

Annual Budget Submission

FY 1986

PANAMA



JUNE 1984

Agency for International Development
Washington, D.C. 20523

PANAMA

FY 1986 Annual Budget Submission
Table of Contents

Mission Action Plan	1
Table I - Long Range Plan	10
Table IV Project Budget Data	11
New Project Narratives	17
Private and Voluntary Organizations - ARDN	17
Private and Voluntary Organizations - SDA	19
Financial Stability and Economic Recovery	21
Housing Finance	23
Industrial Credit	25
Table VII List of Planned Evaluations	26
Table VIII Operating Expense Narrative	27
Table VIII Operating Expense Tables	30

Composition of a \$50 million DA Supplement

MISSION ACTION PLAN

A. STRATEGY RECAP

USAID's recently submitted Strategy Paper reflects the uniform goals established for Central America as a result of the recommendations of the National Bipartisan Commission on Central America. These are the maintenance of financial stability, economic growth, equity, and strengthening of democratic institutions. The latter three incorporate our strategic objectives established in 1982. Panama's huge public debt (92% of GDP) has made financial stability a foremost concern, calling for a major increase in the size of the AID program. Our program does not specifically address the strengthening of democratic institutions, but will have that effect through its contribution to the other three goals and the support which it gives to the newly elected government.

No new projects, other than possible operational program grants to PVO's, are proposed for FY 86. This is dictated by the heavy implementation workload that will be imposed by projects initiated in FY 85, during the first year of the new government.

B. BENCHMARK ACHIEVEMENT

Economic Policy Studies - As planned.

Investment Council of Panama - Investments creating 1094 new employment opportunities as of April, 1984, exceeding target of 500 for FY 85.

Small Business Development project by mid-1984 - Slowed by change of Ministers and other officials; to be signed in July.

Workforce Development Project - Slowed by difficulty of achieving consensus of Panamanian project participants but still scheduled to be initiated in FY 84.

Agriculture Management and Policy Planning project by mid-1985 - Slowed by cabinet changes. To be signed in June.

OPG for natural resource conservation - As planned.

Housing studies to be completed in 1984 - Revised housing legislation has been drafted and rent controls were lifted on new units and on housing renting for \$250 a month or more. Other studies have been delayed by changes of officials and will not be completed this year.

C. FORWARD PLAN

1. Financial Stability

Objective: No increase in real terms in the overall deficit of the non-financial public sector through 1986, while continuing to meet debt service requirements.

The GOP must maintain its austerity program and negotiate the refinancing of its commercial debt to meet this objective. Maintenance of austerity will be facilitated by AID budgetary assistance for necessary development activities.

- Seek GOP commitment not to exceed 1984 deficit in negotiation of budgetary assistance agreements for FY 85 and 86.
- Monitor GOP performance.
- Finance technical assistance to improve governmental efficiency and reduce expenditures.

Benchmarks: GOP meeting its periodic targets indicating that deficit for the year will not increase.

2. Economic Growth

a. Industry

Objective: Implementation by the GOP of the following policy measures.

- 1) Instituting a system of low and uniform tariff protection, and the elimination of quantitative restrictions on imports and of price regulation of industrial products.
 - 2) Modification of labor code provisions and/or interpretations to permit productivity payments to workers and to provide for apprentice training.
 - 3) Simplify export procedures.
 - 4) Review of the effects of industrial incentive measures and adoption of a simplified and uniform system.
 - 5) Review of customs procedures to simplify the import of goods, including raw materials.
 - 6) Review of factors making up electric power rates and identification of cost reduction measures in IRHE.
 - 7) A study of port charges and measures needed to reduce those charges.
- Complete ongoing and planned studies of labor policy, commercial policy, ports, power rates, and customs and export procedures.
 - Encourage informed discussion of policy issues by private sector organizations and in public fora.
 - Seek action on specific measures in conjunction with discussion and negotiation of related project and program assistance.

Objective: Increase productivity of Panamanian industry.

- Implement Workforce Productivity Development project to provide training in industry for workers and supervisory personnel.
- Through Export project, provide technical resources for establishment of Productivity Unit by private industry associations.

Benchmarks: Workforce fund and training services operational; initial training provided to industry.

Objective: Expansion of employment opportunities through the development of small scale enterprises.

- Implement Small Business Development project through private banks and cooperatives.
- Eliminate small business lending as a function of the Ministry of Commerce.
- Extend Entrepreneurial Development project (without additional funding) to allow PVO to complete measures for continuing its training program without AID financial support.
- Assist establishment of private institute for policy studies.

Benchmarks: Action to simplify export procedures; review of customs procedures completed; studies of port charges and power rates concluded with action recommendations; action initiated to revise labor policy.

Objectives: Expand investment in relatively labor intensive industrial production so as to generate at least 2000 new jobs in 1986.

- Conclude AID financed contracts of the Investment Council of Panama for investment promotion activities in Europe, Asia and North America.
- Complete design and installation of ICP computer system and train personnel.

Benchmarks: \$6 to \$10 million additional investment through ICP program creating 1000 new jobs between May 1984 and April 1985.

Objective: Expand exports of Panamanian products.

- Design and initiate Export project, including TA for restructuring of the Directorates General of Foreign Commerce, Marine Resources, Mineral Resources, and strengthening of the Planning Unit in the Ministry of Commerce and Industry.
- Conclude loan agreement with private Export Development Bank.

Benchmarks: Export Development Bank organized and chartered; TA for MICI initiated.

b. Agriculture and Natural Resources

Objective: Increase productivity of Panamanian industry.

- Implement Workforce Productivity Development project to provide training in industry for workers and supervisory personnel.
- Through Export project, provide technical resources for establishment of Productivity Unit by private industry associations.

Benchmarks: Workforce fund and training services operational; initial training provided to industry.

Objective: Expansion of employment opportunities through the development of small scale enterprises.

- Implement Small Business Development project through private banks and cooperatives.
- Eliminate small business lending as a function of the Ministry of Commerce.
- Extend Entrepreneurial Development project (without additional funding) to allow PVO to complete measures for continuing its training program without AID financial support.
- Assist establishment of private institute for policy studies.

Benchmarks: Action to simplify export procedures; review of customs procedures completed; studies of port charges and power rates concluded with action recommendations; action initiated to revise labor policy.

Objectives: Expand investment in relatively labor intensive industrial production so as to generate at least 2000 new jobs in 1986.

- Conclude AID financed contracts of the Investment Council of Panama for investment promotion activities in Europe, Asia and North America.
- Complete design and installation of ICP computer system and train personnel.

Benchmarks: \$6 to \$10 million additional investment through ICP program creating 1000 new jobs between May 1984 and April 1985.

Objective: Expand exports of Panamanian products.

- Design and initiate Export project, including TA for restructuring of the Directorates General of Foreign Commerce, Marine Resources, Mineral Resources, and strengthening of the Planning Unit in the Ministry of Commerce and Industry.
- Conclude loan agreement with private Export Development Bank.

Benchmarks: Export Development Bank organized and chartered; TA for MICI initiated.

b. Agriculture and Natural Resources

Objective: Implementation by the GOP of the following policy measures.

1. Freeing of prices of horticultural products and substantial reductions in the support prices for rice, corn and sorghum. Retention of supports and eventual price levels for grains would depend on the results of an ongoing study of agricultural pricing.
 2. A progressive shift in the allocation of the Ministry of Agricultural Development's (MIDA) resources toward activities which respond to the needs of private producer.
 3. Elimination of remaining restrictions on the export of agricultural products.
 4. Establishing a Canal Watershed Management Authority.
 5. Modification of existing laws to guarantee land tenure for individuals who reforest private lands.
 6. Reaching of an agreement between MIDA and the Ministry of Health to implement a meat inspection program that would enable Panama to resume meat exports to the U.S. Market.
- Seek action on specific measures in conjunction with discussion and negotiation of related project assistance.
 - Before providing initial budgetary assistance for agriculture sector support, ensure that new government is fully committed to fundamental changes in sector policies and programs, including commitment to specific price policy changes. Condition subsequent assistance on performance in implementing policy measures.
 - Assist private agricultural organizations in establishing policy analysis capability.
 - Institutionalize policy analysis and formulation capability in MIDA.

Benchmarks: GOP implementation of measures 1), 2), 3), and 6), above.

Objective: improve MIDA's capability to analyze, and design sound, coherent policies and to manage and coordinate consistent and effective programs.

- Provide technical assistance and training to establish competent policy analysis, programming and information support groups in the Directorate of Sectoral Planning through the Agricultural Management and Policy Planning project.

Benchmarks: Long-term advisory personnel in place; short-term training and commodity procurement in progress; first academic trainees selected.

Objective: Improve and expand agricultural research and technology dissemination.

- Extend Agricultural Technology Development (IDIAP) project through FY 87, increasing funding for continued technical assistance and expansion of research activities to all agricultural areas of the country.
- Revise research program to emphasize commercial products consistent with comparative advantage and potential export crops.
- As agricultural extension system is developed in pilot region, channel budgetary assistance to permit expansion to the rest of the country.

Benchmarks: Extension system fully functional in Chiriqui province with construction and equipping of local agencies and pre-program training of personnel completed; IDIAP project extended; construction of planned regional research centers and subcenters completed.

Objective: Increase value of agricultural production through development of agroindustries and marketing systems in the private sector.

- Develop and implement agribusiness project to provide long-term financing and export marketing capability for high value products and processing enterprises.
- Strengthen agricultural cooperatives and finance improved marketing facilities for their products.

Benchmarks: Agribusiness project authorized and private financial institutions ready to implement program; advisory team working with ag coop federation and first subloan made for marketing of vegetable crops.

