PD-ABB-522

AGENCY FOR INTERNATIONAL DEVELOPMENT

MEXICO

ACTION PLAN: FY 1991-1992

APRIL, 1990

BEST AVAILABLE

AID/MEXICO ACTION PLAN - FY 1991-1992

TABLE OF CONTENTS

		Page No.
SECTION I.	Program Overview	1
A.	Inter-Country Technology Transfer (ITT)	2
B.	Narcotics Demand Reduction	3
C.	Global Climate Change	3
D.	Section 416 Food Assistance	3
E.	Training	4
F.	A.I.D./W Central Bureau Programs	5
1.	S&T/Pop	5
2.	S&T/Health	5
3.	PSTC	6
4.	OFDA	6
5.	AIFLD	6
6.	ASHA	6
7.	Other	7
SECTION II.	Appropriateness of the Country Strategy	7
SECTION III.	Performance	8
A.	Performance Against ADC Guidelines:	8
B.	Impact of Program on Attainment of CDSS Objectives	10
SECTION IV.	New Program Initiatives	17

	Page No.
New Activity Descriptions	22
-International Center for Tropical Resources.	22
-Community Development in Buffer Zones of Protected Areas in Southern Mexico.	24
-Community Doctors in Oaxaca, Michoacan, Tabasco, Chiapas, and Guerrero.	27
-Commercialization of FEMAP Family Planning Services.	29
-Neonatal Tetanus (NT) Training and Detection Project.	32
SECTION V. Resource Requirements	33
A. LAC Regional	33
1. ITT	33
2. Narcotics Demand Reduction	34
3. ADC Training Project	34
4. Global Climate Change	35
5. AIFLD	36
6. PD&S	36
B. Section 416 Food Assistance	36
C. Central Bureaus	37
1. PSTC	37
2. S&T Pop.	37
3. S&T/Health	37
4. PRE/H	38
5. ASHA	38
D. Operating Expense (OE) Funds	38
A.I.D./M Staffing	39
SECTION VI. Issues	40
-Section 416 Food Assistance	40
-A.I.D./W-Funded Projects	40
-Delegations of Authority	40

Page No.

ATTACHMENT A

Summary Account Funding Table for LAC Bureau 42

ATTACHMENT B

Summary Funding Table for New and Ongoing Activities 43

ATTACHMENT C

Social Indicators 55
Economic Indicators 57

ATTACHMENT D

Mexico 27056 (Administration of Justice) 60

April, 1990

A.I.D./MEXICO ACTION PLAN - FY 1991-1992

SECTION I. Program Overview

The United States and Mexico have a unique relationship. They share a common border, as well as a profound influence on each other through deep historical, cultural and economic ties. Mexico is the United States' third largest export market, and our second most important source of strategic raw materials. Literally thousands of lines of communication and contact have developed naturally across the common border. Moreover, recent steps by the GOM to open up the Mexican economy, and to improve its efficiency (liberalization of trade and foreign investment regulations, privatization of parastatals, signing of a foreign debt agreement, fiscal reform, a tax information exchange agreement with the U.S.) portend a further strengthening of U.S.-Mexican economic relations and closer economic integration in the future.

The challenge for A.I.D. in this context has been to define an assistance strategy, and specific objectives, which represent a genuine incremental contribution to enhanced bilateral relations --and to the attainment of otherwise unlikely improvements in Mexico's development prospects.

Given this multitude of existing contacts, interest groups, political pressures, etc., the A.I.D./Mexico program faces continuing pressures (and temptations) to spread itself too thinly. Indeed, a cursory examination of the range and number of projects under way in Mexico might suggest that A.I.D./M has succumbed to that temptation.

Generally speaking, it has not. Several factors, however --some programmatic, some peculiar to A.I.D./M management practices-- have produced a relatively large number of discrete activities. Programatic factors include A.I.D./M's role in support of activities closely linked to U.S. interests in Mexico, e.g., narcotics awareness, AIDS (especially in border areas), and population. Management practices have included an aversion to buy-ins (too costly); over-"projectization" of assistance activities, including travel grants and small commodity purchases; and the absence of incrementally-funded projects (follow-on activities were prepared as new grants which sometimes overlapped with predecessor grants).

Some changes in management procedures will allow some consolidation of the portfolio --but recent developments will mitigate against any significant reduction in total activities. Most prominent of these recent developments is

Mexico's designation as a "key country" under the new Global Warming initiative. Other factors include continuing joint interest/funding availability in support of child survival activities, and a growing awareness of Mexico's important role in international efforts to preserve biological diversity.

The consistency of these programs with the Mexico CDSS and the LAC ADC Guidelines is discussed in Sections II and III below.

The A.I.D./Mexico country program currently includes the following components:

A. Inter-Country Technology Transfer (ITT)

More than any other project, ITT describes the "personality" of the A.I.D./M program. ITT sub-projects are:

- generally small
- executed with competent, innovative Mexican organizations
- Consistent with ADC guidelines and A.I.D./M internal emphasis on management agility
- generally successful in mobilizing recipient and/or other-donor resources

In FY 1990, ITT resources valued at $2.033 million will support 56 sub-projects as follows: (See Attachment B for a list of specific projects).

Func. Acct.	Allotment ($000)	No. of Projects	Aver. Value/Yr. ($000)
Population	916 *	13	70 **
Child Survival	335	10	34
AIDS	250	11	23
PSEE	205	8	26
EHR	150	5	30
Health	97	5	19
ARDN	80	4	20
	2,033	56	36

* Includes $511,000 (FY 1990 only) for Private Sector Provision of Social Services (PSPSS)

** Would be $34,000 if PSPSS funds were excluded

B. Narcotics Demand Reduction

In recent years, the flow of illicit drugs across the U.S.-Mexican border has become one of the most publicized and debated issues facing our two countries. The administration of Carlos Salinas de Gortari has pursued a vigorous anti-narcotics program, primarily in the areas of eradication, interdiction and stiffer law enforcement. A.I.D./M supports another key component of the war against drugs: public awareness and education programs. Narcotics awareness and education activities are aimed at enhancing host country recognition of the drug abuse problem, mobilizing community participation and generating public support for tougher laws and more effective prevention programs.

In FY 1990, A.I.D./M will provide $300,000 to support Narcotics Awareness activities: (See Attachment B for complete list of projects).

C. Global Climate Change

Mexico has been identified by the LAC Bureau as a "key country" for expanded assistance under the Global Warming initiative established by the FY 1990 FAA. The "A.I.D./M Environmental Workplan, 1990-1992" describes the specific activities which A.I.D./M will support beginning FY 1990. A summary list of these projects (FY 1990 cost $800,000) is shown on Attachment B.

D. Section 416 Food Assistance

The Mexico Section 416 food assistance program provides essential nutritional supplements to almost four million of Mexico's poorest citizens who have been especially hard hit by the effects of the country's structural adjustment program. In FY 1990, the DCC approved a Section 416 program amounting to 240,000 metric tons of sorghum (CCC value: $28.3 million). This grain is monetized in Mexico, with the proceeds used to purchase local foods such as beans and corn flour for distribution to needy families (70% of monetized proceeds) and to support community development activities such as home gardens, improved food conservation, small-infrastructure projects, raising of small animals, vocational training courses, family hygiene, animal husbandry, rural credit and family planning (30% of monetized proceeds). The Cooperating Sponsors of the Section 416 program include four US PVOs (CARE, International Partnership for Human Development, SHARE and Christian Outreach Appeal) and one GOM agency (National System for Integrated Development of the Family - DIF).

Initiated in FY 1983, the Section 416 program has encountered increasing resistance at the DCC level since FY 1988, with most concern focused on the seeming interminability of a nominally "temporary" program. Dispassionate examination of the pertinent issues has been complicated by differing interpretations of U.S. foreign policy interests in the program, U.S. Congressional interest (particularly among representatives of border states), and --since the program shifted to 100% monetization in FY 1988-- concerns with the management and administrative capacity of program sponsors and A.I.D./M to ensure effective accountability of program resources. In August, 1989 A.I.D./M requested an in-depth program assessment to examine the Section 416 program's structure and direction, and to offer recommendations for change, if warranted. The assessment team has also been instructed to propose a phase-out schedule consistent with local needs and the program's anticipated impact on Mexico's structural adjustment efforts. Results of the assessment should be available in June, 1990.

E. Training

The LAC II Training Project (final funding year: FY 1989 at $650,000) and the upcoming ADC Training Project (initial funding year: FY 1990 at $660,000 *) are key components of the Mexico program. Training helps create an enduring web of contacts between U.S. and Mexican academics, technicians, scientists, entrepreneurs and managers. It also provides a valuable supplement to ITT and other programs by enabling Mexican counterparts to receive training in support of project objectives. Academic training, i.e., at the Master's Degree level, and post-doctoral programs play an important role in the development of Mexican institutions, and contribute to the creation of working linkages between U.S. and Mexican universities and research facilities. As of mid-April, 1990, approximately 920 participants have departed Mexico for academic and short-term training in the U.S. under the LAC II Project. A competitive contract for the ADC Training Project will be awarded during the final quarter of the fiscal year.

In addition to LAC II and the ADC Training Project, A.I.D./M manages the Cochran Middle-Income Country Training Program on behalf of the U.S. Department of Agriculture

---

* Includes $500,000 from the ADC Training Project and $160,000 from the ITT Project.

(50 trainees per year); handles logistics, monitoring and student support services for approximately 75 third-country students funded by other USAID missions for study in Mexico; arranges training in Israel for 20-50 students per year under the A.I.D./W agreement with MASHAV (the Israeli equivalent of A.I.D.); and provides administrative and logistics support for approximately 10 participants per year funded under the Latin American Scholarship Program of American Universities (LASPAU) project.

F. A.I.D./W Central Bureau Programs

1. S&T/Pop

Far and away the largest share of A.I.D./W-source assistance in Mexico is population support provided by S&T/POP. This assistance, amounting to $5.7 million in FY 1990, supports approximately 70 sub-grants and sub-contracts with Mexican public and private agencies, and provides contraceptive supplies for the Mexican family planning program. FY 1990 resources have declined from previous years' levels (S&T/POP assistance in FY 1988 and FY 1989 averaged approximately $7.5 million per year), and A.I.D./M is consequently working with A.I.D./W-funded grantees to focus their assistance on high-priority needs. These include most notably a shift away from demand-generation (IE&C) projects and into sustainable, cost-effective family planning service delivery, especially in the south of Mexico and marginal urban areas.

2. S&T/Health

The S&T/Health Office provides important assistance in support of child survival and AIDS activities in Mexico. PRITECH II --a continuation of PRITECH I which ended in 1988-- will provide technical assistance, training and educational materials in support of MOH child survival activities in six states. The cost of this two-year (April, 1990-March, 1992) program will be approximately $300,000. The AIDSTECH project provides technical assistance to the Epidemiology Division of the MOH (cost estimation and data analysis of the health care costs of AIDS in Mexico); provides technical and financial support to FEMAP (campaign to encourage prostitutes in Cd. Juarez to adopt safe sex practices); supports operations research on the role of pharmacies in AIDS and STD prevention; and conducts a small grants program for community-based PVOs.

3. PSTC

The PSTC, administered by the Office of the Science Advisor (AID/SCI), seeks to stimulate new and innovative scientific research on problems that confront developing countries. A.I.D./M, which obligates PSTC funds allotted by AID/SCI, currently manages six sub-projects having a cumulative value of $823,444 (FY 1986-89). AID/SCI has not yet completed the competitive review process for FY 1990 research grants. A.I.D./M expects, however, that the FY 1990 program will include three new sub-projects having a value of approximately $300,000.

4. OFDA

Between FY 1984-1990 OFDA provided support for the training of over 150 Mexicans in areas such as wildfire suppression, health and hazardous materials, disaster management and assessments, water purification, earthquake engineering, urban and regional planning, search and rescue, hurricanes, emergency medicine, and airport safety. A majority were trained in Mexico City or other cities in Latin America. Over the past two years, several OFDA-sponsored trainees in wildfire suppression responded to wildfires in Mexico's northern border states and in the Yucatan peninsula, cooperating closely during these incidents with the U.S. Forest Service. In November, 1989, Marilyn Quayle visited Mexico, accompanied by the OFDA Director and an OFDA/LAC representative. Mrs. Quayle met with President Salinas and with representatives of public and private sector organizations involved in disaster relief and preparedness. During her visit the Under-Secretary of the GOM Secretariat of the Interior expressed interest in opening up discussions with the U.S. on expanded cooperation in disaster management and preparedness.

