

USAID/MEXICO

ACTION PLAN

FY 1995 - 1996

February 1994

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A. Strategy Overview

The FY 94-95 USAID/Mexico program will continue to consolidate and coalesce around three strategic objectives in FY94-95 related to the Agency wide goals of broad-based economic growth, environment, and population, and will pursue one "target of opportunity" to reduce AIDS transmission. (USAID/Mexico is phasing out its work in drug abuse prevention as a "target of opportunity" in FY94-95.) Training, under the ADP Program, is seen as an integral component of all strategic objectives and the target of opportunity. (USAID/Mexico currently trains over 200 persons in one of the most cost-effective training programs in USAID, see Annex 4).

The Mission's first strategic objective, to create a climate for economic and social progress under NAFTA, primarily contributes to the Agency's economic growth objective, but it includes cross-cutting activities germane to the effective implementation of NAFTA which also contribute to the Agency's environmental (especially "brown" and embargo issues) and democracy (broadening democratic participation) goals. NAFTA is a force for profound and systemic change in Mexico, and the US Government's partnership in this accord affords the Mission an extraordinary opportunity to influence the pace and direction of this change.

The ratification of NAFTA by all three participating governments in late 1993 clearly altered the context in which USAID/Mexico is pursuing the Agency-wide economic growth goal. Over the past year USAID/Mexico, through agreements with other US agencies, effectively addressed key labor and environmental concerns which contributed to the signing of the NAFTA side bar agreements and accord. Now with NAFTA, the Mission has modified its "economic growth" strategic objective, which previously had focussed on facilitating ratification, to more fully reflect major implementation concerns.

As USAID/Mexico does not have bilateral agreements with the GOM, coordination with other USG agencies and donors is especially critical to achieving policy and program outcomes. Coordination by USAID/Mexico with other U.S. line agencies, and through them with IFIs including the World Bank and Inter-American Development Bank, has been apparent in the NAFTA/economic growth and environmental arenas.

Under the Global Climate Change directive, energy conservation and forest conservation practices are deficient and much more needs to be done to implement effective policies, regulations and practices. Important progress has been made in achieving this strategic objective which focusses on reducing carbon dioxide emissions. Notably, the forest conservation component of GCC contributes to strong and effective support of 22 conservation

NGOs which are helping to protect 10 reserves covering over 8 million acres of natural forest that serve as a carbon sink and help to reduce carbon dioxide emissions. Similarly, under the energy component of GCC established as a sub-objective in FY 1993, USAID/Mexico through a PASA with the U.S. Department of Energy, is working in 8 of Mexico's 32 states to expand the use of cost-effective and environmentally benign wind, solar and other renewable energy technologies. These actions, in turn, are opening up an important market for American industry. One demonstration project, the hybrid power system in the village of Xcalac, the largest of its kind in the Americas, was installed for \$450,000 compared to the estimated \$3.2 million which would have been required for a comparable public utility grid extension. Similarly, through the Demand Side Energy Management Project, USAID/Mexico has effectively promoted use of energy efficient technologies both in industry and among consumers, while simultaneously "leveraging" resources from other donors. Accompanying these activities, has been the Mexico-U.S. Energy Training Program (ETP) which has trained dozens of Mexican energy professionals on technical and management aspects of renewable energy and energy efficiency technologies in the United States.

The additional program outcome in USAID/Mexico's environmental strategic objective this year, however, reflects the growing concern of the US and Mexican governments and US environmental organizations with bio-diversity conservation (see the attached NAD for the proposed Mexico Conservation Fund). Accords resulting from the 1992 UNCED Environmental Conference in Rio, and the recognition of Mexico as a "mega-diversity" country harboring especially large numbers of unique animal and plant species (Mexico ranks fourth in the world in terms of bio-diversity), have led to a new emphasis on directly supporting bio-diversity conservation. This change allows USAID/Mexico to advance beyond the prior indirect contributions through the parks and buffer zones protection component of the global climate change program.

Thirdly, USAID/Mexico's strategic objective in population, as reflected in the November 1991 "USAID/Mexico Population Strategy" is essentially two-fold: to increase contraceptive use especially in rural areas, and to produce a durable, self-sustaining family planning service infrastructure able to meet clients' needs after the conclusion of USAID support. This objective, as well as the Mission's special efforts to reduce AIDS transmission as a "target of opportunity", contribute directly to the Agency-wide Population and Health strategy and are fully consistent with the recent implementation guidelines.

Over the past year and in keeping with the November 1991 Population Strategy, the four principal public sector agencies working in family planning (the National Population Council, Secretariat of Health, Mexican Social Security Institute, and the

Social Security Institute for State Employees) have adopted implementation plans. Similarly, in the private sector, USAID/Mexico, through its cooperating agencies and with support of other donors (UNFPA, IPPF, Japan, Finland and private US foundations), has made progress in strengthening the institutional and financial capabilities of MEXFAM (the IPPF affiliate) and FEMAP.

The Mission's modest funding levels to reduce the transmission of AIDS supports activities consistent with USAID/W strategy to focus on social awareness and behavioral change, along with condom availability. The Mission is also considering a new initiative in STD prevention and treatment (there are, remarkably, no STD clinics in Mexico today).

Although a DHS survey (proposed for 1997) will better quantify the demographic impact of USAID/Mexico's support, it is abundantly clear that USAID/Mexico's substantial assistance since 1978 through S&T/POP funded cooperating agencies, has been an important factor in increasing contraceptive prevalence from an estimated 30% in 1976 to an estimated 60% today. As a consequence, Mexico's population growth rate has declined from over 3% to approximately 2%.

IB. Achievement of Broad-Based Sustainable Economic Growth

Strategic Objective No. 1 has been revised to reflect the developments with the North American Free Trade Agreement (NAFTA). The NAFTA, approved by Congress on November 17th, became effective January 1, 1994, partially completing USAID/Mexico's 1993 S.O. No.1 (the successful negotiation and implementation of a NAFTA). This objective has been rewritten to read "Creating a climate for economic and social progress under NAFTA." This strategic objective reflects the reality of working within a NAFTA environment while recognizing that deficiencies still exist that can hinder all parties from benefiting from this new environment.

S.O. No. 1 relates directly and primarily to the economic growth of Mexico. Under the NAFTA, trade between the U.S., Mexico and Canada is expected to increase. It will only increase, however, if businesses are aware of new opportunities, are able to comply with international standards for labor rights and environmental protection, and have confidence that the regulatory and political systems will protect their businesses. To this end, USAID/Mexico will support a series of projects directed at Mexico's legal, political, and environmental frameworks for implementing NAFTA, and for sharing information and experiences on free trade with businesses and governments (both within Mexico as well as outside of Mexico).

To accomplish this, USAID/Mexico will continue with some of the projects begun when Mexico and the U.S. began negotiating the NAFTA as well as broaden its focus to include increasing awareness of the opportunities of free trade.

Continuing efforts include projects in the legal and environmental areas. USAID/Mexico has a series of agreements with other U.S. government agencies to work with their Mexican counterparts. The U.S. Patent and Trademark Office of the Department of Commerce has been providing training and technical assistance to the Mexican Industrial Property Officer (MIPO) for over two years. They have helped to automate the patent and trademark examination process to ensure that intellectual property rights are protected within the country. The Department of Labor signed a memorandum of understanding with their Mexican counterpart to harmonize and share information in a variety of workers' rights areas. The Food and Drug Administration is providing information and training on the new Nutrition Labeling Law (which goes into effect May 1994) that will allow Mexican food producers to continue to export their products to the U.S.

New program outcomes involve insuring political participation and expanding free trade opportunities. Confidence in the political process is basic to a government's legitimacy. Participation in the political process, through registering to

vote, voting, and, in some cases, observing the election count all inspire confidence in the political system. Greater confidence in the system encourages greater investment, both by foreign as well as local businesses--spurring more economic growth for the country. The projects in the free trade area will concentrate on providing information to local businesses and governments on the opportunities provided to small and medium businesses under the NAFTA; and on providing other countries with information on the negotiation processes for a free trade agreement.

The indicator for S.O. No. 1 last year was successful negotiation of the side bar agreements in labor and the environment for the NAFTA. These were achieved last year along with Congressional passage of the NAFTA. While USAID/Mexico cannot take any direct credit for these achievements, our support of the joint activities between the U.S. Dept. of Labor and the Secretariat of Labor (STPS) and EPA and the GOM's Secretariat of Social Development (SEDESOL) assisted them in identifying areas of cooperation and collaboration that contributed to agreeing on the additional tasks and committees under the side agreements.

To date, the Department of Labor, under its PASA, has completed a series of comparisons of different labor issues (child labor, the informal sector, labor law, and occupational safety and health) and published the results. The Dept of Labor has also been conducting joint standards enforcement training with the STPS for various industries. They have completed 60% of these training sessions and 31% of the training in industrial hygiene standards. This training will ensure safer working conditions for Mexican laborers.

Similarly, the assistance that the Mexican Industrial Property Office (MIPO) has received from the U.S. Patent and Trademark Office has had a visible effect on the number of patent and trademark applications processed. Last year, 4% of the patent applications were 8 to 11 years old. This percentage has dropped to 2.5%. The backlog of patent applications from U.S. manufacturers has also dropped to less than 3000 (from over 8000 in 1991).

Finally, in the area of environment, the EPA and the National Marine Fisheries Service (NMFS) have made significant progress as well. The NMFS has continued to provide training and technical assistance to their Mexican counterparts that has permitted Mexican fishermen to comply with international standards for reducing dolphin and turtle kills. This original collaboration has led to further work in the areas of preservation of the endangered totoaba fish and vaquitas (type of porpoise) in the Gulf of California, an ecosystem/watershed shared by both countries.

The two new program outcomes in the area of political processes and opportunities for free trade are aimed directly at improving participation and increased access in these areas. The political process program outcome will support efforts to register and involve different groups in the political process in selected areas and strengthen local NGOs in their efforts in the political process.

Free trade should not be the privilege of a few. President Clinton envisions a widening of free trade to other countries. This requires that others know the benefits and opportunities of free trade. Internationally, this means sharing the Mexican experience with other governments. Internally, this demands providing smaller companies with information on how they too can do business and profit under a free trade agreement.

Overview Table - Strategic Objective Program "Free"

Mexico	
Agency Goal: Broad-Based, Sustainable Economic Growth.	
STRATEGIC OBJECTIVE NO. 1 Create a climate for economic and social progress under NAFTA.	
Program Outcome 1. Increased confidence in democratic political processes.	Program Outcome 2. Enhanced awareness by governments and Mexican Businesses of Opportunities under free trade.
Program Outcome 3. Establishment and Compliance with of a Comprehensive Body of GOM Environmental Regulations and Procedures linked to NAFTA implementation.	Program Outcome 4. Establishment and compliance with internationally recognized procedures governing intellectual property rights, Labor Laws and standards, and Occupational Safety/Health
Indicators 1. Increased voter registration and participation in local and national elections in selected areas.	Indicators 1. Increased capacity to monitor, evaluate and share Mexican private and public experiences on Free Trade Agreements with other governments and businesses.
Indicators 1. Reformed environmental legal and regulatory framework.	Indicators 1. Comparisons completed of U.S./Mexican labor laws and standards

<p>2. Improved capacity of local NGOs to promote participation in the democratic process within selected areas.</p>	<p>2. Increased information sharing with and training of small and medium sized businesses on NAFTA opportunities.</p>	<p>2: Improved capacity of Mexican environmental policy makers and regulators.</p>	<p>2. Comparable standards in place for occupational safety and health, and industrial hygiene</p>
<p>3. Perception of free and fair elections.</p>		<p>3. Compliance with the use of turtle excluder devices by the shrimp fleet.</p>	<p>3. Efficiency of the patent and trademark application process</p>
<p>4. International business perception of political stability</p>		<p>4. Knowledge of Turtle Excluder Device technology by SEPESCA/INP and the Private Sector</p>	<p>4. Patent examination capacity of SECOFI</p>
		<p>5. Compliance in the use of tuna boat observers</p>	

Mexico - Strategic Objective 1 Create a climate for economic and social progress under NAFTA					
Program Outcome 1. Increased confidence in democratic political processes.					
Indicator 1.1: Increased voter registration and participation in local and national elections in selected areas.					
Unit: Nos. of voters registered		Year	Planned	Actual	
Source: Instituto Federal Electoral (IFE) records	Baseline	(Year)			
Comments: Project is under design, and baseline and indicators are yet to be fully established (1) Based on registration drive which ends Feb 28, 1994		1992			
		1993			
	(1)	1994			
		1995			
		1996			
	Target	1997			

Table 1A - Strategic Objective Program "Tree"

Mexico	
Agency Goal: Broad-Based, Sustainable Economic Growth.	
STRATEGIC OBJECTIVE NO. 1 Create a climate for economic and social progress under NAFTA.	
Program Outcome 1. Increased confidence in democratic political processes.	Program Outcome 2. Enhanced awareness by governments and Mexican Businesses of Opportunities under free trade.
Program Outcome 3. Establishment and Compliance with of a Comprehensive Body of GOM Environmental Regulations and Procedures linked to NAFTA implementation.	Program Outcome 4. Establishment and Compliance with internationally recognized procedures governing intellectual property rights, Labor Laws and standards, and Occupational Safety/Health
Projects Number/Title	Projects Number/Title
New Activities Pending	598-0616.23-523-3018 Foreign Trade Entrepreneurs Training
	598-0616.23-3-2001 Env. Protection Agency PASA
	598-0616.23-3-30018 New Activities Pending
	598-0616.23-3-20004 Dept. of Labor PASA
	598-0616-23-3-30017 Dept of Health and Human Services/Office of Int. Health PASA

Mexico - Strategic Objective 1 Create a climate for economic and social progress under NAFTA				
Program Outcome 1. Increased confidence in democratic political processes.				
Indicator 1.1: Increased voter registration and participation in local and national elections in selected areas.				
Unit: Nos. of voters registered		Year	Planned	Actual
Source: Instituto Federal Electoral (IFE) records	Baseline	(Year)		
Comments: Project is under design, and baseline and indicators are yet to be fully established. (1) Based on registration drive which ends Feb 28, 1994		1992		
		1993		
	(1)	1994		
		1995		
		1996		
	Target	1997		

Indicator 1.2: Improved capacity of local NGOs to promote participation in the democratic process within selected areas.

Unit: No. of individuals trained in Mexican NGOs that promote democratic participation.

Source: Grantee records

Comments: (1) Project is under design, and baseline and indicators are yet to be fully established. Grantee will develop baseline and targets (numbers and groups) in the grant agreement

	Baseline	Year (Year)	Planned	Actual
		1992		
		1993		
	(1)	1994		
		1995		
		1996		
	Target	1997		

Mexico - Strategic Objective 1 Create a climate for economic and social progress under NAFTA					
Program Outcome 1. Increased confidence in democratic political processes.					
Indicator 1.3: Perception of free and fair elections.					
Unit: Reports by observers			Year	Planned	Actual
Source: IFE, USIS and NGO reports		Baseline	(Year)		
Comments: (1) The Instituto Federal Electoral and other NGOs will train observers and report on the August 1994 General Elections.			1992		
			1993		
		(1)	1994		
			1995		
			1996		
		Target	1997		

Indicator 1.4: International business perception of political stability.					
Unit: Mexican Stock Market performance		Baseline	Year (Year)	Planned	Actual
Source: Local press			1992		
Comments: (1) Mission will monitor composite average over time for significant changes, as foreign investment is highly responsive to political developments.			1993		
		(1)	1994		
			1995		
			1996		
		Target	1997		

<p>Mexico - Strategic Objective 1: Create a climate for economic and social progress under NAFTA</p>					
<p>Program Outcome 2. Enhanced awareness by governments and Mexican Businesses of Opportunities under free trade.</p>					
<p>Indicator 2.1. Increased capacity to monitor, evaluate and share Mexican private and public experiences on Free Trade Agreements with other governments and businesses.</p>					
<p>Unit: No. of publications and seminars</p>		Baseline	Year (Year)	Planned	Actual
<p>Source: Grantee records</p>			1992		
<p>Comments: (1) Project is under design, and baseline and indicators are yet to be fully established.</p>			1993		
		(1)	1994		
			1995		
			1996		
		Target	1997		

Indicator 2.2. Increased information sharing with and training of small and medium sized businesses on NAFTA opportunities.				
Unit. Training materials developed	Baseline	Year (Year)	Planned	Actual
Source: Grantee records		1992		
Comments (1) Project is under design, and baseline and indicators are yet to be fully established.		1993		
		1994		
		1995		
		1996		
	Target	1997		

Mexico - Strategic Objective 1: Create a climate for economic and social progress under NAFTA.					
Program Outcome 3. Establishment and Compliance with of a Comprehensive Body of GOM Environmental Regulations and Procedures linked to NAFTA implementation.					
Indicator 3.1: Reformed environmental legal and regulatory framework					
Unit: As below		Baseline	Year (Year)	Planned	Actual
Source: Embassy Science and EPA Office Reports; GOM. Comments: Steps to be followed: * 1. Assessment 2. Preparation 3. Promulgation by GOM 4. Legislative Approval 5. Enactment 6. Enforcement 7. Technical Assistance and Training *Expected outputs to be planned with EPA/WEC Current areas of strength: Gaps/Weaknesses:			1992	1,6,7	1,6,7
			1993	2,6,7	6,7
			1994	3,6,7	
			1995	4,6,7	
			1996	5,6,7	
		Target	1997	6,7	

Indicator 3.2: Improved capacity of Mexican environmental policy makers and regulators

Unit: Nos. of Mexican specialists trained by EPA, WEC, ADC (AID) and other collaborating US organizations.

Source: Embassy Science and EPA Office reports; quarterly reports from WEC.

Comments:

	Year	Planned	Actual
Baseline	(Year)		
	1992	200	200
	1993		
	1994		
	1995		
	1996		
Target	1997		

Mexico - Strategic Objective 1: create a climate for economic and social progress under NAFTA				
Program Outcome 3. Establishment and Compliance with of a Comprehensive Body of GOM Environmental Regulations and Procedures linked to NAFTA implementation.				
Indicator 3.3: Compliance with the use of turtle excluder devices in the Gulf of Mexico and Caribbean by the shrimp fleet				
Unit: Percent of shrimp boats in compliance	Year	Planned	Actual	
Source: Embassy Science Office; National Marine Fisheries Services, Southeast and Southwest Regions. Comments: Target date for full compliance is May 1, 1994.	Baseline			
		1992		
		1993	30-50%	45%
		1994	100%	
	1995			
	1996			
	1997			
	Target			

Indicator 3.4: Knowledge of Turtle Excluder Device technology by SIPESCA/INP and the Private Sector					
Unit: Nos. trained in technology by SIPESCA/INP and Private Sector					
Source: Project records					
Comments:					
	Baseline	Year (Year)	Planned	Actual	
		1992	25	10	
		1993	50	30-40	
		1994	400		
		1995	450		
		1996			
	Target	1997			

Mexico - Strategic Objective 1: Create a climate for economic and social progress under NAFTA

Program Outcome 3.

Establishment and Compliance with of a Comprehensive Body of GOM Environmental Regulations and Procedures linked to NAFTA implementation.

Indicator 3.5: Compliance in use of tuna boat observers

Unit: Nos. of tuna boat observers	Year	Planned	Actual
Source: Embassy Science Office; National Marine Fisheries Services, Southeast and Southwest Regions.	Baseline (Year)		
<p>Comments: On Jan 21, 1994 Mexico further reduced the legal maximum incidental dolphin kill rate to 1.5 dolphins per net set. The current average mortality rate is close to 0.7 dolphins/set.</p> <p>Mexico continues to reduce incidental dolphin mortality rates faster than required by law, and rates seem to be comparable to those shown by US fleets. (94 Mexico 002185).</p>	1992	100	100
	1993	100	100
	1994	100	
	1995	100	
	1996		
Target	1997		

Mexico - Strategic Objective 1: Create a climate for economic and social progress under NAFTA

Program Outcome 4. Establishment and compliance with internationally recognized procedures governing intellectual property rights, Labor Laws and standards, and Occupational Safety/Health.

Indicator 4.1: Comparisons completed of U.S./Mexican labor laws and standards

Unit: By area, as shown below

Source: Dept. of Labor records

Comments:

1. Labor laws
2. Occupational Safety and Health
3. Industrial Hygiene
4. Child Labor
5. Labor Statistics
6. Informal Sector

All comparisons were completed and published in 1993.

Baseline	Year (Year)	Planned	Actual
	1992	1, 2, 4, 5, 6	1, 2, 4, 5, 6
	1993	3	3
	1994		
	1995		
	1996		
Target	1997		

Indicator 4.2: Comparable standards in place for occupational safety and health, and industrial hygiene						
Unit: Standards in place by area, as below		Year	Planned	Actual		
Source:	Dept. of Labor	(Year)				
Comments: 1. Occupational safety and health 2. Industrial hygiene (Note - Each standards area involves several sub-categories. Under #1, progress is 60% complete, under #2, progress is 31% complete)		Baseline				
			1992	1		1
			1993	1,2		1,2
			1994	1,2		
			1995			
			1996			
			Target	1997		

Mexico - Strategic Objective 1 Create a climate for economic and social progress under NAFTA

Program Outcome 4. Establishment and compliance with internationally recognized procedures governing intellectual property rights, Labor Laws and standards, and Occupational Safety/Health

Indicator 4.3: Efficiency of the patent and trademark application process

Unit: Nos. of applications processed per year (patents/trademarks)

Source: MIPO; USPTO.