Objective: Establish a comprehensive and effective program for the continuing conservation and rational management of Panama's natural resources.

- Raise public awareness of consequences of resource depletion and generate effective support for conservation program.
- Support creation of an autonomous canal watershed authority with resources to enforce protective measures.
- Develop Natural Resources Management project to build institutional base, prepare personnel and legislative/regulatory framework for comprehensive program.

Benchmarks: Current Watershed Management project at least 80% completed with all remaining construction in progress; PANAMA Foundation carrying out education and demonstration projects with all administrative and project personnel trained by U.S. PVO's; initial studies completed and PID approved for Natural Resources Management project.

3. Equity:

a. Housing and Urban Development

Objective: Implementation by the GOP Of the following policy measures:

1. Restructuring of the National Mortgage Bank (BHN) to permit it to operate as an autonomous financial institution.
2. Elimination of regulations on deposit and lending interest rates for the savings and loan system.
3. Completion by the GOP of a study on rent control and other constraints on the housing market, followed by action on study's recommendations.
4. Strengthening of the Ministry of Housing (MIVI) to allow it to function as the lending institution in urban planning.
5. Elimination of the recently established interest rates on housing loans.
6. Further adjustments in the standards for housing construction and for urban land development to reduce costs and encourage private investment.
7. Establishment of a functioning authority for planning and promoting the economic use of the reverted areas of the former canal zone.

-- Use leverage of HG program and proposed loan to BHN of secure necessary GOP actions.

-- Press new government for action based on close relationship of measures to campaign platform.

Benchmarks: All of the above measures should be acted upon in FY 1985 and at least half of them by mid-year.

Objective: Improve and expand the institutional system for financing of housing, attracting a much higher proportion of private resources.

Achievement of this objective is heavily dependent on several of the above policy measures.

- Make \$10 million loan (ESF) to BHN to mobilize private capital, further the development of a secondary mortgage market, strengthen private lending institutions, and meet a portion of demand for neglected, low-middle income housing (\$10-15,000).
- Provide technical assistance for restructuring of BHN.
- Provide technical resources and incentives for the development of other mechanisms which will facilitate greater private sector participation.

Benchmarks: GOP action on policy measures 1), 2), 3), and 6), above.

Objective: Development of a coherent shelter and urban development policy by the GOP.

- Complete national housing policy study.
- Complete urban development assessment.
- Provide technical assistance and training to Housing Ministry to strengthen its planning capability.
- Assist reverted areas planning authority.

Benchmarks: Enactment of new legislation for Housing Ministry.

Objective: Increase substantially the yearly output of low-income housing solutions.

- Determine causes for slow movement of some elements of HG program and correct.
- Complete ongoing HG Program.
- Conclude implementation agreement for new HG.
- Provide further HG financing as funds are utilized.

Benchmarks: Conclusion of implementation agreement; completion of 2000 new solution between June 1984 and June 1985.

b. Population

Objective: To expand delivery of family planning information and services.

-- Carry out family planning/health/contraceptive prevalence survey.

Benchmarks: Survey completed

c. P.L. 480 Title II

Objective: Terminate program Dec. 31, 1984, upon closing of CARE/Panama.

525 - P A N A M A

FY 1986 ANNUAL BUDGET SUBMISSION

Table I - Long Range Plan by Appropriation Account (\$000)

	FY 1983	FY 1984	--FY 1985--		FY 1986	---PLANNING PERIOD---			
	Actual	Estimate	CP	Estimate	AAPL	1987	1988	1989	1990
Agriculture, Rural									
Dev. and Nutrition, Total	<u>600</u>	<u>6900</u>	<u>5380</u>	<u>10550</u>	<u>16250</u>	<u>8340</u>	<u>14600</u>	<u>4000</u>	<u>4000</u>
Grants	600	3400	5380	4950	5950	6340	14600	4000	4000
Loans	-	3500	-	5600	10300	2000	-	-	-
Population Planning, Total	<u>213</u>	<u>375</u>	<u>1300</u>	<u>560</u>	<u>60</u>	<u>60</u>	<u>60</u>	<u>60</u>	<u>60</u>
Grants	213	375	1300	560	60	60	60	60	60
Loans	-	-	-	-	-	-	-	-	-
Education and									
Human Resources, Total	<u>589</u>	<u>1750</u>	<u>7020</u>	<u>2870</u>	<u>2750</u>	<u>5500</u>	<u>2500</u>	<u>10540</u>	<u>10540</u>
Grants	589	750	7020	1870	1750	5500	2500	10540	10540
Loans	-	1000	-	1000	1000	-	-	-	-
Selected Development									
Activities, Total	<u>4828</u>	<u>3720</u>	<u>6100</u>	<u>5820</u>	<u>3540</u>	<u>15000</u>	<u>9440</u>	<u>12000</u>	<u>12000</u>
Grants	1055	2220	3100	3820	2540	15000	9440	12000	12000
Loans	3773	1500	3000	2000	1000	-	-	-	-
DA Accounts, Total	<u>6230</u>	<u>12745</u>	<u>19800</u>	<u>19800</u>	<u>22600</u>	<u>28900</u>	<u>26600</u>	<u>26600</u>	<u>26600</u>
Grants	2457	6745	16800	11200	10300	26900	26600	26600	26600
Loans	3773	6000	3000	8600	12300	2000	-	-	-
Economic Support Fund									
Grants	-	-	<u>20000</u>	<u>30000</u>	<u>20000</u>	<u>15000</u>	<u>15000</u>	<u>25000</u>	<u>25000</u>
Loans	-	-	-	10000	8000	-	-	-	-
DA and ESF, Total	<u>6230</u>	<u>12745</u>	<u>39800</u>	<u>49800</u>	<u>42600</u>	<u>43900</u>	<u>41600</u>	<u>51600</u>	<u>51600</u>
Grants	2457	6745	36800	31200	22300	41900	41600	51600	51600
Loans	3773	6000	3000	18600	20300	2000	-	-	-
PL 480 Title I	-	-	-	-	-	-	-	-	-
PL 480 Title II	<u>1046</u>	<u>1322</u>	<u>488</u>	-	-	-	-	-	-
PL 480 Title III	-	-	-	-	-	-	-	-	-
Housing Guaranties	<u>25000</u>	-	-	<u>25000</u>	<u>10000</u>	-	-	<u>15000</u>	-
USDH Workyears	<u>17</u>	<u>16</u>	<u>23</u>	<u>20</u>	<u>20</u>	<u>21</u>	<u>22</u>	<u>22</u>	<u>22</u>
FNDH Workyears	-	<u>36</u>	-	<u>42</u>	<u>41</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>42</u>

FY 1986 ANNUAL BUDGET SUBMISSION

Table IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE	OBLIG DATE	INIT FIN	AUTH	TOTAL COST-PLAN	ESTIMATED U.S. DOLLAR COST (\$000)		FUNDED THRU	AAPL FUNDED THRU	PEACE CORPS Y84 Y85	ITEM NO
					FY 1983	FY 1984				

POPULATION																	
525-0204	Population II	G 79	85	3250	3250	2414	1221	330	800	506	850	6/86	-	-	-	-	-
SUBCAT: PNPC																	
525-0226 Program Development and Support																	
G 64	C	-	-	-	-	19	-	45	22	54	24		60				
SUBCAT: PNPP																	

APPROPRIATION																	
TOTAL				3250	3250	2433	1221	375	822	560	874		60				
GRANTS				3250	3250	2433	1221	375	822	560	874		60				
LOANS				-	-	-	-	-	-	-	-		-				

EDUCATION AND HUMAN RESOURCES

525-0189 Program Development and Support																	
G 64	C	-	-	-	-	678	135	250	300	370	350		500				
SUBCAT: EHPP																	
525-0209 Development Administration																	
L 81	82			3500	3500	3500	3457	-	150	-	1407		-				
SUBCAT: EHMA																	
525-0214 Workforce Productivity Development																	
L 84	86			-	-	-	-	1000	-	1000	750	12/86	1000	9/89			
G 84	86			-	-	-	-	500	-	500	400	12/86	500	9/89			
SUBCAT: EHAC																	

FY 1986 ANNUAL BUDGET SUBMISSION
Table IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE	OBLIG DATE	INIT FIN	AUTH	TOTAL COST-PLAN	OBLIG THRU FY 83	ESTIMATED U.S. DOLLAR COST (\$000)		OBLIG-ATOMS	EXPEND-ITURES	FUNDED THRU	FY 86		PEACE CORPS	ITEM NO
						FY 1983	FY 1984				FY 1985	FY 86		
SELECTED DEVELOPMENT ACTIVITIES														
525-0101 Special Development Activities														
G 64	-	-	-	-	845	10	50	50	50	50	50			
525-0190 Program Development and Support														
G 64	G	-	-	-	11691	397	670	670	400	400	690			
525-0207 Alternative Energy Sources														
G 79	81	825	825	825	411	-	411	0	-	-	-			
525-0221 Employment Planning and Generation														
L 81	83	5000	5000	5000	3304	-	1884	-	1420	-	-			
G 81	83	975	975	975	771	-	300	-	471	-	-			
525-0239 CMI National Investment Council														
L 83	83	3773	3773	3773	3773	3773	867	-	1800	-	-			
G 83	83	200	200	200	200	-	44	-	46	-	-			
525-0240 Small Business Development														
L 84	86	-	-	6000	-	-	1500	-	430	9/87	1000	6/88		
G 84	88	-	-	3500	-	-	500	-	1900	12/85	1000	9/89		
525-0249 Export Sector Support														
G 85	85	-	-	1500	-	-	-	-	300	9/88	-	-		
525-0252 Shelter and Urban Development														
G 84	86	250	250	500	-	-	250	50	200		250	12/88		
525-0258 Private Sector Scholarship Foundation (OPG)														
G 84	84	750	750	750	-	-	750	20	230		-	-		
525-XPV PVO's/OPG's														
G 85	C	-	-	-	-	-	-	-	370	150	550			

