

**DRAFT FINAL REPORT**

**MONITORING PROGRAM PERFORMANCE: USAID/PANAMA**

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## **CHAPTER I. INTRODUCTION**

### **A. PURPOSE AND SCOPE OF WORK**

The primary purpose of this report is to document progress made by USAID/Panama toward establishing a monitoring and evaluation (M&E) system which covers each of its five strategic objectives. The secondary purpose of the report is to provide feedback to USAID on substantive issues that emerged during the technical assistance visit and to propose next steps in operationalizing, implementing and institutionalizing the system.

When the M&E system is installed, USAID should be able to collect the information that is needed on a regular basis to assess and report on the impact of its portfolio in the five strategic program areas. The information will be used for the Mission's own management purposes and for reporting to AID/Washington and Congress.

This report documents the results of a three-person TDY conducted during the two weeks of October 19th through October 31st. The major objectives of the technical assistance were as follows:

- 1) Refinement of strategic objectives, program outputs, and their indicators, as necessary, to provide a clear, logical framework with measurable indicators.
- 2) Development of USAID/Panama's Program monitoring and evaluation plan which consists of plans for each strategic objective and covers elements identified in the LAC Bureau's draft guidance (FY93).
- 3) Active involvement of USAID staff in achievement of objectives 1 and 2 above, and familiarization of the USAID staff with LAC Bureau and Agency-wide guidance so that they can finalize their M&E plan.
- 4) Provision of a draft report containing the results of the TDY.

### **B. DESCRIPTION OF THE TWO WEEK PROCESS**

The TDY began with the team meeting with the USAID Director and the Chief and the Deputy Chief of the Office of Projects, Program and Economic Planning. (The latter provided valuable support throughout the TDY which enabled the team to carry out their assignment.) The team then attended a staff meeting where they had the opportunity to meet the staff. In the afternoon the TDY team met with some of the office directors and staff to be briefed on USAID's portfolio and obtain key documents.

On Tuesday, October 21st a workshop was held in the morning which included work by individual strategic objective (SO) groups. Since some key officers are on more than one group, some of the group meetings had to be staggered. (Annex A contains the workshop schedule.) The second part of the workshop was held Wednesday afternoon and again included work by specific SO groups.

The purpose of the workshop was to acquaint staff with LAC Bureau requirements for developing program level M&E systems, and for measuring the impact of the USAID programs on the poor and women. Another purpose was to acquaint staff with the LAC Bureau and Agency-wide guidance on key concepts and their use. Attention was given to criteria for statement of strategic objectives, program outputs and their indicators.

Staff from each strategic objective work group met together and individually with TDY personnel. Elizabeth Stephens met with staff associated with the democratic initiatives Strategic Objectives, Nos. 1 and 2. Philip Boyle met with those associated with SO No. 3 on trade and investment, while Carolyn Barnes met with staff associated with the natural resources program, SO No. 4. Philip Boyle and Carolyn Barnes worked with the people associated with SO No. 5 which focuses on the Panama canal zone. Annex 2 contains a list of persons who worked on the plan for each strategic objective.

During the meetings, strategic objectives, program outputs and their indicators were reexamined. Sources for data were discussed as was the frequency of data collection for each indicator. Where possible, baseline data were incorporated into the M&E plan for each strategic objective, and targets for future performance were developed. Where baseline data were not available, preliminary plans were made for collection of these data. The outcome of the discussions is presented in separate sections in this report.

On the final day of the TDY, persons working on the strategic objectives and TDY personnel met to report to the USAID Director the results of the work on the M&E plans. At the meeting the TDY team suggested some next steps for institutionalizing the system.

### **C. RECOMMENDATIONS FOR NEXT STEPS**

Much progress has been made by USAID/Panama in developing its M&E plan. The M&E technical assistance team recommends the following steps to enable USAID to operationalize and implement the plan.

1) Work with key counterparts and contractors to assure timely availability of the program level information. This should include:

- Discussion of the M&E plans developed to reconfirm the availability of the data, access to the data in a timely manner, and data reliability. In cases where new data collection efforts are required, detailed plans need to be developed specifying the data needs, sampling methods and so forth.
- Development of a system for obtaining the information and assignment of responsibilities for information collection, synthesis, analysis and reporting to USAID and other interested users of the information.
- Review of project budgets and where necessary modification of these to assure that the funds needed will be available.

2) Modify the appropriate project legal documents to reflect responsibilities for provision of program level information. For example, Project Implementation Letters should be issued which include specifying the information required, how it should be obtained, frequency of collection and reporting to USAID, and other essential aspects. Terms of reference for contractors might need to be modified to reflect additional responsibilities.

3) Adopt a systems approach to monitoring and evaluation of USAID projects and programs. Linkages between project and program level information requirements should be made explicit. These are to be stated in the Semi-Annual Reports (SARs).

4) Consider using the strategic objectives as a unifying framework for management of the USAID portfolio. This would entail formalizing the strategic objective working groups and assigning to them existing responsibilities such as project implementation reviews, managing evaluations, tracking implementation of recommendations from evaluations, and project development. These groups should take part in SAR reviews.

5) Maintain contact with LAC/DPP on the development of an automated SAR system. A data-base management software will link projects to strategic objectives, program outputs and indicators. It will highlight project outputs that are linked to the achievement of the strategic objective. It will also permit USAID to call up evaluation schedules by program strategic objective, date and responsible office.

6) Assign responsibility within USAID to insure M&E plans for each strategic objective are implemented. The responsibilities might include information collection, compilation, entry into automated program, analysis and reporting.

7) Consider issuing a Mission order which sets out roles and responsibilities and procedures related to monitoring and evaluation at the project and program levels.

## **CHAPTER II. MONITORING AND EVALUATION PLANS FOR EACH OF USAID'S FIVE STRATEGIC OBJECTIVES**

### **A. INTRODUCTION TO THE PLANS**

This chapter lays out the plans for monitoring and evaluating performance towards achievement of each of USAID/Panama's strategic objectives. It also contains a section which specifies the overriding assumptions on which the plans were developed. In addition, a brief description is given of concepts used in the M&E tables.

#### **1. Critical Assumptions**

This plan is based on a some very critical assumptions. If any of these do not hold, then USAID/Panama in cooperation with the LAC Bureau should review its portfolio to decide if it will still be able to meet the objectives and targets it has set for itself.

- The Government of Panama remains stable.
- The conditions precedent and terms of USAID assistance are met in a timely manner by the Government of Panama.
- The funding level for each strategic objective is not reduced.
- The Agency for International Development continues to pursue the development themes in USAID/Panama's portfolio.

If funding levels are significantly reduced USAID will need to ascertain if resources are adequate to achieve the stated program outputs and to contribute significantly to the impact sought at the strategic objective level. If USAID determines that the resources are inadequate, its options may include a) deciding to continue activities at a lower level of funding and specifying these as "other activities" rather than as strategic objectives, and b) deciding to phase out activities so that resources can be focused on fewer strategic objectives.

## **2. Key Concepts Used**

The program level M&E plan which follows is based on utilization of key concepts. These are defined below.

**Critical Assumptions:** events beyond the control of USAID which must hold, or occur, in order for the achievement of the strategic objective to be realized. There should be sound reasons or some evidence to maintain that the events will hold or occur. USAID would be well served to monitor these formally or informally.

**Indicator:** a concise statement of what is going to be measured to monitor the achievement of a strategic objective or program output. It is a reflection of the operationalization of the SO or program output.

**Unit of Measurement:** precise clarification of the indicator so that there is no ambiguity about what is being measured. For example, does the indicator measure deforestation in all of Panama or just in the canal watershed? The following are examples of different types of units of measure: hectares, people, organizations, plans, and dollars.

**Baseline Information:** the point from which achievement will be measured. The baseline frequently represents the latest date for which actual data on the indicator is available. For example, if "% non-traditional exports to total exports" is the indicator, the current level for 1992 or the next closest data point from a previous year represents the baseline. The dates for the baseline data will vary considerably across indicators (i.e., some in 1992, some in 1991, and so forth) depending upon project time schedules, availability, or the need for a special study funded by USAID.

**Value:** the actual unit amount which has been determined as the baseline figure. Value is usually expressed in terms of a number, but for benchmark targets the value may be expressed by a yes or no (the unit of measurement).

**Targets:** projections of the future value for an indicator. For a Strategic Objective, the projection should be 5 to 7 years in the future. In contrast, expected results associated with Program Outputs are projected for 2 to 5 years beyond the baseline. Targets should be set and reported upon at regular intervals.

**Data Sources:** the specific sources of data for the indicator. For example, is it a government agency, an organization conducting a special survey, or another donor?

**Method/Approach:** the specific method used to collect the information. For example, will existing GOP data be obtained and used? Will satellite photos be used to interpret the level of

deforestation?

**How Often:** the frequency and timing of data collection (not data reporting). For example, will data be collected on disbursement of funds for preservation activities by NGOs on an annual basis? The cost of data collection and interpretation should be factored into this decision, as well as how time sensitive the indicator is. For example, when you know that you will not see changes in deforestation on an annual basis, set the frequency of interpretation of satellite photos at a longer interval.

**Responsible Office/Projects:** the USAID office with primary responsibility for making sure that data are collected and analyzed, and the projects whose activities contribute to the achievement of the strategic objective. If possible the M&E systems for these projects should bear the cost and effort of data collection needed for the indicators.

**B. STRATEGIC OBJECTIVE NO. 1: STRENGTHENED COMPETENT CIVILIAN GOVERNMENT INSTITUTIONS**

**1. Overview of the Strategy<sup>1</sup>**

The Mission views administrative strengthening of public sector institutions as a critical step in the democracy-building process, and independent from the initiatives to strengthen citizen participation in that process (as reflected in Strategic Objective No. 2). Toward this end, USAID is involved in three areas of public sector institution-building: the judiciary, public sector financial management practices, and the Electoral Tribunal. A summary of the strategy and what will be measured to monitor performance results is set out below.

**Strategic Objective 1: Strengthened Competent Civilian Government Institutions.**

**Indicator 1:\*** Time to render court decisions in criminal cases of personal injury/assault.

**Indicator 2:\*** Amount of public resources post-audited.

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<sup>1</sup> An asteric indicates the program outputs and the indicators that have been changed since the USAID/Panama Action Plan of January 1992.

**Indicator 3:\*** Voter confidence in the electoral process.

**Program Output 1:\*** Fair and expeditious criminal justice process institutionalized.

**Indicator 1:\*** Judicial career positions competitively filled.

**Indicator 2:\*** Court and Public Ministry incorporated into the caseload tracking system.

**Program Output 2:\*** Improved public sector financial management and accountability.

**Indicator 1:\*** Audit findings corrected, as recommended by Controller General Audit Reports.

**Indicator 2:\*** Executive agencies implementing new accounting system.

**Indicator 3:\*** Public agencies with uniform budget in operation

**Program Output 3:\*** Transparent and efficient electoral tribunal in operation.

**Indicator 1:\*** Established professional personnel system within Electoral Tribunal.

**Indicator 2:\*** Pilot hospitals providing population information to the Civil Registry.

**Indicator 3:\*** Capacity to report election results within 24 hours.

## **2. Changes in Strategic Objective since January 1992**

To facilitate reexamining the strategy and supporting program outputs, the strategic objective group identified which projects support each program output. Given the relatively small size of USAID's portfolio, most program outputs are supported by only one project. The projects identified will be responsible for monitoring corresponding program outputs. The results of this activity follow:

<u>Strategic Objective 1:</u> Strengthened competent Civilian Government Institutions.	
<u>Program Output 1:</u> Institutionalized fair and expeditious criminal justice process.	Improved Administration of Justice 525-0312
<u>Program Output 2:</u> Improved public sector financial management and accountability.	Financial Management Reform 525-0306 Tax Administration Improvement 525-0314
<u>Program Output 3:</u> Transparent and efficient electoral tribunal in operation.	Improved Election Administration 525-0317

## 2.1 Strategic Objective and Indicators

Since the Action Plan of January 1992 no modifications have been made in the statement of the strategic objective, but changes were made in the choice of indicators in order to measure results sought at this level. USAID is focusing its resources on three areas to build stronger institutions over the five to seven year horizon: the judiciary, the electoral tribunal, and financial management throughout the public sector. The indicators for the strategic objective were revised to better reflect USAID interventions in these areas. These new performance indicators address impact on: the expediency with which court decisions are rendered; the amount of public resources audited; and voter confidence in the electoral process.

## 2.2 Program Outputs and Indicators

The program outputs were revised to better reflect areas where USAID is directly involved (this took place during the session on key manager's questions). The previously stated outputs were reviewed and three program outputs (rather than six) were identified which support the strategy and give greater indication of impact in this regard over a two to five year period. Many of the previously defined program outputs (especially in the area of judicial reform) were modified to become the indicators for the program outputs.

The modification of program outputs, in turn, called for revising program output indicators. Similarly, several of the previous program output indicators are project EOPs and were left to SAR reporting.

