

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



**ANNUAL BUDGET SUBMISSION
FY 1980**

PANAMA

**DEPARTMENT
OF
STATE**

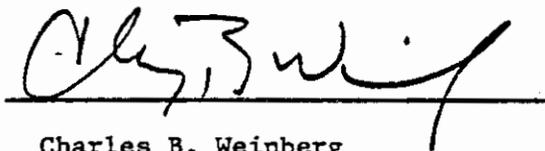
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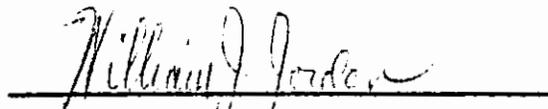
FY 1980 ANNUAL BUDGET SUBMISSION

USAID/PANAMA

The attached Annual Budget Submission (ABS) for Panama has been reviewed and approved for consideration by the Latin America/Caribbean Bureau for inclusion in the Bureau's FY 1980 budget.



Charles B. Weinberg
Director



William J. Jorden
Ambassador

USAID/PANAMA
 FY 1980 ANNUAL BUDGET SUBMISSION

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TABLE I - LONG RANGE PLAN

(\$ millions)

	FY 1978 REQUEST	FY 1979 REQUEST	FY 1980			PLANNING PERIOD			
			MINIMUM	MARK	PROPOSED	FY-81	FY-82	FY-83	FY-84
Food & Nutrition									
Grants	1.0	1.3	.8	.8	.8	.8	.8	.8	.8
Loans	30.0	8.0	7.0	7.0	14.0 ^{1/}	-	10.0	5.0	5.0
Population									
Grants	.4	.4	.4	.4	.4	.4	.4	.4	.4
Loans	--	--	-	-	-	-	-	-	-
Health									
Grants	.1	.1	.1	.2	.2	.3	.3	.3	.3
Loans	-	-	-	-	-	8.0	-	-	-
Education									
Grants	.7	.9	.4	.7	1.2	1.0	1.0	1.0	1.0
Loans	-	-	3.5	3.5	10.0	10.0	6.0	8.0	10.0
Selected Develop- ment									
Grants	.1	.9	.1	.4	.4	.6	.6	1.0	1.0
Loans	-	-	-	3.0	3.0	4.0	6.0	12.0	10.0
Total Program									
Grants	2.2	3.5	1.8	2.5	3.0	3.1	3.1	3.5	3.5
Loans	30.0	8.0	10.5	13.5	27.0 ^{1/}	22.0	22.0	25.0	25.0
PL 480 Title II (non-add)	(2.3)	(2.1)	(1.9)	(1.9)	(1.9)	(1.6)	(1.6)	(1.6)	(1.6)
Housing Guaranties; (non-add)	(6.4)	(25.0)	-	-	-	(25.0)	-	(25.0)	-
Personnel (in workyears)									
Mission - U.S.	34.0	32.9	30.5	31.8	34.1	35.0	35.0	35.0	35.0
F.N.	59.4	61.8	60.2	63.0	64.0	64.0	64.0	64.0	64.0
TDY -U.S.D.H.	1.4	.3	.7	.5	.4	.4	.4	.4	.4
Contract, other	19.4	18.7	15.7	18.7	18.7	19.0	19.0	19.0	19.0
Operating Expenses	4.0	4.1	4.0	4.2	4.3	4.4	4.5	4.6	4.7

^{1/} Include \$7 million for IRD II. Submission of PP in FY 80 subject to successful implementation of IRD I and BID IRD.

TABLE III - SUMMARY OF RESOURCES - BY ACTIVITY
 (FUNDING IN \$ 000 AND OPERATING EXPENSES-FUNDED PERSONNEL IN MONTHS (XX, X))

ACTIVITY	FY: 1978		FY: 1979		MAX		MINIMUM		EXPANSION		PROPOSED	
	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL
	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN
<u>PROGRAM ACTIVITIES</u>												
<u>Food and Nutrition</u>	(31,000)	(13.5)	(4.2)	(9,250)	(13.2)	(5.5)	(7,800)	(11.2)	(6.1)	(7,800)	(11.2)	(6.1)
Rural Cooperative Development		2.0	--		1.7	--		.5	.5		.5	.5
Rural Municipal Development		1.5	.5		.5	.5						
Grains and Perishables Marketing System		2.6	.5		2.3	1.0	500	.7	.3	500	.7	.3
Applied Agriculture Research		1.9	.8		.8	.8		1.5	--		1.5	--
Integrated Rural Development - Tonosi					1.9	.8		1.9	.8		1.9	.8
Growth and Service Centers Development (URBE)	10,000	1.5	1.0		1.5	1.0					1.3	1.0
Program Development Support (FN)	300	.5	.1	350	1.6	.1	300	1.0	.1	300	1.0	.1
Waterbed Management	10,000	1.0	--		1.0	.5		1.3	.3		1.3	.3
Access Roads	10,000	1.5	1.0		1.0	1.0		1.0	1.0		1.0	1.0
Rural Nutrition (CARE OPG)	200	.2	.1		.1	.2						
Guaymi Development	500	.8	.2		.3	.2	7,000 ^{1/}	.4	.2	7,000 ^{1/}	.4	.2
Integrated Rural Development II				3,000	.4	.1		1.0	.8		1.0	.8
Grains Marketing Add-on								.5	1.0		.5	1.0
Perishables Marketing System												
Nutrition Through Managed Fish Production				500	.1	.1		.1	.1		.1	.1
<u>Population</u>	(400)	(.7)	(.8)	(400)	(.8)	(.8)	(400)	(.8)	(.8)	(400)	(.8)	(.8)
Population	400	.7	.8		.8	.8	400	.8	.8		.8	.8
Population II	(50)	(1.5)	(.6)	(50)	(1.6)	(1.0)	(200)	(2.0)	(1.2)	(50)	(1.9)	(1.2)
<u>Health</u>												
Rural Health Delivery System		1.2	.5		1.3	.9		1.3	1.1		1.3	1.1
Program Development and Support (HE)	50	.3	.1	50	.3	.1	200	.7	.1	50	.6	.1
<u>Education</u>	(668)	(3.6)	(3.3)	(925)	(3.1)	(3.5)	(4,200)	(4.3)	(2.4)	(3,900)	(4.2)	(2.3)
Training for Development	293	.1	2.0		.1	2.0						
<u>1/ Submission of IND II project paper</u>	In FY80	subject to	successful	successful	successful	successful	successful	successful	successful	successful	successful	successful
<u>IND I and BID TRD.</u>												

TABLE III - SUMMARY OF RESOURCES - BY ACTIVITY
(FUNDING IN \$ 600 AND OPERATING EXPENSES-FUNDED PERSONNEL IN WORKYARS (XX, X))

DECISION UNIT
525 USAID/Panama

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ACTIVITY	1978		1979		1980		1981		1982		1983		1984	
	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL
		US		FN		US		FN		US		FN		US
Education Sector II														
Program Development and Support (EH)	50	3.0	125	2.0	200	1.0	200	2.0	1.0	200	1.0	200	2.0	1.0
Training Rural Youth (OPC)	225	.3		.9		.2		1.0	.1		.1		1.0	.1
Family Orientation Centers (OPC)		.2	500	.1		.2								
Goodwill Rehabilitation Centers	100					.1			.1					.1
Public Administration		.1												
Taman Rights (OPC)														
Workforce Development														
Local PVO Development (OPC)														
Urban Youth Problems														
<u>Selected Development Activities</u>	(100)	(.7)	(850)	(1.3)	(3,400)	(1.5)	(3,400)	(2.2)	(1.4)	(100)	(1.3)	(3,400)	(2.2)	(1.4)
Special Development Activities	50	.2	50	.2	50	.2	50	.2	.3	50	.2	50	.2	.3
Program Development and Support (SU)	50	.5	150	.8	150		150	.8		50	.8	150	.8	
Renewable Energy Sources-Isolated Areas			500	.2	150	.2	3,000	.3	.2		.3	200	.3	.2
Urban Redevelopment of Colon														
Alternative Sources of Energy														
Environmental Management														
TOTAL PROGRAM FUNDING	32,218	20.0	11,475	20.0	16,000	11.3	20,511.9	20.5	11.9	12,350	19.4	30,000	22.8	12.7
Housing Guarantees	(31,400)	(.3)	(15,000)	(.3)	(10,000)	(.4)	(10,000)	(.3)	(.4)	(10,000)	(.3)	(10,000)	(.3)	(.4)
PL 470 Title II	(2,283)	.1	(2,126)	.1	(1,868)	.3	(1,868)	.1	.3	(1,868)	.1	(1,868)	.1	.3
<u>NON-PROGRAM ACTIVITIES</u>														
Policy Direction and Management		3.2						2.9						
Financial Management		2.8						1.7						
Mission Support		5.6						5.1						
IDI's (non-add)		(4.8)						(5.2)						
Non-Mission Specific Personnel		(15.6)						(15.9)						
<u>Operating Expenses</u>	(4024.0)		(4111.4)		(4230.3)		(3981.3)			(4309.5)		(4309.5)		
Personnel	2785.9		2842.1		2938.2		2775.6			3011.4		3011.4		

TABLE III - SUMMARY OF RESOURCES - BY ACTIVITY
 (FUNDING IN \$ 000 AND OPERATING EXPENSES-FUNDED PERSONNEL IN WORKYEARS (XX.X))

DECISION UNIT
 525 USAID/Panama

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ACTIVITY	FY: 1978			CY: 1979			MAINT			MINIMUM			EXPANSION			PROPOSED			
	FUNDING	PERSONNEL US	PERSONNEL FN	FUNDING	PERSONNEL US	PERSONNEL FN	FUNDING	PERSONNEL US	PERSONNEL FN										
Housing	435.5			425.9			457.2			382.8			463.2						
Office Operations	802.6			843.4			834.9			822.9			834.9						
Grand Total Program and Operating Expenses	36,242.4			5,586.4			20,230.3			18,231.3			34,309.5						

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Rural Cooperative Development (Loan)	DECISION UNIT USAID/PANAMA	DECISION PACKAGE Minimum	BUDGET YEAR FY 1980
PROJECT NUMBER 525-0173 (031)	INITIAL OBLIGATION 6/28/74	FINAL OBLIGATION 6/28/74	TOTAL COST \$8,100,000
APPROPRIATION F&N	DATE PP/REVISION 6/6/74	DATE LAST PAR 9/77	DATE NEXT PAR 9/78

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	PY: 1978		CY: 1979		BY: 1980	
	OBLIGATION	EXPENDITURE	OBLIGATION	EXPENDITURE	OBLIGATION	EXPENDITURE
AID-FINANCED						
TOTAL-	3,000	3,036	3,036	-		
Rotating Fund		2,500	2,271			
Institutional Development		500	536			
Contractor Support (non-add)		(30)	(136)			

HC AND OTHER DONOR	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMID			FOOTNOTES
	1978	1979	1980	1981		TYPE A=NONCONTRACT B=CONTRACT	1978	1979	
Sublending									LIFE OF PROJECT 2,430
Technical Assistance									500
Training									220
Administrative Costs									860
									850

FUNDING	FISCAL YEAR				PERSONNEL INTENSITY	TYPE A=NONCONTRACT B=CONTRACT		
	1978	1979	1980	1981		1978	1979	1980
PROGRAMMATIC	1	8						
AGGREGATE	0	0						
TDY (ADD)	2.0	1.7						
OPERATING								
EXPENSES								
USDI	(1)	(.9)						
FEDL								
CONI	(1)	.8						

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Grains and Perishables Marketing Systems		DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Minimum	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0178 (140)		INITIAL OBLIGATION	6/30/75	FINAL OBLIGATION	6/30/75	TOTAL COST	\$6,200,000
APPROPRIATION	FCN		DATE PR/REVISION	6/18/75	DATE LAST PAR	12/76	DATE NEXT PAR	6/78

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	FY: 1978			FY: 1979			FY: 1980			LIFE OF PROJECT
		OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	
AID-FINANCED		458	5,152		4,110	1,052		1,052	0		
Design and Supervision		102	115		86	29		29	-		
Construction		154	4,359		3,336	1,023		1,023	-		
Equipment		36	266		266	-		-	-		
Training 1/		52	136		136	-		-	-		
Technical Assistance		114	256		256	-		-	-		
Contractor support (non-add)		(34.2)	(76.8)		(76.8)	-		-	-		
HC AND OTHER DONOR	TOTAL										
Design and Supervision										3,360	
Construction and Equipment										100	
										3,260	

PERSONNEL WORKYEARS (XX, X)

PERSONNEL INTENSITY

PARTICIPANTS PROGRAMMED

FOOTNOTES

1/ Includes in-country short-term training

FUNDING	1978	1979	1980	1981	1982	BEYOND
PROGRAM AGGREGATE (TDY (APP) OPTIMIZED)	4.1	8.1	.4			
USDI	3.1	3.2	1.0			
FNDI	(1.9)	2.2	(.7)			
CONI	(.7)	(1.0)	(.3)			

<input checked="" type="checkbox"/> HIGH	<input type="checkbox"/> MEDIUM	<input type="checkbox"/> LOW
--	---------------------------------	------------------------------

TYPE A=NONCONTRACT	TYPE B=CONTRACT	1978	1979	1980
LONG-TERM	LONG-TERM	2	2	
SHORT-TERM	SHORT-TERM			

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Applied Agricultural Research 525-0180

Purpose: To overcome technological constraints to increased agricultural production by small and medium scale farmers.

Background: The Government of Panama's development strategy gives high priority to increasing the welfare of the rural poor with particular attention to small farmers. As part of the Government's effort to overcome the problem of low productivity of small farms, the Agricultural Research Institute (IDIAP) was established in 1975. Following a period of institutional growth and setting of research priorities, IDIAP has now developed a focus on small farm problems and a strategy of working on a limited number of important crops with field testing and technology transfer activities to be carried out in a small number of representative impact areas.

The project relates to the element of USAID's country development strategy which is oriented towards satisfying the basic human needs of the rural poor. It complements other AID-assisted projects in integrated rural development and agricultural marketing.

Beneficiaries: The principal beneficiaries are the small scale farmers with significantly less than average incomes who employ traditional technologies on farms of less than 5 hectares. Over 50,000 farm families comprise this segment of Panama's agricultural producers. The regional focus of the project will result in the selection of 3 or 4 areas with potential for increasing agricultural production.

A second group of beneficiaries are medium scale farmers who operate units of 5 to 50 hectares. This group represents some 45% of all farms and about one-third of the land under cultivation and pasture. The two groups require somewhat different assistance. The small farmers need more assistance with improved crop varieties and measures designed to avoid soil depletion and erosion. In many instances they have organized into groups with some collective farming being employed. The medium farmers tend to need help with farming systems planning and expansion of cultivation and with land improvements.

The regional focus of the project will entail the selection of 3 or 4 impact areas in which the field research and technology transfer activities will be carried out. The direct beneficiaries will be those small and medium scale farm families living in the impact areas. There will, of course, be indirect benefits to countless additional families whose farm units are similar enough to those in the impact areas to utilize the technologies employed. The final selection of the impact areas has not yet been made; however, the number of direct beneficiaries should be about 3 to 4,000.

Project Description: The basic problem to be addressed by the project is low productivity and hence low income of small farms. The institutional problem to be dealt with is the tendency towards inefficient and inappropriate research activities. The approach the project will use to resolve these problems is to develop and disseminate more appropriate technology packages through concentration on crops appropriate to the target group, carried out with a regional focus utilizing interdisciplinary research and extension teams. Until recently, agricultural research in Panama tended to follow the traditional patterns of developing genetic material at isolated research centers, generally ignoring the small farmers' constraints, knowledge and attitudes. In many cases, the fragmented efforts resulted in a mismatch between the technologies developed and the economic and cultural factors prevailing. Moreover, there was inadequate interaction among the researchers and between the researchers and the transfer agents.

In order to achieve the changes and improvements required, the project will assist IDIAP with staff development, facilities and technical assistance. IDIAP presently has a professional staff of 35, with some 27 para-professionals (agronomists with three years of vocational agricultural training) in support roles. The project will help increase the professional staff and provide advanced academic training and specialized, short-term training to both groups. Particular attention will be directed at training the technicians who will work with the small producers to extend the appropriate technological practices. This will be carried out through (1) having extension personnel as part of the interdisciplinary teams which will be responsible for research and extension in three of the impact areas and (2) providing both specialized training and regular participation with researchers in technology transfer activities.

Current Year Program: By the end of FY 1979, the following is expected to have occurred: (a) begin the procurement process for the construction of facilities, equipment and technical assistance; (b) bid proposals being reviewed; (c) approximately two long-term technicians on board by the end of the fiscal year; (d) five long-term participants in training; (e) remodeling and equipping of the headquarters in Santiago begun; and (f) some of the research supplies and equipment purchased.

Budget Year Program: By the end of FY 1980, the following is expected to have occurred: (a) all construction and remodeling of the facilities completed; (b) all equipment and approximately 60% of research supplies purchased; (c) all research equipment purchased; and (d) at least six long-term technicians on board, and 15 long-term participants in training.

Major Outputs: The major outputs of the project will include: one regional research center; 4 satellite centers; a seed processing and certification unit; technology packages for cropping systems for monocropping; post graduate degrees for 22 researchers and 30 specialized training programs for "change agents".

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Applied Agricultural Research (Loan and Grant)	DECISION UNIT USAID/PANAMA	DECISION PACKAGE Minimum	BUDGET YEAR FY 1980
PROJECT NUMBER 525-0180 (080)	INITIAL OBLIGATION FY 1979	FINAL OBLIGATION FY 1980	TOTAL COST \$5,900,000
APPROPRIATION F&N	DATE PR/REVISION 12/78	DATE LAST PAR -	DATE NEXT PAR 10/80

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	PY: 1978			CY: 1979			BY: 1980			LIFE OF PROJECT
	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	
	(FR-TO)	(FR-TO)	(FR-TO)	(FR-TO)	(FR-TO)	(FR-TO)	(FR-TO)	(FR-TO)	(FR-TO)	
AID-FINANCED	TOTAL-			TOTAL-			TOTAL-			
Construction				5,400	950	4,950	500	3,605	345	
Equipment				1,690	400	1,290		1,290	-	
Commodities				1,400	300	1,100		1,100	-	
Training 2/				1,195	100	1,095		600	495	
Research				600	50	550		150	400	
Technical Assistance				115	50	65		65	-	
Contractor Support (non-add)				400	50	350		400	450	
				(270)	(30)	(240)		(120)	(120)	
HC AND OTHER DONOR	TOTAL-									
Construction										3,100
Equipment										400
Research										200
Administration Costs										100
										2,400
PERSONNEL WORKYEARS (X,Y,X)										
	1978	1979	1980	1981	1982	BEYOND	PERSONNEL INTENSITY			
							<input type="checkbox"/> HIGH	<input type="checkbox"/> MEDIUM	<input checked="" type="checkbox"/> LOW	
	1.5	6.0	9.0	9.0	9.0	2.0				
PROGRAM ACCOUNT (ADD)										
OPTIMIZES	.8	1.3	1.3	1.3	1.3	1.0				
USDI	(.2)	(.4)	(.4)	(.4)	(.4)	(.4)				
END	(.6)	(.9)	(.9)	(.9)	(.9)	(.6)				
CONT										

TYPE A=NONCONTRACT B=CONTRACT
TYPE A LONG-TERM TYPE B SHORT-TERM
TYPE A LONG-TERM TYPE B SHORT-TERM

FOOTNOTES
1/ Includes \$900,000 Grant component for TA: 400 in 79 and 500 in 80;
2/ Provides funds for in-country short-term training.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Growth and Service Centers Development (URBE) (Loan)	USAID/PANAMA	Minimum	FY 1980
PROJECT NUMBER	INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
525-0185 (120)	FY 1978	FY 1978	\$10,000,000
APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR
F&N	5/78	-	9/79

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY: 1978			FY: 1979			FY: 1980			LIFE OF PROJECT			
	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE				
	FUNDING PERIOD (FY-TO)			FUNDING PERIOD (FY-TO)			FUNDING PERIOD (FY-TO)						
AID-FINANCED	TOTAL-	10,000	-	10,000	943	9,027	-	1,908	7,119				
Sublending Funds		8,900	-	8,900	445	8,455	-	1,425	7,030				
Training		160	-	160	53	107	-	63	44				
Technical Assistance		940	-	940	475	465	-	420	45				
Contractor Support (non-add)		(282)	-	(282)	(143)	(139)	-	(126)	(13)				
Housing Investment Guaranty (non-add)		(5,400)	-	(5,400)			-						
HC AND OTHER DONOR	TOTAL-	13,100						13,100					
Administrative Costs		1,400						1,400					
Technical Assistance & Training		300						300					
Construction		6,800						6,800					
Sublending		4,600						4,600					
PERSONNEL WORKYEARS (XX,X)													
PERSONNEL		FISCAL YEAR			PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED			FOOTNOTES		
FUNDING		1978	1979	1980	1981	1982	BEYOND	TYPE A	TYPE B	1978	1979	1980	
PROGRAMM								LONG-TERM	SHORT-TERM				
AGGREGATE								LONG-TERM	SHORT-TERM				
TOT (NON-)								LONG-TERM	SHORT-TERM				
OPERATING		2.5	2.5	2.3	2.3	2.3	4.6						
EXPENSES		(1.5)	(1.5)	(1.3)	(1.3)	(1.3)	(2.6)						
USDI		(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(2.0)						
ENDL													
CONT													

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Program Development and Support (Food and Nutrition) 525-0187

Purpose: To finance the costs of designing and supporting the Mission's grant and loan projects.

Background: Provision of technical support to the USAID program is a continuing requirement. This support consists of developing and designing new project proposals, producing sector assessments, feasibility studies, and economic, social and environmental analysis. To a lesser extent, evaluation and selected supportive training activities are also funded. FY 1977-78 funds were used to finance project design of a major loan in rural Access Roads Development. Initial financing was also provided for technical assistance to the Ministry of Agriculture which will lead to design of the proposed Agricultural Research project. Funds under this project also contributed to the design of the Watershed Management project.

Beneficiaries: While this project normally does not directly benefit poor people, it provides funding to develop projects which do have this effect.

Current Year Program: FY 1979 funds will largely go to preparation of project papers (with attendant social, environmental, economic and other analyses) for new projects, including Agricultural Research (\$50,000), Marketing Add-On (\$50,000), Perishables Marketing System (\$85,000), and IRD II (\$70,000), if progress on existing IRD projects merits a follow-on as early as FY 1980. In addition, an update of the agricultural sector assessment is planned (\$75,000) and other costs including invitational travel and training seminars are expected (\$20,000).

Budget Year Program: Evaluation activities are planned for two major loan projects - Rural Cooperative Development and Grains and Perishables Marketing (\$100,000). Some additional preparatory work will be required for Perishables Marketing System (\$20,000) and IRD II if it is to be authorized in FY 1980 (\$30,000). Other cost support for workshops, seminars and baseline studies is projected (\$40,000) and project development of FY 1981-82 projects will commence (\$130,000) including a possible extension component of the Title XII project in Agricultural Research.

Major Outputs: The major output will be the projects which are developed by the Mission for FY 1980 and FY 1981, as well as the assessments, analyses and studies which support the development of these projects.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Program Development and Support (Food and Nutrition)	DECISION UNIT USAID/PANAMA INITIAL OBLIGATION 3/1/75	DECISION PACKAGE Minimum FINAL OBLIGATION Continuing	BUDGET YEAR FY 1980 TOTAL COST N/A
PROJECT NUMBER 525-0187 (900)	APPROPRIATION F&N	DATE PP/REVISION N/A	DATE LAST PAR N/A
		DATE NEXT PAR N/A	

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	FY1 1978			CY: 1979			FY1 1980			LIFE OF PROJECT		
		OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION		EXPENDITURE	PIPE-LINE
U.S. Personnel	300	551	80	10/78-3/80	350	362	68	10/79-3/81	300	321	47		
Contractor Support (non-add)	219	466	72	" "	245	270	47	" "	155	181	21		
Evaluation (non-add)	(65)				(75)				(45)				
Local and TCN Personnel	66	70	8	" "	85	82	11	" "	105	100	16		
Contractor Support (non-add)	(15)				(20)				(36)				
Evaluation (non-add)									(85)				
Participant Training	7	7	-		-	-	-		-	-	-		
Other Costs	8	8	-		20	10	10		40	40	10		
HC AND OTHER DONOR	TOTAL-	40			40								
Logistic & Admin. Support	30				30								
Local Personnel	10				10								
PERSONNEL WORKYEARS (XX.X)													
FUNDING		1978	1979	1980	1981	1982	BEYOND						
PROPRIETY	4.5	3.5	3.2	3.0	3.0	CONT.							
AGREEMENT	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)								
TDY (NOB)	0.6	1.7	1.1	1.1	1.1								
OPTIONAL	(.5)	(1.6)	(1.0)	(1.0)	(1.0)	(1.0)							
EXTENSION	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)								
USDR	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)								
FNDR													
CONT													

PERSONNEL INTENSITY

HIGH
 MEDIUM
 LOW

TYPE A=NONCONTRACT
TYPE B=CONTRACT

LONG-TERM
SHORT-TERM

FOOTNOTES

Continuing

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Watershed Management (Loan)	DECISION UNIT USAID/PANAMA	DECISION PACKAGE Minimum	BUDGET YEAR FY 1980
PROJECT NUMBER 525-0191 (877)	INITIAL OBLIGATION FY 1978	FINAL OBLIGATION FY 1978	TOTAL COST \$10,000,000
APPROPRIATION F&N	DATE PP/REVISION 6/78	DATE LAST PAR -	DATE NEXT PAR 10/79

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	FY: 1978		FY: 1979		FY: 1980		LIFE OF PROJECT
		OBLIGATION	EXPENDITURE	OBLIGATION	EXPENDITURE	OBLIGATION	EXPENDITURE	
		PIPE-LINE	FUNDING PERIOD (FR-TO)	PIPE-LINE	FUNDING PERIOD (FR-TO)	PIPE-LINE	FUNDING PERIOD (FR-TO)	
AID-FINANCED	10,000	-	-	2,800	7,700	-	4,300	2,900
Equipment & Commodities	2,500	-	800	1,700	-	-	700	1,000
Construction	1,500	-	-	1,500	-	-	1,000	500
Training <u>1/</u>	300	-	100	200	-	-	200	-
Technical Assistance	700	-	350	350	-	-	350	-
Support Costs (non-add)	(250)	-	(150)	(100)	-	-	(100)	-
Evaluation Costs	100	-	50	50	-	-	50	-
Other Costs <u>2/</u>	4,900	-	1,500	3,400	-	-	2,000	1,400
HC AND OTHER DONOR	TOTAL	4,000	-	-	-	-	4,000	-
Administrative Costs	2,000	-	-	-	-	-	2,000	-
Other Costs	2,000	-	-	-	-	-	2,000	-

PERSONNEL WORKYEARS (XX, X)

FISCAL YEAR

PERSONNEL INTENSITY
 HIGH
 MEDIUM
 LOW

PARTICIPANTS PROGRAMMED
 TYPE A=NONCONTRACT B=CONTRACT
 LONG-TERM SHORT-TERM
 TYPE A LONG-TERM TYPE B SHORT-TERM

FISCAL YEAR
 1978 1979 1980
 3 3 3

FOOTNOTES
 1/ Training component includes funds for in-country short-term training.
 2/ Largely local labor intensive activities.

