

UNCLASSIFIED

**Annual Budget  
Submission**

**FY 1985**

**PANAMA**



**JUNE 1983**

Agency for International Development  
Washington, D.C. 20523

UNCLASSIFIED

USAID/PANAMA

FY 1985 ANNUAL BUDGET SUBMISSION

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## MISSION ACTION PLAN

### Long Range Strategy

USAID Panama's approved CDSS is directed to three goals: 1) Increasing employment opportunities; 2) Expanding agricultural production while conserving the natural resource base; and 3) Production of urban shelter solutions in a context of proper urban planning. These goals are addressed directly through projects which emphasize reliance on the private sector and through development of revised policies which reduce governmental intervention in the economy and increase incentives for private investment and more efficient production. Stated in the broadest terms, USAID's strategy is to encourage and assist the Panamanian Government in reorienting its policies and programs so as to facilitate the resumption of economic growth that is essential to sustain the social progress made in past years.

### FY 1984-85 Plan

There are two major considerations which will affect the mission's short-range objectives through 1985. First, the Government of Panama will be obliged to limit new borrowing, minimize expenditures, and maximize revenues under the terms of agreements with the IMF and IBRD. Second, preoccupation with the 1984 elections is going to have the effect of slowing things down and postponing decisions in both the public and private sectors. Also, when the elected government takes office there will be some initial difficulties as it gets itself organized to confront the country's problems under a revised constitution with a strengthened legislative branch. Under these conditions, the GOP may be slow in implementing current development projects and cautious in undertaking new ones. However, the same conditions that may affect adversely more traditional projects will favor those that assist private enterprise most directly or contribute to policy development and related institutional improvement.

USAID plans to develop two projects of the latter sort to begin in FY 1985, and three are being developed for authorization in FY 1984. By the end of 1985 ongoing projects begun prior to 1982 should be largely completed. These are the mission's principal objectives with respect to projects for the period, concluding the old and successfully initiating the new, to end 1985 with a program that is closely attuned to the new direction of Panamanian development, giving less emphasis to the role of government and more to that of the private sector.

### Policy Change

While policy change is an integral part of projects under each of the three goals it is being treated as a separate objective as well. The Ministry of Planning and Economic Policy (MIPPE) is the lead agency of the Government in turning around the policies of the past which are obstacles to renewed economic growth. As such it is the principal focus of our efforts, as well as

those of the IMF and IBRD, in the policy area. USAID is requesting a substantial increase in Program Development and Support funding in FY 83 and FY 84 to provide consulting services and an economist advisor for a program of policy studies which MIPPE will carry out between now and early 1985. The studies will provide the analytical basis for progressive policy changes. These changes have begun and will accelerate as studies are completed and necessary public support is developed for the new economic strategy.

USAID and the Ministry will develop through the studies program a 1985 project to strengthen MIPPE's capacity for policy planning and analysis and its ability to guide and enlighten the public policy dialogue. At present, though a few officials in the upper echelon of the Ministry are highly capable, it has no depth of competence in economic analysis and policy formulation.

The objective to be accomplished no later than the end of FY 85 is the formal adoption by the Government with broad public support of a time-phased program for: 1) completing divestiture of production-oriented state enterprises other than public utilities; 2) increasing the efficiency of major public utilities through improved management, governmental or private; 3) eliminating regulatory impediments to construction of rental housing, providing for recuperation of expenditures for low-cost housing, and expanding construction of lower middle-class housing by private enterprise; 4) completing the removal of import quotas and reaching a uniform, low level of tariff protection; 5) eliminating price controls and other measures of the government that cause price distortions; 6) rationalizing the policies and programs of the public agriculture sector in accordance with the national development strategy; 7) effectively protecting the country's natural resource base.

As noted earlier, changes in these and other important policy areas are taking place now, but they are mostly preliminary, ad hoc measures. In order to be fully effective they must be planned and coordinated to minimize undesirable dislocations and maximize their combined effects on the economy.

#### Increasing Employment Opportunities

The Government and USAID are placing major reliance on development of export-oriented industrial enterprises and small businesses for long-term employment generation. Technical and capital assistance to the Investment Council of Panama, beginning in FY 1983, will start to produce results during 1984, with promotion personnel seeking out potential foreign investors and full, one-stop services provided for investors by the ICP. Full staffing of the organization and initial training of personnel is to be completed in 1984. In 1985 our objective is the creation of 200 to 500 new employment opportunities directly through the activities of the ICP.

An active dialogue is now in progress regarding the coordination and expansion of small business development activities of public and private organizations. A seminar, for which USAID is financing the services of INCAE, will be held in late FY 83, and will further the resolution of issues related to our proposed

1984 project through participation of all of the organizations concerned. USAID's objective is the development of a project for initial obligation by mid-1984, which will result in the shifting of major responsibility for technical and financial services to small enterprises from the public to the private sector at the same time these services are expanded. A further result desired is the elimination of subsidies with costs covered by higher interest rates and charges for technical assistance that is not provided on a voluntary basis. All elements of the coordinated program are to be in place and ready to function by the end of FY 1985.

USAID is also seeking a consensus among private enterprise, government, and labor organizations on the composition and functioning of a skills and productivity training program, to be assisted through the Workforce Development project. Present discussions seem to be leading toward a fund which new or existing enterprises could draw upon to conduct employee training that is tailored to their needs. To sustain such a fund would require redirecting proceeds of an existing payroll tax from less flexible, institutional training programs. It is USAID's objective to achieve a consensus and provide initial funding for the project in FY 84, with the organizational phase completed and flexible training being provided for industry in the first half of FY 1985.

The degree to which activities of USAID and others directed toward employment are successful will depend in part on international economic trends and on continued improvement of the climate for private enterprise in Panama. The trend toward relaxation of governmental controls which restrict competition and productivity must become a publicly accepted fact, and necessary revisions in the Labor Code must be accomplished before the end of FY 84 if employment oriented activities are to meet their objectives in 1985. USAID is pursuing these policy changes through the project development process, and their adoption will be facilitated by the USAID assisted policy studies of the Ministry of Planning.

#### Agricultural Production and Natural Resource Conservation:

The Government has outlined a new development strategy for the 1980's which makes clear the necessity of major changes in public policies and programs in the agriculture sector. Economies must be effected, greater responsibility given to the private sector, and programs coordinated and focused on priority objectives. These changes should be concurrent with projected shifts in national economic policies which will reduce the government's role in the economy and encourage the expansion of competitive private enterprise.

USAID is beginning the development of an Agriculture Management and Policy Planning project to provide a mechanism and the expertise that the Government needs in order to undertake the job of bringing order and direction to the public agriculture sector. The process of project development will involve individuals and institutions in both the public and private sectors in determining the extent and kind of changes that must be considered if public agricultural policies and programs are to make a positive contribution to the

national economy. Once this determination is made, it will be possible to better assess the availability of Panamanian resources and define technical assistance needs for planning appropriate reforms. Economic policy studies being carried out simultaneously by the Ministry of Planning should also contribute to defining the agriculture sector's role within Panama's overall development strategy and make it easier for the Government to initiate the needed reform measures.

The IDB has recommended major changes in the Ministry of Agricultural Development, and the World Bank has insisted upon new policies and improved management in the sector as a part of the structural adjustment loan program being negotiated with the GOP. Given the interest of the MDB's, their participation in development of the project will be encouraged, and their support will provide a further incentive for the Government to get on with the job. USAID's objective is to have a GOP working group or commission functioning with initial technical advisors on board by the end of FY 1984. This will require mid-year agreement with the GOP, a difficult timetable considering the controversial nature of the project and the highly politicized atmosphere preceding the elections. An initial package of revised sectoral policies should be adopted by mid-1985, and program and organizational changes should be well advanced by the end of the year.

An agro-industry project planned for FY 1985 will contribute directly to development of new private enterprises utilizing or marketing agricultural products and generating employment both on and off-farm. Functioning through the commercial banking system, it would be implemented without direct participation of public institutions and thus without adding to the bureaucracy.

Conservation of natural resources is among the new priorities of the Government, even though its economic benefits are generally realizable only over a long period of time. A prolonged drought affecting canal shipping and urban water and electrical service as well as agriculture has contributed to the current awareness of the need for immediate conservation measures.

This is clearly an area in which the Government must take a more, rather than less, active role. At the same time it places additional demands on the scarce budgetary resources of the GOP while promising little immediate return. There is thus a danger that conservation will slip to a lower priority and no concerted program will be undertaken in time to avert further, major losses of forest, soil and other resources. To address this problem, USAID proposes a substantial grant (OPG) to a consortium of U.S. PVO's to assist Panamanian counterparts (some 16 active organizations) in forming a federation. The project will increase public awareness of major natural resources issues, promote improved public and private programs affecting Panama's natural resources and support specific natural resources demonstration projects countrywide.

### Housing and Urban Development

A proposed FY 1983 Housing Guaranty of \$25 million provides the principal means for addressing housing and urban development objectives through FY 1985. A similar HG is planned for FY 1985. In developing the guaranty program the roles of the different institutions and the policy instruments available to the GOP are being examined to determine how they can best serve sectoral objectives.

Among the objectives for FY 1984 are the completion of studies leading to a National Housing Plan, greater operational autonomy for the National Mortgage Bank (BHN), GOP measures to mobilize additional resources for the shelter sector, increased participation of the savings and loan system in low-income housing production, and revision of housing legislation and regulations to eliminate impediments to expanded private investment in rental and lower-middle-income housing construction. Also in FY 1984 up to \$200,000 in grant funds (PD & S) will be used for assistance to improve the planning and technical capacity of the Ministries of Planning (MIPPE) and Housing (MIVI) with emphasis on the integration of economic analysis and physical planning.

In FY 1985, technical assistance in urban planning for both Ministries will be incorporated in the policy planning project with MIPPE. The objective is to establish an urban planning function in MIPPE which will assure coordination of housing plans, the planning for reverted areas of the former Canal Zone, and other plans affecting the metropolitan area, all within the context of national development priorities. The BHN and MIVI will also be assisted in improving their ability to manage financial resources and their technical capacities for the design and implementation of shelter programs.

For the two-year period, 1984-85 approximately 6,000 shelter solutions are to be provided through the HG program.

Participant Training - The total program for FY 1984 includes training of 44 participants at a cost of \$735,000. In FY 1985 the program provides for 50 participants at a cost of \$972,000.

CDSS Review Issues - The discussion of CDSS issues is being submitted separately and is designated Limited Official Use.

FY 1985 Annual Budget Submission  
 Table I - Long Range Plan by Appropriation Account (\$000)  
 USAID/PANAMA

	FY 1983 Estimate	FY 1984		FY 1985 AAPL	PLANNING PERIOD-----			
		CP	Estimate		1986	1987	1988	1989
<b>Agriculture, Rural</b>								
Dev. and Nutrition, Total	750	4800	2070	4000	4500	5500	7000	7500
Grants	750	1800	2070	1500	1500	1500	2000	1500
Loans	-	3000	-	2500	3000	4000	5000	6000
<b>Population, Total</b>								
Grants	229	602	526	330	-	-	-	-
Loans	229	602	526	330	-	-	-	-
(Cent. procured commod.)	(125)	(150)	(150)	-	-	-	-	-
<b>Education and</b>								
Human Resources, Total	597	2650	2554	2620	2600	2000	2000	1500
Grants	597	650	554	620	600	500	500	500
Loans	-	2000	2000	2000	2000	1500	1500	1000
<b>Selected Development</b>								
Activities, Total	2760	2948	5850	7050	8900	10000	10000	12000
Grants	1160	1948	1450	2050	2900	2500	2500	2500
Loans	1600	1000	4400	5000	6000	7500	7500	9500
<b>DA Accounts, Total</b>								
Grants	4336	11000	11000	14000	16000	17500	19000	21000
Loans	2736	5000	4600	4500	5000	4500	5000	4500
(Of which PVO's)	1600	6000	6400	9500	11000	13000	14000	16500
	(661)	(448)	(1184)	(210)	(600)	(600)	(700)	(800)
PL 480 Title II	1316	932	762	345	135	-	-	-
Housing Guaranties	25000	-	-	25000	-	15000	-	15000

Total Personnel (See Tables IX submitted separately.)

