

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 1978

PANAMA

**DEPARTMENT
OF
STATE**

JUNE 1976



FY 1978 Annual Budget Submission

Panama

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CONTINUED DAP VALIDITY

The Mission DAP remains valid and has been substantially strengthened in the past year by the completion of sectoral assessments of agriculture and health.

The macro economic picture remains basically unchanged with updated figures presented in the Economic Trends Report (A-196 of December 29, 1975) along with an overview on the current economic and fiscal situation reported as PANAMA 2668 of April 15, 1976 and a report on Panama's Budget 1974-76 (A-75 of May 17, 1976).

Country/Program Panama

Summary Table I

Funding Levels for FY 1976, TQ, FY 1977, FY 1978
(\$000)

	<u>FY 1976</u>	<u>Transition Quarter</u>	<u>FY 1977</u>	<u>FY 1978</u>
Food/Nutrition				
Grants	354	395	270	550
Loans	4,000	7,000	12,500	10,000
Population/Health				
Grants	585	138	615	547
Loans	6,000		3,500	
(Population)				
(Grants)	(510)	(128)	(565)	(497)
(Loans)				
(Health)				
(Grants)	(75)	(10)	(50)	(50)
(Loans)	(6,000)		(3,500)	
Education				
Grants <u>1/</u>	664	124	391	343
Loans	11,000			
Section 106				
Grants	200	12	200	200
Loans				10,000
Totals				
Grants	1,803	669	1,476	1,640
Loans	21,000	7,000	16,000	20,000
HIGs			5,000	
PL 480 Title II				2,148

1/ Assumes transfer of funding of PVO OPG Project #177 to AID/W in T.Q.

AGENCY FOR INTERNATIONAL DEVELOPMENT					TRANSACTION CODE			2. ABS/CP			
ABS/CP SUMMARY					A A = ADD C = CHANGE D = DELETE			DOCUMENT CODE 6			
3. COUNTRY/ENTITY				4. DOCUMENT REVISION NO.	5. OPERATIONAL YEAR FY		6. BUREAU/OFFICE		7. GEOGRAPHIC CODE		
PANAMA				□	7/7		A. SYMBOL LA		B. CODE [3]		
8. TYPE DATA					9. TYPE ASSISTANCE						
1 1 = ABS 2 = ABS REVISION 3 = CP 4 = CP NOTIFICATION					1 1 = PROJECT 2 = PROGRAM						
10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLI.	13. EST. FY AUTH. OBLI. FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN/GRANT INDICATOR	17. BUDGETS (IN \$000)				
							AY	TQ	OY	BY	LOP
<u>Food & Nutrition</u>											
<u>Ongoing</u>											
0176	Municipal Development		76	FN	244	L	4,000				
0180	Applied Agric. Research	1	80	FN	211	GC		300		300 900	
0182	Agriculture Dev. Supp.	1/1	79	FN	299	GC			220	200 620	
0183	Integrated Rural Dev.	1	77	FN	200	L		7,000	12,500		
0000	Technical Support	1/1	82	FN	199	GC	323	95	50	50 925	
<u>New</u>											
0184	Land Rehabilitation	3	78	FN	239	L				10,000	
<u>Education & Human Resources</u>											
<u>Ongoing</u>											
0164	Training for Dev.	1/1	78	EH	601	GC	259	109	341	293 1,557	
0177	Nonformal Education -									being transferred to AID/W as LA Regional project in TQ	
0179	Education Sector		76	EH	600	L	11,000				
0000	Technical Support	1/1	82	EH	699	GC	16	15	50	50 356	
<u>Population Planning & Health</u>											
<u>Ongoing</u>											
0142	Population	3/3	78	PH	400	GC	510	128	565	497 5,222	
0181	Health Delivery Systems	1	77	PH	534	L	6,000		3,500		
0000	Technical Support	1/1	82	PH	599	GC	75	10	50	50 435	
<u>Section 106</u>											
<u>Ongoing</u>											
0101	Special Development										
0000	Activities	1/1	82	SD	700	GC	50	7	50	50 824	
0000	Technical Support	1/1	82	SD	799	GC	150	5	150	150 1,205	
<u>New</u>											
0185	Urban Development -	4	78	SD	73	L				10,000	
	Secondary Cities										
18. DATE DOCUMENT RECEIVED IN AID/W								MM	DD	YY	

NARRATIVE TO ONGOING GRANT BUDGET TABLES

Previously submitted FY 76 PAR submissions or revised PROPs describe implementation progress; no additional documentation is therefore included.

ONGOING GRANT PROJECTS

PROJECT NAME Applied Agricultural Research INITIAL OBLIGATION TQ DATE PROP/REVISION TQ
 PROJECT NUMBER 525-15-110-180 FINAL OBLIGATION FY 80 DATE LAST PAR N/A
 APPROPRIATION FN 900 TOTAL COST 900 DATE NEXT PAR FY 77

U.S. DOLLAR COST (IN THOUSANDS)									
	FY Obligations	FY Expenditures	Unliquidated as of:	FY 1977 and FY 1978			Total		
				6/30/76	Direct Aid	Contract		PASA	
Actual FY 1976			6/30/76	77	77	77	77	78	175
Estimated Interim Qtr.	300	10	9/30/76						
Estimated FY 1977		250	9/30/77						
Proposed FY 1978	300	225	9/30/78						
				Component	78	77	77	78	175
				U.S. Tech.					
				Local & Tcn. Participants					55
				Commodities					40
				Other Costs					30
				Total					300

Name of Contractor	Contract/PASA Funding Periods				FY 1978 Obligations from to mo/yr-mo/yr	FY 1977 Obligations from to mo/yr-mo/yr	On Board Personnel						
	FY 1976 Obligations from to mo/yr-mo/yr	Int. Qtr. Obligations from to mo/yr-mo/yr	FY 1977 Obligations from to mo/yr-mo/yr	FY 1978 Obligations from to mo/yr-mo/yr			6/30 1976	9/30 1976	9/30 1977	9/30 1978			
Period													
Amount													
Period													
Amount													

Direct Hire
 PASA
 Contract Participants

3
 7

3
 5

ONGOING GRANT PROJECTS

PROJECT NAME Agriculture Development Support INITIAL OBLIGATION FY 77 DATE PROP/REVISION N/A
 PROJECT NUMBER 525-15-190-182 FINAL OBLIGATION Continuing DATE LAST PAR N/A
 APPROPRIATION FN TOTAL COST Continuing DATE NEXT PAR N/A

U.S. DOLLAR COST (IN THOUSANDS)										
	FY		Unliquidated		FY 1977 and FY 1978					
	Obligations	Expenditures	as of:	6/30/76	Direct Aid	Contract	PASA	Contract	Total	
Actual FY 1976			6/30/76	77	78	77	77	78	77	78
Estimated Interim Qtr.			9/30/76					160	190	160
Estimated FY 1977	220	135	9/30/77							
Proposed FY 1978	200	210	9/30/78							
				Component						
				U.S. Tech.						
				Local & Tcn.						
				Participants						
				Commodities						
				Other Costs	60	10				60
				Total	60	10		160	190	220

Contract/PASA Funding Periods

Name of Contractor	FY 1976		Int. Qtr.		FY 1977		FY 1978		On Board Personnel			
	from to	mo/yr-mo/yr	from to	mo/yr-mo/yr	from to	mo/yr-mo/yr	from to	mo/yr-mo/yr	6/30 1976	9/30 1976	9/30 1977	
CLUSA (TO 13)				4/77-4/78		4/78-9/78						
Amount				\$65,000		\$33,000					2	3
Period	Long/short-term contract specialists in perennial crops, livestock production, agro-industry, cooperatives and project design/implementation activities related to cooperatives loan and proposed integrated rural development and land rehabilitation loans.											
Amount	Contractors to be determined.											

ONGOING GRANT PROJECTS

PROJECT NAME	Health and Population	INITIAL OBLIGATION	FY 67	DATE PROP/REVISION	FY 76
PROJECT NUMBER	525-15-580-142	FINAL OBLIGATION	FY 78	DATE LAST PAR	FY 75
APPROPRIATION	PH	TOTAL COST	5,444	DATE NEXT PAR	FY 77

U.S. DOLLAR COST (IN THOUSANDS)									
	FY a/ Obligations	FY a/ Expenditures	Unliquidated as of: a/ 6/30/76	FY 1977 and FY 1978 Obligations by Cost Component/MOI					Total
				Cost Component	Direct Aid	Contract	PASA	Total	
Actual FY 1976	510	596	353	77	78	77	78	77	78
Estimated Interim Qtr.	128	170	311	U.S. Tech.					
Estimated FY 1977	565	580	296	45	30	Local & Tcn.			
Proposed FY 1978	497	610	183	245	205	Commodities			
				275	262	Other Costs			
				565	497	Total			

Contract/PASA Funding Periods - N/A

Name of Contractor	FY 1976		FY 1977		FY 1978		On Board Personnel			
	from mo/yr-mo/yr	to mo/yr-mo/yr	from mo/yr-mo/yr	to mo/yr-mo/yr	from mo/yr-mo/yr	to mo/yr-mo/yr	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Period										
Amount								3	15	15
Period										
Amount										

a/ Centrally funded contraceptives included in totals starting with FY 76.