Comments

Year	Planned	Actual
1992		4% of patent applications 8-11 years old
1993		2.5%
1994		
1995		
1996		
Target		

Indicator 4.4: Patent examination capacity of SECOFI				
Unit: Nos. of patent examiners trained	Baseline	Year (Year)	Planned	Actual
Source: MIPO; USPTO		1992		
Comments: (1) SECOFI has not hired sufficient new patent examiners for planned training level to be achieved.		1993	40	17(1)
		1994		
		1995		
		1996		
		Target	1997	

IC. Protecting the Global Environment

Refinements or Changes in Strategic Objective and/or Program Outputs

The environment strategic objective in last year's POD/Action Plan was stated as: "Reduced destruction of biomass and burning of fossil fuels in target areas/activities (to reduce CO2 emissions)." This Strategic Objective No. 2 has been revised to more accurately reflect current needs/opportunities and direction of the E/GCC portfolio, and to clarify linkages with the new Agency environment goal. With the passage of NAFTA and current events in the State of Chiapas, Mexico is now opening up to levels of citizen and NGO participation in development activities heretofore unknown in the countryside. The recognition and defense of the rights of native peoples and campesino populations, especially regarding land use/tenure and access to natural resources, is now in the forefront of change in Mexico, and AID/M believes that exciting and progressive times are ahead.

In addition to being a leader in Latin America in trade and economic stabilization, Mexico also happens to be the fourth most biologically diverse country in the world. The Salinas administration has recognized the value of this natural heritage, and the GOM has taken many important steps in terms of financial and policy support for the protection and development of its biological resources. It is in this context that AID/M proposes to make minor yet important changes to strengthen its environmental strategy.

As a result of last year's Action Plan review, USAID/M was authorized to proceed with one new activity in the area of bio-diversity conservation: support for the Mexico Conservation Fund. In late 1993, \$20 Million in GEF parallel funding was earmarked by the Agency for that purpose. In 1993, President Clinton approved and made the U.S. a signatory of the UNCED derived convention on bio-diversity. In January of 1994, USAID announced its sustainable development strategy with one of its primary goals: "Protecting the Global Environment" (which includes global climate change and bio-diversity conservation).

All of these factors have contributed to AID/M's decision to broaden its principal environmental objective from the mitigation of global climate change to "Reduced carbon dioxide emissions in target areas and sustained biological diversity conservation". This broadening of focus was presented in USAID/M's recent SAR (Annex 5). As indicated, AID/M's climate change program will continue to focus on two primary outputs: forest conservation and the promotion of energy efficiency/conservation policies and technologies. The technical aspects of this GCC sub-objective, which do not change substantively, are outlined in detail in the

FY 1994-1995 Action Plan. These Program output areas will continue to be characterized by important elements of NGO and private sector partnerships; training and technical cooperation; coordination with other donors, federal agencies, and the multilaterals; and cross-border cooperation.

The objective tree of SO#2 has been broadened to include the program output of bio-diversity conservation. The practical difference is the inclusion of the Mexico Conservation Fund project in the portfolio and AID/M's desire to claim substantial bio-diversity benefits from this and many other activities being implemented under the GCC umbrella. AID funding to date for the protection of parks/reserves and buffer zones, which collectively affects approximately 8 million acres of the country's most diverse and biologically important natural areas, is probably one of the most significant actions being taken to preserve Mexican bio-diversity. It is important to note that the USAID contribution does not focus exclusively on preservation. There are also efforts to develop environmentally sound microenterprises and productive projects with rural communities in buffer zones and in/around protected areas that utilize and conserve biological resources at the local level to support sustainable economic development.

Activities Supporting SO#2

USAID/Mexico will continue to address the forestry Program Output by focusing its assistance geographically on Mexico's national system of protected parks and reserves (SYNAP). No changes are foreseen in the priority forest areas identified by the GOM, USAID/M and NGO collaborators that have been targeted for program assistance based on their important bio-diversity, GCC and other environmental values. The types of activities supported under the Forestry Program Output are:

- **Baseline studies and information/data gathering to improve decision making.**
- Improved buffer zone management techniques with increased community participation and a focus on environmentally sound economic alternatives.
- Strengthening public and private institutions responsible for the management of protected areas.
- Promotion of NGO participation and government-private sector collaboration in protected areas management.
- Regional and cross-border cooperation for improved management of sister parks and reserves.

- Promotion of sustainable forestry and the use of non-timber product/extractive reserve techniques in buffer zones, and
- Support for workshops, pilot studies, technical assistance and training to strengthen institutional capabilities and legal and policy instruments.

One important lesson learned to date in the forestry sub-program is the need to focus greater attention and resources on the external forces of resource degradation/deforestation, especially those inappropriate legal/regulatory and policy instruments that give license to massive destruction (i.e., road construction, subsidized agricultural credit, colonization programs, etc.).

The energy Program Outcome will continue to focus on activities designed to:

- Promote greater use and commercialization of proven renewable/sustainable energy technologies.
- Promote integrated planning and demand-side management of energy systems.
- Provide technical assistance and training in support of energy efficiency/conservation technologies and energy-related trade and development.
- Improve the policy and legal framework in support of energy efficiency and renewables through workshops, technical assistance and training, and
- Support pilot-projects to demonstrate proven and commercially viable energy efficiency/conservation technologies.

The DOE and USAID Global/Energy Bureau will continue to be the major collaborators in this Sub-Program area.

In the new Program Outcome area of bio-diversity, the focus will be on the supporting the establishment and successful implementation of the Mexico Conservation Fund as a mechanism for providing sustainable funding for the broad gamet of bio-diversity conservation (ie, research/studies, monitoring, prospecting, project development, community-based conservation, etc). As previously indicated, USAID/Mexico's role centers on the initial capitalization of the Fund and support for successful implementation. The types of activities to be supported include are discussed in detail in the NAD.

Two critical actions programed for the near future which will allow the MCF project to proceed on course are the provision of a

GOM letter of endorsement for this project as a parallel GEF activity, and the U.S. Congressional notification/approval to release the funds.

Strategic Objective Performance

Overall, progress on this S.O. has been very good. The GCC program has shown remarkable impact to date in contributing to the development of sound environmental policies and operational programs dealing with protection of tropical forests and reduction of greenhouse gas emissions via innovations in energy efficiency and conservation. The forestry component, in an indirect way, has been making important contributions to bio-diversity conservation.

In FY 1992, USAID was supporting directly or indirectly approximately 25 projects with the objective of mitigating climate change. Currently, under the Forestry Program Outcome, USAID/M continues to provide approximately 2.5 million dollars for the management of priority parks and reserves, and the buffer zones surrounding them, in all strengthening 22 Mexican conservation NGOs, one U.S. Federal Agency (EPA-ERL/C), and helping to protect more than 8 million hectares in southern Mexico.

As indicated in the APR, all GCC projects were in the "A" category. Some projects are experiencing minor reporting or financial management difficulties, but do not have important technical deficiencies.

One of the best indications of success is the continued and even increased priority being assigned by the highest levels of the GOM to tropical forest and bio-diversity conservation in Mexico. Evidence of this is the substantial GOM counterpart contribution expected for the MCF. The GOM continues to provide support to Mexico's Tropical Forest Action Program (PROAFT) through new and dynamic leadership and an increased budget.

At the request of the GOM, through the inter-governmental panel on climate change, USAID initiated support for a project to study land use changes and resultant emissions of carbon dioxide. In Mexico, it is known that deforestation is a major contributor to greenhouse gas emissions, but agricultural and forestry sources have not been accurately quantified. EPA will characterize land use and carbon dynamics in southeastern Mexico as contributing to the national greenhouse gas emission assessments. With the use of remote sensing imagery, field surveys, biomass measurements, GIS analyses and simulation modeling, this project will aid the GOM in characterizing its carbon dioxide contribution to global greenhouse gas and build-up.

USAID grants to the Mexican Foundation for Environmental Education (FUNDEA) and the Environmental Law Institute (ELI) are supporting a program to help the GOM change policies and legal and institutional structures that currently encourage tropical forest destruction in Mexico. The project, which is investigating prospects and strategies for reforming these policies, laws and institutions in order to improve forest management, protect priority parks and reserves, and promote sustainable development in buffer zones, is about to conclude two case studies focussing on the issues of deforestation and protected areas management. In a later phase of this project, the team will expand its focus to address issues of reliance on and inefficient use of fossil fuels.

Two major accomplishments stand out: 1) the GOM has substantially increased its support for forest and bio-diversity conservation over the 1992-93 period, and 2) SEDESOL recently gave USAID/M an enormous compliment by inviting and recognizing USAID in a national forum on social development (April 19-21, 1993) as one of the principal donors (along with World Bank and IDB) in the environment sector in Mexico. USAID/M was also recognized as a key player in the development of private/NGO-public sector cooperation and "productive ecology" actions in Mexico.

Progress in the energy sector is accelerating. Notable overall accomplishments include legislation to allow privatization of electrical power, sustained support for renewable energy technologies, primarily through the PRONASOL and GEF programs, and the initiation of numerous pilot projects that support energy efficiency and conservation. One example is a wind energy assessment that indicates that the eolian energy potential in Mexico is much greater than previously believed.

Cross-Cutting Issues

USAID/M feels that one of the greatest challenges to the implementation of sustainable development activities and processes relates to the focusing of program impacts on the issues of poverty/equity, participation and access. The environment S.O. 2 is yielding major benefits in this regard in an indirect manner. In the forest conservation and bio-diversity output areas, project activities are focusing on policy and legal reforms, and community empowerment - activities that will make important contributions. Some of the major issues being attended to include: decentralization of power from federal to state and local levels; broader NGO involvement in conservation and development; local people's participation in planning; defense of native people's land use/tenure practices; and the provision of resources and access to economic development at the local level.

Under the energy program output, important benefits are expected from policy reform and private sector participation. The implantation of improved energy efficiency and conservation practices and policies will benefit the entire society, both from an economic and environmental perspective. The multi-million dollar marketing aspects/opportunities of this Sub-Program will not only open spaces and allow broader participation of the Mexican private sector, especially medium and small businesses, but it will also foster cross-border trade and development that will result in improved energy sector capabilities and the sharing of improved energy technologies in both the U.S and Mexico. The rural electrification thrust of the renewables program will also result in increased access of rural communities to efficient, sustainable and environmentally sound energy technologies.

S.O. Monitoring and Evaluation Status and Plans

USAID/M is in the process of consolidating a monitoring and evaluation process for the forestry and bio-diversity components. This includes bringing up to date the environmental impact assessment and mitigation actions required by the Agency under Reg. 216. The M&E work has been done with the assistance of M.S.I.; in the near future a new reporting system will be operative that focuses on USAID/M's established output/indicator framework. This has been a slow and painful process requiring enormous amounts of time and attention on the part of the USAID/M environmental staff. Now that these systems are up and running, a concerted effort will be made to keep these systems up to date. This will continue to require some financial resources for technical assistance as well as significant amounts of staff time and attention. In the near future, USAID/M will expand M&E procedures to encompass the energy component of the S.O. 2 portfolio.

Overview Table - Strategic Objective Program "Tree"

Mexico	
Agency Goal: Protecting the Global Environment	
STRATEGIC OBJECTIVE NO. 2 Reduction of carbon dioxide emissions in target areas/activities and sustainable conservation of biological diversity.	
SO Indicators 1. Amount of carbon dioxide emissions 2. No. and area of intact natural habitats 3. Presence of healthy populations of indicator species in target areas	
PROGRAM OUTCOME NO. 1. Adoption of renewable energy and energy efficient technologies and practices.	PROGRAM OUTCOME NO. 2 Improved protection/management of protected areas and their buffer zones.
PROGRAM OUTCOME NO. 3 Improved technical and financial capacity for NGO conservation of bio-diversity.	
Indicators 1. Firms and communities adopting energy efficient and renewable energy technologies and practices (inside and outside target areas) 2. Adoption of renewable energy and energy efficient policies by key institutions	Indicators 1. Rate of loss of forest cover in protected target areas. 2. Management capability: management and operational plans, data, information system, trained staff and improved infrastructure in targeted core protected areas.
	Indicators 1. Establishment and effective management of the Mexico Conservation Fund 2. Overall level of Mexican and other donor (non-USG) financial resources in the conservation fund devoted to bio-diversity conservation efforts.

<p>3. No. of intermediate activities, outputs supporting energy efficiency/renewable energy technologies.</p>	<p>3. Communities in buffer zones of protected areas supporting and earning income from alternative and sustainable nature based economic activities.</p>	<p>3. No. of new grants/projects managed successfully by the Mexico Conservation Fund</p>
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Table 1b: Strategic Objective Program "Tree"

Mexico	
Agency Goal: Protecting the Global Environment	
STRATEGIC OBJECTIVE NO. 2 Reduction of carbon dioxide emissions in target areas/activities and sustainable conservation of biological diversity.	
PROGRAM OUTCOME NO. 1. Adoption of renewable energy and energy efficient technologies and practices.	PROGRAM OUTCOME NO. 2 Improved protection/management of parks and their buffer zones.
PROGRAM OUTCOME NO. 3 Improved technical and financial capacity for NGO conservation of bio-diversity.	
Projects (Number\Title)	Projects (Number\Title)
598-0784 Demand side energy management (buy-in to R&D Energy Efficiency Project	598-0784 Calakmul Biosphere Management
598-0784 Support for Renewable Energy Development and Commercialization in Mexico	598-0784 CI Debt-for-Nature Swap - Selva Lacandona Montes Azules Biosphere Reserve (CI)
Under RD/EI EPP: -Residential Lighting -Env Technology Coop. (Business Focus Series)	598-0784 Environmentally Sound Community Level Activities - SE Mexico (WWF) includes reforestation in the Monarca butterfly biosphere
RD/EI Renewable Energy Applications & Training (REAT) -Wind Energy	598-0784 Management of Northern Border Wildlands (WWF/BSP)
598-0784 Energy Training Program	598-0784 Support for the Parks in Peril/Mexico Program: Protection of Critical Areas of Mexico (TNC)
	Projects (Number\Title) Mexico Conservation Fund

<p>598 0784 Mexico Expansion of Renewable Energy Rural Electric Applications Project</p>	<p>598-0784 Support for Mexico Tropical Forestry Action Plan (PROAFT/FMA)</p>	
<p>Under RD/EI EPP: (936- 5743) Energy Advisor (USAID Mexico)</p>	<p>598-0784 Environmental Policies related to Climate Change (ELI and FUNDEA)</p>	
	<p>598-0784 Assessment of Land Use Patterns, Carbon Dynamics and Forest Management Options in SE Mexico and/or Land Use patterns and Greenhouse gas emissions in SE Mexico (EPA/ERL/Corvallis)</p>	
	<p>598-0780 Est. of the Casas Grandes Reserve for the protection of bio- diversity in the Northern Chihuahua Desert (UNAM/CE)</p>	
	<p>598-0780 Program for Conservation Planning and the Establishment of a system of protected areas in Sonora (CES)</p>	
	<p>Oyamel Fir forests and over wintering Monarch butterflies, Alfonso Alonso-Mejia, U. of Fla., (BSP)</p>	

Table 2a Strategic Objective Performance

Mexico - Strategic Objective 2: Reduction of carbon dioxide emissions in target areas/activities and sustainable conservation of biological diversity.		Year	Planned	Actual
SO Indicator #1: Amount of carbon dioxide emissions (relates to PO #1 and #2).				
Unit:	Source: Energy Project Contractors	Baseline		
	Comments: (1) Demand Side Management Pilot Project. RCG/Hagler, Bailly estimates that a reduction of between 15 to 21 MMT of carbon dioxide could be reduced in the DSM project	1992		
	(2) Renewable Energy Applications & Training (REAT)	1993		
	(3) ILLUMEX. LBL and IIEC calculates that between 27.5 to 36.7 thousand metric tons of carbon will be saved per year	1994	6,000,000 (1) 32,100 (2) 10,000 (3) 2,666,666 (4) 1,500,000 (5)	
	(4) The estimated CO2 savings from the Mexico Expansion of Renewable Energy - Rural Electric Applications Project include: 40,000 tons in direct reductions due to field pilot projects funded under this project, and 4,000,000 to 12,000,000 tons in indirect CO2 reductions depending on the number of new renewable projects developed in Mexico	1995	6,000,000 (1) 32,100 (2) 10,000 (3) 2,666,666 (4) 1,500,000 (5)	
	(5) BEST - Winrock has estimated between 1.2 to 1.8 MMT/annum of CO2 reductions as the upper limit under this project. Note: agreements awarded 9/93/ NALC remote sensing imagery analysis underway 2/94 and will continue thru early 1995. Some of the required data not currently available.	1996	6,000,000 (1) 10,000 (3) 2,666,666 (4)	
		1997	18,000,000 (1) 64,200 (2) 30,000 (3) 8,000,000 (4)	
		Target		

Table 2a Strategic Objective Performance

Mexico						
STRATEGIC OBJECTIVE NO. 2 - Reduction of carbon dioxide emissions in target areas/activities and sustainable conservation of biological diversity.						
SO Indicator #2: No. and area of intact natural habitats (in target areas)						
Unit: Number of areas; acres of intact natural habitats within these areas.	Source: GCC/Forestry Grantees	Baseline	Year (Year)	Planned	Actual	
Comments: Units are presented as a number followed by a number in parentheses representing - first, the number of areas; and second (in parentheses) thousands of acres of intact natural habitat being protected.			1992			
			1993			
			1994	2 (2,165)		
			1995	6 (4,364)		
			1996	10 (7,950)		
		Target	1997			

Table 2a Strategic Objective Performance

Mexico						
STRATEGIC OBJECTIVE NO. 2 - Reduction of carbon dioxide emissions in target areas/activities and sustainable conservation of biological diversity						
SO Indicator #3: Presence of healthy populations of indicator species in target area (protected under MCF).						
Unit: No. of target areas where this is proven	Source: Mexico Conservation Fund reports	Baseline	Year (Year)	Planned	Actual	
<p>Comments: Indicator species to be identified by CONABIO (National Commission for Bio-diversity)</p> <p>Steps involved include:</p> <ul style="list-style-type: none"> a) site assessment b) identification of indicator species c) inventory of indicator species d) monitoring of population levels e) evaluation of status of indicator species 			1992			
				1993		
				1994	0	
				1995	0	
				1996	2	
			Target	1997	5	

Mexico - Strategic Objective 2: Reduction of carbon dioxide emissions in target areas/activities and sustainable conservation of biological diversity.

PROGRAM OUTCOME NO. 1: Adoption of renewable energy and energy efficient technologies and practices.

Indicator 1.1: Firms and communities adopting energy efficient and renewable energy technologies and practices (inside and outside target areas).

Unit: Various (see comments)	Year	Planned	Actual
Source: Energy Projects Contractors	Baseline		
Comments: (1) Number of equipment manufacturers planning production of high efficiency motors for industry under the Industrial Demand Side Management Pilot Project (DSM-PP) the Energy Efficient Project. (2) Yes/No. Under the Rational Use of Lighting in Mexico Project or "Illumex" Project (GEF-RD/EI EEP) the project, and estimated 300,000 to 500,000 residential customers in Guadalajara and Monterrey will purchase compact fluorescent lamps from the Commission Federal de Electricidad. (3) Number of communities (RET) to adopt renewable energy technologies (data on baseline, projected and actual performance to be developed).	1992		
	1993	(1) 1	(1) 6
	1994	(1) 10 (2) yes (3) tbd	
	1995	(1) 20 (2) yes (3) tbd	
	1996	(1) 30 (2) yes (3) tbd	
	1997	(1) 30 (2) yes (3) tbd	
	Target		

Indicator 1.2: Adoption of renewable energy and energy efficient policies.				
Unit: Level of Mexican counterparts commitment.	Year	Planned	Actual	
Source: Energy Projects Contractors	Baseline (Year)			
Comments: Assessment of commitment to Energy Efficient and Renewable Energy Policies by Key Institutions. (1) Secretaria de Energia, Minas e Industria Parastatal (SEMIP) (2) Comision Federal de Electricidad (CFE) (3) Secretaria de Desarrollo Social (SEDESOL) (4) Comision Nacional para el Ahorro de Energia (CONAE) (5) Fideicomiso de Apoyo al Programa de Ahorro de Energia del Sector Electrico (FIDE) (6) Instituto de Investigaciones Electricas (IIE) (7) Laboratorio de Energia Solar (LES)	1992			
	1993	(1) B (2) A (3) C (4) B (5) A (6) A (7) A	(1) B (2) A (3) C (4) B (5) A (6) A (7) A	
	1994	(1) A (2) A (3) B (4) A (5) A (6) A (7) A		
	1995	(1-7) A		
	1996	(1-7) A		
	1997	(1-7) A		
	Target			
Level of Commitment: (A) High (B) Medium (C) Low				

Mexico - Strategic Objective 2: Reduction of carbon dioxide emissions in target areas and sustainable conservation of biological diversity.

PROGRAM OUTCOME NO. 2: Improved protection/management of protected areas and their buffer zones.