**Program Output 1:** Two indicators are identified to monitor progress toward a fair and expeditious criminal justice process institutionalized. The first indicator (Judicial career established and operational) addresses the fairness of the system in terms of deterring opportunities for corruption (within the system) and providing the most qualified persons (which will provide greater professionalism in terms of providing services to the public.) The second indicator (Judicial efficiency in case management) will reflect impact on enhanced expediency in the justice process. With program efforts focusing on a more "fair" and "expeditious" justice system in the shorter term, it is anticipated that USAID activities can impact upon reducing the time it takes the criminal courts to render a decision (which will be measured at the strategic objective level.)

**Program Output 2:** Three indicators will track impact on reforming all aspects of financial management in the public sector: auditing, accounting, and budgeting of public resources. The supporting indicators were developed to reflect each of these components that make up an integrated financial management system. Positive impact resulting from these components of the financial management system in the shorter term will contribute to impact on the GOP's capacity to audit all public resources expended in the longer term.

**Program Output 3:** Progress toward "a transparent and efficient electoral tribunal in operation" will be monitored and assessed with three indicators. Transparency will be enhanced through the capacity to report election results to citizens within 24 hours. This will improve the credibility of the system, and reduce opportunities for corruption. Efficiency will be enhanced through institutionalizing a professional system of personnel within the electoral tribunal and improving the public registry in order to be able to reliably track information on the voting population. Progress in achieving these three indicators in the shorter term will contribute to achievement of increased voter confidence in the electoral process over the longer term.

### **3. Special Elements of the Plan**

#### **3.1 Linkage/Evaluation Studies**

AID supported "democratic initiatives" encompass strengthening public sector institutions and providing equitable access to all citizens to the benefits of the State (i.e greater participation and incorporating feedback into the functions of the system.)

USAID/Panama addresses the two sides of the democratic initiatives coin as separate strategies (see the POD/Action Plan of January 1992 for justifications.) Nevertheless, it is recognized that the effectiveness of strengthened institutions must be assessed in terms of providing access to the citizens served. Thus, a linkage study will be carried out in CY 1995.

The study which will focus on the linkages between Strategic Objective No. 1 and Strategic Objective No. 2 will address two purposes. First, there are no systems in place to monitor or evaluate the impact USAID interventions might have on achievement of the USAID sub-goal (consolidation of democratic processes and institutions). However, it is at this level that the institutional and public participation objectives come together, as defined in the LAC Bureau (and Agency-wide) democratic initiatives objective. Thus, the study will assess the impact that Strategic Objectives Nos. 1 and 2 have had on each other in terms of creating accessible and responsive institutions (to citizens) and the extent that citizens are participating in democratic processes supported by these institutions. Second, the study will make recommendations for a strategy to insure that these two strategic objectives continue to develop in supportive manner.

At the program output level, no special evaluation studies are scheduled at this time. All program baseline and performance information can be managed within existing project monitoring activities and budgets.

### **3.2 Key Manager's Questions**

The workshop session to review key manager's questions evolved quickly into a review session of the two democratic initiative strategic objectives and the rationale behind maintaining these as separate objectives. Also during this session, a number of program outputs were revised or deleted.

The two main questions that emerged from the session are given below.

1) Are public sector institutions strong enough to carry out their administrative functions? Specifically, how are the following public sector functions reformed through USAID assistance:

- The justice system;
- Public sector financial management practices; and
- Elections.

2) Do citizens understand their rights and responsibilities as participants in the democratic process. Specifically, is there greater confidence and participation in the democratic process?

These questions gave form to the group's reworking of the strategic objective and program-level indicators.

### 3.3 Assumptions

There is a critical assumption in addressing Strategic Objective No. 1 and Strategic Objective No. 2 as separate functions: if you build the administrative capacity of the public sector as a separate from civic participation/pluralism, you will have institutions that are responsive to its citizenry. The linkage study in 1995 will address this assumption and provide feedback in this regard.

Other assumptions that would impact on the attainment of the strategic objective and program outputs include:

- Continued civilian government; and
- Continued (or increased) levels of USAID funding levels for democracy-building activities.

### 4. Outstanding Concerns, Issues, and Recommended Next Steps

Generally, this TDY enabled the democratic initiatives strategic objective group to clearly identify outputs, supporting indicators, and to establish a system to report impact. Where baseline (or target) information is not available, a plan was identified as to how those measures would be established (as reported in the corresponding tables.)

When following through on the M&E Plan for democratic initiatives, it should be noted that the source for all information on program performance and impact (whether strategic objective or program) are the supporting projects. Yet, impact at the program or strategic objective level is often not a monitoring concern in day to day project management functions. Similarly, responsibility for measuring and reporting on impact of the democratic initiatives strategy and supporting programs crosses technical offices. Thus, the program office most likely will have to look at the larger picture in terms of what the synthesis of all this data might mean, perhaps bringing these issues up at the time of SAR reporting (in addition to the time of developing the Action Plan). Institutionalizing the strategic objective groups within USAID would assist in this regard (as offered in the general recommendations in Chapter 1, Section C.)

Specifically, the following issues and recommendations should be considered to support USAID M&E objectives for democratic initiatives.

- 1) USAID will need to set aside funds for the linkage study focused on Strategic Objectives No. 1 and 2. These funds most likely would have to come from PD&S or other sources than

projects, since this study will cut across a number of projects (many of which will have concluded by CY 1995).

2) USAID should consider consolidating Strategic Objectives Nos. 1 and 2 into one strategy. This would support monitoring and evaluating the democratic process within existing monitoring and evaluation systems, as well as support the management of democratic initiatives activities in terms of institution building and public participation in the democratic process. Similarly, consolidation would support having more than one project responsible for program and/or strategic objective level impact.

3) Each of the democratic initiatives projects responsible for monitoring and reporting on program and strategic objective level indicators will need to go back to their counterparts and insure that tracking systems are in place to provide reliable data. In order to avoid confusion for counterparts who often receive numerous requests for data, it is suggested that project managers review project reporting needs (including SARs) and include all of these information needs in one request from counterparts (i.e. develop counterpart reporting guidelines that specify information on all indicators -- project, program and strategic objective.) This should be done within every project.

4) In regard to the internal USAID reporting to the LAC Bureau, it is suggested that project managers review SAR project impact and management indicators to incorporate program and strategic objective level indicator tracking as appropriate. Other data which is reported annually (as identified in the M&E tables) should be included in Action Plan reporting.

**TABLE 1.1: DATA FOR MEASUREMENT, SO No. 1**

USAID/Panama STRATEGIC OBJECTIVE 1	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION <sup>2</sup>		TARGETS <sup>3</sup>					
			YEAR	VALUE	1992		1993	1994	1995	1996
					Planned	Actual	Planned	Planned	Planned	Planned
Strengthen competent civilian government institutions.	Time to render court decisions in criminal cases of personal injury/ assault.	Percent of cases taking more than 6 Months.	Early CY 1993	TBD	NA	NA	TBD	TBD	TBD	TBD
	Amount of public resources post-audited.	Percent of resources post-audited to total public resources expended.	1992	0	0	0	1%	2%	10%	TBD
	Voter confidence in the electoral process.	Percent increase in confidence.	1992	32%	NA	32%	37%	42%	NA	NA

2            TBD:    TO BE DEFINED

3            NA:    NOT APPLICABLE.

**TABLE 1.2: DATA FOR MEASUREMENT, SO No. 1**

USAID/Panama PROGRAM OUTPUT 1.1	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION <sup>4</sup>		TARGETS <sup>5</sup>					
			YEAR	VALUE	1992		1993	1994	1995	1996
					Planned	Actual	Planned	Planned	Planned	Planned
Fair and expeditious criminal justice process institutionalized.	Judicial career established and operational.	Percent of positions competitively filled.  • Males • Females	1992	0%	NA	0%	TBD Early CY 1993	TBD	TBD	TBD
	Judicial efficiency in case management.	Number of court and public ministry offices incorporated into the caseload tracking system.	1992	0	0	0	TBD (11/92)	TBD	TBD	TBD

4

TBD: TO BE DEFINED

5

NA: NOT APPLICABLE.

**TABLE 1.3: DATA FOR MEASUREMENT, SO No. 1**

USAID/Panama PROGRAM OUTPUT 1.2	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION <sup>6</sup>		TARGETS <sup>7</sup>					
					1992		1993	1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Planned	Planned	Planned
Improved public sector financial management and accountability.	Audit findings corrected, as recommended by the Controller General Audit Reports.	Percent of audit findings corrected to the total found needing correction.	1992	0%	0	0	60%	75%	90%	95%
	Executive agencies implementing new accounting system.	Percent of agencies.	1992	0%	0	0	TBD	TBD	90%	100%
	Public Agencies with uniform budget in operation.	Percent of agencies.	1992	0%	0	0	NA	100%	100%	100%

**TABLE 1.4: DATA FOR MEASUREMENT, SO No. 1**

ID/Panama PROGRAM OUTPUT 1.3	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION <sup>6</sup>		TARGETS <sup>8</sup>					
					1992		1993	1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Planned	Planned	Planned
Transparent and efficient electoral tribunal in operation.	Professional job descriptions within Electoral Tribunal.	Percent of Tribunal professionals with job descriptions developed.	1992	0	0	0	60%	75%	NA	NA
	Pilot hospitals providing population information to the Civil Registry.	Number of pilot hospitals recording births into unified civil registry syst.	1992	0	0	0	43	Same 43 Continue recording births	NA	NA
	Capacity to report election results expeditiously.	Election results reported to public within 24 hours (Yes/No).	1993	TBD	NA	NA	Yes	Yes	NA	NA

6 TBD: TO BE DEFINED

7 NA: NOT APPLICABLE.

8 TBD: TO BE DEFINED

9 NA: NOT APPLICABLE.

**TABLE 2.1: DATA COLLECTION PLAN, SO No. 1**

USAID/Panama STRATEGIC OBJECTIVE 1	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICE/ PROJECTS
Strengthen competent civilian government institutions	Time to render court decisions in criminal cases of personal injury/assault.	Percent of cases taking more than 6 Months.	<ul style="list-style-type: none"> <li>• First Circuit Court Records</li> <li>• Public Ministry Records</li> </ul>	The criminal procedure code requires that personal injury/assault cases should be processed through the public ministry and the circuit court within 6 months. The value for the indicator will be the number of personal injury/assault cases that take more than 6 months to resolve within the First Circuit Court (numerator) to the total number of personal injury/assault cases filed with the First Circuit Court during the same time period (denominator). Time periods for cases will start with the initiation of a case (within the Public Ministry or the Court) and end when a decision is rendered (guilt/innocence) by the Circuit Court. Targets will look to a reduction (percent) of these cases taking more than 6 months to resolve. Although information is available, Ministry and Court data collection will have to be oriented toward collecting and aggregating data in this manner. Thus, Project 525-0312 will begin working on establishing systems with counterparts that clearly define strategic objective-level information to be reported on a regular basis, and will have corresponding baseline information and targets defined in early CY 1993.	Annual	<u>OPA:</u>  IAOJ 525-3201
	Amount of public resources post-audited.	Percent of resources post-audited to total public resources expended.	Controller General Records.	The percentage of public resources audited after they have been expended according to established guidelines (numerator) to the total resources expended (denominator) will comprise the indicator. The baseline is 0%.	Annual	<u>CONT:</u>  FMR 525-0308
	Voter confidence in the electoral process.	Percent increase in confidence.	• CAPEL Study	The IEA project funds a CAPEL study which polls about 2,000 persons from throughout Panama concerning confidence in the electoral process, and is conducted about every six months. The question in the CAPEL survey will consistently be worded to assess the institutional success of the Electoral Tribunal to targeting needs and reducing skepticism on the part of the citizens served by the electoral process. The survey question requests feedback in terms of "no confidence," "confidence," "some confidence," or "much confidence." The sum of all responses that reflect some positive element of confidence in the system will comprise the basis for calculating the percent reported for the indicator. The baseline is established from the CAPEL study carried out in FY 1992 and targets a 5 % increase for each year of project assistance.	Annual	<u>OPA:</u>  IEA 525-0317
<u>Special Studies:</u>  Linkage study between SO1 and SO2 and the USAID Sub-Goal.				In 1996 USAID will fund and carry out a linkage study to determine the extent to which strategic objective one and strategic objective two are supporting USAID sub-goal which is the "consolidation of democratic processes and institutions." Similarly, USAID progress toward impact on developing strong institutions (judicial, electoral, and public sector financial management) that respond to the needs of its citizens, as well as citizen participation and support of democratic processes, will be assessed at that time. The study will be carried out in 1996 to give sufficient time for impact on performance indicators and program outputs within each strategic objective, before assessing how these two strategies might directly support each other and USAID sub-goal.	1996	<u>OPA:</u>  \$30,000

**TABLE 2.2: DATA COLLECTION PLAN, SO No. 1**

USAID/Panama PROGRAM OUTPUT 1.1	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICE/ PROJECTS
Fair and expeditious criminal justice process institutionalized.	Judicial career positions competitively filled.	Percent of positions competitively filled.  • Males • Females	• Court Records	905 professionals are employed by the judicial sector. Beginning next year, the career law will call for all professional positions to be competed in the Superior, Circuit, and Municipal courts. The percentage of positions competed according to the guidelines established in the career law (numerator) to the total number of professional positions (denominator) will be tracked by gender. The baseline for this indicator will be defined in early CY 1993. Project 626-0312 will work with counterparts to ensure that project reporting includes program level data, including baseline data and reporting on progress toward impact on targets.	Semi-Annual	OPA:  IAOJ 626-0312
	Court and Public Ministry incorporated into the caseload tracking system.	Number of court and public ministry offices incorporated into the caseload tracking system.	• Court Records • Public Ministry Records	The project will track the number of judicial entities that are utilizing the streamlined caseload tracking system. The total number of entities is 220. The baseline is zero. The project will work with counterparts in Nov. 1992 to define annual targets for institutionalizing the system.	Semi-Annual	OPA:  IAOJ 626-0312
Special Studies:  None scheduled at this time.						