FY 1985 ANNUAL BUDGET SUBMISSION  
TABLE IV - PROJECT BUDGET DATA

USAID/PANAMA

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)													
	FY 1983		FY 1984		FY 1985		FY 1986		FY 1987		FY 1988		FY 1989	
OBLIG	PLAN	THRU	PIPE	LINE	ITURES	EXPEND-	OBLIG-	ITURES	AAPL	THRU	OBLIG	OBLIG	OBLIG	OBLIG
G DATE	AUTH	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
L	INIT	FIN	FIN	FIN	FIN	FIN	FIN	FIN	FIN	FIN	FIN	FIN	FIN	FIN
AGRICULTURE, RURAL DEV. AND NUTRITION														
5250178	Grains and Perishables Marketing													
L 75	75	6200	6200	2089										
					Subcat: FNMS	1900								
							Technical Code: 140	189						
5250180	Agricultural Technology Development													
G 79	81	1000	1000	847										
L 79	81	6000	6000	4763										
					Subcat: FNDS	458								
						1106								
							Technical Code: 080	389						
								3657						
5250185	Rural Growth and Service Centers Dev.													
L 78	78	10000	10000	5795										
					Subcat: FNIC	646								
							Technical Code: 100	5149						
5250186	Integrated Rural Development													
L 77	77	9700	9700	9133										
					Subcat: FNPA	1884								
							Technical Code: 230	2900						
5250187	Program Development & Support													
G 75	C	-	-	1803	237									
					Subcat: FNPA	327								
						400				1/86	200	300	200	300
							Technical Code: 290	400	450	300				
5250191	Watershed Management													
L 79	79	10000	10000	4375										
					Subcat: FNWD	1609								
							Technical Code: 060	2766						
5250192	Access Roads													
L 78	78	10000	10000	5529										
					Subcat: FNRR	4329								
							Technical Code: 061	1200						



FY 1985 ANNUAL BUDGET SUBMISSION  
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PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)										
	OBLIG G DATE	FY 82 THRU	FY 83 PIPE	FY 84 LINE	FY 85 OBLIG- ATIONS	FY 86 EXPEND- ITURES	FY 87 EXPEND- ITURES	FY 88 OBLIG- ATIONS	FY 89 OBLIG- ATIONS	FUNDED THRU	FY 85 AAPL
POPULATION PLANNING											
5250204	Population II										
G 79	84	3250	3250	2235	1539	209	1159	506	1000	300	4/85
						Subcat: PNPC		Technical Code: 440			
5250226	Program Development and Support										
G 81	C	-	-	15	7	20	10	20	20	30	1/86
						Subcat: PNPP		Technical Code: 400			
APPROPRIATION											
TOTAL		3250	3250	2250	1546	229	1169	526	1020	330	
GRANT		3250	3250	2250	1546	229	1169	526	1020	330	
LOAN		-	-	-	-	-	-	-	-	-	
HEALTH											
5250181	Rural Health Delivery System										
L 77	77	9500	9500	9500	23	-	23	-	-	510	
						Subcat: HEDH		Technical Code: 510			
5250188	Program Development and Support										
G 75	C	-	-	444	44	-	44	-	-	590	
						Subcat: HEPP		Technical Code: 590			
APPROPRIATION											
TOTAL		9500	9500	9944	67	-	67	-	-	-	
GRANT		-	-	444	44	-	44	-	-	-	
LOAN		9500	9500	9500	23	-	23	-	-	-	

FY 1985 ANNUAL BUDGET SUBMISSION  
TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)										USAID/PANAMA		
	OBLIG G DATE	-TOTAL COST- L INIT FIN AUTH PLAN	OBLIG THRU FY 82	PIPE LINE	FY 82	---FY1983--- OBLIG- ATIONS	EXPEND- ITURES	FY 85 AAPT	FUNDED THRU	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 OBLIG
EDUCATION AND HUMAN RESOURCES													
5250179	Education Sector II												
L 76	78	13500	13500	38	38								
						Subcat: EHED		Technical Code: 600					
5250189	Program Development and Support												
G 64	C	-	538	45	55				1/86	20	100	50	20
						Subcat: EHPP		Technical Code: 690					
5250209	Development Administration												
L 81	82	3500	3500	3480	22								
						Subcat: EHMA		Technical Code: 720					
5250214	Workforce Development												
G 84	86	-	1000	-	-								
L 84	86	-	6000	-	-				3/89	-	-	-	-
						Subcat: EHVT		Technical Code: 730					
								400	50	600			
								2000	100	2000			
										1/88	2000		
5250219	Education for Rural Development												
G 81	82	490	490	438	170								
						Subcat: EHSD		Technical Code: 620					
										268			
5250225	Entrepreneurial Development												
G 80	82	795	795	650	200								
						Subcat: EHMA		Technical Code: 110					
										300			
5250229	Employment Training for Women												
G 81	83	476	476	249	131								
						Subcat: EHLD		Technical Code: 614					
										183			
5250244	Rural Youth Organization												
G 82	82	90	240	90	15								
						Subcat: EHLD		Technical Code: 242					
										150			

FY 1985 ANNUAL BUDGET SUBMISSION  
TABLE IV - PROJECT BUDGET DATA

USAID/PANAMA

PROJECT NUMBER AND TITLE

OBLIG G DATE L INIT FIN	AUTH	PLAN	TOTAL COST-	ESTIMATED U.S. DOLLAR COST (\$000)										
				OBLIG FY 82	PIPE LINE	THRU FY 82	---FY1983---	---FY 1984---	OBLIG- ATIONS	EXPEND- ITURES	FY 85 AAPL	FUNDED THRU	FY 86 OBLIG	FY 87 OBLIG
5259999	C	-	-	Priv.& Vol. Orgs.-OPG's (U) (I) (R)	Subcat: EHPV	Technical Code: 710	200	144	200	-	100	200	100	400

EDUCATION AND HUMAN RESOURCES

APPROPRIATION

TOTAL	18851	26001	19162	4872	747	700	2554	3051	2620	2120	300	300	150	420
GRANT	1851	3001	2162	1354	747	640	554	1301	620	120	300	300	150	420
LOAN	17000	23000	17000	3518	-	60	2000	1750	2000	2000	-	-	-	-

SELECTED DEVELOPMENT ACTIVITIES

5250101	G 64	C	-	Special Dev. Activities	Subcat: SDSH	Technical Code: 980	50	50	50	1/86	50	50	50	50
				799	11	50	50	50	50	1/86	50	50	50	50
5250190	G 64	C	-	Program Development and Support	Subcat: SDPP	Technical Code: 900	800	700	300	1/86	300	300	300	300
				11099	29	550	800	700	300	1/86	300	300	300	300
5250207	G 79	81	825	Alternative Energy Sources	Subcat: SDEG	Technical Code: 878	-	131	-	-	-	-	-	-
				825	491	360	-	131	-	-	-	-	-	-
5250221	G 81	83	975	Employment Planning and Generation	Subcat: SDEM	Technical Code: 840	-	350	-	-	-	-	-	-
				975	728	230	-	350	-	-	-	-	-	-
	L 81	83	5000	5000	2950	1036	-	1000	-	-	-	-	-	-



FY 1985 ANNUAL BUDGET SUBMISSION  
 TABLE IV - PROJECT BUDGET DATA  
 USAID/PANAMA

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)									
	OBLIG DATE	FY 82 THRU FY 82	FY 83 PIPE LINE	FY 1983 OBLIG- ATIONS	FY 1984 EXPEND- ITURES	FY 85 AAPL	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 OBLIG
SHELF PROJECTS										
AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION										
5250245	Aquaculture <sup>1/</sup>			Subcat: FNZZ	Technical Code: 310					
G 84	84	-	500	-	500	-	-	-	-	-
L 84	84	-	2500	-	2500	-	-	-	-	-
5250248	Natural Resource Management			Subcat: FMMC	Technical Code: 090					
G 85	85	-	2000	-	-	2000	-	-	-	-
L 85	85	-	8000	-	-	8000	-	-	-	-
SELECTED DEVELOPMENT ACTIVITIES										
5250240	Small Business Development <sup>2/</sup>			Subcat: SDPE	Technical Code: 840					
L 84	85	-	2500	-	2500	-	-	-	-	-
5250249	Export Services			Subcat: SDZZ	Technical Code: 840					
G 85	85	-	800	-	-	800	-	-	-	-
L 85	85	-	5000	-	-	5000	-	-	-	-
ECONOMIC SUPPORT FUNDS										
5250251	Employment Reforestation/Roads			Subcat: ESZZ	Technical Code: 980					
G 84	84	-	10000	-	10000	-	-	-	-	-

<sup>1/</sup> Included in the FY 84 CP, this project has been given a lower priority by the GOP pending determination of the pilot project's cost effectiveness.

<sup>2/</sup> This increase in FY 84 funding above that provided within the AAPL level would permit full funding of the project in FY 84/85.

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TABLE V - FY 1985 PROPOSED PROGRAM RANKING					Country/Office	
RANK	PROGRAM ACTIVITY DESCRIPTION	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
					INCR	CUM
1	Program Development and Support	O	G	SDA	300	300
2	Program Development and Support	O	G	ARDN	300	600
3	Agricultural Management and Policy Planning	O	G	ARDN	700	1,300
4	Small Business Development	O	G/L	SDA	5,500	6,800
5	Special Development Activities	O	G	SDA	50	6,850
6	Housing Guaranty	O	-	HG	(25,000)	6,850
7	Workforce Development	O	G/L	EHR	2,600	9,450
8	Population II	O	G	PN	300	9,750
9	Development Policy Planning	N	G	SDA	1,000	10,750
10	Agribusiness	N	G/L	ARDN	3,000	13,750
11	P.L. 480 Title II	O	-	P2	(345)	13,750
12	Program Development and Support	O	G	PN	30	13,780
13	Program Development and Support	O	G	EHR	20	13,800
14	Private and Voluntary Organizations-OPG's	O	G	SDA	200	14,000
	TOTAL					14,000
15	Export Enterprise Development	N	G/L	SDA	5,800	
16	Natural Resources Management	N	G/L	ARDN	10,000	

TABLE V NARRATIVE

Key PD&S projects which are essential for program support and development of new projects are given first ranking, followed by most ongoing projects in the order of priority for their retention should funding or staffing cuts be that deep. The PD&S projects for PN and EHR accounts are placed below new projects because requirements for these funds in FY 85 will be limited, with no new projects to be developed, and any essential support services can probably be provided through TDY's or centrally funded activities. P.L. 480 Title II is ranked low because it is to be phased out in the following year anyway. The order of the two new projects reflects their relative importance to achievement of CDSS goals.