PROGRAM AGGREGATE	1.0	4.0	3.0	2.0	1.5	1.5
OPTIONAL SERVICES	1.0	1.5	1.6	1.6	1.6	1.6
FUNDI	(1.0)	(1.0)	(1.3)	(1.3)	(1.3)	(1.3)
CONTI	(.5)	(.5)	(.3)	(.3)	(.3)	(.3)

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Access Roads (Loan)	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Minimum	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0192 (061)	INITIAL OBLIGATION	FY 1978	FINAL OBLIGATION	FY 1978	TOTAL COST	\$10,000,000
APPROPRIATION	F&N	DATE PP/REVISION	6/78	DATE LAST PAR	-	DATE NEXT PAR	10/79

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	PY: 1978		CY: 1979		BY: 1980		LIFE OF PROJECT
		OBLIGATION	EXPENDITURE	OBLIGATION	EXPENDITURE	OBLIGATION	EXPENDITURE	
		PIPE-LINE	FUNDING PERIOD (FR-TO)	PIPE-LINE	FUNDING PERIOD (FR-TO)	PIPE-LINE	FUNDING PERIOD (FR-TO)	
AID-FINANCED	10,000	10,000	1,643	8,357	2,950	5,407		
Construction	9,542	9,542	1,360	8,182	2,810	5,372		
Equipment	39	39	39	-	-	-		
Technical Assistance	385	385	210	175	140	35		
Support Costs $\frac{1}{2}$ (non-add)	(111)	(111)	(60)	(51)	(30)	(21)		
Training	34	34	34	-	-	-		
HC AND OTHER DONOR	TOTAL	4,805						
Construction		3,136						
Administration		878						
Maintenance		791						

FUNDING	FISCAL YEAR					PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES	
	1978	1979	1980	1981	1982		TYPE A- NONCONTRACT	TYPE B- CONTRACT	FISCAL YEAR		
PERSONNEL	2.0	3.0				HIGH			1978	1979	1980
OPERATING EXPENSES	2.5	2.0	2.0	1.5	1.0	MEDIUM	LONG-TERM	SHORT-TERM		2	
USDI	(1.5)	(1.0)	(1.0)	(1.5)	(1.0)	LOW	LONG-TERM	SHORT-TERM			
CONTR	(1.0)	(1.0)	(1.0)								

FOOTNOTES
1/ Support costs include travel, housing allowance, education, etc.

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Rural Nutrition (OPG) 525-0195

Purpose: This \$200,000, two-year life of project OPG proposes to improve the nutritional status of 40,000 rural Panamanians through funding rabbit production projects in up to 80 sites.

Background: The most recent national nutrition survey in Panama (1967) concluded that 60% of all Panamanian children under five years of age suffer from some degree of malnutrition. Recent, but more limited studies indicate that the problem is increasing rather than diminishing. AID, through CARE, has assisted in alleviating this problem through a PL-480 school feeding program of 230,000 beneficiaries. This program is being phased-over by AID/W request, and by the end of 1980 the PL-480 contribution will be eliminated entirely from the program. This OPG intends to replace a part of the protein gap created by the withdrawal of PL-480 assistance.

Project Description: The project will provide a national rabbit production center which will also serve as a training center for rabbit culture techniques. The center will produce breeding rabbits for sale to rural basic cycle schools (nine grades with emphasis on agricultural production), community betterment groups including health committees and women's associations, and individual small farmers. The project has been developed in close coordination with the Ministry of Agriculture, which is also providing technical and financial assistance. The Ministries of Health and Education are also cooperating agencies in the project.

Beneficiaries: The intended beneficiary target group during the period of project funding is approximately 40,000 rural Panamanians, the majority with per capita incomes of less than \$200. Emphasis will be directed to primary school children presently enrolled in PL-480 Title II assisted school feeding programs. The per family cost will be approximately \$20.

Current Year Program Outputs:

- Purchase and installation of center infrastructure
- Production of 12,000 breeding rabbits
- Completion of training course by 100 participants
- Education material/promotion material produced

Budget Year Program Outputs:

- Production of 20,000 breeding rabbits
- Fifty production loans
- Completion of training course by 100 participants
- Education materials used in schools and communities
- Center income meets operational costs.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Rural Nutrition - OPG	DECISION UNIT USAID/PANAMA	DECISION PACKAGE Minimum	BUDGET YEAR FY 1980
PROJECT NUMBER 525-0195 (319)	INITIAL OBLIGATION FY 1978	FINAL OBLIGATION FY 1978	TOTAL COST \$200,000
APPROPRIATION F&N	DATE PP/REVISION 6/78	DATE LAST PAR -	DATE NEXT PAR 7/79

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	PY: 1978		CY: 1979		BY: 1980		LIFE OF PROJECT
		OBLI - GATION	EXPEN - DITURE	OBLI - GATION	EXPEN - DITURE	OBLI - GATION	EXPEN - DITURE	
		PIPE - LINE	FUNDING PERIOD (FR - TO)	PIPE - LINE	FUNDING PERIOD (FR - TO)	PIPE - LINE	FUNDING PERIOD (FR - TO)	
AID - FINANCED	200	60	140		140	-		
Local Personnel	23	3	20		20	-		
Commodities	61	1	60		60	-		
Other Costs	116	56	60		60	-		
HC AND OTHER DONOR	TOTAL - 50			150				200
CAKE	30			100				130
Ministry of Agriculture	20			50				70

PERSONNEL WORKYEARS (XX, X)

PERSONNEL INTENSITY	PARTICIPANT'S PROGRAMMED		
	TYPE A = NONCONTRACT	TYPE B = CONTRACT	FISCAL YEAR
HIGH <input checked="" type="checkbox"/>			1978
MEDIUM <input type="checkbox"/>			1979
LOW <input type="checkbox"/>			1980

FUNDING	FISCAL YEAR			
	1978	1979	1980	1981
PROGRAM	1.0	1.0		
AGRICULTURE				
TY (ADD)				
EXPENSES	.3	.3		
USIDE	(.2)	(.1)		
UNDI	(.1)	(.2)		
CONT				

FOOTNOTES

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Guaymí Development Project 525-0200

Purpose: To improve the quality of life of Panama's Guaymí Indian population by providing access to improved health, nutrition and agricultural services.

Background: The Guaymí population of Panama is concentrated in the Provinces of Chiriquí, Bocas del Toro and Veraguas and numbers approximately 58,000. The Guaymí are characterized by isolation, apathy, and poverty and are confronted with chronic shortages of food and debilitating effects of malnutrition. The Government assigns a high priority to extending the benefits of social and economic development to the Guaymí, and to this end, has established a Commission for Indigenous Affairs in the Province of Veraguas. The Commission is composed of representatives of the Ministries of Education, Government and Justice, Health and Agriculture, as well as traditional Guaymí leadership. Under the proposed project a program will be implemented to provide the social services needed to stimulate and expand Guaymí agricultural production and animal husbandry, and to provide supplementary feeding to meet the nutritional gap of the target group. The project will be initiated in Veraguas in FY 1978 and expanded to Chiriquí and Bocas del Toro in FY 1979.

Project Description: The project will finance construction of 25 small service posts in Guaymí villages and train indigenous workers to staff these posts. A variety of nutrition and agricultural projects will be carried out with the community, supported by these community promoters along with technical staff from the various involved Ministries. Family planning and nutrition education will play an important part in the non-formal education activities to be conducted by the promoters, and local community participation will be an essential element of all project activities. The GOP will continue to utilize the Provincial Indian Commission structure after the project terminates and will integrate 65 of the base level Indian promoters into the national system as salaried Government employees.

Beneficiaries: Project activities will directly benefit one of the poorest groups in Panamanian society, the Guaymí, and will involve technical assistance and training in two priority areas, nutrition and agriculture, to assist the Guaymí to develop the capacity to design and implement development programs which serve their own needs.

<u>Major Outputs:</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
Indian Development Coordination Units	1	2	-
Nutrition Education Programs	5	15	25
Supplementary Feeding Programs	5	15	25
Construction of 25 Service Posts	5	10	10

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Guaymí Development	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Minimum	BUDGET YEAR	FY 1980
PROJECT NUMBER (244)	525-0200	INITIAL OBLIGATION	FY 1978	FINAL OBLIGATION	FY 1978	TOTAL COST	\$500,000
		DATE PP/REVISION	7/78	DATE LAST PAR	-	DATE NEXT PAR	9/79

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	FY: 1978			FY: 1979			FY: 1980			LIFE OF PROJECT
		OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	
AID-FINANCED	500	60	440		210	230				230	
Technical Assistance	30	5	25		15	10				10	
Local Personnel	37	7	30		15	15				15	
Training 1/	75	15	60		25	35				35	
Commodities	162	15	147		69	78				78	
Other Costs	176	16	160		80	80				80	
Evaluation	20	4	16		6	10				10	
HC AND OTHER DONOR	TOTAL	501									501
Technical Assistance		80									80
Local Personnel		116									116
Training		35									35
Commodities		170									170
Other Costs		100									100

PERSONNEL WORKYEARS (X,X,X)

PERSONNEL INTENSITY	FISCAL YEAR			PARTICIPANT'S PROGRAMMED	FISCAL YEAR	FOOTNOTES
	1978	1979	1980			
<input checked="" type="checkbox"/> HIGH						
<input type="checkbox"/> MEDIUM						
<input type="checkbox"/> LOW						

FUNDING	FISCAL YEAR				BEYOND
	1978	1979	1980	1981	
PROFESSORIAL					
ACCOUNTANT					
TOY (MATERIAL)					
OPTIONAL	1.0	.5	.6		
USDI	.8	.3	.4		
USDI	.2	.2	.2		

1/ In-country short-term training

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Integrated Rural Development II 525-0201

Purpose: To continue developing the GOP's capability to plan and implement integrated rural development programs.

Background: In its current five year development plan, the GOP assigns highest priority to the development of the country's Central and Western regions. It plans to concentrate government resources in specific areas of rural poverty with agricultural production potential. This initiative is directly related to the basic human needs of the rural poor.

AID is assisting the GOP's effort with an FY 1977 Integrated Rural Development (IRD) loan project, which is aimed at (a) developing the capability to plan and implement IRD programs in various areas of the country, and (b) implementing the first of the operational programs in the District of Tonosí. This FY 1980 loan will assist the GOP to expand this approach to another priority area. This will represent the third such IRD project, the second being prepared for IDB financing in 1978. The timing of this project will be dependent on progress of the IDB project but could be as early as late FY 1980.

Project Description: The problems addressed by this project are similar to those which afflict many poor rural areas of Panama - inadequate land use patterns and tenure arrangements, low productivity, insufficient marketing infrastructure, and restricted access to social services. These problems will be dealt with utilizing the approach and administrative structure developed by the GOP with the assistance of the first AID IRD project. This approach entails a coordination of inputs by various governmental agencies in their respective areas of responsibility. The IRD program is managed by a national institution called the "Program for Integrated Development of Rural Areas" (PRODIAR) which comprises a high level commission and a technical coordinating committee (each with representatives of the relevant ministries) a national office for program coordination, an executive coordinating office in the project impact area, and an area consultative council (which includes representatives of the local community).

Project implementation will begin with comprehensive development plans being prepared for the target area to define the social services and infrastructure needed to stimulate and expand small farm and rural industry production. Project activities will be designed to benefit the primary target group of poor farmers. These activities will include land distribution, agricultural production services, credit, marketing infrastructure, processing facilities and potable water system. To the extent they are required in the target area, rural roads, schools and health facilities will be provided or upgraded under other GOP and AID projects.

The Project is the next in a series of IRD projects planned by the GOP with both AID and IDB expected to participate in their financing. It is the next AID-funded activity within the regional development strategy which utilizes an area focus for development efforts, comprising both the IRD and URBE programs. The project is a high priority for both the GOP and AID; however, the long lead time required for the preparation of IRD projects and the unknown element of when the IDB-financed project will be initiated lead AID to the understanding that the present Project may not be ready for review in FY 1980. The timing of the project is dependent upon the experience both with implementation

Beneficiaries: Project beneficiaries will be the rural poor, primarily small scale farmers with significantly lower than average income and marginally productive farm lands. Typical participants are landless agricultural workers and largely subsistence farmers on plots of less than ten hectares. Per capita incomes for this target group are generally below \$200 per year. Increased agricultural production through project investments in land reform, credit, improved technology and marketing facilities will lead to increased incomes for project participants. Social benefits will be realized through increased access to health and educational services. Because the target area has not yet been the subject of detailed study, neither the number of participants nor the cost per family benefitted can be determined accurately at this time.

Budget Year Program: Expenditures are not expected to begin until FY

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Integrated Rural Development II (Loan)	DECISION UNIT USAID/PANAMA	DECISION PACKAGE Minimum	BUDGET YEAR FY 1980
PROJECT NUMBER 525-0201 (200)	APPROPRIATION F&N	INITIAL OBLIGATION FY 1980	TOTAL COST \$7,000,000
	DATE PP/REVISION 7/80	FINAL OBLIGATION FY 1980	DATE NEXT PAR 10/81
	ESTIMATED U.S. DOLLAR COST (\$ 000)	DATE LAST PAR -	

ACTIVITY INPUTS	TOTAL	PY1 1978		CY1 1979		BY1 1980		OBLIGATION	EXPENDITURE	PIPE-LINE		
		OBLIGATION	EXPENDITURE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	FUNDING PERIOD (FR-TO)				OBLIGATION	EXPENDITURE
		PIPE-LINE	PERSONNEL INTENSITY	TYPE A=NONCONTRACT B=CONTRACT	TYPE A=NONCONTRACT B=CONTRACT	TYPE A=NONCONTRACT B=CONTRACT	TYPE A=NONCONTRACT B=CONTRACT				TYPE A=NONCONTRACT B=CONTRACT	TYPE A=NONCONTRACT B=CONTRACT
Commodities												
Construction												
Agricultural Credit												
Technical Assistance and Training 1/												
Support Costs (non-add)												
Evaluation Costs												
Experimental Projects												
Studies and Surveys												
HC AND OTHER DONOR	TOTAL											
Administrative Costs												
Equipment and Commodities												
Construction												
Sublending Funds												
Land Redistribution												
PERSONNEL WORKYEARS (XX, X)												
PERSONNEL INTENSITY												
PARTICIPANTS PROGRAMMID												
FOOTNOTES												
1/ All training will be in-country on a short-term basis.												

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Grain Marketing Add-On 525-0212

Purpose: To complete the funding of the construction of the terminal , grain plants initiated under Loan 525-T-042 and to place the plants in full operation.

Background: Under an FY 1975 loan, four grain processing and storage facilities are being constructed. As a result of underestimating the costs originally, alterations of the designs of the plants, and inflationary increases due to the long delay of construction, the cost of these facilities has increased far beyond the funding available in the project. The Government of Panama and AID agree that the objectives of the project are best served by completing the four grain plants as contemplated originally rather than reducing the number or the capacities of the plants to stay within presently budgeted funds. This will permit the establishment of a national grain marketing system with sufficient capacity to serve the small producers and the consumers for the foreseeable future.

Project Description: The major constraints in the grain market to be addressed by the project are (1) insufficient public storage capacity in the main production and consumption areas to support prices of the increasing production, resulting in lower farm prices and lessened incentives to increase production, and (2) poor quality of public storage, leading to excessive losses and costly handling. The provision of sufficient storage capacity and improved handling will relieve these constraints and will also assist the export of grain surpluses by assuring that international trade standards are met.

The implementing agency is the Agricultural Marketing Institute (IMA), which was established in 1975 as an autonomous agency, succeeding the marketing directorate of the Ministry of Agriculture. IMA's responsibilities include setting price support levels, supplementing private buying and storage in order to support prices, regulating the market flow of grain, importing and exporting of grain, assuring market access for all produces (especially small farmers in areas not adequately served by private buyers and transporters), and setting and enforcing grades and standards.

Under the present loan-assisted project, IMA is receiving technical assistance and training to upgrade its capacity to manage its grain marketing activities and to improve its general operations. IMA is also establishing small buying and collection facilities in rural areas and acquiring the vehicles and other equipment necessary for adequate operation of the grain plants.

Beneficiaries: The beneficiaries of the project are more than 20,000 small and medium scale farmers. Most of these producers are organized into either government assisted production groups, such as asentamientos or rural cooperatives. These groups are the primary beneficiaries because the Government's strategy for the economic development of the rural poor is, in the first instance, focussed on creating the conditions for incorporating them into economically viable enterprises utilizing improved technology. Another important group of beneficiaries is the indigenous farmers and pioneer settlers of Darién and Bocas del Toro Provinces, who are still largely inaccessible by road. IMA's purchases from producers in the Darién are increasing and buying and collection points will soon be constructed in this area, bringing even more benefits to these isolated small farmers.

Current and Budget Year Program: The results expected in the budget year will be the completion of construction of four terminal grain plants in three cities of the interior and in Panama City.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Grain Marketing Add-On (Loan)	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Minimum	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0212 (140)	INITIAL OBLIGATION	FY 1979	FINAL OBLIGATION	FY 1979	TOTAL COST	\$3,000,000
APPROPRIATION	F&N	DATE PF/REVISION	1/80	DATE LAST PAR	-	DATE NEXT PAR	6/80

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	FY: 1978			FY: 1979			FY: 1980						
		OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE		
Construction					4/79 - 4/81	3,000	1,000	2,000	-	-	-	1,500	500	
HC AND OTHER DONOR	TOTAL-					1,500						1,500		
Construction and Equipment						1,500						1,500		
PERSONNEL WORKYEARS (XX, X)														
FUNDING	1978	1979	1980	1981	1982	BEYOND	PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED			FOOTNOTES	
							TYPE A	TYPE B	TYPE A	TYPE B	TYPE A	TYPE B		
PROGRAM ACCOUNT (ADD -) OPTIMIZING EXPENSES		.5	1.5	.5										
USDI		(.4)	(.5)	(.4)										
ENDDI		(.1)	(1.0)	(.1)										
CONT														

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Perishables Marketing System 525-0213

Purpose: To increase the efficiency and effectiveness of the perishables marketing system and expand its outreach to small farmers.

Background: The project represents another step in the process initiated by the Government of Panama to redress the imbalances inherent in the dual economy of the country. It builds upon an earlier AID loan project which is designed to improve the grain marketing system and is oriented towards improving the lives of the disadvantaged small scale farmer. It is directly related to the GOP's development strategy to increase farm production to achieve domestic self-sufficiency in basic foodstuffs and to increase exports.

The project relates to the continuing AID country development objective of improving the welfare of the small farmer but also to the increasingly important element of assisting the urban poor. The objectives of the project are to stimulate agricultural production by small farmers and to increase vegetable consumption by the urban population.

Project Description: The basic problems addressed by the project are seasonal oversupply of perishables which exceed storage capacity and tend to inhibit production and, conversely, shortages in the market place during the off-season. The major constraints to increased consumption of fresh fruits and vegetables are on the supply side - production, storage and distribution. Many production problems are being resolved, putting increasing pressure on a primitive marketing system. Vegetable prices in Panama tend to be high because marketing constraints limit the volume of saleable produce reaching the consumer. With some products the shortage of cold storage space necessitates, on the one hand, restrictive production and marketing quotas in order to avoid unmanageable surpluses at harvest time and, on the other, importation of the same product during the off-season. The lack of storage and appropriate handling facilities leads to excessive spoilage, overhandling, high markup and erratic supply. On the consumption side, the major constraint in the principal market, Panama City, is overcrowded and inefficient wholesale/retail market place facilities. Here again lack of cold storage and poor handling result in excessive losses and poor quality. Nutrition surveys indicate that the urban poor consume less than adequate amounts of fresh vegetables and that greater availability and more reasonable prices would lead to increased consumption by this target group. Moreover, without proper storage there is a significant loss of food value in the produce.

The present perishables marketing system can be characterized as follows: small farmers are confronted with wide fluctuations in farm

gate prices, and the lack of a secure market; wholesalers must deal with a large number of small producers, uneven quality and supply, and high losses; retailers face the problems of uneven quality, sporadic supply and excessive losses; consumers suffer the results of the system in high prices, poor quality and uneven supply. Adequate handling and storage facilities can (1) preserve the food value of perishables during the marketing season, (2) extend the marketing period of the highly perishable vegetables and (3) provide longer term storage for semi-perishables to cover virtually the whole year.

The Panamanian government agency responsible for public marketing functions is the Agricultural Marketing Institute (IMA). The two broad objectives of IMA with regard to perishable products are to support and stabilize farm prices and to reduce and stabilize food costs for consumers. IMA's role in the perishable marketing system includes purchase and distribution of a portion of the crop for various products, management of government-owned storage facilities, and, in some cases, transportation of produce from production areas distant from the major markets.

This project will provide cold storage and handling facilities in strategic locations in the country and a new public wholesale/retail market for Panama City. It will demonstrate the need for, and technical and economic feasibility of, a modern perishables handling system. IMA does not presume to handle more than a portion of the market for perishables and IMA's role will be largely demonstrative. It is expected that within a relatively short time producer cooperatives and the private sector will take over much of the processing, assembly and distribution role.

Beneficiaries: The beneficiaries of the project are both the small scale producers and the urban poor consumers. There are about 2,500 small producers presently supplying the market, virtually all of whom operate less than 5 hectares. In addition, there are many thousands of small producers associated with farmer organizations (cooperatives, asentamientos, etc.) who would increase their vegetable production if the market were more assured and facilities for handling their products were in place. The producers will benefit from having an assured market and from protection against wide variations in farm prices.

The urban poor consumers are numerous and suffer either nutritionally or economically from high prices and uneven supply of vegetables. By providing storage facilities and stimulating production, these consumers should benefit from higher quality, lower cost produce available virtually year round.

Major Outputs: Implementation is not expected to begin on this project until FY 1981.

The outputs of the project will be: three packing and assembly centers in the major production areas; four cold storage facilities in major market cities; one public wholesale/retail market in the capital; a wooden box manufacturing plant; improved government price and marketing policies.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Perishables Marketing System (Loan)		DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Proposed	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0213 (140)		APPROPRIATION	F&N	INITIAL OBLIGATION	FY 1980	TOTAL COST	\$7,000,000
ESTIMATED U.S. DOLLAR COST (\$ 000)			DATE PP/REVISION	6/80	FINAL OBLIGATION	FY 1980	DATE NEXT PAR	10/81

ACTIVITY INPUTS	TOTAL	PY: 1978		CY: 1979		BY: 1980	
		OBLIGATION	EXPENDITURE	OBLIGATION	EXPENDITURE	OBLIGATION	EXPENDITURE
AID-FINANCED							
Construction:							
Public Markets							
Refrigerated Storage Centers							
Equipment							
Training <input checked="" type="checkbox"/>							
Technical Assistance							
(Contractor Support (non-add))							
HC AND OTHER DONOR	TOTAL	3,000					

FUNDING	FISCAL YEAR					PERSONNEL INTENSITY	PARTICIPANT'S PROGRAMMID			FOOTNOTES
	1978	1979	1980	1981	1982		TYPE A	TYPE B	FISCAL YEAR	
PERSONNEL WORKYEARS (XX, X)										
PROGRAM ACCOUNT (1.0)	1.0	1.0	4.0	3.0	6.0					
OTHER (1.0)	1.0	1.5	1.5	1.5	3.0					
USDI (1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(2.0)					
ENDL (0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(1.0)					
CONT										

FUNDING	FISCAL YEAR					PERSONNEL INTENSITY	PARTICIPANT'S PROGRAMMID			FOOTNOTES
	1978	1979	1980	1981	1982		TYPE A	TYPE B	FISCAL YEAR	
PERSONNEL WORKYEARS (XX, X)										
PROGRAM ACCOUNT (1.0)	1.0	1.0	4.0	3.0	6.0					
OTHER (1.0)	1.0	1.5	1.5	1.5	3.0					
USDI (1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(2.0)					
ENDL (0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(1.0)					
CONT										

FOOTNOTES
1/ In-country short-term training.

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Nutrition Through Managed Fish Production 525-0216

Purpose: The overall purpose of this \$500,000, three-year life-of-project grant is to strengthen and expand the institutional capability and technical expertise of the Division of Fisheries of the Ministry of Agriculture to design and implement a system of managed fish production and related projects aimed at improving the nutritional status of Panama's rural poor. Bio-conversion of animal and agricultural waste to fish food and/or fertilizer will also provide an opportunity to explore the possible uses and efficiency of the methane by-product as an energy source for the small farmer.

Background: Major characteristics of Panama's rural population are underemployment, low income levels, low productivity and low nutritional status. Agricultural land is exceedingly poor and other alternatives to traditional agriculture are needed if the Government's goals of increased productivity, incomes and employment and improved nutrition are to be realized for the rural poor.

Project Description: The project will finance the improvement of the fish hatchery at Divisa. This hatchery will produce fingerlings and will be the principal instrument for introducing genetically improved species to community owned and operated fish farms.

The project will also finance short-term technical assistance, approximately 100 person-months of long and short-term training in the U.S. and third countries, and will finance the required equipment, commodities, vehicles and start-up costs to initiate combination fish culture, animal and agricultural production projects (including solar and bio-conversion of animal and vegetable waste matter to feed). These integrated projects will allow utilization of local and project resources in a natural cycle which will maximize production while minimizing costs to the rural producer. Production of energy will be a by-product of this process. The project will be carried out through the Ministry of Agriculture.

Beneficiaries: Panama's rural poor will be the direct beneficiary of this project. It is estimated that two-thirds of all rural Panamanian agricultural families have a per capita income of less than \$200 per family member. The estimated 1,500 families to directly benefit from this project over its three-year life will be selected from these low-income families. The per family cost will be approximately \$300.

Current Year Program: During project year one, the following results can be expected:

- Fish hatchery upgraded
- Two technicians sent for long-term training
- Up to 5 technicians receive short-term training
- Ten integrated projects initiated

Budget Year Program:

- One technician sent for long-term training
- Up to 5 technicians receive short-term training
- Twenty integrated projects on-going

Major Outputs:

- Three technicians receive long-term training
- Up to 10 technicians receive short-term training
- Fish hatchery capacity doubled
- Up to thirty integrated production-energy projects initiated.

TABLE IVA. ACTIVITY DATA — NARRATIVE

Project: Health and Population 525-0142

Purpose: To broaden public awareness of population growth problems and achieve delivery of family planning services to the highest possible percentage of fertile females in Panama, and in so doing, to encourage the downward trend in the rate of population growth in Panama to an annual rate of about 2% by the year 2000.

Background: Prior to the inception of the program at a national level in all Ministry of Health (MOH) health facilities, fertile females interested in family planning purchased family planning commodities on their own (with or without a doctor's prescription) from the pharmacies or through the services provided by a private family planning organization (APLAFA). In 1968, both the MOH and APLAFA signed a project agreement with AID which provided funds for the delivery of family planning services to a wider range of active users.

Although Panama still does not have a national population policy, the GOP does recognize the right of individuals to choose the size of their family, thereby allowing for the use of contraceptives if required. Since the first project agreement with the MOH and APLAFA, a total of 16 agreements have been signed with USAID to include the following activities:

- a. augmenting the capacity of MOH centers by providing equipment and contraceptives; and where feasible, construction or renovation;
- b. training in-country and abroad for medical and paramedical personnel in family planning theory and practice;
- c. information/education materials and mass media publicity to increase awareness and knowledge of the use of contraceptives;
- d. transportation of personnel, by providing vehicles or boats, to remote areas to deliver health/family planning services.

Progress to Date: The number of facilities providing contraceptive methods has increased from 13 in 1967 to 289 at the present time. Whereas the pill was the first contraceptive method widely used, sterilization and IUDs are steadily increasing among users. There is also wide distribution of condoms. There are no restrictions on the sale of contraceptives in the commercial sector.

Major Outputs: Output objectives of this nearly completed project have largely been achieved. These outputs include:

- Health centers providing family planning services 289
- Women using family planning services 200,000
- MOH personnel trained in family planning 180
- Auxiliary nurses and rural health workers trained in family planning 250
- Population receiving information on family planning 800,000

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Health and Population (Grant)		DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Minimum	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0142 (400)		INITIAL OBLIGATION	FY 1967	FINAL OBLIGATION	FY 1978	TOTAL COST	N/A
APPROPRIATION	PN		DATE PP/REVISION	1/2/75	DATE LAST PAR	6/30	DATE NEXT PAR	5/30/78

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	FY: 1978		CY: 1979		BY: 1980		LIFE OF PROJECT
		OBLIGATION	EXPENDITURE	OBLIGATION	EXPENDITURE	OBLIGATION	EXPENDITURE	
AID-FINANCED	400	388	410	360	50	-	-	-
Commodities	150	200	167	167	-	-	-	-
Participants	-	18	10	10	-	-	-	-
Other Costs	250	170	233	183	50	-	-	-
HIC AND OTHER DONOR	TOTAL	291						
Administrative Costs		175					1,500	
Physical Facilities		87					750	
Equipment		23					200	
Training		6					50	

FUNDING	FISCAL YEAR					PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES		
	1978	1979	1980	1981	1982		TYPE A	TYPE B	FISCAL YEAR			
PROGRAM ACCOUNT TOY (AMT)						<input checked="" type="checkbox"/> HIGH			1978	1979	1980	1/ Personnel picked-up on Population II project in FY 79.
OPERATING EXPENSES	1.5	1/				<input type="checkbox"/> MEDIUM						
USDL	(0.4)					<input type="checkbox"/> LOW						
ENDDL	(0.8)											
CONI	(0.3)											

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Population II 525-0204

Purpose: To further broaden public awareness of population growth problems and achieve delivery of family planning services to the highest possible percentage of fertile females in Panama, as a means of assisting the Ministry of Health to realize its target of reducing the growth rate to 2% before the year 2000.