FY 1986 ANNUAL BUDGET SUBMISSION

Table IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE	OBLIG DATE	G DATE	L INIT	FIN	AUTH	TOTAL COST-PLAN	THRU FY 83	ESTIMATED U.S. DOLLAR COST (\$'000)		OBLIG-ATONS	EXPEND-ITURES	OBLIG-ATONS	EXPEND-ITURES	FUNDED THRU	APPL FUNDED THRU	PEACE CORPS VY84	VY85	ITEM NO
								FY 1983	FY 1984									

APPROPRIATION																		
TOTAL	11773	23023	23309	8866	3720	4296	5820	7397	3540									
GRANTS	3000	8250	14536	1789	2220	1545	3820	3747	2540									
LOANS	8773	14773	8773	7077	1500	2751	2000	3650	1000									

TOTAL DA ACCOUNTS																		
TOTAL	81758	133558	94698	46443	12745	19587	19800	29954	22600									
GRANTS	11585	32685	24525	6215	6745	4942	11200	9625	10300									
LOANS	70173	100873	70173	40228	6000	14645	8600	20329	12300									

ECONOMIC SUPPORT FUND																		
525-0255 Fin. Stability & Econ. Recovery																		
G 85	87	47000					20000	20000	12/85	12000								12/86

525-0260 Housing Finance																		
L 85	86	10000						5000	5000	12/85	5000							12/86

525-0261 Industrial Export Credit																		
L 85	86	8000					5000	2000	6/86	3000								12/87

APPROPRIATION																		
TOTAL	-	65000	-	-	-	-	30000	27000	20000									20000
GRANTS	-	47000	-	-	-	-	20000	20000	12000									12000
LOANS	-	18000	-	-	-	-	10000	7000	8000									8000

COUNTRY																		
TOTAL	81758	198558	94698	46443	12745	19587	49800	56954	42600									42600
GRANTS	11585	79685	24525	6215	6745	4942	21200	29625	22300									22300
LOANS	70173	118873	70173	40228	6000	14645	18600	27329	20300									20300

<u>Project Number and Title:</u> 525-XPVO PRIVATE AND VOLUNTARY ORGANIZATIONS			
<u>Funding:</u>	<u>FY 85</u>	<u>FY 86</u>	<u>Life of Project</u>
Grant	400	350	Continuing

Appropriation: Agriculture, Rural Development and Nutrition

Purpose: To stimulate increased involvement of private organizations in the development of agricultural policies and programs.

Problems to be addressed: The heavy hand of government on the Panamanian economy is nowhere more evident than in the agriculture sector. A minority of the rural population profits to some extent from the government's agricultural policies and programs. The majority suffer in one way or another from the effects of governmental distortion of markets and neglect for the interest of smaller commercial producers. Beneficiaries of government's intervention have been large landholders, employees of deficit-ridden state agricultural enterprises and members of state supported communal farms (asentamientos). The extensive bureaucracy which has developed will not readily support changes in existing policies and programs which the government has said it will undertake. If these changes are to be made effective, private organizations in the sector will have to take an active part in the process.

One candidate for our assistance is a rural youth organization, similar to the 4-H Clubs or Future Farmers, which has made effective use of past OPG's in developing provincial chapters and carrying out a U.S./Panamanian exchange program. The organization was instrumental in paving the way for revival of an extension service. A new OPG would enable the organization to strengthen its management and organizational activities for expansion to new areas of the country as the extension service is expanded. Supported by the donations of Panamanian business firms and individuals, the organization is firmly committed to agricultural development through private enterprise and can wield increasing influence with public agencies in the sector.

During FY85 USAID will endeavour to bring together a number of other private organizations in the agriculture sector to sponsor jointly a policy council. If a broad base of sponsorship emerges, we will provide initial funding in FY86 for an economist (policy analyst) and other costs of establishing an agricultural policy analysis capability for the private sector. Office space, administrative and public relations services would be provided by the sponsoring organizations.

Such a council, with the capability of analyzing alternative policies and directed by a secretariat representing the sponsors, would permit the private sector to reconcile its divergent interests and speak with one voice in the debate over major policy issues. It would provide a means for smaller commercial producers to make their voices heard over those of the large landholders and communal farmers who have claimed most of the government's attention in the past. If the government is serious in its intent to make its agricultural programs responsive to the needs of the private sector, an organization like the council is necessary to articulate those needs and determine their relative importance; otherwise, limited public resources are likely to be wasted in attempting to respond to a variety of narrow interests while common needs go unmet.

Target Group: The private agriculture sector as a whole would be served by the proposed assistance. By facilitating the implementation of more reasonable and coherent agricultural policies, the assistance would benefit the entire economy through lower consumer costs, increased exports, agro-industrial employment, etc.

<u>Project Number and Title:</u> 525-XOPG'S PRIVATE AND VOLUNTARY ORGANIZATIONS			
<u>Funding:</u>	<u>FY 85</u>	<u>FY 86</u>	<u>Life of Project</u>
Grant	370	550	Continuing

Appropriation: Selected Development Activities

Purpose: To develop the capacity of the private sector to participate effectively in the dialogue with the government concerning new economic policies. Informed participation of private enterprise and organized labor are essential to reach a degree of consensus which will permit implementation of new policies. Without effective policy change, economic growth will be limited and financial stability endangered.

Problems to be addressed: Panama's small industrial sector is inefficient and heavily dependent upon import protection and special incentives provided by the government. These and many other forms of governmental intervention affect virtually every aspect of the economy. While there is a pattern to present policies, they represent in large part an accretion of measures which were taken to benefit particular groups with little regard for their effect on the economy and the populace as a whole. Agricultural policies contribute significantly to the unproductive expenditure of public funds as well as higher consumer and labor costs. Labor policies discourage investment in new industries. Social security benefits may be unsustainable at present levels and also contribute to high labor costs. These are examples of the many policy issues that must be resolved in order to achieve long-term economic growth and maintain financial stability.

If policy issues are discussed in isolation from each other and the discussion is dominated by the beneficiaries of the current policies who would be most immediately affected by their revision, then change is likely to be a long time in coming. The policy dialogue must be deepened and expanded to include all possible elements of the private sector. It must take into account the longer-term, collateral and interactive effects of the policies at issue. The perspective of the participants must be broadened. In the private sector they need education, but they also need resources to analyze policy alternatives and enable them to make their case effectively with the government.

USAID expects to fund an OPG to the American Institute for Free Labor Development for an education program with organized labor. The objective would be to strengthen the education secretariat of a leading labor confederation to train members in the conduct of organizational and industrial relations activities. At the same time, educational materials and seminars given by socially prepared trainers would give leaders of member organizations an understanding of simple economic principles as they apply to the concerns of workers and management. The seminars would include discussion of national policy issues and analysis of policy alternatives, particularly in the areas of labor and industrial policy. In a later phase it might be possible to hold open meetings with joint union/management sponsorship and participation as well as that of government representatives.

Another OPG under consideration will support the development of a policy analysis institution sponsored by the private sector. The institute will be assisted by a U.S. counterpart organization in carrying out studies and disseminating their results through the communications media and intersectoral seminars. It will make policy recommendations and support these through direct contacts with government policy makers and legislators. Care will be taken to assure that the sponsorship of the institute includes a broad spectrum of interests so that it will not represent a particular point of view and will conduct its analyses objectively. If it performs as envisioned the institute will play an important role in enlightening its sponsors with regard to their own best interests as well as in holding the government to its avowed purpose of reversing interventionist policies and stimulating competitive private enterprise.

Research to be conducted by the institute would concern economic policy and its effects on the various elements of the private sector, including workers and owners of enterprises in agriculture, industry, commerce, banking, construction, transportation, etc. Dealing as it does with policy reform and the private sector, such research is directly related to the Agency's highest priorities.

Target Group: The activities contemplated would directly involve organized labor, private enterprise and government. To the extent that they would serve to bring about a degree of consensus on needed economic policy reforms, they would promote the adoption of new policies with consequent economic growth benefitting the population as a whole.

Project Number and Title: 525-0255 FINANCIAL STABILITY AND ECONOMIC RECOVERY

<u>Funding:</u>	<u>FY 85</u>	<u>FY 86</u>	<u>LOP Cost</u>
Loan	0	0	0
Grant	20,000	12,000	47,000

Appropriation Account: Economic Support FundProject Purpose: To assist the Government of Panama in maintaining financial stability and creating a climate which is more conducive to economic growth.

Problems to be Addressed: Faced with very heavy debt service requirements, continued austerity budgets and rapidly growing unemployment, the GOP is not in a position to sustain the current, reduced level of public investment activity without budgetary assistance. Net commercial borrowing is no longer possible, and access to IMF resources will end, leaving an unfinanced gap estimated at \$85 million in 1985, \$73 million in 1986 and \$52 million in 1987. Increased private investment will fall short of offsetting the probable decline in the public sector. At the same time, the government will be attempting to implement difficult changes in economic policy which are essential to create a favorable climate for growth of the private sector. Only the private sector can provide continuing employment for the new labor force entrants, who will number more than 20,000 per year into the 1990s.