See separately submitted Table IX Narrative with reference to AAPL and workforce levels.

PROJECT: Agribusiness (525-0246)

<u>FUNDING:</u>	<u>FY84</u>	<u>FY85</u>	<u>LOP Cost</u>
Loan	-	2,500	6,000
Grant	-	500	500

APPROPRIATION: Agriculture Rural Development and Nutrition

PURPOSE: To expand private agribusiness investment as a means for raising and diversifying agricultural production, increasing employment and broadening the economic base of rural areas.

PROBLEMS TO BE ADDRESSED: Over the past decade investment in small and medium scale agroindustrial ventures by local credit institutions in Panama has been viewed as a risky proposition. Government market intervention at all levels has also been prevalent, which has helped stifle growth and development of the farmer-entrepreneur sub-group. Due to government controls on and the limited availability of agricultural inputs (fertilizer, credit, crop insurance, farm equipment and technical assistance) as well as those on wholesale prices, what private agribusiness investment occurred has usually been channeled into the processing of "basic" foods. Confronted with periodic GOP price fixing for such products and the lack of commercial credit due to low lender confidence in agriculture investment generally, many potential processors of non-traditional crops/foods have been turned away from exploiting promising agribusiness opportunity. Recently, however, an austerity budget has prompted a rethinking of the government's role in agriculture and as a result, some of the earlier constraints to agribusiness investment have been eliminated. Likewise, the private banking community currently shows greater enthusiasm than in the past for agriculture lending, although there is still a reluctance to go beyond financing fixed assets or machinery on a fully collateralized basis. Nevertheless, local lenders are under increasing pressure to finance bankable agribusiness projects and, with a reduced demand for credit in preferred areas i.e., construction and import-export finance etc., these conditions should make agribusiness investment increasingly attractive. Finally, there is in Panama today a small, resilient, and fairly well capitalized group of farmer-entrepreneurs who have the production know-how and only lack knowledge regarding available technical and marketing resources, and how to organize these resources to develop viable processing enterprises for exportable, non-traditional agricultural products.

Helping strengthen and expand Panama's private agribusiness sector is central to USAID Panama's overall program goals of raising domestic agriculture production, increasing employment and broadening the economic base of rural areas. In addition, the proposed project will complement specific ongoing or planned Mission activities related to development or improvement of small and medium scale productive enterprises, agriculture and non-agriculture-oriented.

The project will provide credit capital and services to facilitate the growth of viable agribusiness enterprises in Panama. Loans for agribusiness credit

will be made available to private banks through a wholesale funding mechanism. This sharing of risk should, in turn, stimulate the channeling of additional private capital resources into agro-enterprise development. Grant funds will be used to finance project feasibility analyses, product design, market analyses as well as for a variety of technical assistance during implementation. AID funds will be "matched" by funds from participating private banks and/or equity from the agribusiness promoters. These funds will be paid back if the decision is made to proceed with the project following feasibility and other studies. Every attempt will be made to draw on other AID program resources including various centrally-funded PVO programs (e.g., SUSTAIN, IESC, US Chamber of Commerce, etc). USAID is not aware of current other donor involvement in agribusiness promotion but will coordinate its efforts with any donor that may become active in this area.

TARGET GROUP: The primary target group for this project is Panama's private farmer-entrepreneurs who have an interest in developing or expanding various agribusiness operations. Independent farmers, private business persons and agricultural cooperative members are the most likely candidates for assistance. The project is expected to help launch a major expansion of agribusiness enterprises in Panama and, in the process, expand Panama's export of semi-processed or processed agricultural products. Expanded market demand is expected to stimulate increased production with concomitant economic returns both to the agribusiness entrepreneurs and to Panama itself. If successful, the project is likely to have favorable secondary and tertiary impact on the agriculture sector, rural employment and Panama's export trade.

PARTICIPANT TRAINING: A total of approximately 10 short-term, non-academic participants are to be trained under the project at a cost of \$100,000.

PROJECT: Agriculture Management and Policy Planning (525-0247)

<u>FUNDING:</u>	<u>FY84</u>	<u>FY85</u>	<u>LOP Cost</u>
Grant	250	700	950

APPROPRIATION: Agriculture Rural Development and Nutrition

PURPOSE: To strengthen the institutional capability of the Ministry of Agricultural Development to more effectively plan, analyze and implement agriculture policies, strategies and programs.

PROBLEMS TO BE ADDRESSED: USAID/Panama has maintained a continuous dialogue for more than a year with the Ministry of Agricultural Development (MIDA), directed towards the review and modification of specific policies, i.e., price, credit, land tenure and tax etc., as well as the need to improve MIDA's allocation of resources in support of sector policies, strategies, specific programs and overall administration. To a great extent, current government agricultural policies, particularly price policies, have had a deleterious effect on farm production; in terms of crops produced, area planted as well as how and where production is marketed. The more or less steady decline in Panama's agricultural production since the early 1970's is the clearest indication that GOP policies which have tended to favor either the largest commercial producers or urban consumers have not worked. Altering agriculture price and other policies however, even when they are known to be ineffectual or detrimental, is a difficult proposition as such decisions involve certain political as well as economic risks. This is no less true in Panama. With presidential elections scheduled for June 1984 there is a reluctance on the part of most officials to jeopardize their political futures or positions in the Government by promoting what are considered controversial policy changes. Apart from dealing with inappropriate sector policies, MIDA, which is the principal public sector institution responsible for carrying out GOP agricultural policy, is hampered by the lack of a coherent strategy, poor organization and management, and a diverse array of programs to supervise with limited financial and human resources. Thus, better definition of MIDA responsibilities and a strengthening of its management are also critical requirements. Senior officials in MIDA, and in the Ministry of Planning which is responsible for setting overall economic policies, perceive need for major changes in current agricultural policies and some contend that a policy overhaul is already underway with more likely to occur either before or soon after the 1984 presidential election.

Following up on initial sector planning efforts with MIDA, begun in early 1981, the AID Mission has recently responded to a request for technical assistance from the present Minister of Agriculture, to help MIDA define its sector planning priorities, assess its institutional strengths and weaknesses and to help outline a set of priority, policy-oriented studies which will serve as the basis for decisions on the future course of agriculture in Panama. The consultant's recommendations were transmitted to MIDA in April 1983.

Anticipating a favorable response from MIDA to the consultant's proposal for initiation of a sector planning activity, USAID considers the proposed project is a realistic possibility for development in FY 1984. This grant-funded activity will provide technical assistance and training to upgrade MIDA's policy analysis and planning section, together with similar assistance in other critical management areas. The object is to focus and strengthen MIDA's institutional and staff capabilities in areas where it should retain a legitimate responsibility while divesting it of unnecessary or duplicative functions better handled by the private agriculture sector or other public institutions.

TARGET GROUP: MIDA staff from the Sectoral Planning Directorate, the newly established National Extension Office, the Crop Production Division, Livestock Division, and selected other units will receive priority attention in terms of training and technical assistance. The project is expected to have a direct impact on the staff performance of each of the institutional units assisted, in terms of the quality of analyses produced or programs implemented, depending on the functions. The broader sector goal which will be advanced in the process is to make MIDA a more capable and effective organization by better defining its proper institutional role. Ultimately, Panama's farmers, the agriculture sector and the economy as a whole will benefit from the proposed assistance.

PARTICIPANT TRAINING: A total of approximately 13 participants are to be trained under the project at a cost of \$325,000.

PROJECT: Private and Voluntary Organizations-OPG's (525-9999)

<u>FUNDING:</u>	<u>FY84</u>	<u>FY85</u>	<u>LOP Cost</u>
Grant	920	-	920

APPROPRIATION: Agriculture Rural Development and Nutrition

PURPOSE: To strengthen the capabilities of Private Voluntary Organizations (PVOs) in Panama in promoting and carrying out natural resources and environmental (NR/E) programs.

PROBLEMS TO BE ADDRESSED: Panama, like many LDCs, has placed emphasis on pursuing various development objectives, at the expense of critical NR/E considerations. Deforestation, soil erosion and rangeland deterioration, uncontrolled colonization, and the destruction or contamination of marine fishery habitats are some of the more notable consequences of poorly planned and managed development that are evident in Panama.

The causes for the NR/E decline in Panama are also well known. A majority of farmers currently employ unsound practices and slash and burn agriculture is widespread. Large land developers and forestry concessionaires add to the problem through indiscriminate land clearing which leaves the fragile top soil unprotected against the ravages of the elements.

The majority of Panama's people, urban and rural, are only dimly aware of what is happening to the country's natural resources and what the totality of NR/E deterioration may mean for future generations. A critical step in the process of overcoming some of Panama's most serious NR/E problems, given our own U.S. experience, is to expand public awareness and understanding of the situation, and then proceed to strengthen their capacity to promote improved NR/E programs; whether initiated by public or private sector entities. There already exists in Panama a nascent group of PVOs composed of some 40 organizations (an estimated 16 are active) whose interests cover the broad range of natural resources/environmental concerns from forest depletion to endangered wildlife species. The group is presently applying for federation status in Panama.

Under the supervision and direction of a consortium of U.S. NR/E PVOs (as yet unnamed) training, technical assistance, and financial support for modest NR/E demonstration projects and local educational programs will be provided. The proposed activity is complementary to USAID/Panama's ongoing Watershed Management (525-0191) Project being implemented by Panama's Office of Renewable Natural Resources and consistent with the Mission's overall development strategy in Panama as outlined in the latest CDSS.

TARGET GROUP: The principal target group consists of the 40 or so NR/E PVOs in Panama and their current and potential membership. Secondary targets will include a large segment of Panama's 1.9 million inhabitants who will be influenced by various promotional/educational initiatives and benefit from

specific NR/E field demonstration projects. The ultimate beneficiaries, hopefully, will be future generations of Panamanians who, because of positive NR/E actions and reforms initiated today, will be assured of access to the country's resources tomorrow.

PROJECT: Development Policy Planning (525-0250)

<u>FUNDING:</u>	<u>FY 84</u>	<u>FY 85</u>	<u>LOP Cost</u>
Grant	-	1,000	3,000

APPROPRIATION: Selected Development Activities

PURPOSE: To increase the Government's ability to develop and implement effective policies and plans for stimulating economic growth.

PROBLEMS ADDRESSED: The Ministry of Planning and Economic Policy (MIPPE) has primary responsibility for defining national development strategy, formulating economic policy, and coordinating the activities of the Government's operating agencies in pursuit of national objectives, as well as administering the national budget. From the late 1970's until the advent of the present government the Ministry declined in influence and ability to carry out its functions. As a result the government's economic policies and programs lost coherence and direction, responding to bureaucratic and political interests and parochial concerns with little relation to national priorities. Following the fiscal crisis of 1982 and the accession of the present government, MIPPE has begun to reassume its central role in response to the need for careful management of the government's limited resources and coordination of policies and programs to bring about a resumption of economic growth.