PANAMA

Table 3

ONGOING GRANT PROJECTS

Health and Population Sector -

Technical Support

PROJECT NAME

PROJECT NUMBER 525-15-599-000

APPROPRIATION PH

INITIAL OBLIGATION FY 75

FINAL OBLIGATION Continuing

TOTAL COST Continuing

DATE PROP/REVISION N/A

DATE LAST PAR N/A

DATE NEXT PAR N/A

U.S. DOLLAR COST (IN THOUSANDS)										
	FY		Unliquidated as of:	FY 1977 and FY 1978						
	Obligations	Expenditures		Obligations by Cost Component			MOI			
			6/30/76	Cost	Direct Aid	Contract	PASA	Total		
Actual FY 1976	75	85	65	Component	77	78	77	78	77	78
Estimated Interim Qtr.	10	35	9/30/76	U.S. Tech.		50	50		50	50
Estimated FY 1977	50	60	9/30/77	Local & Tcn. Participants						
Proposed FY 1978	50	60	9/30/78	Commodities						
				Other Costs						
				Total			50	50	50	50

Contract/PASA Funding Periods

Name of Contractor	FY 1976		Int. Qtr.		FY 1977		FY 1978		On Board Personnel - N/A			
	Obligations from to mo/yr-mo/yr	Obligations from to mo/yr-mo/yr	Obligations from to mo/yr-mo/yr	Obligations from to mo/yr-mo/yr	Obligations from to mo/yr-mo/yr	Obligations from to mo/yr-mo/yr	Obligations from to mo/yr-mo/yr		6/30 1976	9/30 1976	9/30 1977	9/30 1978
Period												
Amount	Short-term engineering, health management, applied nutrition and public health; contractors to be determined.		contract technicians in systems						1	1	1	1
Period												
Amount												

60

ONGOING GRANT PROJECTS

PROJECT NAME Training for Development INITIAL OBLIGATION FY 73 DATE PROP/REVISION FY 75
 PROJECT NUMBER 525-15-995-164 FINAL OBLIGATION FY 78 DATE LAST PAR FY 76
 APPROPRIATION EH TOTAL COST 1,632 DATE NEXT PAR FY 77

		U.S. DOLLAR COST (IN THOUSANDS)											
	FY Obligations	FY Expenditures	Unliquidated as of:		Obligations by Cost Component/MOI						Total		
			6/30/76	9/30/76	Cost Component	Direct Aid	Contract	PASA	Total				
Actual FY 1976	259	220		210	U.S. Tech.	77	78	77	78	77	78	77	78
Estimated Interim Qtr.	109	70		249	Local & Tcn.								
Estimated FY 1977	341	450		140	Participants		260					300	260
Proposed FY 1978	293	350		83	Commodities							41	33
					Other Costs		41						33
					Total		341		293			341	293

Name of Contractor	FY 1976		Int. Qtr.		FY 1977		FY 1978		On Board Personnel			
	from to	mo/yr-mo/yr	Obligations	from to	Obligations	from to	Obligations	from to	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Period												
Amount												
Period												
Amount												

Direct Hire
 PASA
 Contract Participants

36

26

25

PANAMA

Table 3

ONGOING GRANT PROJECTS

PROJECT NAME	Education Sector - Technical Support	INITIAL OBLIGATION	FY 75	DATE PROP/REVISION	N/A
PROJECT NUMBER	525-15-699-000	FINAL OBLIGATION	Continuing	DATE LAST PAR	N/A
APPROPRIATION	EH	TOTAL COST	Continuing	DATE NEXT PAR	N/A

U.S. DOLLAR COST (IN THOUSANDS)												
	FY Obligations	FY Expenditures	Unliquidated as of:		FY 1977 and FY 1978 Obligations by Cost Component/MOI							
			6/30/76	9/30/76	Cost Component	Direct Aid	Contract	PASA	Total			
Actual FY 1976	16	167	10	10	U.S. Tech.	77	78	77	78	77	78	
Estimated Interim Otr.	15	20	5	5	Local & Tcn. Participants	50	50			50	50	
Estimated FY 1977	50	50	5	5	Commodities							
Proposed FY 1978	50	50	5	5	Other Costs							
					Total			50	50		50	50

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Contract/PASA Funding Periods

Name of Contractor	FY 1976		Int. Qtr.		FY 1977		FY 1978		On Board Personnel			
	from to	to	from to	to	from to	to	from to	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Period	mo/yr-mo/yr	mo/yr	mo/yr-mo/yr	mo/yr	mo/yr-mo/yr	mo/yr	mo/yr-mo/yr	mo/yr-mo/yr				
Amount	Short-term contractors to be determined.											
Period												
Amount												
									Direct Hire PASA	1	1	1
									Contract Participants			

ONGOING GRANT PROJECTS

PROJECT NAME	Special Development Activities	INITIAL OBLIGATION	FY 64	DATE PROP/REVISION	N/A
PROJECT NUMBER	525-15-998-101	FINAL OBLIGATION	Continuing	DATE LAST PAR	N/A
APPROPRIATION	SD	TOTAL COST	Continuing	DATE NEXT PAR	N/A

U.S. DOLLAR COST (IN THOUSANDS)									
	FY		Unliquidated	FY 1977 and FY 1978					
	Obligations	Expenditures		as of:			Obligations by Cost Component/MOI		
			6/30/76	Cost	Direct	Aid	Contract	PASA	Total
Actual FY 1976	50	20	50	Component	77	78	77	78	77 78
Estimated Interim Qtr.	7	20	9/30/76	U.S. Tech.					
Estimated FY 1977	50	60	9/30/77	Local & Tcn. Participants					
Proposed FY 1978	50	55	9/30/78	Commodities					
				Other Costs	50	50			50 50
				Total	50	50			50 50

Name of Contractor	Contract/PASA Funding Periods - N/A			On Board Personnel - N/A		
	FY 1976	Int. Qtr.	FY 1977	FY 1978	6/30	9/30
Period	Obligations from to mo/yr-mo/yr	Obligations from to mo/yr-mo/yr	Obligations from to mo/yr-mo/yr	Obligations from to mo/yr-mo/yr	1976	1976
Amount					1977	1978
Period						
Amount						
					Direct Hire	
					PASA	
					Contract	
					Participants	

PANAMA

Table 3

ONGOING GRANT PROJECTS

Selected Development Problems -

PROJECT NAME	Technical Support	INITIAL OBLIGATION	FY 75	DATE PROP/REVISION	N/A
PROJECT NUMBER	525-15-999-000	FINAL OBLIGATION	Continuing	DATE LAST PAR	N/A
APPROPRIATION	SD	TOTAL COST	Continuing	DATE NEXT PAR	N/A

		U.S. DOLLAR COST (IN THOUSANDS)															
Actual FY 1976	Estimated Interim Qtr.	Estimated FY 1977	Proposed FY 1978	FY Expenditures		Unliquidated as of:		FY 1977 and FY 1978 Obligations by Cost Component/MOI									
				FY Obligations	6/30/76	9/30/76	9/30/77	9/30/78	Cost Component	Direct Aid	Contract	PASA	Total				
150	5	150	150	110	130	50	180	160	77	78	77	77	78	77	78	150	150
									U.S. Tech.								
									Local & Tcn.								
									Participants								
									Commodities								
									Other Costs								
									Total								

Contract/PASA Funding Periods

Name of Contractor	FY 1976		Int. Qtr.		FY 1977		FY 1978		On Board Personnel			
	from to	from to	from to	from to	from to	from to	from to	from to	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Period	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr				
Amount	Short-term consultants to prepare special studies and analyses in economic policy and planning, statistical and census services, etc., and project design/implementation activities related to proposed urban development loan.								1	1	2	2
Period												
Amount												

FY 78 NEW PROJECTS AND ALTERNATIVE FUNDING LEVELS

Not applicable as no new grant funded activities
are projected to commence during FY 78.

LONG RANGE LOAN PROGRAM PLAN*
(whole \$ millions)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Food/Nutrition	20			
Population/Health				
(Population)				
(Health)				
Education				
Section 106		20	20	20
Total	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
HIGs (non-add)	5	5	5	5

* The long range future of the A.I.D. program in Panama - indeed, the entire U.S. presence in Panama - hinges upon the treaty negotiations currently underway. The levels of A.I.D. indicated for FY-1979 through 1982 are purely illustrative and in no way indicate firm project planning or even policy-level discussion with the Government of Panama. To attempt further precision in the face of countless variables is not, in the judgement of the Country Team, a useful exercise.

COUNTRY: PANAMA

PERIOD COVERED: 10/76 - 9/78

DATE: May 28, 1976

Mission Evaluation Schedule for FY 1977 and FY 1978

(1) Project Title & Number/Subject	(2) Last Evaluation Submission Date	(3) No. of Last PAR	(4) Date of Submission FY 77 &/or FY 78 Evaluation	(5) Period Covered Next Evaluation	(6) Remarks
<u>Food and Nutrition</u>					
070 Agricultural Develop. (GC)	4/72	72-5	-	-	terminates 6/30/76
0180 Applied Agr. Research (GC)	-	-	2/78	2/77 - 2/78	terminates 6/1/78
T-041 Rural Cooperative Develop. (L)	-	-	9/77 8/78	9/76 - 9/77	
T-042 Grains and Perishables (L) Marketing Systems	-	-	2/77 2/78	2/76 - 2/77	
T-044 Municipal Development (L)	-	-	10/76 10/77	11/75 - 10/76	
-0183 Integrated Rural Devel. (L)	-	-	2/78	2/76 - 2/78	
-0184 Land Rehabilitation (L)	-	-	-	-	
<u>Education and Human Resources</u>					
164 Training for Develop. (GC)	4/76	76-2	4/77 4/78	4/76 - 4/77	terminates 6/30/76
172 Innovations in Education (GC)	6/76	-	-	-	terminates 6/30/76
L-031 Santa Maria University (L)	-	-	-	-	terminates 6/30/76
L-036 Education Sector I (L)	6/76	-	-	-	terminates 6/30/76
V-043 Education Sector II (L)	-	-	11/76 11/77	11/75 11/76	

(1) Project Title & Number/Subject	(2) Last Evaluation Submission Date	(3) No. of Last PAR	(4) Date of Submission FY 77 &/or FY 78 Evaluation	(5) Period Covered Next Evaluation	(6) Remarks
<u>Population Planning & Health</u>					
142 Health & Population (GC)	9/74	75-1	7/77 7/78	7/76 - 7/77	
L-040 Rural Community (L) Health and Nutrition	6/76	-	-	-	terminates 6/30/76
<u>Urban Development</u>					
L-038 Tourism (I)	3/76	-	3/77	3/76 - 3/77	terminates 6/30/77 (9/77 loan compl.rep.)
L-039 Low Cost Housing (L)	6/76	-	9/77	6/76 - 8/77	terminates 6/30/77 (9/77 loan compl.rep.)
<u>Other</u>					
118 American Institute of Free Labor Development (AIFLD)	3/76	76-1	3/77 3/77	3/76 - 3/77	
101 Special Development Activities (GC)	-	-	5/77 5/78	5/76 - 5/77	
PL 480 Title II	-	-	7/77 7/78	7/75 - 7/77	
0185 Urban Develop. Secondary Cities (L)	-	-	-	-	-

PL-480 TITLE II ASSISTANCE

Title II program requirements and levels through FY 1982 are those projected by CARE and CARITAS, based on ongoing programs and estimates of future program directions.

