



AGENCIA DE LOS ESTADOS UNIDOS PARA EL
DESARROLLO INTERNACIONAL

USAID: Panamá

APARTADO 6959
PANAMA 5, PANAMA
TEL. 63-6011

September 20, 1990

Señores
Patronato Nacional de la Juventud Rural Panameña
Apartado Postal 2717
Panama 3, R. de Panama

Dear Mr. Valdez:

Subject: Grant No. 525-0281-G-SS-5058-00

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, AID hereby amends subject grant to provide additional funding in the amount of \$500,000.00 and to add the attached Project Description to the present Project Description of the subject Grant.

This amendment is effective and obligation is made as of the date of this letter and shall apply to commitments made by the grantee in furtherance of program objectives beginning with the effective date and ending 30 April 1992.

Therefore delete Article IX-- Budget and replace with the following:

BUDGET

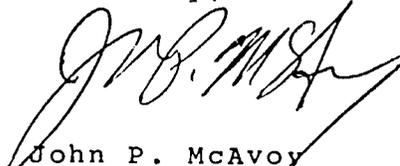
1. Local Scholarship Program	\$1,157,800.00
2. Panama Program Administration	\$ 289,200.00
	<u>\$1,447,000.00</u>

All other terms and conditions of this Grant remain unchanged.

Please sign the original and each copy of this letter to

acknowledge your receipt of the grant and return the original and all copies but one to USAID/Panama.

Sincerely,

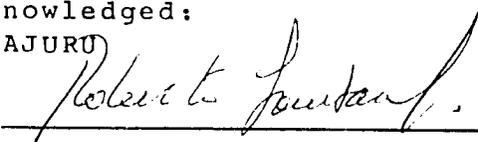

John P. McAvoy
Grant Officer

Attachment:
Project Description

Acknowledged:

PANAJURU

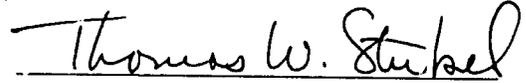
By:



Roberto Lombana

USAID/PANAMA

Por:



Thomas W. Stukel

Title:

Presidente

Título:

Director

Date:

9/25/90

Fecha

9/25/90

FISCAL DATA

Appropriation: 72-110/11037
Budget Plan Code: LESO9025525IG13
PIOT: 525-0281-3-00049
Project No: 525-0281
Total Estimated Amount: \$1,447,000.00
Total Amount Obligated: \$1,447,000.00

.1'

Project Description

A. Project Purpose and Description:

This proposal is to amend the PANAJURU Local Scholarship program (525-0281). To date, this program has trained 227 persons and 236 are currently in training. The Amendment proposes to offer 290 additional scholarships to Panamanians of economically disadvantaged families to attend local agriculture vocational institutions. The additional funds required are \$500,000 from USAID and \$864,190 in counterpart funds (non-USAID funds) in the form of in-kind contributions or operational expenses. The life-of-project cost, including previous USAID funding of \$947,000 and counterpart funding of \$904,750, is \$3,215,940. A detailed budget is presented in attachment No. 2.

The program goal is to develop and strengthen a mechanism for agriculture technology transfer to rural areas. The purpose is to provide classroom and on-farm training to improve skills and transfer technologies. The beneficiaries are economically disadvantaged families. The skills learned are designed to be taken home to improve the operations of their own farms or those of their community.

At the end of the program, it is expected that at least 60 percent of the students receiving scholarships will return to their communities and work in agriculture. The remaining graduates will receive a high school education which, in itself, is of a lasting benefit for both the graduate and the community.

B. Project Background:

The development of Panama's agriculture sector depends, in part, on trained human resources. There are two agriculture educational levels available in Panama; one is through universities and the other one is through vocational institutions (VIs). Students trained at VIs generally remain in their communities to work on their own farms, for others, or both. Those trained at the university level generally migrate to the city for higher level positions.

The VIs are located in rural areas throughout Panama. These are junior high and high-school level institutions that provide a combination of theoretical and on-farm training designed to provide improved skills and technologies. The students board at the institutions as it is generally not feasible to commute. The cost of boarding a student, approximately \$600 per year, is the major deterrent keeping

rural youth of economically disadvantaged families from attending. These families are the target group of this program. These institutions are important for upgrading skills levels and introducing new technologies to local communities.

Student registration at VIs decreased from 1,374 in 1980 to 724 in 1984, a 47.3 percent reduction. The decrease in enrollment is attributed to economic limitations of rural families rather than an over abundance of skilled persons.

During the original program from 1985 thru 1987, 227 scholarships were awarded to first, second and third year students. General student enrollment was 728 in 1985, 875 in 1986, and 858 in 1987. This demonstrates that the previous decrease of approximately 20% per year was effectively stopped, especially considering that no new scholarships were awarded in years 1986 and 1987. A follow-up survey of the first program showed that approximately 60 percent of the PANAJURU graduates have returned to their communities and are working in agriculture. The rural youth who graduate from the VIs who did not return to their communities or do not work in agriculture did, in any case, obtain a high school education. This contribution of the program is of a lasting benefit for both the graduate and the community.

PANAJURU is a private non-profit organization dedicated to the education, training and general personal development of rural youth and development and understanding of private enterprised, and how it can be implemented in rural areas.

PANAJURU's activities are carried out in some of the poorest areas of Panama, where subsistence levels are at a bare minimum, and agricultural production is primarily for personal and family consumption. The goal is to assist the individual family group in attaining a level of production that will enhance their living conditions, and also, to permit them to seek markets for their products.

