

Data Sheet

USAID Mission:	Panama
Program Title:	Protection of the Panama Canal Watershed
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	525-004
Proposed FY 2004 Obligation:	\$5,322,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$0
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2004

Summary: USAID's program to sustainably manage the Panama Canal Watershed (PCW) and buffer areas includes technical assistance, training, and commodities to promote policy reforms, behavioral change, a more participatory and practical approach to watershed management, and replication of successful watershed management activities in pilot sub-watersheds and protected areas. Alliances between public and private agencies and organizations form an important part of this program.

Inputs, Outputs, Activities:

FY 2004 Program:

Watershed management (\$3,172,000 DA). USAID will fund activities to test and validate principles and practices that support elements of successful watershed management. Focus will be on developing sound policies at the local level, stable funding sources, and field-based practical systems, processes, and tools required for sustainable management of the PCW. Activities, which include on-the-ground implementation of demonstration projects such as sustainable agricultural practices, wastewater management, and clean industrial production, will incorporate community participation and close collaboration with other stakeholders. Principal contractor, grantees, and agencies are the Academy for Educational Development and the Inter-Institutional Commission for the Canal Watershed.

Environmental management of protected areas (\$2,000,000 DA). Ecologically sound and economically viable activities will safeguard the long-term operation of the PCW by protecting the water supply for Panama Canal operations, industrial use, and human consumption. USAID will fund assistance to develop an effective management system for protected areas within the PCW, such as conservation plans, public/private co-management of national parks, and plans for long-term financial sustainability. In addition, assistance will help the local population and stakeholders integrate effectively to enhance on-site conservation and management. USAID-funded technical assistance (through the Parks in Peril Program) to the Government of Panama and environmental non-governmental organizations (NGOs) will complement and guide investment of funds from the new Tropical Forest Conservation Act Debt Swap for conservation of the Chagres National Park, source of more than half the fresh water required for Panama Canal operations. USAID will also fund assistance to develop environmentally sound economic options such as ecotourism. Principal contractor, grantees, and agencies are: the Academy for Educational Development, the National Environment Authority, and the Nature Conservancy.

The Peregrine Fund (\$150,000 DA). USAID-funded technical assistance will help the Peregrine Fund achieve financial sustainability.

FY 2005 Program:

In FY 2005 activities will be reprogrammed under the new Panama Country Plan (SO 525-022) within the Central America and Mexico Regional Strategy

Performance and Results: During FY 2003, USAID made significant progress toward sustainable management of the Panama Canal Watershed and its buffer areas. Strategic use of \$10 million obtained

by a Tropical Forest Conservation Act alliance to implement the conservation area plan for Chagres National Park, which is critical to the PCW, is ensuring the park's environmental and financial future. As a result of USAID's programs, local governments and NGOs are able to assume a more active role in watershed management, and the National Environment Authority is now willing to partner with NGOs and the private sector for co-management of protected areas - an important change for an institution previously reluctant to involve the community. A partnership among the Ministry of Health, the Municipality of Capira, two NGOs, and several communities helped complete a sanitation project that benefited 3,000 persons. The Panama Canal Authority and USAID signed a Memorandum of Understanding to pool resources to create an initial \$5 million incentive fund to finance demonstration activities in pilot sub-watersheds in the PCW. The newly established Inter-Institutional Commission for the Canal Watershed improved its capacity to coordinate between Government of Panama line ministries and other major stakeholders in the Panama Canal Watershed. Action plans were developed for three rural pilot sub-watersheds and one peri-urban pilot sub-watershed.

By September 30, 2004, when USAID will transition to the Central America and Mexico Regional Strategy, this program will have achieved a number of tangible results in the Panama Canal Watershed. The master conservation plan for the Chagres National Park will be completed, and will be used to guide at least five NGO grants funded under the new Tropical Forest Conservation Act debt swap. Thus, by the end of FY 2004, USAID will have initiated protected area conservation programs in the critical Chagres Rain Forest, which provides the majority of water for Panama Canal operations. In addition, USAID will have initiated at least 10 grants in at least two sub-watersheds of the PCW to demonstrate conservation practices with stakeholder participation, and will have developed improved land use plans for one other sub-watershed.

By the end of FY 2004, USAID will have completed norms and standards for development of ecotourism and management in the Soberania National Park pilot, as well as a public-private alliance to share the costs of ecotourism attractions in the park. In addition, USAID expects to develop a mechanism approved by the Government of Panama for investment of ecotourism revenues for park maintenance, as well as plans and regulations for service concessions in public parks. The Peregrine Fund, the Panamanian NGO responsible for repopulation of harpy eagles in Panama, will have bred and released 10 harpy eagles to the wild, and completed a sustainability plan and an environmental education program.

US Financing in Thousands of Dollars

Panama

525-004 Protection of the Panama Canal Watershed	DA
Through September 30, 2002	
Obligations	11,380
Expenditures	7,586
Unliquidated	3,794
Fiscal Year 2003	
Obligations	5,151
Expenditures	899
Through September 30, 2003	
Obligations	16,531
Expenditures	8,485
Unliquidated	8,046
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2004 NOA	
Obligations	5,322
Total Planned Fiscal Year 2004	
Obligations	5,322
Proposed Fiscal Year 2005 NOA	
Obligations	0
Future Obligations	6,000
Est. Total Cost	27,853