

PD-ABD-450
DA 116

**AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID/Panama**

Unit 0949, APO AA 34002
Telephone: 63-6011
Fax: 64-0104

August 26, 1991

Mr. William C. Doherty, Jr., Executive Director
American Institute for Free Labor Development
1015 20th Street, N.W.
Washington, D.C. 20036

Subject: Grant No. 525-0319-G-00-1324-00

Dear Mr. Doherty:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby grants to the American Institute for Free Labor Development (hereinafter referred to as "AIFLD" or "Grantee") the sum of One Hundred Thirty-eight Thousand Dollars (\$138,000) to support nine months of technical assistance to democratic labor in Panama in the areas of collective bargaining, union organizing, institutional development and union participation as more fully described in the attached Schedule and Program Description. The funds provided under this grant will cover program costs only. AIFLD administrative costs for the grant period will be funded under regional Cooperative Agreement No. LAC-0790-A-00-0040-00.

This grant 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 during the period July 1, 1991 through March 31, 1992. Funds disbursed by AID but uncommitted by the Grantee at the expiration of this period shall be refunded to AID. AID will not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

This grant is made to the Grantee on condition that funds will be administered in accordance with the terms and conditions set forth in the grant Schedule, Program Description, and General Provisions, which have been agreed to by your organization.

Please acknowledge receipt of this grant by signing all copies of this cover letter, retaining one set for your files, and returning the remaining copies to the undersigned.

Sincerely,



VIRGINIA B. SPEIDEL
Grant Officer

Attachments:

1. Schedule
2. Program Description
- ~~3. General Provisions~~

ACKNOWLEDGMENT OF RECEIPT:

BY:



TYPED NAME:

William C. Doherty, Jr.

TITLE:

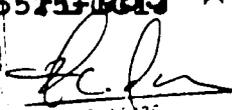
Executive Director

DATE:

September 6, 1991

FISCAL DATA

PIO/T No.:	525-0319-3-10075
Appropriation No.:	72-110/11037
Budget Plan Code:	LESO-91-255
Total Estimated	
Grant Amount:	\$138,000
This Obligation:	\$138,000
Amount Pending:	- 0 -
Project No.:	525-0319
Technical Office:	USAID/Panama, Office of Public Administration
Project Officer:	Ms. Carol Horning
Grantee DUNS No.:	
Grantee IRS Employer	
Identification No.:	

FUNDS AVAILABLE

DATE 9/23/91

A. PURPOSE OF GRANT

The purpose of this grant is to provide technical assistance and training, as well as limited budget support to the Confederación de Trabajadores de la República de Panamá (CTRP) as more specifically described in Attachment 2 to this grant entitled "Program Description."

B. PERIOD OF GRANT

1. The effective date of this grant is the date of the cover letter. The expiration date is March 31, 1992.

2. Funds obligated hereunder are available for program expenditures for the period July 1, 1991 through March 31, 1992 as shown in the grant budget in paragraph D below.

C. AMOUNT OF GRANT AND PAYMENT

1. The total estimated amount of this grant for the period shown in paragraph B.1 above is \$138,000.

2. AID hereby obligates the amount of \$138,000 for purposes of this grant.

3. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Optional Standard Provision No. 1 entitled "Payment - Letter of Credit."

D. FINANCIAL PLAN

1. On the following page is the budget for this grant. The Grantee may not exceed the total estimated amount or the obligated amount, whichever is less (see paragraph C above). Except as specified in the Mandatory Standard Provision of this grant entitled "Revision of Grant Budget," as shown in Attachment 3, the Grantee may adjust any of the line item amounts in the following budget up to 15%, except budget support to the CTRP, within the total budget amount as may be reasonably necessary for the attainment of program objectives.