To the extent that USAID's budgetary assistance, together with that of the World Bank, permits the GOP to continue developmental and other necessary programs which would otherwise have to be curtailed, it will lessen the effects of continuing recession. More importantly, USAID's assistance will go to production related agricultural and rural development programs, supporting policy and institutional changes as well as production objectives. In FY 85 it will be divided more or less equally between support for key public institutions in the agriculture sector and construction and improvement of rural access roads and streets in rural communities. Some funds may be used for establishing seedling nurseries in preparation for an expanded reforestation program. The construction activities will generate employment in the short term as well as improving incomes and living conditions of the rural population. Institutional support will encourage the productive use of GOP personnel and other resources presently engaged in non-productive activities which will be cut back as new policies are implemented in the sector. In FY 86 all funding will go to institutional support with \$1 to \$2 million budgeted for technical assistance to increase governmental efficiency. The TA program will be administered centrally by the Ministry of Planning in conjunction with public sector training financed from Regional Scholarship funds.

USAID's budgetary assistance, provided by direct cash transfer for designated budget elements, will be conditioned on the GOP's adherence to a new IMF

agreement for maintaining financial stability and on progress in implementing the structural adjustment program which the government has undertaken with IBRD support. Included in the latter will be the revision of economic policies and particularly the present pricing policies for agricultural commodities.

Target Group: The assistance will contribute to the maintenance of financial stability and overall economic recovery, benefiting the population as a whole. Immediate beneficiaries will be farmers gaining year-round access to markets, residents of areas with improved streets, those employed in construction activities, and agricultural producers who increase their production through programs receiving our assistance.

Project Number and Title: 525-0260 HOUSING FINANCE

<u>Funding:</u>	<u>FY 85</u>	<u>FY 86</u>	<u>LOP Cost</u>
Loan	5,000	5,000	10,000
Grant	0	0	0

Appropriation Account: Economic Support Fund

Project Purpose: To provide seed capital for the establishment of a new line of funding in the National Mortgage Bank (BHN) for discounting or otherwise financing mortgages made by primary lending sources such as savings and loans associations, private mortgage banks and other financial institutions.

Problems to be Addressed: As it approaches the mid 1980s, Panama faces several major shelter and urban development challenges: (1) a continuously increasing disparity between the shelter needs of its people and the country's production of affordable shelter solutions; (2) a shelter finance system which is inadequate; (3) a critical need to develop a mechanism to guide urban growth in a rational and efficient manner; and (4) continuing fiscal austerity.

Current estimates place the shelter needs of the country for all income levels at about 25,000 solutions per year, while during the past five years construction has averaged less than 6,000 units per year. Low and middle income families have been most seriously affected by the shortfall. While population growth has slowed during recent years, the urban growth rate has remained high as a consequence of rural to urban migration, and has resulted in the establishment of new squatter areas on the periphery of Panama City and in increased pressure on dilapidated tenement buildings of the inner city.

The institutional system for the financing of housing is currently in a period of transition. The commercial banking system has traditionally financed upper income housing, a market which is now saturated. The private savings and loan system has received AID support in the past but has never evolved into a major source of financing for housing due to internal management problems, a lack of leadership and legal constraints of which the most important one has been interest rate ceilings. The Social Security system initiated a substantial middle income housing development effort in 1980, but encountered such severe financial and implementation problems that the GOP has now prohibited it from direct mortgage lending. Finally, the National Mortgage Bank (BHN), the country's principal source of financing for low and middle income housing, is also losing a primary source of funds for relending; workers and employers contributions for housing which were lent to the BHN at favorable interest rates by the Social Security system are being eliminated in 1985. Thus, in order to address the increasing shelter deficit, the financial system must develop new mechanisms to attract additional resources.

In the past, AID has supported innovative programs designed to provide minimum cost shelter solutions. At the same time, we have supported policy reforms

such as ending direct mortgage financing by the Social Security System, raising interest rates for publicly supported housing from as low as 7% to 12%, and elimination of rent controls on new housing and for housing renting for more than \$250 per month.

To further our efforts in this regard we are proposing to make a new line of funding available to the National Mortgage Bank (BHN) to discount or otherwise finance mortgages made by primary lending sources such as the savings and loan associations, private mortgage banks and other financial institutions. This, together with the elimination of interest rate ceilings, will allow BHN to attract additional funds. We will also be exploring the involvement of other savings institutions such as the Caja de Ahorros in the financing of local shelter. Our assistance will make possible the development of a secondary mortgage market with the participation of savings and loan associations, mortgage banks, Caja de Ahorros, and possibly insurance companies, further expanding the availability of housing finance.

Target Group: Direct beneficiaries will be new low and middle income home-owners. Benefits would also accrue to construction firms and workers involved in the construction of the new units. Primary lenders will also benefit from the establishment of a new source for discounting or financing their mortgages.

Project Number and Title: 525-0261 INDUSTRIAL CREDIT

<u>Funding:</u>	<u>FY 85</u>	<u>FY 86</u>	<u>LOP Cost</u>
Loan	5,000	3,000	8,000
Grant	0	0	0

Appropriation Account: Economic Support FundProject Purpose: To provide resources to support the creation of a private export development bank.

Problems to be addressed: Panama's past economic policies created conditions which favored the development of a dynamic international service sector characterized by its flexibility and lack of government interference. At the same time, the government promoted the development of an industrial sector based on import substitution and protected from foreign competition by a system of import quotas. While the service sector grew at an annual compound rate of 6.8% in the 1970's, manufacturing grew by only 2.4%. The GOP now recognizes that although the service sector will continue to be a leading sector in the future, manufacturing based on exports will, if appropriate conditions are created, be a major contributor to economic development.

On balance the foreign investment climate is favorable. The attractiveness to foreign investors is afforded by: (a) absence of foreign exchange risk and of restrictions on profit and capital transfers; (b) geographic location with good access to important markets; (c) a well developed financial system; (d) an educated, and easily trainable labor force; (e) relative political stability; and (f) the access to the U.S. market afforded by CBI preferences.

Development lending by government agencies is limited by bureaucratic process and institutional deficiencies. It does not extend to the financing of export transactions. Despite a high degree of liquidity within the Panama banking community, long-term developmental credits are rarely available. Given the need for substantial new investment in refurbishing of existing plants, construction and equipping of new plants, financing of export transactions, and product development and marketing, USAID will support the creation of a private export development bank. The bank, aided by an in-house trading company and a project development department, would provide financing for all stages of export development activities. Approximately \$8 million in loan funds will be provided to support the activity.

Target Group: Primary beneficiaries will be new and existing industrial firms with an export market orientation and their employees, present and future. Also benefiting are suppliers of raw materials, equipment and services to these industrial firms. As these activities spread and grow, the country at large benefits from the increased employment and incomes which they generate and the resulting expansion of the tax base.

FY 1986 ANNUAL BUDGET SUBMISSION
 Table VII - LIST OF PLANNED EVALUATIONS
 COUNTRY/OFFICE USAID/PANAMA

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1985		FY 1986		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral Assistance
		Start (Qtr.)	To AID/W	Start (Qtr.)	To AID/W				
AGRICULTURE, RURAL DEV. AND NUTRITION Agriculture Technology Development	6/83	4	1			<p>PA&D: 9/86</p> <p>The project aims to increase small farmer productivity through the development and dissemination of agricultural technologies which are appropriate to the ecological, agronomic and socio-economic conditions facing Panama's small farmer population. The proposed evaluation will assess the overall progress of project implementation and the GOPs Agricultural Research Agency's (IDIAP) institutional impact within the agricultural sector. It will complement an IBRD financed study of public agriculture institutions and facilitate the orientation of research activities consistent with revised sector policies.</p>	PD & S 70	20	120 Person Days.

(Joselyn Fearon, Jr., Economist, 5% of time)

TABLE VIII - OPERATING EXPENSE NARRATIVE

SECTION A - MANAGEMENT IMPROVEMENTS

During 1985, the Mission plans to purchase and install a WANG VS-45 computer to permit the implementation of the MACS (Mission Accounting and Control System) in the Office of the Controller. The implementation of MACS will provide many advantages for improved accounting and reporting, enhancing controls over financial operations, improved financial services and analysis and ensuring timely and accurate production of reports.

During the ABS period, the Mission expects to install two WANG P.C.'s to assist in economic and financial analyses. The uses and savings from such an installation - interfaced as it will be with our WANG OIS-140 word processing system - are explained more fully in the ADP narrative attached to Table VIIIc.

The USAID Mission has been located in the Cemento Panama building since the mid nineteen fifties. Whereas this once was a prime facility in a desirable location, we have outgrown this deteriorating building and there are several compelling reasons why we feel we should move before June 1985.

The USAID has outgrown the building. We have shifted people around, redesigned floor plan layouts and, in some cases even doubled people up in an effort to accommodate our new arrivals (RLA, JCC, economists, et al) as a temporary measure while we find a new building. With the addition of new personnel planned for 1985-86 and the possibilities of the Jackson Plan add-ons we will need to rent additional outside space.

The Cemento Panama building is located across the street from the National University. No fewer than 9 security officers in the last four years have recommended we relocate for that reason alone. The intersection at which we are located has been recently reconfigured; eliminating previous protective barriers and bringing more lanes of heavy traffic passing next to our doors.

The building is 30 years old, is seriously deteriorated, and no serious effort is being made by the current landlord to maintain the premises (siding slabs are falling off, the elevator breaks down habitually and the roof leaks). In addition, the landlord who is breaking up the lot upon which the building is located and adding undesirable commercial facilities. He has further notified us of his intention to double or triple the rent when the current option runs out in June 87.

