

PROLOGUE

Under the premise of putting the country's wealth at the service of all citizens with fairness and transparency, and install a government with honest and prudent management of public finances, the President of the Republic, His Excellency Juan Carlos Varela Rodriguez presents to the general public the "Strategic Plan of Government 2015-2019" which is going to govern during the five years of his tenure as head of the Executive Body, which is part of the parameters of the Social Agenda of the Government Plan for the Alliance The People First raised during the last electoral contest of 2014.

The "Strategic Plan of Government" honours the provisions of Law 34 of 2008 on Social Fiscal Responsibility, which requires the incoming administration to present during the first six months in office, a government program for the next five years.

This plan is based on four fundamentals axes: A Social Strategy, an Economic Strategy, a Five-year investment plan and a Financial Planning.

The Plan of Government that today we make of public consideration, is premised on social equity, achieve better standards of living for all Panamanians, promoting sustainable economic growth and giving priority to public investment of over 19 billion dollars, to finance projects that plan to run the administration

of President Juan Carlos Varela Rodriguez, to get the country moving forward and that the "Panama that grows, grow for all."

The program includes as engine sectors of the Panamanian economy, the logistics and transport, agriculture and tourism; likewise it pursues to provide the population of the entire country of potable water 24 hours a day and eliminate latrines for more than 300,000 homes, with the construction of toilet facilities to improve the quality of life of more than 1 million of Panamanians.

Another priority of the current administration, in the government action plan is to create an excellent educational system, with quality bilingual education in all public schools, increasing universal scholarship, strengthening vocational education, giving impetus to the fastest growing sectors, working in the construction of the logistics hub, promoting agricultural exports and giving a strong support to the touristic sector to generate more and more foreign exchange.

The energy sector, will also receive a major impulse from this administration. In this five-year period it is planned a huge investment in order to strengthen the system and overcome existing weaknesses. What we have scheduled for the third and fourth lines of power

transmission, is a testament to that.

This proposal contains an Indicative Plan of Investments for more than 19 billion dollars, including Line 2 of the metro, the Urban Renewal Plan of Colon, 100/0 Basic Health, the Lines 2 and 3 of electrical transmission, plan of mass transportation for the province of Panama Oeste and social program of Techos de Esperanza, among other emblematic investment projects of the incoming administration.

The outcome of these proceedings, is to achieve a substantial improvement in GDP per capita, the decrease of poverty in more than 150,000 people, and ultimately a more inclusive country where almost the entire population has drinking water, access to health and education and better employment and income.

But the Government Strategic Plan will not be completed without including, besides the social agenda, the firm commitment of the administration of President Juan Carlos Varela to strengthen the country's institutions, improving legal structures that the nation needs to make Panama a true rule of law, highly competitive for

attracting investments and offering as a guarantee its politic and social stability.

To do this, it requires a well-structured governance and institutions outline, where each organ of the State works in complete independence, but always in cooperation in order to strengthen the democratic system scheme.

In the coming months, a dissemination strategy of the Strategic Plan of Government will be developed, so all Panamanians have access to the document.

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I. OBJECTIVES

The success of the development process of Panama during the last decades is based in its geographical location and natural capital, in broad and sustained national agreements on the greater strategic significance management of the country: the interoceanic canal; and on whether to consolidate an open, stable, fiscally sound economy, promoting private initiative and foreign capital attraction. On these strategic axes, the country is attending an accelerated growth process that takes more than one decade, with strong specialisation in production and export of services.

The building challenge of “one country” it is to maintain an economy in solid expansion and, at the same time, ensure that all Panamanians can achieve greater and

better quality of life.

The Economic and Social Strategy 2015-2019 aims to realise this vision into tangible results by promoting actions to improve competitiveness and promote social inclusion, within the framework of a model of sustainable and inclusive development.

In this context it seeks to advance in parallel in two closely related areas:

	INCLUSION	COMPETITIVENESS
PURPOSE	<p>Include to grow</p> <p>The State and the economy at the service of the people. Advance in social equity to reduce the social, cultural and regional asymmetries.</p>	<p>Grow to distribute</p> <p>The State as engine and regulator of a solid, sustained and diversified growth, based on the full incorporation of the existing resources.</p>
SCOPE	<p>The Social Strategy should move towards a more fair and inclusive society. This objective not only constitutes a moral imperative and distributive ethics.</p> <p>It is also a necessary requisite for the governance of the country and to ensure the continuity of economic performance. For the development process to be inclusive, it must be supported in the growth of the Panamanian population universally, without distinction of origin, cultural identity or socio-economic stratum.</p>	<p>The Economic Strategy seeks to create conditions for the full utilisation of the productive potential of the country, promoting the adjustment of economic and productive opportunities based on new scenarios. The Strategy identifies specific actions to improve the productivity of key sectors of the national economy and promoting new initiatives with high growth potential to energise and improve the conditions of employment of local people.</p>