Indicator 2.1: Rate of loss of forest cover in target areas

Unit: No. of target areas where deforestation rates are reduced		Year	Planned	Actual
Source: NGOs and EPA	Baseline	(Year)		
Comments: Remote sensing data, project evaluations, field reports and surveys regarding land use will be used for before/after assessments. Assessments of land use changes will be determined in 1995.		1992		
		1993	0	
		1994	1	
		1995	5	
		1996	7	
Target	1997	10		

Indicator 2.2: Management and operational plans, data, information system, trained staff and improved infrastructure in targeted protected areas.				
Unit: No. of protected sites where this is true.	Year	Planned	Actual	
Source: NGOs and TNC records Comments: During the July 1993 Monitoring and Evaluation Workshop held in San Cristobal, it was determined that this indicator encompasses 7 protected areas under the Parks-in-Peril umbrella. Reporting formats are still being revised by MSI consultants.	Baseline			
	1992	0		
	1993	0		
	1994	2		
	1995	4		
	1996	6		
Target	1997	8		

Mexico - Strategic Objective 2: Reduction of carbon dioxide emissions in target areas and sustainable conservation of biological diversity.

PROGRAM OUTCOME NO. 2: Improved protection/management of protected areas and their buffer zones.

Indicator 2.3: Communities in buffer zones of protected areas earning income from alternative and sustainable nature-based economic activities.

Unit: No. of target areas where this indicator is accomplished

Source: Project records

Comments: Data is still being refined by MSI with the Mexican NGOs.

Year	Planned	Actual
Baseline		
1992		
1993	0	
1994	0	
1995	20	
1996	40	
Target	60	

Mexico - Strategic Objective 2: Reduction of carbon dioxide emissions in target areas and sustainable conservation of biological diversity.

PROGRAM OUTCOME NO. 3: Improved technical and financial capacity for NGO preservation of bio-diversity.

Indicator 3.2: Overall level of Mexican and other donor (non-USG) financial resources in the fund devoted to bio-diversity conservation efforts.

Unit: U.S. dollars (millions)

Source: MCF

Comments: The total endowment expected is \$100 million. The non-USG contribution is expected to total \$80 million. USAID expects to provide initial capitalization in the amount of \$20 million. GOM contribution is estimated at \$10 million resulting in an initial capitalization (USAID and GOM) level of \$30 million.

	Baseline	Year (Year)	Planned	Actual
		1992		
		1993		
		1994	10	
		1995	20	
		1996	20	
	Target	1997	30	

Indicator 3.3: No. of new grants/projects managed by the Mexico Conservation Fund				
Unit: No. of grants	Baseline	Year (Year)	Planned	Actual
Source: MCF Comments: Assumptions - the Mexico Conservation Fund is legally established and operative by September 1, 1994. Sufficient interest is generated in the first year (1994-95) to allow project/grant start-ups in 1995.		1992		
		1993		
		1994		
		1995	10	
		1996	25	
	Target	1997	50	

1c Population and Health

The Mission's third strategic objective, to increase contraceptive prevalence in target areas (especially rural areas) and increased sustainability of Mexican Family Planning programs, contributes directly to the Agency-wide health and population strategy. SO#3, almost exclusively funded by R&D/POP, includes activities which support the expansion of clinical family planning services primarily in rural areas, improved family planning communications, increased participation of private-sector service providers, sustainability of public sector family planning programs, and increased financial independence of Mexican NGO family planning agencies.

Until recently, USAID channeled its population assistance to Mexico via a multitude of projects (over 60 in 1991), each of which had specific objective(s), including research, family planning service delivery, data collection, demographic analysis, and FP communication. A key change called for by the new population strategy which was approved November 1991, is the focus and consolidation of USAID resources on a reduced number of program outcomes and projects in specific (primarily rural) areas of Mexico.

Only two activities are funded under the LAC Regional ITT project (a USPSC plus some funding for NGO management support and audits). The total ITT support is estimated at \$126,000 in FY94. However, \$12,057,000 will be provided in FY94 by R&D/POP (See State 020069, and Table 4a) to carry out fourteen different activities related to the new strategy. All of the relatively small number of US grantees and contractors (cooperating agencies) funded by RD/POP, along with public and private sector Mexican organizations and USAID/Mexico participated fully in the negotiation and design of the family planning strategy and projects, and cooperating agencies executed direct agreements with Mexican counterparts.

The achievement of the program's objectives within the 5-7 year planned time frame will require an unprecedented level of coordination/collaboration among US and Mexican implementing agencies. USAID is working with these organization to develop appropriate baseline data and feasible and appropriate strategic objective performance measures. Such strategic objective reporting to the Mission, will be additional to cooperating agency reporting requirements to RD/POP, but is considered crucial to overall strategic management in this sector.

Table 1b: Strategic Objective Program "Tree"

Mexico	
Agency Goal: Stabilizing World Population Growth and Protecting Human Health	
STRATEGIC OBJECTIVE NO. 3 Increased contraceptive prevalence in target areas and increased sustainability of Mexican family planning programs.	
PROGRAM OUTCOME NO. 1. Increased availability and utilization of family planning services.	PROGRAM OUTCOME NO. 2 Increased management capability and financial independence of family planning NGOs.
PROGRAM OUTCOME NO. 3. Increase GOM investment in family planning programs.	
Projects (Number\Title)	Projects (Number\Title)
Extension of Reproductive health and FP services in SSA	Improved Management Capability and sustainability of FEMAP
Extension of Reproductive health and FP services in IMSS	Improved Management Capability and sustainability of MEXFAM
Extension of Reproductive Health and FP services in ISSSTE	Mgt. Workshop for FEMAP on Social Marketing and FP services
Support and Extension of Vasectomy Services in ISSSTE	Mgt. Workshop for MEXFAM on Social Marketing and FP services
Post-Partum FP Services and Counselling in ISSSTE	Total Quality Management with MEXFAM
Training of Trainers in No-Scalpel Vasectomy	Foundations for Sustainability for FEMAP
	Memorandum of Understanding of 17 June 1992 between USAID/Mexico and CONAPO

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Overview Table - Strategic Objective Program "Tree"

Mexico	
Agency Goal: Stabilizing World Population Growth and Protecting Human Health	
STRATEGIC OBJECTIVE NO. 3 Increased contraceptive prevalence in target areas and increased sustainability of Mexican family planning programs.	
SO Indicators 1. contraceptive prevalence rates 2. NGO dependence on USAID 3. non-USAID portion of NGO budgets	
PROGRAM OUTCOME NO. 1 Increased availability and utilization of family planning services.	PROGRAM OUTCOME NO. 2 Increased management capability and financial independence of family planning NGOs.
PROGRAM OUTCOME NO. 3 Increase GOM investment in family planning programs.	
Program Indicators	Program Indicators
1. Demand for FP services in target area	1. Management capacity of NGOs
2. Demand for contraceptives in target area	2. Cost recovery by NGOs
3. Supply of FP services in target area	
4. Commercial supply of contraceptives in target area	
	1. Overall GOM investment in FP programs
	2. GOM budget for purchasing FP commodities

Table 3: USAID/Mexico PORTFOLIO -- PROJECT TIMELINE

PROJECT NUMBER\TITLE TO #2 Drug Abuse Prevention	FY92				FY93				FY94				FY95				FY96				FY97							
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
NAE Buy-In 598-061-6.23-3-30004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X											
Youth Networks 598-0616.23-523-2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X										
Border Drug Abuse 598-0616.23-523-3065	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X											
TOTAL PROJECTS (no.) at end of FY 4th Quarter	3				3				3				0															

Table 3: USAID/Mexico PORTFOLIO -- PROJECT TIMELINE

PROJECT NUMBER\TITLE TO #1 Reducing transmission of AIDS	FY92				FY93				FY94				FY95				FY96				FY97							
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
AIDS Education in Tijuana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-
AIDS Communication (Porter-Novelli)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-
Commercialization of Condoms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-
AIDS Education and Prevention	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-
TOTAL PROJECTS (number) (at end of FY 4th Quarter)	-	-	3	-	-	-	4	-	-	-	-	3	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-

Table 3: USAID/Mexico PORTFOLIO -- PROJECT TIMELINE

PROJECT NUMBER\TITLE SO #2	FY92				FY93				FY94				FY95				FY96				FY97							
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
598-0780 Casas Gran- des Reserve															X													
598-0780 Cons. Planning in Sonora																												
598-0784 Oyamel Fir Forests and Monarch Butterflies, U. Fla.																X												
598-0780 Mexico Conservation Fund Seed Grant (WWF)																												X
936-5839 GREENCOM Environ. Ed & Communication																												
TOTAL PROJECTS (number) (at end of FY 4th Quarter)	1							1								5												1

Table 3: USAID/Mexico PORTFOLIO PROJECT TIMELINE

PROJECT NUMBER\TITLE SO #1	FY92				FY93				FY94				FY95				FY96				FY97			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
PASA-USDA/APHIS 598-0616.23-3-10029	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PASA-Dept of Labor 598-0616.23-3-30009	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-
PASA Patent & Trade-mark 598-0616.23-3-20007	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-
PASA-EPA 598-0616-23-3-30007	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-
PASA Food and Drug Adm. 598-0616-23-3-30017	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-
PASA Nat. Marine Fisheries Service 598-0616-23-3-30018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-
Voter and Civic Participation (new activity)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-
Information and Training on FTA (new activity)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-
TOTAL PROJECTS (number) (at end of FY 4th Quarter)	4				5				7				6				1							

C. Central and Regional Projects

All of USAID/Mexico's funding comes from LAC regional and centrally funded projects (R&D/global bureau). However, excluding the \$20 million Mexico Conservation Fund, only about one-fourth of total FY94 USAID/Mexico funding (\$4.824 million out of \$18.697 million) is provided by the LAC Bureau (ITT, ADC and GCC) sources. USAID/Mexico believes this relatively low proportion of LAC Bureau and OE funds compared to the overall portfolio size demonstrates how effectively used LAC Bureau and OE resources can "leverage" support from central programs. Notwithstanding the reliance on global bureau funding, especially for the population and (to a lesser degree) the environment accounts, the Mission's strategic management of all activities has increased management responsibility for the Representative and for program-funded PSC staff to insure all projects are on track and consistent with the Mission's strategic objectives.

Communication Project in FP with CONAPO	Sustainability strategies in private FP programs.	
MSH Support to SSA		
FHI Study on Oral Contraceptive initiation among Lactating Women		
Condom deterioration/aging study		
Oral Contraceptive instructions study		
Condom use study		
Follow-up Eval. of IUD acceptors		
Nat. FP/breastfeeding promotion		
USAID/ITT support for ADC training in FP		
Knowledge and Practices of rural midwives towards oral contraceptive use.		

Table 2c Strategic Objective Performance

Mexico			
STRATEGIC OBJECTIVE NO. 3: Increased contraceptive prevalence in target areas and increased sustainability of Mexican family planning programs.			
SO Indicator 1: Contraceptive prevalence in target areas			
Unit: CPR in target areas	Year	Planned	Actual
Source: GOM demographic survey follow-up, and 1997 Demographic and Health Survey Comments "target areas" are the rural states identified in the USAID/Mexico family planning strategy. The next DHS covering these areas will be conducted in 1997.	Baseline		35
		1992	
		1993	
		1994	
		1995	
		1996	60
	Target		
	1997		
SO Indicator 2: NGO dependence on USAID funding (FEMAP and MEXFAM)			
Unit: Percent of NGO budgets supplied by USAID	Year	Planned	Actual
Source: NGO financial reports Comments: Target of 60% in 1996 comes from the Nov 91 USAID/Mexico Population Assistance Strategy 1992-96.	Baseline		
		1992	90
		1993	
		1994	
		1995	
		1996	60
	Target		
	1997		

Table 2c Strategic Objective Performance

Mexico					
STRATEGIC OBJECTIVE NO. 3: Increased contraceptive prevalence in target areas and increased sustainability of Mexican family planning programs.					
SO Indicator 3: Growth of non-USAID portion of NGO budgets (FEMAP and MEXFAM)					
Unit:	Percent growth from previous year		Year	Planned	Actual
Source:	NGO financial reports	Baseline	(Year)		
Comments: Performance indicators to be developed in consultation with cooperating agencies in 1994.			1992		
			1993		
			1994		
			1995		
			1996		
		Target	1997		

Mexico - Strategic Objective 3: Increased contraceptive prevalence in target areas and increased sustainability of Mexican family planning programs.

PROGRAM OUTCOME NO. 1: Increased availability and utilization of family planning services.

Indicator 1.1: Demand for family planning services in target areas

Unit: No. of family planning consultations/surgical procedures performed (x/y)

Source: NGO reports; SSA, IMSS and ISSSTE reports; GOM reports from their MIS; and CA reports.

Comments: Performance indicators to be developed in consultation with cooperating agencies in 1994.

	Year	Planned	Actual
	(Year)		
Baseline	1992		
	1993		
	1994		
	1995		
	1996		
Target	1997		

Indicator 1.2: Demand for contraceptives in target areas.				
Unit: No. of contraceptives sold in outlets/provided by GOM in target areas (x/y)	Year	Planned	Actual	
Source: Nielsen report; CA reports; pharmaceutical company reports; SSAIMSS and ISSSTE reports. Comments: Performance indicators to be developed in consultation with cooperating agencies in 1994.	Baseline			
	1992			
	1993			
	1994			
	1995			
	1996			
	Target	1997		

Mexico - Strategic Objective 3: Increased contraceptive prevalence in target areas and increased sustainability of Mexican family planning programs.				
PROGRAM OUTCOME NO. 1: Increased availability and utilization of family planning services.				
Indicator 1.3: Supply of family planning services in target areas				
Unit: No. of trained doctors and health care workers providing family planning services.		Year	Planned	Actual
Source: NGO reports; SSA, IMSS and ISSSTE reports; and CA reports.	Baseline	(Year)		
Comments: Performance indicators to be developed in consultation with cooperating agencies in 1994.		1992		
		1993		
		1994		
		1995		
		1996		
	Target	1997		
Indicator 1.4: Commercial supply of contraceptives in target areas.				
Unit: No. of commercial outlets providing contraceptives.		Year	Planned	Actual
Source: Nielsen report; CA reports; and Distributor records.	Baseline	(Year)		
Comments: Performance indicators to be developed in consultation with cooperating agencies in 1994.		1992		
		1993		
		1994		
		1995		
		1996		
	Target	1997		

<p>Mexico - Strategic Objective 3: Increased contraceptive prevalence in target areas and increased sustainability of Mexican family planning programs.</p>				
<p>PROGRAM OUTCOME NO. 2: Increased management capability and financial independence of family planning NGOs.</p>				
<p>Indicator 2.1: Management capacity of NGOs (FEMAP and MEXFAM)</p>				
Unit: "Hi-Medium-Low" per institutional evaluations.	Year	Planned	Actual	
Source: Evaluations, NGO and CA reports.	(Year)			
<p>Comments: Performance indicators to be developed in consultation with cooperating agencies in 1994.</p>	1992			
	1993			
	1994			
	1995			
	1996			
Target	1997			
<p>Indicator 2.2: Cost-recovery by NGOs (FEMAP and MEXFAM)</p>				
Unit: Percent of total costs recovered by NGOs/percent increase from previous year (x/y)	Year	Planned	Actual	
Source: NGO financial reports; CA reports	(Year)			
<p>Comments: Performance indicators to be developed in consultation with cooperating agencies in 1994.</p>	1992			
	1993			
	1994			
	1995			
	1996			
Target	1997			

Mexico - Strategic Objective 3: Increased contraceptive prevalence in target areas and increased sustainability of Mexican family planning programs.				
PROGRAM OUTCOME NO. 3: Increased GOM investment in family planning programs.				
Indicator 3.1: Overall GOM family planning budget				
Unit: Percent increase from previous year.	Baseline	Year (Year)	Planned	Actual
Source: Annual budgets of SSA, IMSS, CONAPO and ISSSTE.		1992		
Comments: Performance indicators to be developed in consultation with cooperating agencies in 1994.		1993		
		1994		
		1995		
		1996		
		Target		
Indicator 3.2: GOM Budget for purchasing family planning commodities (pills, condoms, IUDs)				
Unit: Percent of total commodity costs covered by GOM.	Baseline	Year (Year)	Planned	Actual
Source: GOM FP budgets; CA reports		1992	25	25
Comments: Data for 1993 currently unavailable.		1993	50	
		1994	75	
		1995	100	
		1996		
		Target		

1E. Target of Opportunity #1: Reduce the Transmission of AIDS

Mexico ranks third in the hemisphere behind the U.S and Brazil in number of AIDS cases and eleventh worldwide. The first cases of HIV in Mexico were probably imported from the U.S., and this fact, coupled with the permeability of the 2000 mile Mexico-U.S. border and the flow of travellers between Mexico and the U.S. (260 million border crossings in 1991) has created expectations of U.S. cooperation in addressing Mexico's own epidemic. Additionally, the constant commercial and social interchange between the two countries, expected to increase appreciably with the implementation of NAFTA, insures that the effectiveness of an AIDS prevention strategy in one country will inevitably be re-enforced or undermined by prevention efforts in the other.

In Mexico, the proportion of HIV-infected women has increased five-fold in the past eight years. One of every six infected persons registered in the past year is female, as compared to one in 30 in 1986. Thirty-one per cent of the documented AIDS cases in Mexico are individuals between 20 and 29 years of age. Since the incubation period for AIDS can be up to ten years, it is clear that high numbers of people are being infected at a young age, many during adolescence. This fact points to increased need for AIDS education among the student population. Accordingly, sexually active women and adolescents will be key targets of USAID/Mexico activities.

Although the cumulative incidence of AIDS infection in Mexico (195 per one million inhabitants) is still below that of the U.S., the impact of AIDS on the Mexican economy is potentially great. Every year approximately five per cent of the population infected with HIV will develop AIDS. Thus, within ten years, about 50 per cent of the HIV-infected population in Mexico, or 325,000 people, will become symptomatic. Extrapolating from current statistics, the great majority will be between 25 and 44 years of age, the period of their lives when they would have been expected to be the most productive economically and intellectually.

Table 1e: Strategic Objective Program "Tree"

Mexico
Agency Goal: Stabilizing World Population Growth and Protecting Human Health
Target of Opportunity No. 1 Reduce the transmission of AIDS.
PROGRAM OUTCOME NO. 1 Increased awareness of the modes of transmission and prevention of HIV.
Projects (Number\Title)
598-0616 AIDS Education Outreach in Tijuana
598-0616 AIDS Education and Prevention
598-0616 Commercialization of Condoms, Cd. Juarez
Purchase Order for TA - Porter-Novelli Communication Strategy

II Portfolio Analysis

A. New Activity Designs (exceeding \$500,000)

Mexico Conservation Fund

USAID/Mexico is submitting one new activity design with this Action Plan supporting bio-diversity conservation under SO #2.

1. Basic Data

Program: MEXICO

Title: 523-xxxx, The Mexico Conservation Fund (MCF)

Funding Source: DAF

Proposed Obligation (\$000s): 20,000

FY 94

Life of Project (Auth.): 20,000

Number: Grant

New

Prior Reference: Concept reviewed/approved in Mexico FY 1994-95
Action Plan and FY 1994 SAR

Initial Obligation: FY 1994

Estimated Final Obligation: FY 1994

Estimated Completion Date of Project: FY 2003

Principal Contractors or Agencies:

a) Mexico Conservation Fund (MCF)

b) Probable Intermediary: Mexico Foundation for Philanthropy

2. Strategic Fit with Agency/Bureau Goal

This project directly supports the Agency's environmental strategy. It is also consistent with the Environmental Strategy Implementation Guidelines (Jan 27, 1994 draft) which calls upon USAID to: address the global problems of loss of biological diversity and climate change; focus on environmental priorities at the country level; more fully involve local communities and NGOs in these activities; and seek to leverage resources from other sources.

Agency guidance also identifies Mexico as one of the three special emphasis countries in Latin America (along with Brazil and Colombia) due to outstanding levels of biological diversity and high incidence of human threat, human utility, and potential for conservation and sustainable use.

3. Consistency with Mission Strategy

(a) Activity Goal. To provide long-term, sustained funding through an endowment to enable Mexican agencies and conservation NGOs to protect and manage Mexican biological diversity.

(b) Background. Mexico is considered one of the globe's few "mega-diversity" countries: it harbors especially large numbers of animal and plant species and natural ecosystems. It also shares important cross-border natural habitats with Central America and the United States. Despite this, efforts to conserve their bio-diversity have been constrained by a lack of sustained funding sources, insufficiently strong NGO and GOM environmental organizations, and limited applied technical and administrative expertise in natural resource management and conservation. Current bilateral and multilateral development environmental efforts have primarily concentrated on institution building for Mexican governmental organizations and addressing industrial pollution problems.

In June 1992, Kathryn Fuller, President of the World Wildlife Fund (WWF), and President Carlos Salina de Gortari of Mexico met to discuss these concerns and the possible creation of a fund which could be used to finance environmental programs and projects in Mexico, following models developed and implemented by WWF in nine other countries. Subsequently, on September 2, 1993, USAID approved a \$75,000 grant for WWF to establish the "Mexico Conservation Fund" which USAID (through our commitment to the World Bank's Global Environmental Fund), other donors, the GOM and private conservation organizations are expected to support.