5. AIFLD

An AIFLD representative in Mexico serves as liaison between the Inter-American Regional Organization of Workers (ORIT) and the AFL-CIO, and maintains contacts between the Workers' Confederation of Mexico (CTM) and the AFL-CIO. He also coordinates the selection of CTM candidates who participate in the labor training courses offered by the George Meany Center in Silver Spring, Md.

6. ASHA

ASHA provides support for two institutions in Mexico --the American-British Cowdray Hospital

($500,000-$1,000,000/year) and the University of the Americas ($350,000-$800,000/year). Both institutions have ASHA proposals pending in A.I.D./W for FY 1990 assistance.

7. Other

Other A.I.D./W-funded programs in Mexico include BOSTID and CRSP ($500,000/year). A.I.D./M also provides administrative, logistic and financial backstopping for the RTAC-II project headquartered in Mexico City.

SECTION II. Appropriateness of the Country Strategy

The Mexico country strategy set forth in the FY 1989-90 Action Plan remains a generally appropriate framework for the A.I.D./M program over the next several years. One area of increased emphasis over this period, however, is the environment/ecology sector. The 1989 CDSS, while identifying the importance of this sector to Mexico's development, could not anticipate the identification of Mexico as a "key country" under the Congressional Global Climate Change initiative, or Mexico's progressively higher silhouette internationally as a repository of threatened biological resources.

The "A.I.D./M Environmental Workplan" prepared in January, 1990 fills this gap in the country strategy, and identifies potential projects/activities for A.I.D./M assistance over the 1990-1992 period. A.I.D./M welcomes the opportunity presented by the Congressional initiative. A.I.D./M also understands, however, that a great deal of work must be accomplished in a very short period of time to ensure effective use of these additional resources. Regardless of whether the Global Climate Change program is established as an LAC Regional activity or is managed directly by country missions, A.I.D./M anticipates that Global Climate Change will represent this office's largest single program account --double, for example, the dollar value of A.I.D./M's annual (ITT) population program.

A.I.D./M is making changes in the internal distribution of project management responsibilities to accommodate these additional tasks. Particularly important, however, will be the expeditious placement of a PSC environment specialist --requested January 22, 1990-- to assist A.I.D./M carry out this important new assignment. (N.B.: A.I.D./M will terminate an existing PASA agreement with the U.S. Forest Service in October, 1990. The departure of the PASA technician, who has worked primarily in development of agri-forestry activities, will enable A.I.D./M to recruit the new environment specialist without an increase in U.S. personnel).

The A.I.D./M Program Management Assessment team (August, 1989) recommended that A.I.D./M consider a more pro-active role in support of democratic initiatives, further to Mexico's ongoing efforts to modernize its political process. The team further observed that the Mexico LAC II Scholarship Program included very little "experience America" activity. A.I.D./M agrees with the Assessment's concern regarding the training program. The RFP for the follow-on ADC Training Project includes specific instructions to bidders that their proposals contain significant "experience America" components. A.I.D./M and Embassy views with regard to a broader DI program, however, are at some variance with the Assessment. Specifically, it is felt here that DI activities in areas such as legislative or election procedures, encouragement of political pluralism, etc., would be counterproductive in Mexico. On the other hand, several elements of the Embassy have cooperated very productively with the GOM in Administration of Justice activities. (See Mexico 27056, Attachment "D"). A.I.D./M would be pleased to support an expanded AOJ program, but has been informed by A.I.D./W that recent reductions in AOJ funding preclude that possibility. A.I.D./M proposes that this issue be re-examined during the Action Plan review.

Mexico is undertaking a major structural economic reform program in pursuit of economic stabilization and growth, after eight years of high inflation and economic stagnation. A.I.D./M plays a major role in facilitating the success of this program through the Section 416 food assistance program. As structural adjustment measures are implemented, Mexico's poorest citizens are encountering extraordinary difficulties in maintaining minimum levels of nutrition. Particularly hard-hit have been marginalized urban and rural population groups outside of the organized labor force, who have not benefitted from pay adjustments obtained through collective bargaining efforts. Food supplements donated to these economically ravaged families provide an essential, if temporary, safety net during the transition to renewed economic growth. A.I.D./M and the Embassy expect that food assistance in support of structural adjustment efforts will be needed for an additional 4-5 years.

SECTION III. Performance

A. Performance Against ADC Guidelines:

The Program Management Assessment of August, 1989 concluded that the A.I.D./M program was being implemented in conformance with the ADC Guidelines. One exception noted by

the Assessment Team --inadequate A.I.D./M efforts to familiarize Mexican leaders with democratic values and to strengthen democratic institutions-- has been discussed above.

A.I.D./M establishes and furthers linkages to U.S. technology, especially between U.S. and Mexican private sectors, through several components of the A.I.D./M program. The ITT Project has applied U.S. technology to increase agricultural production in arid zones; to increase the use of micro-computers in business education; to adopt commercial marketing techniques for contraceptives and oral rehydration salts; and to introduce U.S. pollution-monitoring technologies into use by GOM and Mexico City environmental protection agencies. The PSTC facilitates collaborative research between U.S. and Mexican scientists on problems confronting developing countries. BOSTID and CRSP research similarly contribute to the creation of an international information exchange network which draws on U.S. universities and research scientists to respond to practical development concerns in Mexico. S&T/POP grantees such as The Population Council, Family Health International and the Association for Voluntary Surgical Contraception support research and/or the introduction of new contraceptive technologies (NORPLANT, female condoms, "no-scalpel" vasectomy) into the Mexican family planning program. Training and professional study opportunities made available under the LAC II Scholarship Project and ITT haveexposed hundreds of Mexican academics, scientists, technicians, entrepreneurs and managers to a wide range of U.S. technology across several disciplines.

As mentioned previously, a significant portion of A.I.D. assistance in Mexico addresses foreign policy problems of mutual concern to the U.S. and Mexico. The original impetus to re-establish an A.I.D. presence in Mexico (as well as Brazil and Colombia) in 1977 was concern with population growth. That sector remains, of course, a high priority. Recent years have seen the emergence of narcotics awareness and AIDS as special concerns of both countries. Narcotics awareness activities supported by A.I.D./M focus on adolescent and youth populations in Mexico's larger cities and border areas. AIDS assistance has been instrumental in the creation of the GOM (Secretariat of Health) agency --CONASIDA-- responsible for a nationwide public education program to control the disease. The rapid destruction of natural habitat, forests and wildlands in Mexico has been acknowledged as a bilateral --and global-- concern with Mexico's designation as a key country under the Global Warming initiative. Moreover, Mexico has the highest reptile and amphibian diversity in the world, and the greatest terrestrial mammalian diversity in the Neotropics --marking the

country as an important focus for bio-diversity protection activities. A.I.D./M support for E/NR activities has been relatively modest to date, primarily due to funding constraints within the ITT/PSEE account and competing requirements of A.I.D./M activities in support of private enterprise development. New resources becoming available under the Global Warming initiative will enable A.I.D./M to clearly establish E/NR as one of its highest priorities.

In addition to the above "special concern" areas, A.I.D./M cooperates closely with other elements of the Embassy to help them carry out activities in furtherance of USG foreign policy interests in Mexico when such activities are consistent with A.I.D./M goals and objectives. This cooperation has included assistance for fisheries and environmental activities proposed by the Office of the Science Counselor; support for U.S.-Mexican professional exchanges further to a GOM Memorandum of Understanding with the U.S. Environmental Protection Agency (EPA); administrative support for the USDA's Cochran Training program; and training for GOM officials in prevention of government fraud and corruption.

The range and diversity of the A.I.D./M program facilitates access to a broad array of host country leaders involved in development issues. Several of A.I.D./M's Mexican counterparts occupy leadership positions which serve to amplify the positive effects of A.I.D. assistance activities. These include the secretary of health, rectors of several public and private universities; officers of Mexican and U.S. chambers of commerce and employers' associations; directors of Mexican philanthropic, development and research foundations; sub-cabinet-level officers of the interior, health, agriculture, environment/urban affairs and education ministries; church leaders, and key figures in Mexico's communications and entertainment industry. Importantly, these relationships are less and less characterized by donor-recipient roles. More significant for the development of positive long-term relations, A.I.D./M-counterpart contacts are focussing increasingly on idea-sharing, networking to build coalitions of solution-oriented organizations, and the identification/mobilization of non-A.I.D. resources for development activities.

B. Impact of Program on Attainment of CDSS Objectives

The basic goal of the A.I.D./M program, as described in the CDSS of May, 1988, is to facilitate Mexico's access to U.S. technologies needed for development activities that benefit institutions and private industry in Mexico and in other

developing countries. Within this broad goal, the specific elements of the strategy are as follows:

-Promote scientific and technological exchanges and joint research.

A. Progress to date:

-PSTC, BOSTID and CRSP collaborative research has helped network Mexico with the global scientific community, especially in promotion of broader sharing of agriculture technology.

-Mexican AIDS researchers participated in three international and U.S.-Mexico border conferences.

-CDC and BuCen consultants contributed to development of GOM census methodology.

-New contraceptive technologies (no-scalpel vasectomy, NORPLANT, female condom, etc.) developed/tested in collaboration with Mexican research institutions.

-Mexico hosted visits by delegations from Senegal, Kenya, Zimbabwe, Sudan, Indonesia, Turkey and Honduras to observe A.I.D.-supported programs in health, child survival and family planning.

-Sponsored international visits by Mexican Junior Achievement affiliate (DESEM) to promote the establishment of JA chapters in other LAC countries.

B. FY 1991-1992 Objectives:

-Promote expanded Mexican participation in PSTC, BOSTID and other A.I.D.-sponsored research programs.

-Sponsor Mexican participation in international fora, with emphasis on agriculture technology, energy conservation and efficiency, pollution/waste management, climate change, and bio-diversity.

-Support U.S.-Mexican professional exchanges further to a Memorandum of Understanding between EPA and its GOM counterpart agency (SEDUE), with emphasis on management of pollution problems in Mexico City and on the U.S.-Mexican border.

-Arrange for technical and management training in support of Mexican development objectives.

A. Progress to date:

-Trained 2,245 rural health promoters, pharmacists, physicians and nurses in family planning and MCH care.

-Trained 42 SEDUE Technicians at EPA Courses in environmental inspection methodologies and ozone monitoring techniques (further to EPA-SEDUE MOU).

-Provided and/or managed training programs for 450 participants as follows (over past 12 months):

- 60 LT academic (LAC II)
- 180 ST technical (LAC II)
- 56 ST technical (Cochran)
- 20 ST technical (MASHAV)
- 84 ST technical (OFDA, AIFLD, Wellstart, etc.)
- 50 ST technical (ITT)

-Provided logistic support for 50 third-country participants studying in Mexico.

-Mexican health officials trained at USFDA, to help develop a Mexican shellfish sanitation program which would facilitate shellfish exports to U.S. markets.

-Through USDA/USFS PASA agreement, provided TA in adoption of new technologies in forest nursery management, charcoal production, modular housing and agro-forestry in states of Veracruz and Durango.

-I.E.S.C. and Centro de Tecnologia Electronica e Informatica (CETEI) provided TA in site identification and launch of a shrimp aquaculture enterprise in The Gulf of Mexico.

-MOH personnel in seven states trained in child survival technologies, including ORT and management of acute respiratory diseases.

B. FY 1991-1992 Objectives:

-Enhance "Experience America" component of U.S. training under the new ADC Training project.

-Significantly increase training in tropical forest/wildlands/biosphere management; bio-diversity; energy conservation (inc. non-conventional energy).

-Continue training for SEDUE environmental management technicians further to the EPA-SEDUE MOU.

-Increase number of training grants for women.

-Extend cost-containment agreement to other border states (currently in effect with Texas).

-Continue to require substantial cost-sharing by Mexican institutions.

-Maintain number of training grants at FY 1989/1990 levels.