In checking the office rental market and from discussions with real estate agents, we note that per square meter prices are lower now than they were a year ago. It appears to be a renter's market now because of overbuilding and we propose to enter into a new lease before prices turn upward again. We will request IG/SEC and SER/EOMS and LAC/CONT support in this endeavor.

We are realigning the duties and personnel with the Entrepreneurial Resources Group to better reflect the Missions growing emphasis on Private Sector and Human Resources Development. Presently, both of these areas or functions are within ERG. By separating the two distinct activities, we expect to better manage our expanding array of programs in these two important sectors.

In response to the Kissinger Plan, the Mission anticipates adding five USDH and six FNDH positions to our roles. These will be in the areas of Program Management and Project Management and will enable the Mission to respond with approximately a 25 percent increase in staff to a program that will grow in size by a factor of four.

Lastly, the Mission plans to add another FS employee to our Excess Property Utilization Program. Panama and the Philippines are unique in AID's world in that there is a large U.S. Military presence in each country that generates a tremendous amount of surplus equipment for which AID acts as the redistribution agent. We have cited this operation as a weak point in the vulnerability assessment and feel the office needs strengthening to better handle the volume of property handled (currently two to four million dollars annually). During the last year, additional responsibility has been added as this Mission plays a coordinating role for three other Missions (Colombia, Costa Rica and Honduras) with Excess Property Agreements.

SECTION B - JUSTIFICATION FOR FUNDING CHANGES

The total funding requirements as shown in Table VIII increased 19.5% from FY 1984 to FY 1985 and only 0.1% from FY 1985 to 1986. The major items contributing to this increase are office rent and relocation costs as a result of office relocation; short funding of the Mission support contracts in FY 1984; deferment of planned procurement from FY 1984 to FY 1985, as a result of budget reductions and the purchase and installation of a WANG VS-45 to automate the Mission Accounting System. Details of major increases follow:

FY 1985 Increases Over FY 1984:

Function Code U300 - Contract Personnel - Funding requirements increased by \$100,000 mainly due to the increase of the JCC units from .5 in 1984 to 2.0 in 1985. This resulted in an increase of \$95,000 or 95% of the summary function change.

Function Code U500 - Office Operations -

As explained in Section A of the narrative, the Mission plans to relocate its office facilities in FY 1985. The projected lease cost increases from \$123,000 in FY 1984 to \$300,000 in FY 1985. The management support contract was funded for only eight months in FY 1984 and is budgeted for a full twelve months in FY 1985 and four additional Foreign National Direct Hire employees are being converted to the support contract in September 1984. Procurement of office equipment and vehicles were deferred from FY 1984 to FY 1985 and we have budgeted for the cost of purchase and installation of a WANG VS-45 in order to implement the MACS (Mission Accounting and Control System). Also included in Code 523 is the one time cost associated with the office move.

TABLE VIII - FY 1984

ORGANIZATION USAID PANAMA
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,347.6		1,347.6	xxxxx
U.S. CITIZENS BASIC PAY	U101	110	950.8		950.8	16.8 *
PT/TEMP U.S. BASIC PAY	U102	112	14.5		14.5	.9
DIFFERENTIAL PAY	U103	116				xxxxxx
OTHER AID/W FUNDED O.C.11	U104	119				xxxxxx
OTHER MISSION FUNDED O.C.11	U105	119				xxxxxx
EDUCATION ALLOWANCES	U106	126	88.6		88.6	20.0
RETIREMENT-U.S.	U107	120	75.9		75.9	xxxxxx
LIVING ALLOWANCES	U108	128				xxxxxx
OTHER AID/W FUNDED O.C.12	U109	129	20.6		20.6	xxxxxx
OTHER MISSION FUNDED O.C.12	U110	129	28.7		28.7	xxxxxx
POST ASSIGNMENT-TRAVEL	U111	212	34.5		34.5	13.0
POST ASSIGNMENT-FREIGHT	U112	22	115.0		115.0	13.0
HOME LEAVE - TRAVEL	U113	212	12.2		12.2	4.0
HOME LEAVE -FREIGHT	U114	22	2.4		2.4	4.0
EDUCATION TRAVEL	U115	215	2.4		2.4	4.0
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		1,259.7		1,259.7	xxxxxx
BASIC PAY	U201	114	968.6		968.6	41.7
OVERTIME, HOLIDAY PAY	U202	115	5.2		5.2	.3
ALL OTHER CODE 11-FN	U203	119	18.6		18.6	xxxxxx
ALL OTHER CODE 12-FN	U204	129	219.6		219.6	xxxxxx
BENEFITS FORMER FN PERS.	U205	13	47.7		47.7	xxxxxx
<u>CONTRACT PERSONNEL</u>	U300		123.7		123.7	xxxxxx
PASA TECHNICIANS	U301	258				
U.S.PSC -SALARY/BENEFITS	U302	113	45.7		45.7	.6
ALL OTHER U.S. PSC COSTS	U303	255	18.5		18.5	xxxxxx
F.N. PSC-SALARY/BENEFITS	U304	113	26.8		26.8	4.0
ALL OTHER F.N. PSC COSTS	U305	255				xxxxxx
JCC COSTS PAID BY AID/W	U306	113	32.7		32.7	.5
<u>HOUSING</u>	U400		475.0		475.0	xxxxxx
RENT	U401	235	42.0		42.0	3.0
UTILITIES	U402	235	12.7		12.7	xxxxxx
RENOVATION AND MAINT.	U403	259				xxxxxx
QUARTERS ALLOWANCE	U404	127	319.1		319.1	16.0
PURCHASES RES/FURN/EQUIP.	U405	311	78.5		78.5	xxxxxx
TRANS./FREIGHT-CODE 311	U406	22	18.0		18.0	xxxxxx
SECURITY GUARD SERVICES	U407	254				xxxxxx
OFFICIAL RESIDENCE ALLOW.	U408	254	3.2		3.2	xxxxxx
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	xxxxxx

TABLE VIII - FY 1984

ORGANIZATION USAID PANAMA
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		787.3		787.3	xxxxx
RENT	U501	234	123.2		123.2	xxxxx
UTILITIES	U502	234	54.2		54.2	xxxxx
BUILDING MAINT./RENOV.	U503	259				xxxxx
OFFICE FURN./EQUIP.	U504	310	1.0		1.0	xxxxx
VEHICLES	U505	312	14.0		14.0	xxxxx
OTHER EQUIPMENT	U506	319				xxxxx
TRANSPORTATION/FREIGHT	U507	22	4.0		4.0	xxxxx
COMMUNICATIONS	U508	230	35.7		35.7	xxxxx
SECURITY GUARD SERVICES	U509	254	11.7		11.7	xxxxx
PRINTING	U510	24	.5		.5	xxxxx
RIG/II OPERATIONAL TRAVEL	U511	210	3.4		3.4	1
SITE VISITS -IN COUNTRY	U512	210	20.6		20.6	165
SITE VISITS -OTHER	U513	210	31.5		31.5	19
INFCRMATION MEETINGS	U514	210	1.9		1.9	1
TRAINING ATTENDANCE	U515	210	5.7		5.7	4
CONFERENCE ATTENDANCE	U516	210	2.3		2.3	3
OTHER OPERATIONAL TRAVEL	U517	210				
SUPPLIES AND MATERIALS	U518	26	94.7		94.7	xxxxx
FAAS	U519	257	14.8		14.8	xxxxx
CONSULTING SVCS-CONT.	U520	259				xxxxx
MGT./PROF.SVCS.-CONT	U521	259				xxxxx
SPEC.STUDIES/ANALYSES CONT.	U522	259				xxxxx
ALL OTHER CODE 25	U523	259	368.1		368.1	xxxxx
TOTAL O.E. BUDGET			3,993.3		3,993.3	xxxxx
RECONCILIATION			1,109.3		1,109.3	xxxxx
OPERATING ALLOWANCE REQUEST			2,884.0		2,884.0	xxxxx

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1984)

U.S. DOLLAR IS THE CURRENCY USED
IN PANAMA

* Includes 1.5 Units for Regional Contract Officer and Regional Legal Advisor.

PI Training (REF STATE 137699)

	<u>UNITS</u>	<u>FUNDING</u>	<u>COURSE DATE</u>
FY 1984	1	1,300	8/84 AID/W
	1	1,800	1/84 Ecuador