Background: For the past ten years, with the assistance of USAID/Panama and other agencies, family planning services have been provided on a nationwide scale. Also, training in the fields of demography and family planning theory and practice has been given to Panamanian medical and paramedical personnel in Panama, the United States and other countries.

Family Planning has become an acceptable area of concern for knowledgeable Panamanians. The GOP presently recognized the right of individuals to choose their family size and is taking positive steps through the National Commission for Population Activities to further stress the socio-economic importance of regulating population growth.

Recent surveys continue to show that an increasing proportion of adult population is using family planning facilities and services. In 1975, the population growth rate had dropped to 2.7%, as compared to 3.2% in 1967. In 1977, about 29% of Panamanian women of reproductive age were using services provided by the public health facilities, and 17% were contracepting by utilizing commercial and other sources. The World Fertility Survey shows that 50% of women contracepting preferred sterilization to other methods and that the use of IUDs is increasing significantly.

Project Description: This new project follows successful completion of the earlier Health and Population Project (525-0142).

Family planning activities are included in the Maternal/Child Health program of the Ministry of Health (MOH) and in the early stage of expanding coverage for the delivery of contraceptive methods, funds donated by AID have been used to improve and reinforce the basic requirements of health facilities as well as to emphasize the use of contraceptives. The new project will concentrate more on family planning through other Government ministries, semi-public and private organizations in activities conducive to increasing the use of contraception among a broader target population. For instance, assistance will be given to the Ministry of Education to upgrade the quality of their sex education personnel and to improve the present sex education curriculum.

Funds will be provided to a local private family planning organization to widen the scope of their information and education programs, including coverage of other semi-public and private organizations.

The contraceptive logistic system, including end-use and distribution data collection will be improved through technical assistance and training.

Training will also be provided for medics and paramedics in the use of family planning methods. Use of condom vending machines and other innovative distribution methods at the community level will also be supported, and non-clinical distribution methods and integration of population/family planning objectives into other cross sectoral development efforts will be a high priority.

Programs which address adolescent fertility and high risk cases will often be given priority consideration and special programs will be developed with the Juvenile Delinquent Court, the Special Education Rehabilitation School, Parents Association, and other non-health institutions.

Beneficiaries: Fertile females throughout the country will be the main target group.

Current Year Program:

- 10 training courses initiated.
- Mass media study carried out.
- Reporting system study carried out.
- Distribution and delivery system analyzed.
- Minimum of 5 non-health sector programs offering family planning information.

Budget Year Program:

- Approximately 300 centers offering more effective family planning through increased training of paramedical staff.
- Minimum of 300 MOH personnel trained in family planning.
- Increased motivational and promotion materials, directed at overcoming specific obstacles to family planning acceptance.

Major Outputs:

- MOH stays on target for achieving a 2% growth rate by the year 2000.
- Non-clinical/non-health sector related family planning activities increase.
- Delivery and reporting activities improve.
- Family planning skills of professional and paramedical personnel improved through training.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Population II (Grant)	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Minimum	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0204 (400)	APPROPRIATION	PN	INITIAL OBLIGATION	FY 1979	TOTAL COST	\$2,000,000
		DATE PP/REVISION	11/78	DATE LAST PAR	-	DATE NEXT PAR	1/80

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	PY: 1978			CY: 1979			BY: 1980			LIFE OF PROJECT	
		OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION		EXPENDITURE
Training 1/					1/79 - 3/80	120	60	60	1/80 - 3/81	-	60	-
Materials Development					"	20	10	10	"	40	30	20
FP Commodities					"	30	20	10	"	120	100	30
Clinical Equipment					"	30	20	10	"	40	30	20
Other Costs					"	200	200	-	"	200	200	-
HC AND OTHER DONOR	TOTAL											
Administration										500		
Other Costs										750		
										1,250		

PERSONNEL WORKYEARS (XX.X)

FISCAL YEAR

PERSONNEL INTENSITY

TYPE A=NONCONTRACT B=CONTRACT

FISCAL YEAR

FOOTNOTES

FUNDING	1978	1979	1980	1981	1982	BEYOND	TYPE	TERM	1978	1979	1980
PROGRAM ACCOUNT (1-)							<input checked="" type="checkbox"/> HIGH	LONG-TERM	3	3	3
TDY (401)							<input type="checkbox"/> MEDIUM	SHORT-TERM			
OPTIMIZING EXPENDITURES	1.6	1.6	1.6	1.6	1.6	1.6	<input type="checkbox"/> LOW	LONG-TERM			
USDI	(.6)	(.6)	(.6)	(.6)	(.6)	(.6)		SHORT-TERM			
ENDL	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)		LONG-TERM			
CONT	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)		SHORT-TERM			

1/ Includes funds for in-country short-term seminars in addition to those to be used for long-term training in U.S.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Rural Health Delivery System (Loan)	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Minimum	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0181 (510)	APPROPRIATION	HE	INITIAL OBLIGATION	6/29/76	FINAL OBLIGATION	6/29/76
		DATE PP/REVISION	6/8/76	DATE LAST PAR	-	TOTAL COST	\$9,500,000
		ESTIMATED U.S. DOLLAR COST (\$ 000)		DATE NEXT PAR	1/79		

ACTIVITY INPUTS	TOTAL-	FY: 1978			FY: 1979			FY: 1980		
		OBLI-GATION	EXPEN-DITURE	PIPE-LINE	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	OBLI-GATION	EXPEN-DITURE	PIPE-LINE
ALD-FINANCED		2,181	7,319	3,803	3,516	3,516				
Environmental Health										
Health Facilities Construction		1,498	3,547	1,771	1,776	1,776			1,776	
Nutrition		272	1,931	1,025	906	906			906	
Training 1/		340	680	340	340	340			340	
Administration		46	534	337	197	197			197	
Equipment		25	375	200	175	175			175	
		-	252	130	122	122			122	

HC AND OTHER DONOR TOTAL--
Construction, Plans & Supervision
Operating & Administrative Costs
Training

PERSONNEL WORKYEARS (XX, X)

FUNDING	FISCAL YEAR					PERSONNEL INTENSITY	PARTICIPANT'S PROGRAMMID			FOOTNOTES
	1978	1979	1980	1981	1982		TYPE A=NONCONTRACT B=CONTRACT	1978	1979	
PROGRAM ACCOUNT						<input checked="" type="checkbox"/> HIGH				
TOY (AMT)						<input type="checkbox"/> MEDIUM				
OPTIMIZING EXPENSES	1.7	2.2	2.4			<input type="checkbox"/> LOW				
USDI	(0.7)	(0.5)	(0.5)							
ENMI	(0.5)	(0.9)	(1.1)							
CONI	(0.5)	(0.8)	(0.8)							

1/ Training element includes short-term in-country seminars

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Program Development and Support (Health) 525-0188

Purpose: To finance the costs of designing and supporting the Mission's grant and loan projects.

Background: Provision of technical support to the USAID program is a continuing requirement. This support consists of developing and designing new project proposals, producing sector assessments, feasibility studies, and economic, social and environmental analyses. To a lesser extent evaluation and selected supportive training activities are also funded. FY 1977-78 funds were used to finance assistance related to the USAID's program in the health sector, including a six month course, in cooperation with the Pan American Health Organization, for medical records technicians. Water testing equipment was also provided for the water quality control program of the Ministry of Health's Environmental Health Division. Technical assistance was provided in various areas and local costs were committed for a major baseline survey and evaluation of the Rural Health Delivery System Loan.

Beneficiaries: While this project normally does not directly benefit poor people, it provides funding to develop projects which do have this effect.

Current Year Program: FY 1979 funding is planned for completing the Rural Health Delivery System Loan evaluation and for continued support to the Ministry of Health for short-term training or consultant requirements in health logistics and management, epidemiology and environmental health (\$50,000). Baseline data gathering will also continue.

Budget Year Program. Minimum: This level will permit support only to on-going programs. At the very least, USAID plans to continue a level of support which will permit evaluation and advisory assistance in support of on-going programs similar to the assistance offered in FY 1979. Mark and Proposed: The increased level requested (\$200,000) will permit the funding of a nutrition assessment and related health and nutrition project planning for FY 1981. Without the development of new activities much of the impetus will be lost for upgrading Ministry of Health technical capacity in certain key areas such as nutrition and environmental health.

Major Outputs: The major output will be the projects which are developed by the Mission for FY 1980 and FY 1981, as well as the assessments, analyses and studies which support the development of these projects.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Program Development and Support (Health)	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Minimum	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0188 (900)	INITIAL OBLIGATION	3/1/75	FINAL OBLIGATION	Continuing	TOTAL COST	N/A
APPROPRIATION	HE	DATE PP/REVISION	N/A	DATE LAST PAR	N/A	DATE NEXT PAR	N/A

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY1 1978			CY1 1979			BY: 1980			LIFE OF PROJECT			
	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION		EXPENDITURE	PIPE-LINE	
AID-FINANCED	TOTAL-	50	105	24	10/78-3/80	50	65	9	10/79-3/81	50	44	15	
U.S. Personnel		-	-	-	"	5	5	-	"	"	-	-	
Contractor Support (non-add)		-	-	-	"	(2)			"				
Local and TCN Personnel		-	-	-	"	20	15	5	"	"	40	30	15
Contractor Support (non-add)		-	-	-	"	(16)			"				
Commodities		-	19	-	"	-	-	-	"	"	-	-	
Other Costs		50	86	24	"	25	45	4	"	"	10	14	
Evaluation (non-add)		(50)				(20)							
HC AND OTHER DONOR	TOTAL-	20				20							
Logistic & Administrative Sup.		15				15							
Local Personnel		5				5							
PERSONNEL WORKYEARS (X,Y,X)													
FUNDING	1978	1979	1980	1981	1982	BEYOND	PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED			FOOTNOTES
PROGRAM ACCOUNT (H01-)	-	0.5	0.8	0.7	0.7	CONT.	<input checked="" type="checkbox"/> HIGH	<input type="checkbox"/> MEDIUM	<input type="checkbox"/> LOW	TYPE A	TYPE B	TYPE C	
OPERATING EXPENSES	0.4	0.4	0.7	0.7	0.7					LONG-TERM	SHORT-TERM		
USDI	(0.3)	(0.3)	(0.6)	(0.6)	(0.6)								
FNDI	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)								
CONT													

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Program Development and Support (Health)	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Mark	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0188 (900)	INITIAL OBLIGATION	3/1/75	FINAL OBLIGATION	Continuing	TOTAL COST	N/A
APPROPRIATION	HE	DATE FR/REVISION	N/A	DATE LAST PAR	N/A	DATE NEXT PAR	N/A

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY: 1978			FY: 1979			FY: 1980			LIFE OF PROJECT		
	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION		EXPENDITURE	PIPE-LINE
AID-FINANCED	TOTAL-	50	105	24	10/78-3/80	50	65	9	10/79-3/81	200	179	30
U.S. Personnel		-	-	-	"	10	10	-	"	110	95	15
Contractor Support (non-add)		-	-	-	"	(3)			"	(32)		
Local and TCN Personnel		-	-	-	"	20	15	5	"	80	70	15
Contractor Support (non-add)		-	-	-	"	(5)			"	(20)		
Commodities		-	19	-	"	-	-	-	"	-	-	-
Other Costs		50	86	24	"	20	40	4	"	10	14	-
Evaluation (non-add)		(50)				(20)						
HC AND OTHER DONOR	TOTAL-	20				20						
Logistic & Administrative Sup.		15				15						
Local Personnel		5				5						

PERSONNEL WORKYEARS (XX.X)

PERSONNEL INTENSITY

PARTICIPANTS PROGRAMMED

FOOTNOTES

FUNDING	FISCAL YEAR					PERSONNEL INTENSITY	TYPE A NONCONTRACT		FISCAL YEAR		
	1978	1979	1980	1981	1982		B-CONTRACT	1978	1979	1980	
PROGRAM	-	0.5	3.5	2.0	1.0	<input checked="" type="checkbox"/> HIGH	LONG-TERM	N/A			
ASSET	-	-	(0.2)	(0.1)	-	<input type="checkbox"/> MEDIUM	SHORT-TERM				
TOY (MIL)	-	-	0.7	0.7	0.7	<input type="checkbox"/> LOW	LONG-TERM				
OPERATING EXPENSES	0.4	0.4	0.7	0.7	0.7		SHORT-TERM				
USDI	(0.3)	(0.3)	(0.6)	(0.6)	(0.6)						
ENDD	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)						
CONF											

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Training for Development 525-0164

Purpose: The purpose of this project is to contribute to the up-grading of professional skills in Panamanian public institutions involved with the planning, administration and implementation of development activities, especially those activities related to AID-supported programs in agriculture, education, and health.

Background: Panama suffers from a serious lack of adequately trained personnel at the administrative and managerial levels. This is true of both the public and private sectors. Government planning offices in particular are in chronic short supply of competent, experienced, middle-level personnel. The demand for training exceeds the availability of programs of the GOP and the international institutions.

The Training for Development project is designed to assist the Government of Panama to narrow the short to middle range gap of trained public personnel and at the same time build the GOP's institutional capability to identify and respond to its longer range requirements. No training is funded under this project that can be accommodated under other sources available to the GOP. Persons selected for training are permanent employees of the nominating agency with sufficient experience in its work and operations to enable them to make an immediate contribution upon their return. This criteria, however, does not preclude the approval of some training which government agencies may wish to secure for promising future career employees whom it wishes to attract into its service. Such candidates may qualify under this project if the requested training is programmed as an integral part of a planned career development program which includes meaningful on-the-job training with the sponsoring agency before the beginning of the AID financed training.

The sponsoring agency pays international travel, continues the participant's salary during the training period and agrees to continue the employee in his same position, an equivalent or a higher one for a minimum period of twice the duration of training. The participant must agree to return to Panama and utilize his training for a minimum period of twice the duration of his program. In the case of training which takes place in-country the Government of Panama makes a financial contribution commensurate with that provided for individuals who are sent abroad.

To assure orderly implementation of this project, the Ministry of Planning presents to USAID/Panama a yearly training plan based on considerations of economic development priorities, institutional need, and qualifications of candidates.

Progress to Date: The GOP has established a National Training System which has assumed primary direction for planning and implementation of training functions for all middle-level manpower, coordinating training programs between donor agencies and recipient ministries, and developing longer range requirement.

When this project terminates in FY 1979 USAID will have provided over \$3.0 million dollars primarily to finance technical training abroad as well as in-country courses and seminars. The number of returned participants from overseas training during FY 1973-FY 1977 was 101, which includes long and short-term programs. Participants on board are 31; programmed participants approximately 20.

A joint USAID/GOP evaluation is underway and preliminary conclusions indicate that the project is meeting its goals and objectives. Therefore the project has been extended one year to allow time for a follow-on program to be developed as a part of the FY 1980 Public Administration and Management Project. All participants will be fully funded during the extension period since future GOP training needs may be mainly loan rather than grant financed.

Beneficiaries: The beneficiaries of this program are middle level public sector employees responsible for the planning and implementation of development programs in AID priority areas of concentration. The indirect beneficiaries are the rural poor who benefit from improved programs and services of the public sector as a result of the increased skills gained by participants financed under the grant.

Current Year Program: AID will continue its support of long-term and short-term participant training program with both U.S. and in-country training. It is expected that approximately 10 participants will be scheduled for long-term training and 10 for short-term training. Approximately six in-country training seminars will be programmed.

Major Outputs: Returned all years:

- Degree participants	65
- Non-degree participants	110
- In-country participants	1,300

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Training for Development	DECISION UNIT USAID/PANAMA	DECISION PACKAGE Minimum	BUDGET YEAR FY 1980
PROJECT NUMBER 525-0164 (721)	INITIAL OBLIGATION FY 1973	FINAL OBLIGATION FY 1979	TOTAL COST \$3,394,000
APPROPRIATION EH	DATE PR/REVISION 11/11/74	DATE LAST PAR 4/5/76	DATE NEXT PAR 5/30/78

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY: 1978			FY: 1979			FY: 1980			LIFE OF PROJECT	
	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE		
	FUNDING PERIOD (FR-TO)			FUNDING PERIOD (FR-TO)			FUNDING PERIOD (FR-TO)				
AID-FINANCED	TOTAL-	293	138	115	300	265	150	-	150	-	
Participants		293	138	115	300	265	150	-	150	-	
HIC AND OTHER DONOR	TOTAL-	115			115				575		
Salaries		85			85				425		
Travel		10			10				50		
In-country Training		20			20				100		
PERSONNEL WORKYEARS (X.X.X)											
FUNDING	FISCAL YEAR			PERSONNEL INTENSITY			PARTICIPANTS' PROGRAMS			FOOTNOTES	
	1978	1979	1980	1981	1982	BEYOND	TYPE A	TYPE B	1978	1979	1980
PERSONNEL							LONG-TERM	SHORT-TERM	20	20	10
PROBATIONARY ACCOUNT TOY (AND OTHER) EXPENSES	2.1	2.1					SHORT-TERM	LONG-TERM	1	10	10
USDI	(0.1)	(0.1)					SHORT-TERM	LONG-TERM			
FUND CONT	(2.0)	(2.0)					SHORT-TERM	LONG-TERM			

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Education Sector Loan II	DECISION UNIT USAID/PANAMA	DECISION PACKAGE Minimum	BUDGET YEAR FY 1980
PROJECT NUMBER 525-0179 (600)	INITIAL OBLIGATION 9/2/75 1/	FINAL OBLIGATION 9/30/77 1/	TOTAL COST \$13,500,000
APPROPRIATION EH	DATE PP/REVISION 9/13/77	DATE LAST PAR 6/78	DATE NEXT PAR 3/79

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 1978			FY 1979			FY 1980			LIFE OF PROJECT	FOOTNOTES
	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE		
AID-FINANCED	TOTAL-	5,837	5,806	3,764	2,042				1,442	600	
General Basic Education		2,856	4,782	3,000	1,782				1,282	500	
Teacher's Training and Education Development Center 2/		1,136	544	444	100				50	50	
Polytechnic		1,677	290	250	40				40	--	
CEDECANI		168	190	70	120				70	50	
Evaluations (Non-Add)		(5)	(15)	(5)	(10)				(5)	(5)	
HC AND OTHER DONOR	TOTAL-										
General Basic Education											
Teacher's Training											
Polytechnic											
CEDECANI											
PERSONNEL WORKYEARS (XX, X)											
FUNDING	FISCAL YEAR			PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED				
	1978	1979	1980	1981	1982	BEYOND	TYPE A	TYPE B	TYPE A	TYPE B	
PROGRAM - ACCOUNT TOY (NON-ADD) EXPENSES	5	5	5	1			LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM	
USDI	(3)	(2)	(2)	(2)					N/A		
FUNDI	(1)	(1)	(1)	(1)							
CONI											

1/ An additional \$2.5 million was authorized 9/30/77.
2/ In-country short-term training seminars

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Program Development and Support (Education and Human Resources) 525-0189

Purpose: To finance the costs of designing and supporting the Mission's grant and loan projects.

Background: Provision of technical support to the USAID program is a continuing requirement. This support consists of developing and designing new project proposals, producing sector assessments, feasibility studies, and economic, social and environmental analyses. To a lesser extent evaluation and selected supportive training activities are also funded. FY 1977-78 funds were used to finance invitational travel and other cost support to assist in improving program design and implementation of human resource development activities. In addition, some preliminary financing is anticipated to begin preparations for a Panamanian national or regional manpower study (workforce assessment) which ultimately will provide data for design of an FY 1980 loan for workforce development.

Beneficiaries: While this project normally does not directly benefit poor people, it provides funding to develop projects which do have this effect.

Current Year Program: FY 1979 funding is aimed at design and development of two loan projects proposed for FY 1980 - the Workforce Development Project and the Public Administration and Management Project. It is expected that the workforce demand study will be completed in the current year and that most of the design work can be accomplished for the Workforce Development Project (\$75,000). A study or studies of governmental management and administration at the national planning level will also be undertaken (\$30,000). In addition, design work will begin on the Public Administration and Management Project (\$20,000).

Budget Year Program: FY 1980 funds will be used for any final work required in preparation of the PP for Workforce Development. Even at a minimum level of program funding governmental management analyses will also be supported since the identification and selection of new public management approaches is one of the highest priority concerns of the GOP as it prepares to absorb new resources and territory pursuant to the treaties (\$120,000). At the proposed level of program funding these studies would lead directly to the Public Administration and Management Project which is intended to provide financial assistance for implementing the recommendations

brought out in the studies. Budget year funds will also be used to update the education sector assessment and develop a follow-on program to the present Education Sector Loan projected for FY 1981 (\$65,000). Assistance in developing PVO projects in non-formal education, particularly among underprivileged urban youth, is also anticipated (\$15,000).

Major Outputs: The major output will be the projects which are developed by the Mission for FY 1980 and FY 1981, as well as the assessments, analyses and studies which support the development of these projects.

TABLE IVB
ACTIVITY BUDGET
DATA

ACTIVITY TITLE: Program Development and Support (Education and Human Resources)
 PROJECT NUMBER: 525-0189 (900)
 APPROPRIATION: EH
 ESTIMATED U.S. DOLLAR COST (\$ 000):

DECISION UNIT: USAID/PANAMA
 INITIAL OBLIGATION: 3/1/75
 DATE PP/REVISION: N/A
 DATE LAST PAR: N/A
 DECISION PACKAGE: Minimum
 FINAL OBLIGATION: Continuing
 BUDGET YEAR: FY 1980
 TOTAL COST: N/A
 DATE NEXT PAR: N/A

ACTIVITY INPUTS	TOTAL	FY: 1978			FY: 1979			FY: 1980			LIFE OF PROJECT
		OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	
AID-FINANCED	50	50	35	10/78-3/80	125	108	52	10/79-3/81	200	205	47
U.S. Personnel	15	15	-	"	35	30	5	"	100	105	-
Contractor Support (non-add)	(5)	(5)	-	"	(10)			"	(30)		
Local and TCN Personnel	20	18	35	"	70	60	45	"	92	90	-
Contractor Support (non-add)	(5)	(5)	-	"	(15)			"	(20)		
Other Costs	15	17	-	"	20	18	2	"	8	10	-
HC AND OTHER DONOR	TOTAL	20			20						
Logistic and Admin. Support	15				15						
Local Personnel	5				5						

PERSONNEL WORKYEARS (XX, X)

PERSONNEL INTENSITY

PARTICIPANTS PROGRAMMED

FOOTNOTES

FUNDING	FISCAL YEAR					BEYOND CONT.
	1978	1979	1980	1981	1982	
PROGRAM ACCOUNT	0.3	4.0	1.5	1.0	1.0	
OPTIMIZING EXPENSES	-	(0.1)	(0.2)	(0.1)	-	
USDI	0.4	1.4	1.3	1.3	1.3	
ENDL	(0.3)	(1.2)	(1.2)	(1.2)	(1.2)	
CONI	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	

PERSONNEL INTENSITY: HIGH, MEDIUM, LOW

TYPE A=NONCONTRACT, TYPE B=CONTRACT
 LONG-TERM, SHORT-TERM

FISCAL YEAR: 1978, 1979, 1980

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Training of Rural Youth (OPG) 525-0198

Purpose: The overall goal of this three-year, \$225,000 OPG is to strengthen and expand the Future Farmers of Panama (FADEP) organization through programs of international exchange, staff training, development of educational and motivational materials and implementation of specific agricultural projects.

Background: Panama's rapid rate of population growth has resulted in an 18 and under population approximating 50% of the entire population of the Republic. This young population has placed a heavy burden on the formal education system's ability to provide educational opportunities to enable its youth to become effective and productive citizens. Rural youth have been especially disadvantaged because until very recently the educational system has centered on traditional models which emphasized urban values and skills. The theoretical nature of the formal curriculum did not provide adequate and relevant skills for rural youth nor did it create 'employable' youth prepared to be self-sufficient in rural areas. A Panamanian voluntary agency, the Patronato Nacional de la Juventud Rural (PANAJURU) was created over 10 years ago to provide practical vocational agriculture and agribusiness education to rural youth through 4-H and Future Farmers Clubs. As a complement to the Education Sector II loan which is assisting the Ministry of Education to restructure its formal educational system to provide a more relevant education for youth in rural areas, this OPG will fund non-formal education activities of PANAJURU for FADEP. The project directs education assistance towards rural youth from the poor majority and is therefore not only within an identified priority area of the Government of Panama, but is also responsive to the Congressional Mandate.

Project Description: A visiting consultant examined the PANAJURU-FADEP system and identified several weaknesses which are impeding the development of a uniform orientation and program for Panama's rural youth. The need to create two new positions in the system and staff these positions with trained and dedicated individuals was identified as one of the key program needs. The OPG will fund specialized training by the Future Farmers of America for individuals to fill these two positions. In addition, the project will fund exchange of Panamanian and U.S. youth, development of educational and promotional materials, and establish a fund for initiating specific project activities designed to provide practical experience to FADEP members. PANAJURU will carry out its activities with the full cooperation and support of the Ministries of Education and Agriculture, and with the technical assistance of the Future Farmers of America.

Beneficiaries: The direct beneficiaries of this project will be the approximately 1000 members of FADEP and another 1000 rural youth who will become members of new chapters to be created by the grant. These 2000 students, representing approximately 2000 farm families, come from the rural farming communities where per capita income is under \$200. All FADEP members are students of vocational agriculture in formal educational institutions, grades 7-12. Experience has shown that virtually all FADEP 'graduates' remain in rural areas working in agriculturally-related endeavors. The project cost per family is approximately \$100.

Current Year Program: By the end of project year one, the following results are projected:

- Two Panamanians will have been trained by the FFA to fill the positions of program assistant and training specialist.
- Six FADEP members will have started international exchange experience in U.S.
- Five development projects initiated.

Budget Year Program: By the end of project year two, the following activities will have been realized:

- Program and training specialists will have returned from training and begun to work full time on the project.
- Twelve Panamanians and six U.S. students will have participated in international exchange.
- Ten new FADEP chapters will have been established.
- Program manuals will have been published.
- Ten development projects initiated.

Major Outputs: By the end of project:

- Program and training specialists will be working full time utilizing knowledge gained during their training to improve FADEP programs.
- All program literature and materials will have been developed, published and in use contributing to better programs for FADEP members.
- Twelve American and eighteen Panamanians Future Farmers will have participated in the international exchange program and gained experience useful for advancing their own careers and assisting their respective countries rural youth programs.
- A minimum of 20 development projects initiated offering practical vocational agriculture and agribusiness experiences to 2000 FADEP members.
- A minimum of 25 FADEP chapters will have been established.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Training of Rural Youth (OPG)	DECISION UNIT USAID/PANAMA	DECISION PACKAGE Minimum	BUDGET YEAR FY 1980
PROJECT NUMBER 525-0198 (613)	INITIAL OBLIGATION FY 1978	FINAL OBLIGATION FY 1980	TOTAL COST \$225,000
APPROPRIATION EH	DATE PP/REVISION 6/78	DATE LAST PAR -	DATE NEXT PAR 8/79

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL-	FY: 1978			FY: 1979			FY: 1980			LIFE OF PROJECT	
		OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE		
		(FR-TO)	(FR-TO)	(FR-TO)	(FR-TO)	(FR-TO)	(FR-TO)	(FR-TO)	(FR-TO)	(FR-TO)		
U.S. Technical Assistance	225	50	175		110	65				65		
(Contractor Support (non-add))												
Local Personnel	22	5	17		12	5				5		
Training	(7)	(3)	(4)		(2)	(2)				(2)		
Commodities	25	-	25		12	13				13		
	23	6	17		13	4				4		
	146	36	110		70	40				40		
HC AND OTHER DONOR	TOTAL-											
	188									188		
PANAJURU Ministry of Education Ministry of Agriculture FFA		50 90 20 28								50 90 20 28		
PERSONNEL WORKYEARS (X, X)											FOOTNOTES	
FUNDING		FISCAL YEAR			PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED				
		1978	1979	1980	1981	1982	BEYOND	A=NONCONTRACT B=CONTRACT	1978	1979	1980	
PROGRAM ACCOUNT (ADD)								TYPE A				
OPERATING EXPENSES								TYPE B				
USDI		(.2)	(.1)	(.1)								
FNDI		(.1)	(.2)	(.2)								
CONT												

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Family Orientation Centers (OPG) 525-0202

Purpose: To promote stability of the Panamanian family through a series of programs directed at special needs of infants, children, adolescents, adults and senior citizens.