-Arrange/support in-country training programs for A.I.D./M grantees in commercialization of FP and health services, fund-raising methodologies, proposal preparation and business management.

-Expand PRITECH child survival project to six additional states.

-Promote long-term institutional relationships between universities, research institutes, PVOs and professional, business and labor organizations.

A. Progress to date:

-CDC and BuCen LT collaboration with GOM National Institute of Geography and Statistics on data exchange and consultation regarding data collection/analysis methodologies.

-Joint Commission on Migration-Consejo Nacional de Poblacion collaboration on data collection and analyses.

-University of Arizona, University of Missouri, University of North Carolina, West Virginia University, UCLA, University of California/Davis, and University of Texas/El Paso maintain A.I.D.-initiated agreements (ITT, PSTC, LAC II) with Mexican universities on faculty exchange, joint research, training.

-Professional exchanges between EPA and SEDUE formalized under joint MOU.

-U.S. PVOs (CARE, IPHD, SHARE) implement food assistance and community development programs through several Mexican PVOs, charitable groups and development agencies.

-U.S. conservation groups (Nature Conservancy, Conservation International, WWF, etc.) cooperating with PRONATURA, FUNDAMAT, Siglo 21, Amigos de Sian Ka'an, etc. on development of a broad-based response to environmental issues in both countries.

-A.I.D.-funded U.S. institutions (IPPF, Pathfinder, Wellstart, FPIA, Population Council, FHI, AVSC, Georgetown University, Futures Group, Johns Hopkins University, University of Michigan, etc.) collaborate with over 30 Mexican PVOs, GOM agencies, and development organizations on research, training and family planning service delivery.

-Seven Mexican environmental and atmospheric scientists attended conferences in San Diego, Jekyll Island, los Alamos National Laboratory and University of North Carolina.

-AIFLD program links AFL-CIO with Mexican Workers' Confederation (CTM) and Inter-American Regional Organization of Workers (ORIT).

-Workshop on seafood quality control conducted in coordination with Texas A&M University; seafood marketing tour U.S. east coast marketing and processing facilities for a group of Mexican businessman (in cooperation with DOC, NOAA and NMFS)

-CRSP supports joint research between Michigan State, University of Kentucky, University of California/Berkeley, Texas A&M, University of California/Davis and University of Hawaii with Mexican counterpart institutions.

-Monterrey Institute of Technology established institutional links with Stanford University, University of California system, IBM, Apple and Hewlett Packard.

B. FY 1991-1992 Objectives:

-Further develop ties between U.S. and Mexican ecology and conservation organizations.

-Strengthen ties between University of Texas/El Paso and Monterrey Institute of Technology through MIT faculty development at UTEP.

-Strengthen cross-border cooperation on AIDS and narcotics awareness by involving U.S. and Mexican organizations in coordinated public education programs.

-Update and expand information networking of technical economic and trade data.

A. Progress to date:

Sponsored a three-day business development conference in Austin Texas, which brought together businessman from the "Camino Real Corridor" to explore opportunities for increased trade and cooperation across the border

-Data from National Addictions Survey analyzed and prepared in "popularized" form for broad dissemination to the public and to social service organizations.

-Assisted Mexican National Fisheries Chamber explore market opportunities in U.S. for Mexican seafood products.

-CONAPO study completed on regional infrastructure, labor force status, and commercial/educational facilities; study available for use by potential investors.

B. FY 1991-1992 Objectives:

-Provide TA and training to Mexican development foundation in production, quality control and marketing of flowers and other ornamentals.

-Coordinate food aid under Agriculture Act Section 416 and offer non-concessional resource transfers, e.g., A.I.D. housing investment guarantees.

A. Progress to date:

-Closer consultation with Cooperating Sponsors (CARE, IPHD, DIF, COA, SHARE) has produced improved operational plans for the FY 1990 food assistance program, including better beneficiary targetting, use of lower-cost/nutritionally-comparable food products, and more rapid DCC approval of the country program.

-Intensive program assessment planned for May, 1990 will assist A.I.D./M and Cooperating Sponsors identify program strengths and shortcomings. Assessment will facilitate identification of training, staffing, technical assistance requirements and oversight improvements, as needed, on the part of the Cooperating sponsors and A.I.D./M.

-Increased A.I.D./M field monitoring of the food assistance program has improved A.I.D./M knowledge of program operations, and enhanced communication/consultation with the cooperating sponsors.

B. FY 1991-1992 Objectives:

-Implement recommendations of the 1990 food program assessment.

-Seek to establish consistency/concurrence within A.I.D./W and among the DCC re the size and objectives of the Mexico Section 416 program through the FY 1991-1994 period.

-Conduct RHUDO or PRE/H-sponsored survey of shelter issues in the Tijuana area; prepare assistance package, as needed, to include training, technical assistance and professional exchanges with pertinent counterparts in the U.S.

-Serve as a facilitator, broker and catalyst to specific requests from private and public institutions for development assistance where the USG has a vested interest.

A. Progress to date:

-Supported efforts of Mexican PVO (World PVO) to contact U.S.-based PVOs, foundations, charitable organizations and to channel financial, commodity and health care resources to a wide variety of Mexican health and social welfare agencies.

-Linked Mexican and U.S. drug abuse prevention organizations (PRIDE, Southwest Regional Center for Drug-Free Schools and Communities, others).

-Directed U.S. university representatives to potential collaborators (UNC-UNAM; Texas A&M-University of Guadalajara).

-Identified project opportunities for U.S.-based corporate, charitable and/or development organizations including Living Bridges, Coca-Cola, Inter-American Foundation, various conservation groups, etc.

-Attracted World Bank and CARE funding for A.I.D./M-initiated activity in forest/pasture management; MacArthur Foundation support for FEMAP program; UNFPA support for contraceptive supplies for the GOM population program.

-Advised Mexico-based US PVOs on utilization of Denton Amendment procedures to ship humanitarian goods.

-Linked GOM and non-government disaster units (preparedness, search and rescue, fire management) with other donors, including U.S. Forest Service, Italian Dog Rescue Service, Partners affiliates).

-Assisted GOM in arranging direct purchase, by the GOM, of contraceptive products from U.S. suppliers.

B. FY 1991-1992 Objectives:

-Expand A.I.D./M knowledge and contacts re names, interests and capacities of corporate donors in U.S. Devote special interest to U.S. parent companies of maquiladora (in-bond) industries.

-Prepare comprehensive directory of donor agencies in disaster mitigation, relief, and preparedness.

SECTION IV. New Program Initiatives

Below is an illustrative list of new activities which A.I.D./M plans to support during the FY 1991-1992 period. The list is not exhaustive, given A.I.D./M's policy, re-affirmed by LAC/W during the last two Action Plan reviews, of maintaining the flexibility needed to react rapidly to targets of opportunity. A.I.D./M expects that projects not shown below will be relatively low-cost activities in the range of $5,000-$40,000 (LOP) per project. The ITT project will maintain its current emphasis on population, AIDS, child survival and private enterprise development. The Narcotics Demand Reduction Project will continue to support community-level efforts to educate youth regarding the dangers of drug use. The specific activities planned under the Global Climate Change initiative are drawn largely from the "A.I.D./M Environmental Workplan,

1990-1992" which was prepared with a view toward (both) Congressional intent and Mexican assistance priorities in the environment sector. Not shown below are new starts under the Program in Scientific and Technological Cooperation. Although A.I.D./M is responsible for obligation of PSTC funds and for management of PSTC projects, A.I.D./M cannot anticipate the outcome of the worldwide competitive process for PSTC research grants.

Project	Sub-Project Title	Initial FY/ ($000)	LOP ($000)
1. ITT			
CS:			
	MCH-Pre-natal tetanus (Fundacion Mexicana para la Salud)	91(44)	120
	Tropical disease in Southern Mexico (VBD buy-in)	91(30)	55
	Effects of pollution on Children under 5 (FMS)	92(25)	50
	Study: Effects of prolonged malnutrition (AMIDEM)	92(15)	25
ARDN			
	Integrated Farm/Forest (Silvo-Pastoral) pilot (Fundacion Mexicana para el Desarrollo Rural)	91(25)	75
	TA for flower industry (FMDR)	91(16)	28
	TA apiculture (FMDR)	91(13)	23
EHR			
	Texas A&M conference	91(10)	25
	Linkages: U.S.-Mexican Institutes of Higher Education (Partners)	91(30)	75

	Transfer of maquila technology	92(25)	50
PSEE			
	Support implementation of EPA-SEDUE MOU	91(40)	90
	Rural micro-enterprises (FMPDR)	91(50)	90
	Micro-empresas serving maquilas (ITAM)	91(20)	40
	Conferences/workshops on border trade issues	91(30)	80
POP			
	Commercialization of FEMAP FP services (FEMAP)	91(125)	500
	Community doctors in Chiapas, Tabasco, Oaxaca, Michoacan and Guerrero (MEXFAM)	91(100)	300
	Commercialization of services at CORA youth centers (CORA)	91(30)	60
	Marketing FP materials, services, training and TA (AMIDEM)	92(40)	80
	Peri-urban FP services in Monterrey (PSFN)	91(40)	80
AIDS			
	AIDS hotline and training for volunteers (CONASIDA)	91(60)	90
	PVO-NGO organization conference	91(50)	50
	Study on women and AIDS (Colegio de Mexico)	91(20)	20

Information modules on AIDS in the workplace (CONASIDA)	91(50)	50
Educational activities in Veracruz (CODEVI)	91(20)	40
KAPS Study: Human rights and AIDS (GIS-SIDA)	92(35)	35
Human rights support services (GIS-SIDA)	92(50)	50
AIDS module for secondary and high school students and teachers (CONASIDA)	92(40)	40
Adolescent perception of AIDS (Colegio de Mexico)	92(24)	24
2. Narcotics Demand Reduction		
Training/conference support	91(30)	69
Public information campaign/ educational materials	91(75)	75
Youth center in Tlaxcala	91(25)	50
Drug use prevention in Hermosillo	91(35)	85
Visiting experts program	92(50)	75
Youth center in Hidalgo	92(25)	50
3. Global Climate Change		
Micro-enterprise development in Calakmul buffer zone (PRONATURA)	91(10)	15
Ecological information system for Southern Mexico (UNAM)	91(40)	80
Workshops on development of management of biosphere reserves (PRONATURA, CI)	91(25)	25

Flora Mesoamericano research grants (Missouri Bot. and Chicago Field Mus.)	91(20)	40
Community Development in buffer zones, Southern Mexico (FUNDAMAT, PRONATURA, Sian Ka'an, CI-Mexico)	90(325)	1,425
Feasibility study for est. of environment endowment	92(25)	25
International Center for Tropical Resources, Chiapas	91(100)	200
Environment Specialist	90(185)	535

NEW ACTIVITY DESCRIPTION

Activity: International Center for Tropical Resources.

Activity Funding: FY 1991: 100
FY 1992: 100
LOP: 200

Functional Acct: ARDN (Global Climate Change).

A. Relationship to A.I.D. Country Strategy/Objectives:

The "A.I.D./M Environmental Workplan, 1990-1992" states the mission's E/NR goal of producing in Mexico the capabilities and conditions for the sustained use of natural resources in a manner that mitigates environmental impact, protects bio-diversity and promotes equitable and sustainable economic growth.

B. Conformance with Bureau ADC Guidelines:

This institution-building-project will contribute to the creation of an international center of research and information dissemination which will be broadly useful to the development of sustainable resource activities throughout the tropical regions of LAC.

C. Project Description:

An important underlying cause of the systematic destruction of tropical areas has been a global lack of knowledge and understanding of how to use tropical resources wisely in a sustainable fashion. Lumbering, slash-and-burn migratory subsistence agriculture and large-scale livestock populations are destroying millions of hectares of valuable forest resources and wildlife --and dramatic changes in total ecosystems. Considering these trends in the use and abuse of tropical resources, a major effort is needed to develop management models that can reverse the degradation trends, and bring them under control through the wide disclosure and adoption of ecologically sound techniques and procedures of tropical resources management. The establishment of an International Research Development and Conservation Center devoted to the tasks of gathering, analyzing, developing, generating, applying and disclosing such knowledge can respond to a critical development need in Mexico and much of the world's tropical areas.