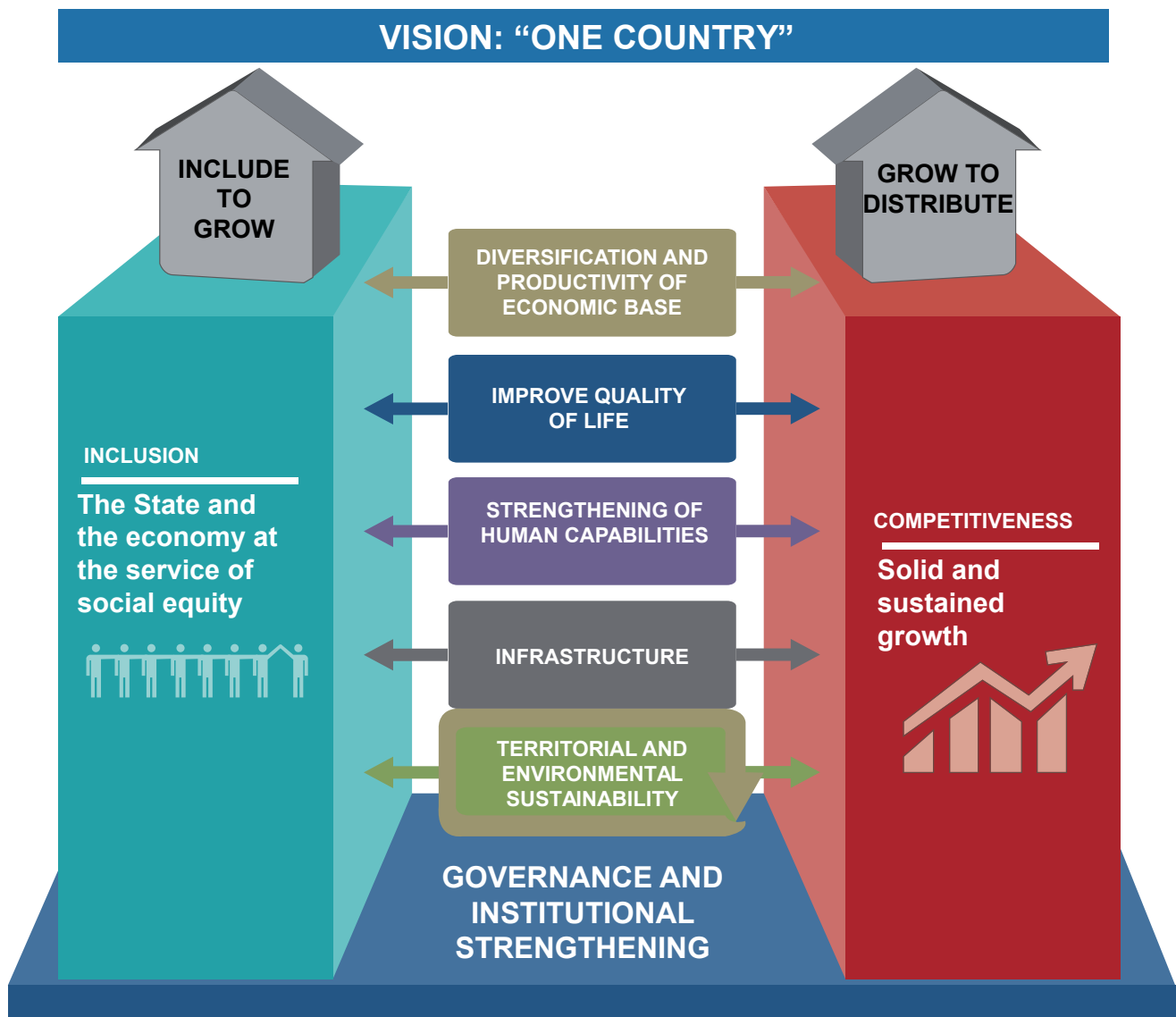
II. ECONOMIC AND SOCIAL STRATEGY

2.1. PRIORITY LINES OF ACTION

Decision-making, and interventions that respond to the objectives and aspirations of the society, will constitute powerful signals of orientation for the performance of the institutional actors, but also for social and business stakeholders.

The strategy flows into six areas of action:

- Economic Development
- Social inclusion and quality of life
- Strengthening of Human Capabilities
- Infrastructures
- Planning, territorial development, and environmental sustainability
- Institutional strengthening and Governance



Each of the areas of activity triggers a series of specific lines of intervention. These are the priorities that the Public Sector has to promote, in response to the challenges that have been identified. All seek to contribute to a more inclusive Panama and consolidating its economic growth process improving the competitiveness of the resources available.