A. CARITAS

MCH and FFW programs are projected to continue at current recipient levels during the five-year period.

B. CARE

CARE's OCF program, primarily benefiting children in orphanages and hospitals, is projected to continue at present beneficiary levels through 1982.

The school feeding program is being phased over from almost exclusive dependency on imported PL-480 commodities to a program using locally-produced foodstuffs. A key element in the phase-over is the CARE school garden and kitchen program through which the Ministry of Education is developing the means to assume primary responsibility for operating a national school feeding program. This phase-over program has been accepted by the MOE and USAID, adequate funds have been programmed this year by the Panamanian Government, and we feel that if the level of Title II in our AER is forthcoming the program can be successfully carried out. Although recipients are projected through FY 1982, USAID will be reviewing with CARE and the MOE the rate at which the phase-over should take place.

Pre-school school feeding and MCH beneficiaries will rise moderately over the period in conjunction with Ministry of Health plans to extend its rural health outreach, with nutrition a key element, assisted by the proposed FY 1976 AID Rural Health Delivery Systems loan. Expectant and nursing mothers and their pre-school children receive PL-480 food supplements at health posts. As the number of health posts are increased under the loan, CARE proposes to program increased beneficiary coverage through the posts with the active participation of local officials and people. CARE is also developing a FFW proposal to assist the MOH in the construction of health posts, potable water systems and community-oriented health and nutrition projects. Title II commodities would be provided to workers in these activities to supplement foods produced in community gardens. This proposal is still in an early stage, and recipients are included in the projections for illustrative purposes. We will be defining over the coming months the linkages and relationships between the new AID loan, MOH plans and the initiative proposed by CARE.

In summary, the Title II program will continue to address priority human needs and development with an emphasis on providing support to MCH, FFW and the phase-over to 100% host-country support of the school feeding activity. A committee within the Mission was recently established to facilitate the integration and program impact of Title II with USAID activities in health and nutrition, education and integrated rural development. The committee will be responsible for developing benchmarks to measure program achievement.

PL-480 TITLE II FY 1978

I. Country PANAMASponsor's Name CARE/FY 1978A. Maternal and Child Health.....Total Recipients 32.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
32.0	CSM	522		245.3
32.0	SFRO	<u>348</u>		<u>88.2</u>
<u>Total MCH</u>		870		333.5

B. School Feeding.....Total Recipients 137.5

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
32.0	CSM	1497		703.6
32.0	SFRO	998		253.5
32.0	Salad Oil	<u>249</u>		<u>148.8</u>
<u>Total School Feeding</u>		2744		1105.9

C. Other Child Feeding.....Total Recipients 7.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
7.0	CSM	114		53.6
7.0	SFRO	76		19.3
7.0	Salad Oil	<u>19</u>		<u>11.3</u>
<u>Total Other Child Feeding</u>		209		84.2

D. Food for Work.....Total Recipients 5.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
5.0	CSM	91		42.8
5.0	SFRO	91		23.1
5.0	Salad Oil	23		13.7
5.0	SFBW	91		18.6
5.0	WSB	<u>91</u>		<u>24.3</u>
<u>Total FFW</u>		387		122.5

I. Country PANAMA

Sponsor's Name CARE/FY 1978

E. Pre-school Feeding.....Total Recipients 23.8

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
23.8	CSM	259		121.7
23.8	SFRO	172		43.9
23.8	Salad Oil	<u>43</u>		<u>25.6</u>
<u>Total Pre-school Feeding</u>		474		191.2

PL-480 TITLE II FY 1979

I. Country PANAMASponsor's Name CARE/FY 1979A. Maternal and Child Health.....Total Recipients 35.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
35.0	CSM	571		268.4
35.0	SFRO	<u>381</u>		<u>96.6</u>
<u>Total MCH</u>		952		365.0

B. School Feeding.....Total Recipients 117.5

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
117.5	CSM	1279		601.2
117.5	SFRO	853		216.3
117.5	Salad Oil	<u>213</u>		<u>126.8</u>
<u>Total School Feeding</u>		2345		944.3

C. Other Child Feeding.....Total Recipients 7.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
7.0	CSM	114		53.6
7.0	SFRO	76		19.3
7.0	Salad Oil	<u>19</u>		<u>11.3</u>
<u>Total Other Child Feeding</u>		209		84.2

D. Food for Work.....Total Recipients 5.5

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
5.5	CSM	100		47
5.5	SFRO	100		25.4
5.5	Salad Oil	25		14.9
5.5	SFBW	100		20.4
5.5	WSB	<u>100</u>		<u>26.6</u>
<u>Total FFW</u>		425		134.3

I. Country PANAMA

Sponsor's Name CARE/FY 1979

E. Pre-school Feeding.....Total Recipients 29.8

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
29.8	CSM	324		152.3
29.8	SFRO	216		54.8
29.8	Salad Oil	<u>54</u>		<u>32.1</u>
<u>Total Pre-school Feeding</u>		594		239.2

PL-480 TITLE II FY 1980

I. Country PANAMA

Sponsor's Name CARE/FY 1980

A. Maternal and Child Health.....Total Recipients 38.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands) <u>Dollars</u>
38.0	CSM	620	291.4
38.0	SFRO	<u>414</u>	<u>105.0</u>
<u>Total MCH</u>		1034	396.4

B. School Feeding.....Total Recipients 97.5

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands) <u>Dollars</u>
97.5	CSM	1061	498.7
97.5	SFRO	707	179.2
97.5	Salad Oil	<u>177</u>	<u>105.4</u>
<u>Total School Feeding</u>		1945	783.3

C. Other Child Feeding..... Total Recipients 7.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands) <u>Dollars</u>
7.0	CSM	114	53.6
7.0	SFRO	76	19.3
7.0	Salad Oil	<u>19</u>	<u>11.3</u>
<u>Total Other Child Feeding</u>		209	84.2

D. Food for Work.....Total Recipients 6.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands) <u>Dollars</u>
6.0	CSM	109	51.2
6.0	SFRO	109	27.6
6.0	Salad Oil	27	16.1
6.0	SFBW	109	22.2
6.0	WSB	<u>109</u>	<u>29.1</u>
<u>Total FFW</u>		463	146.2

- 2 -

I. Country PANAMASponsor's Name CARE/FY 1980E. Pre-school Feeding.....Total Recipients 35.8

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
35.8	CSM	389		182.8
35.8	SFRO	259		65.7
35.8	Salad Oil	<u>65</u>		<u>38.7</u>
<u>Total Pre-school Feeding</u>		713		287.2

PL-480 TITLE II FY 1981

I. Country PANAMASponsor's Name CARE/FY 1981A. Maternal and Child Health.....Total Recipients 42.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
42.0	CSM	685		322.0
42.0	SFRO	<u>457</u>		<u>115.9</u>
<u>Total MCH</u>		1142		448.1

B. School Feeding.....Total Recipients 77.5

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
77.5	CSM	844		396.7
77.5	SFRO	562		142.5
77.5	Salad Oil	<u>141</u>		<u>83.9</u>
<u>Total School Feeding</u>		1547		623.1

C. Other Child Feeding.....Total Recipients 7.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
7.0	CSM	114		53.6
7.0	SFRO	76		19.3
7.0	Salad Oil	<u>19</u>		<u>11.3</u>
<u>Total Other Child Feeding</u>		209		84.2

D. Food for Work.....Total Recipients 6.6

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
6.6	CSM	120		56.4
6.6	SFRO	120		30.4
6.6	Salad Oil	30		17.9
6.6	SFBW	120		24.5
6.6	WSB	<u>120</u>		<u>32.0</u>
<u>Total FFW</u>		510		161.2

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I. Country PANAMASponsor's Name CARE/FY 1981E. Pre-school Feeding.....Total Recipients 41.8

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
41.8	CSM	454		213.4
41.8	SFRO	303		76.9
41.8	Salad Oil	<u>76</u>		<u>45.2</u>
<u>Total Pre-school Feeding</u>		833		335.5

PL-480 TITLE II FY 1982

I. Country PANAMASponsor's Name CARE/FY 1982A. Maternal and Child Health.....Total Recipients 46.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
46.0	CSM	751		
46.0	SFRO	<u>501</u>		
<u>Total MCH</u>		1252		

B. School Feeding.....Total Recipients 57.5

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
57.5	CSM	626		
57.5	SFRO	417		
57.5	Salad Oil	<u>104</u>		
<u>Total School Feeding</u>		1147		

C. Other Child Feeding.....Total Recipients 7.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
7.0	CSM	114		
7.0	SFRO	76		
7.0	Salad Oil	<u>19</u>		
<u>Total Other Child Feeding</u>		209		

D. Food for Work.....Total Recipients 7.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
7.0	CSM	127		60.0
7.0	SFRO	127		32.2
7.0	Salad Oil	32		19.1
7.0	SFBW	127		25.9
7.0	WSB	<u>127</u>		<u>33.9</u>
<u>Total FFW</u>		540		171.1

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I. Country PANAMASponsor's Name CARE/FY 1982

E. Pre-school Feeding.....Total Recipients_____

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
	CSM	520		244.4
	SFRO	346		87.7
	Salad Oil	<u>87</u>		<u>51.8</u>
<u>Total Pre-school Feeding</u>		953		383.9

PL-480 TITLE II FY 1978 - 1982

II. Country PANAMASponsor's Name CRS/CARITAS FY 1978 - 1982A. Maternal and Child Health.....Total Recipients 6,200

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
6,200	SF Cornmeal	33.6		6.7
6,200	SFRO	101.4		25.7
6,200	SF Bulgar	33.6		6.9
6,200	ICSM	67.7		23.8
6,200	Salad Oil	<u>33.6</u>		<u>20.0</u>
<u>Total MCH</u>		269.9		83.1

B. Food for Work.....Total Recipients 10,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	(Thousands)	<u>Dollars</u>
10,000	SF Cornmeal	16.4		32.5
10,000	SFRO	16.4		41.5
10,000	SF Bulgar	218.2		44.5
10,000	CSM	163.6		76.9
10,000	Salad Oil	<u>54.6</u>		<u>32.5</u>
<u>Total FFW</u>		469.2		227.9

HOUSING INVESTMENT GUARANTEEPID - Nuevo Chorrillo Housing Guarantee

On basis recently completed AID/W review (STATE 106849 of May 2, 1976) of PID proposing an FY 77 HIG to Nuevo Chorrillo Housing Cooperative AID/W authorized preparation of PRP. HIG activity in Panama is backstopped regionally through USAID/Honduras, and PRP is being completed by regional technician currently in Panama.