Background: A number of community-based women's groups were formed during the International Women's Year. Many of these groups are oriented toward the promotion of family welfare, with emphasis on the integrated development of infants. Despite scarce resources, over fifty groups are meeting special needs of the communities they serve. These groups, operating out of community orientation centers, increase women's ability to contribute to and benefit from the development process by providing education, training and leadership opportunities in an organized and socially relevant environment. The project, therefore, directly addresses the issue of women in development as mandated in AID's legislation as well as in Panama's National Development Plan.

Project Description: The OPG will finance training for orientation center professional personnel and volunteers, development of day-care curriculum materials and programs, development of programs such as family planning and sex education for adolescents and adults, responsible parenthood classes, civil rights, legal aid and consumer affairs information, head start programs, rehabilitation for physically and mentally handicapped children, special education classes for families with handicapped children and improvements in the physical infrastructure of the orientation centers. The project will also finance specific cooperative production projects designed to enhance the rural woman's role as an economic resource and as a decision-maker in the development process. While all of these activities are currently being carried out, this project will encourage the development and expansion of a stronger overall system and will focus on institutionalization of that system.

Construction activities will be directed by the Lion's Club of Panama; software by the Panamanian Institute of Rehabilitation. The Ministries of Health, Education and Agriculture will cooperate with the project.

Beneficiaries: The beneficiaries of this project will be rural women and their families in areas where there are infant and family orientation centers. An estimated 10,000 people will benefit directly from the program. The beneficiaries, for the most part, will be rural people with incomes of under \$200 per capita. The per family cost will be approximately \$50.

Current Year Program: During project year one, the following results can be expected:

- physical improvements to 25 centers
- three workshops for center professional staff
- twenty short courses for community members
- small development projects initiated in twenty communities.

Budget Year and Major Outputs:

- Total of 50 centers physically upgraded
- Ten workshops for professional staff
- Sixty short courses for community members
- Small development projects in 50 communities.

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Goodwill Rehabilitation Center (OPG) 525-0203

Purpose: The overall purpose of this two-year \$100,000 OPG is to improve the opportunity for a healthier and more productive life for Panama's physically and mentally handicapped through strengthening and expanding the Goodwill Industry's Rehabilitation Center.

Background: The Asociación Panameña de Industrias de Buena Voluntad is a Panamanian PVO created in 1970 with the general objectives of promoting rehabilitation of physically and mentally handicapped Panamanians. Goodwill provides its services to poor Panamanians who are without adequate resources to afford private, specialized care. The project, because it offers Panama new sources of productivity through the incorporation and monitoring of the incapacitated into the labor force, addresses one of Panama's priority areas - reducing unemployment. The project is also responsive to the Congressional Mandate because it addresses the needs of Panama's poor in overlapping areas of health and education.

Project Description: The number of people receiving Goodwill rehabilitation training has increased from 14 in 1973 to almost 50 in 1978, and despite the high rate of unemployment and underemployment in Panama, 40% of the recent classes have moved to gainful employment. Applications for training far exceeds the present capacity of Goodwill's facilities. Goodwill has obtained funds to construct a new and larger facility, and the Panamanian government has donated land. This OPG will allow Goodwill to contract technical assistance to determine future program needs and directions, equip the new facility, and train new instructors to work with the handicapped. The Ministry of Education supplies some of the instructors for the Center, and there is coordination with the Panamanian Institute of Rehabilitation which works with handicapped children.

Beneficiaries: The direct beneficiaries will be the 50-100 handicapped Panamanians who will receive full-time training each year in the expanded facility. These beneficiaries represent the poor majority of Panama and are only accepted into the program if their physical or mental handicap is documented. While there is little multiplier effect to be realized, each rehabilitated person placed in remunerable employment makes placement of future graduates a little easier. The approximate cost per family is \$500, however, the life of the machinery to be bought and benefit of the program to be developed will not end with the two-year life of this project. The cost per family calculated over 5 to 10 years would be considerably lower.

Current Year Program: During the first year of this project the following results will be achieved:

- Technical assistance will be contracted to carry out an assessment of the Panamanian labor market to determine priority needs that can be filled by well-trained handicapped individuals.
- An equipment list and training plan for instructors will be prepared based on the assessment.
- Construction of the new facility will be completed.

Budget Year and Major Outputs: By the end of the project the following results will have been accomplished:

- An assessment of the labor market carried out.
- New facility constructed with capacity for 100 students.
- Equipment purchased to equip facility.
- Training program carried out for instructors.
- New curriculum materials developed.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Goodwill Rehabilitation Center (OPG)	DECISION UNIT	USAID/PANAMA INITIAL OBLIGATION FY 1978	DECISION PACKAGE	Minimum FINAL OBLIGATION FY 1978	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0203 (612)	APPROPRIATION	DATE PP/REVISION 7/78	DATE LAST PAR	-	TOTAL COST	\$100,000
						DATE NEXT PAR	9/79

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	FY: 1978			FY: 1979			FY: 1980			LIFE OF PROJECT
		OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	
Technical Assistance	100	40	60	-	-	-	-	-	-	230	
Contractor Support (non-add)	25	10	15	15	30	-	-	-	-	-	
Commodities	(8)	(3)	(5)	(5)	-	-	-	-	-	-	
Training	50	20	30	-	-	-	-	-	-	-	
	25	10	15	15	15	-	-	-	-	-	
HC AND OTHER DONOR	TOTAL				230					230	
Construction Land					150					-	
					80					-	

PERSONNEL WORKYEARS (XX.X)

FUNDING	1978	1979	1980	1981	1982	BEYOND
PROFITABLE ACCOUNT (ADD)						
OPERATING	1/	.1				
USDI						
UNDI		(.1)				
CONT						

PERSONNEL PARTICIPANTS PROGRAMMED

PERSONNEL INTENSITY	TYPE A NONCONTRACT		TYPE B CONTRACT		FISCAL YEAR	
	LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM	1978	1980
HIGH						
MEDIUM						
LOW					2	2

FOOTNOTES
1/ Represents less than .05 work years.

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Public Administration and Management 525-0209

Purpose: To improve the capacity of public sector institutions to plan and implement priority development programs.

Background: The weak and inefficient public administration system is a major deterrent to the achievement of Panamanian national development objectives. This state of affairs will be exacerbated as a result of the additional administrative demands imposed on the GOP under the new Panama Canal Treaties, which will add a substantial management burden to an already overtaxed administrative structure. The primary factors impeding effective planning and implementation of governmental programs are an archaic administrative system, the lack of trained middle-level management personnel and an inability of the GOP to develop the statistical information, studies and surveys required to administer government programs.

Project Description: This project proposes to assist the GOP to improve its administrative capability for planning and implementing its programs. With the assistance of consultants, the General Directorate of Administrative Organization of the Ministry of Planning and Economic Policy will undertake a series of studies which thoroughly analyze the public sector administrative apparatus. Based on the recommendations resulting from these studies, detailed programs will be designated and implemented which will: (1) reorganize present management structures; (2) develop and implement new systems and procedures which are more responsive to present requirements; and (3) develop the middle-management administrators and planners through long-term participant training, in-country courses and on-the-job training. In addition, funds will be provided for the technical assistance, training and equipment required to strengthen the GOP's capacity in information gathering, statistical analysis, and evaluation of programs.

Beneficiaries: Initial beneficiaries of the project will be the actual and prospective employees of the fifty-eight institutions which comprise the central government and its autonomous agencies. It is expected that the improvement of public sector management and services will lead to an improved responsiveness of the public sector which will benefit all Panamanians, especially the poor.

Budget Year Program: It is anticipated that the loan will be obligated late in FY 80 and that few project activities will begin during FY-80. However, during the first year of the project, it is expected that the following will have occurred: various management studies and analyses begun, a detailed reorganization plan developed, detailed training plans developed, 50 participants in training, and manuals of reformed administrative procedures in process.

Major Outputs:

- Series of management studies and analyses completed.
- Reorganization of outdated management structures and procedures.
- The institutionalization of a human resources training system for the public sector.
- Training of a series of public sector employees in the United States or other Latin American countries in priority development areas.
- A series of in-country and on-the-job training courses for GOP personnel.
- Development and diffusion of a series of manuals of reformed administrative procedures.
- A series of statistical surveys and studies on the economic and social conditions of the rural and urban poor.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Public Administration and Management (Loan)	DECISION UNIT USAID/PANAMA	DECISION PACKAGE Proposed	BUDGET YEAR FY 1980
PROJECT NUMBER 525-0209 (721)	INITIAL OBLIGATION FY 1980	FINAL OBLIGATION FY 1980	TOTAL COST \$5,000,000
APPROPRIATION EH	DATE PP/REVISION 6/80	DATE LAST PAR -	DATE NEXT PAR 8/81

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL-	PY: 1978		CY: 1979		BY: 1980		LIFE OF PROJECT
		OBLI- GATION	EXPEN- DITURE	OBLI- GATION	EXPEN- DITURE	OBLI- GATION	EXPEN- DITURE	
Particpant Training 1/								
Materials Development								
Equipment								
Administration								
Evaluation/Studies								
Technical Assistance								
Contractor Support (non-add)								
Other Costs								
HC AND OTHER DONOR	TOTAL-							
Administration								
Commodities								
Training								
Other Costs								

PERSONNEL WORKYEARS (X.X, X)

PERSONNEL INTENSITY

PARTICIPANTS PROGRAMMO

FOOTNOTES

1/ Training not ex-
pected to begin
until FY 1981.

FUNDING	1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT			.3	.3	.3	.3
TOY (AMT)			1.2	1.2	1.2	1.2
OPTIONAL INGS			(1.1)	(1.1)	(1.1)	(1.1)
USDI			(.1)	(.1)	(.1)	(.1)
FUND						
CONT						

PERSONNEL INTENSITY
HIGH
MEDIUM
LOW

TYPE A=NONCONTRACT
B=CONTRACT
TYPE A
LONG-TERM
SHORT-TERM
TYPE B
LONG-TERM
SHORT-TERM

FISCAL YEAR
1978
1979
1980

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Human Rights (OPG) 525-0210

Purpose: To promote Human Rights by offering educational programs and services designed to inform people of what their rights are under Panamanian Law and to provide free or low cost legal services to low income people.

Background: Every Panamanian has certain rights under a series of Government-sponsored programs such as the Social Security Act, the Agrarian Law, the Housing Law, the Labor Code, minimum wage legislation and others. Despite this, many Panamanians, especially in the lower socio-economic strata, are not informed of their rights under the law. The project will address this problem by offering a series of educational and informational services, and by providing free or low-cost legal assistance to the needy to assist them in avoiding, or where necessary, resolving legal problems.

Project Description: The project will assist a local group of law students interested in popular legal consultation. The group, affiliated with the University of Panama's Faculty of Law, is currently offering free legal services to the poor and needy from two offices in Panama City and Colon. The project will finance the necessary infrastructure and travel to allow the group to expand their activities to other areas of the Republic, and also to allow them to increase the scope of their services from exclusive concentration on public interest law to broader areas such as consumer advice and information and rights under Panamanian Law.

Major Outputs:

- Services offered in six urban areas, with expansion coverage of most populace rural areas.
- Special services for indigenous peoples.
- Educational material published on human and legal rights under the law, consumer information, etc.
- Minimum of four seminars offered in subject matter area.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Human Rights - OPC	DECISION UNIT USAID/PANAMA	DECISION PACKAGE Mark	BUDGET YEAR FY 1980
PROJECT NUMBER 525-0210 (750)	INITIAL OBLIGATION FY 1980	FINAL OBLIGATION FY 1980	TOTAL COST \$300,000
APPROPRIATION EH	DATE PP/REVISION 8/79	DATE LAST PAR	DATE NEXT PAR 11/80

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY: 1978		FY: 1979		FY: 1980		LIFE OF PROJECT
	OBLI- GATION	EXPEN- DITURE	OBLI- GATION	EXPEN- DITURE	OBLI- GATION	EXPEN- DITURE	
	PIPE- LINE	PIPE- LINE	PIPE- LINE	PIPE- LINE	PIPE- LINE	PIPE- LINE	
AID-FINANCED	TOTAL		10/79	9/82	300	82	218
Local Personnel			"	"	100	25	75
Seminars			"	"	40	10	30
Commodities			"	"	30	12	18
Other Costs			"	"	130	35	95
HC AND OTHER DONOR	TOTAL						
Administration					80		
Other Costs					40		
					120		

PERSONNEL WORKYEARS (XX, X)

FISCAL YEAR

PERSONNEL INTENSITY
 HIGH
 MEDIUM
 LOW

PARTICIPANTS PROGRAMMID
 TYPE A=NONCONTRACT
 TYPE B=CONTRACT

FISCAL YEAR
 1978 1979 1980

FOOTNOTES

TRAVEL	1978	1979	1980	1981	1982	BEYOND
AGREEMENT						
TOY (MORT-)						
OFFICIALS			.2	.2	.2	
EXHIBITS			(.1)	(.1)	(.1)	
USDI			(.1)	(.1)	(.1)	
ENDD			(.1)	(.1)	(.1)	
CONT						

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Workforce Development 525-0214

Purpose: To upgrade the skill level and productivity of the lower strata of Panama's labor force.

Background: Economic growth in Panama has slowed in recent years, becoming stagnant since 1975 and curbing an ambitious public sector investment program. As a result, rates of unemployment and underemployment, always high, were pushed still higher. The most seriously affected have been the lower economic levels of the urban population, which has become increasingly concentrated in the Metropolitan Corridor (Panama City/Colon axis). However, the problem is constantly being exacerbated by excess, unskilled labor in the agricultural sector migrating to the urban areas. Thus, the rural and urban employment problems are linked through the conversion of the poor rural underemployed into the poor urban unemployed. Both constitute a decline in Panama's overall economic progress because scarce resources are drained from productive use into welfare purposes.

The GOP's National Development Plan places emphasis on improving the quality of life for Panama's poor by expanding total output, by increasing employment opportunities, and by improving income distribution. Thus the GOP's longer range manpower policy must be aimed at maximizing employment, reducing an urban/rural disequilibrium in job opportunities, and elevating the overall skill level of the labor force to minimize underemployment, unemployment, and low productivity. USAID has supported GOP efforts along these lines, in a general way, through projects in housing, agriculture, and human resources development, where the positive impact of employment has been significant. The Mission now proposes to support GOP efforts in behalf of its poorest population more directly through this project, which is to focus on the development of skills among the least trained, and least productive, which is essential to a renewal of healthy growth in the Panamanian economy.

Project Description: As presently envisioned, the proposed Workforce Development project will work with the Ministries of Labor, Planning, Education and Institute for Human Resource Formation to rationalize the system for training the work force and would have four principal components:

- Technical Advisory Assistance - to be provided to the GOP on a continuing basis during project implementation to assist in manpower policy planning, institutional improvements, development of training programs;

- Manpower Studies - discrete studies to be undertaken by outside professionals, or jointly by GOP/USAID advisors to assure that training programs coincide with actual employment requirements;
- Constructions/Commodities - upgrading or modernization of facilities or equipment needed to effectively carry on a long range manpower development program, including possible new initiatives such as development and use of mobile training units;
- Training - a long range training component to institutionalize the development of essential skills needed for all elements of the program, including both trainees and trainers, with emphasis on short term, highly specialized training.

Beneficiaries: The majority of the recipients of assistance under this project will be the urban and rural poor, particularly the unemployed or underemployed residing in the Metropolitan Corridor adjacent to the Panama Canal.

Budget Year Program:

- Completion of 2 analytical studies;
- identification of Inter-Institutional Commission members and elaboration of Commission by-laws;
- three training programs initiated;
- construction/renovation plans for two sites.

Major Outputs:

- The establishment of an effective Inter-Institutional Commission responsible for coordinating occupational training with the requirements for trained manpower which emanate from the national investment plan;
- a series of analytical studies to reorient present training plans so that they coincide with actual employment requirements;
- expansion and modernization of facilities to handle large number of trainees;
- an increase in the number and variety of courses offered to workers;
- a series of in-country and overseas training courses for teachers and program administrators;
- fortification of the counseling and outplacement systems for workers.

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Local PVO Development (OPG) 525-0218

Purpose: The purpose of this two-year \$200,000 OPG is to improve the project planning, implementation, evaluation and management capabilities of local private and voluntary organizations (LPVOs).

Background: A substantial number of LPVOs are currently carrying out programs in Panama. However, many of these LPVOs, despite their desire to assist the poor majority through economic and social development programs, are poorly organized and are not prepared to develop and carry out programs in an efficient and timely manner. The LPVOs can qualify for AID assistance if registered with the Mission under a system currently being set up. This project will provide seminars for LPVOs to improve their project development and management skills so that they can qualify as recipients of Mission approved small OPG assistance.

Project Description: The project will fund seminars in three program areas: Administration and Finance, Project Design and Evaluation, and Project Management and Proposal Preparation. The project would finance capable LPVO personnel, other Panamanian and international personnel to offer this series of seminars to less-prepared LPVOs.

Beneficiaries: The direct beneficiaries will be the 60-100 LPVO personnel attending the seminars. The indirect beneficiaries will be the poor majority that ultimately will receive more and better quality services because of skills acquired by the LPVOs from the seminars.

Major Outputs:

- Seminar in Administration and Finance
- Seminar in Project Design and Evaluation
- Seminar in Project Proposal Preparation and Project Management
- LPVOs qualified to receive AID project support and to carry out their assistance programs in an effective and efficient manner.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Local PVO Development - OPG	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	BUDGET YEAR
PROJECT NUMBER	525-0218 (920)	INITIAL OBLIGATION	FY 1980	Minimum	FY 1980
APPROPRIATION	EH	DATE PP/REVISION	7/80	FINAL OBLIGATION	TOTAL COST
				FY 1980	\$200,000
		DATE LAST PAR	-	DATE NEXT PAR	11/81

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	FY: 1978		FY: 1979		FY: 1980		OBLIGATION	EXPEN-DITURE	PIPE-LINE	LIFE OF PROJECT
		OBLI-GATION	EXPEN-DITURE	OBLI-GATION	EXPEN-DITURE	OBLI-GATION	EXPEN-DITURE				
		FUNDING PERIOD (FR-TO)									
Seminars/Training <u>1/</u>								200	20	180	80
Commodities											20
Other Costs								100	-	80	
HC AND OTHER DONOR	TOTAL-										120
Seminars Administration Other Costs											20
											80
											20

PERSONNEL WORKYEARS (XX, X)

PARTICIPANT'S PROGRAMMED

PERSONNEL INTENSITY	TYPE A=NONCONTRACT	FISCAL YEAR
<input type="checkbox"/> HIGH	B=CONTRACT	1978
<input checked="" type="checkbox"/> MEDIUM	TYPE A	1979
<input type="checkbox"/> LOW	TYPE B	1980

FOOTNOTES
1/ Seminars of 3-5 weeks duration for 20 people each.

FUNDING	1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT TYPE (H01-3)						
DIFFERENTIALS						
USMI						
ENDDI						
CONI						

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Urban Youth Problems 525-0219

Purpose: To provide opportunities for self-improvement of poor urban youth and to explore ways in which urban youth may channel energies into community improvement and other productive activities.

Background: The incidence of teenage crime, juvenile delinquency, drug abuse and other social problems is increasing at an alarming rate in the inner city and urban sprawl areas of Panama City and Colon.

Some of the reasons for this increase are: high unemployment, high drop out rates in urban schools due to over-crowding in run-down facilities and a curriculum which does not respond to the needs of urban youth; increased family problems and broken home, and a general frustration due to alienation and inability to see an opportunity for economic and social improvement. A mixed commission of Panamanian PVO's and various government agencies has been formed to look into urban youth problems and to try to develop programs with an for urban youth which address their needs and assist them to develop into productive citizens.

Project Description: Although no clear-cut strategy has been formulated, some commission members are leaning towards operating one or a series of urban youth centers which would offer recreation facilities and educational programs, including government and PVO social worker outreach services and a hot line for dealing directly with problem areas. Some of the commission agencies have summer camps in the countryside, are in charge of major athletic events, run professional and technical institutes, and have access to other social, recreational and educational facilities. A series of specific programs such as slum cleaning and upgrading campaigns would be launched by the youth with opportunities for participation in these recreation, training and social events given as an incentive for participation.

In addition, the commission would like to up-grade an already existing but weak head-start program for pre-schoolers through this grant, including initiating a large pre-school feeding program which could reach over 75,000 children in the Panama-Colon metropolitan corridor alone. Some Mission technical support funds will be allocated in FY 1979 to assist the commission to more clearly define the problem and future options.

Beneficiaries: The beneficiary group will be youth from pre-school through 20 years of age who are living in the inner city slums and urban sprawl area squatter settlements of Panama City and Colon.

Budget Year Program:

- Plan of action developed.
- Construction or renovation of two centers.
- Urban Youth Organization formed.
- Short course in sex and family life education, skills training, and other areas initiated.
- Five small community projects carried out by urban youth organizations.

Major Outputs:

- A commission more aware of urban youth problems and better able to design and implement programs to address these problems.
- Urban youth with more opportunity to participate in relevant and meaningful endeavors for self-improvement.
- An urban youth program which is developing more confident, competent youth and a measurable positive direction in urban slum areas through community improvement programs and increased and more focused Panamanian Government and private agency attention.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Urban Youth Problems (OPG)	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Proposed	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0219 (613)	APPROPRIATION	EH	INITIAL OBLIGATION	FY 1980	TOTAL COST	\$500,000
		DATE PP/REVISION	7/79	FINAL OBLIGATION	FY 180	DATE NEXT PAID	10/80
		ESTIMATED U.S. DOLLAR COST (\$ 000)		DATE LAST PAID	-		

ACTIVITY INPUTS	TOTAL	FY: 1978			FY: 1979			FY: 1980			LIFE OF PROJECT	FOOTNOTES	
		OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE			
AID-FINANCED													
Construction													
Training <u>1/</u>													
Commodities													
Other Costs													
HC AND OTHER DONOR	TOTAL												
Administration													
Other Costs													
PERSONNEL WORKYEARS (KX, X)													
FUNDING		1978	1979	1980	1981	1982	PERSONNEL INTENSITY		PARTICIPANTS PROGRAMMED		FISCAL YEAR		
PROPERTY ACCOUNT TOV (APR)							HIGH		A-NONCONTRACT		1978	1979	1980
OPERATING EXPENSES							MEDIUM		B-CONTRACT				
USDI							LOW		TYPE A				
ENDR									TYPE B				
CONT									LONG-TERM				
									SHORT-TERM				

1/ In-country short-term training courses

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Special Development Activities (SDA) 525-0101

Purpose: To foster and develop civic responsibility, greater self-reliance, community organization and action among Panama's poor majority by supporting community efforts in development activities.

Background: The SDA authority offers the most direct means of making A.I.D. assistance available to grass-root communities. The requesting community group plans, organizes and carries out its program utilizing, to the maximum extent, its own labor and local resources. Host country Ministries and agencies often provide technical assistance. A.I.D. usually pays less than one-half of the total project cost and uses its funds as a catalyst for attracting other funding for the projects.

Progress to Date: Numerous self-help activities have been supported by A.I.D. contributions under this project. These include self-help rural construction, health and sanitation, food and nutrition appropriate technology and alternative energy projects. The direct development impact and high visibility of these projects make them a very effective means of promoting U.S. development goals and objectives. Funding has and will continue to be used to complement local community resources and encourage greater popular participation, especially by women and indigenous groups, in the development process.

Beneficiaries: All of the SDA projects are directed to the poor, mostly in rural areas. The average project involves 30 families and costs \$2,500, for a per family cost of less than \$100.

Current and Future Year Programs: A.I.D. will continue to support small self-help projects similar to those described above, developed by communities and other private groups for which other sources of funding are not available. U.S. Government excess property is provided to extend the utility of the SDA program.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Special Development Activities	DECISION UNIT USAID/PANAMA	DECISION PACKAGE Minimum	BUDGET YEAR FY 1980
PROJECT NUMBER 525-0101 (900)	INITIAL OBLIGATION	FINAL OBLIGATION Continuing	TOTAL COST N/A
APPROPRIATION SD	DATE PP/REVISION -	DATE LAST PAR -	DATE NEXT PAR -

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	BY: 1978			BY: 1979			BY: 1980			LIFE OF PROJECT Continuing			
		OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION		EXPEN- DITURE	PIPE- LINE	
		PERSONNEL WORKYEARS (XX.X)												
Local Personnel	2	2	-	-	10/78	9/79	2	2	-	10/79	9/80	2	2	-
Participants 1/	2	2	-	-	"	"	2	2	-	"	"	2	2	-
Commodities	30	30	-	-	"	"	30	30	-	"	"	30	30	-
Other Costs	16	16	-	-	"	"	16	16	-	"	"	16	16	-
HC AND OTHER DONOR	TOTAL	100	100	-	-	-	100	100	-	-	-	100	100	-
Local Personnel		20	20				20	20				20	20	
Commodities		10	10				10	10				10	10	
Other Costs		70	70				70	70				70	70	

FUNDING	FISCAL YEAR				PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	1978	1979	1980	BEYOND		TYPE A	TYPE B	FISCAL YEAR	
PROGRAMM ACCOUNT TYPE (NON- TDY) (NON- TRAINING EXTRAVAS)									
USDI	(.1)	(.1)	(.1)	(.1)	<input checked="" type="checkbox"/> HIGH				1/ In-country short- term training
ENDI	(.3)	(.3)	(.3)	(.3)	<input type="checkbox"/> MEDIUM				
CONT	(.1)	(.1)	(.1)	(.1)	<input type="checkbox"/> LOW				

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Program Development and Support (Selected Development Activities) 525-0190

Purpose: To finance the cost of designing and supporting the Mission's grant and loan projects.

Background: Provision of technical support to the USAID program is a [redacted] This support consists of developing and design-

[The remainder of the page is heavily redacted with thick black horizontal bars.]

and proposed funding will permit technical assistance in developing a human rights initiative in the PVO program (\$10,000) and in Project Paper preparation for the proposed Alternative Sources of Energy loan project for FY 1980 (\$60,000). Additional support will also be given to project development in special urban problem areas such as Youth Problems (\$30,000).