To materialise each of these lines, the instruments

available to the Government were considered, defining for each type of decisions to be taken at three levels:

- Organisational and managerial changes in the public sphere
- Reform of the legal and institutional framework
- Allocation of investment resources

SCOPE OF ACTION	LINE OF INTERVENTION
<p>ECONOMIC DEVELOPMENT Diversification and productivity of the economic base</p>	<ul style="list-style-type: none"> • Logistics • Agriculture • Tourism • Mining
<p>SOCIAL DEVELOPMENT Improved quality of life</p>	<ul style="list-style-type: none"> • Water and sanitation • Urban sanitation • Housing • Urban transport • Health
<p>DEVELOPMENT OF PEOPLE Strengthening of the Human Capabilities</p>	<ul style="list-style-type: none"> • Basic education • Technical training
<p>INFRASTRUCTURE Connectivity</p>	<ul style="list-style-type: none"> • Roads • Ports • Airports • Energy
<p>ENVIRONMENT Territorial and environmental sustainability</p>	<ul style="list-style-type: none"> • Land use planning • Environmental management
<p>GOVERNANCE Institutional strengthening and Governance</p>	<ul style="list-style-type: none"> • Planning and public investment system • Budget per program • Internal control system • Civil service • Decentralisation of the public action • Justice and security

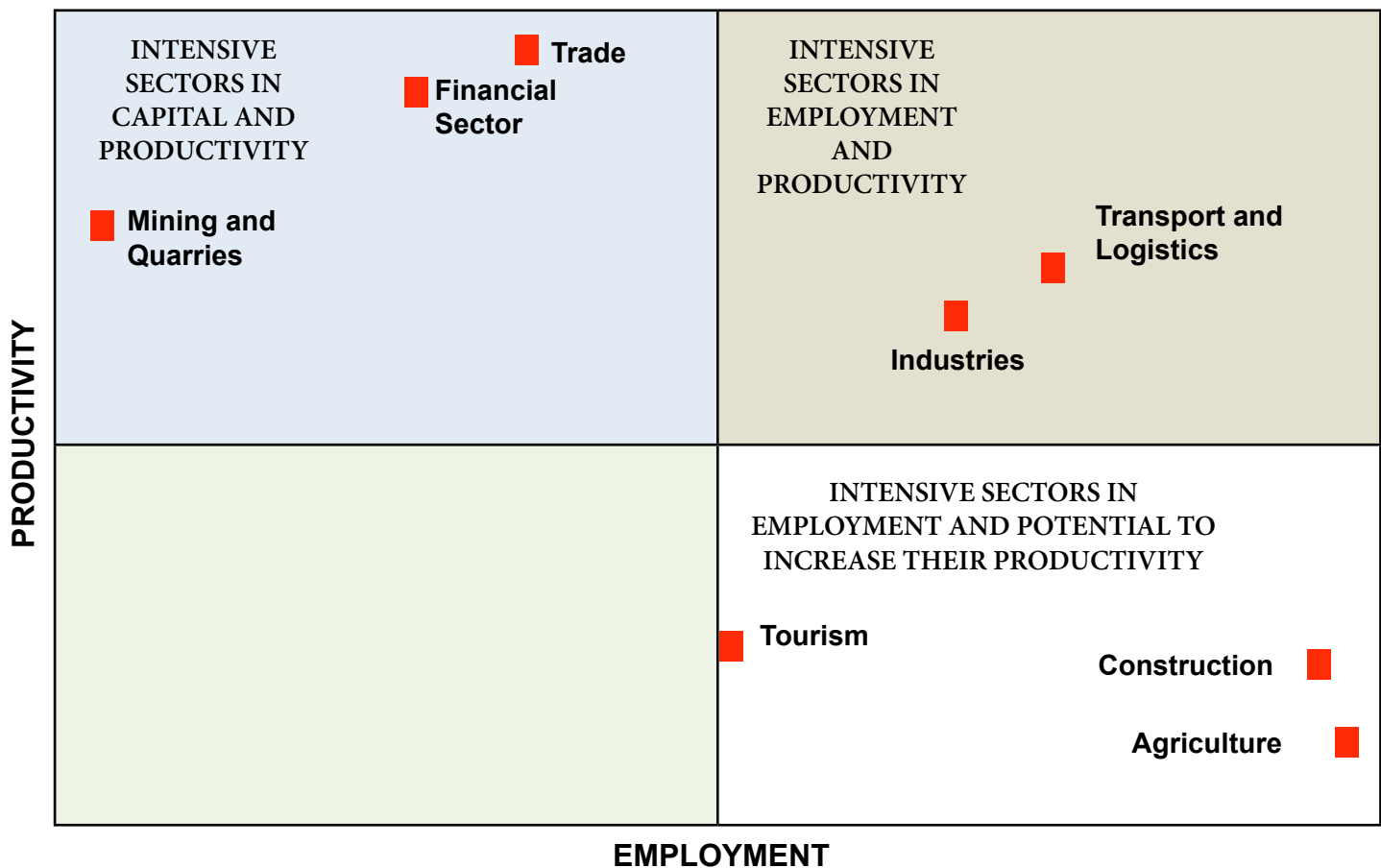
2.2. ECONOMIC STRATEGY

2.2.1. SELECTION OF ECONOMIC SECTORS

The growth will not be sustainable if its benefits do not reach the whole of society; growth is necessary but does not guarantee achieving the objectives of social progress. State action must be aimed at promoting active public policies that advance in parallel on both goals: Inclusion “Include to grow” and Competitiveness “Grow to distribute” since both processes support and provide feedback themselves. The way to achieve the above-specified integration is the development of those sectors with the capacity to lead the process of economic and social transformation.

