



# **USAID/MEXICO**

## **ACTION PLAN**

**FY 1996 - 1997**

**March 1995**

**TABLE OF CONTENTS**  
**USAID/MEXICO ACTION PLAN**  
**FY 96-97**

<b>Section I.</b>	<b><u>STRATEGY OVERVIEW</u></b>	<b>Pages 1-3</b>
<b>Section II.</b>	<b><u>PERFORMANCE REPORT</u></b>	
	Highlights from Mexico	4
	Strategic Objective No. 1 Narrative	5-6
	Table 1	7-8
	Table 2	9-12
	Strategic Objective No. 2 Narrative	13-15
	Table 1	16-17
	Table 2	18-29
	Strategic Objective No. 3 Narrative	30
	Table 1	31-33
	Table 2	34-40
	Other Activities:	
	No. 1: HIV/AIDS	41
	No. 2: Democracy/Human Rights	42
	No. 3:	
	Country Training Plan	43-45
<b>Section III.</b>	<b><u>1996-97 PROGRAM PLANS AND RESOURCE REQUIREMENTS</u></b>	
	Strategic Objective No. 1 Narrative	46-47
	Table 5	48
	Strategic Objective No. 2 Narrative	49-54
	Table 5	55
	Strategic Objective No. 3 Narrative	56-57
	Table 5	58-59
	Table 3 (Table III ABS)	60-63
<b>Section IV.</b>	<b><u>FY 1996-97 PROGRAM MANAGEMENT REQUIREMENTS - WORKFORCE/OE</u></b>	
	Table 4	64
<b>Section VI.</b>	<b><u>SPECIAL REPORTING REQUIREMENTS</u></b>	
	Section 118-119 Tropical Forestry/Biodiversity	65

## I. STRATEGY OVERVIEW

MEXICO, southern neighbor of the United States, and one of the most important countries in the Americas, has undergone profound changes over the last year. Startled by insurrection in the south; rocked by political assassinations; subject of the world media focus during the August, 1994, presidential elections; proud of its movement toward first world acceptance and newly developing reputation for supporting democracy and reform; shattered by failure of investor confidence; humbled, and divided on the need for outside financial assistance.

What do these monumental changes portend for the future of development programs in this vast land which is the nexus between North and South America? Now, more than ever, Mexico will benefit by the presence of USAID.

The goal of broad-based, sustainable economic growth has been pursued in the context of legal and regulatory frameworks. The fruits of NAFTA will only be available to countries which have the tools and knowledge to navigate the sea of rules and regulations which are part of free trade. Current and proposed projects are squarely in keeping with issues articulated in the Summit of the Americas Plan of Action. Specifically, these include an observance and promotion of worker rights and workplace safety, protection of intellectual property rights, and dissemination of information relative to sanitary and phyto-sanitary standards and procedures.

USAID/Mexico seeks to truly engage host country institutions in the development of activities which will have the greatest return on investment in the shortest possible timeframe. A prime example of the success of this approach is found in the collaboration of USAID, the United States Patent and Trademark Office (USPTO) and the Mexican Industrial Property Office (MIPO). USAID funding has enabled USPTO to provide training and technical assistance to MIPO over the last three years. During this time, an 8-10 year backlog of patent applications has been brought current. This programmatic success is made even sweeter by the unanticipated secondary result that as a result of processing this backlog of applications, over 10,000 patents were ultimately issued to U.S. interests.

To be truly sustainable, however, economic growth does not stand alone. The Summit Declaration states: "Democracy and development reinforce one another." Toward that end, USAID/Mexico is continuing to work with the Mexican Government, non-governmental organizations and the private sector to encourage legislative and judicial exchanges as well as technology transfers, particularly technological innovations related to elections. A unique opportunity exists in Mexico to support the climate of reform which is critical to the success of every other initiative.

In the past, most developing countries ignored the environmental degradation which seemed to be an inevitable concomitant of growth. Today, however, we realize that this thinking is faulty and hazardous. Environmental conditions in Mexico City testify that uncharted and unchecked growth, together with outdated and inefficient industrial practices, amount to a prescription for disaster. USAID/Mexico's environmental program has a multi-pronged strategic focus. Mitigation of global climate change through improved resource management and promotion of clean, renewable energy sources is a major thrust.