PANAMA

Table 1

Program Analysis for Orals and Condoms to Achieve Replacement Level of Population Growth
(IN THOUSANDS)

	1975	1976	1977	1978	1979	1980
A. "Full Supply" Analysis						
1. Women (15 - 49) -	334	342	350	355	360	377
2. 65% of line A1 (Contracepting women required to achieve replacement level)	217	224	228	233	239	245
3. 50% of line A1 (Contracepting women utilizing orals and condoms)	157	171	175	180	184	189
4. Annual stock requirements for "full supply"						
a. Orals- $\frac{1}{2}$ of line A3 x 13 monthly cycles	1,085	1,111	1,137	1,170	1,196	1,228
b. Condoms- $\frac{1}{2}$ of line A3 x 100 units	8,350	8,550	8,750	8,900	9,200	9,450
B. Annual New Supply From Non-AID Bilateral Sources						
1. Private Commercial Sector	NA	NA	NA	NA	NA	NA
a. Orals						
b. Condoms						
2. Other Donors (IPPT)						
a. Orals	316	NA	NA	NA	NA	NA
b. Condoms	NA	NA	NA	NA	NA	NA
3. Host Country Government Procurement						
a. Orals	NA	NA	NA	NA	NA	NA
b. Condoms	NA	NA	NA	NA	NA	NA
4. Total In-Country Stock						
a. Orals	NA	NA	NA	NA	NA	NA
b. Condoms	NA	NA	NA	NA	NA	NA
C. Gap to be filled to Achieve "Full Supply"						
1. Orals (line A4a less line B4a)						
2. Condoms (line A4b less line B4b)						
D. AID Bilateral Supply Objectives						
1. Orals	480	600	600	600	681	797
2. Condoms	1,600	2,157	3,410	4,150	4,990	6,190
E. Total New Supply						
1. Orals (line B4a plus line D1)						
2. Condoms (line B4b plus line D2)						
F. Remaining Supply Gap						
1. Orals (line A4a less line E1)	NA	NA	NA	NA	NA	NA
2. Condoms (line A4b less line E2)	NA	NA	NA	NA	NA	NA
G. People Gap						
1. Orals (line F1 divided by 13)						
2. Condoms (line F2 divided by 100)						
3. Total (line G1 plus line G2)						

PANAMA

AID BILATERAL LOGISTIC AND FINANCIAL ANALYSIS
OF CONDOMS

A. AID INVENTORY ANALYSIS	CALENDAR YEAR				
	1976	1977	1978	1979	1980
1. Beginning of year stock	663,000	300,000	350,000	300,000	250,000
2. Add: Scheduled deliveries	2,157,000	3,410,000	4,150,000	4,990,000	6,190,500
3. Less: Expected Use	2,520,000	3,360,000	4,200,000	5,040,000	6,188,000
4. End of year stock	300,000	350,000	300,000	250,000	200,000

ASSUMPTIONS:

- (1) Ministry of Health will distribute condoms to 6% of target group (males 15-64) in CY 76; 8% in CY 77; 10% in CY 78; 12% in CY 79, and 14% in CY 80.
- (2) Usage rate of 100 condoms/user/year.
- (3) Population of target group constant at 1975 level, (or 420,000).
- (4) Zero discontinuation.

AID BILATERAL LOGISTIC AND FINANCIAL ANALYSIS
of ORALS

A. AID INVENTORY ANALYSIS	CALENDAR YEAR				
	1976	1977	1978	1979	1980
1. Beginning of year stock	305,000	305,000	305,000	245,000	200,000
2. Add: Scheduled deliveries	600,000	600,000	600,000	681,000	797,300
3. Less: Expected Use	545,000	600,000	660,000	726,000	797,300
4. End of Year Stock	305,000	305,000	245,000	200,000	200,000

NUMBER OF CUMULATIVE ACCEPTORS IN MOH PROGRAM DECEMBER 1975 : 42,000
SUBSEQUENT YEARS' USAGE CALCULATIONS BASED ON FOLLOWING ASSUMPTIONS:

- 1) Average annual acceptors increase of 6.5% of the female target population;
- 2) 60% of new acceptors will use orals;
- 3) Discontinuation rate is 35%.

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IDENTIFICATION DOCUMENT FACESHEET TO BE COMPLETED BY ORIGINATING OFFICE				1. TRANSACTION CODE <input type="checkbox"/> A A = ADD <input type="checkbox"/> C C = CHANGE <input type="checkbox"/> D D = DELETE		PID 2. DOCUMENT CODE 1					
3. COUNTRY/ENTRYP PANAMA			4. DOCUMENT REVISION NUMBER <input type="checkbox"/>								
5. PROJECT NUMBER (7 DIGITS) 525-0184		6. BUREAU/OFFICE A. SYMBOL: LA B. CODE: 05		7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) [Reforestation and Resource Protection]							
8. PROPOSED NEXT DOCUMENT A. <input type="checkbox"/> 2 = PRP 3 = PP B. DATE: 10/7/6				10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 =)							
9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY: 7/8 b. FINAL FY: 7/8				FUNDING SOURCE: 1A55EF		A. AID APPROPRIATED: 10,000					
				B. OTHER U.S.: 1. 2.		C. HOST COUNTRY: 10,000					
				D. OTHER DONOR(S)		TOTAL: 20,000					
				TOTAL		20,000					
				TOTAL		20,000					
11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)											
A. APPROPRIATION		B. PRIMARY PURPOSE CODE		PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT			
						C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1)	FN	233	067				10,000		10,000		
(2)											
(3)											
(4)											
								TOTAL			
12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)											
055		091		093		096		160		051	
13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)								14. SECONDARY PURPOSE CODE			
BR		ENV		TNG						253	
15. PROJECT GOAL (MAXIMUM 240 CHARACTERS) [To rehabilitate degraded land for forest production and other non-agricultural uses and protect water and downstream land resources and provide presently marginal rural population with new, environmentally sound, employment and income earning opportunities.]											
16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS) [A. Create viable forest and resource conservation service capable of designing, initiating and perpetuating environmentally, technically, economically and socially sound land and water resource management and reforestation programs throughout the country. B. Reforest approximately five percent of presently degraded hill and mountain areas, initiate other watershed management practices in up to 15 areas, and create a national park for the low-income population of the metropolitan area.]											
17. PLANNING RESOURCE REQUIREMENTS (staff/funds) Approximately 11 man/weeks of consultants and TDY for PRP (est. cost \$10,000), and 20 man/months of consultants for PP (est. cost \$100,000).											
18. ORIGINATING OFFICE CLEARANCE								19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION			
Signature: <i>William G. Skaper</i> Title: Director, USAID/Panama								Date Signed: 10/5/20/76			
								Date Received: 10/5/21/76			

PROJECT IDENTIFICATION DOCUMENT
PANAMA FY 78 - LOAN PROJECT
REFORESTATION AND RESOURCE PROTECTION

1. Summary of the Problem to be Addressed and the Proposed Response to the Problem

a. The Problem

As explained in greater detail in the Agricultural Sector Assessment submitted March 1, 1976, the entire Pacific watershed of central and western Panama has a history of slash-and-burn agriculture going back to the 19th century but which became particularly acute during the present century as population pressure increased. Virtually all forest cover has been removed from this part of the country, thus exposing a wide band of land, approximately 12,000 square kilometers or 16% of the total land area, to serious soil degradation. In some parts erosion has become irreversible, while in others it is threatening to become so. Approximately one half million hectares of land officially classified as farm land - equivalent to 23% of the land in farms - are affected.^{1/}

Partly for lack of other economic opportunities and partly for cultural reasons (especially among the numerous Guaymi Indians in the western part of the central cordillera) thousands of campesino families are still trying to eke out a living on these lands through primitive cattle raising and subsistence agriculture. But as these degraded lands are alternately washed by the torrential tropical monsoon rains and parched by the five months-long dry season, increasing numbers are abandoning these absolutely marginal areas which, at best, spontaneously revert to some kind of tropical jungle of no economic use to the country. In the worst areas, severe erosion and the repeated burning over preclude natural recovery of vegetation except perhaps over hundreds of years.

Increasing urbanization, integrated development of the more productive agricultural lowlands including land tenure reform, and the creation of a new frontier in the Darien as the Pan-American Highway penetrates, provide new opportunities for a certain proportion of the inhabitants of the eroded cordillera. The spontaneous migration from these areas, nevertheless, also exacerbates the problem of marginal urban population. However, for socio-cultural

^{1/} Forest destruction is still going on in other areas at an estimated annual rate of 15,000 hectares.

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reasons, and since Panama is not a totalitarian society which can forcibly remove entire populations from one area of the country to another, opportunities must be found to employ the remaining population productively in situ.