The selection of these “engine sectors” in the short term and “potential areas” with eventual dynamic role in the future, was conducted according to various criteria among which are: its consideration in the PEG 2010-2014, productivity and international integration capacity, growth-development potential, employment generation capacity, potential impact on the population of scarce resources and chaining capacity with other sectors of the economy.

Relationship between employment and productivity by sector of economic activity, year 2014.



Result of that process, are identified three types of sectors on where to focus efforts in the coming years, which the designated criteria are verified with different intensity, present high potential for creation of new jobs or strong impact on the socio-economics of population conditions, and in which the capacity of government intervention either through public policy or investment.

		Productivity	Social Impact (employment)	Economic Impact
FOCAL GROWTH ENGINES	Logistics and Transport	■ ■ ■	■ ■ □	■ ■ ■
	Agriculture	■ □ □	■ ■ ■	■ □ □
	Tourism	■ □ □	■ ■ □	■ ■ ■
SECTORS OF ECONOMIC IMPORTANCE	Construction	■ □ □	■ ■ ■	■ ■ ■
	Trade	■ ■ ■	■ □ □	■ ■ ■
	Finance Sector	■ ■ ■	■ □ □	■ ■ ■
FUTURE POTENTIAL	Energy	■ ■ ■	■ □ □	■ ■ □
	Mines and Quarries	■ ■ ■	■ □ □	■ ■ □

Growth and Inclusion driver Sectors

- Logistics and Transport: The country should aim to establish itself as a platform for global logistics services, developing their competitive advantages from its geographical position.
- Agriculture, Forestry and Fishing Sector: It is a sector with great potential to bring a significant economic and social change in rural areas, through improved productivity and diversification.
- Tourism: Sector that experiences great dynamism, but which in turn has significant room for growth within the country.

2.2.2.1. LOGISTICS AND TRANSPORT



The logistics sector is the most important pillar of the Panamanian economy. Its performance in recent years makes it one of the most dynamic in the economy, and in the future is called to remain as one of the main engines of growth.

The Plan identifies key actions needed for its development in different fields:

Organisation

- Creation of an entity to articulate and coordinate public and private organisations linked to the development of logistics industry
- Formation of human resources
- Reorganisation of the Colon Free Zone
- Standardise the operation of information systems, which conform the technological platform of the national logistics system
- Promote the international position of the Merchant Marine

Institutional-normative

- Development and application of the Master Plan for Logistics
- National Law on Logistics
- Law on Public-Private Association
- Land Use Plan (Interoceanic Zone and Area of Influence)
- Creation of a single window for implementing FAL65 in order to facilitate international maritime traffic

Investment and Strategic Projects

- Link of Corridors North-South
- Expansion of the Southern Corridor
- Howard-Centennial Road
- Tocumen Cargo Terminal Access

2.2.2.2. AGRICULTURE, FORESTRY AND FISHING SECTOR



The agricultural sector has been historically one of the main productive sectors of the interior of the country, which has enabled it to play key roles as the main generator of employment in most of the provinces and indigenous comarcas, obtaining foreign exchange via exportation as well as an important role in food safety.

Main activities and strategic projects in the Primary Sector:

Organisation

- Sectorial coordination and capacity building of the institutions that constitute the agricultural public sector (Agro Pact).
- Promotion of processes for technology adoption and generation of value-added to the production.

Institutional-normative

- Organisation of Fairs
- Comprehensive technical assistance programs for producers
- Improve access to financial and insurance services

Investment and Strategic Projects

- Direct purchase from producers
- Complete and implement the Cold Chain
- Rehabilitation of Silos
- Construction of Markets (Chiriquí, La Chorrera, Panama, etc.)
- Irrigation Systems
- 200 kilometres of roads for production
- Support for development of new agribusiness products through modernisation

2.2.2.3. TOURISM



The Government of Panama has the vision to “Put the country’s wealth at the service of all Panamanians with fairness and transparency, supporting the private sector and foreign investment to improve the quality of life of all Panamanians and that the Panama that grows, grows for all.”

In that vision, tourism, which is one of the most dynamic economic sectors of the country, has a strategic role, and to ensure that it contributes to the Government’s purpose it should start from the review and adjustment of the Master Plan for Sustainable Tourism (MPST). To achieve this, initially raises a number of actions and programs that have been grouped around three action axes: reorientation model and the tourist positioning of the country, diversification of tourism in destinations and products, promoting the integration of population in tourism development.