Major Outputs: The major output will be the projects which are developed by the Mission for FY 1980 and FY 1981, as well as the assessments, and studies which support the development of these projects.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Program Development and Support (Selected Development Activities)	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Mark	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0190 (900)	INITIAL OBLIGATION DATE	3/1/75	FINAL OBLIGATION DATE	Continuing	TOTAL COST	-
APPROPRIATION	SD	DATE PP/REVISION	-	DATE LAST PAR	-	DATE NEXT PAR	-

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL-	FY: 1978			FY: 1979			FY: 1980			LIFE OF PROJECT
		OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	OBLIGATION	EXPENDITURE	PIPE-LINE	
AID-FINANCED	50	204	44	10/78-3/80	150	157	37	10/79-3/81	150	130	57
U.S. Personnel	34	160	34	"	110	130	14	"	100	90	24
Contractor Support (non-add)	(10)			"	(3)			"	(30)		
Local and TCN Personnel	14	42	8	"	40	25	23	"	40	30	33
Contractor Support (non-add)	(4)			"	(9)			"	(9)	(7)	
Evaluation (non-add)					(25)	(25)					
Other Costs	2	2	2		2	2	-	10/79-9/80	10	10	
HC AND OTHER DONOR	TOTAL-	20			20						
Logistic & Administrative Sup.		15			15						
Local Personnel		5			5						

PERSONNEL WORKYEARS (XX.X)

PERSONNEL INTENSITY

PARTICIPANTS PROGRAMMED

FOOTNOTES

FUNDING	FISCAL YEAR					BEYOND
	1978	1979	1980	1981	1982	
PROGRAM	2.0	0.8	1.8	1.5	1.5	Cont.
ACCOUNT	(0.2)	-	(0.2)	(0.1)	(0.1)	
TOT (ADD)	0.5	0.8	0.8	0.8	0.8	
EXHIBITS	(0.5)	(0.8)	(0.8)	(0.8)	(0.8)	
USDI						
YNDI						
CONT						

TYPE	A=NONCONTRACT		B=CONTRACT		FISCAL YEAR	
	TYPE	TERM	TYPE	TERM	1978	1979
A	LONG-TERM		LONG-TERM			
B	SHORT-TERM		SHORT-TERM			

PERSONNEL INTENSITY	HIGH		MEDIUM		LOW	
	TYPE	TERM	TYPE	TERM	TYPE	TERM
<input checked="" type="checkbox"/>	A	LONG-TERM	<input type="checkbox"/>	B	A	LONG-TERM
<input type="checkbox"/>	B	SHORT-TERM	<input type="checkbox"/>	A	B	SHORT-TERM

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Renewable Energy Sources for Isolated Areas (Pilot Grant)
525-0207

Purpose: The overall purpose of this two-year \$500,000 pilot project will be to promote small-scale, low cost, participatory non-depleting energy system development in rural Panama, to finance an assessment of Panama's rural energy needs and resources, and to explore possible alternative energy sources for identified needs.

Background: The Division of Isolated Areas of Panama's Institute of Hydraulic and Electric Resources (IRHE) has responsibility for extending benefits of electrification to the rural poor. The Division has numerous projects throughout Panama, including projects financed through USAID's SDA Program. The majority of these projects utilize diesel generator power sources, and the costs associated with purchase and delivery of fuel and of maintenance of generators in these isolated areas is prohibitive. This project proposes to meet the energy needs of the rural poor through development of alternative energy sources, thus conserving fossil fuels and reducing costs to the government and the beneficiaries. The project is consistent with Panama's National Development Plan and the Congressional Mandate.

Project Description: This project will finance three small-scale labor intensive hydroelectric projects in the most isolated rural areas of Panama - Mulatupo, Puerto Obaldía and Coclecito, benefitting some 3,000 families at a per family cost of \$80. The projects will be integrated with other GOP development assistance programs, mainly in the agricultural area. In addition, the project will finance smaller pilot solar, wind, water and other environmentally protective energy projects, and provide funds for financing an assessment of current energy resources, uses and projected future needs, including identification of possible alternative energy solutions for these projected needs. It is expected that the project will lead to a larger-scale loan project for FY 1980.

Beneficiaries: The estimated 15,000 beneficiaries of this project are located in pockets of poverty due to the extreme isolation of their communities. Two-thirds of the beneficiaries are indigenous Cuna Indians. The project, through a process depending upon community initiative, participation and utilization of local materials and resources, will not only provide energy for improving the quality of life of these poor rural people, but will also foster pride and confidence in the ability of a community to substantially contribute to solving its own developmental problems.

Current Year Program: By the end of project year one, the following results should be accomplished:

- Coclecito hydroelectric project completed.
- Assessment initiated.

Budget Year and Major Outputs:

- Three hydroelectric projects completed benefitting 15,000 people.
- Assessment completed.
- Pilot wind, water, solar and other alternative energy projects completed and evaluated.

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Urban Redevelopment of Colon 525-0208

Purpose: To assist the GOP to establish institutions and implementation plans for the renovation and renewal of the impoverished areas of the city.

Background: The genesis of today's Colon came about with the arrival of the French for purposes of building the canal. Development accompanying that construction transformed Colon from a small settlement into a boom town. Subsequently, Colon has been subjected to cycles marked by sharp development upswings during the American Panama Canal construction, during World War I, and during World War II but by depressions in between. Colon has for several years now been in an economic depression which has caused severe damage to its socio-economic development and physical environment. Unemployment has been chronic and now is estimated at around 22%. Numerous industrial and commercial buildings have been abandoned. Health problems are endemic among low income population sectors. Apathy growing out of the lack of opportunity is escalating to unrest among the youth.

A symptom of development retardation is the wooden barracks built by the French and added to by the Americans for workers on the Panama Canal. As family shelter units, cramped in design and structurally unhygienic, these barracks were never satisfactory. But over the years since the canal construction they have deteriorated into hovels unfit for human occupancy. Collectively, these barracks compose communities which blight the urban environment, spawn anti-social life patterns, drain away municipal revenues and hamper the performance of the city as a system of functions and services.

Project Description: The HIG Treaty Package permitting, for AID, an unusual assurance of substantial available resources for shelter sector development over a five-year period, presents significant opportunities. Accordingly, this technical assistance to the Ministry of Housing (MIVI) and to the Municipality of Colon will prepare groundwork for HIG and other projects to serve the inner city poor. In the context of regional development plans prepared by the Ministry of Planning and Economic Policy (MPPE) setting forth the growth and improvement of the Colon area, support will be given to MIVI in determining at a micro level the various elements of urban development in order to produce a comprehensive plan. Emphasis will be on the upgrading of selected urban areas and on establishing the know-how, mechanisms and institutions for sustaining urban development processes over the future, drawing on both private and public sector resources.

Technical assistance will be composed of the following:

1. Diagnosis. - An analysis of inner city neighborhoods and their relationship to the city as a whole. This will be followed by recommendation of remedial measures. In addition, assistance will be provided for an assessment of applicable zoning and other ordinances, codes, and minimum standards so as to make recommendations as to their suitability and improvement.

2. Institution Building. - Based upon the analysis of existing institutions and structures, recommendations will be made for new institutional arrangements for the administration of urban renewal and development in Colon. In addition, advisory services will be provided in the design and application of legal mechanisms for overall development administration and for land acquisition and use; in financing and capital formation; in incentives for attracting private capital investment into employment generating commerce and industry.

3. Citizen Participation. - Assistance will be provided to determine viable means of obtaining broad support and participation of the affected communities in their own development.

Consultants, who will conduct training as well as provide technical assistance, are to include:

Senior Consultant (Urban Planner) 20 person-months at \$4,000	\$ 80,000
Legal Advisor (Urban Lawyer) 3 person-months at \$5,000	15,000
Community Organization and Development (Urban Sociologist) 4 person-months at \$5,000	20,000
Neighborhood Design (Urban Designer/Architect) 3 person-months at \$5,000	15,000
Building Codes and Standards (Architect/ Engineer) 2 person-months at \$5,000	10,000
Development Finance (Public Administrator/ Developer) 2 person-months at \$5,000	10,000
Total	<hr/> \$150,000

Beneficiaries: The project beneficiaries are the inhabitants of Colon's inner city slums. They are uneducated and of poor health. Some are low income families earning their livelihood from work in the central business district. Others are people who for generations have lived off transient foreigners from construction, military or mercantile marine groups. The family income of these slum dwellers is far less than the median for Colon.

Major Outputs: This project will prepare the ground for activities to be financed by a HIG loan and by other AID funding, establishing several prerequisites for effective results in upgrading inner city slum neighborhoods. The following outputs will result:

- Improved building codes and standards for Colon.
- Codification in a single package of legal instruments of practical use in land acquisition and development in Colon.
- New zoning ordinances for Colon to include incentives for private investment.
- Development plans for at least four Colon neighborhoods.
- Clear delineation of authority for the development of inner city Colon.

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Alternative Energy Sources 525-0215

Purpose: To assist the Panamanian Government, through the Institute for Hydraulic and Electric Resources (IRHE), to extend electrification to marginal and isolated areas of the Republic using innovative technologies, including low cost appropriate technology where feasible.

Background: Panama has a rather extensive grid, however public electricity has not been supplied to the most isolated areas away from the central highway network. Many large and small communities in these areas produce their own electricity from small diesel generators, but the cost of such sources of electricity is high. Panama has connected most of the principal demand centers into the public network and is now faced with extending electric services to the smaller villages and agro-industrial consumers living relatively close to the networks; and is also faced with providing services for isolated marginal areas which cannot be connected to a main network at relatively low cost. A small grant project will be carried out by IRHE in FY 1979. This grant provides funds for an assessment of energy resources and needs in the areas currently not being supplied with public electric services. It will also fund three specific projects and, on a pilot basis, try a number of other small alternative energy interventions.

Project Description: The loan project will flow from the experience and knowledge gained under the FY 1979 grant-funded activity and it would be premature to indicate what specific components might be expected. A major component will be using alternative energy sources: solar, wind, water and generation of energy through the burning of wood in heavily forested areas. However, further study will be needed to determine which interventions are the most economic and feasible for specific geographic areas. Also, IRHE believes that, where possible, medium size hydroelectric units are the most cost effective intervention. This is an assumption that will be tested under the grant. The loan will support the establishment of an alternative energy group within IRHE, provide training and visits to the U.S. and other Latin American countries involved in using or testing alternative energy sources, and will also fund a materials development and promotion campaign to expose the general public to the idea of energy and natural resources conservation.

Beneficiaries: The most direct beneficiaries will be those rural beneficiaries in areas which will receive electrification services. IRHE is a cooperating agency in the Integrated Rural Development projects being funded by AID and IDB, and is also interested in agribusiness aspects of AID's URBE project. It is possible that the loan will finance projects which complement these other development activities if the assessment points to a need in those areas.

Budget Year Program:

- 5 projects initiated in areas identified by the assessment.
- Training courses initiated.
- Materials produced which explain energy and natural resource conservation.
- Alternative energy group organized in IRHE.

Major Outputs:

- A minimum of 15 areas served by alternative energy.
- A fully operational alternative energy group functioning in IRHE.
- A more enlightened and interested public as a result of available materials and promotion of energy conservation.
- A better quality of life at a lower cost to rural areas serviced by the project, with minimum damage to the environment.
- Economic savings for Panama due to a lessening dependence on imported fossil fuels.

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: Environmental Management 525-0217

Purpose: To strengthen the capacity of the GOP to plan and manage environmental protection and improvement programs and to demonstrate to the Panamanian public the need for natural resource conservation.

Background: The goal of both the GOP and USAID is to raise the standard of living for all Panamanians, with particular emphasis on improvement of socio-economic conditions of the poor. In the past, protection and improvement of the country's natural resources has played a minor role in the formulation of national development strategies, often leading to improvement of social and economic conditions at the expense of degradation and depletion of the country's natural resource base. Irreversible damage and loss of these natural resources will ultimately slow down the country's development process by making it more difficult and expensive for the GOP to meet its population's basic needs. For example, the quality and quantity of water resources used for public water supply, hydroelectric power generation and navigation purposes is now endangered due to the unplanned cutting of forests which are needed for watershed protection. If these water resources are irreparably damaged, more costly alternatives will have to be developed to provide for the country's domestic water supply, power and navigation needs.

Project Description: This pilot grant project will lead to a decrease in the misallocation, misuse, degradation and depletion of the country's natural resource base by making both the government and the general public aware of the importance of the relationship between environmental management and national development.

Specific activities will include: long-term training for government officials in environmental management, travel to study other country programs in the environmental field, performance of a small project in an area defined by the environmental sector assessment, and the establishment of a public awareness program in environmental protection and conservation.

Host country entities involved will be all government agencies directly involved in the use, protection and management of the country's natural resources (MOH, IDAAN, IRHE, MIDA, MPPE, MIVI).

Not only will these agencies learn the importance of environmental management in the development process, but they will also learn the importance of coordination to prevent misallocation of natural resources.

Beneficiaries: The institutions strengthened by this project will be the immediate beneficiaries, but the ultimate beneficiaries are Panamanians who use and depend on the resources which these institutions protect and manage.

Budget Year Program:

- Five training programs initiated
- Orientation visits for 15 officials
- Environmental working group organized
- Proposals for specific pilot project development

Major Outputs: The projects major outputs will be:

- Long term training in environmental management for 10 Panamanian government officials.
- Travel to the U.S. and other Latin American countries to study ongoing environmental protection and management programs for approximately 20 public officials.
- Completion of a pilot project in an area selected by the sector assessment.
- Establishment of a continuing public awareness program in environmental protection and natural resource conservation.
- Identification of follow-on project opportunities for public sector financing.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Environmental Management (Grant)	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Mark	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-0217 (877)	INITIAL OBLIGATION	FY 1980	FINAL OBLIGATION	FY 1980	TOTAL COST	\$200,000
APPROPRIATION	SD	DATE PP/REVISION	10/80	DATE LAST PAR	-	DATE NEXT PAR	8/80

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL-	FY: 1978			FY: 1979			FY: 1980				
		OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE
AID-FINANCED												
Training												
Promotion Program												
Technical Assistance												
Contractor Support (non-add)												
Other Costs												
HC AND OTHER DONOR	TOTAL-											
Administration												
Other Costs												

PERSONNEL WORKYEARS (XX, X)

PARTICIPANTS PROGRAMMED

FOOTNOTES

PERSONNEL INTENSITY

HIGH
 MEDIUM
 LOW

TYPE A=NONCONTRACT
TYPE B=CONTRACT

TYPE A LONG-TERM
 TYPE B SHORT-TERM

FISCAL YEAR

1978	1979	1980
		5

LIFE OF PROJECT

60	60
----	----

FUNDING	1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT (ADD) (AND) DEDUCTIONS						
USDI						
FYDI						
CONT						

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: PL-480 Title II

Purpose: To improve the nutritional status of vulnerable groups through supplemental feeding programs utilizing PL-480 Title II donated commodities.

Background: Malnutrition is still a serious problem in Panama. An estimated 60% of the population suffers from some degree of malnutrition and recent studies indicate that the problem is increasing. Title II programs assist to alleviate the problem in selected groups, mainly pre-school and school age children and pregnant and lactating mothers. These programs are carried out through two Voluntary Agencies, CARE and CRS, in close cooperation with the Ministries of Health and Education.

Project Description: The project consists of various sub-components: Maternal Child Health; School Feeding; Other Child Feeding; Old-Age Feeding; and Food for Work. Those programs, following AID guidelines, offered supplemental feeding to almost 200,000 beneficiaries during FY 1978. The largest program, School Feeding, is being phased over at AID/W request. This phase-over reduces the number of beneficiaries by 40,000 per year and all assistance to school feeding programs is scheduled to terminate at the end of 1980. Based on a recent evaluation, the GOP, PVOs and USAID plan to restructure the program during FY 1978 to make it more responsive to identified nutritional needs and more closely tied in with other development assistance programs directed at attacking the causes of malnutrition. Nutrition studies are planned for FY 1978-79 which will form the bases for restructuring the programs. Consideration is also being given to a local fortification program for rice, and for an expanded Food for Work project as a component part of other AID funded activities.

Beneficiaries: The 200,000 beneficiaries of the program can be characterized as being poor, malnourished women and children, living in rural areas. Studies are currently being planned to more clearly define the nutritional status and needs of rural and urban Panamanians, and to redesign the PL-480 Title II programs to more effectively address these needs.

Current Year Projects:

- 186,000 recipients of CARE assistance, mainly in school feeding.
- 11,400 recipients of CRS assistance, mainly in MCH.
- nutrition study carried out to more clearly define the problems and need.

Budget Year Project:

- 147,000 recipients of CARE assistance.
- 11,400 recipients of CRS assistance.
- Restructured program based on studies carries carried out in FY 1978 and FY 1979.

Major Outputs:

- Improved nutritional status for all recipients of Title II assistance.
- Development of a local capacity to carry out the program independently of Title II support.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	PL-480 Title II	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Minimum	BUDGET YEAR	FY 1980
PROJECT NUMBER		INITIAL OBLIGATION		FINAL OBLIGATION	Continuing	TOTAL COST	Continuing
APPROPRIATION		DATE PP/REVISION		DATE LAST PAR	10/77	DATE NEXT PAR	10/78

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	TOTAL	PY: 1978			CY: 1979			BY: 1980			LIFE OF PROJECT	
		OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION		EXPENDITURE
CARE	2,010	2,010			10/78-3/80	1,840	1,840		10/79-3/81	1,556	1,556	
CRS	273	273			" "	286	286		" "	312	312	
TOTAL	(2,283)	(2,283)			10/78-3/80	(2,126)	(2,126)		10/79-3/81	(1,868)	(1,868)	
HC AND OTHER DONOR	TOTAL-	436				436				400	36	Continuing
CARE/MOE/MOH		400				400				400		Continuing
CRS/Min. of Labor		36				36				36		Continuing

PERSONNEL WORKYEARS (XX, X)

PARTICIPANTS PROGRAMMED

FOOTNOTES

FUNDING	FISCAL YEAR				PERSONNEL INTENSITY	TYPE A=NONCONTRACT B=CONTRACT	FISCAL YEAR					
	1978	1979	1980	1981			1978	1979	1980			
PROGRAM ACCOUNT (JOB TOY (A)B) DIFERENCING EXPENSES	.4	.4	.4	.3								
USDI	(.1)	(.1)	(.1)	(.1)	<input checked="" type="checkbox"/> HIGH <input type="checkbox"/> MEDIUM <input type="checkbox"/> LOW	A	LONG-TERM					
USDI	(.3)	(.3)	(.3)	(.2)		B	SHORT-TERM					
CONT												

TABLE IVA. ACTIVITY DATA -- NARRATIVE

Project: HIG Project 525-HG-014

Purpose: To assist the Government of Panama to ameliorate serious low income housing and urban environmental deficiencies in low income communities.

Background: Panama's modern sector being concentrated at termini of the Canal dominates its social and economic makeup giving rise to complex shelter problems, especially for the urban poor in the primary and secondary towns. Uncontrolled growth in the former has resulted in extensive peripheral squatter settlements. The secondary towns have also experienced disordered growth but their role as rural-urban migration staging points presents the opportunity to develop them as counter magnets to the primary city.

Concern for these shelter problems led to the GOP policy of confining public sector housing resources to low income population segments. Awareness of similar problems in secondary towns led the GOP to institute the URBE program for developing interior growth and service centers.

The USAID strategy includes support for a concerted effort to ameliorate the housing problems of poor families; it also backs the GOP's policy of strengthening secondary towns. As Panama approaches Less Poor Country status, the USAID sees non-concessional HIG lending as a fitting development support instrument over the medium term.

Project Description: Three categories of deficient low income housing are to be confronted through this project: (a) Housing in peri-urban squatter areas, (b) housing in Panama/Colon inner city slums, and (c) housing in secondary growth and service centers.

Categories (a) and (c) are common to developing countries which in recent years have experienced uncontrolled population growth accompanied by demographic displacement causing sharply increased low income populations in the primary city and also in secondary cities. The unique prevalence of category (b) in Panama/Colon has historical roots in the Panama Canal construction during which extensive "quarters" were built first by the French and later by Americans for canal workers. Pre-dating the canal construction were colonial structures in the old city which, though derelict, are still occupied by poor families.

In addressing these critical housing problems, this project will be guided by the economic and social well being of beneficiary families. Technical assistance in diagnosis, design and administration will aid

in keeping relocation in inner city slums to the absolute minimum consistent with health, safety and environmental protection.

Progress to Date: Under previous projects significant progress has been made toward providing shelter for the poor in squatter settlements on the periphery of Panama. Under the San Miguelito project (525-HG-009) 15,000 solutions have been provided. Progress in secondary towns consists of the approximately 2,200 solutions under the URBE program. Little has yet been done in inner city slums.

Beneficiaries: This project will serve poor families exclusively, "poor" being defined as families whose income is less than the median for their location. The project cost per family benefitted is estimated at less than \$3,500.

Current Year Program: During the current year (FY 1979) a total of 25,000 low income shelter solutions are expected to be financed. HIG funding for this activity falls under agreements reached during Canal treaty negotiations and, therefore, was not requested in the Congressional Presentation for that year.

Budget Year Program: During the budget year (FY 1980) a total of 3,700 low income shelter solutions are expected to be built.

Major Outputs: Principal cumulative life of project outputs are to be 7,500 low income shelter solutions.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE	Housing Guaranty - Slum and Squatter Settlement Upgrading Project	DECISION UNIT	USAID/PANAMA	DECISION PACKAGE	Minimum	BUDGET YEAR	FY 1980
PROJECT NUMBER	525-HG	INITIAL OBLIGATION	FY 1980	FINAL OBLIGATION	FY 1980	TOTAL COST	\$15,000,000
APPROPRIATION		DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR	

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY: 1978				FY: 1979				FY: 1980				
	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	
	TOTAL-												
AID-FINANCED	6,400	6,400	-	1979	25,000	25,000							
Housing Guaranty Loan	6,400	6,400		1979	25,000	25,000							
HC AND OTHER DONOR	TOTAL-												
HG Counterpart	LIFE OF PROJECT 2,500												
PERSONNEL WORKYEARS (X,X,X)													
FUNDING	1978	1979	1980	1981	1982	PERSONNEL INTENSITY						FOOTNOTES	
PROGRAM ACCOUNT ()						TYPE A=NONCONTRACT B=CONTRACT							
TOY (AMT)						TYPE A LONG-TERM SHORT-TERM							
ORIGINATION	7	7	8	8	8	TYPE B LONG-TERM SHORT-TERM							
USDI	(.3)	(.3)	(.4)	(.4)	(.4)	TYPE A LONG-TERM SHORT-TERM							
ENDI	(.4)	(.4)	(.4)	(.4)	(.4)	TYPE B LONG-TERM SHORT-TERM							
CONT						TYPE A LONG-TERM SHORT-TERM							

DECISION UNIT OVERVIEW

Long-Range Goals. The 1976-1980 Panamanian National Development Plan contains as primary goals sustained economic growth, a more equitable distribution of economic benefits, and increased regional integration. Achievement of these goals is being approached through a coordinated attack on poverty with intersectoral programs in agriculture, education, health and public works. During the 1971-1975 period, public sector investment represented about 35% of total investment, but for the period ending in 1980 this is expected to increase to 54%. In 1978, the budgets for education, health and agriculture were significantly increased in the face of budget austerity and considerable economic difficulty. In 1977, Panama's economy grew by only 1.6% following zero growth the year before. The government, like that of many other LDCs, was forced to again borrow heavily, mostly from commercial sources abroad. In 1977, it became necessary to budget about one-third of its revenues to debt service.

The historic era beginning for Panama with the approval of the canal treaties thus poses, along with new opportunities, new responsibilities which will complicate the painstaking development process. In addition to participation by the Government of Panama in the new Panama Canal Commission, the Panama Canal Treaty calls for, "...growing participation of Panamanian nationals at all other levels and areas of employment...with the objective of preparing, in an orderly and efficient fashion, for the assumption by the Republic of Panama of full responsibility for the management, operation and maintenance of the Canal upon the termination of this Treaty."

The implication for Panama's ambitious national development effort is that the thin structure of governmental planning, administration and technical expertise is stretched to critical limits. As canal operation, maintenance, and social services formerly provided by the Canal Zone Government drain available human resources, the middle level workforce shortage will become increasingly apparent. During this period, selective AID assistance can make an important difference in helping to insure that progress continues in programs addressing basic human needs objectives.

It is also a time when new development issues are emerging as a consequence of growth and modernization. If not dealt with early, such problems will drain valuable resources away from further development. Environmental degradation (including the canal watershed), uncontrolled urban growth, and high cost energy are examples of these problems. Panamanian technical and administrative capacity is not yet adequate to deal with the complex range of these modern problems.

Panama's progress during the rest of this century is immensely important to U.S. national interests, and a successful canal transition will depend

in part on continued, stable growth with increased equity and participation for all Panamanians. In this context, it is the goal of AID:

- (1) To assist in improving on a sustainable basis the economic condition of Panama's poor who are still struggling to secure basic human needs.
- (2) To help create and sustain in Panama open and progressive institutions in which learning, commerce, labor, communication and political participation, including that of the poor, can most easily develop and thrive.

Panama's commitment and progress toward equitable development and improved living standards can be seen in political changes as well as in economic development programs. Panama's record in human rights has improved markedly since the politically turbulent period of 1968-72, as the government has taken a number of important actions. Most recently, these have included an invitation by the government to all political exiles to return home with amnesty. A law restricting free assembly was annulled in December 1977, and in February the press self-censorship law was repealed and a new draft eliminates provisions offensive to human rights while maintaining protections against libel and slander. One of the most encouraging developments in years was the invitation in September of the Inter-American Human Rights Commission to visit Panama. Every facility and cooperation was extended to the Commission during its visit. Similarly, Panama invited a team of UN observers and the representatives of 20 universities, including three in the U.S., to witness the holding of the October plebiscite on the treaties. The representatives of the UN Secretary General found that the election took place in full accord with democratic standards. Then in November the Panamanian Assembly ratified the American Convention on Human Rights. USAID believes the proposed program, by aiming at Panama's poorest population, will help foster human rights and that opportunities for direct action, as for example in urban youth activities, Guaymi Indian programs and the proposed Human Rights OPG, will emerge from these efforts.

In Panama, economic development resources are not being diverted for defense purposes. Outlays for defense of about \$15.0 million in 1978 are a very insignificant part of Panama's overall expenditure pattern, amounting to less than 1% of Gross Domestic Product and about 2% of the consolidated public budget. Thus, the impact of defense spending on Panama's economy and development plans is trivial in terms of its claim on the country's financial resources.

The defense role is carried out by a number of small military units within Panama's National Guard. The National Guard numbers only some 8,000 men, and around 5,500 are employed in police functions. The remainder are thus military and military support elements. They are lightly armed and have no sophisticated weapons or equipment. The air and sea arms are little more than token. Any upgrading of the National Guard's defense capability as it takes over increased responsibilities from the U.S. military for

securing the Canal could not take place rapidly enough to raise the defense portion of GDP to 2% anytime soon. By world standards, even 2% of GDP for defense would be very low and compare favorably to the 5% "reasonableness" test used in implementing Section 620(S) of the Foreign Assistance Act.

Other non-financial aspects of Panama's defense effort, such as possible manpower and training drain, also have no more than a trivial impact on the economy and its development because of the small number of personnel involved and the relatively low level of their training and skills.

Major Objectives. In Panama the socio-economic disparity between urban and rural areas is wide. Per capita income among rural Panamanians is only a third that of urban dwellers, making the relatively high (by Latin and Caribbean standards) national average of around \$1,200 a meaningless figure at the individual level. Rural poverty and metropolitan industrial growth have driven increasing numbers to the cities with aspirations of employment. Cities, unable to absorb the influx, have given birth to new "slum cities" on their outskirts. One of these areas, San Miguelito, for which AID is providing Housing Guaranty assistance, has become the second largest city in Panama. Thus, while much attention has been focussed on the rural poor, it is evident that migration transforms large numbers of rural poor into urban poor. The poor in both sectors become linked to the needs of the entire country through the claim they make on social services and other assistance resources, as well as through the drag effect their low productivity has on overall national economic progress.

Expansion of Panama's more dynamic industries in the metropolitan area has not been sufficient to sustain a pattern of continuing, though unbalanced, national growth and development; this pattern could not carry the weak sectors and achieve significant income/benefit redistribution. Gross Domestic Product (GDP) increased by 8.2% annually in 1960-65, by 7.7% in 1965-70, by 4.9% in 1970-75, and has experienced virtually zero growth over the past two years. Although the 1975 world trade recession and recent treaty uncertainties were aggravating factors, the more basic cause of this persistent decline in Panama's growth rate is that the best, most promising industrial development prospects for the longer run were exploited first and that gradually over the past few years they became too limited to attract significant investor interest. Panama has few natural resources that can be exploited over the foreseeable future other than its geographic location. It is a small country with a small domestic market, and the limited opportunities this creates for import substitution industries have already been largely exploited. Panama's natural advantage in terms of trade, commerce, tourism and most recently banking and finance are continually being searched for their future investment potential.