Removal of the forest cover from these vast areas of the Pacific watershed is also seriously endangering the water resources of the most densely populated area of Panama, i.e., the Pacific coast from Chiriquí to Panama City. The courses of the rivers and streams are extremely short and their initial gradients are quite steep. The lack of forest cover of course seriously reduces the water retention capability of the soil in the upper watersheds and leads to silting of the streambeds lower down. This situation threatens future urban water supplies as well as the country's potential for the generation of hydro-electric power and for irrigation.

As in other tropical countries, the existing natural forests are extremely heterogeneous. Moreover, most of the commercially valuable species in the more accessible areas of standing natural forests on the Atlantic coast and in the Darien have already been exploited. Thus, while 50% of the country's total land area is covered by forest and 28% is considered of some commercial value, forestry contributes only one percent to the Panamanian gross national product. Exports of forest products in 1973 amounted to only \$300,000, while imports of wood, wood products, paper and pulp were valued at \$20 million.

Probably because, until recently, the frontier seemed virtually inexhaustible, and also because previous governments had shown little concern for the development of the rural areas, not to speak of resource conservation, there had been scant public awareness of the increasing problem represented by the soil degradation on the Pacific watershed and the economic potential of these lands in terms of rational forest utilization. There is little or no legislation designed to avoid indiscriminate resource destruction or to promote their rehabilitation. What laws there are cannot be expected to be applied for lack of enforcement mechanisms. There are only six graduate foresters in the entire country of whom only two work in the public sector^{1/} and there are only seven formally trained middle-level forest technicians. The Faculty of Agronomy of the University of Panama does not even have a Department of Forestry. The first school for

^{1/} One of them is the Director General of the Ministry of Agriculture's Department of Natural Resources (RENARE - see below); the other is Director of Regional Planning in the Ministry of Planning and Economic Policy.

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middle-level technicians is just being created with hardly any resources.

b. The Project

The conservation of soil and water resources over a large portion of the central cordillera, combined with reforestation of suitable areas with economically useful tree species for lumber and pulp production, will make a major contribution to the long run strategy as outlined in the ten-year Perspective Agricultural Plan (see Sector Assessment). The reforestation program will take marginal land out of farming and ranching and rehabilitate these lands for resource protection and will provide a base for the production of a new, environmentally sound, income stream for the currently marginal population that will remain in the areas concerned. Their levels of living will be raised, in the short run, through their participation in the conservation and reforestation activities, in the medium run through introduction of improved technology in subsistence, and subsequently market oriented, farming on existing pockets of arable land, and in the longer run through their participation in the income stream from the production of the new forests. The long-term objectives to which the project will also contribute include protection of water and downstream land resources, lessening the nation's dependence on imports of lumber, pulp and paper and perhaps moving into an export position and promoting industrialization, with an eye to the growing world shortage of timber.

The principal project purpose is expected to be the creation of a solid and capable forest and soil conservation service staffed by adequately trained technicians and which will have, by the end of the project, designed and initiated the implementation of ecologically, technically, economically and socially sound watershed management and reforestation sub-projects in approximately 15 watersheds of the central cordillera, including creation of one multiple land-use national park to serve the low-income population of the metropolitan area. The project will be designed to provide both the infrastructure and impetus for a massive continuation of the effort, including the capability for protecting and managing other degradation-prone areas, especially the remaining virgin forests.

Preliminary estimates of project inputs include approximately 15 man-years of technical assistance and 50 man-years of external and in-country training. They will also include earth-moving equipment, vehicles, measuring and surveying equipment and

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seeds, as well as such contributions to operating costs as cannot be met by the host country budget. In the case of the national park, all investments will be included.

In view of the grossly inadequate institutional framework and availability of trained manpower, it is estimated that the disbursement period of the project will be five years. This will provide an opportunity for devoting the first year of implementation of the project largely to training of host country personnel and to technical assistance for in-country training and for surveys and planning of sub-project areas.

Estimated annual labor requirements are for approximately 180,000 man/days during the five-month dry season, equivalent to about 1,500 workers. As regards ultimate beneficiaries, it is expected that 15 hectares of forest land in full production will provide a target family income of at least \$1500 per year. Hence, total ultimate direct beneficiaries will be about 5000. Immediate social and economic benefits to the population in the areas concerned would consist of salaries that would substantially exceed the going wage in these remote and unproductive areas when there is salaried work available, even if they were not paid at the full minimum rural wage of presently \$3 per day.

The five-year project itself will of course not be expected to be self-financing. However, over the life of the full reforestation program, it is expected that in the case of pine plantations, some returns will accrue beginning in year 6 and full returns at year 20. A pre-feasibility study for one 12,000-hectare sub-project, which assumes full harvest beginning with year 16 and which is based on 60% plantation of coniferous species yielding income beginning with years 10 to 15, and 40% broad-leaf woods with slower maturity, is projected to yield a positive rate of return of 14%, with cash flow discounted at 10% and where cost included an assumed 10% interest rate on borrowing. These projections do not include technical assistance and training costs, on the one hand; on the other hand they do not include estimates of economic and social benefits derived from resource conservation and recreational land use.

c. Major Assumptions

Major assumptions for project success are of course in the first place a growing and explicit top-level government commitment to the resource protection-reforestation program as an

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integral component of its long-term development strategy. Moreover, the project may require the enactment and implementation of new legislation.

A new awareness of the growing need for resource conservation, protection and rehabilitation is becoming evident in Panama. For example, the entire watershed of the recently completed Bayano hydroelectric reservoir has been declared a protected area. All private farm land was expropriated and no private farming or ranching activity will be allowed in the watershed. A master plan already exists for regional development, including conservation measures, for the Panama Canal and Lake Madden watersheds (the latter, partially comprised within the Canal Zone, is the source for the water supply for the city of Panama). A forest reserve is being gradually created in a partially degraded area around the small lake of La Yeguada in the central cordillera, and a number of small scale reforestation projects are under way, some of them combined with improvements in subsistence farming on pockets of level land. All these activities (in addition to a number of others such as irrigation, inland fisheries and soil conservation) are the responsibility of RENARE, the Department of Renewable Natural Resources of the Ministry of Agricultural Development. With its small technical staff and very limited resources ^{1/} it had reforested over 2,200 hectares in five different locations by the end of 1974 and had produced nearly 600,000 tree seedlings from four nurseries in 1975. Additional massive reforestation with Caribbean pine on 700 hectares was programmed for the second half of 1975.

The most important donor activity in this field is represented by the comprehensive forest inventory completed by FAO in 1973 (FO:SF/PAN 6) which, together with the rural cadaster completed in 1970 with AID financing, provides a sound information base for both forest utilization and reforestation activities. In addition to technical matters, the FAO report includes a volume on policy, legislation and forest administration. Additional technical assistance was provided by FAO for six weeks in 1974-75 in the now completed plans for management and

^{1/} 1976 budget: \$405,000 for investments and \$450,000 for operating expenses.

- 6 -

development of the Altos de Campana national park and the La Yeguada forest reserve (both based on multiple land use criteria). FAO, partly in conjunction with SIDA and the Government of Finland, has also provided 14 weeks of external training in forest development planning and forest inventory, and recently sponsored the participation of two technicians in a four-week workshop in Guatemala on management of wilderness areas. Three months of training in Canada, US and Mexico in administration of national parks was provided jointly by AID and the Rockefeller Brothers Fund. The Inter-American Institute of Agricultural Sciences (IICA) sponsored a one-week course on management of watersheds in Panama.

A specialist in watershed management is expected to be assigned permanently to the IICA Mission in Panama beginning on July 1, 1976.

The UNDP's new five-year program includes a possible project beginning in 1978 in wood products utilization, which will probably concentrate mostly on pre-feasibility studies.

The AID Mission provided in 1975 a total of 6 weeks of intensive technical assistance in small scale soil conservation practices by Mr. John Phelan, former head of the Engineering Division of the U.S. Soil Conservation Service, which is being followed up with several months of external training and observation for two participants.

Three of the integrated rural development impact area projects proposed for loan financing in the TQ and FY 77 - in the Azuero peninsula - will have important reforestation, watershed management and resource protection components. The experience being gained by Panamanian technicians in the design and initial implementation of these projects, and the technical assistance and training to be provided under these loans, are expected to enhance institutional and technical capability in these fields so as to guarantee a greater degree of viability to the proposed FY 78 project, at the same time as they will bring into sharper focus the specific technical and institutional constraints to be addressed by the latter.

d. Financial Requirements

The project will comprise the reforestation of approximately 75,000 hectares in the 15 different sub-project areas, as the first installment in a massive reforestation effort. At

- 7 -

an average projected cost of investments and operating expenditures of approximately \$250 per hectare, total direct project cost is estimated to amount to \$20 million, of which \$10 million would be provided by the Government of Panama and \$10 million in the form of an AID loan. The project will include approximately 15 man-years of technical assistance for a total estimated cost of \$900,000 and approximately 50 man-years of medium and short-term external training for a total estimated cost of approximately \$400,000.

Approximately 36% of the cost of each sub-project (except the national park sub-project) would be represented by personal services, buildings and land acquisition, all of which would be funded from GOP counterpart.

The total cost of the Altos de Campana national park is estimated to be about \$650,000.

e. Resources required for PRP and PP preparation.

For PRP (Due October 1976):

<u>Specialty</u>	<u>Timing</u>	<u>Weeks</u>	<u>Estimated Cost</u>
Tropical Forester and Watershed Management	8/1 - 9/30	4	\$ 5,000
Forest Economist	8/1 - 9/30	4	5,000
TOY Loan Officer	9/21 - 10/15	<u>3</u>	<u>-</u>
Total:		11	\$10,000

For PP (Due FY 78):

Various specialists such as Tropical Forester, Watershed and Multiple Land Use Specialist, Soil Conservationist, Forest Economist, for a total of 20 man/months and \$100,000.