TABLE VIII - FY 1985

ORGANIZATION USAID PANAMA
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,311.9		1,311.9	xxxxx
U.S. CITIZENS BASIC PAY	U101	110	1,007.2		1,007.2	18.5 *
PT/TEMP U.S. BASIC PAY	U102	112	13.7		13.7	.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	81.9		81.9	18.0
RETIREMENT-U.S.	U107	120	79.3		79.3	xxxxx
LIVING ALLOWANCES	U108	128				xxxxx
OTHER AID/W FUNDED O.C.12	U109	129	21.8		21.8	xxxxx
OTHER MISSION FUNDED O.C.12	U110	129	22.2		22.2	xxxxx
POST ASSIGNMENT-TRAVEL	U111	212	12.0		12.0	3.0
POST ASSIGNMENT-FREIGHT	U112	22	24.6		24.6	3.0
HOME LEAVE - TRAVEL	U113	212	29.4		29.4	17.0
HOME LEAVE -FREIGHT	U114	22	8.4		8.4	17.0
EDUCATION TRAVEL	U115	215	8.4		8.4	14.0
R AND R TRAVEL	U116	215				
ALL OTHER CODE 215 TRAVEL	U117	215	3.0		3.0	4.0
<u>FOREIGN NATIONAL DH</u>	U200		1,223.7		1,223.7	xxxxx
BASIC PAY	U201	114	968.4		968.4	36.0
OVERTIME, HOLIDAY PAY	U202	115	5.7		5.7	.3
ALL OTHER CODE 11-FN	U203	119	5.0		5.0	xxxxx
ALL OTHER CODE 12-FN	U204	129	219.6		219.6	xxxxx
BENEFITS FORMER FN PERS.	U205	13	25.0		25.0	xxxxx
<u>CONTRACT PERSONNEL</u>	U300		223.7		223.7	xxxxx
PASA TECHNICIANS	U301	258				
U.S.PSC -SALARY/BENEFITS	U302	113	50.0		50.0	.6
ALL OTHER U.S. PSC COSTS	U303	255	18.5		18.5	xxxxx
F.N. PSC-SALARY/BENEFITS	U304	113	27.5		27.5	4.0
ALL OTHER F.N. PSC COSTS	U305	255				xxxxx
JCC COSTS PAID BY AID/W	U306	113	127.7		127.7	1.5
<u>HOUSING</u>	U400		502.3		502.3	xxxxx
RENT	U401	235	48.0		48.0	3.0
UTILITIES	U402	235	15.0		15.0	xxxxx
RENOVATION AND MAINT.	U403	259	2.0		2.0	xxxxx
QUARTERS ALLOWANCE	U404	127	325.4		325.4	18.5
PURCHASES RES/FURN/EQUIP.	U405	311	87.2		87.2	xxxxx
TRANS./FREIGHT-CODE 311	U406	22	20.0		20.0	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

TABLE VIII - FY 1985

ORGANIZATION USAID PANAMA
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		1,513.4		1,513.4	XXXXX
RENT	U501	234	300.0		300.0	XXXXX
UTILITIES	U502	234	60.0		60.0	XXXXX
BUILDING MAINT./RENOV.	U503	259				XXXXX
OFFICE FURN./EQUIP.	U504	310	18.0		18.0	XXXXX
VEHICLES	U505	312	45.0		45.0	XXXXX
OTHER EQUIPMENT	U506	319	97.2		97.2	XXXXX
TRANSPORTATION/FREIGHT	U507	22	16.8		16.8	XXXXX
COMMUNICATIONS	U508	230	45.0		45.0	XXXXX
SECURITY GUARD SERVICES	U509	254	28.7		28.7	XXXXX
PRINTING	U510	24	5.0		5.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS -IN COUNTRY	U512	210	22.9		22.9	175.0
SITE VISITS -OTHER	U513	210	39.0		39.0	35.0
INFORMATION MEETINGS	U514	210	3.3		3.3	3.0
TRAINING ATTENDANCE	U515	210	13.9		13.9	9.0
CONFERENCE ATTENDANCE	U516	210	12.6		12.6	12.0
OTHER OPERATIONAL TRAVEL	U517	210				
SUPPLIES AND MATERIALS	U518	26	100.0		100.0	XXXXX
FAAS	U519	257	16.0		16.0	XXXXX
CONSULTING SVCS-CONT.	U520	259				XXXXX
MGT./PROF.SVCS.-CONT	U521	259				XXXXX
SPEC.STUDIES/ANALYSES CONT.	U522	259				XXXXX
ALL OTHER CODE 25	U523	259	690.0		690.0	XXXXX
TOTAL O.E. BUDGET			4,775.0		4,775.0	XXXXX
RECONCILIATION			1,265.3		1,265.3	XXXXX
OPERATING ALLOWANCE REQUEST			3,509.7		3,509.7	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1984)

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

10%
10%

* Includes 2.5 Units for Regional Contract Officer, Regional Legal Advisor and an IDJ scheduled to arrive during FY 1985.

PI Training (REF STATE 137699)

	<u>UNITS</u>	<u>FUNDING</u>	<u>COURSE DATE</u>
FY 1985	3	4,600	2/3/85 San Jose
	1	2,000	8/4/85 AID/W

TABLE VIII - FY 1986

ORGANIZATION USAID PANAMA
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,308.8		1,308.8	xxxxx
U.S. CITIZENS BASIC PAY	U101	110	1,025.8		1,025.8	19.0 *
PT/TEMP U.S. BASIC PAY	U102	112	13.7		13.7	.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	81.9		81.9	18.0
RETIREMENT-U.S.	U107	120	79.2		79.2	xxxxxx
LIVING ALLOWANCES	U108	128				xxxxxx
OTHER AID/W FUNDED O.C.12	U109	129	21.8		21.8	xxxxxx
OTHER MISSION FUNDED O.C.12	U110	129	18.2		18.2	xxxxxx
POST ASSIGNMENT-TRAVEL	U111	212	5.0		5.0	2.0
POST ASSIGNMENT-FREIGHT	U112	22	18.6		18.6	2.0
HOME LEAVE - TRAVEL	U113	212	25.0		25.0	16.0
HOME LEAVE -FREIGHT	U114	22	8.2		8.2	16.0
EDUCATION TRAVEL	U115	215	8.4		8.4	14.0
R AND R TRAVEL	U116	215				
ALL OTHER CODE 215 TRAVEL	U117	215	3.0		3.0	4.0
<u>FOREIGN NATIONAL DH</u>	U200		1,344.5		1,344.5	xxxxxx
BASIC PAY	U201	114	1,065.3		1,065.3	36.0
OVERTIME, HOLIDAY PAY	U202	115	6.3		6.3	.3
ALL OTHER CODE 11-FN	U203	119	5.0		5.0	xxxxxx
ALL OTHER CODE 12-FN	U204	129	242.9		242.9	xxxxxx
BENEFITS FORMER FN PERS.	U205	13	25.0		25.0	xxxxxx
<u>CONTRACT PERSONNEL</u>	U300		222.6		222.6	xxxxxx
PASA TECHNICIANS	U301	258				
U.S.PSC -SALARY/BENEFITS	U302	113	50.0		50.0	.6
ALL OTHER U.S. PSC COSTS	U303	255	18.5		18.5	xxxxxx
F.N. PSC-SALARY/BENEFITS	U304	113	57.5		57.5	4.0
ALL OTHER F.N. PSC COSTS	U305	255				xxxxxx
JCC COSTS PAID BY AID/W	U306	113	96.6		96.6	1.5
<u>HOUSING</u>	U400		522.4		522.4	xxxxxx
RENT	U401	235	48.0		48.0	3.0
UTILITIES	U402	235	15.5		15.5	xxxxxx
RENOVATION AND MAINT.	U403	259	2.0		2.0	xxxxxx
QUARTERS ALLOWANCE	U404	127	340.6		340.6	19.0
PURCHASES RES/FURN/EQUIP.	U405	311	90.8		90.8	xxxxxx
TRANS./FREIGHT-CODE 311	U406	22	20.8		20.8	xxxxxx
SECURITY GUARD SERVICES	U407	254				xxxxxx
OFFICIAL RESIDENCE ALLOW.	U408	254	3.2		3.2	xxxxxx
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	xxxxxx

TABLE VIII - FY 1986

ORGANIZATION USAID PANAMA
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		1,377.2		1,377.2	xxxxx
RENT	U501	234	300.0		300.0	xxxxx
UTILITIES	U502	234	60.0		60.0	xxxxx
BUILDING MAINT./RENOV.	U503	259				xxxxx
OFFICE FURN./EQUIP.	U504	310	10.0		10.0	xxxxx
VEHICLES	U505	312				xxxxx
OTHER EQUIPMENT	U506	319	42.0		42.0	xxxxx
TRANSPORTATION/FREIGHT	U507	22	5.5		5.5	xxxxx
COMMUNICATIONS	U508	230	46.0		46.0	xxxxx
SECURITY GUARD SERVICES	U509	254	31.6		31.6	xxxxx
PRINTING	U510	24	5.0		5.0	xxxxx
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS -IN COUNTRY	U512	210	23.6		23.6	175.0
SITE VISITS -OTHER	U513	210	42.9		42.9	35.0
INFORMATION MEETINGS	U514	210	3.6		3.6	3.0
TRAINING ATTENDANCE	U515	210	15.3		15.3	9.0
CONFERENCE ATTENDANCE	U516	210	13.7		13.7	12.0
OTHER OPERATIONAL TRAVEL	U517	210				
SUPPLIES AND MATERIALS	U518	26	115.0		115.0	xxxxx
FAAS	U519	257	20.0		20.0	xxxxx
CONSULTING SVCS-CONT.	U520	259				xxxxx
M.T./PROF.SVCS.-CONT	U521	259				xxxxx
SPEC.STUDIES/ANALYSES CONT.	U522	259				xxxxx
ALL OTHER CODE 25	U523	259	643.0		643.0	xxxxx
TOTAL O.E. BUDGET			4,775.5		4,775.5	xxxxx
RECONCILIATION			1,257.1		1,257.1	xxxxx
OPERATING ALLOWANCE REQUEST			3,518.4		3,518.4	xxxxx

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1984)

U.S. DOLLAR IS THE CURRENCY USED
IN PANAMA

Estimated Wage Increases - FY 1985 to FY 1986
Estimated Price Increases - FY 1985 to FY 1986

10%
10%

* Includes 3.0 Units for Regional Contract Officer, Regional Legal Advisor and an IDI.