**TABLE 2.3: DATA COLLECTION PLAN, SO No. 1**

USAID/Panama PROGRAM OUTPUT 1.2	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICE/ PROJECTS
Improved public sector financial management and accountability.	Audit findings corrected, as recommended by Controller General Audit Reports.	Percent of audit findings corrected to the total found needing correction.	Controller General Office Reports.	There are no post-audits conducted on expended public resources. Project 526-0306 is contributing to strengthening capacity in the area through training and infrastructure assistance. The total number of post-audit findings corrected (numerator) to the total found needing correction (denominator) throughout the public sector will compose this indicator to assess impact.	Semi-Annual	<u>CONT:</u> FMR 526-0306
	Executive agencies implementing new accounting system.	Percent of agencies.	* Controller General Office Reports.	There are not uniform accounting systems throughout the public sector. Project 526-0306 will address reform in this area in the 137 public agencies (both centralized and decentralized). A percentage will be used for the indicator, because it is anticipated that the number of public agencies will change with privatization (thus affecting baseline and targets.) The number of agencies with the new accounting system in operation (numerator) to the total number of public agencies - currently 137 - (denominator) will comprise this indicator. The baseline is zero. Counterpart reporting from the Controller General's Office to USAID will provide this data.	Semi-Annual	<u>CONT:</u> FMR 526-0306
	Public agencies with uniform budget system in operation.	Percent of agencies.	Ministry of Planning reports.	There is no uniform budget system in operation in the public sector. Project 526-0306 will contribute to developing and institutionalizing a system that can support greater accountability in the 137 centralized and decentralized public agencies. A percentage will be used for this indicator, because it is anticipated that the number of public agencies will change with privatization (thus affecting baseline and targets.) The number of agencies with the new budget system in operation (numerator) to the total number of public agencies - currently 137 - (denominator) will comprise this indicator. The baseline is zero. Counterpart reporting from the Ministry of Planning to USAID will provide this data.	Semi-Annual	<u>CONT:</u> FMR 526-0306
<u>Special Studies:</u> None scheduled at this time.						

**TABLE 2.4: DATA COLLECTION PLAN, SO No. 1**

USAID/Panama PROGRAM OUTPUT 1.3	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICE/ PROJECTS
Transparent and efficient electoral tribunal in operation.	Professional job descriptions within Electoral Tribunal.	Percent of Tribunal professionals with job descriptions developed.	• Electoral Tribunal Records.	There are 250 professionals employed by the Electoral Tribunal throughout Panama. In order to increase the capability of the institution and avoid opportunities for corruption, a personnel system will be institutionalized within the Tribunal. The indicator for progress in this regard will be the number of persons with positions defined (numerator) to the total number of professional positions within the Tribunal. The baseline is zero and targets extend to the PACD for Project 626-0317 (September 1994).	Semi-Annual	OPA: IEA 626-0317
	Pilot hospitals providing population information to the Civil Registry.	Number of pilot hospitals recording births into unified civil registry system.	• 43 Pilot hospitals.	Currently there is not adequate reporting on population statistics (births, residence, marriage, deaths, etc.) in a unified civil registry. Project 626-3017 is supporting the Tribunal's efforts to establish a computerized system to record existing information that is currently not tracked, as well as to track individuals who have never been registered. This registry is also the base for voter registration (i.e. identification in this system for persons over 18 years of age will automatically register them to vote.) In order to update existing data and record new births, the computerized registry is being piloted in 43 hospitals around the country. The number of hospitals that are utilizing the new unified registry system (to record new births and enter previous birth tracking data) will be monitored in terms of progress on the capacity of the public registry to provide an accurate population profile. This population profile, in turn, is the voter registration system. The baseline is zero and targets extend to the PACD for Project 626-0317 (September 1994).	Semi-Annual	OPA: IEA 626-0317
	Capacity to report election results expeditiously.	Election results reported to public within 24 hours (Yes/No).	• Electoral Tribunal Records.	The institutional capacity of the Electoral Tribunal to efficiently report results to its constituents (within 24 hours) will be assessed first in the referendum elections (1992) and later in the national elections (1994). The referendum vote will provide a baseline to assess efficiency, which the national elections (and any other referenda voting that emerges in the interim) will be assessed against. It is recognized that the level of effort to aggregate votes and report will be much less for the referendum elections than the national elections.	Annual (as relevant)	OPA: IEA 626-0317
Special Studies: None scheduled at this time.						

**TABLE 3.1: DATA COLLECTION PLAN, SO No. 1**

USAID/Panama STRATEGIC OBJECTIVE 1	INDICATOR	WHO NEEDS THE INFORMATION	METHOD OF DISSEMINATION	FREQUENCY
Strengthen competent civilian government institutions	Time to render court decisions in cases of personal injury/ assault.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> </ul>	Annually
	Amount of public resources post- audited.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> </ul>	Annually
	Voter confidence in the electoral process.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> </ul>	Annually
<u>Special Studies:</u> Linkage study between SO1 and SO2.		<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• Special Study</li> </ul>	1995

**TABLE 3.2: DATA COLLECTION PLAN, SO No. 1**

USAID/Panama PROGRAM OUTPUT 1.1	INDICATOR	WHO NEEDS THE INFORMATION	METHOD OF DISSEMINATION	FREQUENCY
Fair and expeditious criminal justice process institutionalized.	Judicial career established and operational.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• SAR</li> </ul>	Semi-annually
	Judicial efficiency in case management.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• SAR</li> </ul>	Semi-annually
<u>Special Studies:</u> None scheduled at this time.				

**TABLE 3.4: DATA COLLECTION PLAN, SO No. 1**

USAID/Panama PROGRAM OUTPUT 1.2	INDICATOR	WHO NEEDS THE INFORMATION	METHOD OF DISSEMINATION	FREQUENCY
Improved public sector financial management and accountability.	Audit findings corrected resulting from Controller General audits.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• SAR</li> </ul>	Semi-annually
	Executive agencies implementing new accounting system.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• SAR</li> </ul>	Semi-annually
	Public debt reconciliation.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> </ul>	Annually
	Institutions with unified budget in operation.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• SAR</li> </ul>	Semi-annually
<u>Special Studies:</u> None scheduled at the time.				

**TABLE 3.5: DATA COLLECTION PLAN, SO No. 1**

USAID/Panama PROGRAM OUTPUT 1.3	INDICATOR	WHO NEEDS THE INFORMATION	METHOD OF DISSEMINATION	FREQUENCY
Transparent and efficient electoral tribunal in operation.	Established professional personnel system within Electoral Tribunal.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• SAR</li> </ul>	Semi-annually
	Capacity to provide population profile with a public registry.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• SAR</li> </ul>	Semi-annually
	Capacity to report election results expeditiously.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> </ul>	Annually (as relevant)
<u>Special Studies:</u> None scheduled at the time.				

**C. STRATEGIC OBJECTIVE No. 2: INCREASED PLURALISM AND PUBLIC PARTICIPATION IN SUPPORT OF DEMOCRATIC VALUES AND PROCESSES**

**1. Overview of the Strategy<sup>10</sup>**

USAID views citizen participation as a critical step in the democracy-building process, and independent from the initiatives to strengthen the administrative capacity of public sector institutions (as reflected in Strategic Objective No. 1). Toward this end, USAID/Panama is primarily involved in strengthening civic awareness and participation in the electoral process. Leadership training (CAPS and CLASP II) contribute in this regard, but are more directly monitored in project level reporting. The elements of this strategy are given below.

**Strategic Objective 2:\* Increased pluralism and public participation in support of democratic values and processes.**

**Indicator 1:\* Voter awareness of responsibilities inherent to electoral process.**

**Indicator 2:\* Voter confidence in the electoral process.**

**Program Output 1:\* Enhanced civic awareness concerning rights and responsibilities inherent to a democratic system.**

**Indicator 1:\* Citizen voting.**

**Indicator 2:\* Civic participation in special interest organizations**

**2. Changes to Strategic Objective No. 2 since January 1992**

To facilitate reexamining the strategy and supporting program outputs, the strategic objective group identified which projects support each program output (as stated in the previous Action Plan). The projects identified will be responsible for monitoring the revised program output. The results of this activity follow:

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<sup>10</sup> An asteric indicates the Strategic Objective, Program Output, and corresponding indicators, that have been changed since the USAID/Panama Action Plan of January 1992.

<p><b>Strategic Objective 2:</b> Increased pluralism and public participation in support of democratic values and processes.</p>																	
<p><b>Program Output 1:</b> Enhanced civic awareness concerning responsibilities inherent to a democratic system.</p>	<table> <tr> <td>Democratic Initiatives</td> <td>525-0307</td> </tr> <tr> <td>Improved Election Administration</td> <td></td> </tr> <tr> <td></td> <td>525-0317</td> </tr> <tr> <td>Private Sector Scholarship Foundation PVO</td> <td>525-0258</td> </tr> <tr> <td>PANAJURU Local scholarship PVO</td> <td></td> </tr> <tr> <td></td> <td>525-0281</td> </tr> <tr> <td>CAPS</td> <td>525-1000</td> </tr> <tr> <td>CLASP II</td> <td>525-1001</td> </tr> </table>	Democratic Initiatives	525-0307	Improved Election Administration			525-0317	Private Sector Scholarship Foundation PVO	525-0258	PANAJURU Local scholarship PVO			525-0281	CAPS	525-1000	CLASP II	525-1001
Democratic Initiatives	525-0307																
Improved Election Administration																	
	525-0317																
Private Sector Scholarship Foundation PVO	525-0258																
PANAJURU Local scholarship PVO																	
	525-0281																
CAPS	525-1000																
CLASP II	525-1001																

## 2.1 Strategic Objective and Indicators

No changes have been made in the meaning of this SO, but wording was altered to add clarification. "Increased pluralism and public support for democratic values and processes" as stated in the Action Plan of January 1992 was changed to "Increased pluralism and public participation in support of democratic values and processes." USAID is primarily focusing its resources to support greater pluralism and public participation in the area of electoral processes. Indicators for impact over a five to seven year horizon include: voter awareness concerning their responsibilities; and voter confidence in the electoral process.

## 2.2 Program Outputs and Indicators

The program outputs were revised to better reflect areas where USAID is focusing its efforts. (This took place during the session on key manager's questions). Given that the media activities are coming to a close and labor activities (AFILD) are regional activities with limited resources to benefit Panama, USAID dropped these two program outputs. The third program output remained the only output for this strategy.

The modification of program outputs, in turn, called for revising program indicators. Similarly, several of the previous program output indicators were actually project EOPs and were left to project level reporting. Others were dropped because the strategic objective group realized that USAID could not be held accountable for impact in areas where there are not direct USAID interventions.

**Program Output 1:** Two indicators provide information on "enhanced civic awareness concerning rights and responsibilities inherent to a democratic process." Increased civic awareness will be measured by an increase in citizens exercising their rights through

(1) getting out and voting and (2) being involved in special interest/civic organizations. These program output indicators are supported by six projects in USAID portfolio.

**3. Special Elements of the Plan**

See Section B. 3. above.

**4. Outstanding Concerns, Issues and Recommended Next Steps**

See Section B. 4. above.

**TABLE 1.1: DATA FOR MEASUREMENT, SO No. 2**

USAID/Panama STRATEGIC OBJECTIVE 2	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION <sup>11</sup>		TARGETS <sup>12</sup>					
			YEAR	VALUE	1992		1993	1994	1995	1996
					Planned	Actual	Planned	Planned	Planned	Planned
Increased pluralism and public participation in support of democratic values and processes.	Voter awareness of responsibilities inherent to electoral process.	Percent increase in Voter awareness. • Male • Female	1993	TBD	NA	NA	TBD	TBD	NA	NA
	Voter confidence in electoral process.	Percent increase in confidence.	1992	32%	NA	32%	37%	42%	NA	

11 TBD: TO BE DEFINED

12 NA: NOT APPLICABLE.

**TABLE 1.2: DATA FOR MEASUREMENT, SO No. 2**

USAID/Panama PROGRAM OUTPUT 2.1	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION <sup>13</sup>		TARGETS <sup>14</sup>					
					1992		1993	1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Planned	Planned	Planned
Enhanced civic awareness concerning rights and responsibilities inherent to a democratic process.	Citizen voting.	Percent of those registered that vote. • Male • Female	1993	TBD	NA	NA	NA	TBD	NA	NA
	Civic participation in special interest organizations.	Number of Persons: • Male • Female	1993	TBD	NA	NA	TBD	TBD	TBD	TBD

13

TBD: TO BE DEFINED

14

NA: NOT APPLICABLE.

