



ESTADOS UNIDOS DE NORTEAMERICA
AGENCIA PARA EL DESARROLLO INTERNACIONAL
USAID / PANAMA

TEL. 64-4011
APARTADO 6959
PANAMA 8, PANAMA

September 20, 1982

Ing. Pedro Vallarino Cox, President
Patronato Nacional de la Juventud
Panameña (PANAJURU)
Apartado Postal 2717
Panamá 3, Panamá

Subject: Operational Program Grant
No. 525-0244-G-00-2025-00
International Exchange and Management
Training Program

Dear Ing. Vallarino:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or Grantor") hereby grants to PANAJURU or "Grantee" the sum of ninety thousand dollars (US\$90,000) to support the development of the principles of cooperative or associative group organization in the growth of free enterprise around rural youth of Panama as more fully described in Attachment No. 2 to this Grant entitled "Program Description".

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period with the effective date and ending 31 December 1984.

This Grant is made to PANAJURU on the condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment 1, the "Schedule", Attachment 2, entitled "Program Description" and Attachment 3 entitled "Standard Provisions" which have been agreed to by your organization.

Please sign the original and seven (7) copies of this letter to acknowledge your receipt of the Grant and return the original and six (6) copies to the undersigned.

Sincerely yours,

Gerald P. Gold
Grant Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

PANAJURU

BY: _____

Title: _____

Date: _____

FISCAL DATA

1. Appropriation: 72.1121021
2. Budget Plan Code: LDAA-82-25525-EG13
3. PIO/T No. 525-0244-3-20076
4. Project No. 525-0244
5. Total Estimated Amount: US\$119,000
6. Total Obligated Amount: US\$90,000
7. Funding Source: USAID/Panama

SCHEDULE

A. PURPOSE OF THE GRANT

The grant has a dual purpose, as follows:

1. International Exchange Training Program: To institutionalize an exchange training program with FFA (a) to stimulate the interest, initiative, leadership, and participation of rural youth in the agricultural development of Chiriqui Province, and (b) to strengthen and support technology transfer aimed at improving agricultural production.
2. Institutional Management Training: To institutionalize management aspects connected with the formation of youth groups; promote increased participation by the private sector in PANAJURU activities; improve the management and administration of projects; and strengthen the capacity of PANAJURU Chiriqui to mobilize resources and support from private sector groups, as well as from public institutions, so as to minimize its need for outside assistance.

B. PERIOD OF GRANT

The effective date of this Grant is 20 September 1982. The expiration date of this Grant is 31 December 1984.

C. AMOUNT OF GRANT AND PAYMENT

1. AID hereby obligates US\$90,000 for purposes of this Grant.
2. Payment shall be made to the Grantee in accordance with the procedures set forth in Attachment 3 - Standard Provision No.9A, entitled "Payment Periodic Advance".

D. FINANCIAL PLAN (BUDGET)

The following is the financial plan for this Grant including local cost financing items. Revisions to this plan shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Financial Plans" except as noted below:

<u>COST ELEMENT</u>	<u>AMOUNT</u>		
	<u>AID</u>	<u>PANAJURU Chiriqui</u>	<u>Total</u>
1. <u>Farm Youth International Exchange and Training</u>			
-29/30 FAdeP Students	\$69,600	\$ 4,000	\$ 73,600
-10 FFA Students	6,000	4,000	10,000
2. <u>Institutional Management Training</u>			
- Institutional Management Training in U.S. (1 person/2 weeks)	3,500	-	3,500
- FFA (U.S.) Advisor	2,500	-	2,500
- Materials and Equipment	5,400	12,000	17,400
- Administration (Salary of Executive Secretary)	3,000	9,000	12,000
	<u>\$90,000</u>	<u>\$29,000</u>	<u>\$119,000</u>

Note:

a. The AID share of the above budget is \$90,000 and the PANAJURU share of matching funds is \$29,000.

b. Adjustments among line items may be made subject to approval by the USAID Panama.

c. The Grantee may not exceed the total amount of the budget. AID costs under the Grant shall not exceed the total amount of obligated funds hereunder (\$90,000).

E. REPORTING AND EVALUATION

1. PANAJURU (National) will prepare and submit to USAID/Panama within (60) days of the start of implementation an Annual Operational Plan outlining activities scheduled through September 30, 1983. A similar annual plan will be prepared and submitted to USAID covering the period October 1, 1983-December 31, 1984.

2. PANAJURU will, in addition, provide USAID with Quarterly Progress Reports, including incurred and projected expenditures and any problems encountered in meeting program objectives during the preceding period. The first quarterly report will be due December 31, 1982. Routine Mission monitoring will be the responsibility of the Agriculture Division, USAID/Panama.

3. Evaluation Plan

A joint PANAJURU-USAID progress evaluation will be made following the first year's activities. A Final Evaluation will be conducted and a report submitted to USAID/Panama at the conclusion of the project. This report will summarize the twenty-seven (27) months of activities and assess the degree of goal and purpose achievement.