During the years of MIPPE's decline, almost all of its most capable professional personnel were lost. The few who remain have outlined a sound economic strategy which is the basis for assistance being sought from the IMF and World Bank. However, MIPPE does not have the depth of professional expertise necessary to turn this strategy into an effective program. To do this the Ministry must augment its own staff with consultants and experts contracted to perform analyses, develop policy options and orient MIPPE's personnel in the work to be done. At the same time the Ministry must rebuild the competence of its staff through training and hiring of capable personnel. Its greatest need is for economic expertise, but managerial and administrative skills and technical ability (e.g., agriculture, engineering/construction, energy, industry, etc.) are required as well. Without the ability to relate effectively to operating agencies of the Government at the technical level and assess their program and policy proposals, MIPPE cannot adequately perform its budgetary and coordinating functions. These functions are crucial to implementation of the national economic strategy.

A principal issue to be examined in developing a project with any government planning agency is their tendency, once they have the capability, to try to direct the economy and the government, usurping decisions that should be made in the private sector or by other government agencies. In assisting MIPPE, AID must consistently support and reinforce the goal of reducing governmental intervention in the economy and the principle that the Ministry's planning function should be limited to the macro level. With regard to the latter, it may be advisable to include in the project provision for strengthening of key

sectoral planning units in the operating agencies of the government.

Other important issues relate to training. If MIPPE lost most of its trained personnel before, what is to prevent this happening again when our assistance ends? Given the magnitude and immediacy of the Ministry's training needs, how can sufficient numbers be trained at the outset of the project to make an impact within a reasonable time frame? And, how will austerity measures which restrict training for government employees affect the project?

USAID's project assistance will build upon the impetus provided by policy studies which MIPPE will carry out with experts financed by the Mission from PD&S funds in FY 1983 and FY 1984. The coordinator for the studies program under a contract with the Ministry will be able to give very useful assistance in developing the project. In addition, a head start has been made on training through an AID regional project which will provide four Masters and one Ph.D. in economics in 1985 with more to follow in 1986. While it might be possible to develop and reach agreement on the project in FY 1984, it is probably wiser to conclude the agreement with the newly installed government at the beginning of the following fiscal year.

TARGET GROUP: Improved economic policies will lead to increased economic activity and reduced levels of unemployment, benefiting those who would otherwise be unemployed and to some extent all who participate in the economy.

Participants - A total of approximately 45 participants are to be trained under the project at a cost of \$1.1 million.

PROJECT: Private and Voluntary Organizations-OPG's (525-9999)

<u>FUNDING:</u>	<u>FY 84</u>	<u>FY 85</u>	<u>LOP Cost</u>
Grant	100	200	Continuing

APPROPRIATION: Selected Development Activities

PURPOSE: To stimulate increased participation of private sector organizations in activities which contribute to gains in productivity, employment and opportunities for small entrepreneurs.

PROBLEMS TO BE ADDRESSED: The industrial sector of Panama is oriented primarily to import substitution for a small domestic market. With market conditions precluding economies of scale, and protective tariffs reducing the need for efficient production, the bulk of Panamanian industrial enterprise is characterized by high cost, low volume and frequently by uncertain quality. Internal pressures for removal of quotas and reduction of tariffs have been increasing and have received political expression. Import substitution possibilities themselves are near exhaustion. The manufacturers thus are faced with two possible courses of action: improve the productivity of domestic oriented production facilities, and reorient existing facilities or establish new ones to compete for export markets.

Many of the civic and business-oriented private organizations in Panama are comprised largely of the upper economic class and have much to contribute to the present government's efforts to overcome economic and social problems. Small and medium size business organizations are beginning to emerge, but are currently too weak administratively and technically to effectively constitute a powerful force to either influence the kind of policies and programs that emanate from the government or develop activities that improve access by their members to credit, training and technical assistance.

OPG's will address the kinds of activities and organizations illustrated as follows:

- (1) Prominent members of the industrial community, have suggested support of a productivity improvement program, through assistance to the Productivity Center (CEDEPRO), a private organization intended to assist in the improvement of productivity of Panamanian industry. Such a program will contribute directly to achievement of the goals and objectives as outlined in the CDSS. The acceptance of changes in industrial policies advocated by the USAID, notably reduced import protection and price controls, is related to the possibilities of continued viability of Panamanian producers when faced with competition and freed prices. Further, given USAID and GOP recognition of exports as the major motor of future economic growth and of employment generation, and for Panama's effective participation in the CBI program, the productivity improvement program becomes a critical element in achieving these objectives.

(2) Small-business associations have been requesting, since 1979, assistance from USAID in order to develop their capacity to play an important and effective role in the development of the small business sector. Recently, in a national conference of small entrepreneurs, in which the unique problems of the small business sector in Panama were discussed and analyzed, the role of these associations was acknowledged and supported. The Mission is contemplating a program which would contribute substantially to an improved institutional capability and which would also be consistent with AID's private sector emphasis.

TARGET GROUP: The primary beneficiaries of this program are businessmen. Ultimately, as a result of increased business activity, the ensuing increases in employment will benefit a significant segment of the currently unemployed and underemployed.

PROJECT: Natural Resources Management (525-0248)

<u>FUNDING:</u>	<u>FY 84</u>	<u>FY85</u>	<u>LOP Cost</u>
Loan	-	8,000	8,000
Grant	-	2,000	2,000

APPROPRIATION: Agriculture Rural Development and Nutrition

PURPOSE: To strengthen the GOP's institutional capacity to rationally plan and effectively manage the use of Panama's natural resources.

PROBLEMS TO BE ADDRESSED: The future well-being of Panama's population depends heavily on the wise management and use of the country's limited natural resources. The intelligent use of Panama's forests, coastal areas, marine resources, and agricultural lands is the basis of a sustainable rural economy, including the provision of raw materials for several major industries, one of which is the Panama Canal itself. The proposed project would be a broad-based natural resources effort designed to support both governmental and private efforts in the following areas:

Natural Resources Policy - Activities will focus on clarifying the responsibilities of key Panamanian institutions involved in natural resources management. Analysis of current legislation affecting natural resource management will be carried out to clarify such issues as the rights of land owners to harvest and sell trees grown on their own land and the responsibilities of forest concessionaires for reforestation. Additional support will be given to key institutions for programming activities as required by legislation.

Land Use Planning - An updated inventory of land use capability and present use is required in Panama for planning and programming future natural resource management activities. This activity will provide a basis for decisions on soil and water conservation, wildlands protection and management, for resolving conflicts on land use, and for setting priorities for rehabilitation and reforestation or other multiple use. At the end of the project the critical areas of Panama would be identified for improved land use management and the information base for planned development would be available for public and private resource managers.

Applied Research and Experimentation - Panamanian experience in land and water management and forestry has not been systematically studied to provide the information base for subsequent policy initiatives, technology transfer and educational actions. This program of field research and related experimentation is designed to identify, analyze, and improve the actions of management agencies which have been ineffective to date in increasing the productive use of renewable natural resources. Specific practices will be studied and supported to determine the costs and benefits of replication by the private sector as well as to identify the type of public programs and policies that will stimulate these actions.

At the end of the project the GOP will have the informational base from field tests and other experience for a sustained public education/information program directed at small farmers and rural and urban inhabitants as well as have developed and supported related private efforts in applied research.

Protected Areas Management - The importance of parks, reserves, wildlife refuges, and other wildlands as key elements in integrated watershed management and local economic development has only recently been recognized. This project component will include the development of a nationwide protected areas management strategy. It will also support efforts to protect and comprehensively manage critical and sensitive ecosystems throughout Panama. By the end of the project a management strategy for protected areas will exist and major parks and reserves will be adequately staffed and managed.

Soil and Water Conservation and Forestry - Implementation of strategies for soil and water conservation and forestry ultimately involves the individual farmer. These activities take place within the context of an integrated regional or watershed management plan. Implicit in each activity are optimum long term economic returns to farmers in addition to downstream benefits to water users and fisheries. At the end of the project functioning models of sustainable, productive land management will be replicated on non-target farms with measurable on-farm and downstream improvement in the quality of water resources.

Training - Continuing efforts will be made to upgrade the technical and management skills of staff responsible for natural resources management. Courses of study will include: natural resources management and administration, forestry, soil science, watershed management, tropical ecology, and resource economics. We estimate this component at \$2,000,000.

Upgrading Panama's institutional capacity to plan and manage its natural resource endowment is a key feature of USAID/Panama's overall country strategy, as it affects most sectors of the economy. With limited undeveloped agricultural land still available there is a critical need to make maximum productive use of existing land resources. Forest and water resources are likewise not inexhaustible and their use must be carefully planned and managed. Both IBRD and IDB have shown interest in natural resources and forestry, and the possibility of a joint AID and other donor project should not be excluded.

TARGET GROUP: The direct beneficiaries of this project will be those institutions, including the Directorate of Renewable Natural Resources (RENARE), whose capabilities are upgraded. The primary beneficiaries, however, will be the Panamanian public at large, given the nature and scope of the proposed project. Field activities in soil and water conservation and forestry will directly benefit, first, the rural farmer and, second, other rural residents and various economic enterprises.

Participant Training - A total of approximately 80 participants are to be trained under the project at a cost of \$2.0 million.

PROJECT: Export Services (525-0249)

<u>FUNDING:</u>	<u>FY 84</u>	<u>FY 85</u>	<u>LOP Cost</u>
Loan	-	5,000	5,000
Grant	-	800	800

APPROPRIATION: Selected Development Activities

PURPOSE: To expand export production and sales of Panamanian private enterprise.

PROBLEMS TO BE ADDRESSED: The Project will address two fundamental problems faced by the potential exporter. The first is how to produce the best product for the target market and the second is how to assure payment once the product is shipped.

The first problem (market oriented product development) in the majority of cases cannot be dealt with through local know how. The logical way to develop a product for a specific market is to have someone who knows that market and has experience in product R&D work with the local firm to develop a prototype for market testing.

The project will provide grant funds (matched by a local industry association) to form the seed capital for a loan fund to be used specifically for export product research and Development. The fund will be managed by the association and be available for R&D projects which will modify processes and packaging to conform to specific foreign market demand. Support will also be sought from the foreign buyers themselves in terms of technical assistance and training.

The second problem refers to the reality of exporting from the third world, which is that one company out of ten can get a letter of credit or similar "hard" credit document in advance of export. Normally, letters of credit are only available for traditional products from well established producers. In order to lessen the risk to exporters in credit sales (i.e., payment against inspection at delivery, etc.) the project will provide grant funds to be matched by Panamanian insurance companies for the design and capitalization of a private export insurance corporation, similar in many aspects to the FCI program in the USA. The domestic insurance industry has expressed positive interest in such an activity and has already started collecting information on similar export insurance pools in other countries. The pool will be totally private and regulation will be the responsibility of the National Insurance Directorate of the Ministry of Commerce and Industry.

The project will complement other AID projects related to export development (National Investment Council, Agribusiness Development, Development Administration-DICOMEX component, etc.) and responds to specific recommendations in the Private Sector Initiative Policy Paper referring to stimulating investment in non-traditional financial services aimed at support for productive enterprise. The R&D project will be a vehicle for transfer of

technology from the U.S. private sector.

TARGET GROUP: Beneficiaries are those employed in new or expanded export enterprises in both the agricultural and manufacturing sectors.

PROJECT: Employment - Reforestation /Roads (525-0251)

<u>FUNDING:</u>	<u>FY 84</u>	<u>FY 85</u>	<u>LOP Cost</u>
Grant	10,000	-	10,000

APPROPRIATION: Economic Support Funds

PURPOSE: To avert disruptive political and economic effects of a substantial increase in unemployment through a large scale program of reforestation and rural roads construction.