PI Training (REF STATE 037699)

	UNITS	FUNDING	COURSE DATE
FY 1986	4	6,500	unknown

TABLE VIII(a) - INFORMATION ON U.S. PSC COSTS
(Function Codes U302 and U303)

ORGANIZATION USAID PANAMA

<u>Job Title/Position Description</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>
Financial Management Consultant	3/84-6/84 20.2	-	-
Agricultural Consultant	6/84-11/84 44.0	-	-
ADP Systems Specialist	-	1/85 - 1/87 68.5	68.5
	<u>64.2</u>	<u>68.5</u>	<u>68.5</u>

TABLE VIII(b) - ALL OTHER CODE 25 DETAIL
(Function Code U523)

ORGANIZATION USAID PANAMA

<u>Description of Service</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>
1) American Employees Recreation and Welfare Association Contract	\$ 287.0 (7/84-2/85)	\$470.0 (3/85-2/86)	\$530.0 (3/86-2/87)
2) WANG Maintenance Contract	32.0	38.0	38.0
3) Miscellaneous	49.1	182.0*	75.0
	<u>\$ 368.1</u>	<u>\$690.0</u>	<u>\$643.0</u>

* Includes estimated costs for ADP site construction and costs associated with proposed office move including installation of partitions, carpeting and the physical move itself.

TABLE VIII(c) - OBLIGATIONS FOR ACQUISITION, OPERATION
AND USE OF INFORMATION TECHNOLOGY SYSTEMS

1. USAID PANAMA AUTOMATION EQUIPMENT (WP & ADP)

Word Processing

	<u>On Line</u> <u>FY 83</u>	<u>Ordered</u> <u>FY 84</u>
A. <u>Basic System</u>		
OIS-140/3	X	
B. <u>WP Peripherals</u>		
Workstations	14	
AWorkstations	10	
Daisy Printers	5	
Matrix Printers	3	
C. <u>System Total</u>		
OIS-140/3	32	

Data Processing

Basic System

<u>Apple IIe Micros</u>	4
Apple III 12" Monitor	4
Apple IIe Disk Drive w/controller 16 sector	8
Okidata ML93 Dot Matrix Printer	4

This table summarizes equipment in place. All the equipment is operational and is Mission or RHUDO owned.

TABLE VIII(c)

OBLIGATIONS FOR ACQUISITION, OPERATION
AND USE OF INFORMATION TECHNOLOGY SYSTEMS

<u>Item and Explanation</u>	<u>Fiscal 1984</u>	<u>Years 1985</u>	<u>(\$000) 1986</u>
1. <u>Capital Investment</u>			
A. <u>Purchase of Hardware</u>			
Purchase of automation equipment by the Mission; such as WANG VS mini-computer, WANG OIS System, WANG WP equipment and micro-computers and their associated workstations/terminals, printers and telecommunications modems.	0	75	20
B. <u>Purchase of Software</u>			
Purchase of software by the Mission to operate an existing or new automation equipment (hardware) such as CP/M, Multi-plan, DBASE II and Microstat, LOTUS 1-2-3, etc.	0	10	10
C. <u>Site and Facility</u>			
Cost of proposed site construction to prepare for setting up a WANG VS or WANG OIS automation system, such as raised floors, walls, air conditioning and un-interruptible power sources.	0	25	0
SUB-TOTAL	0	110	30

TABLE VIII(c) (continued)

<u>Item and Explanation</u>	<u>Fiscal</u> <u>1984</u>	<u>Years</u> <u>1985</u>	<u>(\$000)</u> <u>1986</u>
2. <u>Personnel</u> Mission will provide requirements below for personnel involved in the information technology functions, such as systems development and operation, and the percentage of management and secretarial personnel also involved. Personnel that use systems will not be included.	0	0	0
A. <u>Compensation, Benefits and Travel</u>			
B. <u>Workyears</u>	0	0	0
<hr/>			
3. <u>Equipment Rental, Space and Other Operating Costs</u>			
A. <u>Lease of Equipment</u> Obligations for lease and maintenance of non-government owned equipment (rented equipment).	0	0	0
B. <u>Space</u> Obligations for lease of space to house automation equipment, office space for personnel (direct-hire and contractor) involved in the information technology function (See 2A&B) including basic utilities and housekeeping services	0	0*	0

* See 1.C and narrative 3.4.

TABLE VIII (c) (continued)

<u>Item and Explanation</u>	<u>Fiscal 1984</u>	<u>Years 1985</u>	<u>(\$000) 1986</u>
C. <u>Supplies and Other</u> Obligations for supplies and software rental (not included in a rental contract for equipment)	15	20	20
D. <u>Non-Commercial Training</u> Obligations for planning and conducting government operated training to prepare users to make effective use of automation resources	0	2	2
SUB-TOTAL	15	22	22
<hr/>			
4. <u>Commercial Services</u> This includes obligation for services where payments are made to private industry.	0	0	0
A. <u>Computer Time</u> Obligations to fund contract with a private firm to provide computer time to the Mission.	0	0	0
B. <u>Leased Telecommunications Services</u> Obligations for leased telephone lines and other telecommunication services to obtain data from other computers or to transmit data. For Missions, where applicable include, but identify separately, the lease of local telephone lines and modems to reach the American Embassy's, Office of Communications for the purpose of the transmission of data to and from AID/W.	0	0	0
C. <u>Operations and Maintenance</u> (1) <u>Operations</u> Include funds to be obligated for contractor services to operate a WANG VS computer or an OIS System (system administrator and staff, not workstation operators).	0	0	0

TABLE VIII(c) (continued)

<u>Item and Explanation</u>	<u>Fiscal 1984</u>	<u>Years 1985</u>	<u>(\$000) 1986</u>
C. (2) <u>Maintenance</u> Include obligations for contracts to maintain government-owned equipment (hardware) and software that is currently in place and that is to be acquired in 1A and 1B above.	32	38	38
D. <u>Systems Analysis and Programming</u> Obligations for contractor services to design and program new ADP or OIS application systems and to maintain existing systems.	27	97.5	99.5
E. <u>System Design and Engineering</u> (Do not complete - OMB requirement not applicable to AID.)	XXXX	XXXX	XXXX
F. <u>Studies and Other</u> Obligations for management and feasibility studies, requirement definitions, and commercial training.	0	0	0
SUB-TOTAL	59	135.5	137.5
<hr/>			
5. TOTALS			
Total Obligations	74	267.5	189.5
Workyears (From item 2A)	0	0	0
<hr/>			
6. <u>Special Breakout</u>			
A. Amounts included in Mission allowance for existing systems. (includes 2A, 3, and 4) (Services for equipment in place only).	74	89.0	91.0
B. Amounts included in Mission allowances for new or expanded systems. (Includes 1, 2A, 3 and 4.) (Equipment and services for new efforts beginning during the fiscal year.)	0	178.5	98.5

2. INFORMATION TECHNOLOGY NARRATIVE

2.1 As shown in the preceeding table, the peripheral capacity of the Mission's installed OIS-140/3 is currently fully utilized (32). The system is continuously used by all of the Mission Offices (including Regional Offices) in all aspects of program development and implementation including correspondence, cables, preparation of project papers, PID'S, excess property reports, evaluations, vouchers, etc.

Currently all Mission secretaries and are trained and using the Wang system on a regular basis. Additionally, professionals also use the system regularly. With the recent installation of the CPM operating system, together with electronic spread sheet capabilities (MULTIPLAN) and the planned installation within the short-term of Database Management and Statistical packages, it is anticipated that an even greater number of professionals will be using the system on a regular basis by the end of FY 84.

2.2 The Mission has acquired 4 Apple IIe microcomputers together with 4 ML93 Okidata, dot matrix printers. This equipment is used by the Controller's office, the economists in the Office of Development Planning, the Office of Agricultural Development, the Entrepreneurial Resources Group, and by the Office of Development Resources. Applications programs available for this equipment include: Wordstar, Supercalc, DBase II, and Microstat. The most frequently used programs for project monitoring are the Database Management and electronic spreadsheet packages. Microcomputers have become an integral part of USAID's project development and project implementation process.

3. CURRENT AND LONG RANGE PLANS NARRATIVE

3.1 The Regional Housing Office is planning to purchase a Wang PC.

3.2 Because of the Wang PC's versatility and compatibility with our existing OIS system, Mission will acquire two units with FY 1985 funds(at \$7500 each). The microcomputer capacity will be put to a variety of uses principally in the Office of Development Planning's Economics Analysis Section and in ODR where it will be used for Project design and analysis work.

3.3 Also shown in our table for 1985 is an upgrade from OIS-140/3 to a VS-45(est at \$60,000). Based on consultation with FM, Mission plans to implement the MACS (MISSION ACCOUNTING AND CONTROL SYSTEM), a standard computer based integrated software for the Controller's office. This software has many advantages such as verifying integrity of accounting data, eliminating redundancy, checking accounts in perpetual reconciliation, enhancing controls over financial operations, improving financial services & analysis, ensuring timely and standarized production of reports and enhancing staff effectiveness.

The basic system needed to run this software is a WANG VS with 512KB Memory, high speed printers, 3 or more workstations and a dedicated 75MB disk drive(s). With the purchase of a VS-45 the system configuration will be complete. The Mission will contract an individual to train our staff on implementation and use of the MACS and, as time permits, on overall utilization of our ADP system. It is expected that this person will be here for 2 years.

- 3.4 Because of plans of future reallocation of AID Offices in FY 1985, we have budgeted an estimated amount (\$25000) for installation and reallocation of our automation equipment.

DOCUMENT NO. 6246

TABLE VIII(d) - SUPPLEMENT (TRAINING PLAN)

State 137699 required that the Mission prepare a summary of training information for FY-84 thru FY-86. In this regard, we recently expanded the charter of the Mission Training Committee to include planning and setting specific annual and multiyear training goals for all USAID/Panama staff - US as well as foreign nationals. Our primary interest will be ensuring that US personnel in the priority backstop codes designated by The Administrator are given formal training at the Project Implementation courses. In addition, we will intensify English language training for our FN staff. Secondly, we plan to concentrate on US and FN Project Managers in the priority technical areas such as rural development/agriculture, health/population and private enterprise. Lastly, but certainly not least we would like to send one senior supervisor and one junior supervisor to each of the new management courses being offered in FY-85 and FY-86.