In short, Panama has a very narrow economic base and when the cycles of growth associated with the types of developments described above have played out, as at present, this limited economic base becomes apparent.

Another wave of development activity is now expected to take place in the near future in connection with the lands and waters which Panama will soon receive under the recently approved Canal Treaties -- especially the railroad and port facilities. However, this too is likely to be limited by the economic constraints that operate here -- especially Panama's high cost/price structure which makes Panama extremely vulnerable to international competition, in addition to the vicissitudes of international trade (e.g., petroleum price movements). As in the past, if left to the free play of market forces, the euphoria over new development possibilities stemming from the new treaties will probably lead to excessive expectations of gain by both private investors and workers. Again, there is likely to be a surge of new investment of various sizes and types that is not sustainable, and a corresponding new wave of migration from the provinces to the metropolitan sector, where all this is taking place, to get the expected new jobs which also may prove temporary. As a result, the familiar pressures on housing, sanitation, and the various social services provided by the GOP to the metropolitan region can be expected to intensify, and the cost of dealing with these matters balloon.

A strategy of more balanced growth involving the areas outside as well as inside the metropolitan corridor is essential if Panama is to more nearly achieve its full potential on a self-sustaining basis. Regional development will help Panama reduce the limitation on its overall longer range growth and development imposed by unbridled concentration of development resources within the metropolitan area. Lower under-employment and unemployment and more profitable economic activities in the provinces will not only personally benefit those directly involved, the resultant gains in productivity and income also will make the area more economically self-sufficient -- less of an economic drag on the metropolitan sector because of its broadening tax base. These gains would also broaden the domestic market, providing additional benefits (external economies) to establish Panamanian industry (mostly in the metropolitan area). A general upgrading of the provincial labor force and the opportunities for more productive, remunerative employment should slow the out-migration from the provinces -- even help create some two-way labor mobility between the metropolitan area and the rest of the country. The proposed Workforce Development Project will attempt to achieve this intermediate objective along with existing projects in Rural Municipal Development and Growth and Service Centers.

For both political and economic reasons, the GOP has gradually put increased emphasis on development outside the metropolitan corridor as an important strategem in its national economic development policy. This has focussed importantly on the increased provision of social services to the rural poor, such as education and health services, and has also involved land redistribution under the asentamiento program and a program of developing and strengthening rural cooperatives and marketing facilities. AID has been an important contributor in all of these efforts.

Recently, the GOP has begun to attack the problem of low farm productivity more directly as, for example, in the integrated rural development initiative, in which AID also has been playing a vital role.

While development emphasis has been placed on rural needs, obviously continued growth in the modern sector is a prerequisite for achievement of basic human needs objectives. To realize these objectives, there must be growing production and supply of basic goods and services and a pattern of increasing income that enables the poor to obtain them. Without increased production and employment, the required welfare transfers would be not only beyond the political feasibility and administrative capability of Panama but also beyond its productive capacity to sustain.

In this context, one sees emerging a new dilemma for Panamanian planners. At the same time they are faced with the clamor to meet the basic needs of the poor in the traditional sector, they are also faced with alarming technological and management problems which spring directly from the progress which has already been made. Examples in Panama's case are environmental degradation, clearly described in the new Watershed Management Project in which slash and burn land clearing has destroyed important sources of protection for agricultural land and public water supplies; uncontrolled urban growth and urban poverty, discussed throughout this presentation; and increasing demand for energy with short supplies and uncertain prices.

These new non-traditional concerns of LDC governments have been described by AID and other observers as "second generation" development problems. They are problems with which developed countries are still wrestling, but they are being faced, in the case of Panama, by institutions that do not have the capacity to adequately cope with them without technical help. Again, an excellent example is the protection of the Panama Canal watershed. This most precious of Panama's resources will need a comprehensive program of management and protection calling for an institution within the GOP with far greater capability than the small staff which now exists. Silting of the Canal and the dam above it has occurred at increasing rates during the last decade and Panamanian human and financial resources need urgently to be mobilized. Less than a handful of technicians in the country now have training needed to confront this task.

Urban sprawl is another good example. Public outlays for urban development have not been able to keep pace with rapid growth. The combination of accelerated urban growth and lack of urban investment is overloading the once adequate urban facilities and services, resulting in rapid deterioration in general urban conditions, especially in Colon and in the inner city of Panama. New needs in the squatter settlements are demanding priority attention.

Thus, due to the important impact on development of these second generation problems, a basic human needs orientation, as stated in the AID Policy Paper of March 1978, "...also implies a selective concern with

other development fields, including urban development, shelter, energy, environment and science and technology." This reality in Panama has given rise to a series of new initiatives in the USAID program, including a nationwide environmental assessment and a pilot energy grant in FY 1979, a small energy loan and an environmental project grant in FY 1980. Both years also contain initiatives in urban development beginning with small grant assistance to support inner city housing and urban planning in Colon, and urban youth activities in Colon and Panama City. In addition the Workforce Development loan proposes to assist directly the urban unemployed as its minimum short-range objective.

Finally, quoting again from the 1978 AID Policy Paper, "...all of these efforts, consistent with a sustained and long term U.S. commitment to support development, require more attention to research and development, to problem-solving, and to strengthening the administrative and managerial capability of LDC development planning, research, and implementing institutions, so that basic needs objectives can in fact be accomplished." Consistent with this policy statement, USAID sees a clear necessity to continue assistance to strengthen Panama's administrative systems (at national and local levels) to plan and implement development programs and programs to deal with modern, second generation problems. The GOP is still very thinly staffed in many critical professional and managerial areas. Under the proposed Public Administration and Management Project, they are prepared to accelerate training and institution-building by phasing over from grant-financed training of public personnel to a larger-scale loan-financed program tied in with expert assistance in management planning and analysis and modern administrative systems.

Alternatives. USAID program objectives coincide with the policies and priorities of the GOP. The objectives of the GOP's 1976-1980 Development Plan are (a) diversified and sustained economic growth, (b) a more equitable distribution of economic benefits, and (c) increased regional integration. While USAID has emphasized rural development in the past as a strategy for achieving (b) and (c), clearly progress toward meeting basic human needs requires assistance to be channeled toward production and employment as called for in (a), including attention to second generation constraints. The alternative is to focus exclusively on the provinces and rural regions in hopes of stemming the growing pressure on the metropolitan and industrial areas. However, this denies the reality of conditions in Panama where reaching only the traditional sector will not eliminate the problems of urban poverty and modernization which have already become hurdles to further development. The attainment of AID objectives in Panama dictates the two-pronged attack described in this submission of concerted programs dealing with constraints at both ends of the traditional/modern development spectrum. In Panama a development strategy in support of basic human needs, which demands broad-based productive participation of the poor, must recognize that a growing number of the most needy have simply traded rural poverty for urban poverty.

Accomplishments. Accomplishments toward meeting intermediate objectives have been considerable. The family planning program, for example, has

succeeded in cutting the population growth rate from 3.2% to 2.7% since 1965. A new project in FY 1979 initiates new activities in this area. The ultimate objective of USAID and the GOP is to reduce population growth to 2% by the year 2000. Primary level health care is accessible to almost 90% of the population within a reasonable distance, and safe water supplies are available in nearly all urban areas in part due to USAID support in the health sector. The primary education system is being revamped with assistance from USAID. New curricula have been developed for grades 1-9, including text books and teachers' guides. The program emphasizes practical education more relevant to the community it serves. Progress in all sectors is a matter of record. The problem has been that while USAID's portfolio is made up of worthy individual projects, progress toward major development objectives resulting from particular aid levels is not easily identified, since the AID contribution is only a small part of the total resources devoted to any problem.

USAID/Panama proposes to make a serious effort in FY 1979 to identify and analyze the overall impact of our assistance to Panama over the long run. The Mission plans to finance from technical support funds a team of development analysts who will review the program of USAID assistance during the past 10 or 15 years and develop recommendations and strategy for future programs based on progress to date toward meeting the major objectives both the GOP and USAID have set for themselves. The review team will be expected to identify and analyze key constraints to progress in meeting basic human needs objectives and develop recommendations for project financing. This exercise would include identification of measurable program objectives into which could be tied a series of activities representing a systematic approach to long-term planning.

Commentary on Personnel and Operating Expenses Attachment to Overview. The start of a new relationship between Panama and the U.S. under a new treaty, while having major long term benefits for Panama, will seriously tax their administrative and management capabilities in the short run. Our recent loan projects (Coop. Development, Integrated Rural Development, Health, Education and Municipal Development) have been complex inter-institutional projects requiring a high degree of management and coordination. Our new Growth and Service Center Loan follows along these same lines. They have been difficult to plan and will be difficult to implement. However, as a result of the extensive effort which has gone into these two recent loans, a highly improved capability to design and develop projects has been fostered within the Ministry of Planning. In addition, the Ministry of Planning is taking on an increased role in the coordination of the implementation of these projects. We expect to draw heavily on this new capability in our proposed loans. FY 1980 programs are being designed to (1) respond to the increased needs for middle management as well as other skills and (2) continue to respond to the needs of the rural poor while assuring the projects are well within the absorptive capacity of the agencies involved.

One of the options considered during the review process was whether to gear up to have sufficient staff to do the complete job of project development or to rely upon a core staff who are familiar with the Panama situation and can act as coordinators between short term assistance, Mission management, and GOP counterparts. A realistic look at the Mission's needs in terms of direct hire positions for implementation and effective monitoring of our programs over the two years, compared with the realities of what could be expected in terms of increased employment ceilings, forced us to opt for the extensive TDY approach to project development, principally on the loan side. Limited short term assistance will be required in the development of OPG projects. It is for this reason that we have requested increased amounts in the Program Development and Support categories.

As stated above, Panama has a limited middle level workforce resource which will be further taxed by the involvement of Panama in the operations of the new Panama Canal organization and the extension of certain public services into the Canal Zone. Panama has most of its projects classified in the middle or high personnel intensity category. This is partly as a result of the nature of the projects but a major factor is the recognition of the above condition. The result is a significant use of employees' time, both those whose prime function is directly related to project activities as well as staff offices such as Controller, Executive, Capital Development and Program, all of which are operating expense funded. The Mission projects increased use of PASA personnel in specialized fields where long term agency requirements would not mandate the use of direct hire. Panama also has a history of effective training and utilization of IDI's. Our staffing levels anticipate a continuation of this activity and staffing requirements would change if this resource were not available.

As can be seen in the following schedule, a program at the minimum level would have little effect on staffing requirements. Reduction in

obligation levels does not eliminate pipeline projects and the requisite implementation responsibilities. Therefore, this fact combined with our heavy regional support activities, covered more fully in the operating expense narrative, results in little change in our workforce requirements for Financial Management and Mission support.

	<u>FY 1978</u>	<u>FY 1979</u>	<u>Minimum</u>	<u>FY 1980</u>	<u>Mark</u>	<u>Proposed</u>
Loans	30,000	11,000	10,500		13,500	27,000
Grants	2,218	3,575	1,750		2,500	3,000
<u>Active Projects</u>						
Loan	9	11	12		13	15
Grant	<u>11</u>	<u>15</u>	<u>12</u>		<u>14</u>	<u>15</u>
	20	26	24		27	30
<u>Workforce Requirements Directly Related to Activities</u>						
U.S.	20.1	20.1	19.5		20.6	22.9
F.N.	9.5	11.6	11.2		12.2	13.2
PASA/CONT.	<u>1.5</u>	<u>2.7</u>	<u>2.7</u>		<u>3.7</u>	<u>3.7</u>
	31.1	34.4	33.4		36.5	39.8

FY 1980 ANNUAL BUDGET SUBMISSION
(in \$000)

DECISION UNIT: 525 USAID/PANAMA

DECISION PACKAGE: MINIMUM

ACTIVITY DESCRIPTION

The minimum level includes all on-going activities plus new activities in Integrated Rural Development, Workforce Development and Local PVO Development.

RESOURCE REQUIREMENTS	1980					THIS PACKAGE	CUMULATIVE TOTAL
	1978	1979	1980	1981	1982		
Food and Nutrition	31,000	9,250				7,800	7,800
Population	400	400				400	400
Health	50	50				50	50
Education	668	925				3,900	3,900
Selected Development Activities	100	850				100	100
Sahel Development program							
Other (specify)							
Total Program	<u>32,218</u>	<u>11,475</u>				<u>12,250</u>	<u>12,250</u>
PL 480 TITLE II (non-add)	(2,283)	(2,126)				(1,868)	(1,868)
Housing Guaranties (non-add)	(6,400)	(25,000)					
Employment - Full-time Permanent							
U.S. Direct Hire	34.0	32.9				30.5	30.5
Foreign Nationals	59.4	61.8				60.2	60.2
TDY	1.4	.3				.7	.7
Total	<u>94.8</u>	<u>95.0</u>				<u>91.4</u>	<u>91.4</u>
<u>FIVE YEAR PROJECTIONS</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>		
Program	12,250	25,100	25,100	28,500	28,500		
Personnel (in workyears)							
Mission - US	30.5	35.0	35.0	35.0	35.0		
- FN	60.2	64.0	64.0	64.0	64.0		
TDY - USDH	.7	.5	.4	.4	.4		

DECISION UNIT: -USAID/PANAMA

DECISION PACKAGE: MINIMUM

Short-term Objectives

The minimum funding level will permit normal progress in all on-going projects. To do less would seriously impair our progress in achieving the joint objectives we have set with the GOP. These include important short-term targets such as staff development and training of 15 professionals with the Agricultural Research Institute under the proposed Title XII Agricultural Research project; additional land redistribution, mapping and surveys of the target population under an expanded integrated rural development program; initiation of a training program which recognizes Panama's urgent skills shortages (including new requirements under the canal treaties); the laborforce demand analyses which must precede such a training program; and finally the support we have indicated we would like to continue to PVO's, in this case the 60-100 personnel of local PVO's who will attend training seminars in project preparation, management and evaluation under the proposed Local PVO Development Project.

Impact on Major Objectives

The importance of a continued attack on rural poverty in Panama is reflected in the accentuated duality of the economy with very much lower average incomes and levels of living in rural areas than in the metropolitan area (Panama City/Colon). The Integrated Rural Development Program which began with the USAID supported IRD project in Tonosí, for Panama represented a new approach in overcoming constraints in rural development by concentrating and integrating investments and services at a manageable regional level. The minimum USAID program, in proposing an IRD II project, permits the GOP to select a third area in which to mobilize resources for such regional development. This backing represents USAID support for the GOP strategy, which we have encouraged, of (1) larger farm production for domestic self-sufficiency and/or export, and (2) grass roots participation in decision-making and increased local self-reliance. While the project may not be ready for financing as early as FY 1980, it does represent essential continuity in our support to Panama's efforts at meeting its basic human needs. It is, in effect, essential to further progress in meeting the initial step in the above strategy of regional development.

To complete the strategy the regional approach must then be complemented by activities which recognize the increasing problems of employment and urban growth (e.g. URBEG), environmental consequences of

Impact on Major Objectives (continued)

development (e.g. Watershed Management) and important gaps in technology needed to improve living conditions in both rural and urban areas (e.g. Alternative Energy Sources). Thus the second minimum requirement in this decision package - Workforce Development - relates both to the growing unemployment problem and to the new responsibilities which confront Panama following treaty approval. The basis of the training and institution - building envisioned for this project will be a manpower demand analysis conducted in FY 1979. By focusing on development of skills among the least trained and least productive, the project will directly benefit the poorest population. By identifying current and future skills requirements, including those related to assumption of canal responsibilities, the project will help promote a more successful canal transition. The small Workforce Development loan proposed in this decision package is believed to be a minimum of support for Panama's efforts at increasing employment opportunities and improving income distribution, which if ignored will reduce the positive impact of development programs in other sectors. To concentrate our program only on rural development, in the case of Panama, would ignore a fundamental and growing problem, namely the migration of jobless people to the city where they constitute a drain on economic resources as those resources are diverted to welfare purposes.

The final new project at the minimum level is Local PVO Development. The continued support to PVO activities is a high USAID priority. PVOs in Panama are a major vehicle for innovative, grass-roots programs for sensitive, culturally or politically difficult initiatives such as indian community development, human rights, and youth problems. By not sustaining a program with PVO's, we miss a major opportunity to address the basic human needs of the most needy through highly participatory, community-centered projects which rely on local resources and stimulate local decision-making and problem-solving, with a minimum of bureaucracy and AID management time. The minimum program consists of one OPG which would enhance the project management capability of local PVOs by providing training in such areas as project design, evaluation, administration and finance.

FY 1980 ANNUAL BUDGET SUBMISSION
(in \$000)

DECISION UNIT: 525 USAID/PANAMA

DECISION PACKAGE: MARK

ACTIVITY DESCRIPTION
The mark level adds two new projects in Selected Development Activities with attendant increased funding in SDA Program Development and Support. It also adds an initiative in human rights and additional PDS funding in Health.

RESOURCE REQUIREMENTS	1978		1979		1980		THIS PACKAGE	CUMULATIVE TOTAL
	1978	1979	1980	1981	1982	1983		
Food and Nutrition	31,000	9,250						7,800
Population	400	400						400
Health	50	50						200
Education	668	925						4,200
Selected Development Activities	100	850						3,400
Total Program	<u>32,218</u>	<u>11,475</u>						<u>16,000</u>
PL 480 Title II (non-add)	(2,283)	(2,126)						(1,868)
Housing Guaranties (non-add)	(6,400)	(25,000)						
Employment - Full-time Permanent								
U.S. Direct Hire	34.0	32.9						1.3
Foreign Nationals	59.4	61.8						2.8
TDY	1.4	.3						-
Total	94.8	95.0						4.1
<u>FIVE YEAR PROJECTIONS</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>			
Program	16,000	25,100	25,100	28,500	28,500			
Personnel (in workyears)								
Mission - US	31.8	35.0	35.0	35.0	35.0			35.0
- FN	63.0	64.0	64.0	64.0	64.0			64.0
TDY - USDH	.7	.5	.4	.4	.4			.4

DECISION UNIT: USAID/PANAMA

DECISION PACKAGE: MARR

Short-term Objectives:

The increased funding will permit a major new departure in rural development - a small loan project in alternative sources of energy. Five small pilot projects will be initiated under the loan to test solar, wind, water and pyrolytic conversion sources of energy for isolated communities which are out of reach of the public power grid. In addition, a new branch of the public power utility will be established to institutionalize a program of training, research and development in alternative energy sources.

Experience in developing the Watershed Management Project revealed various problems and opportunities in environmental management and protection. A small grant is thus proposed which will address some of the issues to come out of a detailed environmental assessment to be conducted in FY 1979 with PDS funds. At least one pilot project will be financed under the proposed project, some 30 Panamanian professionals will receive short and long term training and visits to other Latin countries with environmental management and protection programs, and a program of public education will begin in environmental awareness and resource conservation.

The new initiative in human rights is planned under the OPG program. The project will provide educational and informational services and free or low-cost legal assistance to the needy. The project is planned with a student group affiliated with the University of Panama's Faculty of Law. The group now operates in Panama City and Colon and would expand under the proposed project to six cities and a number of populace rural areas. In addition educational material would be published and seminars established.

The remaining increment at the mark level, additional Health Technical Support funding, will permit a nutrition assessment to be carried out which will be vital in evaluating the extent of nutrition assistance which will be programmed in the future but particularly in a health sector loan planned for FY 1981.

Impact on Major Objectives

The added increment represented by the mark level of funding permits USAID to go beyond the remedial to the preventive in promoting well-planned development. The new initiatives represent important attempts to deal with the "second generation" type of development problem which grows more acute as

Impact on Major Objectives (continued)

Growth and development proceed. Increased energy consumption and environmental degradation are, in a sense, consequences of development. They need to be anticipated and managed and new institutions and skills need to be developed to cope with them. This is especially true in LDC's, like Panama, where traditional economic progress has been good but little capacity exists in the techniques and technology needed to respond to such second generation problems as energy costs and pollution.

USAID/Panama's energy initiative (actually beginning with a pilot grant in FY 1979) is in every respect consistent with AID's energy strategy as outlined in the AID Policy Paper of March 1978 which states, "a main AID interest... will be to help conserve and increase the energy supplies of the poor in rural areas, which will be primarily energy from non-conventional sources." USAID considers this area to be one of real promise in Panama, and the appropriate GOP institutions have already taken the lead in planning pilot activities.

Similarly, the environmental project planned at the mark level reflects AID's policy determination that achievement of long-term benefits to the world's poor must be based on environmentally sound planning and a clear understanding of a country's natural resource potential and limitations. This project will not be the first USAID project to respond to Section 118 of the FAA, but it will attempt to begin the process of government-wide strengthening of institutions and promoting public education and understanding.

Human Rights in Panama is discussed in the Decision Unit Overview. The general climate is good for the proposed OPG initiative in FY 1980. It is USAID strategy to build on existing opportunities and support Panamanian initiatives in the field. USAID considers this project a timely response to AID's interest in promotion of civil rights of urban and rural poor people under Section 116 (E) of the FAA of 1977.

Finally, the requirement for a new national nutrition assessment is increasingly evident. The last nationwide study was conducted in 1967. Increased technical support funding will permit such an assessment to determine the extent of malnutrition particularly among the most needy groups which have been identified by the Ministry of Planning. Further postponement of such an assessment will prevent identification of the most critical problem areas and postpone solutions which need to be developed now. The assessment will, of course, provide a sound basis for AID follow-on activities as appropriate.

DECISION UNIT: USAID/PANAMA

DECISION PACKAGE: PROPOSED

Short-Term Objectives

Adding the proposed increment to Workforce Development transforms this project from essentially a limited response to a long-term program. The additional funding will permit training programs to be initiated in rural areas as well as the metropolitan corridor, thus operating at both ends of the urban migration problem. Such a concerted program is the preferred approach although at a minimum we would still want to assist in attacking the critical and growing unemployment in the metropolitan area.

The Public Administration and Management Project is proposed in response to clear administrative weaknesses in development program planning and implementation which appear more pronounced in the face of the responsibilities arising from the treaties. The GOP has requested assistance in management analysis and planning for the public sector. This has included requests for assistance in improving the capacity in the Directorate of Statistics and Census for information gathering and data analysis, and for assistance to the General Directorate of Administrative Organization of the Ministry of Planning to undertake a series of diagnostic studies and analyses. The proposed assistance would provide early training for some fifty professionals in many management areas, and would develop procedures for administrative reform, including recommendations and advisory help to the future Panama Canal Authority for which enabling legislation is being drafted.

The Perishables Marketing System loan will provide storage and handling facilities in strategic rural areas in order to reach small farmers and encourage increased production. It will also complete the farm to consumer marketing system by assisting buyers and consumers with a new public wholesale/retail market place for Panama City.

The proposed OPG in Urban Youth Problems is a small non-government approach to attacking urban poverty and the dehumanizing living conditions of the slums. It complements the large-scale employment generation effort of Workforce Development by experimenting with self-improvement campaigns, non-formal training and other community and family activities to improve living standards in blighted urban areas. This project will permit AID support for the formation of a National Urban Youth Organization which is being planned by a joint commission of Panamanian PVOs and government agencies. In the budget year five experimental community projects can be supported by this activity.

Impact on Major Objectives

The Larger Workforce Development Project represented in this decision package is meant to be more than just a temporary solution to the problem of growing unemployment. Unskilled, underemployed labor from rural areas translates in increasing numbers to unemployed in urban areas. The approach to employment generation in Panama requires reducing the urban/rural disequilibrium in job opportunities and elevating overall skill levels in the labor force. Thus, the training provided in rural areas is the component which attempts to address the root cause (migration) of the urban unemployment problem by providing alternative opportunities outside the metropolitan corridor. This project, fully funded as proposed, is thus an important first step in the USAID strategy of assistance to both rural and urban poor who are plainly linked as a major constraint to national development and equity.

The Perishables Marketing System Project also recognizes this important rural/urban link. Programs which address only the farm productivity problem - the primary base of the non-metropolitan economy - are insufficient since many of the inefficiencies and deficiencies which contribute to low overall productivity in the provinces are found between the farm and the metropolitan market. Farmers are discouraged from increasing production of vegetables and fruits, even where they have the capacity to do so, because storage and distribution constraints yield a very uncertain market. The urban consumer suffers higher prices and limited availability because of this. Thus, the benefits derived from this project also serve both rural and urban poor.

The Public Administration and Management Project is an important step in mobilizing human resources and public institutions for the major push now underway by the GOP to accelerate economic growth with equity. In an attempt to move the economy forward, Panama has developed an ambitious public sector investment program. During the 1971-1975 period, public sector investment represented about 35% of total investments. For the period ending in 1980, this figure is expected to increase to 54% of total investment. A vital dimension in achieving success in this effort is the capacity, leadership and responsiveness of government management, in which AID has already invested \$3.0 million in grant funds under the Training for Development Project which terminates in FY 1979. The phaseover to loan financed training of this type also represents a willingness on the part of the GOP to carry a greater burden of investment in professional human resources. Furthermore, though the framework is still being debated by the Government, the Panama Canal Authority may ultimately contain autonomous institutions which are important in AID's strategy, such as a body or bodies with exclusive authority to manage the Canal watershed and to protect natural resources, wildlife, forest and agricultural production areas now existing there.

Impact on Major Objectives (continued)

The objectives of USAID's urban development effort, which has begun to gain momentum with major contributions from the Housing Guaranty Programs, Municipal Development loan and the FY 1978 Growth and Service Centers loan, are (1) to enhance the contribution of urban centers to regional and national development, and (2) to help create urban environments in which the poor have opportunities to overcome their poverty. The pilot effort in Urban Youth Problems aims, in a small way, at both these objectives and constitutes an important companionpiece to the large project in Workforce Development.