Main activities and strategic projects in Tourism:

Organización

- Institutional strengthening of the Panama Tourism Authority (ATP)
- New Marketing Plan
- Promote the development of Destinations with Chambers of Tourism

- Tourist technical training: Hospitality and Tourism
- Promote a National Master Plan for Culture, and Culture Advisory Council

Institutional - normative

- Update of the Master Plan for Sustainable Tourism.
- Evaluate the opportunity of creating the Institute of Tourist Promotion of Panama
- Legalisation and land titling
- National Plan for the Protection and Promotion of Historical Heritage

Investments and strategic projects

- Orientate and prioritise the improvement of infrastructures and internal connectivity, both air and road.
- Road maintenance of the secondary network in the different provinces of the country and touristic circuits.
- Basic infrastructure and tourists’ services in main destinations.
- Tourist signs

2.3. SOCIAL STRATEGY

The quality of life of the Panamanian population, given a certain level of development-country, is and will be in high degree determined by the quality of coverage of the facilities and services available for the whole of the population in relation to basic social needs (that

increase according to how levels and aspirations of social development grow), and the environmental quality, security and the conservation of the biological and productive richness of the natural environment in which it is based.



2.3.1. DRINKING WATER AND SANITATION

Main actions and strategic projects:

Organisation

- Sector Strategic Plan (MINSAs)
- Development of design-projects prioritised by the government

Institutional –normative

- Strengthen operational and management capacities (IDAAN and Water Administration Boards)

Investment and strategic projects

- Expansion and improvement of aqueducts and sewers
- Expansion and improvement works of rural systems and 25 capitals of districts Improved Sanitation of 300,000 solutions in rural and indigenous areas



2.3.2. URBAN MOBILITY

Main actions and strategic projects:

Organisation

- Strengthening of capabilities (ATTT)
- Articulation of institutional actors

Institutional

- Strengthening plan for the Feeder System
- Control plan for the quality of the mobility
- Approval of the Integrated Metropolitan Transportation Plan, currently in preparation
- Pre-investment Line 3
- Integration of Metrobus with the Company Metro de Panama, S.A.

Investments and strategic projects

- Complete Line 1
- Construction of Line 2 of the Metro
- Mass Transport System for the area of Panama Oeste
- Infrastructure for the modal integration



2.3.3 HOUSING

Organisation

- Analyse opportunities of new construction technologies for social housing

Institutional-normative

- Program of Improvement of neighbourhoods and Urban Revitalisation in Panama and Colon
- Incentives to encourage the construction of housing with the private sector (125,000 solutions).

Investments and strategic projects

- Construction of social housing (35,000 solutions)
- Program Ceilings of Hope (Techos de Esperanza)
- Urban Renovation of Colon
- Housing complex Panama Oeste, Veraguas and Bocas del Toro
- Regularisation of informal housing –Moderation and Legalisation.
- Financing of housing through the Housing Solidarity Fund
- Solutions for progressive housing in small towns and vulnerable areas



2.3.4. HEALTH

Main actions and strategic projects:

Organisation

- National Network of Telemedicine
- Training-hiring of specialised Human Resources

Institutional-normative

- Strengthen the exercise of the steering role in Health
- Institutional arrangements to advance the unification of MINSA-CSS

Investments

- Preventive Health System and universal access
- Complete the construction and finance equipment of hospital projects already established
- Construction of the General Hospital of Panama Norte



2.3.5. EDUCATION

Main actions and strategic projects in basic and higher education:

Organisation

- Strengthen planning and management functions of the MEDUCA
- Establish mechanisms for effective coordination between institutions of the sector (IFARHU, SENACYT and MEDUCA)

Institutional-normative

- Implement a system of permanent training for teachers
- Implement a system of periodic measurement and evaluation of the knowledge assimilation of the students
- Link innovation and technology as a core subjects
- Redesign curriculum to incorporate new skills

Investments and strategic projects

- Increase investment in educational infrastructure with emphasis on rural areas and comarcas
- My School First (Mi Escuela Primero)
- Bilingual Panama (Panama Bilingüe)
- Implement alternative programs of middle and high education as “New Active School” and “Telebasica” in remote communities and indigenous comarcas.
- Rehabilitation and providing teaching resources to rural schools and comarcas



2.3.6. TECHNICAL AND VOCATIONAL TRAINING

Main actions and strategic projects in the field of Vocational and Technical Training:

Organisation

- Strengthening of INADEH, especially its regional headquarters
- Elaboration of periodic prospective studies to achieve a balance between supply and demand of qualifications

Institutional-normative

- Reactivation of the National Commission of Occupational Competencies (CONACOM) and the Competition Sector Councils
- Elaboration of action plans for technical training
- Establishment of a System for skills certification
- Review of the knowledge imparted by the system INADEH
- Establish a system of job vacancies associated with technical training centres



2.3.7. TERRITORY AND ENVIRONMENTAL SUSTAINABILITY

Main actions and strategic projects on Territorial Planning and Environmental Management:

Organisation

- Capacity building (MIVIOT-ANAM Municipalities)
- Sectorial articulation and strengthening of capacities of the institutions involved in land use planning and environmental management
- Facilitation program of citizen and business action

Institutional-normative

Planning and Territorial Development

- National Council of Territorial Development
- National Plan for Territorial Planning and Development
- Draft of Organic Law of Integration, Planning and Territorial Development
- 50 Land Use Plans
- 4 Plans in Comarcas
- 10 Partial Plans (critical areas of Urban Development)
- Creation of Single Windows in the Provincial Directorates of MIVIOT

Environmental Management

- Creation of the Ministry of Environment
- Review and update of the environmental assessment model
- Review and update of the PIOT-Environmental
- Improvement of the Legal and Instrumental Framework for Watershed Management
- Markings and signs of Protected Areas included in the SINAP
- Develop plans for adapting to climate change



2.3.8. INSTITUTIONAL STRENGTHENING AND GOVERNANCE

The objective of competitiveness that pursues the Strategic Plan of Government 2015 – 2019, heavily depends on economic factors, but also of the quality of the Panamanian institutions. An important part of these challenges are focused on the improvement of quality of public management, which requires defining a specific space and field of actions.

1. STATE REFORM ACTIONS

- Modernisation of the Civil Service (Administrative Career)
- Decentralisation

2. MODERNISATION OF PUBLIC MANAGEMENT

- Facilitation of procedures
- Implement mechanism of Electronic Government
- Improve the system for planning, public investment and budget by results
- Modernisation of Revenue Collection
- Single Treasury Account (CUT)

3. ACTIONS IN THE FIELD OF JUSTICE AND SECURITY

3.1. Transparency

- Rendering of expenses
- Strengthening of the Government Internal Control
- An open, competitive and transparent public procurement and contracting system, with public monitoring
- Citizen participation



2.3.9. JUSTICE

- Strengthening of Judiciary Body and Public Ministry
- Reactivation of the State Pact for Justice
- Separate the function of administering justice to the function of managing the court offices
- Justice of Peace Courts and strengthening of public defence service trade and protection of victims
- Improve mechanisms for nomination, qualification and selection of judges, case management systems, legal training, management and resolution of conflicts
- Full implementation of the Accusatory Penal System



2.3.10. SAFETY

- Start-up the program “Safe Neighbourhoods with more opportunities and firm hand” to prevent and combat crime.
- Approve Public Safety Act
- Create the Permanent Commission of Public Safety and Related with Crime Issues in the National Assembly
- Apply under protection of Law 38 of 2001, which amends and adds articles to the Penal and the Judicial Code, about Domestic Violence and Child and Adolescent Abuse
- Revision of Law N° 31 of May 28, 1998, Protection to Victims of Crime

III. FIVE-YEAR INDICATIVE PLAN OF PUBLIC INVESTMENTS (PQI)

The Plan is framed in the financial projections for the period 2015-2019, which establish the availability of capital expenditure for each year. It is in any case of an indicative plan that gathers at the beginning of the period, the allocation of investment funds of the institutions and priority programs established by the National Government. These figures have to guide the

proposals; however, may change as a function of the feasibility of the projects identified, the formulation that finally are the same and the financial ability to carry them out.

For the next five years, the National Government has allocated about 19.5 billion for investment projects.

DISTRIBUTION OF INVESTMENT BY SECTOR AND SUB-SECTORS YEAR 2015 – 2019 (IN DOLLARS)