PROBLEMS TO BE ADDRESSED: This is proposed as a contingency program which would provide important longer term developmental and conservation benefits, while easing the impact of a rapid rise in unemployment, should this occur. Such increased unemployment might result from a deepening fiscal crisis, together with deteriorating economic conditions in the region, which could oblige the GOP to abandon abruptly its support of current unproductive agricultural activities. The program would be concentrated in the rural areas most affected.

TARGET GROUP: The primary beneficiaries of this program would be the rural unemployed. Benefits would also go to a broader segment of the rural population in the areas of reforestation activities and rural roads projects.

TABLE VII - LIST OF PLANNED EVALUATIONS  
 FY 1985 ANNUAL BUDGET SUBMISSION  
 COUNTRY/OFFICE USAID/PANAMA

Project List (Project No. & Title)	Last Eval		FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Completed	Start	Start	To	Start	To				
	(Mo./Yr.)	(Qtr)	AID/W	(Qtr)	AID/W	(Qtr)				
525-0186 Integrated Rural Development	N/A	2	3				PACD: 10-31-85 The IRD project aims at establishing an institutional capability within the GOP for planning/ implementing integrated development projects and to carryout a program of accelerated development in the Soná district of Veraguas Province. As the critical component of the Soná project centers on agriculture, the evaluation will address itself to measuring progress and impact (i.e., increased production and income of agricultural activities) on area farmers. Also important will be the assessment of GOP project coordination and management which is relevant to other agricultural activities.	PD & S (ARDN) 60-70	10-20	None anticipated.
525-0216 Managed Fish Production  The Mission Evaluation Officer is the Program Officer, Philip T. Cox, who devotes approximately 5% of his time to formal evaluation activities.	N/A	3	4				PACD: 9-5-83 The Fish project is intended to verify the feasibility of large scale managed fish production, oriented toward increasing the nutritional status of poor rural families through increased protein (fish) consumption. The proposed evaluation will seek to measure nutritional impact on those	PD & S (ARDN) 30-60	10-15	10 person-days of ROCAP nutrition advisor assistance is contemplated.

TABLE VII - LIST OF PLANNED EVALUATIONS  
 FY 1985 ANNUAL BUDGET SUBMISSION  
 COUNTRY/OFFICE USAID/PANAMA

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start To	To	Start To	To				
	(No./Yr.)	(Qtr)	AID/M	(Qtr)	AID/M	(Qtr)			
525-0219 Education for Rural Development	N/A	4	4	4		families which have benefited from the initial project as well as the cost-effectiveness of the approach. Based upon the results of this evaluation, an expanded fish production activity may be considered. FYI: The current PACD of 9-5-83 is to be extended.  PACD: 09-30-84 The project aims to improve the quality of technical training received by fifth year agricultural students of the University of Panama's Faculty of Agronomy through their participation in a 6-month field practicum. The proposed evaluation will assess overall progress of implementation as well as the impact on participating students farmers and the University itself.	PD & S 10 (ARDN)	5-10	None anticipated.
525-0227 Agricultural Tech- nology Transfer	N/A			1	2	PACD 9-3-89 The ATT project is designed to establish an operational Ag. technology transfer system in Chiriqui Province, as the first phase of an eventual national extension service. The proposed evaluation will seek to measure implementation progress (in Chiriqui) as well as project impact to the degree possible. Results of this initial progress evaluation will be used to modify the Chiriqui effort, as appropriate, and lessons learned	525- 0227	15-25	None anticipated.

TABLE VII - LIST OF PLANNED EVALUATIONS  
 FY 1985 ANNUAL BUDGET SUBMISSION  
 COUNTRY/OFFICE USAID/PANAMA

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start To AID/M (Qtr)	Start To AID/M (Qtr)	Start To AID/M (Qtr)				
525-0221 Employment Planning and Generation	N/A		1	2	<p>adapted to one or more other geographic regions.</p> <p>PACD: The evaluation will assess the impact of new government policies and increased credit and technical resources on the level of investment in small and medium size enterprises and on the generation of employment opportunities. Findings will be relevant to the evaluation of lending policies under the Small Business Development project and to general policy formulation for the small business sector.</p>	525-0221 33.7	36	None anticipated.
525-0207 Alternative Energy Sources		2	3		<p>PACD: 9-30-83 This project was designed to improve the capability of the Institute of Hydraulic Resources and Electrification (IRHE) to identify, analyze and develop renewable and alternative energy sources and applications. The evaluation will seek to measure progress achieved with the demonstration sub-projects and to assess their technical and economic feasibility for possible replications in other areas. The evaluation will also to measure the environmental effects and the impact of these sub-projects on the economic and social development of the benefitting communities. Finally, an assessment will be made of the progress made by</p>	525-0207 50	10-15	None anticipated. estimated.



### EVALUATION PLAN

The selection of projects for evaluation during FY 1984/85 is determined in large part by the status of project implementation, i.e., those that will reach a stage which makes evaluation appropriate have been selected. In every case the planned evaluations are called for by project agreements. Two of the projects to be evaluated could be considered as emphasizing the priorities of the present administration. One, Employment Planning and Generation, is being evaluated in FY 1983 (mid-course evaluation) as well as in FY 1985 when it is to be completed. The project has elements that are closely related to proposed small business, workforce and policy planning activities, and will provide valuable lessons for all of these. Agricultural Technology Transfer, in operation for two years in FY 1985, is intended as the pilot program for a country-wide system, and plans for expanding to other regions will be influenced by the evaluation.

The Managed Fish Production project is also a pilot activity, requiring careful assessment of its nutritional impact and cost effectiveness so that the Government may determine whether or not to undertake a major expansion of the program. In the case of the Alternative Energy Sources project, the Government is most interested in determining which elements may be replicated at reasonable cost. Results of the evaluation of the Integrated Rural Development project will be used for mid-course adjustments, but will also contribute to improvement of the Agricultural Technology Transfer project and plans for its expansion.

One of the Mission's principal concerns in current as well as planned evaluations is the identification of factors in the project design or in the implementation process that have slowed the project. We are aware of a number of these and are taking them into account in development of new projects, but their documentation will aid in convincing the GOP of the need for improved coordination and more efficient procedures on their part.

## ORGANIZATION USAID/PANAMA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,321.0		1,321.0	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	898.1		898.1	17.0
PT/TEMP U.S. BASIC PAY	U102	112	11.4		11.4	.8
DIFFERENTIAL PAY	U103	116				XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	98.3		98.3	23.0
RETIREMENT - U.S.	U107	120	63.6		63.6	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	19.7		19.7	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129	15.2		15.2	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	41.7		41.7	13.0
POST ASSIGNMENT - FREIGHT	U112	22	146.8		146.8	13.0
HOME LEAVE - TRAVEL	U113	212	14.9		14.9	7.0
HOME LEAVE - FREIGHT	U114	22	5.9		5.9	7.0
EDUCATION TRAVEL	U115	215	3.4		3.4	5.0
R AND R TRAVEL	U116	215				
ALL OTHER CODE 215 TRAVEL	U117	215	2.0		2.0	4.0
<u>FOREIGN NATIONAL DH</u>	U200		1,181.5		1,181.5	XXXXX
BASIC PAY	U201	114	952.4		952.4	49.5
OVERTIME, HOLIDAY PAY	U202	115	4.7		4.7	.3
ALL OTHER CODE 11 - FN	U203	119	2.2		2.2	XXXXX
ALL OTHER CODE 12 - FN	U204	129	216.5		216.5	XXXXX
BENEFITS FORMER FN PERS.	U205	13	5.7		5.7	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		165.2		165.2	XXXXX
PASA TECHNICIANS	U301	258	62.3		62.3	1.0
U.S. PSC - SALARY/BENEFITS	U302	113	10.3		10.3	.2
ALL OTHER U.S. PSC COSTS	U303	255	5.2		5.2	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	87.4		87.4	3.1
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		335.9		335.9	XXXXX
RENT	U401	235	39.0		39.0	3.3
UTILITIES	U402	235	12.0		12.0	XXXXX
RENOVATION AND MAINT.	U403	259	1.0		1.0	XXXXX
QUARTERS ALLOWANCE	U404	127	267.0		267.0	16.5
PURCHASES RES. FURN/EQUIP.	U405	311	10.2		10.2	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	2.0		2.0	XXXXX
SECURITY GUARD SERVICES	U407	254				XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	3.2		3.2	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	XXXXX

ORGANIZATION USAID/PANAMA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		897.2		897.2	XXXXX
RENT	U501	234	98.4		98.4	XXXXX
UTILITIES	U502	234	40.0		40.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	2.0		2.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	75.8		75.8	XXXXX
VEHICLES	U505	312	9.0		9.0	XXXXX
OTHER EQUIPMENT	U506	319	14.5		14.5	XXXXX
TRANSPORTATION/FREIGHT	U507	22	9.0		9.0	XXXXX
COMMUNICATIONS	U508	230	44.2		44.2	XXXXX
SECURITY GUARD SERVICES	U509	259	23.0		23.0	XXXXX
PRINTING	U510	24	12.1		12.1	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	16.0		16.0	6.0
SITE VISITS	U512	210	42.7		42.7	159.0
INFORMATION MEETINGS	U513	210	3.1		3.1	3.0
TRAINING ATTENDANCE	U514	210	12.6		12.6	7.0
CONFERENCE ATTENDANCE	U515	210	8.6		8.6	7.0
OTHER OPERATIONAL TRAVEL	U516	210				
SUPPLIES AND MATERIALS	U517	26	98.8		98.8	XXXXX
FAAS	U518	257	22.7		22.7	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	364.7		364.7	XXXXX
<b>TOTAL O.E. BUDGET</b>			<b>3,900.8</b>		<b>3,900.8</b>	<b>XXXXX</b>
<b>RECONCILIATION</b>			<b>1,015.5</b>		<b>1,015.5</b>	<b>XXXXX</b>
<b>OPERATING ALLOWANCE REQUEST</b>			<b>2,885.3</b>		<b>2,885.3</b>	<b>XXXXX</b>

OTHER INFORMATION:  
 Dollar requirement for local currency costs.  
 Exchange rate used (as of May 1, 1983)

U.S. DOLLAR IS THE CURRENCY USED IN PANAMA

Includes all costs associated with Regional Contracting Officer assigned to Panama and all costs for RIG/A/LA/PANAMA.