(c) Activity Purpose: The establishment and effective management of the Mexico Conservation Fund that will, through grants and projects, increase overall level of Mexican and other donor (non-USG) financial resources devoted to bio-diversity conservation efforts.

This project will provide initial capital to the proposed \$100 million endowment to support Mexican biological diversity conservation. Initially, these funds will be managed by a qualified intermediary organization (to be proposed shortly by the Mexico Conservation Fund's (MCF's) Board of Directors) until the new NGO, the MCF, can meet U.S. government standards for accounting, auditing and administering grants. It is expected that matching funds and/or additional money gained through debt swaps will support the intermediary's overhead costs and the start-up costs for the MCF. Interest from the endowment will support conservation science and planning; natural resource protection and management; public-private partnerships in conservation-based local development initiatives; policy analysis; public education and awareness campaigns; training of conservation specialists; providing equipment; and strengthening Mexican NGOs. Coordination with the Mexican National Bio-diversity Commission and Mexican universities will also be explored to promote bio-diversity research and a scientific database to direct funding priorities.

(d) Anticipated impact and participation. Direct beneficiaries include staffs from supported NGOs and GOM agencies, and residents near sub-project activities. Ultimately, all of Mexico benefits from improved management and conservation of their natural resource base, while the benefits of improved protection of biological diversity transcends national borders.

Major Outputs:	ALL YEARS
Environmental Sub-projects	15
Mexican NGOs Strengthened	20
Mexico Conservation Fund	
Effectively Manages Fund and Projects	YES
Increased Public Awareness and	
Support for Environmental Actions	YES
Sustained Capitalization of Fund	YES

(e) Donor Coordination and Support. GOM, in addition to participating in the design and establishment of the MCF, is likely to contribute a significant match as part of the original capitalization. Other private foundations and multilaterals are considering supporting institutional strengthening for the MCF.

4. Policy and Design Issues

(a) Sustainability: The project will strengthen the MCF and several environmental NGOs and GOM agencies and enhance their capabilities to raise and administer funds from other sources. Continuous funding for biological conservation activities in Mexico will be ensured by the proposed endowment, which is expected to be augmented by bilateral, multilateral and private donors, as well as the GOM.

(b) Linkages to and utilization of Global Bureau resources and LAC Regional programs. This initiative, which is expected to qualify as a parallel GEF/Bio-diversity project, helps to meet the Agency GEF commitment.

(c) Management and support requirements. It is expected that USAID/M will be able to manage this project with no increase in current staff levels.

(d) Timetable/Resource Requirements

AID-Financed Inputs:	LOP (\$000s)
FY94 initial Endowment	20,000

(e) Recommendations on delegation of authority for further review and approval. Authority to negotiate and sign this project agreement be delegated to the field. USAID/M will request AID/W (i.e., Global and LAC Bureau) participation in the review process.

B. New Activity Designs (less than \$500,00)

USAID/Mexico anticipates new activity designs under SO #1 linked to two new program objectives: PO #1, "Increased confidence in democratic political processes" and PO #2 "Enhanced awareness by governments and Mexican businesses of opportunities under free trade". Since neither of these projects will have LOP funding of \$500,000 or more, no NAD will be submitted for either of these activities. Nevertheless, the Mission felt that a brief discussion of these new initiatives would be of interest to the LAC Bureau.

Both of these projects would directly support the Mission's strategic objective of creating a climate for economic and social progress under NAFTA, which, in turn, directly relates to the Agency's goal of broad-based, sustainable economic growth.

1. Voter and Civic Participation

The contribution of broader democratic participation contributes in two principal ways to establishing a climate for economic and social progress under NAFTA - first, by increasing effective political participation among Mexicans in selected areas to better enable them to identify opportunities and benefit from economic growth, and secondly, by establishing confidence (among US, Mexican and Canadian businessmen) in the Mexican political system which is requisite to expanded investment and trade.

It is the intention of USAID/Mexico to aggressively pursue expansion of democratic initiatives with available but limited resources. USAID/Mexico is reviewing proposals from civic participation/human rights organizations with the purpose of initiating project activities (within our limited budget) that support Mexican needs of expanding democratic participation.

2. Information and Training on Free Trade Agreements

This project would support a climate for economic and social progress under NAFTA by expanding awareness of free trade opportunities and experience with small and medium sized businesses, with Mexican state governments, and other governments interested in free trade. This project would involve development of materials to help small and medium businesses interested in trading with businesses in the U.S. to understand the processes for doing business under the NAFTA and information sources to help them do so. An international component of this project would support providing a Mexican perspective on negotiating a free trade agreement and the basic requirements for doing so to other countries interested pursuing such agreements.

3. HIV/STD Prevention

The detection and treatment of STD's is a key factor in the prevention of HIV infection. First, because the behaviors that increase an individual's risk for STD's are the same behaviors that put an individual at risk for sexually acquired HIV infection, and second, because individuals with STD's more easily transmit HIV infection to their partner(s) and appear to be more susceptible to acquiring HIV infection. In Mexico, efforts to address the co-factor relationship between STD infection and HIV spread have been relatively modest. However, both the public and private sector have plans to address the problem by setting up free-standing STD clinics or incorporating them into family planning clinics, and will seek USAID/Mexico support.

4. Migrant Workers

Despite the fact that they are frequently singled out as a vector for the passage of HIV between the U.S. and Mexico, little is known about the sexual behavior of migrant workers. Their low education level, illegal status in the U.S. and high mobility make them a difficult group to reach with AIDS prevention messages. USAID/Mexico seeks to support activities which will lead to increased awareness and behavior change among the migrant population.

C. Central and Regional Projects

All of USAID/Mexico's funding comes from LAC regional and centrally funded projects (R&D/global bureau). However, excluding the \$20 million Mexico Conservation Fund, only about one-fourth of total FY94 USAID/Mexico funding (\$4.824 million out of \$18.697 million) is provided by the LAC Bureau (ITT, ADC and GCC) sources. USAID/Mexico believes this relatively low proportion of LAC Bureau and OE funds compared to the overall portfolio size demonstrates how effectively used LAC Bureau and OE resources can "leverage" support from central programs. Notwithstanding the reliance on global bureau funding, especially for the population and (to a lesser degree) the environment accounts, the Mission's strategic management of all activities has increased management responsibility for the Representative and for program-funded PSC staff to insure all projects are on track and consistent with the Mission's strategic objectives.

III Resource Requirements

USAID/Mexico has not as yet received the DA control data for FY94-95 as indicated in the AP guidance, but has informally discussed its Intercountry Technology Transfer and ADC levels (ITT/ADC) as well as indicative FY94 and FY95 levels for the Mexico component of the Global Climate Change project (GCC) with USAID/W. Together these activities constitute the LAC Bureau's contribution to the USAID/Mexico program. Additionally, however, a special "off-budget" \$20 million Bureau contribution to the Mexico Conservation Fund is also earmarked for the Mission.

Informal discussions with USAID/W indicated that the likely ITT/ADC control levels for FY94 would be approximately \$1.4 million. This compares to a projected \$1.727 million requested by the Mission. USAID/Mexico is prepared to discuss several scenarios for further reductions in ITT/ADC if necessary.

Similarly, USAID/W's indicative FY94 GCC level was \$2.2 million with an additional \$500,000 to \$600,000 available in FY95. This compares to the Mission's proposed levels of \$2.92 million and \$2.65 million in FY94 and FY95 respectively. A strong case, however, can be made for higher levels (than USAID/W is indicating) in FY94, compensated by lower levels (than USAID/W is indicating) in FY95 and FY96. USAID/Mexico expects requirements against the GCC project, starting in FY96 (and possibly as early as FY95) to be reduced with the advent of the Mexico Conservation Fund. The Mission is prepared to discuss the important programmatic advantages of this scenario during Program Week.

Additionally, USAID/Mexico is once again requesting \$100,000 in PD&S support from the LAC Bureau. This would bring the total LAC Bureau funding level to \$4.824 million in FY94, \$4.507 million in FY95 and \$4.528 million in FY95 (excluding the \$20 million in FY94 for the Mexico Conservation Fund).

With respect to Global Bureau support, USAID/Mexico has used the levels in Table 4(a) below that were provided in 94 State 020069. This shows \$13.873 million as the FY94 control level, which USAID/Mexico has straight-lined this to FY95 and FY96.

Table 4(a) – USAID/Mexico Summary Program Funding Table (\$000)

<u>Funding Category</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>SO#</u>
1 LAC BUREAU				
A. ITT and ADC				
Environ. Planning & Mgt	75	75	75	1
Turtle Marine Mammal Conserv.	100	100	100	1
Youth Conservation Corps	0	200	200	1
EPA (WEC & Environ. Trng)	350	350	350	1
Voter and Civic Participation (new)	200	150	50	1
Free Trade Agt. Inform. & Trng (new)	100	75	75	1
NAFTA PSC	60	61	62	1
<u>Sub – Total SO#1</u>	<u>885</u>	<u>1,011</u>	<u>912</u>	
FP/Population PSC	48	48	48	3
NGO Audits/Mgt. Support	80	80	80	3
<u>Sub – Total SO#3</u>	<u>128</u>	<u>128</u>	<u>128</u>	
AIDS Educ. – Pharmacists/Adolescents	50	0	0	TO
AIDS Communic. (Porter – Novelli)	25	0	0	TO
Migrant Worker Outreach (new)	50	0	0	TO
STD Screening & Treatment (new)	50	0	0	TO
AIDS Prevention PSC	41	43	43	TO
<u>Sub – total TO in AIDS</u>	<u>216</u>	<u>43</u>	<u>43</u>	
ADC Training Program	500	500	500	1,2,3
<u>Total ITT & ADC Training</u>	<u>1,729</u>	<u>1,682</u>	<u>1,583</u>	
B. Global Climate Change				
Buffer Zone Mgt. (WWF)	825	800	850	2
Environ. Planning & Mgt	75	75	75	2
Mgt. N. Border Wildlands (WWF)	160	200	250	2
Parks in Peril (TNC)	600	650	650	2
Debt Swap (CI)	250	250	250	2
Env. Policy Studies (ELI)	100	0	0	2
Trop. Forestry Action Plan (PROAFT)	250	250	250	2
Land Use Patterns (EPA/ERL/Corvallis)	100	0	0	2
E/GCC Specialist	160	170	185	2
E/GCC Brochure/Trng (GREENCOM)	100	0	0	2
Energy Trng (II – E/M)	150	200	200	2
Energy/Environment PSCs (2)	125	130	135	2
Environ. Planning & Mgt. (FUNDEA)	100	0	0	2
<u>Sub – Total GCC</u>	<u>2,995</u>	<u>2,725</u>	<u>2,845</u>	
<u>Total ITT/ADC & GCC</u>	<u>4,724</u>	<u>4,407</u>	<u>4,428</u>	
C. Other LAC Bureau Funded				
<u>Mexico Conservation Fund</u>	<u>20,000</u>	<u>0</u>	<u>0</u>	2
PD&S	100	100	100	1,2,3
<u>Total LAC Bureau</u>	<u>24,824</u>	<u>4,507</u>	<u>4,528</u>	

Table 4(a) – USAID/Mexico Summary Program Funding Table (\$000)

2 Global Bureau				
3030 Service Deliv. Strategies	864	864	864	3
3031 FP Trng. for Parameds/Comm. Workers	316	316	316	3
3038 FP Logistics Mgt	455	455	455	3
3041 Fam. Health Int.	430	430	430	3
3042 FP Services	1,834	1,834	1,834	3
3043 Expan.& Improv. of FP Programs	4,130	4,130	4,130	3
3044 Contraceptive R&D	110	110	110	3
3049 Volunt. Sterilization Pgrm	837	837	837	3
3050 Pop. Council Pgrm – II	63	63	63	3
3051 Contraceptive Social Marketing	130	130	130	3
3052 Pop. Communic. Services	597	597	597	3
3055 FP Mgt. Development	208	208	208	3
3056 Prom. Financial Investment	61	61	61	3
3057 Central Contraceptive Procurement	2,022	2,022	2,022	3
<i>Sub – Total FP and POP</i>	<u>12,057</u>	<u>12,057</u>	<u>12,057</u>	
5952 Applied Diarrheal Disease Pgrm	110	110	110	3
5969 Tech. for PHC – II	106	106	106	3
5970 Tech Advisor in AIDS/CS	200	200	200	3&TO
5972 AIDS Tech Support	244	244	244	3&TO
5984 Commun. & Marketing for CS	89	89	89	3
5117 Women's & Infants Nutrition	67	67	67	3
<i>Sub – Total Health, Nut. and AIDS</i>	<u>816</u>	<u>816</u>	<u>816</u>	
<i>Sub – Total SO#3</i>	<u>12,873</u>	<u>12,873</u>	<u>12,873</u>	
5730 Renewable Energy Applies/Trng	70	70	70	2
5743 Energy Effic. Project	661	661	661	2
<i>Sub – Total SO#2 – Energy</i>	<u>731</u>	<u>731</u>	<u>731</u>	
14 Other Projects	269	269	269	1,2,3
Total Global Bureau	<u>13,873</u>	<u>13,873</u>	<u>13,873</u>	
Program Total	<u>38,697</u>	<u>18,380</u>	<u>18,401</u>	

Table 4(b)
 USAID/Mexico Proposed FY94 Obligations by Strategic Objectives &
 Program Outcomes

	Mission Strategic Objectives & Program Outcomes	FY94 Funding	% Total
		(\$000)	Funding
1	Climate for Econ & Social Progress under NAFTA		
A	Democratic Political Process	200	0.5%
B	Free Trade Opportunities & Awareness	100	0.3%
C.	Enivronmental (Brown & Embargo Issues)	525	1.4%
D.	Labor & Occup. Safety	0	0.0%
	USAID Support	60	0.2%
	Sub-Total SO#1	885	2.3%
2	Reduce CO2 & conserve bio-diversity		
A.	Renewable & Energy Efficient Practices	881	2.3%
B.	Park & Buffer Zone Protection/Mgt	2,460	6.4%
C.	Bio-Diversity Conservation	20,000	51.7%
	USAID Support	385	1.0%
	Total SO#2	23,726	61.3%
3	Contraceptive Prevalence and Sustainable Programs		
A	Availability & Use of FP Services	11,658	30.1%
B	NGO capacity & financial independence	399	1.0%
C	GOM Investment in FP Programs	0	0.0%
	USAID Support	128	0.3%
	Total SO#3	12,185	31.5%
TO	AIDS Transmission Prevention	619	1.6%
	USAID Support	41	0.1%
	Sub-Total TO#1	660	1.7%
	Total SO#1-3 and TO	37,456	96.8%
4	ADC Training and Other	1,241	3.2%
	FY94 Program total	38,697	100.0%

TABLE 5
 USAID/Mexico
 OE Funding Requirements
 (\$000)

OE/TRUST FUNDED LEVELS By Major Function Code:	FY 94			FY 95			FY 96		
	USDH	USPSC	Other*	USDH	USPSC	Other*	USDH	USPSC	Other*
U100 U.S. Direct Hire	5			10			5		
U200 F.N. Direct Hire	190			200			210		
U300 Contract Personnel	36			38			40		
U400 Housing	38			40			42		
U500 Office Operations	60			60			65		
U600 NXP Procurement	21			2			8		
Sub-Total-Core Costs	350			350			370		
Downsizing Cost: U100	0			0			0		
U200	0			0			0		
U300	0			0			0		
Sub-Total Downsizing Costs	0			0			0		
Total OE/TF Costs	350			350			350		

	Mission Staffing Requirements								
	FY 94			FY 95			FY 96		
	USDH	USPSC	Other*	USDH	USPSC	Other*	USDH	USPSC	Other*
Total FTEs or Workyear	1	5	0	1	5	0	1	5	0
of which Program funded	0	5	0	0	5	0	0	5	0

* Other = PASAs and TCNs

IV. USAID/Mexico Initiated Issues

1. Initial drafts of USAID/W's current re-organization, plus numerous interations of the Administrator's vision for the future refer to reducing Mission size and increasing regional support. Since USAID/Mexico is already functioning at the barest minimum, we are particularly interested in USAID/W's efforts to increase and improve regional support.

After considerable delay, USAID/Mexico was only assigned a regional attorney last November. Now, there will be a seven month hiatus before the regional contracts officer is replaced. Furthermore, we are still without appropriate and sufficient financial Controller support. Notwithstanding the considerable support by the LAC Controller, the Controller's office in Guatemala continues to hold approximately one third of all vouchers submitted for processing during the past eight months.

2. It is important to have more timely and pedictable funding allotments for the operating year. USAID/Mexico along with the other MDCs were told we would receive our OYB allocations by January 19th. It was also implied that we would receive our allotments no later than March or April. To date, however, we have received neither.

3. We understand that USAID/Mexico has been determined to be a "global priority country". What does this mean for oversight, guidance, etc? Depending on the final determination of the \$20 million regionally funded Mexico Conservation Fund, the LAC funding support for USAID/Mexico will either be less than 20%, or greater than 65% of our total budget from all sources. If "substance reflects funding", or vice-versa, then the way in which LAC management regards Mexico and the global priority countries bears further consideration.

ANNEXES/ATTACHMENTS

1. Sec 118-119 Tropical Forest/Bio-diversity Action Plan
2. Changes in Objective Tree - rationale for changes in Sos, Pos and indicators.
3. Updated Activity Narratives (per April 1993 Annual Portfolio Review)
4. Training plan
5. Nov 1993 SAR for Mexico

Annex 1**ENVIRONMENT -- Compliance with Section 118-119 of the Foreign Assistance Act regarding Tropical Forest and Biodiversity Activities Reporting**

As indicated in the FY '94-95 Action Plan presentation, AID has had significant impact and played a major role in environmental protection and natural resources management in Mexico through both its NAFTA and Global Climate Change Objectives.

The Mexico GCC program continues to contribute to the development of sound environmental policies and operational programs contributing to the reduction of greenhouse gas emissions through the protection of forests and improved energy efficiency and conservation practices. In FY 1993, AID/Mexico funded approximately \$2.3 million in NGO grant projects to continue support of forest conservation activities, with a focus on protection of parks and reserves and sustainable development in surrounding buffer zones. This effort, somewhat expanded from 1992, is now helping to protect ten priority reserves covering more than 8 million acres of natural forest.

The AID/M GCC/Energy component was elevated to the status of a Program Output in FY 1993; funding levels were increased from approximately \$750,000 to over \$4.5 Million. The focus of this energy work was on the promotion of energy efficiency policies and the expansion of renewable energy technologies.

In FY 1994, AID/Mexico will begin to consolidate the forest conservation component of its GCC program through increased emphasis on the establishment of sustainable funding sources to continue support for the work initiated in prior years. A major step in this direction relates to the broadening of the Mission's environmental objective to include biodiversity conservation through the establishment of the Mexico Conservation Fund (MCF). The MCF is being created primarily to provide a funding mechanism for projects in Mexico that will help to conserve ecosystems and the biological resources contained therewithin.

AID/Mexico presumes that the Mexico Environment/Global Climate Change Program continues to fully meet the requirements of Sections 118 and 119 of the FAA. Moreover, expansion of the Mission scope beyond forest protection and energy efficiency/conservation and into biodiversity conservation make AID/M particularly responsive to the environmental concerns in the FAA.

Annex 2**Changes in Objective Tree**

As previously discussed, USAID/Mexico has made a number of changes in the SOs, POs and indicators for both SO #1 and SO #2, while SO #3 on population remains the same.

Changes in the first SO#1 reflect the move towards implementing NAFTA, hence the two new program outcomes (1 and 2) and their indicators. The Mission also determined that previous program outputs pertaining to the establishment of GOM environmental laws (1.2) and the acceptable compliance of fishing fleets in procedures to protect sea turtles and dolphins (1.4) could be combined under a single program outcome (3), while retaining all of the original program indicators. There was, however, some modification in the wording of this new environmental program outcome to reflect the fact that a comprehensive body of GOM environmental laws has now been established, and that the future program focus will be on establishing and implementing regulations and procedures for their enforcement.

Another modification in SO #1, proceeded from the Mission's decision to combine two earlier program outcomes relating to patent and trademark procedures (1.1) and labor laws and standards (1.3) under a single new program outcome (4), while once again retaining all the original program indicators, and finally, with the project completion of USAID's support for Plant and Animal Health Policies under USDA/APHIS in September 1993, the Mission decided to drop the program outcome pertaining to plant and animal health (1.5).

As a result of this exercise, the Mission believes there is a coherent and manageable number of program outcomes and indicators.

Changes in SO#2, as noted earlier, were motivated by the need to more explicitly incorporate the Mission's efforts in biodiversity conservation into its strategic framework. At the USAID Representative's urging, a discussion within LAC/EP, LAC/DP and LAC/DR (Feijar, Anderson, and Loudis) led to a draft revision of SO#2 which was then faxed to the Mission for comment. Although there was some modification of wording, the Mission essentially adopted the USAID/W proposal to add a third program outcome to its SO.

In addition, the Mission also updated and modified its strategic objective indicators to include two new biodiversity indicators (intact natural habitats and presence of healthy populations of indicator species) along with the measure of carbon dioxide emissions, and modified some program outcome indicators under program outcome 1 to better reflect limitations on available information.

The only modification of SO#3, was to clarify that sustainability pertained to public and private sector family planning services, and not only the NGO programs. Given the fact that the population strategy was only adopted last year, the Mission is now in the process of working with NGOs and cooperating agencies to review and establish appropriate baselines and targets for program indicators.