The Mexican state of Chiapas, located in the Southeastern corner of the country, is a microcosm of the tropical world --a natural laboratory of tropical features, resource use patterns and conservation problems. Federal and state authorities in Chiapas, plus several research institutions, experimental stations and conservation/ecology groups, have launched an initiative to establish an International Center for Tropical Resources in that state. The Center would be an umbrella organization which would not only provide leadership to the several local organizations, but would also initiate action programs, facilitate coordination between institutions, and channel funds and support to them. The Center would concentrate on the following fields in an integrated or holistic approach:

a) Tropical Ecosystems
b) Tropical Forestry
c) Tropical Agriculture
d) Tropical Animal Production
e) Tropical Forest and Wildlife Reserves

The Center would contribute to the development of rural areas through extension services and provision of technical and scientific information required for the proper use of tropical resources.

A.I.D./M would support the creation of the Center via a direct, incrementally-funded grant to the institution. Specific components to be funded would depend upon the support forthcoming from other donors, several of which have shown an interest in the proposal. Moreover, a definitive decision by A.I.D./M to proceed with this activity will depend on the outcome of an in-depth feasibility study, support for which has been requested from the MacArthur Foundation by Norman E. Borlang on behalf of the Center.

D. Potential Issues:

-Potential duplication of effort with EARTH, Costa Rica.

NEW ACTIVITY DESCRIPTION

Activity: **Community Development in Buffer Zones of Protected Areas in Southern Mexico.**

Activity Funding:

FY 1991:	525
FY 1992:	575
LOP:	1,425

Functional Acct: **ARDN**

A. Relationship to A.I.D. Country Strategy/Objectives:

The "A.I.D./M Environmental Workplan, 1990-1992" states the mission's E/NR goal of producing in Mexico the capabilities and conditions for the sustained use of natural resources in a manner that mitigates environmental impact, protects bio-diversity and promotes equitable and sustainable economic growth.

B. Conformance with Bureau ADC Guidelines:

Global Climate Change has been identified by the U.S. Congress and A.I.D. as a key foreign policy concern of the U.S. Government. Recent pronouncements by GOM leaders and Mexican environmental organizations similarly underscore Mexico's concern that continuing deforestation and undisciplined use of fossil fuels are contributing to the likelihood of global climate changes.

C. Project Description:

Biological resources are often under threat because the responsibility for their management has been removed from the people who use them, and has been transferred to government agencies located in distant capitals. The costs of conservation, however, still fall on the relatively few, mostly rural people, who otherwise might benefit directly from exploiting these resources. Worse, the people who live closest to the areas with the greatest biological diversity are often among the most economically disadvantaged elements of a country's population. Under such conditions, the villager is often forced to become a poacher, or to clear national park land to grow a crop. Economic incentives for villagers to alter this behavior may contribute significantly to the attainment of conservation objectives, while simultaneously improving the economic well-being of rural communities. Some of these incentives involve policy and/or administrative decisions (pricing policy, tax benefits which promote conservation, property rights and land tenure arrangements,

etc.). Other incentives arise when people living in and around forests, wetlands and coastal zones exercise real power over the use of biological resources so they --rather than governments-- have an interest in managing these resources sustainably at their own cost and for their own benefit. Incentives to conserve biological resources at the community level can address a number of objectives:

-To build the capacity of communities adjacent to protected areas to develop productive activities which do not deplete biological resources.

-To reduce agricultural pressure on marginal lands, which are often better devoted to conserving biological resources, whose abundance and/or quality has been increased as a result of protection.

-To concentrate agricultural development on the most productive agricultural lands (those best able to respond well to yield increasing technology).

-To conserve traditional knowledge about the use of biological resources, and the cultural systems which hold such knowledge, and to re-establish common property management institutions where these have been effective in the past.

-To compensate villagers for possible income lost through restrictions on utilization of protected biological resources; or for damages suffered from the depredations of wild animals on crops or livestock.

The "A.I.D./M Environmental Workplan, 1990-1992" identifies eight priority wildlands that qualify for funding under the Global Climate Change initiative. These are: Calakmul, Sian Ka'an, El Ocote, El Triunfo, Rio Celestun, Rio Lagartos, Montes Azul and the Chimalapas. Actions needed to support the planning and management of these areas varies greatly from area to area; in general, however, project components would include the following:

-Operational support (equipment, supplies, basic studies, inventories, technical assistance, training).

-Socio-economic surveys and basic studies oriented toward buffer zone management needs, income-generation and alternative development technologies in support of conservation.

-Training and environmental education for local inhabitants.

-Workshops and technical assistance to further buffer zone management objectives and promote technology transfer/adoption by the local people.

-Assistance for social organization, micro-enterprise development and community watershed protection.

The obligating mechanism for this project would be a mission buy-in to the A.I.D./W-World Wildlife Fund Bio-Diversity Project managed by the S&T Bureau. The key outputs to the project would be the existence of forest management, ecotourism, protection, and sustainable agriculture practices in the buffer zones surrounding the core areas and/or national park areas identified above.

D. Potential Issues:

-Need for close cooperation between A.I.D., US NGOs, participating communities and the GOM environment agency, SEDUE. The latter agency --while over-extended and under-funded-- has a strong proprietary attitude toward protected areas, and has not been consistently favorable to the notion of other-agency involvement in conservation activities.

NEW ACTIVITY DESCRIPTION

Activity: Community Doctors in Oaxaca, Michoacan, Tabasco, Chiapas and Guerrero.

Activity Funding: FY 1991: $100
FY 1992: $100
LOP: $300

Functional Account: POP

A. Relationship to A.I.D. Country Strategy/Objectives:

A key objective of the A.I.D./M assistance program in Mexico is the development of self-sustainability on the part of Mexican institutions engaged in activities of strong bilaternal concern to our two countries. This project is designed to establish family planning service delivery systems in rural, under-served areas in a manner which will ensure self-financing of these systems -- Community Doctors programs -- in less than two years.

B. Conformance with Bureau ADC Guidelines:

The U.S. and Mexico share a strong mutual concern over rapid population growth which continues to undermine Mexico's efforts to attain its development objectives. This project builds on a successful model -- the Community Doctors program -- which can represent an important component of Mexico's long-term population program. A key feature of this Community Doctors project is its objective to be self-sustaining after a relatively brief period of external support.

C. Project Description:

Oaxaca, Michoacan, Tabasco, Chiapas and Guerrero are five of Mexico's most resource-poor states. Health, family planning and educational services -- and basic infrastructure such as electricity and potable water -- are notably lacking in these five states. Fertility in these areas, however, is among the highest in the country, due in large measure to the lack of modern, safe FP services.

Ironically, Mexico's 57 medical schools are producing an increasing number of under-and-unemployed doctors. It is estimated that there are at present over 45,000 underutilized physicians in the country.

Under this project, unemployed doctors will be recruited to deliver family planning, child survival and primary health care services in rural areas of Oaxaca, Michoacan, Tabasco, Chiapas and Guerrero. MEXFAM will recruit the doctors, and give them refresher training in maternal/child health and family planning, and in the management and business principles of clinic

operations. In most cases the communities will donate clinic space which will be furnished and equipped by MEXFAM, and used as the community doctors' clinics. At least fifteen community doctors will be recruited and placed, and each will be assisted by three community promoters. These 45 promoters will also be trained in community survey techniques, identification of health risks, operation of health institutions, referral procedures, first aid, and health promotion. A.I.D. support would be provided to the participating doctors/clinics on a declining basis over a period of two years, during which time the community doctors would become increasingly self-sufficient from patient fees, and would begin to repay MEXFAM for the cost of furnishing and equipping their clinics. Specific elements of A.I.D./M assistance would include:

- Salaries and social benefits for MEXFAM project personnel
- Transportation/Perdiem of five MEXFAM Program Coordinators
- Training and educational materials for the 15 community-doctors and for the 45 voluntary promoters/social workers.
- Essential medical equipment and furniture for fifteen clinics
- Operational costs/physician compensation on a gradually declining basis for each community doctor and fees for 45 promotors.
- Audit/evaluation costs.

The obligating mechanism would be an A.I.D./M incrementally-funded grant to MEXFAM, the Mexico affiliate of IPPF. Year-two support would be contingent on performance under the first year of the project. The key output of the project would be the self-supporting health clinics - plus outreach workers providing essential FP services and health care in poor rural areas hitherto lacking any such services.

Inputs:	Salaries:	$ 60
($000)	Transportation/Perdiem	20
	Training and IE&C	10
	Equipment/Furniture	40
	Operational Costs	140
	Evaluation/Audit	30
	Total:	$300

NEW ACTIVITY DESCRIPTION

Activity: Commercialization of FEMAP Family Planning Services.

Activity Funding: FY 1991: $125
FY 1992: $125
LOP: $500

Functional Account: POP

A. Relationship to A.I.D. Country Strategy/Objectives:

The A.I.D. strategy in Mexico calls for a focus of USG resources on areas of strong bilateral concern to both countries. Such assistance, moreover, is intended to mobilize domestic Mexican resources in support of bilaterally-important activities. This project will contribute to the attainment of a long-elusive goal, i.e. the reduced dependence of FEMAP and its FP services delivery system on A.I.D./M support, by developing the ability of FEMAP affiliates to generate significantly increased income from its FP activities.

B. Conformance with Bureau ADC Guidelines

Mexico's still-high rate of population growth creates social/economic issues of concern to both the U.S. and Mexico. This project, by helping FEMAP to establish a greater measure of financial self-reliance, will enable that organization to effect a transition to a Mexican response of Mexico's population concerns.

C. Project Description

Since its founding in 1981, FEMAP has been the most vigorous, innovative family planning organization in the Mexican private sector. FEMAP's emphases on CBD, service quality and community participation have served as models for the GOM FP service program, as well for other private sector organizations. With assistance from A.I.D./M and A.I.D. cooperating agencies, FEMAP expanded over the past eight years to 34 affiliates in 18 of Mexico's 31 states, and currently provides FP services to over 180 cities, town and rural communities throughout the country.

In late FY 1989, an unanticipated reduction in funding from A.I.D. cooperating sponsors produced a crisis in FEMAP, forcing the closure of some affiliates and the release of several projec-funded FEMAP staff. This crisis was nonetheless instructive for FEMAP in that it underscored the organization's serious vulnerability to fluctuations in the availability of external support. A.I.D./M has used this changed financial

environment to open several lines of dialogue with FEMAP management, i.e., on the necessary steps to 1) make FEMAP leaner and more efficient; and 2) improve FEMAP's self-sufficiency through increased revenue generation. This project will enable FEMAP to implement those measures which emerged from the financial crisis as the steps most likely to put FEMAP on a sounder, more self-reliant financial footing for the years ahead. It should also enable A.I.D./M and A.I.D./W-funded cooperating agencies to undertake a gradual reduction in support for FEMAP, currently averaging approximately $500,000/year.

Specific actions/changes to be implemented under this project will include:

- Identification of a fee structure at FEMAP facilities; collection of fees
- Establishment of commercial testing capacity at FEMAP laboratories
- Sale of FEMAP FP/MCH services to private sector companies (e.g., insurance, maquilas, etc.)
- Contraceptive sales by community-level FP agents/ promotores
- International marketing of FEMAP consultant services

A.I.D./M will coordinate project activities closely with the A.I.D./W-funded Enterprise and TIPPS projects, and with other major (CA) donors to FEMAP, such as FPIA and The Pathfinder Fund. As an incentive to encourage adoption of these and related measures by FEMAP, A.I.D./M will initiate a policy of providing A.I.D./M assistance to FEMAP on a matching basis, up to an annual limit of $125,000. FPIA and Pathfinder will be requested to adopt a similar posture viz-a-viz FEMAP once the project's activities begin to produce an appreciable increase in income.

Project components will include:

- Training for FEMAP personnel in social service marketing, fund raising, business management
- TA in the above areas (a significant portion of this TA would be provided under the centrally-funded Enterprise Project)
- Socio/economic profiles of representative FEMAP service areas to facilitate preparation of appropriate fee structures
- Preparation of a short-medium-long term commercialization plan

-Program operational costs, continued on a gradually declining basis, (i.e., as the FEMAP "match" increases) over the five-year transition period to FEMAP self-sufficiency.