Preservation of biodiversity includes initiatives in forestry, agriculture and coastal zone management. Mexico is currently the fourth most bio-diverse country in the world, a status which will not easily be maintained without support from and technical assistance to multiple sectors: government, private and NGO. The current economic climate will be a crucible of the Country's ability to hold firm on the need for good environmental practices in the conduct of all aspects of business and government.

USAID/Mexico's environmental programs, whether related to energy, biodiversity or global climate change, are structured in ways that can be shown to be economically feasible, and which promote beneficial social linkages as well. The Mazunte Project is an environmentally-based community development enterprise being carried out in Mazunte, Oaxaca, one of the poorest states in all of Mexico.

The indigenous families in Mazunte are involved in the production of natural cosmetic products that are marketed locally as well as through an international network of natural products retailers. USAID funding has been used for equipment purchases, working capital for the purchase of raw materials and packaging, and for coordination to ensure that the project stays on schedule. Mazunte is a cross-cutting program which will create a salutary environmental outcome, while developing microenterprise capacity in Oaxaca. While some would scoff at the notion of little businesses here and there making a grand difference, those involved in the Mazunte project truly believe that they are like drops of water, coming together bit by bit to form a sea of opportunity in place of a desert of poverty and despair. Witness, Summit of the Americas principles in action!

Further in support of Summit principles, USAID/Mexico's environmental program has done an excellent job of leveraging US Government funding to expand the roster of donors. The impressive constellation includes The World Bank, The Inter-American Development Bank, The United Nations Development Program, The United Nations Energy Program, The Government of Mexico, The Mexico Conservation Fund, The World Wildlife Foundation, The Nature Conservancy, the MacArthur Foundation, Bankers Trust, The Packard Foundation as well as a variety of Mexican and U.S. non-governmental organizations.

The well-being of the environment is closely linked to population pressures. USAID/Mexico's family planning program has been an unqualified success. Begun in the 1970's with a request from the Mexican Government to help stem the skyrocketing rate of population increase, USAID developed a population program that since has been used as a model in other countries. Ever mindful of the importance of creating sustainability, USAID has ensured that financial and programmatic responsibility continues to devolve on the Government of Mexico and its NGO partners.

Health education forms the core of the HIV/AIDS prevention program in Mexico. Although there is some anecdotal evidence that the incidence of HIV infection has stabilized among certain population cohorts, the disease nonetheless continues to claim increasing numbers of victims each year. This viral juggernaut must be stopped before it threatens the economic security of the entire nation. Since there is no cure, prevention must be the key. One highly acclaimed prevention message, produced in Mexico and funded by USAID/Mexico has also been used to reach Spanish speaking populations in the United States.

USAID/Mexico has been an outspoken advocate of greater involvement of higher education with business, industry and government. Transboundary linkages have been encouraged and promoted through the University Development Linkages Project. Most recently, USAID/Mexico participated in a conference held in Mexico City, in which the theme was "The Relevance of Higher Education to Development." As a follow-up contribution, USAID/Mexico developed materials showcasing some of the successful domestic, bi-national and multi-national cooperative ventures which were featured at this conference.

Do all of USAID/Mexico's programs work perfectly? Of course not, but proper management and monitoring allow for course corrections which lessen the chance of failure and provide tools for learning from the past. USAID/Mexico manages for results.

A notable example of this has been the recent decision regarding the Biomass Energy Systems and Technology Program (BEST). The program, targeted primarily at the sugar and saw-mill industries, is

designed to encourage investment in biomass-fueled power production from waste products of these respective industries. Given the current economic uncertainties in Mexico, USAID/Mexico determined that there is virtually no incentive for these industries to undertake significant capital investment, especially ones with high or unknown risks, as in bio-mass generated power. After a thorough analysis of the program in the existing economic context, USAID/Mexico issued its notice of intention to discontinue the bio-mass power production program.

