



LAC-IEE-04-36

## CATEGORICAL EXCLUSION

**Project Location:** Panama

**Strategic Objective No. 1:** Ruling Justly: More Responsive, Transparent Governance

**Reference IEE:** LAC-IEE-03-82

**Funding:** \$19 million

**Life of Project:** 2004 - 2008

**IEE Prepared by:** Richard Mangrich  
USAID/Panama

**Recommended Threshold Decision:** Categorical Exclusion

**Bureau Threshold Decision:** Concur with Categorical Exclusion

**Comments:**

The activities described in the attached IEE including technical assistance, training, alliance building are not expected to have significant impacts on the environment. These activities are not subject to the procedures set forth in 22 CFR, 216.3. These activities qualify for and I therefore issue a **Categorical Exclusion** per 22 CFR, 216.2(c)(2) (i), (iii), (v), and/or (xiv).

\_\_\_\_\_Date\_\_\_\_\_

George R. Thompson, P.E.  
Bureau Environmental Officer  
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## INITIAL ENVIRONMENTAL EXAMINATION

<b>Project Location:</b>	Panama
<b>Strategic Objective No. 1:</b>	Ruling Justly: More Responsive, Transparent Governance
<b>Reference IEE:</b>	LAC-IEE-03-82
<b>Funding:</b>	\$19 million
<b>Life of Project:</b>	2004 - 2008
<b>IEE Prepared by:</b>	Richard Mangrich USAID/Panama

**Recommended Threshold Decision:** Categorical Exclusion

### **A. Background:**

USAID/Panama has a newly approved five year strategic objective in Democracy and Governance that will build on the momentum gained from successful efforts in the past to support Panama's rule of law and democratic governance. The Mission will achieve this through targeted support for justice sector reform, working with government and nongovernmental organizations to promote transparency and accountability, and to stamp out corruption. Building public awareness within civil society, strengthening and promoting an independent and vibrant press, and fostering advocacy and alternative dispute resolution will strengthen the administration of justice at both the national and municipal levels.

The program focuses on working with the demand side, civil society and progressive government institutions, such as the Citizens' Public Advocate and selected local governments. Activities will focus in three areas: *Civil Society Advocacy for Reform*, *Oversight of Government*, and the *Judiciary*. While working in these areas, the program will undertake specific activities to address corruption, transparency, accountability and access to justice. Civil society's role in promoting good governance and rule of law is the core of the new DG program. Depending on political will the role of civil society will vary: in a scenario of strong political will, civil society programs will play a more proactive and collaborative role, while in a scenario having little political will, civil society programs will play a more watchful/advocacy role. USAID will fund grants to civil society organizations (CSOs) for good governance, transparency and accountability programs, technical assistance and training to carry out citizens' audits of government (watchdog functions), and will catalyze Panamanian focus on issues such as press gag laws, and overly broad legislative privileges and immunities for government officials. USAID will offer assistance to the GOP in their National Anti-Corruption Strategy and Action Plan. The mission will fund activities to foster reliance on precedent to bring about stability and predictability in court decisions. The mission will also reinforce good governance initiatives by the Citizens' Public Advocate, support local good governance by working with selected municipalities and "corregidores" to promote transparency, accountability and access to justice, and promote oversight of the judiciary.

The achievement of this strategy will result in more accountable and more transparent national and local government institutions and courts and in citizens and businesses having better access to justice and alternative dispute resolution. Also, by strengthening civil society organizations, Panamanian citizens will have a greater voice in determining public policy and be better able to perform the important “watchdog” function that will contribute to strengthening administration of justice at the community level and in defense of the environment.

## **B. Program Description:**

The two intermediate results under the Strategic Objective are: 1) Strengthened Rule of Law and, 2) Greater Transparency and Accountability of Government. The principal results anticipated at the end of the five-year Country Plan are: strengthened rule of law and greater transparency and accountability of the government of Panama. If resources permit, selected conflict mitigation activities under both IRs in environmental governance and transparency will be implemented in the Darien and elsewhere that will help to prevent spillover effects of the violence in Colombia and rapid degradation of natural resources in fragile areas.

IR1.1 *Strengthened Rule of Law*, USAID/Panama will build on past successes while adjusting to recent changes in the Panamanian political context.

Activities under this first IR will enhance participation by civil society, including business organizations, the media and internet, as appropriate, in promoting and maintaining momentum for justice reform; advocating for greater access to prompt, fair and affordable avenues to resolve disputes; promoting selected reforms; and increasing GOP presence in at risk communities of the Darien and elsewhere through the provision of local justice and governance activities.

### Illustrative Activities:

- Technical assistance, training and grants to support civil society organizations to advocate for justice reform
- Technical assistance, training and grants to support access to justice at the community level

IR1.2 *Greater Transparency and Accountability of Government* which is critical to strengthening democracy and promoting economic growth in Panama.

Activities under this IR will foster political will to reduce corruption and increase greater transparency of government activities by: strengthening civil society’s ability to conduct social auditing/monitoring activities; increasing public access to information; strengthening investigative reporting; and developing a national anti-corruption strategy and action plan.

USAID will support business engagement and responsibility in fighting corruption and train journalists and NGOs to be more effective in conducting investigative journalism and reporting on corruption. Especially important to conflict mitigation will be supporting democracy activities at the grassroots, such as training CSOs to work in partnership with municipalities to oversee community development activities in the Darien and elsewhere. The lack of transparency and accountability in government practices will be addressed by a USG integrated program, with USAID and the Embassy Narcotics Affairs and Public Affairs Sections (NAS/PAS) taking the lead.

Illustrative Activities:

- Technical assistance, training and grants to support civil society advocacy in promoting and maintaining public focus on reducing corruption nationwide
- Technical assistance, training and grants to support capacity building of civil society to carry out social audits
- Promote oversight of good governance

**C. Justification for Environmental Determination:**

The activities described above such as technical assistance, training, alliance building and advocacy are not expected to have significant impacts on the environment. These activities are not subject to the procedures set forth in 22 CFR, 216.3 except to the extent provided herein. These activities qualify for a Categorical Exclusion under 22 CFR, 216.2(c) (2).

**D. Recommendation:**

Based on the above discussion, it is recommended that the LAC Bureau Environmental Officer approve a Categorical Exclusion for this program. Any activity potentially affecting the environment or natural resource policy needs to be reviewed by the Regional Environmental Officer to determine if an amended IEE is necessary.

Concurrence: \_\_\_\_\_  
Leopoldo Garza  
Mission Director  
USAID/Panama

Date: \_\_\_\_\_