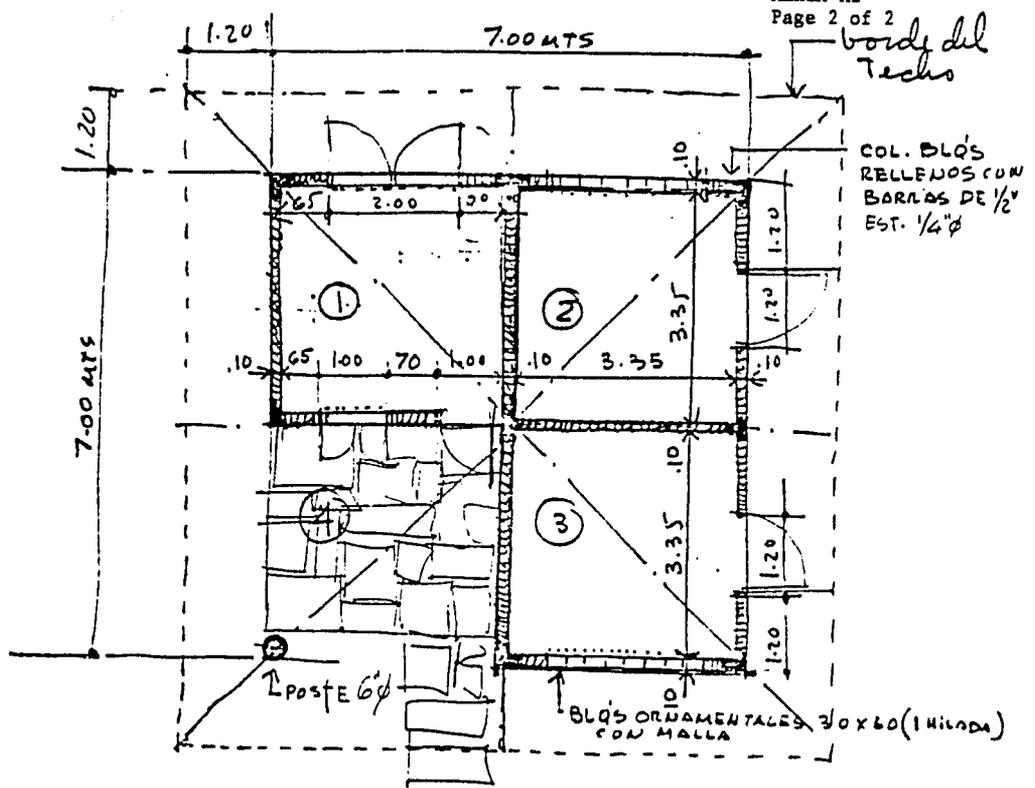
- Required Human Resources
Kind/Source/Quantity/Duration/Timing
Community Organization Chosen - Why
 - Required Material Resources
Kind/Source/Quantity/Duration/Timing
 - Required Financial Resources
Kind/Source/Quantity/Timing
 - Training Required
Who/Objective/Duration/Location
-

APPROVAL

Provincial Commission _____
GOP Project Coordinator _____
USAID/Panama Project Manager _____

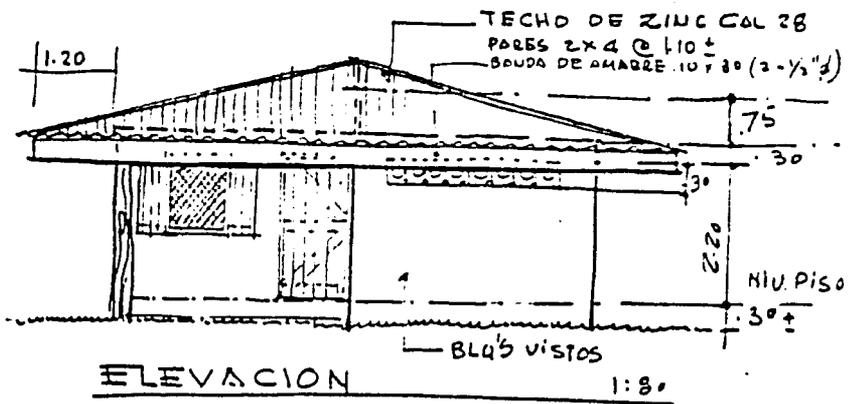


"CENTRO DE SERVICIOS" M.I.D.A.



PLANTA

- ① OFICINA
- ② DEPOSITO DE INSUMOS
- ③ " DE HERRAMIENTAS
- ④ PUBLICO.



"CENTRO DE SERVICIOS".....
COSTO APROXIMADO B/3600⁰⁰

M.I.D.A.

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