SECTORS	2015	2016	2017	2018	2019	TOTAL
SOCIAL AREA	2,065,741,320.7	1,991,422,072.5	2,124,456,127.2	2,171,166,682.2	2,365,865,125.0	10,718,651,327.5
Health	454,893,484.7	361,244,231.0	246,984,350.0	249,215,000.0	322,815,000.0	1,635,152,065.7
Drinking Water	352,523,225.0	354,904,408.3	451,895,094.7	458,500,000.0	533,550,000.0	2,151,372,728.0
Sanitation and Sewerage	297,455,511.0	308,481,700.0	331,903,760.0	299,844,939.0	311,131,700.0	1,535,395,550.0
Housing	247,299,400.0	217,144,794.0	318,481,700.0	332,701,835.2	327,447,500.0	1,456,497,289.2
Education and Culture	499,116,900.0	486,365,799.1	463,471,862.5	487,262,328.0	529,362,525.0	2,465,579,414.6
Transfers Vulnerable Groups	180,382,900.0	215,263,340.0	265,301,560.0	298,274,780.0	298,008,400.0	1,257,230,980.0
Urban Tidiness	21,019,900.0	16,817,800.0	14,217,800.0	12,017,800.0	10,200,000.0	74,273,300.0
Labour and Social Protection	13,050,000.0	31,200,000.0	32,200,000.0	33,350,000.0	33,350,000.0	143,150,000.0
ECONOMIC AREA	287,862,928.0	225,464,353.4	244,160,900.0	222,741,000.0	228,438,900.0	1,208,668,081.4
Agriculture	211,570,600.0	166,340,650.4	164,480,900.0	163,061,000.0	163,908,900.0	869,362,050.4
Industry and Trade	33,775,128.0	21,158,703.0	21,065,000.0	21,065,000.0	20,215,000.0	117,278,831.0
Tourism	42,517,200.0	37,965,000.0	58,615,000.0	38,615,000.0	44,315,000.0	222,027,200.0
INFRASTRUCTURE AREA	1,236,235,045.7	1,464,568,737.3	1,258,574,111.1	1,195,688,433.1	1,215,625,453.9	6,370,691,781.1
Roads and Civil works	762,612,900.0	771,161,530.3	439,850,288.0	486,257,080.0	499,610,000.0	2,959,491,798.3
Mass Transport	448,535,045.7	651,880,777.0	775,523,823.1	666,681,353.1	667,765,453.9	3,210,386,452.8
Maritime Transport	10,695,500.0	23,676,430.0	23,350,000.0	22,900,000.0	28,400,000.0	109,021,930.0
Air Transport	6,891,600.0	4,350,000.0	4,350,000.0	4,350,000.0	4,350,000.0	24,291,600.0
Electricity	7,500,000.0	13,500,000.0	15,500,000.0	15,500,000.0	15,500,000.0	67,500,000.0
ENVIRONMENT AREA	17,349,200.0	44,608,934.0	44,612,504.0	54,218,400.0	54,850,400.0	215,639,438.0
ADMINISTRATIVE AND JUSTICE AREA	184,811,165.0	189,875,929.5	189,141,164.5	206,137,670.0	203,202,590.0	973,168,519.0
Civil Protection and Justice	125,898,965.0	142,016,706.3	147,482,717.3	162,375,080.0	167,350,000.0	745,123,468.5
General Services	58,912,200.0	47,859,223.3	41,658,447.3	43,762,590.0	35,852,590.0	228,045,050.5
TOTAL PQJ 2015 - 2019	3,791,999,659.4	3,915,940,026.7	3,860,944,806.7	3,849,952,185.3	4,067,982,468.9	19,486,819,147.0

**FIVE-YEAR INDICATIVE PLAN OF INVESTMENTS 2015 - 2019 SAMPLE
OF FLAGSHIP PROJECTS**

	2015	2016	2017	2018	2019	TOTAL	% PQI 2015-2019
In thousands of Dollars							
Techos De Esperanza (Ceilings of Hope)	80,000	250,000	150,000	100,000	100,000	680,000	3.4%
Urban Renewal of Colon	90,000	90,000	90,000	90,000	90,000	450,000	2.3%
Agro Pact	211,570	166,340	164,480	163,061	163,908	869,362	4.5%
Basic Sanitation	734,716.9	696,878	653,518.9	527,573.9	452,217.9	3,064,905.8	15.3%
Universal Scholarship	125,661	133,247.6	124,018.6	124,805.10	124,805.10	632,537.40	3.20%
My School First	163,982.4	152,721.0	159,542.2	152,756.40	152,000	781,002.00	3.9%
Panama Bilingüe (Bilingual Panama)	55,849.1	26,496.4	27,496.10	31,470.60	31,470.60	172,782.80	0.90%
METRO and Mass Transport	448,535.00	651,889.70	775,523.80	666,681.30	667,765.40	3,210,395.40	15.60%
Line 1	148,748.10	20,000.00	20,000.00	20,000.00	20,000.00	228,748.10	
Line 2	228,831.40	404,922.80	514,713.80	414,961.30	323,245.40	1,886,674.90	
Line 3	8,876.10	169,121.90	192,500.00	193,450.00	257,000.00	820,948.00	
Metro-Bus	62,079.30	57,845.00	48,310.00	38,270.00	67,520.00	274,024.30	
120 a los 65	153,514.50	153,514.50	153,514.50	153,514.50	153,514.50	767,572.50	3.80%
Safe Neighbourhoods	112,026.60	85,766.70	81,157.70	69,625.00	60,220	408,796.10	2.00%
Own elaboration based on information from the Directorate of Programming of Investments of the MEF					Estimated percentage		54.90%

IV. FINANCIAL PROGRAMMING 2016-2020

The Economic and Social Strategy, which contains the Government Strategic Plan for the period 2016-2020, complements and fits into the fiscal projections that made the Ministry of Economy and Finance. These projections were approved in the Cabinet Decree No. 10 of April 21st, 2015, that approves the Fiscal Framework of medium term of Non-Financial Public Sector.