4. All written reports and evaluations submitted to USAID/Panama will be prepared in Spanish in five (5) copies.

F. ALTERATIONS, ADDITIONS

1. The following alterations are made to the Standard Provisions:

Delete Provisions No. 8A, 8B, 9B, 12B, 15B, and 15C in their entirety.

PROGRAM DESCRIPTION

A. Goals:

The goals of this report are to:

1. Promote the principles of cooperative or associative group organization in the development of free enterprise operations among rural youth of Panama;
2. support members of the youth movement in Panama who desire to dedicate themselves to agricultural careers, and to strengthen their aptitude and technical capabilities in this area; and
3. promote cooperation and friendly relations between Panama and other countries, especially the U.S.

B. Project Strategy

In support of the above-mentioned goals and purpose, implementation of the project will:

1. Concentrate support in one region (Chiriqui Province) which has a high agricultural potential, in order to obtain better supervision and program support;
2. Coordinate assistance to PANAJURU with the proposed Agriculture Technology Transfer (ATT) project, which will introduce and disseminate improved crop and livestock technology in Chiriqui;
3. Promote communication and improved relations between public agricultural sector institutions and independent producers in Chiriqui Province; and
4. Evaluate the success of the PANAJURU Chiriqui Chapter and determine its replicability for other provinces in the Republic of Panama.

C. End of Project Status

By the end of the project (December 31, 1984), a PANAJURU Chapter will be fully established in Chiriqui Province; one that is capable of covering the cost of its operations -- including the financing of at least five (5) students each year under an exchange program with Future Farmers of America (FFA) -- without further foreign economic assistance.

D. Activities

The principal components or activities to be financed under this Grant project are as follows:

1. International Exchange (Training) Program with FFA

a. An estimated twenty-nine to thirty (29-30) Panamanian rural youths will be selected for agricultural training in the U.S., from among secondary school students in Chiriqui Province who have yet to graduate. The requirements and mechanisms for selection of exchange program participants will be established by the Board of Directors of the Chiriqui Chapter.

Each FAdEP participant will remain in the U.S. for a period of one (1) year; three (3) months to study English and nine (9) months for academic training with an agricultural orientation.

b. The ten (10) U.S. exchange program participants who will come to Panama will be chosen from among members of the FFA, who possess maturity, familiarity with the FFA program, have a broad knowledge of agricultural technology, and are proficient in Spanish. Those who have graduated or are soon to graduate from U.S. secondary schools would be the preferred candidates. University students majoring in agriculture would also be desirable participants.

c. The ten (10) FFA participants will be assigned to Chiriqui for six (6) months each in ten secondary schools which are associated with the PANAJURU Chapter in Chiriqui.

d. The FFA representatives will be responsible for:

(1) Advising the school FAdEP chapters where they are assigned as well as nearby schools in improved production and farm management practices.

(2) Cooperating with PANAJURU Chiriqui in the preparation of teaching materials.

2. Institutional Management Training

a. A major goal at the conclusion of this project is to have a fully functioning and self-supporting PANAJURU Chapter in Chiriqui backstopping rural secondary schools in the Province with their FAdEP projects. PANAJURU Chiriqui should have:

(1) an established capacity to support an on-going international student exchange program;

- (2) the technical competency to assist its members in carrying out productive and profitable agriculture projects;
- (3) the ability to attract sources of credit, the capability to use these funds effectively, and a proven capacity to repay loans on a timely basis; and
- (4) attainment of economic self-sufficiency to the extent that continuation of the program will require no external economic assistance.

b. Towards this end, PANAJURU will seek in-service training opportunities with other on-going rural youth programs in Central and South America, the Caribbean, and elsewhere, as well as staff management training and technical assistance from FFA in support of PANAJURU's efforts to attain self-sufficiency.

E. Implementation Schedule

The project will begin o/a September 20, 1982 and will terminate December 31, 1984. The first group of FFA exchange students will arrive in Panama in January 1983 and the second group in January 1984. Final details regarding scheduling of the Panamanian exchange participants will be completed following the start of actual implementation.

F. Implementation Requirements

The requirements for implementation of this project, which are described below, constitute the framework which identifies the responsibilities of both AID and PANAJURU (National) with respect to the new PANAJURU Chapter in Chiriqui Province.

1. Establishment and Supervision of PANAJURU Chapter, Chiriqui

- a. The organization, creation, and administration of PANAJURU (Chiriqui Chapter) will be carried out in conformance with the Applicable Internal Regulations of PANAJURU. Subsequent to establishment, PANAJURU (Chiriqui) will be responsible to PANAJURU (National) for overall program guidance.
- b. The new PANAJURU Chapter in Chiriqui will also be covered (protected) as part of the legal entity of PANAJURU (National) under the provisions of Resolution No.303 dated March 12, 1979.
- c. Periodic supervision of PANAJURU (Chiriqui) will be performed by PANAJURU (National). The specific mechanisms and procedures for supervision will be established at the first meeting of the Board of Directors of PANAJURU (Chiriqui) following the Chapter's formal establishment.