**TABLE 2.1: DATA COLLECTION PLAN, SO No. 2**

USAID/Panama STRATEGIC OBJECTIVE 2	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICE/ PROJECTS
Increased pluralism and public participation in support of democratic values and processes.	Voter awareness of responsibilities inherent to electoral process.	Percent increase in Voter awareness.  • Male • Female	• CAPEL Study	Project 626-3017 will add a question in the on-going CAPEL survey, beginning in January 1993. The question will consistently be worded to assess the public awareness concerning their responsibilities in the voting process. The baseline and targets for this indicator will extend to the PACD of Project 626-3017 (September 1994).	Semi-Annual	OPA;  IEA 626-0317
	Voter confidence in the electoral process.	Percent increase in confidence.	• CAPEL Study	The IEA project funds a CAPEL study which polls about 2,000 persons from throughout Panama concerning confidence in the electoral process, and is conducted about every six months. The question in the CAPEL survey will consistently be worded to assess the institutional success of the Electoral Tribunal in targeting the needs and reducing skepticism on the part of the citizens served by the electoral process. The survey question requests feedback in terms of "no confidence," "confidence," "some confidence," or "much confidence." The sum of all responses that reflect some positive element of confidence in the system will comprise the basis for calculating the percent reported for this indicator. The baseline is established from the CAPEL study carried out in FY 1992 and targets a 5 % increase for each year of project assistance.	Semi-Annual	OPA;  IEA 626-0317
<p><u>Special Studies:</u></p> <p>Linkage study between SO1 and SO2 and the USAID Sub-Goal.</p>				<p>In 1995 USAID will fund and carry out a linkage study to determine the extent to which strategic objective one and strategic objective two are supporting USAID sub-goal which is the "consolidation of democratic processes and institutions." Similarly, USAID progress toward impact on developing strong institutions (judicial, electoral, and public sector financial management) that respond to the needs of its citizens, as well as citizen participation and support of democratic processes, will be assessed at that time. The study will be carried out in 1995 to give sufficient time for impact on performance indicators and program outputs within each strategic objective, before assessing how these two strategies might directly support each other and the USAID sub-goal.</p>	1995	<p>OPA;</p> <p>\$30,000 (already identified under SO 1 Special Study)</p>

**TABLE 2.2: DATA COLLECTION PLAN, SO No. 2**

USAID/Panama PROGRAM OUTPUT 2.1	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICE/ PROJECTS
Enhanced civic awareness concerning rights and responsibilities inherent to a democratic process.	Citizen voting.	Percent of those registered that vote.  • Male • Female	• Electoral Tribunal Records.	The number of people that vote (numerator) to the total number of eligible voters (denominator) will comprise this indicator. Electoral Tribunal voting lists will be used to identify the number of registered voters and electoral voting records will be used to determine the number of persons that vote. As of October 1992, there are 1.4 million registered voters (over 18 years of age). The baseline will be calculated with the number of people that vote in the referendum elections in November 1992 (FY 1993). Information will be gender disaggregated. Targets for the national elections in 1994 will be established at that time and will not extend the PACD of Project 626-3017 (September 1994).	Semi-Annual	<u>OPA;</u>  IEA 626-3017
	Civic participation in special interest organizations.	Number of Persons:  • Male • Female	Sum of USAID project data.	Special interest organizations are defined as USAID counterpart organizations (i.e. NGO, church, youth, civic, private and public) that support free expression, leadership, and development of ideas. All portfolio projects will track citizen participation (male/ female), the sum of which will compose the indicator. The baseline and targets for this indicator will be identified during the SAR reviews in October 1992 (FY 1993).	Semi-Annual	<u>OPA;</u>  DI 626-0307 PSSF 626-0258 PANAJURU 626-0281 CAPS 626-1000 CLASP2 626-1001
<u>Special Studies:</u>  None scheduled at this time.						

**TABLE 3.1: DISSEMINATION PLAN, SO No. 2**

USAID/Panama STRATEGIC OBJECTIVE 2	INDICATOR	WHO NEEDS THE INFORMATION	METHOD OF DISSEMINATION	FREQUENCY
Increased pluralism and public participation in support of democratic values and processes.	Voter awareness of responsibilities inherent to electoral process.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• SAR</li> </ul>	Semi-annually
	Public confidence in the electoral process.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• SAR</li> </ul>	Semi-annually
<u>Special Studies:</u>  Linkage study between SO1 and SO2.		<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• Special Study</li> </ul>	1995

**TABLE 3.2: DISSEMINATION PLAN, SO No. 2**

USAID/Panama PROGRAM OUTPUT 2.1	INDICATOR	WHO NEEDS THE INFORMATION	METHOD OF DISSEMINATION	FREQUENCY
Enhanced civic awareness concerning rights and responsibilities inherent to a democratic process.	Citizen voting.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• SAR</li> </ul>	Semi-annually
	Civic participation in special interest organizations.	<ul style="list-style-type: none"> <li>• Mission</li> <li>• LAC Bureau</li> <li>• CDIE</li> </ul>	<ul style="list-style-type: none"> <li>• Action Plan</li> <li>• SAR</li> </ul>	Semi-annually
<u>Special Studies:</u>  None scheduled at this time.				

**D. STRATEGIC OBJECTIVE No. 3: INCREASED AND DIVERSIFIED EXPORTS**

**1. Overview of the Strategy<sup>15</sup>**

Increasing and diversifying Panamanian exports is a key component of a wider goal of economic liberalization and trade expansion. Under agreements with the International Monetary Fund, the World Bank, and the Interamerican Development Bank, the Government of Panama is currently engaged in the process of implementing key policy reforms to reduce tariff rates, eliminate import quotas, and remove price controls, while at the same time adopting measures to promote private sector investment. The dismantling of international trade barriers, drastic reduction of effective rates of protection to domestic industries, and removal of subsidies to public utilities and the transportation sector, should result in significantly increased efficiency, domestic capture of value added, and international competitiveness of Panamanian agricultural and industrial production.

The focus of the USAID/Panama program is on the following:

**Strategic Objective 3: Increased and Diversified Exports**

**Indicator 1:** Value (\$) of exports

**Indicator 2:** Value (\$) of non-traditional exports

**Program Output 1:** Reformed Trade and Commercial Policies

**Indicator 1:\*** Number of specific tariffs eliminated.

**Indicator 2:\*** Level of ad valorem tariffs.

**Indicator 3:\*** Number of reformed trade and commercial policies.

**Program Output 2:\*** Increased Private Sector Investment in Export-oriented Enterprises

**Indicator:\*** Annual value of private investment in export-oriented enterprises.

**Program Output 3:\*** Increased Employment of Men and Women in the Export Sector

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<sup>15</sup> An asteric indicates the program outputs and the indicators that have been changed since the USAID's/Panama Action Plan of January 1992.

**Indicator:\*** Total number of workdays (or full-time employee equivalents) in the export sector disaggregated by sex.

Increased and diversified exports represent the longer term objective of a number of USAID policy reform and investment promotion activities carried out under two projects: Economic Policy Development (525-0313) and Trade and Investment Development (TID) (525-0309). Their medium term (2-5 years) objectives are reflected in three program outputs.

Indicators chosen to track progress toward achievement of the strategic objective of increased and diversified exports focus on the U.S. dollar value of overall exports and the dollar value of non-traditional exports. The second indicator particularly reflects the creation of new opportunities for investors and entrepreneurs through domestic commercial deregulation and international trade liberalization.

Each program output has one or more indicators to track progress over the medium term. Program Output 1 is reformed trade and commercial policies and will employ three indicators: number of specific tariffs eliminated; level of ad valorem tariffs; and the annual number of reformed trade and commercial policies.

USAID is committed to assisting the government to eliminate 351 specific tariffs by the end of 1992 and another 50 key agricultural and agro-industrial tariffs by the end of 1993. Ad valorem tariff levels are expected to decrease from 90% to 50% for agricultural and agro-industrial products by April 1993 and from 60% to 40% for industrial goods over the same period. To this end activities of the Economic Policy Development Project are focused on the macroeconomic and foreign trade policy reform actions of the Coordinating Unit (Unidad Coordinadora) of the Ministry of Planning and Economic Policy. The project also promotes the privatization of state enterprises.

The second means by which USAID intends to achieve its program outputs is through the activities of the Trade and Investment Development Project. This project supports the private sector in its policy advocacy and export promotion aspirations by strengthening the ANDE Foundation in its efforts to lobby government and to develop a permanent Commercial Service Center to provide technical services, including market and product development information and assistance, to new exporters.

The ANDE Foundation will be responsible for developing a database covering the entire export sector in Panama, which will be employed to monitor progress toward Program Outputs Nos. 2 and 3: increased private investment in export-oriented enterprises; and increased employment of men and women in the export sector. Private investment will be measured by focusing on the dollar value of new

private investment in export-oriented enterprises, including direct foreign investment. Increased employment will be monitored by noting the total number of workdays (or if determined to be feasible and a good measure, full-time employee equivalents) of men and of women in the export sector. The assumption is made that export competitiveness will depend in the medium term on labor-intensive, low labor cost strategies to meet foreign competition, particularly from other countries of Latin America. Assistance in developing this database will be one of the first activities of the TID Project.

## 2. Changes to Strategic Objective No.2 since January 1992

While the statement of strategic objective and its indicators has remained the same since the development of the USAID/Panama Action Plan of January 1992, several changes have been made in program outputs and their indicators during the current exercise. Program Output 1 remains unchanged as reform of trade and commercial policies, but its previous indicator of unweighted average tariff has been replaced by three new ones: number of specific tariffs eliminated; level of ad valorem tariffs; and annual number of reformed trade and commercial policies (e.g., in tourism, intellectual property rights, transportation, and public utilities). The new indicators reflect the need to measure outcomes more closely related to USAID activities than does average unweighted tariff rate.

Program Output 2 now reads as increased private investment in export-oriented enterprises. This represents a more focused statement and a clearer reflection of USAID activities than the former statement of "increased private investment". The indicator will now be the dollar value of new private-sector investment in export-oriented enterprises each year, rather than private investment as a percent of GDP proposed in the Action Plan of January 1992.

Program Output 3--increased employment of men and women in the export sector--now replaces the former output statement of increased contribution of manufacturing and agriculture to national output. Employment is termed by USAID staff the bottom-line objective of investment promotion in the export sector. It also permits monitoring and evaluation of the people level impacts of USAID activities. Given current AID/W interest, tracking employment as one program objective seems highly warranted. Because of the seasonal nature of many of the agribusiness enterprises, employment creation should be measured by total workdays generated. These may be reported in full-time employee equivalents, if desired, in order that they may be combined with full-time employees in non-seasonal export industries. Taking into account equity and gender issues, USAID will monitor who is benefiting from the increases in employment.

### 3. Specific Elements of the Plan

#### 3.1 Key Management Questions

The M&E plan for Strategic Objective No. 3 has been designed to answer the following key questions.

- 1) Which policies are critical constraints to increasing and diversifying exports?

The above question will be addressed by the master study to be carried out under the Trade and Investment Development Project in early 1993. The objective of the study is to determine the key reforms to be targeted over the next 3-4 years, establishing priority lists by sector. If the study is carried out correctly there should be no doubt which reforms are most closely linked to achieving the export targets of the strategic objective.

- 2) Do increases/decreases in the value of exports reflect real increases/decreases in the volume of exports?

The second question is important because the value of exports may be increasing due to a short-term rise in world prices, but the actual merchandise volume may be steady or even reduced. Other things equal, however, aggregate supply should respond fairly quickly to higher prices as policy reforms remove domestic market distortions, thus reestablishing a market-clearing equilibrium reflecting higher output as well as price.

On the other hand, an appreciating value of the dollar against the currencies of major trade partners will make Panamanian exports cheaper internationally and should stimulate short-term demand. This does not represent real progress in world markets, however, and the trend may be quickly reversed when the dollars falls again.

These biases in tracking export value can be checked by watching world prices for major exports and by tracking the dollar against the currencies of major trade partners. This need not be done every year, but only when trade figures seem to depart from their secular trend.

- 3) Will there be a tight congruence in the movement of both strategic objective and program output indicators or will there be lags in some and jumps in others?

Policy reforms are expected to lead the way to private investment and employment growth, in turn resulting in increases in the volume and real value of exports. Indicators for Program Output 1 should show considerable progress before effects can be expected in investment and employment under Program Outputs 2 and 3. It is, in fact, possible that employment may be reduced by managers in a search for greater productive efficiencies before real growth of

the sector begins. This could be the case if the labor code is substantially modified. Explanation for unusual movements in key indicators should be made whenever they depart from normal trends.