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IDENTIFICATION DOCUMENT FACESHEET TO BE COMPLETED BY ORIGINATING OFFICE				1. TRANSACTION CODE <input type="checkbox"/> A A = ADD C = CHANGE D = DELETE		PID 2. DOCUMENT CODE 1																						
3. COUNTRY/ENTITY PANAMA				4. DOCUMENT REVISION NUMBER																								
5. PROJECT NUMBER (7 digits) <input type="checkbox"/> 525-0185 <input type="checkbox"/>		6. BUREAU/OFFICE A. SYMBOL LA B. CODE 05		7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) <input type="checkbox"/> Urban Development - Secondary Cities <input type="checkbox"/>																								
8. PROPOSED NEXT DOCUMENT A. <input type="checkbox"/> 2 = PRP <input type="checkbox"/> 3 = PP B. DATE <input type="checkbox"/> 10 <input type="checkbox"/> 7 <input type="checkbox"/> 16				10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 =)																								
9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY <input type="checkbox"/> 7 <input type="checkbox"/> 8 b. FINAL FY <input type="checkbox"/> 7 <input type="checkbox"/> 8				<table border="1"> <thead> <tr> <th colspan="2">FUNDING SOURCE</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>A. AID APPROPRIATED</td> <td></td> <td>10,000</td> </tr> <tr> <td>B. OTHER U.S.</td> <td>1.</td> <td></td> </tr> <tr> <td></td> <td>2.</td> <td></td> </tr> <tr> <td>C. HOST COUNTRY</td> <td></td> <td>10,000</td> </tr> <tr> <td>D. OTHER DONOR(S)</td> <td></td> <td></td> </tr> <tr> <td colspan="2">TOTAL</td> <td>20,000</td> </tr> </tbody> </table>				FUNDING SOURCE		AMOUNT	A. AID APPROPRIATED		10,000	B. OTHER U.S.	1.			2.		C. HOST COUNTRY		10,000	D. OTHER DONOR(S)			TOTAL		20,000
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(2)																												
(3)																												
(4)																												
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13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)						14. SECONDARY PURPOSE CODE																						
BU	EQTY					723																						
15. PROJECT GOAL (MAXIMUM 240 CHARACTERS) <input type="checkbox"/> To establish a network of secondary cities, outside of Panama's metropolitan area, which will serve as the economic and social nucleus for rational regional development. <input type="checkbox"/>																												
16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS) <input type="checkbox"/> To improve the capacity of the cities of David and Chitré-Los Santos, together with the service center towns of Concepción and Las Tablas, to adequately service the needs of their hinterland and serve as bases of future growth. <input type="checkbox"/>																												
17. PLANNING RESOURCE REQUIREMENTS (staff/funds) \$50,000 for short-term TDY assistance in urban planning and other specialized TDY consultants to be determined.																												
18. ORIGINATING OFFICE CLEARANCE				19. DATE DOCUMENT RECEIVED (AID/W, or for AID/W DOCUMENTS, DATE OF DISTRIBUTION)																								
Signature <i>Spring G. Jaques</i>				Date Signed																								
Title Director, USAID/Panama				MM DD YY																								
				05 20 76																								
				05 27 76																								

PROJECT IDENTIFICATION DOCUMENT
URBAN DEVELOPMENT - SECONDARY CITIES

Summary of the Problem to be Addressed and Initial GOP Response

The structural development of Panama is a classical illustration of a dualistic economy: a modern sector concentrated in the metropolitan area, particularly in the cities of Panama and Colon, at both extremes of the interoceanic canal, and a more traditional sector in the rest of the country.

A diagnosis of the development experiences of the country, from a regional point of view, has established four basic characteristics:

1. The metropolitan region has had a disproportionate growth with respect to the rest of the country mainly as a direct consequence of its geographic location and the location of the canal.
2. Substantial resources from the traditional sector are absorbed by the metropolitan area without a corresponding level of benefits, due to the great attraction which the latter exerts as a result of its special characteristics.
3. Parallel to the above, enough evidence exists to show that development in the traditional sector induced by the modern sector in the metropolitan area has generally been inefficient and insufficient in comparison with its own development.
4. There are substantial natural resources in the traditional sector which have not been developed to any great extent.

In addition, the economic base of that part of the country outside of the Metropolitan Area is predominantly tied to agricultural activities. Yet, there are important segments of this area which are in subsistence agriculture and are not effectively incorporated into the market economy. This suggests, therefore, that possible solutions should emphasize the need to define and develop a market and service role for selected rural centers which would stimulate the incorporation of large segments of the traditional sector into the market economy and at the same time strengthen the linkages between these and the more developed urban centers.

Based on the above, the GOP has developed a strategy for regional development with the twin objectives of stimulating the growth and overall development of the traditional sector while at the same time minimizing the gap created by the disproportionate development in the metropolitan area through a more rational use of the resources generated in this area for the benefit of the whole country.

To accomplish these objectives the GOP has regionalized the country for planning purposes, adopted overall guiding principles, outlined global policies for each region and identified specific regional programs which it is now in the process of developing. These are summarized as follows:

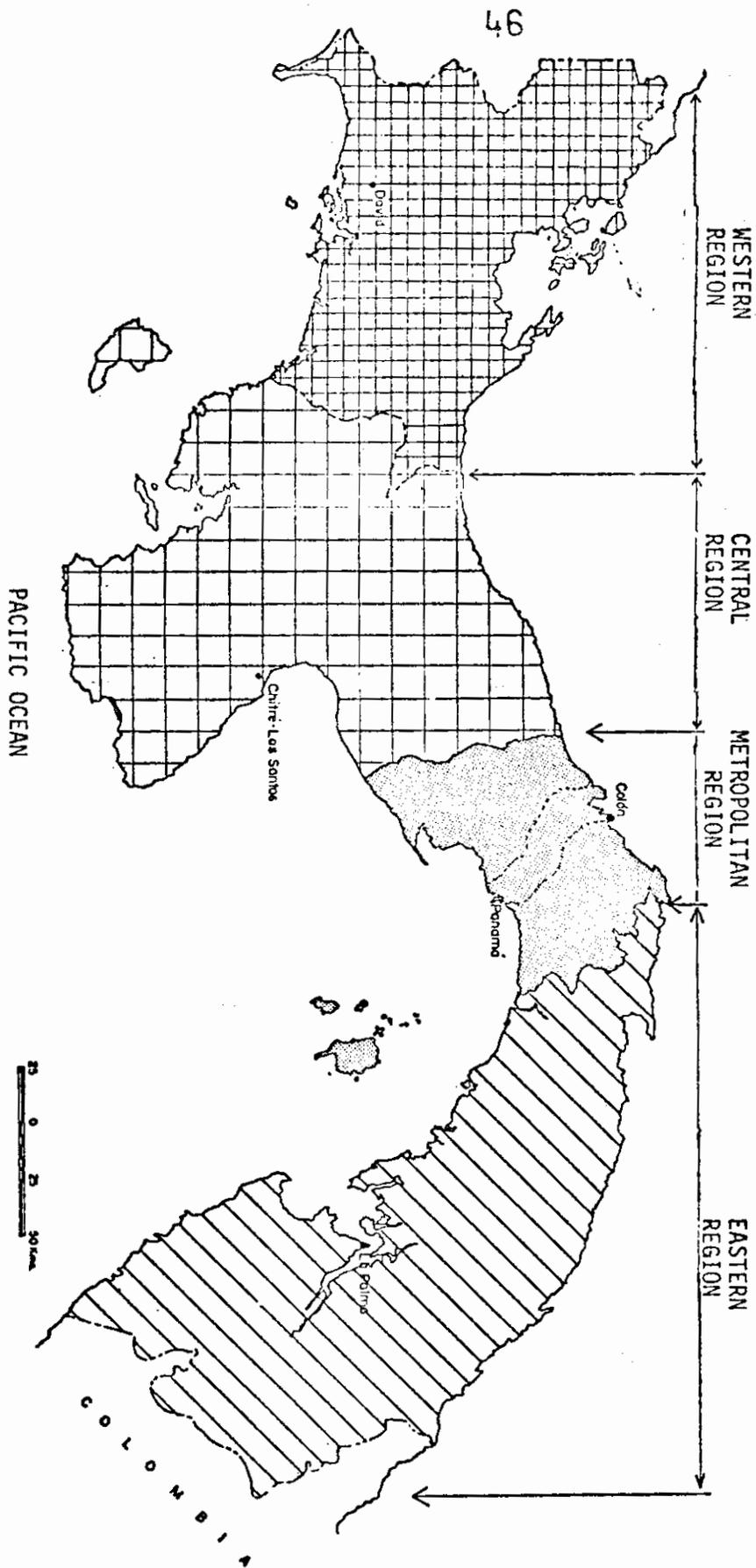
1. Planning Regions Established by the GOP (See Map 1)
 - a. The Eastern Region: Includes the province of Darién, the San Blas area and eastern portions of the provinces of Panamá and Colón.
 - b. The Metropolitan Region: Includes areas of the provinces of Panamá and Colón bordering the Canal Zone.
 - c. The Central Region: Includes the western areas of the provinces of Panamá and Colón, the provinces of Coclé, Veraguas, Herrera and Los Santos.
 - d. The Western Region: Includes the provinces of Chiriquí and Bocas del Toro.

These regions have been established for planning purposes and are not considered implementing units. For implementing purposes an institutional and operating apparatus as well as a legal base would be required.

2. Guiding Principles

The guiding principles reflect the results of an evaluation of alternative courses of action which takes into consideration the probable long-term evolution of the country's development process and of its institutions. These are:

- a. Increase the responsibilities and participation of the government in the regional development process.
- b. Stimulate increased popular participation in the process.
- c. Improve the interrelationships and establish a more rational balance between the development of the rural areas and the strengthening of growth and service centers outside of the Metropolitan Region.
- d. Combine in an effective and harmonious manner the expansion of activities in the Metropolitan Region with the creation of new and additional activities in the other regions.