Implementing Agency: FEMAP

Method of Obligation: Direct grant

Major outputs: A largerly self-reliant FEMAP.

Inputs: ($000)		
	Training:	$ 70
	TA:	125
	Commodities:	50
	Data collection/analyses:	40
	Operational costs:	180
	Evaluation/audit:	35
	Total:	$500

D. Potential Issues

- Five-year LOP

Activity: Neonatal Tetanus (NT) Training and Detection Project

Activity Funding: FY 1991: $43,500
FY 1992: 40,000
LOP: $120,000
Functional Acct: Child Survival

A. Relationship to A.I.D. Country Strategy/Objectives:

This project is consistent with elements of the A.I.D. Mexico Country strategy. In particular, the following objectives will be addressed:

(1) Promote Scientific and Technological Exchanges and Joint Research. Applied research will be conducted jointly between Mexican health institutions and U.S. institutions (i.e., Stanford University and MOH Directorate of Preventive Medicine).

(2) Promote Long-term Institutional Relationships. Long-term institutional relationships will be established between Mexican and their U.S. counterparts. For example, medical personnel exchanges are planned between Stanford University (or Harvard or The Johns Hopkins) and Mexico's Autonomous University (UNAM).

B. Conformance with Bureau ADC Guidelines:

This project reflects A.I.D.'s emphasis on child survival in areas of high infant mortality. The specific ADC objective to be addressed by this project will be the enhancement of the insitutional capacity of the MOH to undertake an effective long-term response to a major health problem in Mexico.

C. Project Description:

Neonatal Tetanus, a bacterial toxin disease, is classified as the most underreported fatal infectious disease in developing countries. Generally, fewer than 1% of cases come to the attention of Ministry of Health statisticians. Neonatal Tetanus is expensive to treat and often incurable, with a 60-90% mortality rate.

UNAM and the MOH will implement a project which will develop training materials for MOH personnel on the identification and prevention of neonatal tetnus in areas suffering a high infant mortality rate. These same areas will be prime targets for vaccination against neonatal tetanus along with measles vaccination. Training of health workers, particularly in rural areas, will be a major component of the project.

The project will work in close coordination with a U.S. applied health research institution. The initial phase will also incorporate the participation of A.I.D.-funded cooperating agencies through a possible buy-in.

D. Potential Issues:

None.

SECTION V. Resource Requirements

A. LAC Regional

1. ITT

ITT funding levels have been declining gradually over the FY 1988-1990 period. Excluding the one-time provision of $511,000 in FY 1990 for Private Sector Provision of Social Services, ITT funding has been as follows ($000):

FY 1988	FY 1989	FY 1990
$1.842	$1.692	$1.522

For FY 1991-1992, A.I.D./M proposes to continue funding at the FY 1989 level of $1.7 million. This will provide a restoration of FY 1990 cuts ($50,000 in AIDS, $60,000 in Population, and $60,000 in PSEE) which, together with the need to contribute some ITT funds to the ADC Training Project, which severely limited program flexibility in FY 1990. Constraints in the PSEE account, for example, limited A.I.D./M ability to support the implementation of an EPA-GOM Memorandum of Understanding to address environment problems on the border and in Mexico City. ITT requirements by functional account would be as follows:

Functional Account	FY 1991		FY 1992	
ARDN	80		80	
New activities		54		5
Mortgage requirements		26		75
PSEE	265		265	
New		180		85
Mortgage		85		180
EHR	150		150	
New		35		90
Mortgage		115		60
Health	100		100	
New		48		50
Mortgage		52		50

Population	465	465
New	215	74
Mortgage	250	391
AIDS	300	300
New	200	149
Mortgage	100	151
Child Survival	335	335
New	108	75
Mortgage	227	260
TOTAL:	1,695	1,695
New	840	488
Mortgage	855	1,207

2. Narcotics Demand Reduction

A.I.D./M proposes that narcotics awareness funds --cut $100,000 in FY 1990-- be restored to the FY 1990 level of $400,000. The increase will enable community organizations to expand their education activities with special emphasis on urban youth and U.S.-Mexico border areas. Narcotics (EHR) funds will be used as follows:

Project	FY 1991	FY 1992
Narc. Demand Reduc.	400	400
New activities	165	105
Mortgage requirements	252	295

3. ADC Training Project

In FY 1990, A.I.D./M will launch the ADC Training Project with $500,000 from the ADC Project (ARDN: $329,000; PSEE: $171,000) and $160,000 from the ITT Project. This total funding --$660,000-- is considerably less than the $780,000/year planned in the Project Paper. For FY 1991-1992, A.I.D./M requests a minimum annual funding level of $650,000, all of which would be funded under the ADC Training Project, and would be drawn from a wider range of functional accounts. At this funding level, A.I.D./Mex. Will provide training opportunities for 15 long term academic participants and 90 short-term technical participants per year. Specific requirements are as follows:

Project ADC Training	Annual Requirement FY 1991-1992
Func. Acc't.	
ARDN	250
PSEE	200
EHR	200
TOTAL:	650

4. Global Climate Change

A.I.D./M resource requirements for Global Climate Change activities are described in the "A.I.D./Mexico Environmental Workplan, 1990-1992" forwarded previously to A.I.D./W. The Workplan identifies the elements of a relatively broad strategy which would include assistance activities in response to the global climate change initiative, plus activities in areas such as urban pollution, soil degradation, and hazardous waste management. Moreover, the Workplan describes the full range of A.I.D./M programs which might be brought to bear on the environment sector, i.e., Global Climate Change funds, the ADC Training Project, ITT, and the Section 416 food assistance program. Total requirements from all of these sources for a broad-based environment program --as proposed in the Workplan-- are as follows:

FY 1990	FY 1991 ($000)	FY 1992
1,100	1,325	1,300

Within this overal requirement, those activities which are directly related to global climate change will require the following resources during FY 1990-1992:

FY 1990	FY 1991 ($000)		FY 1992	
800	1,100		1,100	
	New:	250		115
	Mortgage:	850		985

A.I.D./M will absorb the cost of non-climate change activities in existing programs, i.e., ITT, ADC Training, etc. The Climate Change funds noted above, however, are incremental requirements.

It should be noted, that these additional resource requirements relate only to assistance priorities identified through early CY 1990. The Climate Change funding proposed above leaves A.I.D./M with very limited flexibility to react to targets of opportunity which might arise during the Action Plan period. The illustrative budget would not allow, for example, A.I.D./M funding for any debt-for-nature swap(s) which at current discount rates ($0.40/$1.00) are emerging as attractive options in Mexico.

5. AIFLD

AIFLD requirements FY 1991-1992 will continue at current levels, i.e., $150,000 per year. These funds cover the costs of the AIFLD Representative, and approximately 25 participants per year at the George Meaney Training program in Silver Spring, Md.

6. PD&S

A.I.D./M has never requested PD&S funds --essentially for lack of a clear understanding regarding their function. A.I.D./M's consequent reliance on ITT funds for activities more appropriate to PD&S (evaluations, project feasibility or design activities, etc.) has contributed to the proliferation of grants under ITT. For FY 1991-1992, A.I.D./M requests $40,000 in PD&S to be used consistent with LAC Bureau guidelines on the allowable uses of such funds.

B. Section 416 Food Assistance

A.I.D./M has requested an in-depth food program assessment, scheduled to take place in May, 1990. That assessment will play an important role in helping A.I.D./M and the food program's implementing agencies determine future requirements for food commodities. Pending the outcome of the assessment, but based on analyses of the current food situation and country trends, A.I.D./M expects FY 1991 and FY 1992 requirements to total at least 300,000 MT and 270,000 MT of sorghum, respectively. These levels would vary if corn were available in lieu of sorghum. The value of these commodities, at an estimated $100 per ton for sorghum (March, 1990 price: $87.00/ton) would be $30 million in FY 1991 and $27 million in FY 1992.

C. Central Bureaus

1. Program in Scientific and Technical Cooperation (PSTC--Office of the Science Advisor).

A.I.D./M proposes to continue this program at current (FY 1988-FY 1990) annual levels of $250,000 - $300,000 per year. Specific projects and their value will depend on the outcome of the PSTC competitive grants award process.

2. S&T/Pop.

S&T/POP funding for Mexico activities dropped to $5.7 million in FY 1990, after averaging $7-8 million per year over the past five years. An increase in contraceptive supplies beginning in October, 1990 (value: approximately $5.1 million vs. $3.9 million in FY 1990) will reverse the abrupt contraceptive shortfalls which damaged the family planning program in 1989-1990. A.I.D./M urges a continuation of S&T/POP support through FY 1992 at the $7.5 level, of which $5.0-6.0 million would be for contraceptive supplies. This level will (1) permit S&T/POP Cooperating Agencies to continue support for the more innovative FP programs of GOM and non-government FP agencies; and (2) provide a minimum floor of contraceptive supplies, and a context within which the A.I.D. Representative can continue his dialogue with the GOM regarding a rational phase-out plan for USG contraceptive assistance.

3. S&T/Health

A. A.I.D./M, PRITECH and the GOM Secretariat of Health recently agreed in principle to the launching of the second phase of the PRITECH Child Survival project in six states of the country. The S&T/H-PRITECH cost for this activity will be approximately $ 275,000 over the FY 1990-1992 period. Other S&T/H activities (HealthCom, etc.) will require approximately $ 60,000 for implementation in Mexico through FY 1992.

B. AIDSTECH and AIDSCOM have provided valuable, timely support to Mexican public and private agencies striving to prevent the spread of AIDS in Mexico. A.I.D./M estimates that AIDSTECH/AIDSCOM will require approximately $ 300,000, FY 1990-1992 to sustain the drive toward broader public awareness and behavior change in Mexico.

4. PRE/H

The lack of adequate housing and infrastructure has been cited in several studies as a key obstacle to retention of a skilled and semi-skilled workforce in the maquila industry. Moreover, the lack of shelter and basic amenities is a contributing factor to the decisions of undocumented migrants seeking better living conditions across the border. A.I.D./M is not proposing a HIG program to address these issues; A.I.D./M will explore, however, whether PRE/H can assist in the development of a technical assistance and training package which would help the Mexican construction, business and banking communities address shelter/infrastructure problems in border areas. Pending further discussions on this initiative, A.I.D./M is tentatively noting an anticipated requirement of $100,000 from PRE/H.

5. ASHA

A.I.D./M will endorse the requests from the University of the Americas and the American-British Cowdray Hospital for continued ASHA support in FY 1991-1992 at a combined level of approximately $1,000,000 per year. This requirement may be somewhat more or less, depending on the success of ongoing fund-raising drives by both institutions.

D. Operating Expense (OE) Funds

OE Requirements for the Action Plan period will be as follows:

Activity	FY 1991	FY 1992
Salaries w/benefits	165,000	175,000
A.I.D. Residence (rent, utilities, etc.)	25,000	26,000
Communications (LD, etc.)	24,000	25,000
Travel	20,000	20,000
Gasoline, oil	3,000	3,000
Office equipment	---	---
Furniture	---	---
Vehicle	---	18,000
TOTAL:	237,000	267,000

The A.I.D./M program management assessment of August, 1989 concluded, inter alia, that the A.I.D./M OE budget was inadequate vis-a-vis the office's program responsibilities.

Specific OE inadequacies identified by the assessment team included funding shortfalls for local staff training, travel and support staff (the assessment team recommended that A.I.D./M recruit an FSN/PSC secretary. At present, A.I.D./M does not have a secretary). The OE budget noted above includes funds for a secretary, beginning FY 1991; it does not, however, include FY 1991 increases in the other areas identified by the assessment, proposing instead to economize within what is essentially a straight-line budget from the FY 1990 level, plus anticipated salary adjustments and inflation-induced increases. A.I.D./M efforts to hold down OE costs have included: (1) the containment or elimination of some of the A.I.D. representative's "carrying costs" (relatively low-cost residential lease; reduction in number of trips to the U.S.; non-use of certain allowances --i.e., residential maintenance and guard costs, curtain/upholstery and some official transportation costs are paid by the A.I.D. Rep.; cancellation of subscription to U.S. newspapers, etc.); (2) the exchange, with another USG agency, of the office's large maintenance-intensive vehicle for a Volkswagen Rabbit; and (3) temporary savings such as postponement of repairs and maintenance of the A.I.D./M office, and deferral of office equipment purchases. The FY 1992 OE request does, however, include a significant additional cost --a new office vehicle. The Volkswagen recently obtained in trade is four years old, has 50,000 hard miles on the odometer, and was obtained as a stop-gap measure to save on vehicle operations and maintenance costs (hopefully) until the OE situation improves.