	<u>FY-84</u>	<u>FY-85</u>	<u>FY-86</u>
PIC	2	4	4
DSP	0	0	0
LANGUAGE TRAINING	0	0	0
TECHNICAL TRAINING	1	4	4
MANAGEMENT	-	1	1
ADP	1	0	0

DOCUMENT NO. 6246

TABLE VIII(d) - SUPPLEMENT (TRAINING PLAN)

State 137699 required that the Mission prepare a summary of training information for FY-84 thru FY-86. In this regard, we recently expanded the charter of the Mission Training Committee to include planning and setting specific annual and multiyear training goals for all USAID/Panama staff - US as well as foreign nationals. Our primary interest will be ensuring that U.S. personnel in the priority backstop codes designated by The Administrator are given formal training at the Project Implementation courses. In addition, we will intensify English language training for our FN staff. Secondly, we plan to concentrate on US and FN Project Managers in the priority technical areas such as rural development/agriculture, health/population and private enterprise. Lastly, but certainly not least we would like to send one senior supervisor and one junior supervisor to each of the new management courses being offered in FY-85 and FY-86.

	<u>FY-84</u>	<u>FY-85</u>	<u>FY-86</u>
PIC	2	4	4
DSP	0	0	0
LANGUAGE TRAINING	0	0	0
TECHNICAL TRAINING	1	4	4
MANAGEMENT	-	1	1
ADP	1	0	0

CENTRAL AMERICAN INITIATIVE

TABLE VIII - FY 1985 (SUPPLEMENT)

ORGANIZATION USAID PANAMA

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		295.0		295.0	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	156.8		156.8	3.5
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	32.2		32.2	5.0
RETIREMENT-U.S.	U107	120	15.7		15.7	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C.12	U109	129	4.9		4.9	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	14.0		14.0	XXXXX
POST ASSIGNMENT-TRAVEL	U111	212	16.0		16.0	4.0
POST ASSIGNMENT-FREIGHT	U112	22	52.4		52.4	4.0
HOME LEAVE - TRAVEL	U113	212				
HOME LEAVE -FREIGHT	U114	22				
EDUCATION TRAVEL	U115	215	3.0		3.0	6.0
R AND R TRAVEL	U116	215				
ALL OTHER CODE 215 TRAVEL	U117	215				
<u>FOREIGN NATIONAL DH</u>	U200		131.4		131.4	XXXXX
BASIC PAY	U201	114	107.0		107.0	6.0
OVERTIME, HOLIDAY PAY	U202	115				
ALL OTHER CODE 11-FN	U203	119				XXXXX
ALL OTHER CODE 12-FN	U204	129	24.4		24.4	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300		225.8		225.8	XXXXX
PASA TECHNICIANS	U301	258				
U.S.PSC -SALARY/BENEFITS	U302	113	106.6		106.6	2.0
ALL OTHER U.S. PSC COSTS	U303	255	23.0		23.0	XXXXX
F.N. PSC-SALARY/BENEFITS	U304	113	34.4		34.4	3.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
JCC COSTS PAID BY AID/W	U306	113	61.8		61.8	1.0
<u>HOUSING</u>	U400		96.8		96.8	XXXXX
RENT	U401	235				
UTILITIES	U402	235				XXXXX
RENOVATION AND MAINT.	U403	259				XXXXX
QUARTERS ALLOWANCE	U404	127	96.8		96.8	4.5
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

CENTRAL AMERICAN INITIATIVE

TABLE VIII - FY 1985 (SUPPLEMENT)

ORGANIZATION USAID PANAMA

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		33.1		33.1	XXXXXX
RENT	U501	234				XXXXXX
UTILITIES	U502	234				XXXXXX
BUILDING MAINT./RENOV.	U503	259				XXXXXX
OFFICE FURN./EQUIP.	U504	310				XXXXXX
VEHICLES	U505	312				XXXXXX
OTHER EQUIPMENT	U506	319				XXXXXX
TRANSPORTATION/FREIGHT	U507	22				XXXXXX
COMMUNICATIONS	U508	230				XXXXXX
SECURITY GUARD SERVICES	U509	254				XXXXXX
PRINTING	U510	24				XXXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS -IN COUNTRY	U512	210	3.5		3.5	28
SITE VISITS -OTHER	U513	210	12.2		12.2.	5
INFORMATION MEETINGS	U514	210				
TRAINING ATTENDANCE	U515	210	5.4		5.4	3
CONFERENCE ATTENDANCE	U516	210				
OTHER OPERATIONAL TRAVEL	U517	210				
SUPPLIES AND MATERIALS	U518	26				XXXXXX
FAAS	U519	257				XXXXXX
CONSULTING SVCS-CONT.	U520	259				XXXXXX
MGT./PROF.SVCS.-CONT	U521	259				XXXXXX
SPEC.STUDIES/ANALYSES CONT.	U522	259				XXXXXX
ALL OTHER CODE 25	U523	259	12.0		12.0	XXXXXX
TOTAL O.E. BUDGET			782.1		782.1	XXXXXX
RECONCILIATION			239.2		239.2	XXXXXX
OPERATING ALLOWANCE REQUEST			542.9		542.9	XXXXXX

CENTRAL AMERICAN INITIATIVE
TABLE VIII - FY 1986 (SUPPLEMENT)

<u>ORGANIZATION USAID PANAMA</u>						
<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		300.8		300.8	xxxxxx
U.S. CITIZENS BASIC PAY	U101	110	224.1		224.1	4.7
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116				xxxxxx
OTHER AID/W FUNDED O.C.11	U104	119				xxxxxx
OTHER MISSION FUNDED O.C.11	U105	119				xxxxxx
EDUCATION ALLOWANCES	U106	126	36.8		36.8	5.0
RETIREMENT-U.S.	U107	120	18.4		18.4	xxxxxx
LIVING ALLOWANCES	U108	128				xxxxxx
OTHER AID/W FUNDED O.C.12	U109	129	5.7		5.7	xxxxxx
OTHER MISSION FUNDED O.C.12	U110	129	2.5		2.5	xxxxxx
POST ASSIGNMENT-TRAVEL	U111	212	1.5		1.5	1.0
POST ASSIGNMENT-FREIGHT	U112	22	8.8		8.8	1.0
HOME LEAVE - TRAVEL	U113	212				
HOME LEAVE -FREIGHT	U114	22				
EDUCATION TRAVEL	U115	215	3.0		3.0	6.0
R AND R TRAVEL	U116	215				
ALL OTHER CODE 215 TRAVEL	U117	215				
<u>FOREIGN NATIONAL DH</u>	U200		124.3		124.3	xxxxxx
BASIC PAY	U201	114	101.2		101.2	5.0
OVERTIME, HOLIDAY PAY	U202	115				
ALL OTHER CODE 11-FN	U203	119				xxxxxx
ALL OTHER CODE 12-FN	U204	129	23.1		23.1	xxxxxx
BENEFITS FORMER FN PERS.	U205	13				xxxxxx
<u>CONTRACT PERSONNEL</u>	U300		230.7		230.7	xxxxxx
PASA TECHNICIANS	U301	258				
U.S.PSC -SALARY/BENEFITS	U302	113	106.6		106.6	2.0
ALL OTHER U.S. PSC COSTS	U303	255	23.0		23.0	xxxxxx
F.N. PSC-SALARY/BENEFITS	U304	113	37.4		37.4	3.0
ALL OTHER F.N. PSC COSTS	U305	255				xxxxxx
JCC COSTS PAID BY AID/W	U306	113	63.7		63.7	1.0
<u>HOUSING</u>	U400		125.4		125.4	xxxxxx
RENT	U401	235				
UTILITIES	U402	235				xxxxxx
RENOVATION AND MAINT.	U403	259				xxxxxx
QUARTERS ALLOWANCE	U404	127	125.4		125.4	5.7
PURCHASES RES/FURN/EQUIP.	U405	311				xxxxxx
TRANS./FREIGHT-CODE 311	U406	22				xxxxxx
SECURITY GUARD SERVICES	U407	254				xxxxxx
OFFICIAL RESIDENCE ALLOW.	U408	254				xxxxxx
REPRESENTATION ALLOWANCE	U409	252				xxxxxx

CENTRAL AMERICAN INITIATIVE

TABLE VIII - FY 1986 (SUPPLEMENT)

ORGANIZATION USAID PANAMA

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		48.2		48.2	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				
SITE VISITS -IN COUNTRY	U512	210	3.9		3.9	28
SITE VISITS -OTHER	U513	210	13.4		13.4	5
INFORMATION MEETINGS	U514	210				
TRAINING ATTENDANCE	U515	210	5.9		5.9	3
CONFERENCE ATTENDANCE	U516	210				
OTHER OPERATIONAL TRAVEL	U517	210				
SUPPLIES AND MATERIALS	U518	26				xxxxx
FAAS	U519	257				xxxxx
CONSULTING SVCS-CONT.	U520	259				xxxxx
MGT./PROF.SVCS.-CONT	U521	259				xxxxx
SPEC.STUDIES/ANALYSES CONT.	U522	259				xxxxx
ALL OTHER CODE 25	U523	259	25.0		25.0	xxxxx
TOTAL O.E. BUDGET			829.4		829.4	xxxxx
RECONCILIATION			311.9		311.9	xxxxx
OPERATING ALLOWANCE REQUEST			517.5		517.5	xxxxx