ORGANIZATION USAID/PANAMA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,320.3		1,320.3	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	940.8		940.8	18.0
PT/TEMP U.S. BASIC PAY	U102	112	12.7		12.7	.9
DIFFERENTIAL PAY	U103	116				XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	122.4		122.4	26.0
RETIREMENT - U.S.	U107	120	66.7		66.7	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	20.6		20.6	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	13.9		13.9	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	28.7		28.7	9.0
POST ASSIGNMENT - FREIGHT	U112	22	89.5		89.5	9.0
HOME LEAVE - TRAVEL	U113	212	15.1		15.1	6.0
HOME LEAVE - FREIGHT	U114	22	4.2		4.2	6.0
EDUCATION TRAVEL	U115	215	3.6		3.6	5.0
R AND R TRAVEL	U116	215				
ALL OTHER CODE 215 TRAVEL	U117	215	2.1		2.1	4.0
<u>FOREIGN NATIONAL DH</u>	U200		1,191.3		1,191.3	XXXXX
BASIC PAY	U201	114	938.3		938.3	44.9
OVERTIME, HOLIDAY PAY	U202	115	5.2		5.2	.3
ALL OTHER CODE 11 - FN	U203	119	4.3		4.3	XXXXX
ALL OTHER CODE 12 - FN	U204	129	213.5		213.5	XXXXX
BENEFITS FORMER FN PERS.	U205	13	30.0		30.0	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		268.9		268.9	XXXXX
PASA TECHNICIANS	U301	258	67.2		67.2	1.0
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	201.7		201.7	5.5
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		417.6		417.6	XXXXX
RENT	U401	235	42.0		42.0	3.0
UTILITIES	U402	235	13.7		13.7	XXXXX
RENOVATION AND MAINT.	U403	259	1.0		1.0	XXXXX
QUARTERS ALLOWANCE	U404	127	346.4		346.4	18.0
PURCHASES RES. FURN/EQUIP.	U405	311	9.8		9.8	XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254				XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	3.2		3.2	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	XXXXX

## ORGANIZATION USAID/PANAMA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		1,036.9		1,036.9	XXXXX
RENT	U501	234	99.2		99.2	XXXXX
UTILITIES	U502	234	42.0		42.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	2.1		2.1	XXXXX
OFFICE FURN./EQUIP.	U504	310	32.0		32.0	XXXXX
VEHICLES	U505	312	10.0		10.0	XXXXX
OTHER EQUIPMENT	U506	319	12.0		12.0	XXXXX
TRANSPORTATION/FREIGHT	U507	22	3.0		3.0	XXXXX
COMMUNICATIONS	U508	230	46.4		46.4	XXXXX
SECURITY GUARD SERVICES	U509	259	22.7		22.7	XXXXX
PRINTING	U510	24	12.7		12.7	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	20.0		20.0	6.0
SITE VISITS	U512	210	62.9		62.9	174.0
INFORMATION MEETINGS	U513	210	14.3		14.3	13.0
TRAINING ATTENDANCE	U514	210	12.2		12.2	7.0
CONFERENCE ATTENDANCE	U515	210	8.7		8.7	7.0
OTHER OPERATIONAL TRAVEL	U516	210	2.9		2.9	2.0
SUPPLIES AND MATERIALS	U517	26	128.8		128.8	XXXXX
FAAS	U518	257	14.8		14.8	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	490.2		490.2	XXXXX
TOTAL O.E. BUDGET			4,235.0		4,235.0	XXXXX
RECONCILIATION			1,055.6		1,055.6	XXXXX
OPERATING ALLOWANCE REQUEST			3,179.4		3,179.4	XXXXX

## OTHER INFORMATION:

Dollar requirement for local currency costs U.S. Dollar is the currency used in Panama  
Exchange rate used (as of May 1, 1983)

Estimated Wage Increases - FY 1983 to FY 1984  
Estimated Price Increases - FY 1983 to FY 1984

10% Effective 6/30/84  
5%

Includes all costs associated with Regional Contracting Officer assigned to Panama and all costs for RIG/A/LA/PANAMA.

## ORGANIZATION USAID/PANAMA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,360.7		1,360.7	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	961.5		961.5	17.0
PT/TEMP U.S. BASIC PAY	U102	112	13.1		13.1	.9
DIFFERENTIAL PAY	U103	116				XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	128.5		128.5	26.0
RETIREMENT - U.S.	U107	120	68.2		68.2	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	21.1		21.1	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	18.2		18.2	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	30.6		30.6	7.0
POST ASSIGNMENT - FREIGHT	U112	22	72.8		72.8	7.0
HOME LEAVE - TRAVEL	U113	212	31.9		31.9	14.0
HOME LEAVE - FREIGHT	U114	22	8.8		8.8	14.0
EDUCATION TRAVEL	U115	215	3.8		3.8	5.0
R AND R TRAVEL	U116	215				
ALL OTHER CODE 215 TRAVEL	U117	215	2.2		2.2	4.0
<u>FOREIGN NATIONAL DH</u>	U200		1,014.8		1,014.8	XXXXX
BASIC PAY	U201	114	806.6		806.6	37.9
OVERTIME, HOLIDAY PAY	U202	115	5.5		5.5	.3
ALL OTHER CODE 11 - FN	U203	119	5.0		5.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	183.5		183.5	XXXXX
BENEFITS FORMER FN PERS.	U205	13	14.2		14.2	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		390.4		390.4	XXXXX
PASA TECHNICIANS	U301	258	70.6		70.6	1.0
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	319.8		319.8	8.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		423.9		423.9	XXXXX
RENT	U401	235	44.1		44.1	3.0
UTILITIES	U402	235	14.4		14.4	XXXXX
RENOVATION AND MAINT.	U403	259	1.0		1.0	XXXXX
QUARTERS ALLOWANCE	U404	127	350.9		350.9	17.0
PURCHASES RES. FURN/EQUIP.	U405	311	8.8		8.8	XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254				XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	3.2		3.2	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	XXXXX

TABLE VIII - FY 1985

ORGANIZATION USAID/PANAMA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>
<u>OFFICE OPERATIONS</u>	U500		1,136.5		1,136.5
RENT	U501	234	99.2		99.2
UTILITIES	U502	234	44.1		44.1
BUILDING MAINT./RENOV.	U503	259	2.2		2.2
OFFICE FURN./EQUIP.	U504	310	30.0		30.0
VEHICLES	U505	312	37.0		37.0
OTHER EQUIPMENT	U506	319	13.2		13.2
TRANSPORTATION/FREIGHT	U507	22	11.5		11.5
COMMUNICATIONS	U508	230	48.7		48.7
SECURITY GUARD SERVICES	U509	254	23.9		23.9
PRINTING	U510	24	13.3		13.3
RIG/II OPERATIONAL TRAVEL	U511	210	21.0		21.0
SITE VISITS	U512	210	50.2		50.2
INFORMATION MEETINGS	U513	210	17.0		17.0
TRAINING ATTENDANCE	U514	210	13.2		13.2
CONFERENCE ATTENDANCE	U515	210	4.5		4.5
OTHER OPERATIONAL TRAVEL	U516	210			
SUPPLIES AND MATERIALS	U517	26	139.9		139.9
FAAS	U518	257	15.6		15.6
CONSULTING SVCS - CONT.	U519	259			
MGT./PROF. SVCS. - CONT.	U520	259			
SPEC. STUDIES/ANALYSES CONT.	U521	259			
ALL OTHER CODE 25	U522	259	552.0		552.0
TOTAL O.E. BUDGET			4,326.3		4,326.3
RECONCILIATION			1,066.4		1,066.4
OPERATING ALLOWANCE REQUEST			3,259.9		3,259.9

OTHER INFORMATION:

Dollar requirement for local currency costs  
Exchange rate used (as of May 1, 1983)

U.S. Dollar is the currency used

Estimated Wage Increases - FY 1984 to FY 1985  
Estimated Price Increases - FY 1984 to FY 1985

5% Effective 6/30/84  
5%

Includes all costs associated with Regional Contracting Officer assigned to Panama and all costs for RIG/A/LA/PANAMA.

ORGANIZATION RIG/A/LA/PANAMA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100					XXXXX
U.S. CITIZENS BASIC PAY	U101	110				
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116				XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126				
RETIREMENT - U.S.	U107	120				XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129				XXXXX
OTHER MISSION FUNDED O.C.12	U110	129				XXXXX
POST ASSIGNMENT - TRAVEL	U111	212				
POST ASSIGNMENT - FREIGHT	U112	22				
HOME LEAVE - TRAVEL	U113	212				
HOME LEAVE - FREIGHT	U114	22				
EDUCATION TRAVEL	U115	215				
R AND R TRAVEL	U116	215				
ALL OTHER CODE 215 TRAVEL	U117	215				
<u>FOREIGN NATIONAL DH</u>	U200		36.5		36.5	XXXXX
BASIC PAY	U201	114	30.2		30.2	1.0
OVERTIME, HOLIDAY PAY	U202	115				
ALL OTHER CODE 11 - FN	U203	119				XXXXX
ALL OTHER CODE 12 - FN	U204	129	6.3		6.3	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300					XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113				
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400					XXXXX
RENT	U401	235				
UTILITIES	U402	235				XXXXX
RENOVATION AND MAINT.	U403	259				XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311				XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254				XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252				XXXXX

ORGANIZATION RIG/A/LA/PANAMA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		20.0		20.0	XXXXX
RENT	U501	234				XXXXX
UTILITIES	U502	234				XXXXX
BUILDING MAINT./RENOV.	U503	259				XXXXX
OFFICE FURN./EQUIP.	U504	310				XXXXX
VEHICLES	U505	312				XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22				XXXXX
COMMUNICATIONS	U508	230				XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24				XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	20.0		20.0	6.0
SITE VISITS	U512	210				
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210				
CONFERENCE ATTENDANCE	U515	210				
OTHER OPERATIONAL TRAVEL	U516	210				
SUPPLIES AND MATERIALS	U517	26				XXXXX
FAAS	U518	257				XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259				XXXXX
TOTAL O.E. BUDGET			56.5		56.5	XXXXX
RECONCILIATION						XXXXX
OPERATING ALLOWANCE REQUEST			56.5		56.5	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs.  
Exchange rate used (as of May 1, 1983)

U.S. Dollar is the currency used in Panama

Estimated Wage Increases - FY 1983 to FY 1984  
Estimated Price Increases - FY 1983 to FY 1984

10% Effective 6/30/84  
5%

## ORGANIZATION RIG/A/LA/PANAMA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100					XXXXX
U.S. CITIZENS BASIC PAY	U101	110				
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116				XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126				
RETIREMENT - U.S.	U107	120				XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129				XXXXX
OTHER MISSION FUNDED O.C.12	U110	129				XXXXX
POST ASSIGNMENT - TRAVEL	U111	212				
POST ASSIGNMENT - FREIGHT	U112	22				
HOME LEAVE - TRAVEL	U113	212				
HOME LEAVE - FREIGHT	U114	22				
EDUCATION TRAVEL	U115	215				
R AND R TRAVEL	U116	215				
ALL OTHER CODE 215 TRAVEL	U117	215				
<u>FOREIGN NATIONAL DH</u>	U200		34.1		34.1	XXXXX
BASIC PAY	U201	114	28.5		28.5	1.0
OVERTIME, HOLIDAY PAY	U202	115				
ALL OTHER CODE 11 - FN	U203	119				XXXXX
ALL OTHER CODE 12 - FN	U204	129	5.6		5.6	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300					XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113				
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400					XXXXX
RENT	U401	235				
UTILITIES	U402	235				XXXXX
RENOVATION AND MAINT.	U403	259				XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311				XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254				XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252				XXXXX

ORGANIZATION RIG/A/LA/PANAMA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		16.0		16.0	XXXXX
RENT	U501	234				XXXXX
UTILITIES	U502	234				XXXXX
BUILDING MAINT./RENOV.	U503	259				XXXXX
OFFICE FURN./EQUIP.	U504	310				XXXXX
VEHICLES	U505	312				XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22				XXXXX
COMMUNICATIONS	U508	230				XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24				XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	16.0		16.0	6.0
SITE VISITS	U512	210				
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210				
CONFERENCE ATTENDANCE	U515	210				
OTHER OPERATIONAL TRAVEL	U516	210				
SUPPLIES AND MATERIALS	U517	26				XXXXX
FAAS	U518	257				XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259				XXXXX
TOTAL O.E. BUDGET			50.1		50.1	XXXXX
RECONCILIATION						XXXXX
OPERATING ALLOWANCE REQUEST			50.1		50.1	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs  
Exchange rate used (as of May 1, 1983)