PANAJURU's programs have proven, and continue to prove, how vital they are to thousands of rural Panamanians. The activities are provided by 5 chapters and 3 agencies throughout the country. Each chapter is governed by a board (volunteers from the local private sector) which coordinates the activities, these include:

1. Training programs, and supervision in nutrition and health.

2. Local and international scholarship programs, both formal education and vocational.
3. Pilot farming program (rural community efforts).
4. Small loans to individuals and groups for development of rural projects.
5. Sponsoring and supervision of 4-S Clubs in the Provinces.

The agencies are managed directly by the National Office, which is governed by a Board of Directors. The Board is formed by volunteers from the private sector in Panama City. Although the chapters are decentralized, there is national coordination and supervision through the National Office.

PANAJURU is having a great impact on young rural Panamanians. It is teaching them to be productive citizens, earning a living from the available resources of land, water and local expertise. The youth are taught the value of credit, and how to use it. PANAJURU lends them money. It does not give them money.

PANAJURU teaches young people about being good citizens, of working together, and living in a democratic society. They learn the vital aspects of Democracy ... and Free Enterprise. This is accomplished through a pyramid effect of top leadership in actual participation with the youth on various programs and projects.

By becoming productive citizens, Panamanian youth contribute to the well being of their country and their particular provinces. Their efforts and results mean better living conditions, adequate nutrition, and improved health facilities.

C. Project Analysis:

This amendment will fund approximately 290 scholarships for economically disadvantaged families. This should provide direct economic advantages to the student and immediate family by enhancing the students farming skills and broadening the technologies used, thus improving farm operations or job opportunities for the student in the community.

The students of the participating vocational institutions come from very poor families in rural areas. For most of the

students their only opportunity for receiving a secondary education is by boarding at the VI. This is due mostly to the distance between their homes and VIs. On the other hand, if scholarships are not available, boarding is not possible because of limited funds in the family. The criteria used to classify families as economically disadvantaged is any family with an income equal to, or less than \$1,250.

The curriculum provides theoretical and on-farm training, both of which are appropriate for improving farming skills and introducing new technologies. The curriculum is also designed to keep the student in the community upon graduation; that is, the degrees earned are equivalent to junior high or high school diplomas and the skills and technologies are needed and in demand in the students own local community.

D. Project Design and Implementation:

1. Program Implementation

The grant will be administered by the National Foundation for Panamanian Rural Youth (PANAJURU) a non-profit private voluntary organization that is dedicated to the social well-being of rural communities and Panama's youth in particular.

The original program from 1985 to 1987 provided scholarships for 227 students. A follow-up program was initiated in 1988 and is scheduled to be terminated in 1992. However, due to the political situation, including sanctions imposed on Panama by the U.S. Government, training activities programmed for 1988 were curtailed. The program was resumed in 1990 providing the remaining 118 scholarships which had been programmed earlier. This completed the planned activities under the follow-up program of 236 scholarships, but with a one-year delay. The proposed amendment will provide an additional \$500,000 to fund 290 scholarships.

PANAJURU will provide overhead costs for paid and volunteer staff working with this program. The program grant (OPG), pays salary costs of a program coordinator. Unless otherwise agreed to in advance in writing all other staff needs are provided by PANAJURU. The program coordinator and other staff will be responsible for coordinating and monitoring budgetary responsibilities and progress in meeting the program purpose.

PANAJURU will make 290 scholarships available to students from economically disadvantaged families to attend selected

agriculture vocational institutions. The VIs will be selected by PANAJURU based on their desire to participate, infrastructure, student capacity, and other necessary resources to carry out the program. The prior, written approval of the USAID/Panama Project Officer is required for the list of VIs to be used in the local scholarship program. Though only a limited number of VIs will participate in this program applicants from all parts of Panama will be accepted.

Women receiving scholarships in the first program was 5 percent. This was increased to 23 percent during the second program. An effort will be made to at least maintain or increase this percentage in the proposed extension of the program.

Applications for local scholarships will be available at the private VIs and PANAJURU offices. Potential candidates will return completed application and other required material to the VIs of choice. The VIs will transmit to PANAJURU a list of students who meet the scholarship requirements. Using the selection criteria previously agreed to, PANAJURU local chapters will make a pre-selection of students qualified for receiving scholarships. The final selection will be made by a scholarship committee consisting of PANAJURU and USAID staff.

Should any original scholarship beneficiaries lose the right to their scholarships, the remaining portion of the three year scholarship will be awarded to other students who qualify. Selection criteria for these students will be developed by PANAJURU and approved by USAID. Selection of students will be a joint effort.

To assure scholarship funds are used by recipients for boarding costs, checks will be issued for an amount of \$50, to cover the monthly cost of boarding. This will be done in a manner to be agreed to in writing between PANAJURU and the USAID/Panama Project Officer. The check will state that the USAID funds are for boarding the student.

2. Reports, Monitoring, and Evaluation

a. Reports

Each year PANAJURU will prepare and submit an annual report to USAID with a copy to the VIs participating in the program. The annual report will contain the project's yearly

accomplishments, results of the training evaluation, budgets and plans for the coming year. The report will be in Spanish. Five (5) copies shall be given to USAID no later than 60 days after the end of the grant year.

b. Monitoring and Evaluation

PANAJURU will conduct periodic monitoring of scholarship recipients and their progress.

Quarterly review meetings will be held with PANAJURU staff and the USAID project officer to review progress and financial status of the program. All problems will be addressed at this time and a strategy for resolution developed and followed. A follow-up review of all problems will take place at the next quarterly review meeting.

An end-of-program evaluation of the graduates and the VIs participating in the program will be carried out by a joint USAID-PANAJURU evaluation committee no later than three months before the program termination date.