### **3.2 Critical Assumptions:**

The critical assumptions that bridge the level between the strategic objective and specific program outputs are given below.

- Sufficient policy reforms to liberalize foreign trade can be identified and carried out in the short term.
- Private investment will respond to liberalization and deregulation measures, because Panamanian firms now have the potential for competitiveness in world markets.
- The demand for Panamanian goods in world markets does not significantly decline because of a worsening worldwide recession.
- The over-valuation of the Panamanian currency through use of the dollar will not prevent Panama's products from competing internationally, other things remaining equal.
- Panama respects its current reform commitments to the international finance institutions.
- The ultimate benefits of increased exports and export profits will be broadbased through direct employment creation and have substantial employment multiplier effects.

### **3.3 Special Studies and Evaluations**

Two special features of the monitoring and evaluation plan are: the master study of the Panamanian commercial regulatory environment, which will permit identification of needed regulatory reforms by sector; and the baseline study of the export sector to establish current levels of private investment and employment, disaggregated by sex, and to test a method for annually updating baseline data. The master study is crucial to establishing deregulation and privatization targets by year to measure results for Program Output 1--reformed trade and commercial policies.

The baseline study of the export sector is needed to begin tracking the annual level of new private investment and employment creation, disaggregated by sex, in order to serve as indicators for Program Outputs 2 (increased private investment in export-related enterprises) and 3 (increased employment in the export sector), respectively.

Both studies are projected to be carried out early in 1993 by

contractors under the Trade and Investment Development Project. The \$728,000 USAID portion of the TID Project studies budget should easily accommodate both studies and annual length-of-project updates for the baseline study. A price of approximately \$20,000 per study and \$5,000 per year for data updating should be sufficient.

The terms of reference for the master study are already being developed; those for the baseline study will require immediate attention in order to generate a baseline early in 1993. In the future Fundacion ANDE will need to develop the capacity to carry out annual updates of the baseline information, and a methodology for so doing should be one of the outputs of the baseline study.

#### **4. Special Concerns, Issues, and Next Steps**

##### **4.1 Special Concerns and Issues**

The data needed to measure progress toward achievement of program outputs and the strategic objective are conceptually clear. Not all data, however, are currently available. With regard to tracking progress toward deregulation and privatization, once a list of priority actions has been established, targets can be set by year and monitored as part of the program monitoring and evaluation process. Specific reforms by sector will be proposed by the master study with timetables for action. The project managers for the Economic Policy Development and the Trade and Investment Projects should easily be able to track progress toward policy reform targets.

More problematic will be the collection of data to permit effective monitoring of progress toward the program outputs of increased private investment and employment in the export sector. Reliable baseline information will need to be generated by early next year. A system for updating baseline data on employment and private investment must be formulated and a feasible method identified. The willingness of firms to provide the required information on an annual or biannual basis will need to be determined. Also, a method and means for cross checking the reliability of the information provided might need to be identified.

##### **4.2 Next Steps**

The following actions should be taken as soon as possible to continue the progress made during the technical assistance visit. In addition the general overall recommendations in Section I.C. should be considered by the responsible project managers and by the USAID Office of Projects, Program and Economic Planning.

1) The need to establish baseline data for monitoring indicators of employment and private investment in the export sector should lead quickly to steps to operationalize a system within Fundacion ANDE to collect this data from the Contraloria General and IPCE and to develop surveys which can fill gaps and continue to monitor progress in the years ahead. Managers of Strategic Objective No. 3 should meet with counterparts in Fundacion ANDE to determine how to secure data on these indicators. Decisions are required concerning how much data can be obtained from IPCE and the Contraloria General and how much will need to be obtained by a survey carried out on the export sector by Fundacion ANDE. Terms of reference for a baseline study need to be drawn up and a survey instrument and sampling frame developed.

As soon as a survey instrument is developed, it should be tested, so that the data gathering system to track progress on indicators can be fully operational by mid-1993. Reliability of the data and the cost and efficiency of acquiring it are important factors in assuring continued monitoring of Program Outputs 2 and 3. It should also be decided how often the survey can be carried out, although if it is feasible to collect the data through mailing the questionnaire to key firms, it should be possible to conduct it annually.

2) In view of the close linkage of the Economic Policy Development and Trade and Investment Development Projects in contributing to Strategic Objective No. 3, it is recommended that their project committees be combined to form one committee to be responsible for actions related to this program objective.

3) The strategic objective committee (or one of the relevant project managers) should act immediately to secure data from the Contraloria General on the level of total and non-traditional exports in 1992, so that these figures can be added to the performance tables of the upcoming USAID Action Plan.

**TABLE 1.1: DATA FOR MEASUREMENT, SO No. 3**

USAID/Panama STRATEGIC OBJECTIVE #3	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION		TARGETS						
					1992	1992	1993	1993	1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Actual	Planned	Planned	Planned
Increased and Diversified Exports	1) Value of exports	Millions of U.S. dollars (current)	1989	323.7	394.7		426.3		460.4	497.2	537.0
	2) Value of non-traditional exports	Millions of U.S. dollars (current)	1989	167.4	198.9		216.8		234.1	262.8	273.0

**TABLE 1.2: DATA FOR MEASUREMENT, SO No. 3**

USAID/Panama PROGRAM OUTPUT #3.1	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION		TARGETS						
					1992	1992	1993	1993	1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Actual	Planned	Planned	Planned
Reformed Trade and Commercial Policies	1) Number of specific tariffs eliminated.	Tariffs	1990	351 specific tariffs	No	No	281 tariffs from Law 3 (1988) & 90 additional tariffs				
	2) Level of ad valorem tariffs.	Percent ad valorem	1990	90% for agricultural and agro-industrial and 60% for industrial	No	No	50% for agricultural and agro-industrial and 40% for industrial				
	3) Annual number of reformed trade and commercial policies.	Legislative Assembly and executive office actions	1990	Full regulation	No	No	Number and type to be determined by the "Master Study of the Panamanian Regulatory Environment"		TBD	TBD	TBD

**TABLE 1.3: DATA FOR MEASUREMENT, SO No. 3**

USAID/Panama PROGRAM OUTPUT #3.2	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION		TARGETS						
					1992	1992	1993	1993	1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Actual	Planned	Planned	Planned
Increased private investment in export-oriented enterprises	1) Annual value of private investment in export-oriented enterprises	Millions of U.S. dollars (current)	1992	TBD by Fundacion ANDE (cf. special study)	TBD		TBD		TBD	TBD	TBD

**TABLE 1.4: DATA FOR MEASUREMENT, SO No. 3**

USAID/Panama PROGRAM OUTPUT #3.3	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION		TARGETS						
					1992	1992	1993	1993	1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Actual	Planned	Planned	Planned
Increased employment in the export sector	1) Total number of workdays (or full-time employee equivalents) in the export sector.  (To be gender disaggregated)	Workdays (or full-time employee equivalents)	1992	TBD by Fundacion Ande under TID Project (cf. special study)	TBD		TBD		TBD	TBD	TBD

**TABLE 2.1: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 3**

USAID/Panama STRATEGIC OBJECTIVE #2	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICES & PROJECTS	INTENDED INFORMATION USER	METHOD OF INFORMATION DISSEMINATION	FREQUENCY OF DISSEMINATION
Increased and Diversified Exports	1) Value of exports	Million of U.S. dollars (current)	Contraloría General de la República (CGR) & Instituto Panameño de Comercio (IPCE)  IBRD reports	Collection of latest CGR, IPCE, or IBRD data updates	Semi- annually & as available	Private Sector Development Office (PSD)  Trade and Investment Development Project (525-0309)	USAID, AID/W  U.S. Embassy	Semi-annual reports (SAR) & Action Plan  Periodic reports	Semi-annually for USAID  Annually for AID/W  Periodically for U.S. Embassy
	2) Value of non-traditional exports	Millions of U.S. dollars (current)	Contraloría General de la República (CGR) & Instituto Panameño de Comercio (IPCE)  IBRD reports	Collection of latest CGR, IPCE, or IBRD data updates	Semi- annually & as available	Private Sector Development Office (PSD)  Trade and Investment Development Project (525-0309)	USAID, AID/W  U.S. Embassy	Semi-annual reports (SAR) & Action Plan  Periodic reports	Semi-annually for USAID  Annually for AID/W  Periodically for U.S. Embassy
<u>Special Studies:</u>									

**TABLE 2.2: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 3**

USAID/Panama PROGRAM OUTPUT #3.1	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICES & PROJECTS	INTENDED INFORMATION USER	METHOD OF DISSEMINATION	FREQUENCY OF DISSEMINATION
Reformed Trade and Commercial Policies	1) Number of specific tariffs eliminated.	Tariffs	Unidad Coordinadora of the Ministry of Planning and Economic Policy (MIPPE)  IBRD reports.	Consult directly with Unidad Coordinadora of MIPPE.  Consult IBRD reports.	Semi-annually  As available	Projects, Program, and Economic Planning Office (PPEP)  Economic Policy Development Project (525-0313)	USAID, AID/W  U.S. Embassy	Semi-annual reports (SAR) & Action Plan  Periodic reports	Semi-annually for USAID  Annually for AID/W  Periodically for U.S. Embassy
	2) Level of ad valorem tariffs.	Percent ad valorem	Unidad Coordinadora of the Ministry of Planning and Economic Policy (MIPPE)  IBRD reports	Consult directly with Unidad Coordinadora of MIPPE.  Consult periodic IBRD reports.	Semi-annually  As available	Projects, Program, and Economic Planning Office (PPEP)  Economic Policy Development Project (525-0313)	USAID, AID/W  U.S. Embassy	Semi-annual reports (SAR) & Action Plan  Periodic reports	Semi-annually for USAID  Annually for AID/W  Periodically for U.S. Embassy
	3) Annual number of reformed trade and commercial policies.	Legislative Assembly and executive office actions	Gaceta Oficial  Annual reports of ministries	Read Gaceta Oficial and ministry annual reports to monitor legislative acts and executive office actions.	Semi-annually	Private Sector Development Office (PSO)  Trade and Investment Development Project (525-0309)  &  Projects, Program, and Economic Planning Office (PPEP)  Economic Policy Development Project (525-0313)	USAID, AID/W  U.S. Embassy	Semi-annual reports (SAR) & Action Plan  Periodic reports	Semi-annually for USAID  Annually for AID/W  Periodically for U.S. Embassy
Special Studies:	"Master Study of the Panamanian Regulatory Environment" in 1993 by TID project to determine specific trade and commercial policy reform actions for each year.								

**TABLE 2.3: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 3**

USAID/Panama PROGRAM OUTPUT #2.2	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICES & PROJECTS	INTENDED INFORMATION USER	METHOD OF DISSEMINATION	FREQUENCY OF DISSEMINATION
Increased private investment in export-oriented enterprises	1) Annual value of private investment in export-oriented enterprises	Millions of U.S. dollars (current)	Contraloria General de la Republica & Instituto Panameno de Comercio Exterior  Fundacion Ande surveys of export sector	Collect latest Contraloria General or IPCE data—supplemented by surveys conducted by Fundacion Ande.	Semi-annually for CGR and IPCE & Annually for Fundacion Ande	Private Sector Development Office (PSD)  Trade and Investment Development Project (625-0309)	USAID, AIDW  U.S. Embassy	Semi-annual reports (SAR) & Action Plan  Periodic reports.	Semi-annually for USAID.  Annually for AIDW  Periodically for U.S. Embassy
<u>Special Studies:</u>	Fundacion Ande will conduct in 1993 a baseline survey of firms, level of investment, and employment in the export sector under the TID project. Beyond baseline data a methodology for annual updating of investment and employment information will be established.								

**TABLE 2.4: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 3**

USAID/Panama PROGRAM OUTPUT #3.3	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICES & PROJECTS	INTENDED INFORMATION USER	METHOD OF DISSEMINATION	FREQUENCY OF DISSEMINATION
Increased employment in the export sector.	1) Total number of workdays (or full-time employee equivalents) in the export sector.  (To be gender disaggregated)	Number of workdays (or full- time employee equivalents)	Contraloria General de la Republica & Instituto Panameno de Comercio Exterior.  Surveys of the export sector by Fundacion Ande	Consult latest CGR and IPCE data on export sector enterprises.  Consult the results of annual surveys of the export sector by Fundacion Ande.	Semi- annually for CGR and IPCE & Annually for Fundacion Ande	Private Sector Development Office (PSD)  Trade and Investment Development Project (525- 0309)	USAID, AID/W	Semi-annual reports (SAR) & Action Plan	Semi-annually for USAID & Annually for AID/W
<u>Special Studies:</u>	Fundacion Ande will conduct a baseline study in 1993 to determine number of firms, level of investment, and male and female employment in the export sector. A methodology will be established to carry out annual updates for the purpose of monitoring program outputs.								

**E. STRATEGIC OBJECTIVE NO. 4: PRESERVATION OF NATURAL RESOURCES**

**1. Overview of the Strategy<sup>16</sup>**

USAID/Panama is concentrating on preservation of natural resources, with particular emphasis on forests and the Panama Canal Watershed. USAID assistance in support of the SO is directed at results at the organizational level in order to establish the foundation for sustainable management and protection of natural resources. Selected public and private sector organizations are the focus of USAID assistance due to their actual and potential roles in accomplishment of this objective.