Training has also come under scrutiny, with the result that USAID/Mexico intends to undertake more in-country training and to direct a greater preponderance of support to "train the trainer" courses. Additionally, where appropriate, USAID/Mexico has requested training participants to prepare manuals or deliver short courses to the relevant sectors who would benefit from such activities. These changes have the effect of enhancing payoff of the initial investment.

USAID/Mexico and USPTO determined that at least for the time being, it would be more cost-effective for USPTO to perform certain types of highly complex and technical searches for MIPO than to train the Mexican counterpart staff. Fees from patent applicants will fund the cost of these searches.

MEXICO, gateway to the southern part of our hemisphere, is at a crossroads. It has embraced democracy, privatization and free trade. In recent months, the Mexican people have seen many economic gains vanish. Whether this condition will be temporary or permanent, will be in part a function of strong leadership in Mexico and strong support from the United States.

Democracy is an essential condition to a vital and sustainable prosperity and likewise, such prosperity is a key to maintaining a stable democracy. The United States and Mexico share a 2,000 mile border. Mexico's success in overcoming the current economic crisis and in challenging the perennial problems of immigration, poverty, population and environmental destruction, will ultimately become our successor our failure as well. U.S. assistance to Mexico is in reality as much an investment in the United States as it is in Mexico, for if only due to proximity, our futures are inextricably linked.

USAID/Mexico's programs respond to the spirit and the substance of the accords developed at the Summit of the Americas.

**UNIFIED  
STRATEGIES  
ACHIEVE  
IMPROVED  
DEVELOPMENT**

**HIGHLIGHTS FROM MEXICO**

**USAID/Mexico's strategic objectives, which are concentrated on achieving sustainable development, are also tightly interwoven. We believe this connectivity has fostered some excellent interim outcomes.**

**\* 11 year patent application backlog was eliminated at the Mexican Institute of Industrial Property - Over 10,000 patents were issued to U.S. interests from those processed applications. This activity stimulates economic development abroad and at home.**

**\*2,500 indigenous people were trained in development of sustainable, nature-based development. Microenterprises are springing up in eco-tourism, nature-based cosmetics and genetic resource collection. People are being empowered and fragile lands and resources are being saved.**

**\*Less means more: The family planning program has been so successful that the annual rate of population has declined to 1.8%. In fact, there are 15 million fewer people because couples have been given the option and tools to limit family size. This equates to more resources for a smaller population.**

**\*An AIDS prevention video produced in Mexico is so well received by target audiences that the National Aids Clearinghouse is using it to reach Spanish speaking populations in the United States.**

**\*Members of the Mexican Congress are getting plugged into international democracy, human rights and information networks. Voices of freedom from Mexico join the growing world-wide chorus in "demand side" democracy.**

**\*The Country Training Plan targets are consistently exceeded over a five year period, for a total of 200% greater production.**

**\*An echo from the past: Over 25 years ago, USAID/Mexico sponsored a training participant for study in the United States. Jesús Silva Herzog has returned to the United States - this time as the Mexican Ambassador.**

## II. PERFORMANCE REPORT

### ENCOURAGING BROAD-BASED ECONOMIC GROWTH:

The NAFTA, while not a panacea to Mexico's economic or social problems, offers significant promise as a vehicle to greatly improve long-term economic prospects. Successful implementation of NAFTA includes Mexico's ability to comply with pertinent laws and regulations. Key counterpart agencies within the Mexican government have been targeted for training and information exchange in order to achieve this strategic objective.

Strategic Objective No. 1: Improved performance of target institutions in selected legal/regulatory areas related to the NAFTA.

Indicator: Percent of SEDESOL inspections that follow newly developed norms for industrial pollution control.

Results: Although complete 1994 data are not yet available, based upon the results amassed to March, 1994 of 99%, there is a substantial likelihood that compliance will approach 100% for the full calendar year. The Mexican Government has merged responsibilities for the environment, natural resources, and fishing into a new Secretariat. The Mexican Government is continuing to refine the norms for industrial pollution control, in conjunction with assistance from EPA.

It has become clear that the Government of Mexico is beginning to realize that the health of a nation is one measure of the wealth of a nation, and in this regard is taking steps to aggressively address pollution problems, particularly in major urban areas.

