



COUNTRY PROFILE



Eliana Stanzola, USAID/Panama

Embera-Wounaan children enjoy having access to clean water after years of waiting. These indigenous groups moved to the Panama Canal Watershed (PCW) from the Darien region over 40 years ago.

USAID provided funds to support the community's effort to improve their tourism attractions and services. These types of alternative economic activities aim to protect the PCW biodiversity and the water quality of the Chagres River, main motor of the Canal operations and source of potable water for nearly half (1.5 M) of the population in Panama.

PANAMA SNAPSHOT

Date of Independence: 1821
Separation from Colombia: 1903
Population: 3.3 million (2007)
Area: 75,517 km² or 30,193 m²
Government: Democratic, Constitutional Republic

Source: Office of the Controller General, Directorate of Statistics and Census

USAID IN PANAMA

<http://www.usaid.gov/pa/>

OVERVIEW

Panama's skyscrapers, vibrant banking and finance sector, and major ports give the impression of a country well able to meet the needs of its citizens. However, serious development shortcomings and security issues threaten Panama's democratic institutions and political stability.

With poverty levels high (37%) and deep-rooted, the economic and social well-being of many Panamanians, particularly those in the lower middle class, will



worsen without sustained economic growth, equitable economic and social opportunities, and sustainable development. Panama's key development challenges include i) fighting systemic corruption; ii) modernizing the judicial system to foster the rule of law and equitable access to justice; iii) consolidating its democracy; iv) maintaining the smooth administration of the economically vital Panama Canal and conserving the watershed that feeds it; and v) fostering the enabling environment necessary to increase trade and rural competitiveness while redressing widespread income inequality.

PROGRAMS

With USAID assistance, our partners in government institutions, civic groups and select communities are carrying out environmentally-friendly income-generating activities, biodiversity conservation in protected areas, and environmental governance, through improved stewardship of natural resources for the promotion of sustainable development.

Economic Growth

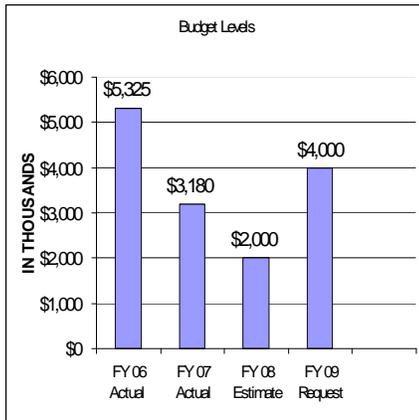
Maintaining the integrity of the Panama Canal Watershed (PCW) is critical to U.S. national security, world trade, and the Panamanian economy. Equally important is a more democratic and prosperous Panama, sharing the benefits of trade-led growth broadly among its citizens, thereby fortifying political stability in the region and ensuring the uninterrupted flow of international commerce through the Canal. By advancing economic freedom, USAID assistance to the private sector helps micro, small and medium-sized enterprises increase their productivity and competitiveness to take advantage of global trade opportunities.

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COUNTRY PROFILE CONTINUED

USAID PROGRAM ASSISTANCE TO PANAMA



Source: Congressional Budget Justification, FY 08 and FY 09

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USAID supports enhanced biodiversity conservation and natural resource stewardship to strategically diminish major threats to the PCW. Activities include best management practices, policy reforms and adoption, and the active participation and empowerment of stakeholders, while encouraging eco-friendly income-generating opportunities.

Ruling Justly and Democratically

Panama has experienced 17 consecutive years of political stability with successive, democratically-elected governments. The current administration governing Panama manifests its commitment to fight corruption, and works towards that end. Yet, lack of transparency and inconsistencies in applying the rule of law persist, which deters domestic and foreign investment flows. USAID assistance seeks to help Panama consolidate its still developing democracy through activities that support community empowerment, alternative dispute resolution, and environmental governance. We support seminal activities by the Citizens' Alliance for Justice Reform, a coalition of civil society organizations that advocates for critical judicial reforms and improved governance. In addition, we work with civic groups at the grass-roots level to strengthen advocacy and oversight capabilities to galvanize public support for fundamental reforms.

Collaborative Assistance Focused on Stakeholders

By creating public-private partnerships to help remove constraints and create opportunities, USAID improves rural and global competitiveness as it works with micro, small and medium-sized enterprises. USAID collaborates closely with communities, local authorities, government agencies, and non-governmental organizations to develop and set up strategic partnerships and alliances, participatory methodologies, best practices, and appropriate policies and regulations for optimal results in its Economic Growth, and Ruling Justly and Democratically programs. Resource leveraging through strategic alliances and non-traditional partnerships has become a mainstay of these programs.