

Data Sheet

USAID Mission:	Panama
Program Title:	Economic Freedom
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	525-022
Proposed FY 2004 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$5,446,000 DA
Year of Initial Obligation:	FY 2005
Year of Final Obligation:	FY 2008

Summary: USAID's program to sustainably manage the Panama Canal Watershed (PCW) and its buffer areas will be incorporated into a new strategic objective in FY 2005. The program will include technical assistance, training, and commodities to promote policy reforms, behavioral change, and a more participatory and practical approach to watershed and protected areas management. Successful watershed management activities in pilot sub-watersheds and protected areas will be replicated. Alliances between public and private agencies and organizations will form an important part of this program.

This strategic objective, which is part of the new Panama Country Plan under the Central America and Mexico Regional Strategy, is a follow on to the current program. Approval is expected in summer 2004.

Inputs, Outputs, Activities:

FY 2004 Program:

This Strategic Objective begins in FY 2005.

FY 2005 Program:

Watershed management (\$3,196,000 DA). USAID will fund technical assistance 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 and processes required for sustainable management of the PCW. Activities, which will 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 will be the Panama Canal Authority, the Academy for Educational Development, and the Inter-Institutional Commission for the Canal Watershed.

Environmental management of protected areas (\$2,100,000 DA). USAID will provide assistance to develop an effective management system for protected areas in the PCW. Ecologically sound and economically viable activities will safeguard the long-term operation of the PCW by protecting the water supply for Panama Canal operations, human consumption, and industrial use. Activities will include development of conservation area plans, environmentally sound economic opportunities, and public/private co-management of national parks. 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. In addition, USAID plans to provide technical assistance to the National Environment Authority (ANAM) to help the organization integrate stakeholders into conservation and management of protected areas and reform norms and standards for protected areas. Planned technical assistance to ANAM will also help reform the organization's financial practices to allow it to

operate and maintain basic protected areas park infrastructure to facilitate ecotourism. Principal contractor, grantees, and agencies will be the Academy for Educational Development, the National Environment Authority, and the Nature Conservancy.

The Peregrine Fund (\$150,000 DA). USAID plans to provide funding to support environmental education, breeding and release of harpy eagles, and to assist the Peregrine Fund achieve financial sustainability.

Performance and Results: By the end of FY 2005, USAID expects ten additional pilot demonstration projects to be underway employing best practices, appropriate technologies, and promoting sound policies to facilitate sustainable management of the PCW. USAID expects that seven demonstration projects will be completed and at least five grantees strengthened by implementing these demonstration projects. Construction of the first small town sanitation system through a public/private development alliance should be completed and institutional arrangements in place to operate the system. At least two new PCW policies dealing with incentives and penalties will be developed and promoted to address deficiencies in legal, policy, and regulatory instruments that hinder sound environmental management of the PCW. Stakeholder committees will be operating in two pilot sub-watersheds employing participatory planning and decision-making processes. The Inter-Institutional Commission for the Canal Watershed will operate a PCW environmental monitoring and information system for use by members and the general public.

By the end of FY 2005, USAID expects to have completed a policy and regulatory framework for involving NGO and private sector partners in the management of Soberania and Chagres National Parks. The Chagres Debt Swap Fund will be functioning and issuing grants to NGOs to implement activities in the Chagres Park and buffer areas as guided by the Conservation Area Plan and Master Plan to conserve and protect this Park, which is critical to Panama Canal operations. A public/private development alliance will be in place to initiate ecotourism in Soberania National Park. ANAM will have established a complementary ecotourism investment mechanism to collect and reinvest revenues generated from ecotourism for Soberania Park operations and maintenance. At least three new grants will be issued to NGOs to promote rational and sustainable economic opportunities in the protected areas of the PCW.

The Peregrine Fund is expected to breed and release ten additional harpy eagles in Panama and other countries of Central America. The organization will continue implementation of its sustainability plan and expects to raise \$100,000 to help underwrite its operations in Panama. The Peregrine Fund will expand its environmental education program to other areas of Panama and Central American where it plans to release harpy eagles.

By program completion, USAID will have replicated its successful environmental management model to a number of the subwatersheds of the PCW; reformed/modified existing natural resources policies for improved watershed management in the PCW; extended the successful Soberania ecotourism pilot to the Panamanian National System of Protected Areas. As a result of this program: national environmental authorities, the judicial system, and local government authorities will apply and enforce environmental laws and regulations; stakeholders will actively participate in management decisions related to protected and unprotected areas in the PCW; and sustainable financial mechanisms for environmental management of the PCW and operation and maintenance of infrastructure for ecotourism in the National System of Protected Areas will be functioning.

US Financing in Thousands of Dollars

Panama

525-022 Economic Freedom	DA
Through September 30, 2002	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2003	
Obligations	0
Expenditures	0
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2004 NOA	
Obligations	0
Total Planned Fiscal Year 2004	
Obligations	0
Proposed Fiscal Year 2005 NOA	
Obligations	5,446
Future Obligations	30,000
Est. Total Cost	35,446