FISCAL FRAMEWORK OF MEDIUM-TERM OF THE NON-FINANCIAL PUBLIC SECTOR YEARS 2016 – 2020 (IN MILLIONS OF DOLLARS)

Details	2016	2017	2018	2019	2020
TOTAL REVENUES	11,115	12,174	13,219	14,086	15,186
Central Government Current Revenues	10,995	12,057	13,090	13,947	15,037
Central Government	7,519	8,352	9,155	9,778	10,608
Social Security Fund (CSS)	3,247	3,450	3,655	3,865	4,085
Consolidated Agencies	230	255	280	305	345
Operational Results of Public Companies	120	118	129	139	149
Unconsolidated Agencies and Others	0	0	0	0	0
Capital inflows	0	0	0	0	0
TOTAL EXPENSES	12,618	13,360	14,120	15,089	16,093
Current expenditures of General Government	9,510	10,225	10,738	11,434	12,192
Current Expenditures (excluding interest payments)	8,335	8,946	9,373	9,996	10,663
Central Government	4,887	5,115	5,137	5,419	5,724
Social Security Fund (CSS)	3,191	3,553	3,933	4,250	4,587
Consolidated Agencies	257	277	302	327	352
Interests	1,175	1,279	1,365	1,438	1,529
Capital Expenditures	3,109	3,136	3,382	3,655	3,902
(% GDP)	5.8%	5.3%	5.3%	5.3%	5.2%
CURRENT SAVINGS OF GENERAL GOVERNMENT	1,485	1,832	2,352	2,513	2,846
% del GDP	2.8%	3.1%	3.7%	3.6%	3.8%
CURRENT SAVINGS NFPS	1,605	1,950	2,481	2,652	2,995
% del GDP	3.0%	3.3%	3.9%	3.8%	4.0%
PRIMARY BALANCE	-328	93	464	435	622
% del GDP	-0.6%	0.2%	0.7%	0.6%	0.8%
TOTAL BALANCE (cash basis)	-1,503	-1,186	-902	-1,003	-907
% del PIB	-2.8%	-2.0%	-1.4%	-1.4%	-1.2%
Contribution (+) / (-) setting the FAP	-695	-598	-656	-580	-535
% del GDP	-1.3%	-1.0%	-0.9%	-0.9%	-0.7%
TOTAL ADJUSTED BALANCE (cash basis) (*)	-808	-588	-321	-347	-372
% del GDP	-1.5%	-1.0%	-0.5%	-0.5%	-0.5%

(*) If the contribution of the ACP is less than 3.5% of GDP, Balance Total Balance Total Adjusted = - (ACP Contribution - 3.5%)

If the contribution of the ACP is higher than 3.5% of GDP Balance Total Adjusted = Total - Contribution to FAP

**FISCAL FRAMEWORK OF MEDIUM-TERM OF THE CENTRAL
GOVERNMENT
YEARS 2016 - 2020
(IN MILLIONS OF DOLLARS)**

Details	2016	2017	2018	2019	2020
Total Revenues	7,669	8,512	9,325	9,958	10,798
Current Revenues	7,669	8,512	9,325	9,958	10,798
1. Tax	5,446	5,915	6,432	6,897	7,375
Direct	2,844	3,105	3,395	3,661	3,930
Indirect	2,602	2,811	3,037	3,237	3,445
2. Non-tax	2,222	2,596	2,894	3,060	3,423
Capital Revenues	0	0	0	0	0
Total Expenses	9,284	9,655	10,027	10,808	11,494
Current Expenses	6,760	7,120	7,287	7,705	8,165
Personal Services	2,385	2,528	2,680	2,841	3,011
Goods and Services	725	769	815	864	915
Transfers	2,250	2,300	2,160	2,275	2,400
Interest on the Debt	1,163	1,264	1,349	1,421	1,511
Others	237	259	283	305	327
Current Savings	908	1,392	2,039	2,252	2,633
<i>% GDP</i>	<i>1.7%</i>	<i>2.4%</i>	<i>3.2%</i>	<i>3.2%</i>	<i>3.5%</i>
Capital Expenses	2,524	2,536	2,740	3,103	3,329
<i>% GDP</i>	<i>4.7%</i>	<i>4.3%</i>	<i>4.3%</i>	<i>4.5%</i>	<i>4.5%</i>
Primary Balance	-452	121	648	571	815
<i>% GDP</i>	<i>-0.8%</i>	<i>0.2%</i>	<i>1.0%</i>	<i>0.8%</i>	<i>1.1%</i>
Total Balance (Cash Basis)	-1615	-1144	-701	-850	-696
<i>% GDP</i>	<i>-3.0%</i>	<i>-1.9%</i>	<i>-1.1%</i>	<i>-1.2%</i>	<i>-0.9%</i>

WHICH PANAMA ARE WE LEAVING IN 2019?

- A GDP of US\$ 77 Billion
- 120,000 New Formal Jobs
- 150,000 people less in Extreme Poverty
- A Public Deficit of 0.5%
- A Debt below the 35% of GDP

A more inclusive country, where almost 100% of the population has access to Drinking Water, Sanitation, Health and Education.





GOBIERNO DE LA REPÚBLICA DE
 **PANAMÁ** 