**Strategic Objective: Preservation of Natural Resources**

**Indicator 1:\*** Net number of hectares deforested annually.

**Indicator 2:\*** Number of hectares of natural vegetation lost annually

**Indicator 3:\*** Number of hectares of natural vegetation in canal watershed.

**Program Output 1: Strengthened institutional capacity of the National Institute for Renewable Natural Resources (INRENARE).**

**Indicator 1:** GOP performance classification of INRENARE.

**Indicator 2:** Financial and management accounting systems established.

**Program Output 2:\*** Sustainable management of privately forested land.

**Indicator 1:\*** Hectares of private land reforested in canal watershed

**Program Output 3:** Long-term environmental funding operational.

**Indicator 1:** Nature Conservation Foundation (NATURA) endowment established and capitalized.

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<sup>16</sup>

An asteric indicates the program outputs and the indicators that have been changed since the USAID/Panama Action Plan of 1992.

**Indicator 2:** NATURA funding private and public environmental organizations.

**Program Output 4:** Improved management of national parks/reserves.

**Indicator 1:\*** Number of park/reserve plans approved.

**Indicator 2:\*** Percentage implementation of approved plans.

**Indicator 3:\*** Number of parks/reserves having implemented measures to control illegal incursions.

**Program Output 5:\*** Improved canal watershed management systems.

**Indicator 1:\*** Specific plans developed for improved management of canal watershed.

**Indicator 2:\*** All existing forested areas in canal watershed declared as protected areas and plans approved for these areas.

## **2. Changes to Strategic Objective No. 4 since January 1992**

### **2.1 Strategic Objective and Indicators**

The Action Plan of January 1992 stated the following as indicators of the SO: decline in rate of deforestation, deterioration of 5 key watersheds arrested, and decreased rate of loss of habitat. The first indicator has been modified to reflect net loss of trees. Maintenance of natural vegetation in the canal watershed will be monitored, whereas previously the indicator was deterioration of 5 watersheds arrested. The latter was changed due to less resources being allocated by USAID to manage these other watersheds. Also, USAID intends to monitor the loss of natural vegetation, whereas previously it was planning on assessing the loss of habitat.

### **2.2 Program Outputs and Their Indicators**

During the TDY changes were made in the statement of three program outputs. Program Output No. 2 was changed from sustainable management of private natural resources to sustainable management of privately forested land. This change reflects a narrowing of focus of the USAID activities and the indicator specifies that the reforestation will take place in the canal watershed. A change was made in the wording of Program Output No. 4 to better focus on the intent of the program over a 2-5 year period. only. The indicators for the above outputs were also changed. The

indicator for Output No. 2 was modified to read: hectares of private land reforested in canal watershed. Achievement of Output No. 4 will be measured by the number of park plans approved and two new indicators: percentage implementation of approved plans, and number of parks/reserves having implemented measures to control illegal incursions. Improved canal watershed management and landuse systems will be measured by two indicators: specific plans developed for improved management of canal watershed, and all existing forested areas in canal watershed declared as protected areas and plans approved for management of these areas. The changes were made to better reflect the results of the USAID activities over the next 2-5 years.

### **3. Specific Elements of the Plan**

#### **3.1 Key Management Questions**

The M&E plan for Strategic Objective No. 4 has been developed to answer the following questions.

- Is the program obtaining the desired results?
- What is the rate of deterioration of natural vegetation, particularly trees and other original vegetation?
- Are measures and organizations in place for continued protection of natural resources especially in the canal watershed?

#### **3.2 Assumptions**

Some critical assumptions link the program outputs which represent the results of the USAID activities to the strategic objective. The assumptions are given below:

- The rate of loss of natural vegetation, including forests, outside of the main sites covered by the USAID activities will not be so great as to offset gains made in program level sites.
- The rate of loss of natural vegetation, including forests, will not accelerate during the years that the USAID activities are focused on establishing systems and organizations to better attend to preservation of natural resources.
- The systems and organizations focused upon at the program output level will be effective.

### 3.3 Special Studies and Evaluations

The program monitoring system as reflected in the following tables serves to track the status of progress according to the plan. The monitoring system, however, does not permit USAID to know about some critical details. Therefore, the midterm evaluation of the Natural Resource Management Project will cover the following.

- a) The extent to which the new financial and management accounting system is being used effectively and efficiently in INRENARE, and measures needed to be carried out for further institutionalization of the system.
- b) Based on a stratified sample of sites, determination of the survival rate of the seedlings planted under the NATURA project component and an estimation of the total number of hectares of surviving trees; and verification of statistics on the number of hectares planted.
- c) The extent to which the measures instituted in national parks and reserves have stopped or limited illegal incursions, with special attention to clear cutting of trees; and verification of the extent to which park/reserve plans are being implemented.

## 4. Concerns, Issues and Next Steps

### 4.1 Concerns and Issues

USAID has made significant progress in refining SO No. 4. There are still some aspects however which need greater attention so that the plan reflects a clear and carefully crafted means for tracking USAID's natural resource program.

The strategic objective is stated as preservation but some of the program outputs appear to be outside the scope of preservation. Are the activities under NATURA only to support preservation of natural resources? Second, USAID needs to clarify what it wants measured under the indicator natural vegetation (or habitat in the Action Plan of 1992) and this ought to be discussed with the persons who will be responsible for carrying out the assessment. Third, USAID should consider the extent to which the contractors should carry out ground truthing to lessen the margin of error in interpreting the satellite photos. Given the importance of the canal watershed, areal photography should not be dismissed since it could provide a more accurate base for calculating deforestation and the status of other natural vegetation in the watershed.

It is recommended that USAID seriously consider obtaining the services of a consultant to review the Natural Resources Management Project with the intent that a) it have a positive impact on women

and the poor, and b) the plans provide for the participation of females, males, and the poor. There is a great deal of scope for having a positive impact on women and the poor in the natural resource program. However, attention will need to be given to the various project activities so that the potential can be realized. Attention should be given to such elements as a) current use patterns of parks/reserves/forests by buffer zone residents, and involving residents in developing, reviewing and implementing the plans, b) recruitment and selection criteria for jobs generated, and c) criteria for grants given by NATURA to NGOs. Implementation of both the NATURA and park components should be informed by lessons learned from similar activities. The consultant should be asked to propose means to monitor and evaluate participation by women, men and the poor and the distribution of project results among these groups.

#### **4.2 Next Steps**

After decisions are made by USAID on the concerns raised above, the Natural Resource Management project officer should discuss the program level M&E plan with relevant counterparts. The counterparts should be asked to comment on the feasibility of the plan, including the targets set. A tracking system should be established which specifies the loci of various responsibilities with each relevant officer and responsibilities assigned. Furthermore, USAID should issue a PIL requiring each of the organizations to provide semiannual reports which would include information needed for the program M&E system as well as that needed at the project level for SARs and midterm evaluation. (See section C of Chapter I for more information.)

**TABLE 1.1: DATA FOR MEASUREMENT, SO No. 4**

USAID/Panama STRATEGIC OBJECTIVE #4 & critical assumptions	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION		TARGETS						
					1992		1993		1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Actual	Planned	Planned	Planned
Preservation of natural resources	net number of hectares deforested	hectares	1991	70,000 TBD							10,000
	number of hectares natural vegetation lost annually	hectares									
	number of hectares of natural vegetation maintained in canal watershed	hectares									

**TABLE 1.2: DATA FOR MEASUREMENT, SO No. 4**

USAID/Panama Program Output No. 4.1	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION		TARGETS						
					1992		1993		1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Actual	Planned	Planned	Planned
Strengthened institutional capacity of INRENARE	INRENARE improves in GOP performance classification	Yes/No	1990	D	C	D	C*		B*	B*	B*
	financial & management accounting systems established	Yes/No	1991	No	Yes	No	Yes*				

\* Revised 10/92

**TABLE 1.3: DATA FOR MEASUREMENT, SO No. 4**

USAID/Panama Program Output No.4.2	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION		TARGETS						
					1992		1993		1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Actual	Planned	Planned	Planned
Sustainable mangement of privately forested land.	hectares of private land reforested in canal watershed	hectares	1992	0	100	0	100*		500	1,000	1,500

\* Revised 10/92.

**TABLE 1.4: DATA FOR MEASUREMENT, SO No. 4**

USAID/Panama Program Output 4.3	INDICATOR	UNIT OF MEASURE	BASELINE INFORMATION		TARGETS						
					1992		1993		1994	1995	1996
					Planned	Actual	Planned	Actual	Planned	Planned	Planned
Long-term environmental funding operational	NATURA endowment established and capitalized	Yes/No	1991	no	Yes	No	Yes*				
	NATURA funding private and public environmental organizations	USDollars in thousands (cumulative)	1991	0	500*	0	1,000*		3,000	5,000	7,000

\* Revised 10/92.

**TABLE 1.5: DATA FOR MEASUREMENT, SO No. 4**

USAID/Panama Program Output #4.4	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION		TARGETS						
					1992		1993		1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Actual	Planned	Planned	Planned
Improved management of parks/reserves.	Number of park plans approved.	number	1991	0	0		3*		8	14	
	Percentage implementation of USAID project activities included in the plans.	Plan elements receiving USAID funds.					10		50	60	70
	Number of parks having implemented measures to control illegal incursions.	number of parks	1991	0	2	0	2*		4	5	9

\* Revised 10/92.

**TABLE 1.6: DATA FOR MEASUREMENT, SO No. 4**

USAID/Panama Program Output #4.5	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION		TARGETS						
					1992		1993		1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Actual	Planned	Planned	Planned
Improved canal watershed management systems.	At least 5 specific plans developed for improved canal watershed management and land use	Plan developed Yes/No	1991		No		Plan developed to manage fires  Plan developed for gravel & land extraction  Plan developed for protection of remaining forests in watershed		Plan developed for update soil conservation & land use map		Plan developed for monitoring sedimentation
	Canal watershed management plan developed	plan developed Yes/No	1993	No	No	No	No	No	Yes		
	All forest areas in canal watershed declared as protected and plans developed.	park/reserve plans developed that cover all forest areas in watershed Y/N	1993	No	No	No	Yes				

**TABLE 2.1: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 4**

USAID/Panama STRATEGIC OBJECTIVE #4	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN (est. cost)	RESPONSIBLE OFFICE/ PROJECTS	WHO NEEDS THE INFORMATION	METHOD OF DISSEMINATION	FREQUENCY
Preservation of natural resources	number of hectares deforested annually	hectares	INRENARE and Tommy Guardia Institute	Use of landsat images & ground truthing. Trend rate to be based on assessment of 1950-1986 and 1986-1991 periods.	Every 3 yrs  From \$340,000 in project contingency funds.	Office Private Sector Development  Natural Resource Management No. 625-0308	Environmentalists  Mission  LAC Bureau & CDIE	INRENARE through mass media  SAR  Action Plan	Every 3 years
	number of hectares of habitat lost annually	hectares	INRENARE and Tommy Guardia Institute	Use of landsat images & ground truthing. Hectares of natural vegetation will exclude pasture land and Pajablenca. Trend rate to be calculated from assessment of 1950-86 and 1986-1991 periods using variety of sources.	Every 3 yrs  From \$340,000 of project contingency funds.	Office Private Sector Development  Natural Resources Management 625-0308	Environmentalists in Panama  Mission  LAC Bureau & CDIE	Mass media  SAR  Action Plan	Every 3 years
	number of hectares of natural vegetation (excluding pasture land) maintained in canal watershed	hectares	INRENARE & Tommy Guardia Institute	Use of landsat images & ground truthing. Baseline rate to be established from 1986-1991 information.	every 3 yrs  From \$340,000 of project contingency funds.	Office Private Sector Development  Natural Resource Management 625-0308	INRENARE & canal management org  Mission, Embassy  LAC Bureau	Mass media  SAR  Action Plan	Every 3 years

**TABLE 2.2: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 4**

USAID/Panama Program Output #4.1	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICE/ PROJECTS	WHO NEEDS THE INFORMATION	METHOD OF DISSEMINATION	FREQUENCY
Strengthened capacity of INRENARE	INRENARE improves in GOP performance classification	Yes/No	GOP Controller General	Project office to obtain information from the Office of the Controller General.	Annually	Office Private Sector Development  Natural Resources Management 525- 0308	Mission  LAC Bureau & CDIE	SAR  Action Plans	Semiannually  Annually
	Financial & management accounting system established	Yes/No	Final report of the financial management technical assistants.	Established will be determined by a) existence of the procedural manuals developed, b) people trained, and c) information systems in place.	Once	Office of Private Sector Development  Natural Resources Management 525- 0308	Mission  LAC Bureau & CDIE	SAR  Action Plans	Semi- annually  Annually
	<u>Special Studies/evaluations:</u> Project audits and midterm evaluation assess the extent to which these new systems are being used, & identify measures needed for further institutionalizing the systems.					Midterm evaluation FY 1994		SAR  Action Plans	Once