Indicator: Percent of shrimp boats in compliance with required use of turtle excluder devices in the Gulf of Mexico and the Caribbean.

Results: As of the third quarter of 1994, trends reflected 100% compliance by shrimp boats inspected for the use of required turtle excluder devices. A re-assessment is planned for April of 1995 to determine the validity and reliability of these previously collected data. This exercise will be revealing as to whether these results will continue to be maintained, and if so, will provide evidence for sustained achievement of the indicator.

Indicator: Percent of patent applications still pending after 8-11 years.

Results: No patent applications remain pending from the previous 8 - 11 years. The Mexican Industrial Property Office (MIPO) was already behind in processing applications due to inadequate staffing and antiquated technology when the 1985 earthquake struck. The ground gave way, and the MIPO building collapsed, tons of rubble covering the documents and records. By 1992 when MIPO's records were finally unearthed, the agency was faced with a staggering backlog of 20,000 patent applications.

With a training and technical assistance program funded by USAID/Mexico and delivered through the United States Patent and Trademark Office (USPTO), the MIPO staff eliminated the glut of pending applications by the end of 1994.

A serendipitous side-effect was that over 10,000 patents were issued to U.S. interests from those pending applications! The USAID/USPTO/MIPO collaboration has had transborder benefit.

Program Outcome No. 1.1: Improved training capacity of target institutions on NAFTA-related issues

Indicator: (1) The number of trainers in the target institutions trained.

Seventy-five (75) trainers were trained in the Mexican counterpart agencies of: The Mexican Industrial Property Office; The Secretariat of Health; The Secretariat of Labor; The Secretariat of Social Development; The Secretariat of Agriculture and Hydraulic Resources; and The Secretariat of Fishing. No goal was established for 1994, but the number for 1995 has been set at 100, an increase of 25% over 1994. The concept of training trainers is cost-effective and efficient in that it leverages initial investments in training many times over and it also hedges against lost information with individual employee turnover.

Indicator (2) Number of training courses developed for the target institutions.

Thirty-one training courses were developed in 1994 to address needs of the Mexican Counterpart Agencies: Mexican Industrial Property Office; The Secretariat of Health; The Secretariat of Labor; The Secretariat of Social Development; The Secretariat of Agriculture and Hydraulic Resources; and The Secretariat of Fishing. No goal was established for 1994. The number of new training courses planned for development in 1995 is 20, a factor which is reflective of the rather extended shelf-life of the existing training courses.

Program Outcome No. 1.2: Increased information exchanges involving target institutions on NAFTA-related issues.

Indicator: (1) Issues on which a major study involving information exchange has been completed.

Results: Three (3) major information exchanges occurred in 1994. Two of these were in the labor field: Industrial Safety and Health for NAFTA Countries and Safety and Health for the Construction Industry. The third exchange took place in the EPA/SEDESOL technology cooperation area, resulting in the creation of a link for SEDESOL to EPA's on-line bulletin boards and enhanced computer capability.

Indicator: (2) Number of conferences held involving target institutions

Results: Three (3) conferences were held involving the U.S. Department of Labor and the EPA, along with their Mexican Counterparts, STPS and SEDESOL (now known as the Secretariat of the Environment, Natural Resources and Fishing). Two of the conferences concerned labor issues and the third involved environmental enforcement.

NAFTA has opened the door for Mexico to become a much stronger partner with the United States and Canada. The current and continuing economic crisis makes rapid and successful implementation of NAFTA even more imperative. Unfortunately, the recent change in administrations from Salinas to Zedillo, and the attendant massive personnel turnover in the Mexican bureaucracy, will create some delays as it will be a while before fully effective working relationships are established with the newly staffed counterpart agencies.

Table 1: Strategic Objective Program "Tree"

(Country) Mexico
Agency Goal: Broad-based, sustainable economic growth
STRATEGIC OBJECTIVE NO. 1 Improved performance of target institutions in selected legal/regulatory areas related to the NAFTA.

