



USAID | PANAMA

FROM THE AMERICAN PEOPLE

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 million) of the population in Panama.

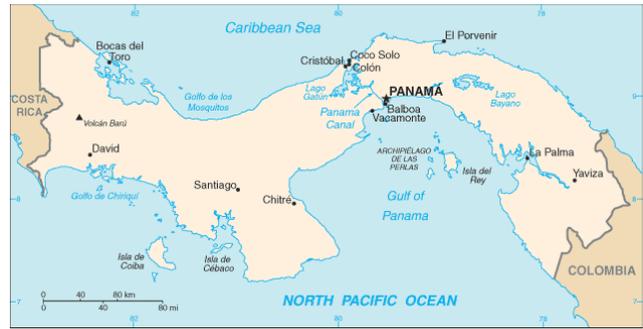
PANAMA SNAPSHOT

Date of independence: 1903
Population: 3.360 million
GDP (PPP): \$38.49 billion
GDP per capita (PPP): \$11,600

Source: CIA, *The World Factbook*

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 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 challenge lies in the historic weakness of its democratic institutions and the public's perception that corruption is generalized. The perception of corruption significantly erodes public support for democracy and the legitimacy of political institutions. Another important development challenge consists of the smooth administration of the economically vital Panama Canal and conserving the watershed that feeds it. To this end, advancements in watershed management and biodiversity conservation are necessary.

PROGRAMS

With USAID assistance, 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.

USAID programs catalyze policy reform, institutional strengthening, and citizen participation. Partners are employing innovative tools for effectively preventing, detecting, and prosecuting corruption in accordance with international anti-corruption standards. Civic organizations are applying their improved watchdog and advocacy skills while continuing to support reforms aimed at combating corruption.

ECONOMIC GROWTH

Maintaining the integrity of the Panama Canal Watershed (PCW) is critical to U.S. national security, world trade, and the Panamanian economy. 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

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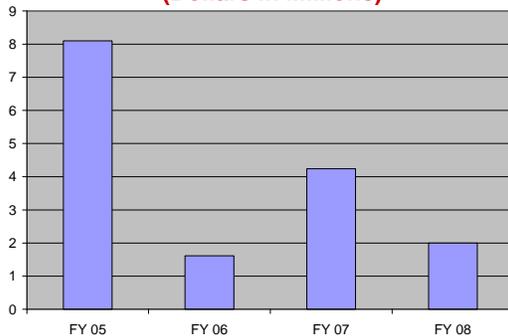


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COUNTRY PROFILE CONTINUED

**USAID Assistance to Panama
(Dollars in Millions)**



active participation and empowerment of stakeholders, while encouraging eco-friendly income-generating opportunities.

GOVERNING JUSTLY AND DEMOCRATICALLY

Panama has experienced 18 consecutive years of political stability with successive, democratically-elected governments. 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 and environmental governance. USAID supports key activities by the Citizens' Alliance for Justice Reform, a coalition of civil society organizations that shape advocacy for critical judicial reforms, improved governance, and oversight. USAID works with civic groups at the grass-roots level, strengthening advocacy and oversight capabilities to galvanize public support for fundamental reforms such as a more transparent, accountable, and efficient justice of the peace system at the local level.

COLLABORATIVE ASSISTANCE

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 strategic partnerships and alliances, participatory methodologies, best practices, and appropriate policies and regulations for optimal results in its Economic Growth and Governing Justly and Democratically programs. Resource leveraging through strategic alliances and non-traditional partnerships has become a mainstay of USAID programs in Panama.

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On behalf of the American people, the U.S. government has provided humanitarian assistance and economic development to those in need since the Marshall Plan.