U.S. DOLLAR IS THE CURRENCY USED  
IN PANAMA

ORGANIZATION RIG/A/LA/PANAMA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100					XXXXX
U.S. CITIZENS BASIC PAY	U101	110				
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116				XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126				
RETIREMENT - U.S.	U107	120				XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129				XXXXX
OTHER MISSION FUNDED O.C.12	U110	129				XXXXX
POST ASSIGNMENT - TRAVEL	U111	212				
POST ASSIGNMENT - FREIGHT	U112	22				
HOME LEAVE - TRAVEL	U113	212				
HOME LEAVE - FREIGHT	U114	22				
EDUCATION TRAVEL	U115	215				
R AND R TRAVEL	U116	215				
ALL OTHER CODE 215 TRAVEL	U117	215				
<u>FOREIGN NATIONAL DH</u>	U200		37.3		37.3	XXXXX
BASIC PAY	U201	114	30.9		30.9	1.0
OVERTIME, HOLIDAY PAY	U202	115				
ALL OTHER CODE 11 - FN	U203	119				XXXXX
ALL OTHER CODE 12 - FN	U204	129	6.4		6.4	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300					XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113				
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400					XXXXX
RENT	U401	235				
UTILITIES	U402	235				XXXXX
RENOVATION AND MAINT.	U403	259				XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311				XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254				XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252				XXXXX

ORGANIZATION RIG/A/LA/PANAMA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		21.0		21.0	XXXXX
RENT	U501	234				XXXXX
UTILITIES	U502	234				XXXXX
BUILDING MAINT./RENOV.	U503	259				XXXXX
OFFICE FURN./EQUIP.	U504	310				XXXXX
VEHICLES	U505	312				XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22				XXXXX
COMMUNICATIONS	U508	230				XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24				XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	21.0		21.0	6.0
SITE VISITS	U512	210				
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210				
CONFERENCE ATTENDANCE	U515	210				
OTHER OPERATIONAL TRAVEL	U516	210				
SUPPLIES AND MATERIALS	U517	26				XXXXX
FAAS	U518	257				XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROP. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259				XXXXX
<b>TOTAL O.E. BUDGET</b>			58.3		58.3	XXXXX
<b>RECONCILIATION</b>						XXXXX
<b>OPERATING ALLOWANCE REQUEST</b>			58.3		58.3	XXXXX

**OTHER INFORMATION:**

Dollar requirement for local currency costs  
Exchange rate used (as of May 1, 1983)

U.S. Dollar is the currency used in Panama

Estimated Wage Increases - FY 1984 to FY 1985  
Estimated Price Increases - FY 1984 to FY 1985

5 % Effective 6/30/85

5 %

TABLE VIII - OPERATING EXPENSE NARRATIVE

SECTION A - MANAGEMENT IMPROVEMENTS

During the ABS period, the Mission expects to install and use microcomputers in each of its offices. The uses and savings from such an operation--interfaced, of course, with our WANG OIS-140 word processing system--are described at length in the ADP narrative attached to Table VIII (a).

As the system comes on line, we have budgeted for a design consultant to ensure that this program is adequately protected, from a security point of view, and that it is being used to its maximum capacity. We realize that we have a considerable investment in ADP/WP equipment and we want him/her to help us use it to its fullest potential.

After working many years with an antiquated telephone system, we shortly expect to order and install a modern, though modest, Western Electric package. This long overdue upgrading will be a significant management improvement which will facilitate our external and internal communications while reducing the frustration level of all who must contend with the significant inadequacies of the present system.

We are realigning the duties and the personnel within the Office of Human Resources Development to better reflect their mission for the ABS period. The traditional areas of health and education have been phased out and population is expected to be phased out at the end of FY 85. The Office is being restructured to emphasize private enterprise and related initiatives. Project officers previously working in the former areas of program concentration are receiving on-the-job and more formalized training in the new areas. This will lead to increased employee flexibility and has improved attitudes and morale. Such a redirection is befitting a name change from HRD Office to the Entrepreneurial Resources Group (ERG). This should soon show up in the AID/W generated staffing pattern.

In order to meet the increasing demands upon the Mission for more and improved economic analyses, the Economic Section of ODP is being strengthened. Specifically, the USDH economist is being complimented by a senior FSN program specialist and a JCC macro-economist is being requested for FY-85. These additions (and the decision to develop a roster of local consultants and information sources) will enable the ODP economists to better monitor and analyze data and thereby develop information which will help the Mission in its effort to influence various policies of the GOP.

Improvements have also been made in internal operations in many of our offices. The Office of Development Resources, for instance, has streamlined the PIL process, the justification process for waivers of authority, and the reporting system needed for their quarterly submissions to AID/W. The Controller's Office, as another example, has devised new forms and streamlined procedures which will reduce documentation requirements for project

reimbursement to a minimum. They have also set up a system which tracks (on a weekly basis) the time it takes to make payments. This was done to ensure we remain in compliance with the recently passed legislation regarding prompt payment of USG accounts.

Lastly, even though the Mission was rated "low" in our 1982 vulnerability assessment, we continue to examine the items covered in the report. We are working to eliminate the problems and/or clear up the areas where there were indications of possible concern.

#### SECTION B - JUSTIFICATION FOR FUNDING CHANGES

It should be noted that total OE funding requirements as shown in Tables VIII have increased only 8.6 percent from FY 1983 to FY 1984 and by 2.2 percent from FY 1984 to 1985. Nevertheless, there are increases within summary function levels which are 10 percent or more, and the explanations for these increases are set forth below.

##### FY 1984 Increases Over FY 1983:

Function Code U300 - Contract Personnel - Funding requirements for FY 1984 will increase by \$103,700, all of which is related to funding for 5.5 person years of FN PSCs as compared to 3.1 person years in FY 1983. All of these FN PSCs will be working in the technical offices and are required to monitor and implement the programs being financed by USAID/P.

Function Code U400 - Housing - In FY 1983 \$335,900 are required for housing and we project requirements to be \$417,600 in FY 1984, an increase of \$81,700. In FY 1983 we will fund 16.5 residential years of LQA and in FY 1984 we will fund 18 residential years through the quarters allowance system. In addition, in June and July 1983 seven USDH will depart from Panama on transfer orders and will be replaced in July and August. All of the seven employees who are departing have been at post for four years or more and their LQAs for the most part are below the maximum allowance because of long term lease arrangements. It is a certainty that the replacements will pay more for their housing, given what has happened to the cost of rental property in Panama during the past few years. In fact, we have projected a 10% increase in the quarters allowance rates, effective March 31, 1984.

Function Code U500 - Office Operations - Costs are projected to increase by US\$139,700 in this category, an increase of 16 percent. Of this amount \$125,000 is attributable to Function Code U522, Object Class 259, under which we finance the cost of our management support contract. As a result of the reduction in our FNDH ceiling from 48 in FY 83 to 43 in FY 84, four of the five positions have been picked up under the management support contract.

FY 1985 Increases Over FY 1984:

Function Code U300 - Contract Personnel - Costs in this category will increase by 45% in order to fund 8 person years of service, an increase of 2.5 person years over the number in FY 1984. This reflects a shift of personnel from FNDH to contract.

SECTION C - TRUST FUNDS

There is no prospect of negotiating a Trust Fund arrangement.

**TABLE VIII(a)**  
**OBLIGATIONS OF ADP SYSTEMS**  
**(\$000)**

USAID/PANAMA	Fiscal Year		
	1983	1984	1985
<b>A. <u>Capital Investments</u></b>			
1. Purchase of ADP Equipment	32	30	30
2. Purchase of Software	<u>5</u>	<u>4</u>	<u>4</u>
<b>Subtotal</b>	37	34	34
<b>B. <u>Personnel</u></b>			
1. Compensation, Benefits, Travel *	24	27	29
2. Workyears **	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
<b>Subtotal**</b>	24	27	29
<b>C. <u>Equipment Rental and Other</u></b>			
<u>Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals	0	0	0
2. Supplies and Leased Software	<u>1</u>	<u>9</u>	<u>13</u>
<b>Subtotal</b>	1	9	13
<b>D. <u>Commercial Services</u></b>			
1. ADP Service Bureau	0	0	0
2. Systems Analysis and Programming	2	2	0
3. ADPE Maintenance (If separate from item C.1.)	<u>0</u>	<u>5</u>	<u>8</u>
<b>Subtotal</b>	2	7	8
<b>E. <u>Total Obligations (A-D)</u></b>	<u>64</u>	<u>77</u>	<u>84</u>
<b>F. <u>Interagency Services</u></b>			
1. Payments	0	0	0
2. Offsetting Collections	0	0	0
<b>Subtotal</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>G. <u>Grand Total (E+F)</u></b>	<u>64</u>	<u>77</u>	<u>84</u>
Amount included in <u>Mission allowance</u> for existing systems	0	37	44
Amount included in <u>Mission allowance</u> for new/expanded systems	64	40	40

\* These employees are NOT direct hire, but rather are employed under the Mission's Management Support Contract.

\*\* Even tho compensation is listed as 1. and Workyears is listed as 2., the intention cannot be to add them. We have shown them as (non add).

### AUTOMATIC DATA PROCESSING NARRATIVE

By June 1983 the Mission should have purchased and received its first three Apple IIe microcomputers from a local dealer. During this first learning phase for the Mission, the three machines will be shared in the following manner: one between the economists in the Office of Development Planning (ODP) and the project design officers in the Office of Development Resources (ODR), one between the Office of Agriculture and the Office of Human Resources Development (HRD) and one for the Controller's Office (CONT).

Because of the Wang PC's versatility and compatibility with our existing Wang OMS system, our preference at this time (assuming SER/OM approval) is to purchase two Wang PC units with FY1983 funds, anticipating an October-December delivery date. One unit will go to AGR and the other will go to ODP. By the end of December 1983, we should have one microcomputer in each of five different offices. Once these five machines are assimilated into the Mission and each office has personnel trained in the use of its machine and accompanying software, we will purchase an additional four (4) Wang PC's (if Mission does not receive SER/OM approval for Wang PC purchase, IBM PCs will be purchased instead). We expect that this will occur in the third quarter of 1984. At this time we expect to distribute one each to ODR, ODP, AGR and to the Executive Office (EXO).

While it is difficult to predict demand as far in advance as 1985, we assume that, as with the wordprocessing units, it will be difficult to overestimate demand. We, therefore, have estimated the need to purchase in 1985 an additional four (4) Wang (or IBM) PC's, to be given one each to HRD, CONT, EXO and the Regional Housing and Urban Development Office (RHUDO). (The accompanying table illustrates the purchasing pattern and total number of microcomputers we anticipate having in place in the Mission for 1983, 1984, and 1985.)

The microcomputers will be put to a variety of uses by each of the Offices within the Mission. For example, in the Economics Section within ODP as well as in AGR, the microcomputer will enable the economists to produce more detailed reports more often, to apply regression analysis to some simple macroeconomic models in order to develop a series of economic indicators, and to develop a series of agricultural models such as typical farm budgets. Statistical analysis will be used for the same purposes. Benefit/cost and IRR analyses will be especially rapid, allowing for much more in-depth sensitivity analysis. In ODR and in the technical offices, the project design officers and the project managers will have the capability of conducting more rapid, in-depth financial and economic analyses during the design and implementation phases of their projects. HRD will have at its fingertips an efficient mechanism of storing and sorting the large amounts of data files that will be required by its new private sector program. Automating the EXO's functions will allow it to better control inventory, monitor excess property activities, and to better utilize its declining number of personnel. Finally, the microcomputer should save ODP and CONT enormous amounts of time during their

various budget exercises conducted throughout the year when figures are constantly juggled and "what if" situations are the order of the day.