ANNEX 3.

UPDATED ACTIVITY NARRATIVES
(per April 1993 Annual Portfolio Review)

Strategic Object No. 1

1.a. Activity Data:

Title: Cooperative Support in the Exchange of Information on Mexico's Labor Policies

Project Number: 598-0616.23-3-20004

Estimated Completion Date: August 31, 1994

Implementing Agency: Department of Labor

Total Project Cost: \$1,195,000 (FY 1991 - FY 1993)

1.b. Purpose:

Support collaboration between the U.S. Department of Labor and Mexico's Secretariat of Labor and Social Welfare in developing baseline research in U.S. and Mexican labor policies and practices and provide training and technical assistance in the areas of occupational health and safety, labor management and relations, child labor regulations, labor statistics, and control of the informal sector.

1.c. Status:i. Outputs (as of January 1, 1994)PlannedAchieved

20 training the
trainer seminars
for enforcement
personnel

12 completed

8 tasks related to
industrial hygiene
informational exchanges
and other technical
assistance

2.5 completed

Complete child labor
law comparison

completed

- iv. Department of Labor has continued to work closely with their Mexican counterparts. A review of accomplishments to date and the issues included in the labor side agreement will likely bring about some changes in future activities. The DOL and the Secretariat of labor (STPS)

are currently revising the planned activities to reflect new concerns and issues.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

2.a. Activity Data:

Title: Technology Transfer for Development of Mexico's Industrial Property Office

Project Number: 598-0616.23-3-20007

Estimated Completion Date: September 30, 1994

Implementing Agency: U.S. Department of Commerce, Patent and Trademark Office

Total Project Cost: \$500,000 (FY 1991 - FY 1992)

2.b. Purpose:

To provide technical assistance and training to develop and strengthen the capacity of the GOM Industrial Property Office to implement and ensure compliance with Mexico's new industrial property law.

2.c. Status:

i. Outputs (as of January 1, 1994)

<u>Planned</u>	<u>Achieved</u> (Project Began 8/1/92)
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Training:

- 15 - 20 patent examiners	Awaiting new regulations and new employees
- 1 archivist	Awaiting nomination
- 3 employees in library program	Completed April, 1993
- 10 employees in Visiting Scholars Program	Completed June, 1993
- Polymer chemical patent examiners	Completed Oct., 1993
- In use of CD-ROM	Completed Oct., 1993
- In substantive patent law	Completed Oct., 1993

- For mechanical/
electrical patent
examiners Feb., 1994 Identifying trainer
- In trademark
infringement
March, 1994 Under preparation
- In patent
infringement,
April, 1994 Under preparation
- In chemical patent
applications, April,
1994 Identifying trainer

Technical visit to
improve patent and
trademark infra-
structure Completed

U.S. patent information
transferred to the GOM
office:

- Plant patents on
on microfiche Negotiating with
sole supplier
 - U.S. design patents Negotiating with
sole supplier
 - PTO Official Gazettes On-going
- Improvement of data Deferred to later date
base

ii. Overall Assessment:

To date, the U.S. PTO has assisted the MIPO in lowering its patent backlog by at least 8000 patents. Currently, only 4% of the patent applications are over 8 years old (vs. 25% in 1991.)

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

3.a. Activity Data:

Title: Cooperative Support for the Development and Implementation of a U.S.-Mexico Border Environment Plan and to the World Environment Center (WEC)

Project Number: 598-0616.23-3-20001
Estimated Completion Date: August 8, 1993
Implementing Agency: U.S. Environmental Protection Agency
Total Project Cost: \$1,700,000 (FY 1991 - FY 1996)

3.b. Purpose:

To provide technical assistance and professional exchanges which will develop and strengthen the capacity of the GOM Secretariat for Social Development (SEDESOL) to implement and ensure compliance with Mexico's environmental protection laws.

3.c. Status:

i. Outputs (as of January 1, 1994)

<u>Planned</u>	<u>Achieved</u>
Conduct 7 workshops on environmental compliance, risk assessment, and auditing and inspections.	1 workshop conducted November, 1993. Other workshop materials under development.
Updating Clearinghouse	Postponed due to funding problems
Development of shadow program	To be initiated in April, 1994.
Form Tolerance Working Group for pesticides	Working group formed
Basic laboratory training course	Under development

ii. Overall Assessment:

The side agreement was successfully negotiated and the NAFTA passed in November, 1993. The EPA and SEDESOL have identified several activities to begin in 1994 that will continue for several years to ensure compliance with the sidebar and other NAFTA initiatives.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

4.a. Activity Data:

Title: Cooperative Agreement between AID and OIH in Support of the North American Free Trade Agreement and the Nutrition Labeling and Education Act

Project Number: 598-0616.23-3-30017
Estimated Completion Date: September 30, 1994
Implementing Agency: U.S. Department of Health and Human Services
Total Project Cost: \$51,588 (FY 1993)

4.b. Purpose:

To train representatives from one or more Mexican state governments on the content and implementation of the Nutrition Labeling and Education Act (NLEA).

4.c. Status:

i. Outputs (as of January 1, 1994)

<u>Planned</u>	<u>Achieved</u>
Develop and present a "training the trainers course"	Scheduled for March, 1994

ii. Overall Assessment:

The FDA has been negotiating with the Secretariat of health for a date for the training. It has now been set for March, 1994, prior to the law's enforcement in May, 1994. The FDA is currently revising the training materials to include final changes in the regulations.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

5.a. Activity Data:

Title: Cooperative Agreement between AID and NMFS in Support of the North American Free Trade Agreement and the Protection of Marine Resources

Project Number: 598-0616.23-3-30018

Estimated Completion Date: September 30, 1994

Implementing Agency: U.S. National Marine Fisheries Services

Total Project Cost: \$99,476 (FY 1993)

5.b. Purpose:

To provide the Government of Mexico (GOM) and the Mexican Fisheries Ministry (SEPESCA) with technical assistance and training for the protection of marine resources of binational importance, principally marine turtles and mammals depredated by the shrimp and tuna fisheries.

5.c. Status:i. Outputs (as of January 1, 1994)

<u>Planned</u>	<u>Achieved</u> (Project Began 9/10/92)
Conduct training in use of turtle ex- cluder devices (TEDS) in Oct. and Nov., 1993	Postponed until Spring, 1994
Conduct a conference on dolphin-safe re- search in Feb., 1994	Scheduled for March, 1994
Provide technical assistance in new biosphere reserver	Activities under negotiation with Mexican counterparts
Assist in vaquita surveys	Technical assistance provided in Oct., 1993.

ii. Overall Assessment:

The project has been progressing.

iii. Project Category: Aiv. Corrective Action Planned for Coming Year: N/A6.a. Activity Data:

Title: Foreign Trade Entrepreneurs
Project Number: 598-0616.23-523-3018
Estimated Completion Date: August 14, 1994
Implementing Agency: Sistema DESEM
Total Project Cost: \$33,000 (FY 1993)

6.b. Purpose:

To develop a series of manuals, computer software, and other training materials to teach young people the methods and procedures of foreign trade and increase their awareness of foreign trade as a key element for successful participation in global enterprise.

6.c. Status:i. Outputs (as of January 1, 1994)

<u>Planned</u>	<u>Achieved</u>
Student software developed by August, 1993.	Completed January, 1994
Manuals edited by September, 1993.	Completed January, 1994
Manuals translated into English by October, 1993	Anticipated February, 1994

ii. Overall Assessment:

Sistema DESEM successfully pilot-tested the materials with another Junior Achievement affiliate in Nicaragua last fall. The materials are now the final stages of editing prior to publication.

iii. Project Category: A

Narcotic Demand Reduction

1.a. Activity Data:

Title: Support to FEMAP and Other Drug Prevention Programs in Mexico

Project Number: 598-0651.23-3-20008

Estimated Completion Date: June 30, 1994

Implementing Agency: Development Associates, Inc. (Narcotics Awareness and Education buy-in)

Total Project Cost: \$267,819 (FY 1991 - FY 1993)

1.b. Purpose:

To provide technical support and training to FEMAP and other Mexican drug prevention programs in order to strengthen their educational programs and their sustainability after Usaid funds end.

1.c. Status:i. Outputs (Oct, 1993 - Jan., 1994)

PlannedAchieved

4 workshops

1 Workshop on
applied survey
research held
November, 19931 workshop on
drugs in the
workplace to be
held April, 19941 workshop on
sustainability
to be held
July, 19941 workshop on
reaching donors
to be held Sept.,
1994.2 technical assistance
visits

2 visits planned

training video

to be completed
June, 1994ii. Overall Assessment:

The technical assistance has proved invaluable to the FEMAP grantees. Based on D.A.'s training and technical assistance, the various FEMAP offices are completing evaluations of their programs, developing ideas for self sustainability, and expanding into new areas (e.g. preschoolers, teachers, etc.).

iii. Project Category: Aiv. Corrective Action Planned for Coming Year: N/A2.a. Activity Data:

Title: Youth Network Services in Mexico
Project Number: 598-0651.23-23-2034
Estimated Completion Date: November 30, 1994
Implementing Agency: Centro de Orientacion para Adultos Jovenes (CORA)
Total Project Cost: \$99,513 (FY 1990 - FY 1992)

2.b. Purpose:

Educate Mexican youth with respect to reproductive health, substance abuse, and AIDS prevention, and thereby reduce the incidence of unwanted pregnancies, STDs, drug abuse, and AIDS cases in the young adult population in target areas.

2.c. Status:i. Outputs (as of Feb. 1, 1994)

<u>Planned</u>	<u>Achieved</u> (Project Began 9/1/93)
Complete 5 workshops for youth leaders	1 completed
Information talks to 2400 young people	355 young people reached
Refer 100 young people for special counseling	3 referred

ii. Overall Assessment:

This project delayed its starting date due to funding delays. This has now been corrected and the project has begun.

iii. Project Category: Aiv. Corrective Action Planned for Coming Year: N/A3.a. Activity Data:

Title: FEMAP Program for Demand Reduction
Project Number: 598-0651.23-523-2065
Estimated Completion Date: September 31, 1994
Implementing Agency: Federacion Mexicana de Asociaciones Privadas de Salud y Desarrollo (FEMAP)
Total Project Cost: \$1,710,108 (FY 1987 - FY 1993)

3.b. Purpose:

Support a grassroots effort to raise community awareness and mobilize popular support against drug trafficking and drug abuse. Drawing on its nearly twenty years of experience in activating community participation, FEMAP has developed a community-based drug prevention program that has been replicated in three border cities and will be opened in one more city in 1992.

3.c. Status:

i. Outputs (Sept., 1993 - Nov., 1994)

<u>Planned</u>	<u>Achieved</u>
140 promoters working	151 existng promoters
Visit 12 schools	5 visited
16 community visits	7 visited
24 artistic expression workshops (with anti-drug theme)	7 workshops held
12 walls painted	0 painted

ii. Overall Assessment:

Since July, 1990, FEMAP has been working closely with Development Associates under the Narcotics Awareness and Education (NAE) buy-in. As a result of this support, several of the programs are completing evaluations which will be useful in seeking funding from other sources. In activities completed Sept. - Nov., 1993, FEMAP has reached over 21,000 people with their anti-drug message.

iii. Project Category: Aiv. Corrective Action Planned for Coming Year: N/A

SO#2 ENVIRONMENT - GLOBAL CLIMATE CHANGE

1.a. Activity Data:

Title: Calakmul Biosphere Management
Project Number: 598-0784.23-523-0035/1035
Estimated Completion Date: August 31, 1994
Implementing Agency: Pronatura, A.C., Yucatan Chapter
Total Project Cost: \$350,000 (FY 90-92)

1.b. Purpose:

Promote the effective management of the Calakmul Biosphere Reserve in Campeche and its surrounding buffer zone.

1.c. Status:i. Outputs:PlannedAchieved

Conduct 5 baseline studies initiated; 2 studies for the Reserve completed; 3 near on geographical aspects; completion. botany; birdlife; mammals; and subsistence hunting practices

Conduct 5 studies within the buffer zone on socio-economic outreach; forest management; honey production and ecotourism

Produce management plan and approved by SEDESOL in March, 1993. PRONATURA/Y's participation in Calakmul management has been approved by SEDESOL via a formal agreement.

ii. Overall Assessment: The program is progressing satisfactorily. An evaluation of PRONATURA/Y's program was completed in November, 1993.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

2.a. Activity Data:

Title: Improved Environmental Planning and Management (EPM) in Mexico
Project Number: 598-0784.23-523-0046/1046
Estimated Completion Date: September 29, 1995
Implementing Agency: Fundacion Mexicana para la Educacion Ambiental, A.C.
Total Project Cost: \$257,730 (FY 90-94)

2.b. Purpose:

Promote improved environmental planning and management through policy, institutional and legal reform, and by promotion of environmental awareness programs.

2.c. Status:i. Outputs:PlannedAchieved

Two tri-national conferences held.
 conferences planned Proceedings published.
 (one in Mexico and
 one in U.S.A.)
 during initial two
 phases of project.

Third North American Conference held in
 Conference on Ottawa, Canada,
 Environmental Law October 14-15, 1993,
 in Canada with approximately
 20 participants from the
 three countries.
 Proceedings in progress.

Cooperate with FUNDEA Cooperation accomplished.
 in the development of
 two case studies

ii. Overall Assessment: The program is progressing satisfactorily.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

3.a. Activity Data:

Title: Conservation International Debt-for-Nature Swap:
Management Program for the Selva Lacandona and Montes
Azules Biosphere Reserve

Project Number: 598-0784.23-523-0037/1037

Estimated Completion Date: August 31, 1996

Implementing Agency: Conservation International

Total Project Cost: \$1,577,000 (FY 90-96)

3.b. Purpose:

Co-finance the C.I. Mexico Debt-for-Nature Swap.

3.c. Status:i. Outputs:

<u>Planned</u>	<u>Achieved</u>
Extensive butterfly feasibility study	breeding project completed. The community (2nd and 3rd phases) outreach in process and beginning to implement project.
Ecotourism services feasibility study development (2nd and 3rd phases)	development (2nd and 3rd phases) phase). Agreement signed with Lacandon Community to consider this activity. A team of six community members exploring with C.I. ecotourism possibilities.

Boundary demarcation and development of nature trails for the Reserve; posting of 20 information signs (1st, 2nd, and 3rd phases) proposal for boundary demarcation. Signing to begin in 1994.

Training for reserve personnel (phases 2 and 3) 15 courses scheduled during six short courses with a duration of 35 days.

Title: Conservation International Debt-for-Nature Swap:
Management Program for the Selva Lacandona and Montes
Azules Biosphere Reserve (Continued)

PlannedAchieved

Research support fundFive research studies
(spider monkey; effects
of land use changes
on mammals; flora; red
scarlet macaws and howler
monkeys) underway.

Operational support for theCarried out as planned.
Chajul Biological Station

- ii. Overall Assessment: Two debt-swaps totalling \$530,000
(FY 91 and FY 92 AID funds) have been executed to date.
- iii. Project Category: A
- iv. Corrective Action Planned for Coming Year: N/A

4.a. Activity Data:

Title: Environmentally-Sound Community Development Around Key Protected Areas - Southeastern Mexico

Project Number: PIO/T 598-0784-3-3652087
DHR-5554-A-00-8044-00

Estimated Completion Date: September 30, 1996

Implementing Agency: World Wildlife Fund/U.S.

Total Project Cost: \$5,355,000 (FY 91-96)

4.b. Purpose:

Protect four or more important wildlands in Southeastern Mexico as healthy, diverse ecosystems through buffer zone management and the promotion of community-based sustainable development technologies

4.c. Status:i. Outputs:Planned

Establish buffer zone management projects with the counterpart NGOs around 4 protected areas. (i.e., Las Chimalapas, El Ocote, El Triunfo, and Calakmul).

Rapid rural appraisals (RRA's) completed in Calakmul and El Triunfo. An alternative assessment methodology was used for El Ocote and Las Chimalapas. This diagnostic will be

reviewed and improved upon in 1994, with a greater focus on policy/legal and external issues.

Analyses of alternative generating sustainable agriculture; activities/enterprises in each in organic coffee, bee keeping and forestry; and two in agroforestry.

Title: Environmentally-Sound Community Development Around
Key Protected Areas - Southeastern Mexico (Continued)

i. Outputs:

PlannedAchieved

Provide bridge financial Grant to Monarca warded support for a community-based in 9/93. Reforestation reforestation and protection and protection to receive program for the Monarca support for approximately Butterfly Reserve in one year beginning the Michoacan. Reforest wet season (June-July) of 2,976 Has. and benefit 1994. 38 ejido communities in the target buffer zones.

ii. Overall Assessment: The program is progressing satisfactorily.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

5.a. Activity Data:

Title: Management of Northern Border Wildlands

Project Number: PIO/T 598-0784-3-3652087

DHR-5554-A-00-8044-00

Estimated Completion Date: September 30, 1996

Implementing Agency: World Wildlife Fund/U.S.

Total Project Cost: \$930,000 (FY 91-96)

5.b. Purpose:

Design and initiate one to three buffer zone management projects targeting priority wildlands in the Northern borderlands region of Mexico, in close cooperation with other U.S. agencies (i.e., USFS, USNPS, and USFWS)

5.c. Status:i. Outputs Achieved

Initial planning grants Activities proposed under awarded for Arizona these grants have been

Arizona Rainforest Alliance completed. A and Sonoran Institute to follow-on grant being work in the Sierra considered with the Tarahumara. Arizona Rainforest Alliance to focus on local community conservation activities.

The Sonoran Institute completed activities under this grant on 1/94; a follow on grant is also being considered.

Two-year grant to Terra Grant awarded in 9/93. Nostra to work in El Cielo Three workshops on Biosphere Reserve community land use already delivered.

Mini-grant awarded to Mapping of forest resources the NGO Parque Ecologico for the Chipinque reserve Chipinque to complete a section completed. land use study in the Dissemination to follow. "Cumbres de Monterrey National Park."

Title: Management of Northern Border Wildlands (Continued)

- ii. Overall Assessment: The program is progressing satisfactorily.
- iii. Project Category: A
- iv. Corrective Action Planned for Coming Year: N/A

6.a. Activity Data:

Title: Support for the "Parks-in-Peril"/Mexico Program:
 Protection of the Critical Areas of Mexico
Project Number: CA LAC-0782-A-00-0047-00
Estimated Completion Date: September 30, 1996
Implementing Agency: The Nature Conservancy
Total Project Cost: \$2,986,000 (FY 91-96)

6.b. Purpose:

Assist the GOM and Mexican conservation groups in the management of seven to ten "Parks-in-Peril" with special focus on the development and protection of core zones of the selected PIP parks/reserves. This activity, which is closely coordinated with LAC/DR/E, is expected to complement the WWF/BSP buffer zone management project in several protected areas.

6.c. Status:i. Outputs Achieved

Initiation of PIP Calakmul workplan was efforts by NGO partners approved in 8/93 and in 2 sites in 1991; and work initiated. four more sites in 1992. 19 GOM plus NGOs Two additional sites representatives from contemplated for 1993. (Amigos de Sian Ka'an, Pronatura/Y and Instituto de Historia Natural) attended TNC's conservation training week in Santo Domingo, D.R. Four personnel exchanges between PIP organizations to share techniques in natural resource management and institutional strengthening completed. Seven sites (including El Pinacate) now have cooperative agreements for management between local organizations and SEDESOL. El Pinacate was approved as a PIP site in early 1994.

Title: Support for the "Parks-in-Peril"/Mexico Program:
Protection of the Critical Areas of Mexico

ii. Overall Assessment: The program is progressing well.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

7.a. Activity Data:

Title: Support for the Mexico Tropical Forestry Action Plan
Project Number: 598-0784.23-523-2028
Estimated Completion Date: August 6, 1996
Implementing Agency: Fundacion Miguel Aleman, A.C. (FMA)
Total Project Cost: \$1,200,000 (FY 92-96)

7.b. Purpose:

Effectively reduce the rate of tropical deforestation through the development of sustainable land use practices and adequate management and protection of private or communal areas in or adjacent to forest lands.

7.c. Status:i. Outputs Achieved

Conduct four technical/Four studies underway.
 policy studies Two have been completed

Continued support of sixNine Alianzas currently pilot projects and being funded in initiate/implement at seven Mexican states
 least six new "Alianzas (Quintana Roo, Tripartitas" during Tabasco, Veracruz, Chiapas, 1994-96. Oaxaca, Campeche and Yucatan). Other proposals being considered for 1994-95.

ii. Overall Assessment: The program is progressing satisfactorily.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

8.a. Activity Data:

Title: Environmental Policy Studies Related to Climate Change

Project Number: 598-0784.23-523-2027

Estimated Completion Date: August 6, 1995

Implementing Agency: Environmental Law Institute (ELI)

Total Project Cost: \$465,000 (FY 92-94)

8.b. Purpose:

Identify and analyze governmental legal policies and institutional structures that encourage forest destruction in Mexico (in cooperation with Fundacion Mexicana para la Educacion Ambiental; see activity 2.a.).

8.c. Status:i. Outputs Achieved

Phase II: Carry out Conference held in U.S. meeting of the Berkeley Springs, North American West Virginia, June 7-9, Conference on 1993, with 20 participants Environmental Law from U.S., Canada and Mexico.