Finally, A.I.D./M notes that the OE budget cited above will support an A.I.D./M program level in FY 1990-1992 approximately $1,000,000 per year higher than the FY 1989 funding level --an increase due largely to the Global Climate Change initiative. Given these circumstances, A.I.D./M cannot realistically offer a scenario for a 10% cut in OE, as requested in LAC Bureau guidance for the Action Plan.

A.I.D./M Staffing

A.I.D./M staffing requirements, FY 1990-1992 are as follows:

Personnel Category	1990	FY 1991	1992	Funding Source
FSN (DH)				
Admin. Ass't.	1	1	1	OE
Program Ass't.	1	1	1	OE
Training Officer	1	1	1	OE
Accountant	1	1	1	OE

FSN (PSC)				
Accounting Ass't.	1	1	1	OE
Voucher Examiner	1	1	1	OE
Driver/Messenger	1	1	1	OE
* Secretary	0	1	1	OE
FSN (Institutional Contract)				
Training Ass't.	1	1	1	Program
US/PSC				
Program Ass't. (3)	3.2	3	3	Program
Food Program Coord.	1	1	1	Program
Environment Spec.	.2	1	1	Program
PASA (U.S. For. Ser.)	1	.1	0	Program
TOTAL:	13.4	14.1	14	

SECTION VI. Issues

-Section 416 Food Assistance: Annual food assistance levels approved by the DCC appear to have been established arbitrarily, with little regard for A.I.D./M request levels, country needs or prior, if informal, commitments. A.I.D./W's position on food assistance has been inconsistent, further hindering A.I.D./M ability to maintain an informed relationship with the Cooperating Sponsors. A.I.D./M requires concurrence and consistency within A.I.D./W on the likely size of a Section 416 program through FY 1992.

-A.I.D./W-Funded Projects: The requirement that A.I.D./W projects be funded largely through mission buy-ins is a useful device to ensure that the offerings of these projects are genuinely valued by requesting missions. The buy-in requirement often excludes, however, "non-bilateral" A.I.D. operations such as A.I.D./M from gaining access to these projects. A.I.D./M recommends that A.I.D./W (including LAC/W) projects be amended to include funds reserved for project activities in ADCs.

-Delegations of Authority: ADC A.I.D. Representatives do not have a standing delegation of authority to execute assistance agreements with host government agencies. This has not proven to be a major obstacle to A.I.D./M-GOM cooperation in the past because of the readiness of some Mexican PVOs (most notably the

Mexican Foundation for Public Health - FMPS) to solicit A.I.D./M assistance for activities which are largely implemented by GOM agencies. This practice has helped A.I.D./M to maintain its characteristic agility in project management; but it also represents (1) an implied inconsistency with the limits to the A.I.D. Rep's authority; and (2) an excessive reliance on some PVOs (the grantees of record) to the point that certain organizations have themselves become over-extended in terms of their ability to effectively manage A.I.D./M grants.

A.I.D./M proposes that the current requirement for ad hoc delegations of authority in instances of host government project agreements be liberalized. A.I.D./M specifically recommends that proposed government-to-government projects be described in annual Action Plans, and that A.I.D./W approval of such projects be considered as meeting the requirements of the ad hoc delegation(s) of authority to enter into such agreements.

ATTACHMENT A

SUMMARY ACCOUNT FUNDING TABLE FOR LAC BUREAU

Account/Project	FY 90	FY 91	FY 92
ARDN			
1. ITT	80	80	80
2. Training	329	250	250
3. Global Climate Change	800	1,100	1,100
4. PD&S	--	10	10
POP			
1. ITT	916 *	465	465
2. PD&S	--	--	--
HE			
1. ITT	97	100	100
2. PD&S	--	10	10
CS			
1. ITT	335	335	335
2. PD&S	--	--	--
AIDS			
1. ITT	250	300	300
2. PD&S	--	--	--
EHR			
1. ITT	150	150	150
2. Training	--	200	200
3. Narc. Demand Reduction	300	400	400
4. AIFLD	150	150	150
5. PD&S	--	10	10
PSEE			
1. ITT	205	265	265
2. Training	171	200	200
3. PD&S	--	10	10
ESF			
1. AOJ/DI	--	40	40
Total LAC BUREAU	3,783 *	4,075	4,075
1. ITT	2,033 *	1,695	1,695
2. Training	500	650	650
3. Global Climate Change	800	1,100	1,100
4. Narc. Demand Red.	300	400	400
5. AIFLD	150	150	150
6. AOJ	--	40	40
7. PD&S	--	40	40

* Includes $511,000 for "Private Sector Provision of Social Services" initiative.

ATTACHMENT B

SUMMARY FUNDING TABLE FOR NEW AND ONGOING ACTIVITIES

Project	Sub-Project Title	FY 1990	FY 1991	FY 1992
LAC Bureau:				
1. ITT				
ARDN				
	PASA-U.S. Forest service	43	--	--
	Fundacion Mexicana para el Desarrollo Rural	11	--	--
	USPSC-Robert Jordan	16	16	17
	USPSC (new)	10	10	11
	Silvo-pastoral project	--	25	25
	TA flower industry (FMDR)	--	16	12
	TA apiculture (FMDR)	--	13	10
PSEE				
	ADMIC:TA to micro-enterprises	42	20	--
	Fundacion Murrieta: micro-enterprises "incubator"	45	25	25
	CETEI: aquaculture feasibility study in Chiapas	8.8	--	--
	University of the Americas (Maquila workforce attrition)	22.5	--	--

Border conferences/workshops on bilateral trade issues	--	30	30
Fundacion Mexicana para el Desarrollo Rural	22	--	--
CONAPO infra-structure study	40	40	--
Texas A&M conference	4.7	--	--
TA: flower industry (FMDR)	20	--	--
Rural micro-enterprise project	--	50	40
Support implementation of EPA-SEDUE MOU	--	40	50
Micro-enterprises serving maquilas (CETYS)	--	20	20
Other	--	40	100
EHR			
DESEM: Youth Entrepreneurs	63	50	--
USPSC-Project Coordinator	35	25	25
CETYS: Tech. employment w/maquila	30	30	--
Instituto democratico	12	10	10
ADC training supplement	10	--	--
IHE-Linkages U.S./Mexico	--	25	40

Texas A&M conference: Mexico participation	--	10	10
Transfer of maquila technology	--	--	25
Other	--	--	40
HEALTH			
World PVO	17	17	17
Fundacion Murrieta (potable water project)	35	25	--
Training: ADC project supplement	35	--	--
Arizona-Sonora conference	5	5	--
Survey: health needs and DIF	--	5	--
Other	5	48	83
CS			
USPSC-Nancy Sweeney	8	10	12
FMPS (Immunization)	50	50	50
FMPS (ORT)	50	50	50
Northwest Medical Teams	40	35	--
USPSC-Robert Jordan	14	16	17
FEMAP (Tarahumara)	25	--	--
Chiapas Epi Tracking	12	--	--

World PVO	41	46	46
Training: ADC project supplement	50	--	--
Neo-natal tetanus	--	44	44
Tropical disease in Southern Mexico (VBD buy-in)	--	30	25
Pollution effects on children	--	--	25
ORT in rural Mexico (HEALTHCOM buy-in)	25	20	20
Other	20	34	49
POP			
Non-federal audit (MEXFAM)	7	--	--
Family planning services for FEMAP affiliates (FEMAP)	150	--	--
Commercialization of FEMAP FP services (FEMAP)	--	125	125
Project Coordinator (USPSC)	32.4	35	36
Research on the demographic dynamics of *indigenas* in Guerrero and Veracruz (CONAPO)	25	--	--

"Menos y Mejores" IE&C self-teaching (AMIDEM) materials	40	--	--
Marketing FP materials services, training and technical assistance (AMIDEM)	--	40	40
Training of health committee members, midwives, voluntary promoters, trainers of trainers in rural municipalities in the state of Zacatecas (AMIDEM)	20	20	--
Youth network services in five Mexico City delegations (CORA)	20	--	--
Professionals trained as trainers of young adults in three states (CORA)	20	--	--
Commercialization of services at CORA youth centers (CORA)	--	30	30
Integrated youth development program (PSFN)	20	--	--
Develop PSFN's capacities to deliver health services and develop skills of low-class adolescents in Monterrey (PSFN)	--	20	20
Community doctors in Chiapas, Oaxaca, Michoacan, Tabasco, Guerrero (MEXFAM)	--	100	100

Univ. of Michigan Population Intern (UOPI)	30	--	--
Private sector provision of social services	511	--	--
Supplement to ADC training project	40	--	--
Peri-urban FP services in Monterrey (PSFN)	--	40	40
Other	--	55	74
AIDS			
Buy-in to AIDSCOM	30	30	30
Project Coordinator (USPSC)	14	15	16
Educational strategies for high risk men	30	--	--
Training/conference/travel support	25	55	55
Supplement to LAC training	25	--	--
U.S.-Mexico AIDS conference	15	--	--
Intervention with sex workers (FEMAP-2 sites)	43	--	--
AIDS testing in Cd. Juarez	27	--	--

Training on AIDS for FP workers (MEXFAM)	21	--	--
AIDS comic book for rural areas	15	--	--
AIDS education component for CORA project in Pto. Vallarta	5	--	--
Evaluation of CONASIDA hotline and update training for volunteers	--	60	30
PVO-NGO organization conference	--	50	--
Study on women and AIDS	--	20	--
Information modules on AIDS in the workplace	--	50	--
Educational activities in Veracruz	--	20	20
KAP study: Human rights and AIDS	--	--	35
Human rights support services	--	--	50
AIDS module for secondary and high school students and teachers	--	--	40
Study on adolescent perceptions on AIDS	--	--	24

2. Training			
ADC training project	500	650	650
3. AOJ			
TA in exclusionary rule	--	10	--
Training for prosecutors	--	5	10
Public defender program	--	25	30
4. Narcotics Awareness			
Demand reduction on the border (FEMAP)	140	150	150
Project Coordinator (USPSC)	20	21	22
Drug use prevention in Mexico City (Murrieta)	41	34	34
Youth centers-Vallarta and Nayarit (CORA)	30	30	--
Addictions survey-analysis/ dissemination	21	--	--
Health conference (Arizona Sonora Association	8	--	--
Border training sessions (Centros Inv. Juv.)	40	--	--

Training/travel/conference support	--	30	39
Public information campaign/ educational materials	--	75	--
Youth center in Tlaxcala	--	25	25
Drug use prevention in Hermosillo	--	35	25
Visiting experts program	--	--	50
Youth center in Hidalgo	--	--	25
Other	--	--	30
5. Global Climate Change			
Micro-enterprise development in Calakmul buffer zone (PRONATURA)	10	5	--
Ecological information system for Southern Mexico (UNAM)	--	40	40

Workshops on development and management of biosphere reserves (PRONATURA, CI)	--	25	--
Flora Mesoamericano research grants (Missouri Bot. and Chicago Field Mus.)	--	20	20
Community Development in buffer zones, Southern Mexico (FUNDAMAT, PRONATURA, Sian Ka'an, CI-Mexico)	325	525	575
Feasibility study for est. of environment endowment	--	--	25
International Center for Tropical Resources, Chiapas	--	100	100
Natural resources base-line/ inventory in Calakmul (PRONTAURA)	15	10	5
Workshops and training in global warming (Fundacion Universo 21)	20	40	30
Institutional development -PRONATURA (PRONATURA)	20	15	10
Chajul biological station in Montes Azules (Conservation International-Mexico)	20	20	30
Environment specialist (USPSC)	185	165	185

Plan piloto-forestal replication in four protected areas in southern Mexico	30	20	20
World Environment Day	20	--	--
Other (Misc. activities)	155	160	100
6. AIFLD	150	150	150
7. PD&S	--	40	40
LAC Bureau Total:	3,783	4,075	4,075
Other A.I.D. Funding:			
S&T			
Population activities	5,700	7,500	7,500
Other (PRITECH, AIDSTECH, AIDSCOM, etc.)	300	400	400
PRE			
Border area shelter activity	--	100	100
Food Assistance (Section 416)	28,300	30,000	27,000