**TABLE 2.3: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 4**

USAID/Panama Program Output #4.2	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICE/ PROJECTS	WHO NEEDS THE INFORMATION	METHOD OF DISSEMINATION	FREQUENCY
Sustainable management of privately forested land.	Hectares of private land reforested in canal watershed.	hectares	NATURA based on reports from NGOS receiving funds from it	Since NGOs are expected to be actively engaged in supervising the plantings, they will report to NATURA who in turn will report to USAID semiannually on the hectares of private land planted with trees. For those plantings not in pure stands, the number of seedlings planted will be prorated according to recommended number of seedlings of that species per hectare.	semiannually	Office Private Sector Development  Natural Resources Management 626-0308	Project manager, Mission  LAC Bureau & CDIE	SAR  Action Plans	Semi-annually  Annually
Special Study: Mid-term project evaluation as well as periodic on site visits from Project Office shall investigate the survival rate of the seedlings planted and then calculate the number of hectares of trees of surviving					1994		Project Managers	SAR  Action Plans	Once

**TABLE 2.4: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 4**

USAID/Panama Program Output #4.3	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICE/ PROJECTS	WHO NEEDS THE INFORMATION	METHOD OF DISSEMINATION	FREQUENCY
Long term environmental funding operational	NATURA endowment established and capitalized	Yes/No	Project audit report & NATURA semiannual report to USAID	Existence of all of the following will signify achievement of the benchmark indicator: a Trust Fund agreement, a Board of Trustees, and at least \$15 million dollars deposited into a capital account.	Periodically until benchmark achieved.	Office Private Sector Development  Natural Resources Management 525- 0308	Mission  LAC Bureau & CDIE	SAR  Action Plans	Annually
	NATURA funding provided to public and private environmental organizations	US dollars in thousands	NATURA semiannual report to USAID	The disbursement of funds by Natura will be used as the indicator of "provided". Natura will be required to provide information on the amount of funds disbursed by category of organization (private/public).	Semiannually	Office of Private Sector Development  Natural Resources Management 525- 0308	Mission, Project Officer  LAC Bureau & CDIE	SAR  Action Plans	Semiannually  Annually

**TABLE 2.5: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 4**

USAID/Panama Program Output #4.4	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICE/ PROJECTS	WHO NEEDS THE INFORMATION	METHOD OF DISSEMINATION	FREQUENCY
Improved management of national parks/reserves.	Number of parks/reserves with approved plans.	number of parks/reserves	INRENARE semiannual reports; project site audits	Plans will developed and then approved/accepted.	Semiannual	Office Private Sector Development  Natural Resources Management 625-0308	Mission,  LAC Bureau & CDIE	Action Plans	Annually
	Percentage implementation of USAID project funded activities included in the plans.	Discrete plan activities for which USAID funds will be/are being spent.	INRENARE semiannual reports; Project on-site and financial audits	The number of discrete plan activities which USAID intends to fund will be added to the base number as new plans are approved. "Implementation" is defined as proceeding according to plan targets and activities completed.	Semiannual	Office of Private Sector Development  Natural Resources Management 625-0308	Mission  LAC Bureau & CDIE	SAR  Action Plans	Semi-annually  Annually
	Number of parks having implemented measures to control illegal incursions.	Number of parks with such measures	INRENARE semiannual reports to USAID; Project on-site audits	The deployment of the number of trained and equipped guards specified in park/reserve plan, and the completion of the marking of boundaries together will signify that measures have been implemented for controlling illegal incursions. INRENARE will track this through periodic visits to each park and reports coming from each park/reserve.	Semiannual	Office of Private Sector Development  Natural Resources Management 625-0308	INRENARE Mission, Project Manager  LAC Bureau & CDIE	SAR  Action Plans	Semi-annually  Annually
<u>Special Studies:</u>  Mid-term project evaluation will assess the extent to which the control measures have indeed stopped or limited illegal incursions, and verify the extent to which park/reserve plans are being implemented.							Project Managers	SAR  Action Plans	Once

**TABLE 2.6: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 4**

USAID/Panama Program Output #4.5	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICE/ PROJECTS	WHO NEEDS THE INFORMATION	METHOD OF DISSEMINATION	FREQUENCY
Improved canal watershed management systems.	Specific plans developed for improved management of canal watershed	Yes/No	Canal Watershed Interagency Coordination Committee and INRENARE	The interagency coordinating committee is developing plans for canal watershed management. "Plans developed" will be operationalized to mean that the committee has agreed upon the specific plan. The USAID project staff will monitor the actions/decisions of the committee.	Periodic discussions with INRENARE & committee members.	Office Private Sector Development  Natural Resources Management 525-0308	Mission Embassy  LAC Bureau & CDIE	Staff meetings & SAR  Action Plans	At least semi-annually  Annually
	Canal watershed management plan developed	Yes/No	Canal Watershed Interagency Coordination Committee	The canal watershed interagency committee is expected to develop a masterplan for the watershed. When the committee has agreed to the overall, masterplan, the benchmark will have been achieved.	Periodic discussions with INRENARE & committee members to monitor progress toward achievement.	Office Private Sector Development  Natural Resources Management 525-0308	Mission Embassy  LAC Bureau & CDIE	Staff meetings SAR  Action Plan	Semi-annually  Annually
	All forest areas in canal watershed declared as protected and plans for each park/reserve approved.	Yes/No	INRENARE	All forested land is expected to be declared protected land, either as parks or reserves. Each declared unit will develop a plan which will cover staffing, management, operations and infrastructure.	Semiannual	Office Private Sector Development  Natural Resources Management 525-0308	Mission Embassy  LAC Bureau & CDIE	Staff meetings SAR  Action Plans	Annually

**F. STRATEGIC OBJECTIVE NO. 5: ADOPTION BY THE GOVERNMENT OF PANAMA OF A NON-PARTISAN STRATEGY FOR THE MANAGEMENT OF THE CANAL AND REVERTED AREAS**

**1. Overview of the Strategy<sup>17</sup>**

As the Government of Panama prepares to assume full control of the canal and surrounding areas from the U.S., it is imperative that there be an orderly transition and an apolitical system established for management of these resources. Because of the importance of the canal and associated resources to U.S. political and economic interests, USAID support for the transition has been designated by the LAC Bureau and the USAID as a strategic objective of USAID/Panama.

**Strategic Objective:\* Adoption by the Government of Panama of a Non-partisan Strategy for the Management of the Canal and the Reverted Areas.**

**Indicator 1:\* Law passed by Legislative Assembly creating a canal management authority.**

**Indicator 2:\* Law passed by the Legislative Assembly creating the reverted areas authority.**

**Program Output 1:\* Draft law presented to the Legislative Assembly by the Executive Branch, which proposes professional, non-partisan canal management authority.**

**Indicator 1:\* Draft law requires that the chief executive officer of the canal authority possess managerial and technical competence commensurate with position.**

**Indicator 2:\* Draft law requires that canal board terms be staggered to prevent any president from appointing a majority of its members.**

**Program Output 2:\* Draft law presented to the Legislative Assembly by the Executive Branch, which proposes planned use of the reverted areas to be administered by a professional, non-partisan management authority.**

**Indicator 1:\* Draft law requires that the chief executive officer of the reverted areas authority possess managerial and technical experience commensurate with position.**

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<sup>17</sup> An asteric indicates that the strategic objective, program outputs and their indicators have been changed since the USAID/Panama Action Plan of 1992.

**Indicator 2:\*** Draft law requires that reverted areas authority board terms be staggered to prevent any president from appointing a majority of its members.

**Indicator 3:\*** Draft law stipulates that reverted areas management authority actions be subject to approved master plan.

Successful management of the canal waterway is linked to controlling soil erosion and proper utilization of land in the key watersheds. The latter are addressed under Strategic Objective No. 3.

Under the Economic Policy Development Project monies for short-term technical assistance and special studies are available to assist with the transition phase. The special governmental commission appointed by the President to draft legislation for both the canal management and the reverted lands management authorities, the "Consejo Consultivo", has already received assistance under the project from the International Executive Service Corps.

Adoption of laws creating the canal management and the reverted areas authorities as non-partisan, professional entities, managed by technically qualified and appropriately experienced chief executives, passes necessarily through the stage of presentation of draft legislation to the Legislative Assembly.

Indicator of achievement of the strategic objective of adoption by the GOP of a non-partisan strategy for the management of the canal and the reverted areas will be measured by passage of laws by the Legislative Assembly. Each indicator tracks the presence or absence of an appropriate law. Indicator 1--a law creating a canal management authority is passed by the Legislative Assembly--translates the need to assure a non-partisan legal and institutional framework for the new canal management authority. Indicator 2--a law creating the reverted areas authority is passed by the Legislative Assembly--reflects the same need for widespread, non-partisan backing of the reverted lands administration entity.

Support from members of both the government coalition and opposition parties is necessary for getting enough votes to pass the legislation. Thus, by definition, any legislation which passes the Legislature Assembly will be non-partisan and it is assumed that this will reflect that the strategy for management is non-partisan. The program output indicators measure a non-partisan strategy by having the terms of office of the authority boards staggered so that no President can appoint a majority of the members.

The program outputs under this strategic objective are two draft laws prepared by the Consejo Consultivo and presented formally to

the Legislative Assembly, one for each management authority. Progress toward Program Output 1--a draft law presented to the Legislative Assembly by the executive branch proposing a professional, non-partisan canal management authority--will be monitored by two indicators, each focusing on a separate dimension of appropriateness. Indicator 1--draft law requires that the chief executive officer of the canal management authority possess managerial and technical experience commensurate with his position--reflects the desire to create a competent entity with adequate, apolitical technical expertise. Indicator 2--draft law requires that the canal board have staggered terms to prevent any President from appointing a majority of its members--translates the need to maintain as non-politicized a board of directors as possible to prevent domination by special interests.

Program Output 2--draft law presented to Legislative Assembly by the executive branch proposing planned use of the reverted areas to be administered by a professional, non-partisan management authority--will be monitored by three indicators, each focusing on a separate aspect of the desired area management authority. Indicator 1--draft law requires that the chief executive officer of the reverted areas authority possess managerial and technical experience commensurate with his position--parallels the concern expressed under Program Output 1 to create a technical, apolitical, experienced managerial capacity. Indicator 2--draft law requires that the reverted areas authority board have staggered terms to prevent any President from appointing a majority of its members--as in Program Output 1, seeks to assure a board as free of political domination as possible. Finally, Indicator 3--draft law requires that reverted areas management authority actions be subject to an approved master plan--embodies the concern that reverted areas be managed according to an approved master plan, currently being developed by the Consejo Consultivo.

## **2. Changes to Strategic Objective No. 5 since January 1992**

As the starred items above indicate all of the previous statements regarding Strategic Objective No. 5 of the USAID/Panama Action Plan of 1992 have been modified in this M&E plan. However, the changes are clarifications of previous language only and do not reflect alteration of the fundamental Mission objective: facilitate an unpoliticized and orderly transition of the canal waterway, zone and properties from the United States to a democratic government of Panama which has established non-partisan systems to effectively and efficiently manage these. The previous strategic objective statement referring to the adoption of an apolitical strategy for canal management has been modified to refer to GOP adoption of a non-partisan strategy for management of the canal and the reverted areas. This reflects a somewhat more realistic view of the process of transition, since the Legislative Assembly and the executive branch will both be involved in devising the future legal statutes

governing the canal and the reverted canal properties. The former indicator, referring to the presence or absence of a "strategy", has been replaced by two denoting the passage of specific legislation.

The former program outputs have both been expanded and clarified in the present M&E plan. The first output referred to the selection of an administrative structure for canal management; the second stipulated the existence of planned use of reverted lands and the canal watershed. These outputs are now operationalized as the presentation of two draft laws by the executive branch to the Legislative Assembly, one for each authority, which include language specifically requiring technical and managerial competence of the chief executive commensurate with the position, and staggered terms for the members of the boards of directors.

Previous indicators for both program outputs were lower level process indicators. Formerly, performance indicators, one for each output, referred to public debate of options for canal management and to the establishment of a central coordination mechanism to analyze options for the use of the reverted areas, on the other. Presently, two identical indicators for both program outputs monitor the presence or absence of CEO qualifications and staggered board member terms. A third indicator for the program output concerning the reverted areas authority requires that the enabling legislation specifically require the new authority to follow the stipulations of the master plan, still in the process of development by the Consejo Consultivo.

### **3. Specific Elements of the Plan**

#### **3.1 Key Management Questions**

The M&E plan for Strategic Objective No. 5 has been designed to answer the following key questions.

- Is the process of transition of authority over the canal and reverted areas proceeding on schedule?
- Does the legislation passed by the Legislative Assembly reflect a non-partisan, technically competent future administration of the canal and reverted areas?
- What features constitute the most obvious indicators of an apolitical transition from United States control to Panamanian sovereignty over the canal?

#### **3.2 Critical Assumptions**

The assumptions linking the program outputs to achievement of the strategic objective and related subgoal are given below.