Phase III: Carry out Conference held in Ottawa, the Canadian meeting Canada, October 14-15, 1993, of the North American with approximately 20 Conference on participants from the three Environmental Law countries.

Research project on First draft of the report institutional and identifying and analyzing policy strategies for Mexican laws related to the addressing global deforestation in Mexico climate change completed. For the two programmed field/case studies, the visit to La Mariposa Monarca was made; fieldwork for the Selva Lacandona in the state of Chiapas has been postponed.

Deputies Training 14 members from the Mexican Program in Washington, Chamber of Deputies D.C. attended a Global Climate Change seminar from October 17-22, 1993.

Title: Environmental Policy Studies Related to Climate Change

i. Outputs Achieved

Environmental Audit & ELI Senior Attorney made a Assessment Training presentation to 25 Mexican (SEDESOL) environmental

professionals during the 2-week course "Environmental Impact Assessment & Environmental Auditing" in November, 1993.

Legal Skills Training Meetings with WWF/Mexico Workshop and FUNDEA took place in November, 1993 and the workshop is now being organized.

ii. Overall Assessment: The activity is progressing well.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

9.a. Activity Data:

Title: Assessment of Land-Use Patterns, Carbon Dynamics and Forest Management Options in Southeastern Mexico

Project Number: PASA 598-0784-P-EP-2284-00

Estimated Completion Date: August 31, 1995

Implementing Agency: U.S Environmental Protection Agency, Environmental Research Laboratory, Corvallis, Oregon

Total Project Cost: \$500,000 (FY 92-94)

9.b. Purpose:

Assess past, present, and future emissions of CO₂ from changes in land cover for southeaster Mexico.

9.c. Status:i. Outputs Achieved

Classify land coverLiterature research has patterns in SE Mexicobegun. NALC MSS triplicates and their relative changesobtained. Preliminary over the last 20 yearsprocessing of this data has begun. A cooperative agreement prepared by EMSL-LV with UNAM-Instituto de Geografia and signed. MSS triplicates to be delivered to cooperators (UNAM and CIES in Chiapas.) A workstation computer purchased for rapid analysis of large data sets.

Assess carbon contentTwo cooperative agree- (tC/ha) characteristicments with CIES/Chiapas of the various tropicaland OSU/Centro de Ecologia/ Mexican land coverUNAM/Mexico signed for classes (biomass -field research projects. carbon distributions)CIES field research will begin 2/94; OSU/UNAM work on 6/94.

Title: Assessment of Land-Use Patterns, Carbon Dynamics and Forest Management Options in Southeastern Mexico (Continued)

i. Outputs Achieved

Spatially model carbon emissions over time and used and developed:

do preliminary evaluation including: COPATH model of forest management C pools forest management policy options for and flux from land use

accomplishing change (biomass averaging greenhouse gas mitigation model); a GIS

and other societal accounting model; and an objectives (carbon empirical ecophysiological dynamics modeling) biomass model.

ii. Overall Assessment: The program is progressing satisfactorily. AID/M awarded PASA 9/92; EPA implemented PASA 5/93. Some required data not currently available; the field research cooperative agreements are 3-year agreements. The NALC remote sensing imagery is expected to get underway 2/94 and will continue through early 1995.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

ENVIRONMENTAL SUPPORT PROGRAM10.a. Activity Data:

Title: Program for Conservation Planning and the
 Establishment of a System of Protected Areas in Sonora
Project Number: 598-0780.23-523-2024
Estimated Completion Date: August 6, 1995
Implementing Agency: Centro Ecologico de Sonora (CES)
Total Project Cost: \$126,700 (FY 92)

10.b. Purpose:

Carry out state-wide protected areas assessment and
 planning process; establish a core system of protected
 areas in the state of Sonora.

10.c. Status:i. Outputs Achieved

Establish a state protected areas system, including
 two areas legally established. State
 10 or more reserves system being established.

Strengthen conservation infrastructure and
 data center equipment installed.
 Data base developed.

Carry out mass environmental education program
 two 10-15 minute weekly ads/spots in
 both radio and TV; the
 local press is
 also collaborating.

ii. Overall Assessment: The program is progressing
 satisfactorily.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

11.a. Activity Data:

Title: Establishment of the Casas Grandes Reserve for the Protection of Biodiversity in the Northern Chihuahua Desert, Chihuahua, Mexico
Project Number: 598-0780.23-523-3023
Estimated Completion Date: September 1, 1995
Implementing Agency: Universidad Nacional Autonoma de Mexico's Centro de Ecologia (UNAM/CE)
Total Project Cost: \$56,000 (FY 93)

11.b. Purpose:

Establish a bio-reserve in the Chihuahuan desert that will protect native ecosystem types, conserve biodiversity in natural patterns of abundance and distribution, maintain ecological and evolutionary processes, and improve local socio-economic conditions.

11.c. Status:i. Outputs Achieved

One conference in late Preliminary planning 1994 on strategies for has started. management and conservation Planning meeting of high plains grasslands will be held and publication of February 8-9, 1994, proceedings in Denver, Colorado.

Five surveys (mammalian, Study the avian, herpetological, diversity of small plant and insect) mammals utilizing prairie dog colonies. Carnivores are being censused by scent stations both on and off prairie dog colonies.

ii. Overall Assessment: The program is progressing satisfactorily.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

12.a. Activity Data:

Title: Mexico Conservation Fund
Project Number: 598-0780.23-523-3018
Estimated Completion Date: August 6, 1995
Implementing Agency: World Wildlife Fund (WWF)
Total Project Cost: \$75,000 (FY 93)

12.b. Purpose:

Assist in the design and legal establishment of the Mexican Conservation Fund (MCF).

12.c. Status:i. Outputs Achieved

Technical design and One regional meeting approval of Fund by held in Merida, Yuc. GOM and NGOs (technical An audiovisual on the advisory team) of the MCF proposed MCF has been completed; a brochure being developed for fundraising purposes will be prepared.

ii. Overall Assessment: The program is progressing satisfactorily.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

13.a. Activity Data:

Title: Demand Side Energy Management
Project Number: PIO/T 598-0784-3-1651020
Estimated Completion Date: October 31, 1995
Implementing Agency: RCG/Hagler, Bailly, Inc.
Total Project Cost: \$1,233,000 (FY 92-94)

13.b. Purpose: Promote increased efficiency and conservation in the use of energy resources for the electricity/power sector in Mexico.

13.c Status:i. Outputs:Planned

Implement a workshop on integrated resources planning.

Implement DSM pilot projects in roughly 30 enterprises within the industrial and commercial sectors.

Conduct a power sector efficiency assessment and provide recommendations for the potential savings at a selected city/regional level and develop an action plan which could eventually be replicated at the national level.

Achieved

Detailed outline for the workshop was approved by CFE and other Mexican government agencies in the energy sector; the workshop is scheduled for April, 1994.

The proposed pilot project design was revised by FIDE's Technical Review Committee; is now being reviewed by Hagler Bailly.

CONAE is in the process of designing a project to obtain a nationwide inventory of electric motors in industry, based on surveys and audits. Such a project would provide a useful data base for DSM assessment.

ii. Overall Assessment: Although at the beginning there were numerous delays and changes in the strategy for the project, the scheduled activities are now progressing satisfactorily.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

14.a. Activity Data:

Title: Support for Renewable Energy Development and Commercialization in Mexico

Project Number: PASA No. 523-0784-P-ER-2279-00

Estimated Completion Date: October 31, 1996

Implementing Agency: U.S. Department of Energy, Office of Solar Energy Conversion

Total Project Cost: \$4,650,000 (FY 92-94)

14.b. Purpose: Support greater use and commercialization of proven renewable energy technologies in practical, cost-effective applications including rural electrification, water pumping and other productive uses, and grid-connected bulk power generation.

14.c. Status:i. Outputs:PlannedPLN

Develop a preliminary wind energy resource atlas.

ECRE

Support U.S. industry participation through training/technical assistance activities under PROCER, including participation of U.S. companies and consultants.

SANDIA

Support the expansion of Mexico's renewable energy activities to promote sustainable economic development

Achieved

All the assessment activities have been completed and the Mission is waiting for the final report.

Xcalac, a hybrid village electrification system project was completed by Condumex for the government of Quintana Roo, with technical assistance from Bergey Windpower and AWEA.

The contract mechanism has only been recently finalized. The components of the project are: A) Development of Rural Demonstration/Pilot Field Projects. B) Resource Assessment/Confirmation. C) Project and Program Review and Evaluation. D) Program in

Mexico while reducing CO₂ emissions resulting from fossil fuel-generated electricity. It will do this by demonstrating the appropriateness of renewable energy technologies for powering critical social and private productive use applications, particularly water pumping.

Coordination and Development, Liaison and Reporting. The GOM endorsement of this program as a GEF parallel project is still pending.

- ii. Overall Assessment: Although there have been minor delays and changes because of changes in several Mexican secretariats, the program has shown good progress to date.
- iii. Project Category: A
- iv. Corrective Action Planned for Coming Year: N/A

15.a. Activity Data:

Title: Energy Training Program.
Project Number: PIO/T 598-0784-3-3652091
Estimated Completion Date: September 30, 1996
Implementing Agency: Institute of International Education (IIE), Mexico.

Total Project Cost: \$350,000 (FY 93-94)

15.b. Purpose:

To provide short-term energy training courses predominantly in Mexico, in Spanish, during a two-year period.

15.c Status:

i. Outputs:

Planned

Nine in-country courses in renewable energy (technical and financial evaluation of renewable Energy projects, water pumping for commercial and industrial applications, solar thermal systems for water heating); energy efficiency (integrated resources planning, demand-side management, energy efficiency in buildings, process industries and in the transportation sector); and environment: (air pollution and environmental management).

Achieved

Several agreements are currently being evaluated by IIE and Mexican counterparts organizations in the energy sector (SEMIP, CONAE, IIE, LES, CFE, and SEDESOL).

ii. Overall Assessment: The scheduled activities are progressing satisfactorily.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

G. PRIVATE SECTOR, ENERGY AND ENVIRONMENT

2.a. Activity Data:

Title: GCC/EPM Improved Environmental Planning and Training
Project Number: 598-0616.23-523-0046/1046

Estimated Completion Date: September 29, 1996

Implementing Agency: Fundacion Mexicana para la Educacion
Ambiental, A.C. (FUNDEA)

Total Project Cost: \$341,832 (FY 90-96)

2.b. Purpose:

Support select training and technical assistance activities in support of FUNDEA and the A.I.D./M E/GCC workplan.

2.c. Status:

i. Outputs Achieved

GCC technical cooperation Approximately \$92,500 and training in training and technical assistance has been implemented.
Approx. \$23,312 remains to be spent.

ii. Overall Assessment: The program is progressing satisfactorily.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

3.a. Activity Data:

Title: Training on Harvesting, Management and Commercialization of Native Mussels and Other Native Bivalves in the Fishing Communities Located in the Upper Gulf of California Biosphere Reserve
Project Number: 598-0616.23-523-0047/1047
Estimated Completion Date: September 27, 1994
Implementing Agency: Instituto Tecnológico y de Estudios Superiores de Monterrey, Guaymas Campus
Total Project Cost: \$47,200 (FY 90-91)

3.b. Purpose:

Develop sustainable aquaculture activities to support the protection of the Upper Gulf of California Biosphere Reserve

3.c. Status:i. Outputs Achieved

Develop commercial In planning stages. harvesting of native mussels/bivalves

plot Training and technical In planning stages. assistance for cultivation and commercialization

Workshop on fishery In planning stages. resources

ii. Overall Assessment: The "Turtle Excluder Device (TED) Training and Development" activity was completed. The remaining funds of the grant in the amount of \$17,872 were reprogrammed to support this activity. ITESM/G signed the no-cost extension on 12/93. Activities are in the planning stages.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

4.a. Activity Data:

Title: Establish and Support a Youth Conservation Corps in Mexico

Project Number: 598-0616.23-523-3019

Estimated Completion Date: September 30, 1996

Implementing Agency: Partners of the Americas Total

Project Cost: \$950,000 (FY 93-96)

4.b. Purpose:

Establish and strengthen the Mexican youth conservation corps.

4.c. Status:

i. Outputs Achieved

Create a Mexican Youth In initial development Conservation Corps stage. Association to provide continual technical assistance and training

Youth conservation corps POA is planning to established and operating establish the first in four states center in Chiapas. Due to the recent problems in that state, alternative sites are now being considered.

ii. Overall Assessment: The program is progressing satisfactorily.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

5.a. Activity Data:Title: A.I.D./Mexico Environmental AssessmentProject Number: P.O. 598-0616-0-00-0039-00Estimated Completion Date:Implementing Agency: Contractor Larry Ford Total ProjectCost: \$ 44,449.97 (FY 93-94)

5.b. Purpose: To complete AID/Mexico environmental assessment and mitigation procedures for GCC portfolio activities.

5.c. Status:i. Outputs Achieved

Development and approve Action plans developed an environmental action for GCC activities plan for each GCC/forestry project

ii. Overall Assessment: The program is progressing satisfactorily.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

PARTICIPANT TRAINING

A. ADVANCED DEVELOPING COUNTRY TRAINING PROJECT

1. a. Activity Data:

Title: Advanced Developing Country Training Project
 Contract No. 598-0640-C-00-0734-00
 Project No. 598-0640.12
 Estimated Completion Date: August 29, 1995
 Implementing Agency: Development Associates, Inc.
 Total estimated costs: \$3,286,130 (FY 90-95)

1. b. Purpose:

Provide training and technology transfer in areas directly supportive of USAID/Mexico strategic objectives

1. c. Status:

i. Outputs (Sept. 90 - Jan. 94):

Planned

92 long term academic and
 320 short term technical

Achieved

Long term academic
 112 were registered
 of which: 72 achieved
 (41 male, 15 female),
 20 carryover (16 male,
 4 female) and 20 suspended
 due to low grades.

432 short term
 (283 male,
 149 female)

Total achieved 524

Follow-up and program impact

Ongoing evaluation
 activities

ii. Overall Assessment: As of January, 1994, three and a half years into the project, initial training targets have been exceeded. Over 430 participants have received training in short-term technical programs in Bilateral Trade, Environment, Health and Population, Education and Agriculture. This year, for the first time a group of 25 participants were placed in a tailor-made three week program dealing with environmental regulations. The program was carried out through a historical black college

participants are in process or have completed academic studies leading toward a Masters degree. The contractor, Development Associates, has provided all long term students with on-site orientation to the program. Contractor has initiated a system of personal interviews to ascertain student motivation and suitability for the ADC program. Contractor efforts continued to recruit women for training and also to train participants in one or more HBCUs.

SECTION V. PROGRAM IN SCIENTIFIC AND TECHNICAL COOPERATION
(PSTC)

1.a. Activity Data:

Title: Anti-E. Histolytica Monoclonal IGA; its role in Protection Mechanisms

Project Number: 936-5542.01-523-9.130

Estimated Completion Date: May 31, 1994

Implementation Agency: Facultad de Medicina, UNAM

Total Project Cost: \$147,288.00 (FY 90)

1.b Purpose:

Delineate the possible role of iga in the immuneresponse to amoebiasis caused by entamoeba histolytica

1.c. Status:

i. Outputs:

Planned

Completion of the ADCC studies. Increase the number of observations in the passive transfer of specific IgA monoclonal antibodies to gerbils and hamsters in the hepatic and colonic infection models.

Achieved

Main objective was to complete all the in-vitro, in-situ, and in-vivo experiments. Started collaboration with other scientific groups in Mexico, and more recently in the U.S., England and Colombia.

ii. Overall assessment: This activity has been completed. An extension was approved through May 31, 1994. Total payment has been made, however, final report will be submitted before expiration date.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

2.a. Activity Data:

Title: Search for Powders and Water Extracts with Insecticidal Activity to be used in Small Scale Farming in Mexico.

Project No. 936-5542.01-523-9.125

Estimated Completion Date: March 31, 1994

Implementing Agency: Centro de Entomologia y Acarologia, Colegio de Postgraduados

Total Project Cost: \$145,060.00 (FY 89-90)

2.b. Purpose:

Protect corn and beans in the field and storage conditions from damage caused by insect pests, through the use of powders and water extracts of wild plants.

2.c. Status:

i. Outputs:

Planned:

Collection and drying of plants, preparation of plant material, laboratory, greenhouse and field testings.

Achieved

Gathering of plants continued in Veracruz, Hidalgo, Guerrero, Mexico and Morelos. 430 plants have been tested against corn and bean pests. An important achievement is that already 28 scientists have graduated using research on this project and 32 persons have been trained on the project work.

ii. Overall Assessment: This project is proceeding with excellent results. An extension was approved thru March 31, 1994. Final report will be submitted before expiration date.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

3.a. Activity Data:

Title: Organization Dynamics and Manipulation of Genetic Information in Rhizobium

Project No. 936-5542.01-523-8.600
 Estimated Completion Date: June 30, 1994
 Implementing Agency: Centro de Investigacion sobre
 Fijacion de Nitrogeno, Universidad Nacional Autonoma
 de Mexico (UNAM)
 Project Cost: \$149,600.00 (FY 89)

3.b. Purpose:

Define the general organization of different replicons (chromosome and plasmids) of the rhizobium genome, the stability of genetic information in rhizobium and the limits of exchange of genetic information among different strains in nature.

3.c. Status:

i. Outputs:

Planned

Concentrate following main lines of research
 1) gene amplification and
 2) participation of different plasmids in symbiotic and saprophytic functions.

Achieved

Studies have included other rhizobium species in addition to *r. phaseoli*, were able to generalize some earlier findings and obtained a more comprehensive scheme in regard to the organization, dynamics and manipulation of the rhizobium genome.

ii. Overall Assessment: The project is proceeding as planned. An extension was approved thru June 30, 1994. Final report will be submitted before expiration date.

iii. Project category: A

iv. Corrective Action Planned for Coming Year: N/A

4.a. Activity Data

Title: Adaptation to Salt and Water Stress by Pulses Tolerant to Environmental Stresses of the High Altitude Deserts

Project No. 936-5544.01-523-C7039
 Estimated Completion Date: September 30, 1993

Implementing Agency: Centro Regional para Estudios de Zonas Aridas y Semiaridas (CREZAS), Colegio de PostGraduados, Salinas, San Luis Potosi
 Total Project Cost: \$147,000.00 (FY89)

4.b. Purpose:

Evaluate previously selected varieties of chickpeas (*cicerarietinum* L.) and tepary-common bean hybrids (*phaseolus acutifolius* and *P. vulgaris*) for salttolerance to water stress; and characterize them forphysiological and morphological adaptations to stress

4.c. Status:

i. Outputs:

Planned

Continue to test varieties for salt tolerance, and field experiments. Screening for salinity stress (chickpea), for water stress (tepary bean and common bean). Will publish the final report in several scientific journals.

Achieved

Greenhouse and field experiments were conducted for common beans under controlled moisture and salinity levels. By testing a few varieties have obtained an evaluation of the range of tolerance within a species. Evaluated the results of the field experiments and writing some of the results in two Bachelor degree thesis and in a present M. Sc. thesis. Project has greatly contributed to strengthen research capabilities of the Mexican institution enabling it to further pursue research for arid and semiarid areas.

ii. Overall assessment: Principal Investigator departed on January, 1993 for a sabbatic year in the United States, has not returned to this date and has failed to contact AID/Mexico, has not submitted funding requests and progress reports. Project was supposed to have ended on Sept.1993, an extension has not been requested. Funds will be deobligated. AID/Mexico has decided to cancel project in view of apparent lack of interest.

iii. Project Category: C

iv. Corrective Action Planned for Coming Year: N/A

5.a. Activity Data:

Title: Tepetate Reclamation Using Erosion Prediction Technology

Project No. 936-5600-523-22.453

Estimated Completion Date: July 01, 1997

Implementation Agency: Centro de Edafologia

Colegio de PostGraduados

Total Project Cost: \$150,000.00 (FY 92)

5.b. Purpose:

The main objectives of the project are (1) to establish a methodology to analyze soil reclamation techniques; (2) to validate a physically-based erosion model; and (3) to select the best management practices in the reclamation process.

5.c. Status:

i. Outputs:

Planned

Develop a comprehensive research for reclamation and management techniques in two kinds of tepetates in the Eastern region of Mexico watershed. Validate the applicability of a new erosion prediction technology.

Achieved

Experiments continued to be conducted in the T3. Five soil profiles representing two series were selected to provide a range of soil used for rupture of tepetate.

ii. Overall assessment: This activity is proceeding as planned.

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

6.a. Activity Data:

Title: Regulation of the Enzymes of Ureide Biosynthesis in Tropical Varieties of Legumes

Project No. 936-5600-523-12.367

Estimated Completion Date: August 30, 1996

Implementation Agency: Instituto de Biotecnologia,

Universidad Nacional Autonoma de Mexico (UNAM)

Total Project Cost: \$150,000.00 (FY 92)

6.b.Purpose:

Investigate the signals (bacterial, plant or environmental which induce the expression of the mainenzymes of ureidebiosynthesis (xanthine dehydrogenase,uricase-II,allantoinase) in root nodules of common bean (Phaseolus vulgaris).

6.c.Status:

i. Outputs:

Planned

Work in the isolation and characterization of the uricase gene from bean nodules.