Office of Science Advisor	300	250	250
Other			
ASHA	1,500	1,000	1,000
OFDA	25	25	25
BOSTID/CRSP	250	250	250
TOTAL OF ALL A.I.D. RESOURCES (including LAC Bureau)	40,158	43,600	40,600

ATTACHMENT C

SOCIAL INDICATORS

MINIMUM WAGE INCREASES

1989	26.1%
1988	23.6%
1987	160.9%

REAL MIN. WAGE INDEX (1982 = 100)

1989	55.9
1988	53.1
1987	59.6

LABOR FORCE (1989)

Economically active	30.5 Mil
Economically active by sex	
Men	72.0%
Women	28.0%
Unemployed	18.0%
Underemployed	25-30%

GDP BY SECTOR (1988)

Agriculture	8.9%
Industry	34.9%
Services	56.2%
TOTAL:	100.0%

POPULATION (1989)

85.7 million (104 million in 2000)	
Growth rate (p.a. 1989)	2.0%
% Pop. over 15	42.4%
Birth rate (per 1,000)	27.0%
Death rate (per 1,000)	7.0%
Infant mortality (per 1,000 live births)	50.6%

INCOME DISTRIBUTION (1984)

Top 20$ of Pop.	50.7% of income
Bottom 20% of Pop.	4.0% of income

URBANIZATION (1988)

Pop. in urban centers	72.0%
Pop. in Mexico City	22.0%

EDUCATION

Adult literacy rate (1988)	83.0%

HEALTH *

Pop. per physician (1984)	1,240
Daily calorie supply per capita (1986)	3,132
Life expectancy	69 years

ACCESS TO SAFE WATER (1981) *

% of population-urban	61.4%
-rural	51.0%

* Most recent data available.

SOURCES:

World Bank Dev. Report 1989
Banamex: Mexico Social 1986
Mexican Government Reports

ECONOMIC INDICATORS

GROSS INTERNATIONAL RESERVES	US$ Bil
Dec. 1989	$6.6
(3.4 mos. of merch. imports)	
Dec. 1988	6.6
(4 mos. of merch. imports)	

PUBL. SEC. DEFICIT	Fin.	Prim. *
1989 (% GDP Est.)	- 6.3%	+ 8.5%
1988 (% GDP)	-13.0%	+ 7.6%
1987 (% GDP)	-15.8%	+ 4.7%
1986 (% GDP)	-16.8%	+ 1.6%

* Excludes all interest payments.

CONSUMER PRICE INFLATION	
1989	19.7%
1988	51.7%
1987	159.2%
1986	105.7%

CHANGE IN CONTR. EXCH. RATE	Nominal	Real *
1989 Jan-Oct	16.7%	2.0%
1988	3.9%	-28.9%
1987	138.0%	- 4.1%

* Incl. Mex-US inflation differential.
- Indicates real appreciation of peso.

CHANGE IN MONEY SUPPLY (M-1)	
Sept. 1988-Sept. 1989	25.4%
1988	58.1%
1987	123.0%

INTEREST RATES (28-day Prim. T-Bills)	
February 1990	45.0%
November 1989	38.0%
January 1989	50.0%
January 1988	159.0%

TOTAL EXTERNAL DEBT Dec. 89		95.1
Public	(US$ Bil)	76.1
Private		4.8
Nationalized banks		9.0
IMF		5.2
1988 Interest on external debt		9.5
1988 Prin. on external debt		5.0
1988 Current account earnings		35.89
1988 Debt Service Ratio *		40.5%
1988 Int/Exports ratio		26.5%
1988 Debt/Exports ratio		265.4%
1988 Debt/GDP ratio		47.5%

* Total debt service payments divided by exports of goods and services.

ECONOMIC INDICATORS

1989 GDP	US $200 mil (Est.) *
1989 per cap	US $2,353 *
1989 GDP	Pesos 491,900 Bil

* Converted at average controlled exchange rate.

REAL GDP GROWTH RATE

1989 (Proj.)	2.8%
1988	1.3%
1987	4.1%

TOTAL MEXICAN TRADE (US $ Bil)

(Mexican data-Excludes maquiladoras)

	Imp.	Exp.	Bal.
1989 (Est.)	23.0	22.5	-0.5
1988	18.9	20.7	1.8
1987	12.2	20.6	8.4

CURRENT ACCOUNT BALANCE (US $ Bil)

1989 (Est.)	-5.5
1988	-2.9
1987	3.9

U.S. TRADE WITH MEXICO (US $ Bil)

(U.S. data-Includes maquiladoras)

	Imp.	Exp.	Bal.
1989	27.6	26.0	-1.6
1988	23.5	20.6	-2.9
1987	20.5	14.6	-5.9

FOREIGN DIRECT INVESTMENT IN MEXICO

1988	24.1	(US $ Bil,
1987	20.7	Authorized)

52% of foreign investment is from U.S.

TOT. PUBLIC EXT.	Debt	and	Interest
1989	76.1		6.0
1988 (US $	81.0		6.4
1987 Bil)	81.4		5.7

TOT. PUBLIC INT.	Debt	and	Interest
1989	50.9		22.3
1988 (US $	48.3		21.7
1987 Bil)	30.4		21.7

ATTACHMENT "D"

File: AOJ

ORIGIN AID3 DCM LEGA T CUS DEA USIS POL

VZCZC
OO RUFHC RUEHXC
DE RUFHME #7056/01 298 **
ZNR UUUUU ZZH
O 250128Z OCT 89
FM AMEMBASSY MEXICO
TO RUFHC / SECSTATE WASHDC IMMEDIATE 0103
INFO RUEHXC / ALL USCONS MEXICO
BT
UNCLAS SECTION 01 OF 04 MEXICO 27056

CLASS: UNCLASSIFIED
CHRGE: FAID 10/23/89
APPRV: DCM:RPASTORINO
DRFTD: AID:GECWERS:PFS
CLEAR: LEGAT:RLANG; CUS: VERA; DEA:RCANAS; IS:REARLE;
DISTR: A AID3 DCM LEGA CUS DEA USIS POL
ORIGIN: OCR

AIDAC

FOR NORMA PARKER, LAC/DI; STATE/ARA: FOR AMBASSADOR MICHEL

E.O. 12356: N/A
TAGS: FAID, SNAR, MX, US
SUBJECT: ADMINISTRATION OF JUSTICE: INTER-AGENCY POLICY REVIEW.

REF: A) STATE 327293; B) STATE 330615.

1. EMBASSY STRONGLY ENDORSES THE BROAD-BASED APPROACH TO AOJ PROGRAM AS SUGGESTED REFTELS. AN EFFECTIVE AOJ STRATEGY SHOULD DRAW ON THE CAPACITIES OF ALL RELEVANT ELEMENTS OF THE COUNTRY TEAM, I.E., TO ENSURE USG RESPONSIVENESS ACROSS THE MANY POTENTIAL POINTS OF U.S.-MEXICO COOPERATION IN THIS AREA. CONSISTENT WITH THIS STRATEGY, SEVERAL USG AGENCIES IN MEXICO ARE ENGAGED IN ACTIVITIES SUPPORTIVE OF AOJ OBJECTIVES. THESE AGENCIES/ACTIVITIES ARE AS FOLLOWS (KEYED TO THE FIVE GENERAL POLICY GOALS NOTED REF A):

A. IDENTIFYING SPECIFIC CAUSES OF INADEQUACY OF JUSTICE SYSTEMS.

1) SEVERAL ELEMENTS OF THE COUNTRY TEAM MEET WEEKLY UNDER THE CHAIRMANSHIP OF THE DCM TO REVIEW DEVELOPMENTS WITHIN THE MEXICAN LAW ENFORCEMENT COMMUNITY, AND TO ESTABLISH EMBASSY POSITIONS VIS-A-VIS THOSE DEVELOPMENTS. THE ISSUES ADDRESSED BY THE WORKING GROUP (WHICH INCLUDES, INTER ALIA, FBI, DEA, CUSTOMS, INS, IRS, AID, USIS AND POL) HAVE A RELATIVELY CLOSE TIME-HORIZON. OVER TIME, HOWEVER, THIS WEEKLY REVIEW IS EMERGING AS A PARTICULARLY USEFUL DIAGNOSTIC AND LEARNING TOOL FOR THE COUNTRY TEAM, AND AS A MEANS TO IDENTIFY AREAS APPROPRIATE FOR LONGER-TERM RESPONSES BY THE EMBASSY.

B. STRENGTHENING THE COMPETENCE OF RELEVANT INSTITUTIONS.

1) IN CLOSE COOPERATION WITH OTHER ELEMENTS OF THE COUNTRY TEAM, A.I.D. WILL ARRANGE/PROVIDE TRAINING

OPPORTUNITIES FOR PROSECUTORS, PUBLIC DEFENDERS AND/OR COURT ADMINISTRATORS TO INCREASE THEIR EXPOSURE TO U.S. LEGAL PROCEDURES AND TO EXPAND CONTACTS BETWEEN THE U.S. AND MEXICAN LEGAL COMMUNITIES. THE RELATIVELY MODEST A.I.D. ASSISTANCE IN THIS AREA COULD BE PROVIDED UNDER THE NEW ADC TRAINING PROJECT (DUE TO START IN THE FALL, 1990).

2) THE FBI IS SPONSORING AN ONGOING LAW ENFORCEMENT TRAINING PROJECT AT ITS FACILITIES LOCATED NEAR TUCSON, ARIZONA, WHICH IS DESIGNED TO OFFER A PROGRAM OF TRAINING IN BASIC LAW ENFORCEMENT SKILLS TO MEXICAN LAW ENFORCEMENT OFFICERS. WHILE THE PROGRAM HAS BEEN INTENDED TO SERVE THE BORDER STATES REGION, THE PROGRAM HAS ATTRACTED STUDENTS FROM THE STATES OF SINALOA, JALISCO, HIDALGO AND THE FEDERAL DISTRICT. THIS PROGRAM HAS JUST COMPLETED ITS SECOND YEAR OF OPERATION AND WILL CONTINUE TO BE FUNDED THROUGH THE FBI'S TRAINING BUDGET.

3) THE FBI HAS BEEN REQUESTED, THROUGH THE ATTORNEY GENERAL'S OFFICE, FOR THE STATE OF JALISCO TO PRESENT A PROGRAM IN THE FORM OF A SEMINAR ON LAW ENFORCEMENT RELATED FORENSIC ISSUES. ARRANGEMENTS HAVE BEEN MADE THROUGH THE FBI LABORATORY AND THE FBI TRAINING ACADEMY TO ACCOMMODATE THIS REQUEST AND THE PROGRAM IS TENTATIVELY SCHEDULED FOR JANUARY 19, 1990.

4) THE FBI HAS BEEN REQUESTED BY THE MEXICAN FEDERAL ATTORNEY GENERAL'S OFFICE TO ASSIST IN THE DEVELOPMENT OF A TRAINING PROGRAM RELATED TO FORENSIC MATTERS AND OTHER TECHNICAL RELATED LAW ENFORCEMENT TRAINING. THE REQUEST FOR ASSISTANCE WAS FORMALIZED OCTOBER 17, 1989 AND THE DEVELOPMENT OF A TRAINING AGENDA IS IN PROGRESS.
5) THE FBI IS CONTINUALLY SPONSORING TRAINING PROGRAMS IN THE UNITED STATES ON A VARIETY OF LAW ENFORCEMENT TOPICS. FOR EXAMPLE, DURING THE WEEK OF OCTOBER 16, 1989, FOUR SENIOR INVESTIGATORS FROM THE JUDICIAL POLICE FOR THE FEDERAL DISTRICT ARE ATTENDING AN FBI SPONSORED HOMICIDE INVESTIGATORS' SEMINAR BEING HELD IN EL PASO,

TEXAS.