PANAMA PLANNING REGIONS

MAP 1

- e. Create the mechanisms which would reasonably assure major benefits to the regions in which natural resources are developed.
- f. Coordinate the activities of the government which favor people (education, health and housing) with those which favor geographic locations (roads, construction and employment generation).

3. Regional Policies

The global policies outlined for each of the four regions are the result of an evaluation of the structural and functional relationships of the spatial and regional systems of the country. Their adoption and implementation is expected to produce a transformation designed to achieve the conditions defined in the objectives and within the framework of the guiding principles. The policies are:

- a. Eastern Region: A policy of controlled colonization and integration has been enunciated for this region. This policy reflects the need to develop the natural resources of the region rationally and to direct and control the colonization process within the area. In addition, the GOP will seek to integrate the San Blas area with the rest of the country physically, economically and culturally.
- b. Metropolitan Region: The policies for this region can be summarized as controlled growth and spatial rationalization. They respond to the need to maintain a certain degree of equilibrium in the development of this region relative to the others, particularly the Central and Western Regions. It is projected that from this region resource surpluses will be channeled into the other regions.
- c. Central and Western Regions: The policies for these regions may be stated as the development of growth and service centers in the rural areas and a greater concentration of the population around them. These policies reflect the need to link the agriculturally based economy of the region to sectors of more dynamic growth and the establishment of stronger linkages between the rural and urban areas.

4. Specific Regional Programs

Among the specific regional programs identified by the GOP and which are currently being developed are: (a) the Integrated

Rural Development Program (PRINDER) and (b) the Integrated Urban Systems Development Program (URBE).

The PRINDER program is a combined effort of the various GOP sectoral programs and policies with the purposes of increasing the production and productivity as well as improving the standard of living of the population in specific underdeveloped, rural poverty areas of the country with a relatively high resource development potential.

The URBE program will provide substantial public investments in potential growth and service centers in order to attract both private investment and surplus farm labor to semi-urban areas in the provinces. It seeks to incorporate the more marginal areas into the development process by establishing and strengthening linkages between them and their nearest urban centers in the belief that each will contribute more to each other's economic and social development. Operationally, it means concentrating development efforts on specific geographic areas to achieve greater impact rather than dispersing such efforts throughout the country.

This program is being designed to improve the economic and social infrastructure of the cities of David and Chitré - Los Santos, identified by the GOP as potential growth centers, as well as Santiago, Aguadulce, Penonomé, La Concepción, Boquete, Puerto Armuelles, Las Tablas and Soná earmarked for development as service centers. The GOP defines a potential growth center as a rural town with a relatively diversified economic base and with the potential for a substantial increase in manufacturing activities; also present is the potential for generating surpluses which can be channeled into their hinterlands. A service center is a generally smaller rural town with an economic base associated primarily with agriculture but suitable as a focal point for the provision of public and private services (health, education, technical assistance, marketing, etc.) to the rural areas within its sphere of influence. The service center will serve as an intermediate contact point linking the growth centers with the rural hinterland.

Preliminary Description of the Project

The Project which constitutes the first phase of the URBE Program, will concentrate resources in the two areas identified by the GOP as potential growth centers: the city of David and the twin cities of Chitré-Los Santos. Resources will also be made available to the towns of Las Tablas and Concepción identified as potential service centers. Both are located almost geographically mid-way between the selected

growth centers and the first two areas scheduled for development under the PRINDER program: The Tonosí Valley, to be developed with AID assistance, and the District of Renacimiento with IDB assistance. (See Map 2)

Specific public investment in the growth centers would include:

- (a) Improvement and expansion of potable water and sewer systems;
- (b) physical and spatial planning;
- (c) environmental sanitation;
- (d) construction and improvement of transportation, marketing and agricultural processing facilities;
- (e) establishment of orientation and training facilities for rural migrants;
- (f) increase and improvement of electricity generating and distribution capacity.

While at this time sufficient information is available to indicate that considerable resources will be invested in the above listed areas, development of these components has not yet reached the stage whereby preliminary cost estimates can be made.

Financial Requirements

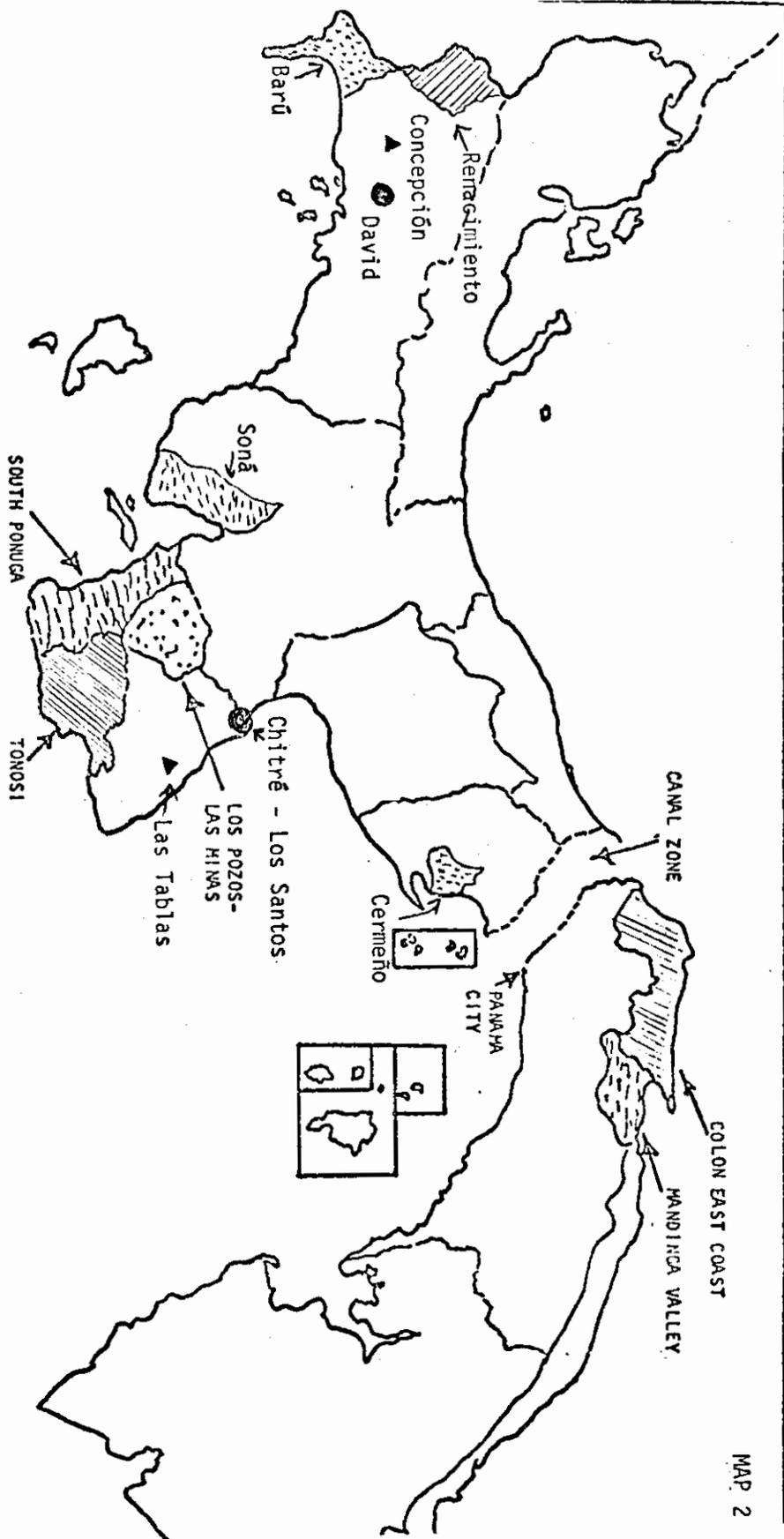
This phase of the URBE Program, i.e., the two growth centers and possibly two service centers, will require financial resources estimated at about \$20.0 million. The GOP has requested loan financing in the amount of \$10.0 million.

Development of the Project

It is envisioned that the URBE Project will be developed by an inter-ministerial task force similar to the one established for the development of the PRINDER Project. Participating ministries would include but not necessarily be limited to:

1. The Ministry of Planning and Economic Policy
2. The Ministry of Housing
3. The Ministry of Commerce and Industry
4. The Ministry of Agricultural Development

In addition, the alcaldes (or their representatives) of the municipios of David, Chitré, Los Santos, Las Tablas and Concepción may be participants.



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To date the Ministry of Planning and Economic Policy has been the responsible agency for initial development of the Project, with substantial inputs from the Ministry of Housing. The Ministry of Planning has also worked with the PRINDER task force and the Ministries of Commerce and Industry and Agriculture Development mainly with respect to the identification and possible locations of agribusinesses, industrial and commercial activities in the growth centers.

As a result of this joint effort, preliminary diagnoses of both growth centers as well as the towns of Aguadulce and Santiago have been completed. These diagnoses have indicated the physical, economic and social infrastructural needs of these cities and towns. In addition, preliminary outlines of master plans for the physical planning of these centers have been developed.

Prior to the submission of the PRP the task force will develop preliminary plans which will contain preliminary descriptions and quantification of the Project's inputs and outputs. It will also prepare a preliminary financial plan and determine the type and duration of technical assistance and training required for implementation of the Project.

Finally, a determination will be made concerning the appropriate mechanism for project implementation. A review of institutions with the capability and experience for implementing the project will be made. A preference for the selection of an ICI as the Project implementing agency has been indicated.

A PRP will be submitted by October 31, 1976. Subject to the approval of the PRP, a Project Paper would be submitted during FY 1978.

Required AID Resources for PRP and PP Preparation

Assuming approval of the PID, the Mission will require for the preparation of the PRP the assistance of an urban planner to review and independently assess progress to date. The consultant will also recommend what additional inputs, from a technical point of view, would be required. Given the existing available resources, the consultant will also recommend what additional expertise would be required and the best alternatives for organizing the available resources in order to accomplish the task. He will also assist in the preparation of a time-phased action plan.