TABLE V - PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM	DESCRIPTION	APPROPRIATE ACCT	PERSONNEL POTENTIAL	MISSION	NAME OF DECISION PACKAGE SET	RESOURCE REQUIREMENTS		INCREMENT	CUMULATIVE
							MINIMUM			
							WORKYEARS (XX, X)	PROGRAM ACCOUNT		
<u>DECISION PACKAGE - MINIMUM</u>										
1	HIG Program (Treaty Commitment)		FN	L	(.8)	-	-	-	(15,000)	-
2	Watershed Management (LO)		FN	L	1.6	-	3.0	-	-	-
3	Integrated Rural Development I (LO)		FN	M	2.7	-	3.7	-	-	-
4	Rural Health Del. Systems (LO)		HE	M	2.4	-	-	-	-	-
5	Education Sector II (LO)		EH	M	3.0	-	5.0	-	-	-
6	Renewable Energy Sources (GO)		SD	H	.5	-	-	-	-	-
7	Municipal Development (LO)		FN	H	1.0	-	-	-	-	-
8	Growth and Service Centers Dev. (LO)		FN	M	2.3	-	5.7	-	-	-
9	Access Roads (LO)		FN	M	2.0	-	-	-	-	-
10	Managed Fish Production (GO)		FN	M	.2	-	-	-	-	-
11	Crains and Perishables Marketing (LO)		FN	H	1.0	1.0	1.0	-	-	-
12	Marketing Add-On (LO)		FN	M	1.5	-	-	-	-	-
13	Ag. Research (L/GO)		FN	L	1.5	-	6.0	-	500	500
14	Guaymi Development (GO)		FN	H	.6	-	-	-	500	500
15	Family Orientation Centers (GO)		EH	L	.2	-	-	-	300	800
16	F & N Tech Support (GO)		HE	H	1.1	.3	3.2	50	850	800
17	Health Tech Support (GO)		EH	H	.7	.2	1.5	200	1,050	850
18	EHR Tech Support (GO)		SD	H	1.1	.2	.5	50	1,100	1,050
19	SDA Tech Support (GO)		SD	M	.8	.2	2.0	-	1,100	1,100
20	Urban Reconstruction-Colon (GO)		SD	H	.5	-	-	50	1,150	1,150
21	Special Development Act (GO)		EH	L	2.0	-	3.0	3,500	4,650	4,650
22	Workforce Development (LN)		FN	L	1.8	-	-	7,000	11,650	11,650
23	Integrated Rural Dev. II (LN)		PN	H	1.6	-	-	400	12,050	12,050
24	Population II (GO)		EH	M	.2	-	-	200	12,250	12,250
25	Local PVO Development (GN)		EH	M	.4	-	-	-	12,250	12,250
26	PL 480, Title II									
Summary by Personnel Intensity: Low (6) Medium (10) High (10)										
Cumulative Total										

TABLE V - PROPOSED PROGRAM RANKING

TRANSACTION CODE: USAID/PANAMA

BUREAU CODE: MARK

RANK	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM	APPROPRIATE ACCT	PERSONNEL INTENS. SITY	RESOURCE REQUIREMENTS		PROGRAM ACCOUNT	PROGRAM INCREMENT	CUMULATIVE FUNDING
				WORKYEARS (XX X)	OPERATING EXPENSES			
27	215 Alternative Energy Sources (LN)	SD	L	1.5	-	-	3,000	15,250
28	217 Environmental Management (GN)	SD	H	.3	-	-	200	15,450
29	190 SDA Tech Support (GO)	SD	H	-	-	1.3	100	15,550
30	210 Human Rights OPG (GN)	EH	M	.2	-	-	300	15,850
31	188 Health Tech Support (GO)	HE	H	.1	.2	2.7	150	16,000
Summary by Personnel Intensity: Low (1) Medium (1) High (3)				(1.5) (.2) (.4)	- - (.2)	- - (4.0)	(3,000) (150) (450)	
Cumulative Total				(32.8)	(1.9)	(39.4)	(32,868)	

TABLE V - PROPOSED PROGRAM RANKING

TRANSACTION CODE:

BUREAU CODE:

RANK	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM	DECISION UNIT	NAME OF DECISION PACKAGE SET	RESOURCE REQUIREMENTS						
				APPROPRIATE ACCT	PERSONNEL INTENSITY	OPERATING EXPENSES MISSION	FUNDING FROM TOY	PROGRAM ACCOUNT	PROGRAM INCREMENT	CUMULATIVE FUNDING
<u>DECISION PACKAGE - PROPOSED</u>										
32	214 Workforce Development (LN)	EH	L	-	-	-	-	1,500	17,500	
33	219 Urban Youth Problems OPG (GN)	EH	M	.4	-	-	-	500	18,000	
34	213 Perishables Marketing System (LN)	FN	L	1.5	1.0	1.0	1.0	7,000	25,000	
35	209 Public Admin. and Mgt. (LN)	EH	L	1.2	-	.3	-	5,000	30,000	
Summary by Personnel Intensity: Low (3) Medium (1) High ()										
Cumulative Total										
				(35.9)	(2.9)	(40.7)	(46,868)			

MISSION OPERATING EXPENSE FUNDED PERSONNEL REQUIREMENTS
(in work years xx.x)

MISSION SPECIFIC PERSONNEL	FY 78			FY 79			FY 80 Mark			FY 80 Minimum			FY 80 Proposed		
	USDH	FNDH	CONH	USDH	FNDH	CONH	USDH	FNDH	CONH	USDH	FNDH	CONH	USDH	FNDH	CONH
Directly Related to Activities*	17.6	9.5	2.5	17.4	11.6	2.7	16.9	12.2	3.7	16.8	11.2	2.7	19.2	13.2	3.7
Policy, Direction & Management	3.2	-	-	3.1	-	-	2.9	-	-	2.9	-	-	2.9	-	-
Financial Management	2.8	11.0	-	2.3	11.0	-	1.7	11.0	-	1.7	10.5	-	1.7	11.0	-
Mission Support	5.6	38.9	16.9	5.8	39.2	16.0	5.1	39.8	15.0	5.1	38.5	13.0	5.1	39.8	15.0
IDI's	4.8	-	-	4.3	-	-	5.2	-	-	4.0	-	-	5.2	-	-
OTHER (Specify)															
TOTAL	34.0	59.4	19.4	32.9	61.8	18.7	31.8	63.0	18.7	30.5	60.2	15.7	34.1	64.0	18.7
END OF YEAR CEILING	27	+ 58	= 85	29	+ 62	= 91	29	+ 62	= 91	27	+ 59	= 86	30	+ 63	= 93

*Consists of PASA's as follows: (1) PHS, (1) DOE, (1) USDA, .7 (DOI).

NON-MISSION SPECIFIC PERSONNEL

Auditor General & IIS	15.3	4.0	-	15.3	4.6	-	15.7	5.0	-	15.7	5.0	-	15.7	5.0	-
Other (Specify):	.3	-	-	.3	-	-	.2	-	-	.2	-	-	.2	-	-
TOTAL	15.6	4.0	-	15.6	4.6	-	15.9	5.0	-	15.9	5.0	-	15.9	5.0	-
END OF YEAR CEILING	16	+ 6	= 22	16	+ 6	= 22	16	+ 6	= 22	16	+ 6	= 22	16	+ 6	= 22

*From Table V.

OPERATING EXPENSE BUDGET

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980		PROPOSED				
				UNITS	\$	UNITS	\$	UNITS	\$		UNITS	\$		
PERSONNEL	01				2785.9		2842.1		2938.2		2775.6		3011.4	
U.S. Direct Hire	02		USDH Workyears		49.6	2019.6	48.5	2030.9	49.0	1988.0	46.1	1899.2	50.0	2044.5
U.S. Citizens Basic Pay	03	110	USDH Workyears		49.1	1554.6	47.7	1509.2	48.2	1521.7				
Part-time, Temp. U.S. Basic Pay	04	112	USDH Workyears		.5	6.0	.8	11.0	.8	11.0				
Differential Pay	05	116	USDH Workyears											
Living Allowances	06	118	USDH Workyears											
Other Pay	07	119	-		.5		.5		.5					
Education Allowances	08	126	No. of Dependents		30	98.2	33	105.6	33	108.9				
Retirement	09	120	USDH Workyears		49.6	109.2	48.5	106.4	49.0	107.1				
Transportation/Travel	10													
Post Assignment - Travel	11	212	No. of Movements		15	22.4	16	32.2	12	24.4				
Home Leave	12	212	No. of Movements		23	37.1	24	46.1	22	40.1				
Post Assignment/Home Leave Freight	13	22			38	136.0	40	166.0	34	118.8				
R & R	14	215	No. of Movements		22	10.7	22	11.2	22	11.8				
Education Travel	15	215	No. of Movements		5	3.5	5	3.5	5	3.5				
Medical Travel	16	215			4	3.0	4	3.0	4	3.0				
Other Travel	17	215												
Other Personnel Benefits	18					38.4		36.2		37.0				
Local Employees	19		FNDH Workyears		64.2	629.8	68.4	732.4	68.6	728.8	65.5	755.4	70.1	795.5
Basic Pay	20	114	FNDH Workyears		63.4	502.1	67.4	589.4	68.0	631.2				
Overtime, Holiday Pay	21	115	FNDH Workyears		.8	6.3	1.0	8.7	.6	5.6				
Other Pay	22	119				1.2		1.2		1.2				
Personnel Benefits	23	129	FNDH Workyears		63.4	106.2	67.4	124.1	68.0	131.8				
Benefits for Former Personnel	24	13				14.0		9.0		9.0				
Contract Personnel	25		Workyears		2.5	136.5	2.7	78.8	3.7	171.4	2.7	121.0	3.7	171.4
PASA Technicians	26	258	Workyears		1.0	28.5	2.0	78.8	3.7	171.4				
Other Reimbursable Details	27	111	Workyears											
Experts and Consultants	28	113	Workyears											
Other Technicians	29	255	Workyears		1.5	108.0	.7	-						
HOUSING	30					435.5		425.9		457.2		382.8		463.2
Acquisition of Land and Structures	31	320	No. of Residential Units											

OPERATING EXPENSE BUDGET

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978 UNITS	FY 1978 \$	FY 1979 UNITS	FY 1979 \$	MARK UNITS	MARK \$	FY 1980		
										UNITS	\$	
HOUSING Continued												
Rent	32	235	No. of Residential Units	2	6.5	2	6.5	2	6.8			
Utilities	33	235	No. of Residential Units	2	6.9	2	4.4	2	4.5			
Renovation	34	259	No. of Residential Units									
Maintenance	35	259	Total Square Feet	1/	26.0	1/	26.7	1/	27.8			
Residential Furnishings and Equipment	36											
Additions to Inventory	37	311	No. of Residential Units	50		50		51				
Replacement	38	311			32.0		34.3		47.0			
Transportation	39	22			10.0		10.5		14.7			
Quarters Allowance	40	172	No. of Residential Units	48	327.8	48	321.0	49	332.4			
Mission Director	41											
Rent	42	235			11.5		11.5		12.7			
Utilities	43	235			2.7		1.8		1.9			
Renovation of Residence	44	259										
Maintenance of Residence	45	259		1/	3.1	1/	3.2	1/	3.3			
Supplies and Materials	46	26			2.1		.6		.7			
Furniture Procurement	47	311			1.5		2.0		2.0			
Official Residence Allowance	48	254			2.0		2.5		2.5			
Representation Allowance	49	252			2.5							
Vehicles	50											
Acquisition	51	312										
Operation/Maintenance	52	259		1/	.9	1/	.9	1/	.9			
Portion of Lines 31-52 for Program Funded People	53											
OFFICE OPERATIONS												
	54				802.6		843.4		834.9		822.9	834.9
Acquisition of Land and Structures												
Rent	55	320										
Utilities	56	234			142.8		142.8		151.5			
Renovations	57	234			55.0		57.2		60.1			
Building Maintenance	58	259			1.5		1.5		1.5			
Office Furnishings and Equipment	59	259		1/	28.6		29.8	1/	31.4			
Additions to Inventory	60											
Replacement	61	310										
	62	310			1.5		1.6		1.1			

OPERATING EXPENSE BUDGET

EXPENSE CATEGORY	LINE NO.	FY 1978	FY 1979	MARK	FY 1980	
					MINIMUM	PROPOSED
TOTAL OPERATING EXPENSE BUDGET	82	4024.0	4111.4	4230.3	3981.3	4309.5
Reconciliation						
Deduct from Item 82 Items not Funded from Mission's allotment:						
Object Class 11	83	1561.1	1520.7	1533.2		
Object Class 12	84	144.6	139.1	141.3		
Object Class 13	85					
Net FMS (from line 78)	86	3.1	3.6	4.1		
Other - Explain on Attachment	87					
Net Allotment Recirements	88	2315.2	2448.0	2551.7		
Operational Year Allotment Requirement by Quarter						
First Quarter	89		705.6			
Second Quarter	90		506.2			
Third Quarter	91		705.0			
Fourth Quarter	92		531.2			

ADDITIONAL SCHEDULES AND ANALYSES	Attached	
	Yes	No
Use of Trust Funds		X
ADP Equipment		X
Budget Line 31 Detail		X
Budget Line 55 Detail		X
Budget Line 80 Detail	X	

FY 80 ABS
 Operating Expense Budget
 Detail of Line 80 of Budget

	in \$000		
	FY 78	FY 79	FY 80 Mark
Medical Costs	18.0	19.2	20.5
Repair and Rental of Office Equipment	10.1	10.6	11.3
In-service Training	9.0	9.5	10.2
Short-Term Secretarial and Translation Services	12.7	11.0	11.0
Full-time secretary under PSC	7.5	8.1	-
Personnel Services Contracts for Skilled and Unskilled Labor, Janitorial Services, Warehousing and Craftsmen not prorated to lines other than 80 per footnote 1 to Operating Expense Budget	39.9	40.5	42.0
Other Miscellaneous	<u>4.0</u>	<u>4.0</u>	<u>4.4</u>
	<u>101.2</u>	<u>102.9</u>	<u>99.4</u>

COMMENTARY ON OPERATING EXPENSE AND WORKFORCE

PART I

Workyears directly related to activities

The Government of Panama is fully committed to the support of AID programs. AID's emphasis on programs directed toward the development of an improved standard of living for the rural poor is supportive of the Government's own programs and directions as mandated by their Development Plan. In this respect, therefore, there is no question or problem concerning the commitment of the Government of Panama to fully support the development efforts of AID. However, as Panama becomes more deeply involved in the operation and maintenance of the canal through the new Panama Canal organization, as well as the need to provide social services in the Canal Zone which have been previously supplied by the Panama Canal Company, Panama's scarcity of middle level workforce will become readily apparent. Decision making in most Government ministries or organizations is held at the highest level as a result of the scarcity of these middle management skills. This has affected our program planning and its linkages to operating expenses in two ways: first, we plan to introduce in 1980 two projects which will be directed toward solving or alleviating the above problems. (our workforce development loan and public administration loan); second, the level of U.S. and foreign nationals charged to operating expenses with the responsibility of monitoring and implementing these projects will of necessity, increase. The lack of middle management skills means that things frequently move very slowly throughout the GOP organizations and require constant follow-up and monitoring on the AID side. Technical assistance for the new loan projects will be provided from loan funds. The personnel intensity categorization indicated on Tables IV B have been based on the requirements of operating expense funded workforce. As is pointed out in the Note on Personnel Intensity at the end of this submission and the table included in the Commentary on Personnel and Operating Expenses, attached to the Overview, Panama has the majority of its' projects categorized in the high or medium intensity category. This is due to a large extent, to the problems stated above. The increased workforce requirements will be met by additional U.S.D.H., F.N.D.H. and by PASA personnel. The planned levels are also based on the assumption that we would continue to have 4-5 workyears of IDI's each year. In some cases their workyears are directly related to activities and in other cases, free up other staff office time to be devoted to these activities.

All Mission Personnel

The quality and availability of foreign national personnel as direct hires is considered to be better than average. However, at the moment, we cannot be certain what effect treaty ratification will have on work-

force availability in subsequent years, as U.S. citizens are replaced by Panamanians in the functions within the current Canal Zone. The Mission currently utilizes several foreign nationals in key Mission positions such as Economists, Training Officer, Financial Analyst, Agriculture Economist, Health and Population Advisor and Engineers. In addition, Panamanians occupy positions in the General Service area which would be filled by U.S.D.H. in other countries. Most of the personnel requirements directly related to activities are more in the area of responsibilities of project managers. Therefore, the use of foreign nationals or contract personnel is limited by restrictions requiring that U.S. direct hires be project managers. We therefore, think that the Mission is currently using the best alternatives as far as combinations of U.S. direct hire, foreign national direct hire, PASA, and contract personnel. PASA personnel will be utilized in specialized areas where U.S. direct hires are either not available or a long term agency need is not foreseen.

One important fact which should be kept in mind is that Panama due to its location is increasingly becoming a headquarters for regional offices, conferences and seminars. Therefore, the total MOB can not and should not be viewed either in terms of total dollars or in terms of workforce levels directed only toward support of the Panama bilateral program. At the present time, we are fully supporting and funding three regional offices within the MOB, (AAG, IIS, Regional Contracting Office). We house and give support to the HIG office. In addition, we provide some administrative services to the regional GAO office.

During the past two years we have hosted a regional participant training conference, a Mission Director's Conference, a management training seminar, program design and evaluation course, procurement contracting and financial management course, and analytical skills workshop. We do not anticipate that this type of activity will decrease. While AID/W has usually provided increased support in setting up some of these activities, including budget allocations, they cannot completely make up for the time, money and effort spent within the USAID on these specialized non-Mission activities. We have to be geared up to meet these contingencies, so that we are not spread so thin during these times that we cannot perform our prime function of support to the Panama Mission. At the same time, we recognize the utility of these activities and the appropriateness of using Panama and do not wish to be placed in a position of having to reject these requests because of limited staff or budgetary resources. It makes sense for the Agency but should not be ignored when analyzing our MOB.

The Government of Panama has serious problems in contracting for external technical assistance. As a result, in many instances under many projects the Mission is faced with the alternative of excessive delays in implementation or resorting to contracting directly by AID. These contractors require support in areas similar to those of a U.S. direct hire, the movement of their household effects; clearance through customs of effects

and automobile; processing of payment vouchers; and other administrative details. While we have been working towards alleviation of the internal problems within the Government of Panama as they relate to contracting problems, we do not see any let up in the immediate future of our need to contract for external technical assistance on a case by case basis.

While not regionally funded, we are housing and handling both the regional excess property responsibilities and the regional contracting office. Workforce requirements for these two offices, all charged to Mission ceiling, are U.S. direct hire 1-1/2 years, F.N. direct hires 4-1/2 years. Responding to requests by other Missions for official PX purchases, shipping of purchases and checking on status of transshipments is a further unique responsibility of the Panama Mission.

Additionally, the current level of interest by Congress in the Panama Canal may or may not continue into FY 80. During the last two years we have had innumerable visits from Senators and Congressmen. The Embassy has consistently called upon us to provide some support which they themselves were not able to provide. We can anticipate that Congressional interest will continue at least through 1979 and may continue as well into FY 80. Again this is another factor which we must be prepared to deal with and should be considered in evaluation of our budget.

With the exception of the continuing support of regional offices, these other activities in and of themselves do not place an unreasonable drain upon Mission resources. However, a combination of all of these factors does play a role in our staffing decisions so as to be prepared to respond to these requirements.

For the above reasons, a significant percentage of the time of the staff categorized as Mission support and financial management is devoted to support of non-Mission specific personnel, seminars, congressional visits, etc.

We have been asked to comment on how the various zero base levels affect the needs for Mission personnel other than those related to projects. It should be kept in mind that reduction in program levels at the obligation stage do not have any immediate material effect on the requirements of Mission support or financial management personnel during that particular fiscal year. The majority of their activities are related to on-going pipeline activities. Reduction of program obligation levels do not affect the on-going pipeline activity. Therefore, significant flexibility or impact on non project personnel requirements is minimal.

Our present MODE level is 55. The table below shows the anticipated end of year ceilings in accordance with the ABS submission. The Ambassador will address MODE ceilings in his response to STATE 124987.

<u>FY 79</u>		<u>Min.</u>	<u>FY 80</u> <u>Mark</u>	<u>Prop.</u>
USDH	29	27	29	30
AAG/IIS	16	16	16	16
RHUDO (HIG)	3	3	3	3
IDI	5	4	5	5
PASA	3	3	4	4
	<u>56</u>	<u>53</u>	<u>57</u>	<u>58</u>

Expenses

The Mission currently does not provide housing for its employees and uses the housing allowance system. There would seem to be no advantage to changing from the current allowance system to government provided housing. Housing is readily available with no advance payments required or long term leases required. General maintenance services are readily available on the local market. While some direct cost savings, as relates to rents themselves, might be effected through government leases over a long period of time, the maintenance requirements and increased staffing levels either by direct hire foreign nationals or contract foreign nationals more than offsets the potential savings. The only two residences other than the Mission Director's and Deputy's currently leased are the transit apartments. These are low cost apartments and analysis of the cost of the apartment vs. the usage indicates that during FY 1977 savings of \$10,000 were realized by utilizing the transit apartments rather than paying temporary lodging and per diem allowances, had the apartments not been available.

There are no significant changes in the operating expense budget between FY 78 and FY 80. Office operations are \$802,000 for 1978, and \$832,000 at the mark level for 1980. This represents an increase of only 4% over a two-year period. The inflation rate used in the preparation of operating expense was 5% per year on appropriate line items.

Benefits for foreign national employees are a combination of two factors: 1) normal benefits which are given to foreign national employees according to current handbook guidance and, 2) benefits in accordance with

local practice. The most significant local benefit is the payments of the 13th. month Christmas Bonus to all employees in Panama. Other benefits have been reviewed by wage survey teams from the State Department over the last several years. In calculation of local employees wage scale, base pays have been established based on comparable work in the private sector of Panama. To this base are added factors for benefits which are normally paid to Panamanians in the private sector and which we do not give to our employees. Deducted from this base pay are factors representing benefits which by U.S. custom or regulation we give to our foreign national employees but are not customarily received by Panamanians in the open market. The result is an equalization of wage rates and benefits with the Panamanian economy. Our most recent survey was done this year.

With the exception of the support given to contractors who are funded from project funds, there is no other category of expense which is used for program funded personnel.

As has been stated in previous operating expense submissions of the Mission, we have taken serious steps to control and reduce all categories of expenses within the Mission. Periodic reviews are held with the Mission Director and senior Mission staff so that all personnel are aware of the magnitude and importance of the costs associated with the operations of the Mission. These brainstorming sessions have been useful in two ways: first, and most importantly, it makes the full staff aware of the size of the MOB and results in increased support for cost effective or cost cutting measures. Second, many suggestions or cost saving measures have been generated by the increased participation in reviewing this critical element of the Mission program.

A review of our operating expense budget will show that there is little room for major costs saving programs. Most of the steps that we have taken in recent years have been reported in prior airgrams. As a result of a recent operating expense audit, we have taken several steps to effect small savings, increased use of low octane gas, removal of one Xerox machine, better control of reproduction facilities and improved inventory control over automotive parts. We continue to examine all aspects of Mission operations to seek ways of saving limited operating expense funds.

In conclusion, it is our estimate that the following represents a fair indication of the proportion of our MOB which relates to support of AAG, IIS and HIG. While the HIG office provides an allotment for direct expenses, indirect items such as rent, utilities, servicing supplies, etc. are absorbed within our total budget.

<u>1978</u>	<u>1979</u>	<u>Mark</u> <u>1980</u>
1,175,000	1,270,000	1,280,000
or 29%	or 37%	or 31%

This does not include costs for excess property and regional contracting.

TABLE VI - FUNDING FOR SPECIAL CONCERNS

DECISION UNIT
USAID/PANAMA

PROJECT NUMBER AND TITLE	APPROP CODE	SPECIAL CONCERN CODE	OBLIGATIONS (\$ 000)								
			FY1		CY1		BY1				
			PROJECT TOTAL	SPECIAL CONCERN	PROJECT TOTAL	SPECIAL CONCERN	PROJECT TOTAL	SPECIAL CONCERN			
0187 Program Development & Support (FN) (G)	FN	RESA									
0191 Watershed Management (L)	FN	ENVR	10,000	10,000	350	50					
0192 Access Roads (L)	FN	ENVR	10,000	50							
0195 Rural Nutrition (OPG)	FN	PVOU	200	200							
0200 Guaymi Development (G)	FN	ATNL	500	50							
	FN	HRTS	500	25							
	FN	WID	500	100							
0201 Integrated Rural Development II (L)	FN	ATNL									
0180 Applied Agriculture Research (L/G)	FN	RESA			5,400	5,400	7,000	300			
	FN	XIIA			5,400	5,400	500	500	500	500	500
	FN	XIIB			5,400	5,400	500	500	500	500	500
	FN	ENER			500	50					
0216 Nutrition Through Managed Fish Production (G)	FN	ENER									
	PN	WID	400	400							
	PN	WID			400	400	400	400			
0142 Health & Population (G)	PN	WID									
0204 Health & Population II (G)	EH	LTRG	293	40							
0164 Training for Development (G)	EH	PVOU	225	225							
0198 Training Rural Youth (OPG)	EH	PVOL	225	225							
	EH	LTRG	225	225							
	EH	LTRG	100	100							
0203 Goodwill Rehabilitation Centers (OPG)	EH	PIOL	100	100							
	EH	LTRG	100	100							
0202 Family Orientation Centers (OPG)	EH	PVOL			500	500	500	500	5,000	300	300
	EH	LTRG			500	500	500	500	300	300	300
	EH	LTRG			500	500	500	500	300	300	300
0209 Public Administration & Management (L)	EH	LTRG									
0210 Human Rights (OPG)	EH	HRTS									
	EH	PVOL									
	EH	PVOL									
0214 Workforce Development (L)	EH	WID									
0218 Local PVO Development (OPG)	EH	LTRG									
	EH	PVOU									
	EH	PVOL									
0219 Urban Youth Problems (OPG)	EH	PVOL									
0101 Special Development Activities (G)	SD	LTRG	50	5	50	5	5,000	500	5,000	500	500
		ENER	50	5	50	5	500	50	500	50	50
		WID	50	5	50	5	50	5	500	50	50

TABLE VI - FUNDING FOR SPECIAL CONCERNS

PROJECT NUMBER AND TITLE	APPROP CODE	SPECIAL CONCERN CODE	OBLIGATIONS (\$ 000)				DECISION UNIT	
			CY1		BY1		USATID/PANAMA	
			PROJECT TOTAL	SPECIAL CONCERN	PROJECT TOTAL	SPECIAL CONCERN	PROJECT TOTAL	SPECIAL CONCERN
0190 Program Development & Support (SD) (G)	SD	HRTS ENER			150	50	150	10
0207 Renewable Energy Sources in Isolated Areas (G)	SD	ATNL ENER			150	15	150	60
0215 Alternative Sources of Energy (L)	SD	ENER			500	500	3,000	3,000
0217 Environmental Management (G)	SD	ENVR					200	200

NARRATIVE STATEMENT ON EVALUATION

The Mission attaches considerable importance to the use of evaluation as an implementation and planning tool at both the project and program levels.

At the project level, evaluations are used both as a means of improving the management of on-going projects and as a method of applying the experience gained during the implementation of one project in the design of other, newer projects. All project evaluations are conducted by joint AID-GOP teams and our experience has indicated that this shared effort results in improved inter-personal relationships which, in turn, lead to improved implementation after the evaluation has been completed. Project evaluations are scheduled in such a way as to ensure that the results of the evaluation are available at crucial decision points during the implementation of a project - immediately prior to embarking on the second phase of a phased project, for example - or to provide inputs to the design of other projects. In-depth evaluations are now in process of the Training for Development and Population projects and it is expected that the results of these evaluations will be extremely useful to Mission and GOP planners in the design of the proposed new Workforce Development and Population II projects which are described elsewhere in this ABS.

At the program level, the Mission is planning to commission a retrospective evaluation of the AID program in Panama during the last ten years. We want to learn how effective the program has been, which areas have proved to be the most, and which the least rewarding, and what should be the implications of this with respect to program planning for the future. The details have not yet been worked out, but our current inclination is to ask a group of eminent academics to undertake the task of carrying out this evaluation sometime later this year. We believe the results should be of interest to other Mission, particularly in the LAC Bureau, and to AID/W as well. Any suggestions AID/W may be able to offer concerning the proposed evaluation would be most welcome.

The Mission's experience with DIS could be characterized as very limited, but useful. In response to a PID, which was submitted with the FY 1979 ABS, DIS provided us with a list of reference materials which it was believed might be of use to us in connection with the design of the Watershed Management Project (No. 525-0191). We requested several of the items on the list and they were provided quickly and proved to be very useful to the members of the project design team. We would suggest that this automatic response to PIDs be expanded to cover all types of new projects as soon as is practicable.