Achieved

The uricase gene has been isolated from a bean genomic library (stratagene) using a cDNA clone. Bean nodule xanthine dehydrogenase has been purified to homogeneity by gel filtration. Anti-
bodies have been obtained

using the purified enzyme from nodules.

ii. Overall Assessment: Project is proceeding satisfactorily

iii. Project Category: A

iv. Corrective Action Planned for Coming Year: N/A

B. THIRD COUNTRY TRAINING PROGRAM

1.a.Activity Data:

Title: THIRD COUNTRY TRAINING PROGRAM

Estimated Completion Date: Continuing

Implementing Agency: Usaid. Latin American, Caribbean African and Asian Missions.

1.b.Purpose:

Provide administrative support for individuals of other
institutions for training in Mexico

Planned

Achieved

Conduct third-country training programs in statistics, banking, family planning, health administration, forestry, family planning, agricultural administration.

In 1993, 75 Latin American participants attended programs in Mexico.

- ii. Overall assessment: This program continues to run smoothly.
- iii. Project Category: A
- iv Corrective Action Planned for Coming Year: N/A

ANNEX 5**COUNTRY TRAINING PLAN**

Overview

USAID/Mexico's Training Program (including support for third country trainees) has served as a means of developing ever-increasing cooperation between Mexico and the U.S. and has helped meet the training needs of other countries in the LAC region. The LAC Training Initiatives Program, and the current MDC Training Program, initiated in September 1990, provide training for Mexicans from public and private sector institutions who show promise as future leaders and managers. Under USAID/Mexico's completed LAC II Training Initiatives contracts with Development Associates, a total of 1031 participants were trained in both short and long-term programs, most of them tailor made for individual participant needs. These included academic programs for masters degree candidates and a variety of short-term activities ranging from specialized courses to observation study tours and professional meetings and conferences. Over the five years of LAC II the training target (based on participant months of training) was exceeded by over 200%. Training content included a strong emphasis on agriculture, business development and management, manufacturing, energy, forestry, the environment and ecology, and fisheries. The MDC CLASP II Project for Mexico began in August 1990. Development Associates, Inc. manages the 5 year contract. Targets include the training of 360 participants in short-term technical and observation programs and an additional 75 in graduate academic programs. During the first year of CLASP II MDC the areas of emphasis included private enterprise, population and family planning, health and child survival, education and training, agriculture and rural development, biological diversity and ecology, drug abuse prevention, AIDS, and energy. In the project's second year (FY 92) AID/Mexico refocused its target areas and is currently concentrating on global warming, health and population, AIDS, and bilateral trade promotion. This is in support of USAID/Mexico's Strategic Objectives.

In addition to exceeding its numerical targets for the first two years of the project (1,163 actual participant months of training versus the target of 1,103 months), the CLASP II MDC Training program has also been highly effective in expanding Mexico's human resources based on previously identified priority areas, and on fostering cultural and commercial ties between U.S. and Mexican institutions. The program has proven highly cost effective as well. AID/Mexico's policy has been to ask host country institutions to cover a portion of training costs, this usually means that the institution pays the cost of transportation, but Host Country support sometimes includes a portion of tuition and/or maintenance allowances as well.

AID/Mexico has established a target of 25% as the portion of training costs to be contributed by participants or their employers. However, project performance on the LAC II and CLASP II MDC programs has consistently exceeded the goal. Currently, host country contribution to training costs ranges as high as 80% and averages approximately 40% across all categories of participants.

Mexico's proximity to the U.S. and characteristics specific to its MDC status, make shorter training experiences feasible, and often preferable. This is reflected in the current CLASP II MDC project which permits attendance at conferences and short observation trips in addition to more traditional short and long-term technical training, or graduate academic programs.

Despite cost containment measures, the limited budget has not been able to stretch sufficiently to respond to the number of requests for academic training in the U.S. Since the beginning of the economic crisis in 1983, there has been a significant reduction in GOM support for graduate and undergraduate study outside Mexico, and requests to Usaid. for financial assistance have increased accordingly. Through special financial arrangements with U.S. institutions near the border (notably, the University of Texas at El Paso and several schools of the University of California system) Usaid./Mexico is able to stretch funds in order to make academic training in the U.S. available to a larger number of Mexicans. However, given the country's difficult economic situation, it is probable that the number of Mexicans interested and qualified to study in the U.S. will greatly exceed the number of scholarships available.

Under the MDC CLASP II contract, special emphasis is being placed on the recruitment and selection of women for training. Despite of the scarcity of women candidates in past years, USAID Mexico has achieved the CLASP target of 40% for female participation by continued targeting of recruiting efforts in all fields.

For the past four years USAID/Mexico has placed considerable emphasis on fostering job-and profession-related activities that would fall under the category of Experience America as defined under the current CLASP guidance. These include participation in local chapters of professional societies, special internships with local businesses and community organizations, joint authorship of scholarly articles with U.S. graduate students and faculty, collaborative research efforts with U.S. counterparts, leadership in campus organizations to help orient foreign students to the U.S., and residence with host families who share common professional interests. Given the availability of contacts with U.S. culture and the high percentage of previous U.S. travel and study among Mexican professionals, it is important that the programming of Experience America activities reflect and complement each participant's current understanding

of the U.S. For this reason it is very important to retain maximum flexibility in the degree and nature of Experience America activities to avoid activities which may appear professionally inappropriate, simplistic or patronizing.

USAID/Mexico has been particularly attentive to the need for effective cost containment throughout the life of the LAC I, LAC II and MDC CLASP II projects. The result has been one of the lowest cost (per participant month of training) training programs in USAID. For the MDC project, agreements with the University of California system and the expansion of the ongoing programs with Texas universities continue to help stretch training dollars beyond standard participant cost averages. Further, the most recent contract with Development Associates reduces the administrative cost for the MDC Program below previous levels.

USAID/Mexico continues to strive to program the required 10% of participants (new starts) through HBCUs. In a highly successful tailor made program at the Mississippi Consortium for International Development, a historic black college, 25 Mexican participants received training on environmental issues. Group training programs are also possible at the Mississippi Consortium for International Development in entrepreneurship, international trade as well as other sectors.

As the result of auditors recommendations, a Mission Order on Participant Training (The Thomas Jefferson Fellowship Program) was prepared. The Mission Order includes policies and procedures to ensure that training needs are specifically identified and linked to AID/Mexico program goals. These policies and procedures ensure that (a) training needs required to promote AID/Mexico's program goals are identified, (b) these specific training needs are provided to the training contractor, (c) the Country Training Plan is developed using these specific training needs and; (d) candidates are solicited countrywide. This Mission Order was reviewed by regional auditors and they concurred with AID/Mexico's responses to their recommendations.

The ADC Training Project is a key component of the USAID/Mexico program. Training creates a strong and enduring web of contacts between U.S. and Mexican academics, technicians, scientists, entrepreneurs and managers. It fosters bilateral partnerships in research, education, health and business enterprise and it has stimulated the development and transfer of appropriate new technologies in both directions across the United States and Mexico common border. The training also provides a valuable supplement to ITT and other programs by enabling Mexican counterparts to undergo training in support of specific project objectives.

Training, together with other activities, has long been the mainstay of the USAID/Mexico Program. In the context of

increased programmatic focus, training will be less of an end unto itself and more of a tactic to achieve USAID/Mexico's Strategic Objectives. Training is a key component of each Strategic Objective and the Targets of Opportunity. USAID/Mexico currently trains over 200 persons and that number may well increase, especially as the recently approved NAFTA agreement suggests additional needs. Relatively high-level training addresses a key developmental constraint in a number of areas in Mexico. Mexico's geographic proximity to the U.S. and gains in mutual understanding from cross-cultural exchange are other benefits inherent in training for USAID/Mexico.

The ADC Training Project completion date is August 30, 1995. Because of the importance of training for USAID/Mexico Program, USAID/Mexico will take the necessary steps to initiate a new training program to ensure the success of each Strategic Objective.

ACTIVITY/TITLE/ NUMBER	INITIAL FY	FINAL FY	TOTAL PROJECT COST	CONTRIBUTION COMPLETION FY1994	PLANNED OBLIGATIONS FY1994	CUMULATIVE OBLIGATIONS TO DATE	ESTIMATED COMPLETION DATE	ACCUMULATED EXPENDITURES (CUMULATIVE) YEAR	RECORDED EXPENDITURES YEAR	PIPELINE	PIPELINE	AGE OF PIPELINE MARK IF COLUMN (H) 15-2501 EQU YEARS AFTER INITIAL FY	AGE OF PIPELINE MARK IF COLUMN (H) 15-2501 EQU YEARS AFTER INITIAL FY	ACCUMULATED EXPENDITURES	UNCOMPLETED OBLIGATIONS	AGE OF PIPELINE MARK IF COLUMN (H) 15-2501 EQU YEARS AFTER INITIAL FY	ACCUMULATED EXPENDITURES	UNCOMPLETED OBLIGATIONS
Application of the AIDS Ed. between FY93-93	93	93	\$129,820.00	In-kind	\$0.00	\$129,820.00	06/30/94	\$0.00	\$29,487.00	\$28,899.00	0.2266179407			79,03882359				
Canada Commercialization in CA - Amerit Equip 3000	93	93	\$39,000.00	In-kind	\$0.00	\$39,000.00	07/31/94	\$17,500.00	\$17,500.00	\$21,500.00	0.5523131012			44,76848299				
AIDS Education and Prevention Activities - FY94	91	93	\$134,681.00	In-kind	\$0.00	\$134,681.00	08/31/94	\$83,500.00	\$34,780.00	\$51,181.00	0.3802168339			61,9635166				
Pharmacist/Analyst Education E.M.F.A.P. - 2018	92	93	\$98,728.00	In-kind	\$0.00	\$98,728.00	09/19/94	\$36,540.00	\$12,840.00	\$42,180.00	0.42731545234			57,26845474				
P.O. Porter Howell	92	93	\$58,481.00	N/A	\$0.00	\$58,481.00	08/16/94	\$34,861.00	\$11,887.00	\$23,670.00	0.40389185231			59,61891277				
Fremle Comm vs. SIDA	93	93	\$18,027.00	In-kind	\$0.00	\$18,027.00	09/30/94	\$1,460.00	\$1,460.00	\$16,567.00	0.91901037333			8,098952667				
TOTALS			\$496,935.00		\$0.00	\$496,935.00		\$284,791.00	\$107,874.00	\$184,944.00			\$301.78					
Community Medical Units FY94 - 0015	90	90	\$110,181.00	In-kind	\$0.00	\$110,181.00	03/31/94	\$297,234.00	\$34,850.00	\$12,927.00	0.04167566679			93,83243332				
Establishment of 20 Consultant Consultation, REFIRM - 1085	91	92	\$194,600.00	\$25,084.05	\$0.00	\$194,600.00	10/31/93	\$170,000.00	\$59,000.00	\$26,580.00	0.13530010733			84,6499883				
Social Marketing of Condoms	93	93	\$38,123.00	In-kind	\$0.00	\$38,123.00	09/20/94	\$0.00	\$0.00	\$38,123.00				0				
Social Marketing of Condoms	93	93	\$36,254.00	In-kind	\$0.00	\$36,254.00	09/20/94	\$0.00	\$0.00	\$36,254.00				0				
Disposal of Expired Condoms REFIRM 3033	93	93	\$12,643.00	In-kind	\$0.00	\$12,643.00	09/30/94	\$0.00	\$0.00	\$12,643.00				0				
TOTALS			\$993,801.00		\$0.00	\$993,801.00		\$467,234.00	\$93,650.00	\$126,547.00			79,6886159					

ACTIVITY/TITLE INITIAL CHRG TOTAL PROJECT CONTRIBUTION PLANNED CUMULATIVE ESTIMATED ACCRUED ACCRUED UNCOMMITTED
 NAME FT FT COST CONTRIBUTION OBLIGATIONS OBLIGATIONS TO DATE DATE DATE (CUMULATIVE) REPORTING YEAR PIPELINE PIPELINE BALANCE
 E) FUNCTIONAL ACCOUNT PRIVATE SECTOR, ENVIRONMENT, ENERGY

Youth Conservation Corps Partners of the Americas 93 93 8750,000.00 80.00 8750,000.00 09/30/98 80.00 8750,000.00 79,837,043.73
 Improved Env. Planning 90 94 8190,832.00 In-kind 845,000.00 815,032.00 09/28/94 897,500.00 827,950.00 821,332.00 0.1280258314
 P.O. M.B.C.A. 1994
 Trog. Tech. Training (Trails 90 91 847,300.00 In-kind 80.00 847,200.00 08/29/94 832,000.00 82,600.00 815,200.00 0.3301389831
 1989M 1994
 M.L.P.B. P.O.M 82261 92 94 8199,478.00 N/A 559,601.00 899,478.00 08/31/94 828,259.00 89,000.00 813,217.00 0.4402618285
 P.D. Lantz Ford 93 93 824,430.00 N/A 80.00 824,430.00 07/29/94 816,300.00 88,130.00 88,130.00 0.3333333333
 191465 91,811,950.00 8124,601.00 8400,050.00 8187,039.00 854,810.00 839,809.00 8240.72

SECTION III) MANCOTICS DEMAND REDUCTION
 Info Campaign vs. Buy Abuse 89 91 890,030.00 In-kind 80.00 890,430.00 12/31/93 862,640.00 819,728.00 826,980.00 0.29780423908
 Fund. Narrative 1012
 Support to FEWP and other 91 93 8287,819.00 N/A 80.00 8287,819.00 06/30/94 8187,900.00 846,800.00 879,919.00 0.29810615979
 Buy Prevention Program in Mexico - Development Associates, Inc. 20008
 Youth Initiative Services 90 92 899,313.00 810,240.00 80.00 899,313.00 11/30/94 841,970.00 82,208.00 857,243.00 0.3782460583
 CDM 2034
 Narratives Demand Red. - FEWP 87 93 81,810,106.00 8106,291.00 80.00 81,810,106.00 09/31/94 81,745,000.00 816,441.00 845,108.00 0.0386912440
 2005 197465 82,208,430.00 80.00 82,208,430.00 82,048,516.00 882,242.00 8279,566.00 8278.96

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 CDM 2034
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ACTIVITY/TITLE INITIAL CHRG TOTAL PROJECT CONTRIBUTION PLANNED CUMULATIVE ESTIMATED ACCRUED ACCRUED UNCOMMITTED
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 CDM 2034
 Narratives Demand Red. - FEWP 87 93 81,810,106.00 8106,291.00 80.00 81,810,106.00 09/31/94 81,745,000.00 816,441.00 845,108.00 0.0386912440
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ANNEX 6

NOVEMBER 1993-SAR

COUNTRY REPORT (MEXICO)

I. Country Portfolio Overview

A. General

The Mexico program continues to consolidate and coalesce around three strategic objectives - relative to the North American Free Trade Agreement (NAFTA) support, Global Climate Change and Population - and one "target of opportunity" (AIDS prevention). Support for other activities, such as child survival and drug prevention, is being phased out.

Factors influencing the program status in this period include:

- political course of NAFTA and the side agreements on environment and labor (NAFTA approved by the US House on 11-17-93);

- major additions in late 1993 to the GCC/E/E effort, e.g. \$4.0 million renewable energy development;

- \$20.0 million for a Mexican Conservation Fund, both intended to meet the Agency's commitment to the Global Environment Facility (GEF); and

- start-up of the revised Population strategy with new operational models being used under its public and private sector components.

Recent increases in support for the NAFTA and parts of the GCC/E/E program elements are made possible through expanded use of PASAs with other USG agencies that offer technical expertise needed in Mexico. PASA expenditure rates and billing procedures are surfacing as a pipeline issue. USAID/Mexico is addressing the problem in-country and requests USAID/W follow-up in Washington (IIC below).

B. Strategic Fit and Impact

This Section summarizes the Mexico program fit to approved strategic objectives (SOs) and to Agency priorities: namely Economic Growth, Environment, Reduced Population Growth and improved Health, and Democracy. The following USAID/Mexico strategic objectives directly relate to three of the Agency priority areas. USAID/Mexico also supports the "Democracy" priority through support to Mexican NGOs and PVOs, representing more than 85% of the USAID/Mexico budget. Principal issues and recommendations are noted along with success stories. Detailed supporting material is annexed.

1. Economic Growth. SO No. 1 is: Support the adoption and successful implementation of the North American Free Trade Agreement (NAFTA). Annex A contains a listing of projects and their fit with this SO.

SO No. 1 recognizes trade liberalization as a strong path to broadly-based economic growth. In the Country Team context, USAID support focusses on removing obstacles to the adoption and implementation of NAFTA. This involves building Mexican capacity in key legal and regulatory areas relevant to a free trade environment. For example: streamlining of the GOM's patent and trademark application and protection process; development and enforcement of Mexican laws and regulations for assessing and mitigating environmental impacts resulting from NAFTA, including development of a US/Mexico Border Environmental Plan; technical cooperation and exchange relative to labor laws, labor statistics, informal sector, etc.; and other areas. USAID support emphasizes human resource development and the empowerment of Mexicans to take up their proper role in a free trade environment. An example of the equity dimension of such empowerment has been the training of Mexican fisherman in techniques for excluding sea turtles and dolphins from the fish catch, thus avoiding embargoes of their production (and associated loss of income) and political friction.

USAID support has contributed to the adoption of NAFTA through progress in Mexican capacity building and human resource development. Over time, NAFTA is expected to make a major contribution to the reduction of poverty and the increase of social access in Mexico, principally through job creation. Although it is being phased out, microenterprise assistance is shown as a secondary source of support for NAFTA. (See IIE below.)

A principal policy issue relative to the economic growth objective in Mexico is how long and to what extent USAID should assist the implementation of NAFTA. The main projects supporting the NAFTA process are PASAs with other USG agencies; these have been extended through 1994. NAFTA is also supported through many of AID/Mexico's training and technical exchange/cooperation activities. Now that NAFTA has been adopted, this policy issue should be taken up by USAID/Mexico and USAID/W during the next Action Plan review (follow-up item).

2. Environment. SO No. 2 is: Reduce destruction of biomass and burning of fossil fuels in target areas/activities (to reduce CO2 emissions). It covers activities which reduce deforestation in Mexico, thus indirectly benefiting biodiversity conservation. Annex B contains a listing of projects and their fit with this SO. Recent addition of the Mexican Conservation Fund to the portfolio indicate the need for a SO that more directly supports conservation of biological diversity. USAID/Mexico and USAID/W need to collaborate to this end (follow-up item).

Meeting the Agency's commitment to the global environment (i.e. issues in global climate change, forest and biodiversity conservation, international pollution) comprises a crucial and growing element in USAID/Mexico's portfolio. Through the Environmental/Global Climate Change project, the primary focus has

been on the reduction of carbon dioxide emissions which may contribute to global climate change. CO2 emissions reduction is achieved through activities in: 1) renewable energy and energy efficiency; and 2) forest conservation through protected areas and buffer zone management. The integrated sustainable development approach being implemented in the protected areas and buffer zone management projects simultaneously conserves natural resources, and benefits the local community by fostering sustainable development and environmentally sound economic activities (i.e., population, health, microenterprise development, increased forest resources, improved soil conservation, flood control through forest management, etc.).

International pollution issues are also addressed in USAID/Mexico's environment portfolio. Current NAFTA-related environmental activities, often in conjunction with the EPA, address international, cross-border air and water pollution issues, as well as improve the local human and natural environment.

Finally, because Mexico is one of the world's few "mega-diversity" countries, the Mexican Conservation Fund is being established to provide sustainable funding for biodiversity conservation.

3. Population. SO No. 3 is: Increased contraceptive prevalence in target areas and increased sustainability of Mexican Family Planning NGO's. It includes activities which support the expansion of clinical family planning services in specific geographic areas, improved family planning communications, increased participation of private-sector service providers, and increased financial independence of Mexican NGO family planning agencies. Annex C provides a listing of projects and their fit with this SO.

Until recently, USAID channeled population assistance to Mexico via a multitude of large and small projects (over 60 in 1991), each of which had specific objective(s), including research, family planning service delivery, data collection, demographic analysis, and communication. A key change called for by the new population strategy is the focus and consolidation of USAID resources on a reduced number of projects in specific areas of Mexico.

With the exception of a small number of activities funded under the LAC Regional ITT project (audits, USPSCs, etc.), most of the activities under the new strategy are funded by R&D/Population. A relatively small number of U.S. grantees and contractors (cooperating agencies) funded by RD/POP in conjunction with USAID/Mexico participated in the design and negotiation of the family planning projects listed in Annex C (with the exception of activities which were negotiated prior to the implementation of the new strategy) and executed direct agreements with appropriate Mexican implementing agencies. Progress toward achieving overall program objectives is closely monitored by a team composed of USAID/Mexico and all RD/POP-funded cooperating agencies working in

the area of population in Mexico.

The achievement of the program's objectives within the 5-7 year planned time frame will require an unprecedented level of coordination/collaboration among Mexican implementing agencies, U.S. cooperating agencies and USAID. During that period, USAID intends to "phase out" of its lengthy involvement in Mexico's population program, but in a manner which will facilitate the long-term impact and sustainability of the Mexican program.

3a. AIDS. USAID/Mexico's goal to reduce the transmission of AIDS in Mexico also falls under the Agency priority area of Population and Health. The straightforward strategy concerning AIDS is to educate Mexicans about its causes and prevention. See Annex F for summary success stories.