The services of the consultant will be required initially for three weeks during the month of June, 1976. The need for further TDY assistance will be determined subsequent to this additional visit.

Required resources for preparation of the Project Paper will be subject to the recommendations of the consultant.

CHITRE - LOS SANTOS
Centro de Crecimiento
 Escala: 1:40,000 Fecha: oct. 1975
 MINISTERIO DE PLANNIFICACION Y POLITICA ECONOMICA
 Dirección de Planeación y Coordinación Regional
 en colaboración con el
 MINISTERIO DE VIVIENDA
 Dirección Central de Desarrollo Urbano

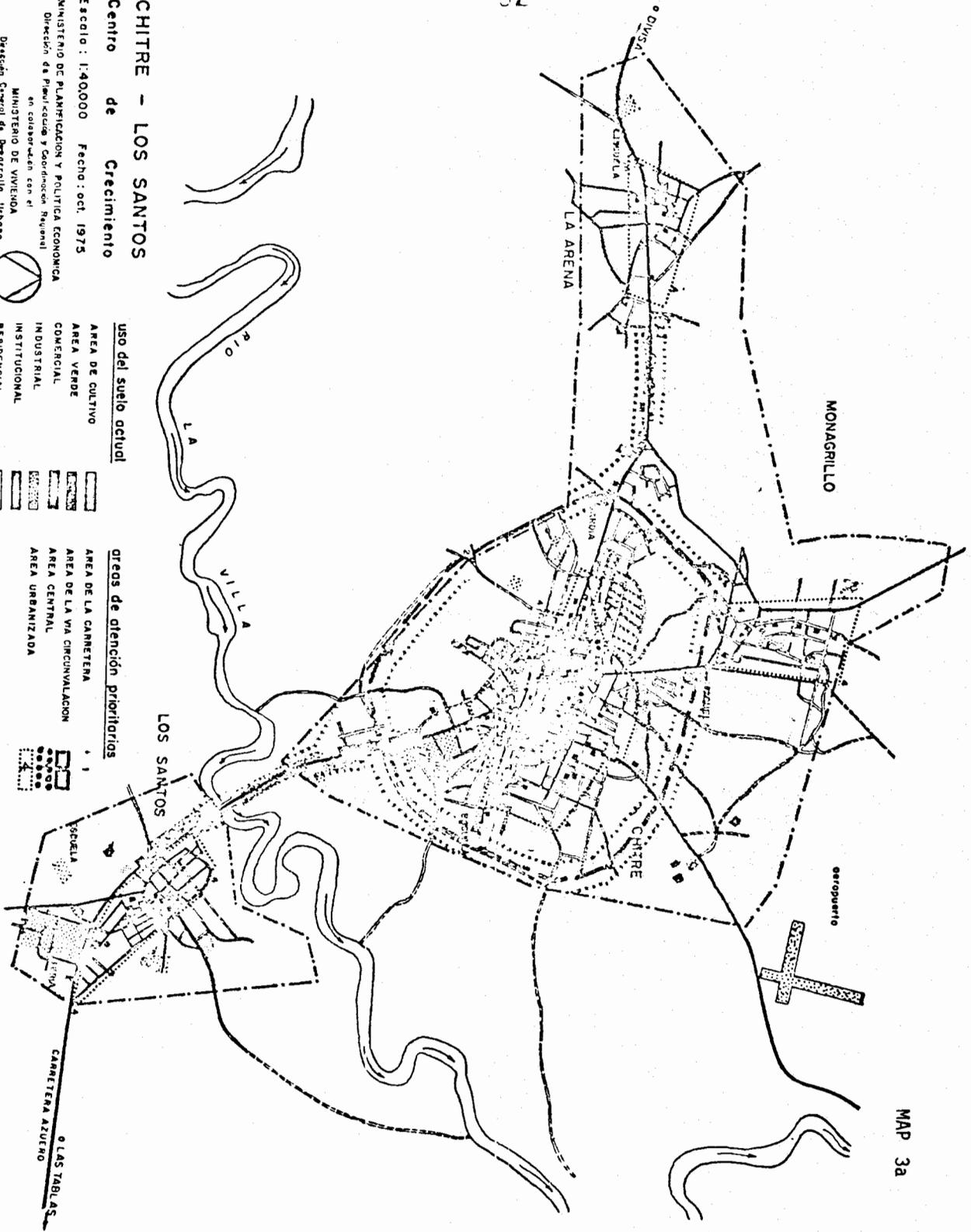
uso del suelo actual

- AREA DE CULTIVO
- AREA VERDE
- COMERCIAL
- INDUSTRIAL
- INSTITUCIONAL
- RESIDENCIAL
- CALLE PRIMARIA
- CALLE SECUNDARIA

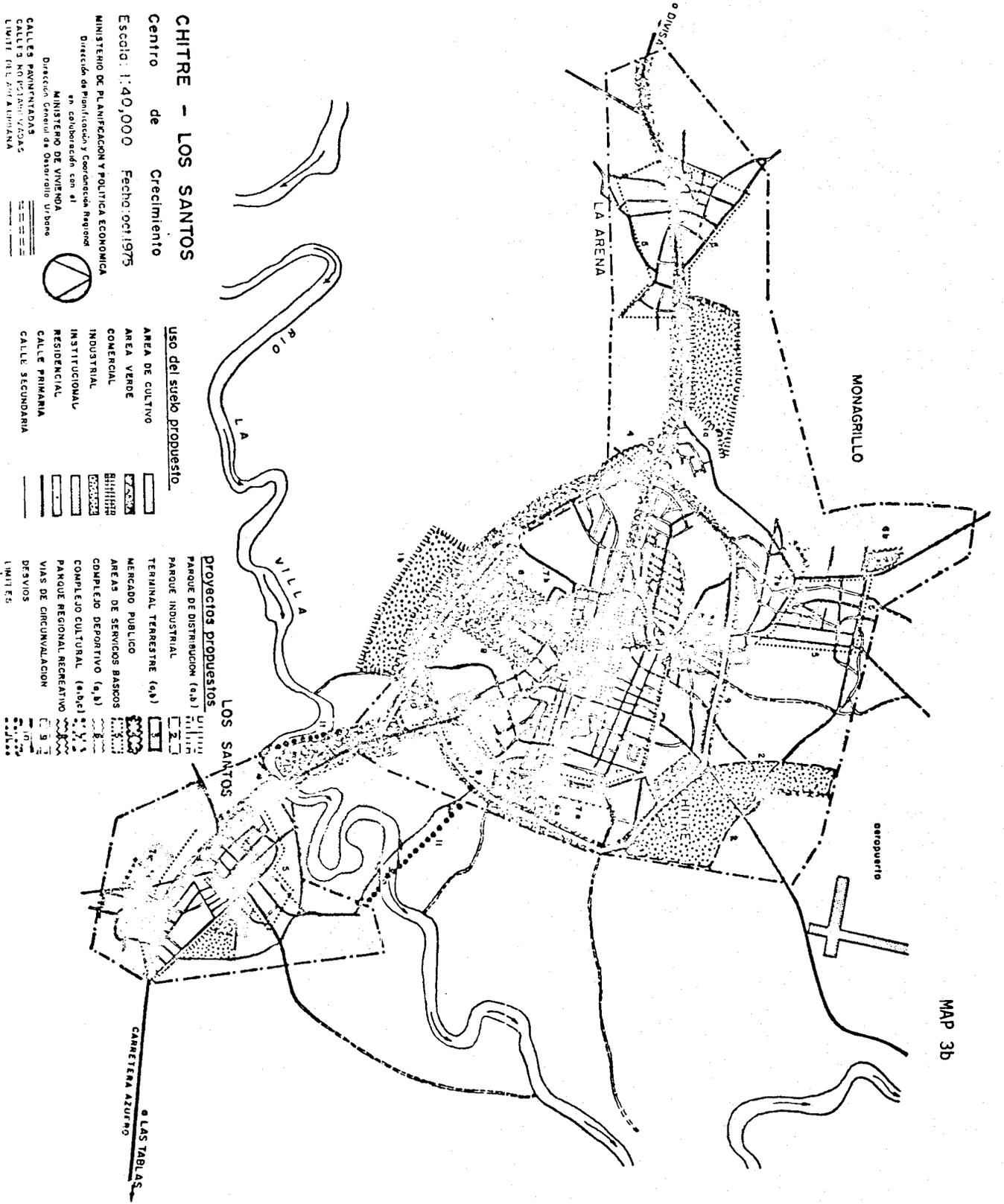
Areas de atención prioritarias

- AREA DE LA CARRETERA
- AREA DE LA VIA CIRCUNVALACION
- AREA CENTRAL
- AREA URBANIZADA

CALLES PATRONEJADAS
CALLES NO PATRONEJADAS
ESQUEMA DEL AREA URBANA



MAP 3a



CHITRE - LOS SANTOS

Centro de Crecimiento

Escala: 1:40,000 Fecha: oct 1975

MINISTERIO DE PLANIFICACION Y POLITICA ECONOMICA

Dirección de Planificación y Coordinación Regional

en colaboración con el

MINISTERIO DE VIVIENDA

Dirección General de Ordenamiento Urbano

CALLES PAVIMENTADAS
 CALLES NO PAVIMENTADAS
 LÍMITE DEL AREA URBANA



uso del suelo propuesto

- AREA DE CULTIVO
- AREA VERDE
- COMERCIAL
- INDUSTRIAL
- INSTITUCIONAL
- RESIDENCIAL
- CALLE PRIMARIA
- CALLE SECUNDARIA

Proyectos propuestos

- PARQUE DE DISTRIBUCION (ca.)
- PARQUE INDUSTRIAL
- TERMINAL TERRESTRE (ca.)
- MERCADO PUBLICO
- AREAS DE SERVICIOS BASICOS
- COMPLEJO DEPORTIVO (ca.)
- COMPLEJO CULTURAL (ca.)
- PANQUE REGIONAL RECREATIVO
- VIAS DE CIRCUNVALACION
- DESVIOS
- LIMITES