DECISION UNIT: USAID/PANAMA

PERIOD COVERED: 5/78 to 9/80

DATE: May 25, 1978

Mission Evaluation Schedule for FY 1979 and FY 1980

<u>Project Title and Number/Subject</u>	<u>Date of last PAR/ PES Submitted</u>	<u>Proposed date of next PES</u>	<u>Period to be Covered</u>	<u>Identification Special Evalu- tions and Purpose for them</u>	<u>Remarks</u>
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Food & Nutrition

Rural Cooperative Development 525-0173 (L)	9/77	9/78	1/77 to 9/78	-	-
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Rural Municipal Development 525-0176 (L)	11/77	6/78	1/77 to 6/78	-	-
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Grains and Perishables Marketing System 525-0178	3/77	6/78	1/77 to 6/78	-	-
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Applied Agricultural Research 525-0180 (L&G)	-	10/80	10/79 to 10/80	-	-
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Integrated Rural Development (L) 525-0183	-	7/79	11/77 to 7/79	-	-
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Growth Service Centers (L) 525-0185	-	9/79	9/78 to 9/79	-	-
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DECISION UNIT: USAID/PANAMA

DATE: May 25, 1978

PERIOD COVERED: 5/78 to 9/80

Mission Evaluation Schedule for FY 1979 and FY 1980

Project Title and Number/Subject	Date of last PAR/ PES Submitted	Proposed date of next PES	Period to be Covered	Identification Special Evaluations and Purpose for them	Remarks
Watershed Management 525-0191 (L)	-	10/79	10/78 to 10/79	-	-
Access Roads 525-0192 (L)	-	10/79	10/78 to 10/79	-	-
Rural Nutrition-OPG 525-0195 (G)	-	7/79	7/78 to 7/79	-	-
Guaymi Development 525-0200 (G)	-	9/79	9/78 to 9/79	-	-
Marketing Add-On 525-0212 (L)	-	6/80	2/80 to 6/80	-	-
Nutrition Through Managed Fish Production 525-0216 (G)	-	12/80	12/79 to 12/80	-	-
<u>Population</u> Health and Population 525-0142 (G)	6/76	5/78	1/70 to 12/76	-	-

DECISION UNIT: USAID/PANAMA

PERIOD COVERED: 5/78 to 9/80

DATE: May 25, 1978

Mission Evaluation Schedule for FY 1979 and FY 1980

Project Title and Number/Subject	Date of last PAR/ PES Submitted	Proposed date of next PES	Period to be Covered	Identification Special Evaluations and Purpose for them	Remarks
Health & Population II 525-0204 (G)	-	1/80	1/79 to 1/80	-	-
<u>Health</u>					
Rural Health Delivery System 525-0181 (L)	-	1/79	10/76 to 1/79	-	-
<u>Education and Human Resources Development</u>					
Training for Development 525-0164 (G)	4/76	5/78	9/72 to 9/77	-	-
Non-Formal Education 525-0177 (G)	-	9/78	9/75 to 6/78	-	-
Education Sector II 525-0179 (L)	-	6/78	9/75 to 9/77	-	-
Training Rural Youth 525-0198 (G)	-	8/79	8/78 to 8/79	-	-
Goodwill Rehabilitation Center 525-0205 (G)	-	9/79	9/78 to 9/79	-	-

DECISION UNIT: USAID/PANAMA

PERIOD COVERED: 5/78 to 9/80

DATE: May 25, 1978

Mission Evaluation Schedule for FY 1979 and FY 1980

Project Title and Number/Subject	Date of last PAR/ PFS Submitted	Proposed date of next PFS	Period to be Covered	Identification Special Evaluations and Purpose for them	Remarks
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Family Orientation Centers 525-0206 (G)	-	3/80	3/79 to 3/80	-	-
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Selected Development Activities

Special Development <u>1/</u> Activities 525-0101 (G)	-	-	-	-	-
Low Cost Housing 525-0163 (L)	11/77	<u>2/</u>	-	-	-
Tourism Convention Center 525-0168 (L)	<u>3/</u>	-	-	-	-

- 1/ Funds obligated for this project are used to fund unrelated subprojects which are evaluated on an individual basis.
- 2/ Mission expects to submit a project completion report for this project 9/30/77. No other evaluation planned.
- 3/ Project completion report submitted to AID/W 5/78. No further evaluation planned.

DECISION UNIT: USAID/PANAMA

PERIOD COVERED: 5/78 to 9/80

DATE: May 25, 1978

Mission Evaluation Schedule for FY 1979 and FY 1980

Project Title and Number/Subject	Date of Last PAR/ PES Submitted	Proposed date of next PES	Period to be Covered	Identification Special Evaluations and Purpose for them	Remarks
Renewable Energy Sources for Isolated Areas 525-0207 (G)	-	1/80	12/78 to 12/79	-	-
Urban Redevelopment of Colon 525-0208 (G)	-	4/79	4/78 to 4/80	-	-
<u>Other</u>					
Retrospective Evaluation of USAID/Panama's Accomplishments in the last ten years	-	11/78	7/68 to 9/78		See Evaluation Narrative and Decision Unit Overview

PL-480 II Programs

Title II programs in Panama are implemented by two voluntary agencies, CARE and CRS (through its local counterpart Caritas), and address human development needs. Requirements and levels of the PL-480-Title II program through FY-82 are those projected by CARE and CRS based on ongoing programs, estimates of future programs directions, and AID/W guidance.

Collaboration and coordination between the VOIags, USAID and cooperating Panamanian government agencies continue at a high level resulting in better programs and more judicious use of PL-480 Title II commodities of the benefit of Panama's most vulnerable groups.

CARE, CRS and participating local agencies have the capacity to finance and administer a program of the size proposed in the attached tables and a need for such assistance at those levels clearly exists.

A joint USAID-VOIag-GOP evaluation of the PL-480 Title II program was conducted last year. This evaluation concluded that CARE and CRS are adequately controlling and properly accounting for the arrival, central storage and distribution of PL-480 Title II commodities but recommended that areas of highest nutritional needs be identified and new programs be designed to address these needs.

A nutrition survey will be realized during this FY 78 to identify target groups or areas of high nutritional need. The GOP and VOIags will restructure the Title II program to direct available resources in an integrated manner with other development assistance to those areas or population groups with greatest nutritional deficiencies.

Although not indicated in this planning document, the redesigning of the Title II program may result in maintaining the program level at \$2 million or more per year instead of a decline to \$1.6 million in FY 82 (based on AID/W's decision to phase-over school feeding). Any restructured program would direct assistance to the poorest rural areas (per capita of under \$250) and would be implemented in conjunction with other loan or grant funded development assistance. Inclusion of food for work element in the proposed watershed management loan could also cause an increase in the size of the Title II program.

CARE

In the FY's 78-82 period the recipient and dollar level of the CARE program will decline by almost 50% if the current trend continues. This reflects the AID/W decision to phase out the school feeding activities by the end of FY 81. The pre-school and other child feeding program beneficiary levels will remain constant throughout the planning period, while the MCH beneficiary level will increase moderately. There is potential for greater increases in the MCH level because a rural infrastructure of health posts and sub centers exists throughout the country.

However, lack of adequate transportation to move commodities to these rural centers is the inhibiting factor for future expansion. This document indicates small increase in CARE's, FFW program, however, a larger FFW effort may result from the program redesigning which will follow the nutrition survey.

CRS

The Caritas Multi Year Plan for FYs 78-82 shows little change from past years. Last year Caritas carried out an internal evaluation of its program and terminated those where there was no demonstrated development impact. While small, the Caritas program focuses on integration of PL-480 with other development programs and Caritas feels that expansion of the program is not possible without sacrificing "quality".

FFW programs are integrated with an integrated food and nutrition project in one of the poorest areas of the country. If this project is replicated in another area there could be an increase in the FFW category next year.

P.L. 480 TITLE II
(FY) 78

Country PANAMA

Sponsor's Name CRS/FY-78

A. MATERNAL AND CHILD HEALTH TOTAL RECIPIENTS 8.0

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
8.0	Corn meal	86.4	14.0
8.0	CSM	86.4	38.3
8.0	SFRO	86.4	23.5
	Wheat F	43.2	6.6
<u>TOTAL MCH -</u>	<u>OIL</u>	<u>43.2</u>	<u>24.7</u>
	<u>NFDM</u>	<u>173.0</u>	<u>95.3</u>
		<u>518.6</u>	<u>202.4</u>

B. SCHOOL FEEDING TOTAL RECIPIENTS _____

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>TOTAL SCHOOL FEEDING -</u>		_____	_____

C. OTHER CHILD FEEDING TOTAL RECIPIENTS _____

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>TOTAL OTHER CHILD FEEDING -</u>		_____	_____

D. FOOD FOR WORK TOTAL RECIPIENTS 2.0

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
2.0	Corn meal	43.2	7.0
2.0	CSM	43.2	19.2
2.0	SFRO	21.6	5.9
	wheat flour	21.6	3.3
<u>TOTAL OF FOOD FOR WORK -</u>	<u>Oil</u>	<u>10.8</u>	<u>6.2</u>
		<u>140.4</u>	<u>41.6</u>

E. OTHER (SPECIFY) ..Adult. feeding... TOTAL RECIPIENTS 1.4

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
1.4	Corn meal	30.2	4.9
1.4	CSM	30.2	13.4
1.4	SFRO	15.2	4.1
1.4	Wheat flour	15.2	2.3
	OIL	7.5	4.3
<u>TOTAL OTHER</u>		<u>98.3</u>	<u>29.0</u>

P.L. 480 TITLE II
(FY) 78

Country PANAMA

Sponsor's Name CARE FY-78

A. MATERNAL AND CHILD HEALTH TOTAL RECIPIENTS 32.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
32.0	CSM	384	170.4
--	SFRO Oats	384	104.4
---	NFDM	581	320.1
<u>TOTAL MCH -</u>			

1349 594.9

B. SCHOOL FEEDING TOTAL RECIPIENTS 120.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
120.0	CSM	864	383.6
	SF Roll oats	864	235.0
	NFDM	432	238.0
<u>TOTAL SCHOOL FEEDING</u>	<u>OIL</u>	<u>221</u>	<u>126.6</u>

2381 983.2

C. OTHER CHILD FEEDING TOTAL RECIPIENTS 32.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
7.0	CSM	76	33.7
	SFRO	76	21.0
	NFDM	151	83.2
<u>TOTAL OTHER CHILD FEEDING</u>	<u>- Oil</u>	<u>19</u>	<u>11.0</u>

322 148.9

D. FOOD FOR WORK TOTAL RECIPIENTS 32.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
2.0	CSM	60	26.6
	SFRO	158	42.9
	NFDM	-0-	
<u>TOTAL OF FOOD FOR WORK</u>	<u>- OIL</u>	<u>13</u>	<u>7.4</u>

231 76.9

E. OTHER (SPECIFY) Pre-school..... TOTAL RECIPIENTS 25.0
(feeding)

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
25.0	CSM	180	79.9
25.0	SFRO	180	50.0
25.0	NFDM	90	50.0
25.0	OIL	46	26.3

TOTAL OTHER - 496 206.2

P.L. 480 TITLE II
(FY) 80

Country PANAMA

Sponsor's Name CRS-FY 1980

A. MATERNAL AND CHILD HEALTH TOTAL RECIPIENTS 9.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
9.0	Corn meal	97.2	17.0
9.0	CSM	97.2	48.0
9.0	SFRO	97.2	28.2
	Wheat flour	48.6	27.8
	OIL	48.6	107.1
	NFDM	194.4	
<u>TOTAL MCH -</u>		<u>583.2</u>	<u>236.0</u>

B. SCHOOL FEEDING TOTAL RECIPIENTS 2.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
<u>TOTAL SCHOOL FEEDING -</u>			

C. OTHER CHILD FEEDING TOTAL RECIPIENTS _____

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
<u>TOTAL OTHER CHILD FEEDING -</u>			

D. FOOD FOR WORK TOTAL RECIPIENTS 2.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
2.0	Corn meal	43.2	7.6
2.0	CSM	43.2	21.3
2.0	SFRO	21.6	6.5
	W. flour	21.6	3.5
	OIL	10.8	6.2
		140.4	44.9
<u>TOTAL OF FOOD FOR WORK -</u>		<u>140.4</u>	<u>44.9</u>

E. OTHER (SPECIFY) ..Adult feeding... TOTAL RECIPIENTS 1.4

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
1.4	Corn meal	30.2	5.3
1.4	CSM	30.2	14.9
1.4	SFRO	15.1	4.4
	w. flour	15.1	2.5
	OIL	7.5	4.3
<u>TOTAL OTHER -</u>		<u>98.1</u>	<u>31.4</u>

P.L. 480 TITLE II
(FY) 79

Country PANAMA

Sponsor's Name CARE, FY 79

A. MATERNAL AND CHILD HEALTH TOTAL RECIPIENTS 32.0

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
32.0	CSM	345.0	170.4
--	SFRO	345.0	100.0
--	NFDM	691.0	380.7
<u>TOTAL MCH -</u>	<u>OIL</u>	<u>0</u>	<u>0</u>

B. SCHOOL FEEDING TOTAL RECIPIENTS 80.0

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
80.0	CSM	576	284.5
	SFRO	576	167.0
	NFDM	288	158.6
<u>TOTAL SCHOOL FEEDING</u>	<u>OIL</u>	<u>147</u>	<u>84.2</u>

C. OTHER CHILD FEEDING TOTAL RECIPIENTS 7.0

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
7.0	CSM	76	37.5
	SFRO	76	22.0
	NFDM	151	83.2
<u>TOTAL OTHER CHILD FEEDING - OIL</u>		<u>19</u>	<u>11.0</u>

D. FOOD FOR WORK TOTAL RECIPIENTS 3.0

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
3.0	CSM	90	44.6
3.0	SFRO	238	69.0
3.0	OIL	19	10.9
<u>TOTAL OF FOOD FOR WORK -</u>			

E. OTHER (SPECIFY) ..-Preschool..... TOTAL RECIPIENTS 25.0
feeding

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
25.0	cSM	180	88.9
25.0	SFRO	180	52.2
25.0	NFDM	90	49.5
25.0	OIL	46	26.3
<u>TOTAL OTHER -</u>		<u>496</u>	<u>216.9</u>

P.L. 480 TITLE II
(FY) 79

Country PANAMA

Sponsor's Name CRS/FY 79

A. MATERNAL AND CHILD HEALTH TOTAL RECIPIENTS 8.0

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
8.0	Corn meal	86.4	15.1
8.0	CSM	86.4	42.7
	SFRO	86.4	25.0
<u>TOTAL MCH -</u>	W flour	43.2	27.1
	OIL	43.2	27.7
	NFDM	173.0	95.3

B. SCHOOL FEEDING TOTAL RECIPIENTS 518.6

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
<u>TOTAL SCHOOL FEEDING -</u>			

C. OTHER CHILD FEEDING TOTAL RECIPIENTS _____

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
<u>TOTAL OTHER CHILD FEEDING -</u>			

D. FOOD FOR WORK TOTAL RECIPIENTS 2.0

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
2.0	Corn meal	43.2	7.6
2.0	CSM	43.2	21.3
2.0	SFRO	21.6	6.3
<u>TOTAL OF FOOD FOR WORK</u>	W flour	21.6	2.5
	OIL	10.8	6.2
		140.4	44.9

E. OTHER (SPECIFY) ... Adult feeding .. TOTAL RECIPIENTS 1.4

No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
1.4	Corn meal	30.2	5.3
1.4	CSM	30.2	14.9
1.4	SFRO	15.1	4.4
	W flour	15.1	2.5
	OIL	7.5	4.3
<u>TOTAL OTHER -</u>		98.1	31.4

P.L. 480 TITLE II
(FY) 80

Country PANAMA

Sponsor's Name CARE FY 80

A. MATERNAL AND CHILD HEALTH TOTAL RECIPIENTS 32.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
<u>35.0</u>	<u>CSM</u>	<u>378</u>	<u>186.7</u>
	<u>SFRO</u>	<u>378</u>	<u>109.6</u>
	<u>NFDM</u>	<u>756</u>	<u>417.0</u>
<u>TOTAL MCH -</u>	<u>OIL</u>	<u>-0-</u>	<u>-0-</u>
		<u>1512</u>	<u>713.3</u>

B. SCHOOL FEEDING TOTAL RECIPIENTS 40.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
<u>40.0</u>	<u>CSM</u>	<u>288</u>	<u>142.2</u>
	<u>SF Roll Oats</u>	<u>288</u>	<u>83.5</u>
	<u>NFDM</u>	<u>144</u>	<u>79.3</u>
<u>TOTAL SCHOOL FEEDING</u>	<u>OIL</u>	<u>74</u>	<u>42.4</u>
		<u>794</u>	<u>347.4</u>

C. OTHER CHILD FEEDING TOTAL RECIPIENTS 7.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
<u>7.0</u>	<u>CSM</u>	<u>76</u>	<u>37.5</u>
	<u>SF Roll oats</u>	<u>76</u>	<u>22.0</u>
	<u>NFDM</u>	<u>151</u>	<u>83.2</u>
<u>TOTAL OTHER CHILD FEEDING</u>	<u>OIL</u>	<u>19</u>	<u>11.0</u>
		<u>322</u>	<u>153.7</u>

D. FOOD FOR WORK TOTAL RECIPIENTS 3.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
<u>3.0</u>	<u>CSM</u>	<u>90</u>	<u>44.6</u>
<u>3.0</u>	<u>SF Roll oats</u>	<u>238</u>	<u>69.0</u>
<u>3.0</u>	<u>OIL</u>	<u>19</u>	<u>10.9</u>
<u>TOTAL OF FOOD FOR WORK</u>		<u>347</u>	<u>124.5</u>

E. OTHER (SPECIFY) - Preschool feeding TOTAL RECIPIENTS 25.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
<u>25.0</u>	<u>CSM</u>	<u>180</u>	<u>88.9</u>
<u>25.0</u>	<u>SFRO</u>	<u>180</u>	<u>52.2</u>
<u>25.0</u>	<u>NFDM</u>	<u>90</u>	<u>49.5</u>
<u>25.0</u>	<u>OIL</u>	<u>46</u>	<u>26.3</u>
<u>TOTAL OTHER</u>		<u>496</u>	<u>216.9</u>

P.L. 480 TITLE II
(FY) 80 - 82

Country PANAMA

Sponsor's Name CRS/FY 81-82

A. MATERNAL AND CHILD HEALTH TOTAL RECIPIENTS 10.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
10.0	Corn meal	10.8	18.9
10.0	CSM	10.8	53.3
10.0	SFRO	10.8	31.3
	W. flour	5.4	8.9
	OIL	5.4	30.9
	NFDM	21.6	119.0

B. SCHOOL FEEDING TOTAL RECIPIENTS

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
		64.8	262.3

TOTAL SCHOOL FEEDING -

C. OTHER CHILD FEEDING TOTAL RECIPIENTS

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars

TOTAL OTHER CHILD FEEDING -

D. FOOD FOR WORK TOTAL RECIPIENTS 2.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
2.0	Corn meal	43.2	7.6
2.0	CSM	43.0	21.3
2.0	SFRO	21.6	6.3
	W flour	21.6	3.5
	OIL	10.8	6.2

E. OTHER (SPECIFY) TOTAL RECIPIENTS 1.4

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
1.4	Corn meal	30.2	5.3
1.4	CSM	30.2	14.9
1.4	SFRO	15.1	4.4
	W. flour	15.1	2.5
	OIL	7.5	4.3
		98.1	31.4

TOTAL OTHER -

P.L. 480 TITLE II
(FY) 81-82

Country PANAMA

Sponsor's Name CARE-FY 81-82

A. MATERNAL AND CHILD HEALTH TOTAL RECIPIENTS 32.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
38.0	CSM	410	202.5
	SFRO	410	118.9
	NFDM	821	452.3
TOTAL MCH -	OIL		

B. SCHOOL FEEDING TOTAL RECIPIENTS 1641 773.7

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
---	---	---	---
---	---	---	---
---	---	---	---
TOTAL SCHOOL FEEDING -			

C. OTHER CHILD FEEDING TOTAL RECIPIENTS 7.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
7.0	CSM	76	37.5
	SFRO	76	22.0
	NFDM	151	83.2
TOTAL OTHER CHILD FEEDING - OIL		19	11.0

D. FOOD FOR WORK TOTAL RECIPIENTS 322 153.7 3.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
3.0	CSM	90	44.6
3.0	SF Roll oats	238	69.0
3.0	OIL	19	10.9
TOTAL OF FOOD FOR WORK -			

E. OTHER (SPECIFY) TOTAL RECIPIENTS 347 124.5 25.0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
25.0	CSM	180	88.9
25.0	SFRO	180	52.2
25.0	NFDM	90	49.5
	OIL	46	26.3
TOTAL OTHER -		496	216.9

PL-480 Title 11

	FY	FY	FY	FY
Recipients (000')	1978	1979	1980	1981
CARE	186.0	147.0	110.0	73.0
CRS	<u>11.4</u>	<u>11.4</u>	<u>12.4</u>	<u>13.4</u>
TOTALS	197.4	158.4	122.4	86.4
Dollars (000')				
CARE	2010.1	1840.5	1555.8	1268.8
CRS	<u>273.0</u>	<u>286.2</u>	<u>312.3</u>	<u>338.6</u>
TOTALS	2283.1	2126.7	1868.1	1607.4

Program Projections of CARE PL-480 Title 11

Recipients (in thousands of people)
 Commodities (in " of Kilograms)
 Value (in " of Dollars)

	FY-1978			FY-1979			FY-1980			FY-1981-1982		
	Rec.	Comm.	Val.	Rec.	Comm.	Val.	Rec.	Comm.	Val.	Rec.	Comm.	Val.
MCH	32.0	1349	594.9	32.0	1381	651.1	35.0	1512	713.3	38.0	1641	773.7
School Feeding	120.0	2381	983.2	80.0	1587	694.3	40.0	794	347.4	-0-		
Other Child Feeding	7.0	322	148.9	7.0	322	153.7	7.0	322	153.7	7.0	322.	153.7
Food for Work	2.0	231	76.9	3.0	347	124.5	3.0	347	124.5	3.0	347	124.5
Pre-school Feeding	<u>25.0</u>	<u>496</u>	<u>206.2</u>	<u>25.0</u>	<u>496</u>	<u>216.9</u>	<u>25.0</u>	<u>496</u>	<u>216.9</u>	<u>25.0</u>	<u>496</u>	<u>216.9</u>
TOTALS.....	186.0	4779	2010.1	147.0	4133	1840.5	110.0	3471	1555.8	73.0	2806	1268.8

Program Projections of CRS-PL-480 Title 11

	1978		1979		1980		1981-1982				
	Recipients	Commod. Value	Rec. Comm. Val.								
MCH	8.0	518.6	8.0	518.6	9.0	583.2	2 36.0	10.0	648.0	262.3	1
Food for Work	2.0	140.4	2.0	140.4	2.0	140.4	44.9	2.0	140.4	44.9	5
Adult Feeding	<u>1.4</u>	<u>98.3</u>	<u>1.4</u>	<u>98.1</u>	<u>1.4</u>	<u>98.1</u>	<u>31.4</u>	<u>1.4</u>	<u>98.1</u>	<u>31.4</u>	1
TOTAL.....	11.4	757.3	11.4	757.1	12.4	821.7	312.3	13.4	886.5	338.6	

Recipients (in thousands of people)
 Commodities (in " of Kilograms)
 Value (in " of Dollars)

TABLE 1

Program Analysis for the Oral and Condom Supplies Needed to Achieve Full Availability

	(PY-1)	(PY)	(CY)	(BY)	(BY+1)	(BY+2)
A. Full Supply Analysis						
1. Married women of reproductive age (thousands)	237	244	251	259	267	275
2. 65% of line A1 (contracepting women required to achieve replacement fertility)	154	159	163	168	174	179
3. 30% of line A1 (contracepting women utilizing orals and condoms)	71	73	75	78	80	83
4. Annual stock requirements for "Full availability"						
a. Orals, 93 of line A3 x 13 monthly cycles	858	883	907	943	967	1003
b. Condoms, 07 of line A3 x 100 units	497	511	525	546	560	581
B. Annual New Supply From Non-AID Bilateral Sources						
1. Private Commercial Sector						
a. Orals	486	511	526	553	570	588
b. Condoms	522	549	565	594	613	631
2. Other Donors						
a. Orals	8	8	8	8	8	8
b. Condoms	6	6	6	6	6	6
3. Host Country Government Procurement						
a. Orals	56	56	50	45	40	35
b. Condoms	0	0	0	0	0	0
4. Total In-Country Stock						
a. Orals	550	575	584	606	618	631
b. Condoms	528	555	571	600	619	637
C. Gap to be Filled to Achieve "Full Availability"						
1. Orals (line A4a less line B4a)	308	308	323	337	349	372
2. Condoms (line A4b less line B4b)	+31	+44	+46	+54	+59	+56
D. AID Bilateral Supply Objectives						
1. Orals	600	317	326	337	347	358
2. Condoms	713	61	63	65	67	69
E. Total New Supply						
1. Orals (line B4a plus line D1)	1150	892	910	943	965	989
2. Condoms (line B4b plus line D2)	1241	616	634	665	686	706
Remaining Supply Gap						
1. Orals (line A4a less line E1)	+292	+9	+3	0	2	14
2. Condoms (line A4b less line E2)	+104	+105	+109	+119	+126	+125
G. People Gap						
1. Orals (line F1 divided by 13)	-	-	-	0	0	1
2. Condoms (line F2 divided by 100)	-	-	-	-	-	-
3. Total (line G1 plus line G2)	-	-	-	-	-	-

Note: + indicates excess commodities.

Table 2

AID Bilateral Logistic and Financial Analysis
of Orals
 (Thousand M/c)

	CALENDAR YEAR				
	PY-1	PY	CY	BY	BY+1
<u>A. AID Inventory Analysis</u>					
1. Beginning of year stock	428	909	551	326	337
2. Add: Scheduled deliveries	600	0	173	454	497
3. Less: Expected Use	119	358	398	443	487
4. End of Year Stock	909	551	326	337	347
<u>To be completed by AID/Washington</u>					

B. Financial Analysis (CY)

1. Calendar Year 19CY deliveries (line A2 above)
2. Estimated cost per unit in FY of purchase
3. Estimated total cost for FY 19CY (to be determined by AID/W)

C. Financial Analysis (BY)

1. Calendar year 19BY deliveries (line A2 above)
2. Estimated cost per unit in FY of purchase (to be determined by AID/W)
3. Estimated total cost for FY 19BY (to be determined by AID/W)

Table 3
AID Bilateral Logistic and Financial Analysis
of Condoms

(thousand pieces)

	CALENDAR YEAR				
	PY-1	PY	CY	BY	BY+1
A. AID Inventory Analysis					
1. Beginning of year stock	307	398	341	268	179
2. Add: Scheduled deliveries	713	0	0	0	0
3. Less: Expected Use	622*	57	73	89	105
4. End of Year Stock	398	341	268	179	74
					69

To be completed by AID/Washington

B. Financial Analysis (CY)

1. Calendar Year 19CY deliveries (Line A2 above)
2. Estimated cost per unit in FY of purchase
3. Estimated total cost for FY 19CY (to be determined by AID/W)

C. Financial Analysis (BY)

1. Calendar Year 19BY deliveries (Line A2 above)
2. Estimated cost per unit in FY of purchase (to be determined by AID/W)
3. Estimated total cost for FY 19BY (to be determined by AID/W)

* Large 'use' figure for 1977 reflects massive effort by warehouse to 'clean out' and not necessarily an increase in condom use.

RESEARCH AND DEVELOPMENT

At this time, the Mission is unable to identify any specific development problems which might be appropriate for centrally-funded research and development efforts or areas in which advice or assistance are needed. We are, however, planning to initiate a number of projects in which research or experimentation will be an important element. These are:

0180	Applied Agriculture Research
0207	Renewable Energy Sources in Isolated Areas
0215	Alternative Sources of Energy

Descriptions of these projects are provided in Tables IV-A and IV-B in this Annual Budget Submission.

As work proceeds in the development and implementation of these projects, we believe it is quite likely that requirements for advice or assistance from AID/W will be identified. The Mission will be alert for any such needs and will advise AID/W with as much lead-time as the circumstances permit.

NOTE ON PERSONNEL INTENSITY

Personnel intensity designations shown on Tables IVB and Table V in the Panama Mission ABS relate program activities to direct operating expense workyear support. The high, medium, and low designations have been arrived at by systematically averaging the workyear support per project dollar managed for each project appearing in the three-year FY 1978-80 period. It was thus determined that the average USAID/Panama project requires one direct-hire personnel workyear for each \$1,228,000 of obligation. With this reference point for average personnel intensity, a range was arbitrarily chosen as follows:

<u>Personnel Intensity</u>	<u>Dollars Managed per Workyear</u>
Low	Over \$1,528,000
Medium	\$928,000 to \$1,528,000
High	Under \$928,000

Using this methodology, USAID/Panama active and proposed projects break-out as follows:

Low	9
Medium	13
High	15

These personnel intensity designations, which relate to the hypothetical average project in Panama, obviously need to be measured against some standard in order to have any real meaning. An AID worldwide or bureau standard would theoretically permit one to determine whether individual projects and programs were more or less personnel intensive as against other programs of the same type elsewhere.

It may also be noted that there is little consistency between the ABS instruction examples of the three intensity categories and the outcome of the USAID/Panama analysis. This is a result of measuring only direct-hire workyears against total costs rather than all workyears. However, the exercise in this way provides a more accurate picture of the AID management burden or direct-hire staffing implications for the program.