4. Other. Annex E contains a list of projects not falling under objectives 1 through 4 above, along with planned closeout dates.

C. Financial

The Mexico portfolio was traditionally comprised of numerous and small, annualized project activities, corresponding with an earlier "patches of green" strategy. This has been changing. USAID/Mexico is reconciling past activities to get them off the books and planning the closeout of projects not fitting within the strategic framework of the SOs. Recent project additions are larger and of longer duration, e.g. the PASAs under SO No. 1, the Mexican Conservation Fund under SO No. 2 and grants to NGOs under the Population SO No. 3. A pipeline problem is emerging under the PASAs supporting NAFTA (follow-up item for both USAID/Mexico and USAID/W). Other and minor pipeline issues are generally handled through annual funding adjustments according to project need.

Future program design in Mexico should continue to be broad in scope and suited to the given SO. Where feasible, several or all project and sub-project activities should be placed under a single SO umbrella whereby multiple obligations may be made from one design and funding authorization. This will help to control the number of separate "new starts" and save on project administration costs and units of management. USAID/W can facilitate this with more timely, predictable funding allotments for the operating year.

II. Special Topics and Performance Highlights in 1993

A. Portfolio Performance in the Strategy Priorities.

See Section IB above. Further information on 1993 highlights in program performance is summarized below.

1. Economic Growth: SO No. 1 NAFTA Support. The main

achievement here has been the adoption, in November, of the NAFTA by all participating countries. USAID contributions are per IB1.

2. Environment: SO No. 2 GCC/E/E. The main 1993 highlights here include:

* (E/GCC project) Improved management of 6 million hectares of tropical forest: Initiation, development and/or completion of environmental and socioeconomic baseline studies, workplans, and sustainable microenterprise and non-traditional alternative crops activities in and around reserve areas in SE Mexico.

* (E/GCC project). Development and/or completion of workshops and case studies by the Environmental Law Institute, FUNDEA, and EPA Corvallis, which address environmental policy and legal constraints to environmental protection and forest conservation, and links between land-use patterns and policy on CO₂ emissions, respectively.

* Expected obligation of \$20 million to capitalize an endowment to conserve Mexican biological diversity. USAID/Mexico, with leadership from the World Wildlife Fund, initiated a project to support and provide initial capitalization for the Mexican Conservation Fund (MCF). The MCF, a new Mexican NGO which will administer the endowment, is also expected to receive support from GOM, donors and private foundations.

* (ITT). Initiation of the Youth Conservation Corp for Mexico in conjunction with the NGO, Partners for the Americas. Ten partnerships between Mexican and US groups have already developed and the Canadian government is interested in participating.

3. Population: SO No. 3. Principal highlights in FY 1993 include:

- * MOU signed between USAID and the GOM to expand cooperation in family planning;
- * GOM purchased 50% of program requirements for pills, condoms and IUDs (as agreed) in 1993;
- * USAID/Mexico stated goals - program consolidation, geographic concentration and GOM commitment to increase budget for family planning following a 5-7 year phaseout of USAID funding achieved;
- * First time implementation of the SDES funding mechanism, which is intended to transfer bulk funding to "mature" recipient countries at a significant cost savings to the USG.

3a. AIDS Prevention. Strong progress has been shown in local participation and action this year. For example, in Oaxaca, the

local artictic community mobilized in support of a USAID-funded project on AIDS education with a local PVO. A theater group donated the proceeds from one of its performances, and Oaxacan artists held an auction of their work to benefit the project. Another case is under a condom commercialization project in a Mexican border city where sex workers are becoming effective salespeople for condoms, receiving a percentage of their sales.

B. Performance Indicators. The principal issue concerning indicators is under SO No. 2, GCC/E/E. Per IB2 above, USAID/Mexico and USAID/W need to modify this SO and associated indicators to better account for biodiversity objectives under expanded project assistance.

Indicators are generally used and useful at USAID/Mexico. One practical proxy indicator is the extent and rate of acceptance of project objectives by Mexican implementing entities. This is a traditional strength of the USAID/Mexico program. Country acceptance or "Mexicanization" of project approaches helps assure long-term attention to technical performance indicators.

C. Reinventing AID. More than most, the Mexico program requires close collaboration between USAID/Mexico and USAID/W. This need extends from PASAs supporting NAFTA, the GCC/E/E and Population elements of the program, much if not most of which are centrally-funded. The establishment of e-mail facilities at USAID/Mexico would greatly facilitate this collaboration as well as information exchange with Washington.

D. Rightsizing. Mexico has been designated as a "global" objectives program.

E. Microenterprise. Per IB1, microenterprise assistance (as an element of NAFTA support) is being phased out of the Mexico program. Annex G contains a summary of microenterprise program experience. Numerous small producer activities continue to be developed under the E/GCC program. For example, in La Selva Lacandona of Southern Mexico, one of Conservation International's sub-activities is microenterprise development for extractive reserves, butterfly management and crafts production. This endeavor represents a sustainable use of rain forest resources, and marries microenterprise development with rain forest conservation.

F. Donor Coordination. Appropriate coordination with other donors in Mexico has been internalized within USAID/Mexico's approach. For example, the UNFPA is frequently consulted concerning population matters. USAID NAFTA support in developing the Border Plan for the Environment helped attract a large World Bank-Mexican loan and investment program in border infrastructure. A new GEF Renewable Energy project will leverage extensive World Bank and GOM follow-up funding estimated in \$200 Million. The Mexican Conservation Fund will likely combine USAID, GOM, and

private foundation support to conserve Mexican biological diversity. Finally, it is noted that Mexico will soon be a member of the OECD and a donor country itself.

G. NGOs and PVOs. USAID/Mexico has traditionally relied heavily on NGOs and PVOs for program development and implementation. It is anticipated that 85% of the FY'94 USAID/Mexico budget will support local Mexican NGO and PVO activities. This has given the program a notably self-help, grass-roots orientation and acts, de facto, to advance democratic development in Mexico by integrating it throughout the portfolio. Additionally, in October we began supporting civic participation through the National Democratic Institute, including election conferences and observer training in selected locations throughout Mexico.

F. The SAR Process. This SAR report was prepared in the midst of a busy, engaged USAID operation. A draft was developed with staff, reviewed with the AIDREP and left for finalizing prior to the AIDREP's TDY to USAID/W in early December.

Annexes:

- A. Program Fit with NAFTA SO No. 1 (Economic Growth)
- B. Program Fit with GCC/E/E SO No. 2 (Environment)
- C. Program Fit with Population SO No. 3 (Population)
- D. Program Fit with AIDS Objective
- E. Closeout Projects
- F. Success Stories
- G. Microenterprise Experience in Mexico

Program Fit with NAFTA SO No. 1 (Economic Growth) (000s)Strong Fit

PASA - Labor Issues (\$1195)
PASA - Intellectual Property Rights (\$500)
PASA - Environmental Protection Agency (\$697)
PASA - Plant/Animal Health (\$100)
PASA - Food Labeling (\$51.6)
To add: PASA with National Marine Fisheries (\$100)
ADC Training (with FY93 funding \$400)

Secondary Fit

Microenterprise Incubator (\$186)
ECE (\$28)

Sub-total: \$2775.6

Program Fit with GCC/E/E SO No. 2 (\$000s): FY'93 ENVIRONMENT

<u>a) Strong</u>	<u>FY'93</u>	<u>LOP</u>
Global Climate Change Project	7,011	17,511
(Renewable Energy &		
Energy Efficiency)	(4,748)	(6,533)
(Deforestation Reduction)	(1,509)	(7,930)
(Policy, Studies, T&A, Training)	(754)	(3,051)
<u>b) Secondary</u>		
ITT NAFTA (Technical Coop./Training)	766	2,373
ITT Other Environment	429	742
LAC Regional ESP Biodiversity	131	423

Total:	8,337	21,049

Note that in FY'94, \$20 Million will be dedicated to a BIODIVERSITY project via the Mexican Conservation Fund

<u>Activity</u>	<u>FY'93 (\$000s)</u>	<u>LOP (\$000s)</u>
1. Environment/Global Climate Change (598-0784)		
a) Calakmul Biosphere Reserve	000	329
b) Improved Environmental Planning and Management in Mexico	49	183
c) Conservation of Tropical Forests in Southern Mexico	000	37
d) Conservation Internation Debt for Nature Swap: Selva Lacandona and Montes Azules Biosphere	250	1077
e) Conference: Global Climate Change	000	15
f) Mexico Tropical Forestry Action Plan	250	700
g) Climate Change Policy Studies (ELI)	200	465
h) ADC Training in E/GCC	205	592
i) Northern Border Wildlands	160	480
j) Buffer Zone Management in Southeastern Mexico: Ecodevelopment	792	3705
k) Reforestation of Monarch Habitat	67	67
l) Parks in Peril (TNC) buy-in	000	2254
m) Land Use Patterns & Greenhouse Gas Emission, Southeast Mexico	200	400
n) Renewable Energy Development	4000	4650
o) Training in Renewable Energy & Energy Efficiency	350	650
p) Demand Side Management for Energy	000	1233
q) E/GCC PSC	88	694

TOTAL for E/GCC	7011	17509

<u>Activity</u>	<u>FY'93 (\$000s)</u>	<u>LOP (\$000s)</u>
2. Inter-Country Technology Transfer (598-0616)		
<u>NAFTA-Related</u>		
a) Report on Integrated Border Plan	000	24
b) Youth Conservation Corp/Mexico	200	750
c) Marine Turtle and Marine Mammal Conservation (Training/TA)	100	199
d) EPA (World Environment Center & Environment Training)	400	1400
<u>Other Environment</u>		
a) Silvo-Pastoral & Reforestation Demonstration (AGROSOLO)	000	75
b) Turtle Excluder Device (TED) Training and Development	000	47
c) Improved Environmental Planning and Management (FUNDEA)	42	191
d) USAID/Mexico Environmental Assessment PO for E/GCC	24	24
e) ADC Training	405	405

ITT SUB-TOTAL	1171	3115
3. Environmental Support Project (598-0780)		
a) PSC Global Climate Change Advisor	88	166
b) Conservation Planning & System of Protected Areas in Sonora	000	126
c) Casas Grandes Reserve for Biodiversity Protection, Chihuahua	56	56
d) Mexican Conservation Fund Initiation	75	75

ESP SUB-TOTAL	219	423
4. R&D/E&I Energy Efficiency Project (936-5743)		
a) Environmental Specialist EPA/Mexico	45	90
b) Energy Advisor (USAID/Mexico)	55	110

TOTAL R&D/E&I Energy Efficiency	100	200

Annex C

Strategic Objective No. 3: Increased Contraceptive Prevalence in Target Areas and Increased Sustainability of Mexican Family Planning NGOs.

Table: Portfolio Fit with S.O. No. 3 Outputs

Projects (No.\Name (Amount in thousand/FY)	Output #1	#2	#3
STRONG FIT			
1. Extension of Reproductive Health and Family Planning Services in SSA (\$1,664/93)	XX		
2. Extension of Reproductive Health and Family Planning Services in IMSS (\$1,376/93)	XX		
3. Extension of Reproductive Health and Family Planning Services in ISSSTE (\$341/93)	XX		
4. Support and Extension of No-Scalpel Vasectomy Services in ISSSTE (\$253/92)	XX		
5. Expansion of Post-Partum Contraceptive Services and Counseling at ISSSTE (\$243/92)	XX		
6. Training of Trainers in No-Scalpel Vasectomy (\$50/93)	XX		
7. Communication Project in Family Planning with CONAPO (\$584/93)	XX		
8. Support to Improve the Management Capability and Sustainability of FEMAP (\$800/93-94)			XX
9. Support to Improve the Management Capability and Sustainability of MEXFAM (\$2,227/93-94)			XX

Annex C-2

Table: Portfolio Fit with S.O. No. 3 Outputs

Projects		Output #1	#2	#3
(No.)	Name (Amount in thousand/FY)			
STRONG FIT				
10.	Management-Level Workshop to Increase FEMAP's Use of Social Marketing Techniques to Promote Family Planning Services (\$36/93)		XX	
11.	Management-Level Workshop to Increase MEXFAM's Use of Social Marketing Techniques to Promote Family Planning Services (\$34/93)		XX	
12.	Total Quality Management with MEXFAM (\$53/91-94)		XX	
13.	Foundations for Sustainability with FEMAP (\$45/92-93)		XX	
14.	Cost Effectiveness Analysis of Sustainability Strategies in Private Family Planning Programs (\$47/92-93)		XX	

(A specific condition in our collaborative agreement with the GOM refers to the GOM's intention to promote an increase in the amount of funding provided by federal and state governments for family planning programs.)

SECONDARY FIT

1.	Memorandum of Understanding to Improve the Management Capability and Quality of SSA's Family Planning Program (\$72/93)	XX		
2.	Study of OC Initiation Among Lactating Women (\$90/93)	XX		
3.	Prospective Condom Aging Study (\$0)	XX		

4. OC Knowledge and Practices of Rural Midwives and their Recent OC Acceptors (\$72/92-93) XX

Annex C-3

Table: Portfolio Fit with S.O. No. 3 Outputs

Projects (No.\Name (Amount in thousand/FY)	Output #1	#2	#3
SECONDARY FIT			
5. Testing of New OC Instructions (\$8/92)	XX		
6. Study on Condom Use/Misuse in Mexico (\$8/92-93)	XX		
6. Evaluation of the Follow-up Schedule for IUD Acceptors (\$6/92-93)	XX		
7. Advanced Developing Country (ADC) Training Program	XX	XX	XX

Fit of AIDS Activities to Purpose Statement

S.O. 3 (Population and Health): Reduce the transmission of AIDS.

Strong Fit

AIDS Prevention Education w/Pharmacists and Adolescents
598-0616.23-523-3032 (\$57,310)

Development of a National Communication Strategy for AIDS
Prevention - P.O. MEX-523-0038 (\$11,807.44)

T.A. for the Design of Radio and TV Materials for AIDS
Prevention - P.O. MEX-523-0037 (\$23,614.89)

AIDS Education Outreach with Sex Workers in Tijuana
598-0616.23-523-3031 (\$54,828)

Impact and Evaluation of Condom Commercialization in Mariscal
Area of Cd. Juarez - 598-0616.23-523-3008 (\$39,090)

AIDS Education in Oaxaca State - 598-0616.23-523-3030 (\$18,027)

Close-Out ProjectsChild Survival Projects

Promotion of Oral Rehydration Therapy, by 12/31/93.

Inter-Agency Cooperation in National Immunization Program, by 9/30/93.

Buy-In to the Accelerated Immunization II Project, by 12/31/93.

Buy-In to PRITECH Project, by 12/31/93.

Drug Prevention Projects

Demand Reduction on U.S./Mexico Border (FEMAP), by 12/31/94.

Narcotics Education and Awareness buy-in (Development Associates), by 12/31/94

Drug Prevention in Mexico City (Fundacion Murrieta) by 12/31/94

Youth Networks (CORA) by 12/31/94

USPTC Research Grants

Anti-E. Histolytica, UNAM, by 12/31/93.

Applications Search for Small-Scale Farming, by 12/31/93.

Genetic Information on Rhyzobium, UNAM, by 12/31/93.

Cregas, SLP Adaptation to Salt and Water Stress (150), by 7/1/97.

CP Centro de Edatologia - Recalamatum using Erosion Reduction Technology (150), by 8/30/96.

Success Stories**AIDS Spanish Communications to be Used in U.S.:**

A.I.D./Mexico is supporting technical assistance to CONASIDA (National AIDS Prevention Council) for development of an AIDS communication plan, including the design of TV spots for AIDS prevention. The National AIDS Clearinghouse (NAC) in the U.S., which is supported by CDC, makes available materials on AIDS for use in local media. Starting in December, 1993, the NAC will offer CONASIDA's AIDS prevention spots to Spanish-speaking audiences in the U.S. through NAC's distribution channels.

AIDS Training Activities Used Elsewhere in LHC:

In Mexico, pharmacy workers represent a critical population for AIDS prevention training because of the important role they play in treating sexually transmitted diseases and providing contraceptives. In 1990, the Mexican Institute for Family and Population Research (IMIFAP) began research on the potential of pharmacy workers as providers of HIV/STD education in Mexico City. Based on this research, IMIFAP developed and tested a training program for pharmacy workers. With funding from USAID, materials to support the training program, including a video for pharmacists, were designed and evaluated. CONASIDA, the National AIDS Prevention Council, was so impressed with the video that it plans to use it in a nationwide training program to be carried out in every state. In addition, organizations in Peru and Chile wish to acquire copies of the video, and Chile was requested that IMIFAP provide a complete training seminar.

Training Mexican Fishermen to Protect Turtles/Dolphins:

Over the period of 1990-1993 AID/M funding went to support the National Marine Fisheries Service (NMFS) to provide training, technical assistance (for operation and construction of TEDs) and research for the development and promotion of improved TEDs technologies throughout the Mexican shrimp industry. On February 24, 1993 Mexico's Secretary of Fisheries (SEPESCA) promulgated an emergency ruling requiring the mandatory use of SEPESCA-approved turtle excluder devices (TEDs) on all trawling nets aboard commercial shrimp fishing vessels operating in the Gulf of Mexico and the Caribbean. The Law, which went into effect on April 1, 1993, significantly advanced sea turtle protection and helped to avert a potential U.S. embargo on Mexican shrimp.

AID/Mexico has provided funding during 1991-1993 to NMFS to support tuna observer training. Porpoise protection efforts conducted by

the Mexican tuna fleet intensified considerably thereafter and new dolphin conservation measures were implemented. By the end of 1991,

Annex F-2

purse-sein tuna boats achieved 100 percent observer coverage. By 1993 increased dolphin conservation efforts are producing encouraging results; mortality rates have been reduced considerably.

NAFTA and the Environment:

Over 50 USAID-funded activities under ITT, Population, Environment/Global Climate Change, and Child Survival indirectly support NAFTA and EPA/SEDESOL environmental protection and mitigation efforts. One good example is the FEMAP community development program that has led to air quality improvements in Ciudad Juarez, sister city to El Paso, Texas. This project, which has retrofitted more than 90 brick kilns to use clean natural gas, evolved from USAID seed grants for "Safe Water" and Micro-Enterprise and Employment Generation" during 1988-1991.

Youth Conservation Corp in Mexico:

Through a grant to the NGO, Partners of the Americas, USAID/Mexico supported the initiation and continued development of a Youth Conservation Corp in Mexico. Conservation corps are structured youth groups working under the auspices of existing youth or environmental organizations. Youth conservation groups have a reputation for providing "hands-on" educational, work experience which greatly improve local environments and preserve fragile ecosystems. In this vein, the Mexican program is expected to support E/GCC activities in forest conservation and buffer zone management. Already, 10 partnerships have been formed between Mexican and U.S.-based Corp groups, and the government of Canada is interested in developing this into a trilateral program. This program is also being supported by private international development organizations, the Mexican NGO Pronatura (Yucatan), the private sector (Nestles and Kodak have expressed interest), and environmentally concerned citizens.

Renewable Energy Helping Rural People and the Environment:

USAID/Mexico and the U.S. Department of Energy (DOE) are cooperating in a program to promote renewable energy (i.e., wind, solar, small-scale hydro) for socially and commercially productive uses in rural Mexican communities. These uses include: water pumping for potable water supply, livestock watering, small-scale irrigation, ice-making and refrigeration, small-scale food processing, and ecotourism applications. This project will allow

rural Mexicans access to energy services which are currently unavailable due to insufficient infrastructure and the prohibitively high cost of access to electric grids. It will reduce the emissions of CO₂ and other atmospheric pollutants by substituting clean renewable energy sources for polluting diesel

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fuel or unsustainably harvested wood. In addition, the U.S. renewable energy industry should benefit greatly from the increased adoption of these technologies. This project helps the Agency meet its commitment to the Global Environment Facility (GEF), and serves as a pilot to leverage further renewable activities funded directly by the GOM (\$100 Million) and through a World Bank loan (an additional \$100 Million).

GOM CO-Supports USAID Family Planning Activities:

In June, 1992, USAID/Mexico signed a landmark agreement with the GOM in the form of a Memorandum of Understanding, in which the two parties agreed to "expand cooperation in areas which will promote, through family planning activities, the health and well-being of low-income populations" in specific geographic areas. In carrying out the purpose of the agreement, USAID agreed to provide technical assistance, training, and limited commodity costs required to establish an institutional basis for extending the GOM's family planning program to underserved areas, if the GOM would be prepared to assume full responsibility for the recurrent costs of the program upon the termination of USAID funding. After a year of coordinated planning among the GOM, USAID-funded cooperating agencies, and USAID, we are seeing impressive results. The GOM purchased 50% of their program requirements for pills, condoms and IUDs in 1993 (as agreed), and fully intends to purchase 75% of these needs in 1994. The Secretariat of Health has officially decided to use a model created by CORA (an ex-grantee of USAID/Mexico's) for its national Adolescent Fertility Program, including GOM funds to support the operational costs of that organization. We have witnessed unprecedented levels of coordination among the four, separate GOM implementing agencies as well as among USAID-funded cooperating agencies working in Mexico. At this juncture, USAID/Mexico is clearly moving in the right direction to achieve its stated goals in the area of population.