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PANAMA

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FACT SHEET

ECONOMIC GROWTH

The Economic Growth programs aim to increase Panama's competitiveness in the global market through trade capacity building and improve biodiversity conservation through better management of the protected areas and sustainable productivity of critical watersheds. The focal point of trade capacity building activities is on micro, small, and medium-sized enterprises (MSMEs) to better access international markets. In the Panama Canal Watershed, the focus of activities is on sound environmental stewardship through biodiversity conservation, greater transparency in environmental management, empowerment of communities, and alternative eco-friendly businesses.

In FY 2007, trade capacity building enhanced products and expanded the network of buyers for Panamanian MSMEs in the agriculture, artisan, and information technology sectors. USAID funded demand-led activities and supported business development and business linkage opportunities under trade capacity building. Results included enhancement of entrepreneurial and managerial skills and improved technical know-how on production. Participation in international fairs helped generate export prospects. The biodiversity conservation program during this same time frame solidified the implementation of its activities in the Chagres and Soberanía National Parks, select sub-watersheds in the PCW, and environmental governance with government of Panama officials.

One Global Development Alliance partnership raised citizen awareness of environmental crimes. Another fostered transparency and good governance practices in the credit access process. These two partnerships produced important synergies between the Economic Freedom and Ruling Justly Strategic Objectives.

Major Achievements: Trade Capacity Building

- Fifty-four enterprises in the agribusiness, artisan, and information technology sectors improved their access to international markets. Women run 24 out of the 54 enterprises.
- Nineteen firms improved their product designs and branding, repositioning 49 products.
- Twenty-four agro-industry firms became more competitive, market-oriented enterprises.
- Panamanian information technology and communications export potential strengthened. Trained eight firms in business plan development. One firm secured risk capital investment to fund an expansion project worth \$1.0 million.
- Six artisan enterprises improved their product quality design and marketing and for the first time registered international sales.
- Certification initiatives increased teak export earnings by almost \$300,000.
- Leveraging of local investment strengthened sustainability of the Rainforest Alliance initiatives in certified forestry.
- USAID catalyzed a strategic alliance between the Center of National Competitiveness and the Ministry of Commerce and Industry, promoting sustainability of trade capacity building efforts.

Key Milestones: Biodiversity Conservation

- USAID-Panama Canal Authority Incentive Fund (\$2.4 million) for the Conservation and Recovery of the PCW operational.
- Environmental Advocacy Center established to promote civil society participation in environmental policy formulation and implementation.
- Capacity in the implementation of environmental law bolstered. Trained 16 judges and prosecutors (10 women, 6 men) in interpretation of environmental criminal law and established a network of environmental non-government organizations, improving capacity to monitor implementation of the law.
- Cutting-edge technology to establish baseline in order to monitor natural resources in the Panama Canal Watershed introduced.