2. **BUDGET**

August 1, 1991 - May 31, 1992*

<u>Budget Element</u>	<u>Amount</u>
A. Collective Bargaining	
National/regional seminars	\$ 10,500
Salaries of 2 activists	15,000
Consultant fees for 1 economist	<u>5,400</u>
Subtotal	\$ 30,900
B. Union Organizing	
National/regional seminars	\$ 10,575
Salaries of 2 activists	15,000
Retainer/fees for legal consultant	<u>5,400</u>
Subtotal	\$ 30,975
C. Institution-Building	
National/regional seminars	\$ <u>12,000</u>
Subtotal	\$ 12,000
D. Union Participation	
National seminars	\$ 8,000
Conferences	4,000
Budget support to CTRP	<u>27,000</u>
Subtotal	\$ 39,000
Program Subtotal	\$112,875
E. OH @ 22.26%	<u>25,125</u>
TOTAL GRANT AMOUNT	\$138,000

*All AIFLD/Panama administrative costs (\$248,881) will be funded under the regional Cooperative Agreement No. LAC-0790-A-00-0040-00, per Shea letter of June 11, 1991.

W

E. REPORTING, MONITORING AND EVALUATION

1. Reports

a. Oral Presentations - Grantee will provide oral presentations on project activities and performance to the USAID/ Panama project committee, including the Embassy Labor Attaché, in September and December 1991 and March 1992.

b. Written Reports - The Grantee will provide USAID/Panama with three written reports, in English, on project activities, performance and expenditures. The reports will be due in September 1991, December 1991 and March 1992. Data on participants will be disaggregated by gender. 4

c. Unscheduled Reports - Between the required performance reporting dates, events may occur that have a significant impact on the program. In such instances, the Grantee will report to USAID, in writing, should any significant changes affecting program objectives occur.

2. Monitoring and Evaluation

The following indicators will be used to measure performance in each of the program areas from September 1991 through May 1992:

a. Collective Bargaining - At least 15 new collective bargaining agreements will be signed by unions affiliated with the CTRP.

b. Union Organizing - The CTRP will organize 10 new unions.

c. Institutional Development - Improved organization, increased membership, better dues collection and financial management will be reflected in an increase of monthly income to the CTRP to \$3,000, up from \$1,600 at the present.

d. Union Participation - Labor, management and government will participate in an ongoing constructive dialogue; union leaders will be more adept and competent at representing their membership's interests institutionally in this dialogue, as reflected by their membership or participation in bipartite or tripartite committees or deliberations. (Good faith participation by government and management is based on considerations beyond AIFLD's control, but AIFLD, together with other interested parties, will play a role in promoting this).

F. SPECIAL PROVISIONS

1. Use of USAID/Panama Funds

a. Funds provided by USAID/Panama for the project must be used exclusively for Panama pursuant to the FY 1990 Dire Emergency Supplemental Appropriations Act.

b. The Grantee shall ensure that USAID/Panama funds and Regional funds are accounted for separately.

2. Coordination/Relationship with USAID/Panama

a. The Grantee works under the general policy guidance of the USAID Mission Director.

b. The Grantee will report directly to Carol Horning, Deputy Chief, Office of Public Administration, USAID/Panama, or her designee, regarding bilateral project activities. In addition, the Grantee will keep USAID advised of all complementary activities under the regional program.

3. Implementation/Financial Plan

a. Within 30 days of signature of this Grant the Grantee will provide USAID/Panama with an implementation plan and a financial plan for the project.

b. Method of payment will be on a Letter of Credit basis.

4. Travel Notification/Country Clearance

a. The Grantee will provide to USAID, by fax or other written means, the following information on any proposed travel to Panama: purpose of visit, inclusive trip dates and names of travelers.

b. This information will be provided ten days in advance of initiation of travel to permit processing of country clearance, unless USAID agrees that special circumstances warrant exemption from this timeframe.

5. Selection of Participants

The Grantee will ensure that, in selecting participants for project activities, females are included either proportionately to their representation in the unions involved or as appropriate to their specific functions.

6. Projections of Beneficiaries/Outputs

Within 30 days of signature of this grant, the Grantee will provide USAID/Panama with a consolidated list of projections of the number of beneficiaries and the expected outputs for each component and subcomponent of the program.

7. OMB Circular A-122

For the purposes of this grant, references to "OMB Circular A-122" entitled "Cost Principles for Nonprofit Organizations" shall include the AID implementation of such Circular, as set forth in subpart 731.7 of the AID Acquisition Regulation (AIDAR) (41 CFR Chapter 7).

8. AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this grant is 000.

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AIFLD/PANAMA BILATERAL PROJECT PROGRAM DESCRIPTION

I. Purpose

The purpose of this Project is to support the program of the American Institute of Free Labor Development/Panama (AIFLD/Panama) aimed at strengthening the capabilities of democratic labor in Panama in the following areas: 1) collective bargaining; 2) organizing; 3) administrative and financial management; and 4) union participation.

II. Background

Following the Noriega regime's expulsion of the AIFLD director in 1988, AIFLD had continued to provide limited support to Panamanian labor pursuant to a 123 (e) determination signed by the AID Administrator on July 8, 1988. Under the same authority, AIFLD re-established its Panama office in February 1990 and submitted a proposal to AID for a new program in Panama. Following review by USAID/Panama and the Embassy, the proposal was revised and, after passage of the FY 1990 Dire Emergency Supplemental Act in May 1990, USAID/Panama transferred \$500,000 of its funds to the LAC Bureau to support the program. These funds were added to the new AIFLD cooperative agreement in an amendment for Panama issued September 28, 1990.

In March 1991, AIFLD submitted to USAID/Panama an assessment of its program and democratic labor's progress from February 1990 - February 1991. The assessment found that organized labor had experienced some recovery from its situation during the last 2 years of the Noriega regime. Collective bargaining had resumed, although on a limited scale, and unions had been able to resume representing their membership before management and government. Most important unions had held elections or were scheduled to do so, and a movement toward a more democratic orientation among labor unions had begun.

Nonetheless, the AIFLD assessment also identified several serious problems that continue to hamper Panamanian labor and efforts to promote a tripartite dialogue, which is needed to build support for the economic adjustments Panama must implement to achieve economic recovery in the near term. Among the problems

cited were: impediments to collective bargaining and union organizing, critical organizational and financial weaknesses within most Panamanian unions, and an atmosphere of hostility and distrust that has so far precluded an effective dialogue among labor, management and the GOP.

Based on this assessment, AIFLD developed a nine month program of activities to address these needs and submitted a proposal for a bilateral project to USAID/Panama. Following review and negotiation with AIFLD, agreement was reached on a cost-sharing arrangement under which all of AIFLD/Panama's administrative costs from April 1991 through March 1992 will be covered under the AIFLD regional project (598-0790) and the program costs from July 1, 1991 through March 1992 will be funded by USAID/Panama.

III. Program Description

The program, which is more fully described in the Grantee's proposal entitled "Labor Program Proposal for Panama" (revised June 19, 1991) is aimed at addressing the short-term needs of Panamanian labor. It will consist of technical assistance and training, as well as limited budget support to the Confederacion de Trabajadores de la Republica de Panama (CTRP).

Specific program components and related elements are as follows:

a. Collective Bargaining

-- One 1-week national seminar and up to five 1-week regional seminars to develop collective bargaining objectives and strategies. Seminar topics will include planning by objectives, labor law and leadership training.

-- Support for two activists who will advise, assist and participate in grievance resolution and collective bargaining.

-- Support for an economist who will provide technical assistance to the CTRP and its affiliated unions solely in the area of collective bargaining.

b. Organizing

-- One 1-week national seminar and up to five 1-week regional seminars to develop union organizing targets and strategy.

-- Support for two activists who will conduct union organizing activities.

-- Retainer for a legal consultant who will provide expertise in union organizing.

c. Institution-Building

-- One national seminar for senior union leaders, and five regional seminars for mid-level union leaders on internal union organization, including administration, planning, financial management, and democratic union elections.

d. Union Participation

-- Two national seminars on important national issues to be conducted in cooperation with the Venezuelan CTV. These seminars will expose senior union leaders to the facts and various points of view on key national issues that have a direct impact on workers, such as social security reform, labor law reforms, and economic adjustments, to enable them to develop responsible, informed positions on these issues.

-- Four national or regional conferences on issues specifically affecting workers and their unions.

-- Limited financial support to the CTRP for administrative and operating costs.