- The Legislative Assembly is indeed capable of debating the two draft laws and fashioning them into legislation acceptable to a majority of deputies.
- Democracy is maintained in Panama, allowing the legislative process to function appropriately.
- The legislation passed contains statements requiring technical and managerial competence of the chief executives and staggered terms for the members of the boards of directors.
- Finally, while achievement of Strategic Objective No. 5 will only be measured by laws passed by the Legislative Assembly, it must be assumed that such legislation can be translated into institutions and operations responding appropriately to the UDAID subgoal of "successful implementation of the canal treaties."

### **3.3 Special Studies and Evaluations**

Outputs and indicators differ from those for most other strategic objectives. Strategic Objective No. 5 is, in fact, no ordinary Mission objective. It has specific yes/no indicators, reflecting the very clear outcomes desired. It is expected that this objective will disappear completely within the next two years, once acceptable legislation has been passed governing the future of the canal waterway and the reverted properties. Since it will be obvious whether or not appropriate legislation is in place, no special study or evaluation activity need be contemplated.

## **4. Special Concerns, Issues, and Recommended Next Steps**

### **4.1 Special Concerns and Issues**

USAID/Panama is bringing only limited resources to bear on a rather ambitious outcome, much of which is ostensibly beyond its control. What is important to remember is that the USAID has a much larger political and moral presence than its presently limited resources appear to warrant, and this presence may represent the only acceptable way for the United States to guide the transition to Panamanian sovereignty over the canal zone. The potential for tapping technical assistance and resources within the Economic Policy Development Project allows USAID to follow and potentially influence the preparation of draft legislation and the master plan in a subtle, but direct way, without which there would be considerably less politically acceptable leverage over the process.

Strategic Objective No. 5 is thus exceptional in a variety of ways, but nevertheless clearly a part of Mission strategic endeavors. One of the program outputs has already been accomplished in recent months, with the submission of the draft law governing the reverted

areas authority to the Legislative Assembly. While the legislation contains statements which satisfy all indicators, the master plan has still not been developed. This will certainly hinder passage of the legislation and may delay final achievement of the strategic objective.

#### **4.2 Next Steps**

1) With recent satisfaction of Program Output 2, USAID attention needs to focus on achieving progress on Output 1. Clearly, the canal management issue is far more politically charged than is the question of control over the reverted areas, which are primarily already developed properties, not natural areas. Draft legislation is proceeding slowly in the Consejo Consultivo and may need further assistance from USAID to keep the process on track. An update on progress should be undertaken as soon as possible.

2) The presentation of draft legislation to the Legislative Assembly is a necessary, but not sufficient, step to achieve the strategic objective, which requires actual passage of the two laws. Although Program Output 2 has been accomplished the law must still be enacted. The same is true for future draft legislation under Output 1.

Follow-up efforts by the USAID after achievement of the program outputs may be necessary to forestall interminable legislative debate. The exact manner of encouraging the passage of these laws will depend less on activities under any one project and more on the overall influence of the USAID as an agency for economic assistance.

3) The state of progress of the master plan for the reverted areas should be ascertained as soon as possible by the group monitoring Strategic Objective No. 5. It will not be possible to achieve the USAID subgoal of successfully implementing the canal treaties if a law is passed requiring the existence of the master plan but none is ever formulated.

**TABLE 1.1: DATA FOR MEASUREMENT, SO No. 5**

USAID/Panama STRATEGIC OBJECTIVE #5	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION		TARGETS						
					1992	1992	1993	1993	1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Actual	Planned	Planned	Planned
Adoption by the Government of Panama of a non-partisan strategy for the management of the canal and the reverted areas	1) Law passed by Legislative Assembly creating a canal management authority.	Law passage (Yes or No)	1990	No law	No	No	No	No	Yes		
	2) Law passed by Legislative Assembly creating the reverted areas authority (Autoridad de la Region Interocanica).	Law passage (Yes or No)	1990	No law	No	No	Yes				

**TABLE 1.2: DATA FOR MEASUREMENT, SO No. 5**

USAID/Panama PROGRAM OUTPUT #5.1	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION		TARGETS						
					1992	1992	1993	1993	1994	1995	1996
			YEAR	VALUE	Planned	Actual	Planned	Actual	Planned	Planned	Planned
Draft law presented to Legislative Assembly by executive branch, which proposes professional, non-partisan canal management authority.	1) Draft law requires that chief executive officer of canal authority possess managerial and technical competence commensurate with position.	Yes or No	1990	No	No	No	No	No	Yes		
	2) Draft law requires staggered canal board terms preventing any president from appointing a majority of members.	Yes or No	1990	No	No	No	No	No	Yes		

**TABLE 1.3: DATA FOR MEASUREMENT, SO No. 5**

USAID/Panama PROGRAM OUTPUT #5.2	INDICATOR	UNIT OF MEASUREMENT	BASELINE INFORMATION		TARGETS							
			YEAR	VALUE	1992	1992	1993	1993	1994	1995	1996	
					Planned	Actual	Planned	Actual	Planned	Planned	Planned	
Draft law presented to Legislative Assembly by executive branch, which proposes planned use of reverted areas to be administered by professional, non-partisan, management authority.	1) Draft law requires that chief executive officer of reverted areas authority (ARI) possess managerial and technical experience commensurate with position.	Yes or No	1990	No	Yes	Yes						
	2) Draft law requires staggered management board terms preventing any president from appointing a majority of members.	Yes or No	1990	No	Yes	Yes						
	3) Reverted areas management authority actions subject to approved master plan.	Yes or No	1990	No	Yes	Yes						

**TABLE 2.1: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 5**

USAID/Panama STRATEGIC OBJECTIVE #5	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	Responsible Offices & Projects	Intended Information User	How Information is Disseminated	Frequency of Dissemination
Adoption by the Government of Panama of a non-partisan strategy for management of the canal and the reverted areas.	1) Law passed by the Legislative Assembly creating the canal management authority.	Law passage (Yes or No)	Gaceta Oficial & local press	Consult the Gaceta Oficial and local press releases.	Semi-annually	Projects, Program, and Economic Planning Office (PPEP)  Economic Policy Development Project (525-0313)	USAID, AID/W  U.S. Embassy & U.S. Southern Command	Semi-annual reports (SAR) & Action Plan  Periodic reports	Semi-annually for USAID  Annually for AID/W  Periodically for others
	2) Law passed by the Legislative Assembly creating the reverted areas authority (Autoridad de la Region Interoceanica).	Law passage (Yes or No)	Gaceta Oficial & local press	Consult the Gaceta Oficial and local press releases.	Semi-annually	Projects, Program, and Economic Planning Office (PPEP)  Economic Policy Development Project (525-0313)	USAID, AID/W  U.S. Embassy & U.S. Southern Command	Semi-annual reports (SAR) & Action Plan  Periodic reports	Semi-annually for USAID  Annually for AID/W  Periodically for others.
<u>Special Studies:</u>									

**TABLE 2.2: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 5**

USAID/Panama PROGRAM OUTPUT #6.1	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICES & PROJECTS	INTENDED INFORMATION USER	METHOD OF INFORMATION DISSEMINATION	FREQUENCY OF DISSEMINATION
Draft law presented to the Legislative Assembly by the executive branch, which proposes professional, non-partisan canal management authority.	1) Draft law requires that chief executive officer of canal authority possess managerial and technical experience commensurate with position.	Yes or No	Consejo Consultivo (executive branch of GOP)	Consult directly with the Consejo Consultivo.	Monthly	Projects, Program, and Economic Planning Office (PPEP)  Economic Policy Development Project (626-0313)	USAID, AID/W  U.S. Embassy & U.S. Southern Command	Semi-annual reports (SAR) & Action Plan  Periodic reports	Semi-annually for USAID  Annually for AID/W  Periodically for others
	2) Draft law requires staggered canal board terms preventing any president from appointing a majority of members.	Yes or No	Consejo Consultivo (executive branch of GOP)	Consult directly with the Consejo Consultivo.	Monthly	Projects, Program, and Economic Planning Office (PPEP)  Economic Policy Development Project (626-0313)	USAID, AID/W  U.S. Embassy & U.S. Southern Command	Semi-annual reports (SAR) & Action Plan  Periodic reports	Semi-annually for USAID  Annually for AID/W  Periodically for others
<u>Special Studies:</u>									

**TABLE 2.3: DATA COLLECTION AND DISSEMINATION PLAN, SO No. 5**

USAID/Panama PROGRAM OUTPUT #5.2	INDICATOR	UNIT OF MEASUREMENT	DATA SOURCES	METHOD/ APPROACH	HOW OFTEN	RESPONSIBLE OFFICES & PROJECTS	INTENDED INFORMATION USER	METHOD OF DISSEMINATION	FREQUENCY OF DISSEMINATION
Draft law presented to Legislative Assembly by executive branch, which proposes planned use of reverted areas to be administered by professional, non-partisan management authority.	1) Draft law requires that chief executive officer of reverted areas authority (ARI) possess managerial and technical experience commensurate with position.	Yes or No	Consejo Consultivo (executive branch of GOP)	Consult directly with the Consejo Consultivo.	Once	Projects, Program, and Economic Planning Office (PPEP)  Economic Policy Development Project (625-0313)	USAID, AID/W  U.S. Embassy & U.S. Southern Command	Semi-annual reports (SAR) & Action Plan	Semi-annually for USAID  Action plan for AID/W  Once for others
	2) Draft law requires staggered management board terms preventing any president from appointing a majority of members.	Yes or No	Consejo Consultivo (executive branch of GOP)	Consult directly with the Consejo Consultivo.	Once	Projects, Program, and Economic Planning Office (PPEP)  Economic Policy Development Project (625-0313)	USAID, AID/W  U.S. Embassy & U.S. Southern Command	Semi-annual reports (SAR) & Action Plan	Semi-annually for USAID  Action plan for AID/W  Once for others
	3) Reverted areas management authority actions subject to previously approved master plan.	Yes or No	Consejo Consultivo (executive branch of GOP)	Consult directly with the Consejo Consultivo.	Once	Projects, Program, and Economic Planning Office (PPEP)  Economic Policy Development Project (625-0313)	USAID, AID/W  U.S. Embassy & U.S. Southern Command	Semi-annual reports (SAR) & Action Plan	Semi-annually for USAID  Action plan for AID/W  Once for others
<u>Special Studies:</u>									

### CHAPTER III

### CROSS - CUTTING ISSUES

To what extent and how will the USAID programs impact on women and on the poor? This topic and the importance given to it by the LAC Bureau were covered during the TDY workshop. Where possible and appropriate, the plans for measurement of the strategic objectives and program outputs were modified to obtain disaggregation of data by sex. Because of the lack of existing data bases and the complexities involved in defining and measuring the distribution of program impacts on people of different economic categories, this did not get included in the monitoring plan.

USAID should consider planning for special studies especially for Strategic Objectives Nos. 2, 3 and 4 to assess the impacts on women and the poor. As part of the planning process, USAID should articulate the intended impacts of its programs upon women and the poor and then review the supportive projects to assure that the project strategies and activities will actually lead to achieving the intended program impacts. The services of a consultant or AID/W specialist might be enlisted to assist USAID to accomplish this task.

### CHAPTER IV

### CONCLUSION

USAID/Panama has focused its program on a few key themes. In addition, program outputs have been clearly and obviously linked to their strategic objective. USAID has demonstrated care in selection of indicators, following the guidance that they should be relatively easy and cost/effective to collect and they are objectively verifiable. USAID has also progressed in the statement of baseline information and in setting of targets.

Often only one or two projects actually contribute to the program level results sought. This simplifies management and facilitates the ease of gathering and reporting on information for the M&E Plan. Moreover, this simplified structure should facilitate the use of program level monitoring information for management decisions.

The work done by USAID during the M&E plan technical assistance visit and the follow-up expected on the recommended next steps will place USAID/Panama in a very good position to report on program performance in its forthcoming Action Plan.

**ANNEX I    WORKSHOP AGENDA**

**Workshop Agenda**

**October 20**

- 8:30        Introduction: Objectives of TDY Tea,
- 8:40        Review of Program performance Monitoring
- 9:30        Measuring Impact on the Poor and Gender Considerations
- 10:00       Coffee Break
- 10:15       Key Management Questions
- 10:30       Group Work: Strategic Objective Groups regarding Key Management Questions

**October 21**

- 2:00        Key Elements of the M&E Plan
- 2:45        Discussion of TDY Process, Schedule and Expected Outcome
- 3:00        Meeting of Strategic Objective Groups

A special session was held later to demonstrate data base management software.

**ANNEX 2 STRATEGIC OBJECTIVE WORKING GROUPS**

**Strategic Objectives Nos. 1 and 2**

Roger Yochelson  
Harry Dorcus  
Steve Liapis  
Aura Ferrone  
Robert Murphy  
Robert Mathia

**Strategic Objective No. 3**

Nilka Varela  
Frederick Felipe  
Robert Mathia

**Strategic Objective No. 4**

David Gardella  
John Clary  
Jesus Saiz

**Strategic Objective No. 5**

Xavier Vela  
John Clary  
Nilka Varela