<u>OFFICE</u>	<u>1983</u>		<u>1984</u>		<u>1985</u>	
	<u>New</u>	<u>Cum</u>	<u>New</u>	<u>Cum</u>	<u>New</u>	<u>Cum</u>
ODP	1	1	1	2	0	2
ODR	1	1	1	2	0	2
AGR	1	1	1	2	0	2
HRD	1	1	0	1	1	2
CONT	1	1	0	1	1	2
EXO	0	0	1	1	1	2
RHUDO	0	<u>0</u>	0	<u>0</u>	1	<u>1</u>
Year End Totals		<u>5</u>		<u>9</u>		<u>13</u>

OBLIGATIONS FOR WP SYSTEMS

(\$000)

USAID/PANAMA

	Fiscal Year		
	1983	1984	1985
A. Capital Investments in W/P Equipment	25	0	0
B. W/P Equipment Rental and Supplies	7	15	17
C. Other W/P Costs (Maintenance)	<u>25</u>	<u>27</u>	<u>30</u>
<b>Total</b>	<b>57</b>	<b>42</b>	<b>47</b>
<u>Amount included in Mission allowance for existing systems</u>	32	42	47
<u>Amount included in Mission allowance for new/expanded systems</u>	25	0	0

Narrative Statement - WP

Significant progress has been made in expanding the Mission's expertise in automating key aspects of its design and implementation functions. Virtually all of the AID Secretaries are trained and using the Wang on a regular basis. Additionally 13 professionals are now able to use it, and more are constantly learning. We anticipate that by the end of FY 83 the number of trained personnel regularly using the system will increase to 40 and by the end of FY 84 to 60(contract and DH personnel).

The peripheral capacity(32) of the OIS-140/3 that we are expecting to install, will be fully utilized by the end of FY 83. The system is continuously used by all of the Mission Offices and by the Regional Housing and Urban Development Office in all aspects of their daily works including correspondence, preparation of PP's, quarterly reports, excess property documentation, cables, evaluations, pid's, etc.

The following table summarizes equipment in place and on order. (All equipment is Mission or RHUDO owned.)

SCHEDULE OF WP EQUIPMENT ACQUISITION

	<u>On Line</u>	<u>ORDERED</u>	<u>FY-83</u>	<u>FY-84</u>	<u>FY-85</u>
	<u>FY 80/81</u>	<u>FY-82</u>			
1. <u>Basic System</u> (130A)	X				
2. <u>WP Upgrade</u> - (140/3)		X			
3. <u>WP Peripherals</u>					
Workstations	8	5			
AWorkstations		9	1		
Printers(Daisy)	2		3		
Printers(DDensity)		3			
4. <u>System Total</u>	10 +	17 +	4 =	31*	31*

\* Peripheral Capacity of System (32) will include one Wang PC interfaced with the OIS system in addition to the 31 units listed above.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII  
PL 480 TITLE II

I. Country <u>Panama</u>			
Sponsor's Name <u>CARE/Panama FY 1984</u>			
A. Maternal and Child Health.....(Mother).....		Total Recipients	15.
No. of Recipients by Commodity	Name of Commodity	(Thousands)	
15,000	NFDM	KGS 408	Dollars 44,880.
15,000	CSM	164	38,376.
15,000	SFRO	41	15,375.
15,000	Vegetable Oil (cans)	81	69,660
Total MCH		694	168,291
B. School Feeding.....		Total Recipients	35.
No. of Recipients by Commodity	Name of Commodity	(Thousands)	
35,000	NFDM	KGS 223	Dollars 24,530
35,000	CSM	223	52,182
35,000	SFRO	223	83,625
35,000	Vegetable Oil (cans)	56	48,160
Total SF		725	208,497
C. Other Child Feeding.....(MCH/Child).....		Total Recipients	30.
No. of Recipients by Commodity	Name of Commodity	(Thousands)	
30,000	NFDM	KGS 817	Dollars 89,870
30,000	CSM	328	76,752
30,000	SFRO	82	30,750
30,000	Vegetable Oil	163	140,180
Total MCH (Child)		1,390	337,552
D. Food for Work.....		Total Recipients	
No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total Food for Work			
E. Other (Specify).....Low Income Mother/Child.....		Total Recipients	1.
No. of Recipients by Commodity	Name of Commodity	(Thousands)	
1,000	NFDM	KGS 19	Dollars 2,090
1,000	CSM	15	3,510
1,000	SFRO	15	5,625
1,000	Vegetable Oil	9	7,740
Total FFW		58	18,965
II. Sponsor's Name _____		GRAND TOTAL	
			\$733,305

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country PANAMA

Sponsor's Name CRS/Caritas/Panama FY 1984

A. Maternal and Child Health.....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<b>Total MCH</b>		_____	_____

B. School Feeding.....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<b>Total School Feeding</b>		_____	_____

(Orphanages)

C. Other Child Feeding.....Total Recipients 0.6

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
610	CSM	13.2	3,088.80
610	NFDM	13.2	1,452.00
610	SF Cornmeal	13.2	2,758.80
610	SF Flour	6.6	2,026.20
610	Vegetable Oil	3.3	2,838.00
<b>Total Other Child Feeding..</b>		<b>49.5</b>	<b>12,163.80</b>

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<b>Total Food for Work</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

E. Other (Specify) General Relief (Adult).....Total Recipients 1.0

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
1,020	CSM	22.0	5,148.00
1,020	SF Cornmeal	22.0	4,598.00
1,020	SF Flour	11.0	1,688.50
1,020	Vegetable Oil (cans)	5.5	4,730.00
<b>Total Other...</b>		<b>60.5</b>	<b>16,164.50</b>

II. Sponsor's Name \_\_\_\_\_

GRAND TOTAL

\$28,238.30

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country Panama

Sponsor's Name CARE/Panama FY 1985

A. Maternal and Child Health.....(Mother).....Total Recipients 15.

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>15,000</u>	<u>NFDM</u>	<u>408</u>	<u>44,800</u>
<u>15,000</u>	<u>Vegetable Oil (cans)</u>	<u>81</u>	<u>69,660</u>
<u>Total MCH</u>		<u>489</u>	<u>114,460</u>

B. School Feeding.....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total SF</u>		_____	_____

C. Other Child Feeding.....(MCH/Child).....Total Recipients 30.

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>30,000</u>	<u>NFDM</u>	<u>817</u>	<u>89,870</u>
<u>30,000</u>	<u>Vegetable Oil</u>	<u>163</u>	<u>140,180</u>
<u>Total MCH (Child)</u>		<u>1,062</u>	<u>230,050</u>

D. Food for Work.....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Food for Work</u>		_____	_____

E. Other (Specify).....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total FFW</u>		_____	_____

II. Sponsor's Name \_\_\_\_\_

GRAND TOTAL

\$344,510

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country Panama

Sponsor's Name CARE/Panama FY 1986

A. Maternal and Child Health.....(Mother).....Total Recipients 15.

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>15,000</u>	<u>NFDM</u>	<u>408</u>	<u>44,880</u>
<u>Total MCH</u>		<u>408</u>	<u>44,880</u>

B. School Feeding.....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>Total SF</u>	<u>(MCH/Child)</u>		

C. Other Child Feeding.....Total Recipients 30.

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>30,000</u>	<u>NFDM</u>	<u>817</u>	<u>89,870</u>
<u>Total MCH (Child)</u>		<u>817</u>	<u>89,870</u>

D. Food for Work.....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>Total Food for Work</u>			

E. Other (Specify).....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>Total FFW</u>			

II. Sponsor's Name \_\_\_\_\_

GRAND TOTAL \$134,750

PL 480 TITLE II

Per instructions from AID/W (STATE 128300), USAID/Panama prepared a four-year phaseover plan of the PL 480 Title II Program in Panama. This plan, which has been discussed with the participating VolAg and government agencies, covers the period January 1983 - December 1986. Currently, the program benefits a total of 82,630 recipients (MCH mothers and pre-school children, school age children and aged persons), at a total cost of \$1.2 million.

USAID/Panama has been informed by CARE of its plans to cease operations in Panama in December 1984. The Mission has considered alternative strategies for administering the last two years of the phaseover. The conclusion reached is that a government-to-government program is the best strategy under current conditions. The Ministry of Health has indicated its intent to correct institutional deficiencies and developing a capability to carry out all the administrative and logistical responsibilities that will be required.

Objectives in FY 1984 and 1985

By September 31, 1984, the number of recipients will have been reduced to 45,000 under the MCH Program, which will continue to be implemented by the Ministry of Health. SFRO will have been replaced with a locally produced commodity, with the total cost to the USG being reduced to \$459,718.

By December 31, 1984, the MOH will have the capacity to carry out a Government-to-Government program--undertaking the administrative responsibilities which theretofore belonged to CARE. The Ministry will have a purchasing, storage, inventory control and distribution systems in place and functioning. A new management unit will exist, with an upgraded staff of 29 persons having responsibility at the national and provincial levels.

By the end of FY 1985, the level of recipients will still be 45,000, but CSM will have been replaced with a locally produced commodity and the cost to the USG will have been reduced to \$344,590.

The cost to the GOP for the Supplemental Feeding Programs during FY 1984 and 1985 will be as follows:

FY 1984 - \$761,633	(includes in addition to MCH the costs of CRS, School Feeding, Other Child Feeding--for which PL 480 commodities will be phased out by the end of the year--and the MCH Program).
FY 1985 - \$344,510	(includes costs of MCH only though school feeding will be continued by the GOP as well.)

Relationship to Ongoing AID Policies

The phaseover actions mentioned above are consistent with AID policy of turning over complete financial and administrative responsibilities for

supplemental-feeding programs to those governments capable of sustaining them.

#### Involvement of Host-Country Institutions

During FY 1984, the PL 480 Program will count on the participation of the Ministry of Health, the Ministry of Education and the Institute for Training and Development of Human Resources (supported by CARE) and the Ministry of Labor (supported by CRS/CARITAS). During FY 1985, only the Ministry of Health will be involved.

#### Target Group

The beneficiaries during FY 1984 will be 46,630 MCH mothers and children, 35,000 school children and 1,630 aged persons and orphans. During FY 1985, the beneficiaries will be 45,000 MCH mothers and children.

A common characteristic of the beneficiaries of the PL 480 Title II Program is that the food they normally consume barely permits them to meet 20% of their caloric requirements. Also, these people spend 50% or more of their total income on food.

#### Issues

1. Of the total 1.7 million metric tons set aside for Title II activities, only 300,000 metric tons can be used for government-to-government programs. There is considerable competition for these commodities because all 206 Agreements (Sale of Commodities) must be based on government-to-government programs. However, the proposed Panama program would only need approximately 1,500 metric tons in 1985 and 1,000 metric tons in 1986.
2. A government-to-government program would place additional administrative responsibilities on USAID/Panama or on some other U.S. Government Agency. These new responsibilities could probably be carried out by a combination of part time of a U.S. direct hire and a full-time local field supervisor under contract to USAID.