6) THE U.S. CUSTOMS SERVICE SUPPORTS, THROUGH EMBASSY'S LAW ENFORCEMENT TEAM, THE CREATION OF A NORTHERN BORDER GOM ANTI-SMUGGLING, AIR INTERDICTION FORCE. SPECIFICALLY, USCS ARRANGES FOR CUSTOMS TRAINING OF MEXICAN PILOTS, RADAR OPERATORS/CONTROLLERS AND APPREHENSION OFFICERS, AND ASSISTS GOM IN ESTABLISHING A COMMAND AND CONTROL CENTER FOR THE TASK FORCE. (ONGOING/CONTINUOUS).

7) IN ADDITION TO THE ABOVE FEDERAL LEVEL INITIATIVES, THERE ARE A VARIETY OF STATE AND LOCAL LEVEL COOPERATIVE PROGRAMS OF COOPERATION IN THE CRIMINAL JUSTICE FIELD. FOR EXAMPLE, THE CALIFORNIA HIGHWAY PATROL HAS A LONG TERM AND ONGOING STUDENT EXCHANGE PR)GRAM FOR THE BENEFIT OF TRAINING THE MEMBERS OF THE MEXICAN FEDERAL HIGHWAY POLICE. AN ADDITIONAL EXAMPLE OF SUCH COOPERATION IS IN THE FORM OF THE U.S. AND MEXICO BORDER STATES ATTORNEYS GENERAL CONFERENCES, WHICH ARE HELD ON A REGULARLY SCHEDULED BASIS AND ADDRESS A WIDE VARIETY OF ISSUES INCLUDING LAW ENFORCEMENT TRAINING MATTERS.

8) DEA HAS PROVIDED ADVANCED NARCOTICS TRAINING TO OVER 40 MEXICAN FEDERAL JUDICIAL POLICE AGENTS ON AN ANNUAL BASIS. WE ANTICIPATE THIS TRAINING TO CONTINUE IN AN EFFORT TO STRENGTHEN THEIR NARCOTICS ENFORCEMENT PROGRAM AND REINFORCE THEIR INVESTIGATIVE SKILLS. OTHER NARCOTICS ENFORCEMENT TRAINING TO THE MEXICAN FEDERAL JUDICIAL POLICE IS PROVIDED ON AN AD HOC BASIS UPON REQUEST FROM THE MEXICAN ATTORNEY GENERAL'S OFFICE.

9) DEA SPONSORS ANNUAL EXECUTIVE OBSERVATION PROGRAMS FOR SELECT MEMBERS OF THE MEXICAN ATTORNEY GENERAL'S OFFICE WHICH INCLUDE ORIENTATION ON DIVERSE ENFORCEMENT AND INTERDICTION EFFORTS IN THE UNITED STATES AND BRIEFINGS ON INTELLIGENCE COLLECTION PROGRAMS. DEA SPECIFICALLY AND EXCLUSIVELY WORKS WITH THE MEXICAN ATTORNEY GENERAL'S OFFICE BY HOST COUNTRY AGREEMENT. OTHER SUPPORT NARCOTICS LAW ENFORCEMENT AGENCIES SUCH AS MEXICAN MILITARY, CUSTOMS AND IMMIGRATION, ARE NOT SPECIFICALLY LIAISON CONTACTS, TO COORDINATE ENFORCEMENT ACTIONS WITH THE MEXICAN ATTORNEY GENERAL'S OFFICE.

10) DURING THE PAST SEVERAL YEARS, EMBASSY'S POLITICAL SECTION HAS WORKED ON DEVELOPING A NUMBER OF COOPERATIVE ARRANGEMENTS WITH THE NATIONAL INSTITUTE OF PENAL SCIENCES (INCP IS AN AUTONOMOUS, PUBLIC INSTITUTE COORDINATED BY THE OFFICE OF THE ATTORNEY GENERAL. INCP TRAINS CRIMINAL JUSTICE PERSONNEL, PUBLISHES SPECIALIZED PUBLICATIONS ON THE CRIMINAL JUSTICE SYSTEM, AND PROVIDES ACADEMIC AND TECHNICAL ADVICE ON PENAL LAW, CRIME PREVENTION, DELINQUENT TREATMENT, PROSECUTION, LEGISLATIVE REFORM AND POLICE TRAINING PROGRAMS IN MEXICO). RESULTS HAVE INCLUDED THE (A.I.D.-FUNDED) TRAINING OF THEN INCP'S DIRECTOR GENERAL, DR. GUSTAVO BARRETO RANGEL, IN THE U.S. IN 1986, AND THE (USIA-SPONSORED) PARTICIPATION IN FY 1988 OF TWO OTHER

INCP OFFICIALS IN AN IVF GRANT PROJECT ON CRIMINAL JUSTICE ISSUES.

C. IMPROVING COORDINATION AMONG THESE INSTITUTIONS.

1) THE FBI HAS AN ONGOING PROGRAM OF INVITING SELECT MEXICAN LAW ENFORCEMENT OFFICIALS TO ATTEND THE FBI'S FLEVEN WEEK NATIONAL ACADEMY PROGRAM. THE PROGRAM, WHICH IS HELD AT THE FBI'S ACAIEMY AT QUANTICO, VIRGINIA, IS DESIGNED FOR MID-LEVEL LAW ENFORCEMENT MANAGEMENT OFFICIALS.

D. PROMOTING INTERNATIONAL COOPERATION IN STRENGTHENING THE ADMINISTRATION OF JUSTICE.

1) AS A RESULT OF THE U.S.-MEXICAN BINATIONAL COMMISSION MEETINGS HELD AT MEXICO CITY DURING AUGUST, 1989, A MEXICAN-U.S. FEDERAL PROSECUTORS SEMINAR HAS BEEN SCHEDULED FOR DECEMBER, 1989 FOR THE PURPOSE OF PRESENTATION OF MATERIALS RELEVANT TO COMPARATIVE LEGAL SYSTEMS.

2) ALSO AS A RESULT OF THE BINATIONAL COMMISSION MEETINGS, TALKS HAVE BEEN HELD AT MEXICO CITY DURING OCTOBER, 1989, BETWEEN REPRESENTATIVES OF THE U.S. DEPARTMENT OF JUSTICE (DOJ) AND THE MEXICAN FEDERAL ATTORNEY GENERAL'S OFFICE FOR PURPOSES OF DISCUSSING EACH COUNTRY'S METHODOLOGY IN ADDRESSING EXTRADITION MATTERS UNDER THE U.S./MEXICO EXTRADITION TREATY.

3) THE U.S. CUSTOMS SERVICE IS ENCOURAGING AN AGGRESSIVE, COORDINATED ANTI-NARCOTICS CAMPAIGN BY THE MEXICAN CUSTOMS SERVICE AND THE FEDERAL JUDICIAL POLICE, AND SUPPORTS THEIR INTELLIGENCE AND TRAINING NEEDS IN THIS AREA. (ONGOING/CONTINUOUS).

4) THE U.S. CUSTOMS SERVICE COORDINATES INM-FUNDED CUSTOMS TRAINING FOR MEXICAN DRUG INTERDICTION OFFICERS IN FIELDS OF SEARCH, SEIZURE AND EVIDENCE COLLECTION. (ONGOING/CONTINUOUS).

5) USCS WILL ARRANGE FOR INM/CUSTOMS TRAINING OF PERSONNEL INVOLVED IN BANKING AND FINANCIAL LAW ENFORCEMENT ACTIVITIES ON PROCEDURES FOR COMBATTING MONEY LAUNDERING. (LATE 1989).

6) USCS PROMOTES GREATER COOPERATION IN THE INTERCHANGE OF FINANCIAL INFORMATION WHICH ASSISTS IN PROSECUTIONS AND FORFEITURE OF ASSETS. (ONGOING/CONTINUOUS).

7) USCS ENHANCES, THROUGH THE CUSTOMS MUTUAL ASSISTANCE TREATY, INFORMATION SHARING AND COORDINATION ON SUSPECTED VIOLATIONS OF WEAPONS AND HIGH TECHNOLOGY EXPORT CONTROLS. (ONGOING/CONTINUOUS).

8) FOR THE PAST EIGHT YEARS AND FOR THE FORESEEABLE FUTURE, DEA, THROUGH THE INTERNATIONAL DRUG ENFORCEMENT CONFERENCE (IDEC), OF WHICH MEXICO IS A FOUNDING MEMBER, ASSURES MEXICO'S PARTICIPATION. NOTE: THIS YEAR THE MEXICO DEPUTY ATTORNEY GENERAL, JAVIER CUELLO TREJO, ASSUMED THE PRESIDENCY OF THIS CONFERENCE AND IN DOING SO, MEXICO HAS DISPLAYED A LEADERSHIP ROLE IN THIS HEMISPHERE FOR THE FIRST TIME SINCE THE IDEC WAS FOUNDED. DEA NARCOTICS ENFORCEMENT POLICY INCLUDES JOINT PROSECUTION INVESTIGATIONS WHICH RELY ON THE EXCHANGE OF EVIDENCE THAT CAN BE USED IN EXTRADITABLE PROSECUTABLE FUGITIVES. IN FURTHERANCE OF THIS MUTUAL PROSECUTION INITIATIVE, DEA WILL SUBSIDIZE, ON A CASE-BY-CASE BASIS, TRAVEL AND OTHER RELATED EXPENSES.

9) FOLLOWING THE RECENT BINATIONAL COMMISSION MEETING, WORKING GROUPS HAVE BEEN ESTABLISHED BY THE RESPECTIVE ATTORNEYS GENERAL TO ORIENT EACH COUNTRY ON THEIR RESPECTIVE CRIMINAL LAWS AND PROCEDURES.

E. ENCOURAGING BROAD POLITICAL AND POPULAR SUPPORT FOR IMPROVEMENT IN THE JUSTICE SYSTEM:
1) USIS WILL ARRANGE INTERNATIONAL VISITOR PROGRAMS FOR KEY MEXICAN OFFICIALS FROM OFFICES OF STATE AND FEDERAL-LEVEL ATTORNEYS GENERAL (SPRING THROUGH SUMMER, 1990), AND WILL ARRANGE AT LEAST ONE AMPART PROGRAM FOR A U.S. FEDERAL JUDGE OR EQUIVALENT LEVEL SPEAKER (KNOWLEDGEABLE ABOUT CONSTITUTIONAL HISTORY AND APPLICATION) TO ADDRESS HIGH-LEVEL AUDIENCE OF LEGAL SCHOLARS, JUDGES, LAWYERS, POLITICIANS AND AMERICAN STUDIES ACADEMICS.

2. OTHER POTENTIAL AREAS OF COOPERATION WHICH EMBASSY WILL CONSIDER OVER THE NEXT 1-2 YEARS INCLUDE:

- UPGRADING LOCAL LAW LIBRARIES, THROUGH ESTABLISHMENT OF LINKAGES WITH U.S. LAW SCHOOLS, U.S. AND MEXICAN PUBLISHING HOUSES, ACCESSING RTAC-II PROJECT (IF GEOGRAPHIC COVERAGE OF LATTER ACTIVITY IS EXPANDED TO INCLUDE MEXICO).

- IMPROVING COMPUTERIZED DATA STORAGE AND RETRIEVAL CAPACITIES OF COURTS, LAW SCHOOLS, ETC. (E.G., CASE PRECEDENTS, CASE HISTORIES, LIBRARY MANAGEMENT), THROUGH PURCHASE AND DISTRIBUTION OF APPROPRIATE SOFTWARE PROGRAMS.

- STRENGTHENING LOCAL BAR ASSOCIATIONS THROUGH ADDITIONAL IVP GRANTS AND TRAINING ASSISTANCE UNDER NEW ADC TRAINING PROJECT.

3. AS THE FOREGOING INDICATES, THE PURSUIT OF ACJ OBJECTIVES IN MEXICO CROSSES A BROAD SPECTRUM OF ACTIVITIES AND WILL ENGAGE THE PARTICIPATION OF VIRTUALLY THE ENTIRE COUNTRY TEAM. EMBASSY ATTACHES HIGH PRIORITY TO THESE EFFORTS, AND WILL CONTINUE TO EXPLORE ADDITIONAL POSSIBILITIES OF ACJ COLLABORATION WITH MEXICAN COUNTERPARTS. (DRAFTED: GBOWERS). NEGROPONTE

BT
#7056

NNNN

BEST AVAILABLE