PROGRAM OUTCOME NO. 1.1: Improved training capacity of target institutions in NAFTA-related issues	PROGRAM OUTCOME NO. 1.2 Increased information exchange involving target institutions on NAFTA-related issues	PROGRAM OUTCOME NO.	PROGRAM OUTCOME NO.	PROGRAM OUTCOME NO.
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Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)
598-0616.23-3-20001: Cooperative Support for the Development & Implementation of a U.S.-Mexico Border Environment Plan & To the World Environment Center	598-0616.23-3-20001: Cooperative Support for the Development & Implementation of a U.S.-Mexico Border Environment Plan & To the World Environment Center			
598-0616.23-3-30018: Cooperative Agreement between AID & NMFS in Support of the NAFTA & Protection of Marine Resources	598-0616.23-3-30018: Cooperative Agreement between AID & NMFS in Support of the NAFTA & Protection of Marine Resources			
598-0616.23-3-20004: Cooperative Support in Exchange of Information on Mexico's Labor Policies	598-0616.23-3-20004: Cooperative Support in Exchange of Information on Mexico's Labor Policies			

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Projects (Number\Title) 598-0616.23-20007: Technology Transfer for Development of Mexico's Industrial Property Office	Projects (Number\Title) 598-0616.23-20007: Technology Transfer for Development of Mexico's Industrial Property Office	Projects (Number\Title)	Projects (Number\Title)	Projects (Number\Title)
University Development Linkages (Phyto-Sanitary): Research on plant & animal health issues (Texas A & M)	University Development Linkages (Phyto-Sanitary): Research on plant & animal health issues (Texas A & M)			

Table 2: Strategic Objective Performance

(Country Name) Mexico				
STRATEGIC OBJECTIVE NO. 1: Improved performance of target institutions in selected legal/regulatory areas related to the NAFTA				
Indicator: Percent of SEDESOL inspections that follow newly developed norms for industrial pollution control				
Unit: Percent		Year	Planned	Actual
Source: EPA in conjunction with SMARNYP (formerly SEDESOL)	Baseline	'92-3/94	75%	99%
Comments: Complete data are not available for 1994. The Mexican Government is continuing to refine the norms for industrial pollution control. This is being done with assistance from EPA. SEDESOL has been merged into a super-agency framework, with other agencies and departments.				
Although 1995 planned results are 100% compliance, due to the ongoing refinements, the target year for 100% compliance is 1996.				
		1995	100%	
	Target	1996		
		1997		
		1998		
		1999		
Indicator: Percent of shrimp boats in compliance with required use of turtle excluder devices in the Gulf of Mexico and the Caribbean.				
Unit: Percent		Year	Planned	Actual
Source: Embassy Science Office, U.S. National Marine Fisheries Service, Southeast & Southwest Regions	Baseline	1993	30-50%	45%
Comments: As of the third quarter 1994, trends reflected 100% compliance with shrimp boats inspected for the use of required turtle excluder devices. A re-assessment is planned for April of 1995 to determine the validity and reliability of previously collected data. A full year of data for 1995 will be a good indicator of whether the results are being sustained.				
	Target	1994	100%	100%*
		1995	100%	

Table 2: Strategic Objective Performance

(Country Name) Mexico				
STRATEGIC OBJECTIVE NO. 1: Improved performance of target institutions in selected legal/regulatory areas related to the NAFTA				
Indicator: Percent of patent applications still pending after 8-11 years				
Unit: Percent				
Source: U.S. Patent and Trade Office in conjunction with MIPO				
Comments: The thrust to eliminate the backlog in patent applications at the Mexican Industrial Property Office has been achieved two years ahead of the target of 1996. Currently there are no patent applications pending for 8-11 years. In the process of eliminating the previous backlog, over 10,000 patents were issued to U.S. interests.				
The Mexican Industrial Property Office (MIPO) intends to continue reducing the time required for processing patent applications. Joint estimates from USPTO and MIPO calculate the current delay to be 18 months to 3 years, depending upon the complexity of the application.				
	Baseline	Year	Planned	Actual
		1994	1.5%	0%
		1995	0%	
	Target	1996	0%	
Indicator: N/A				
Unit: N/A				
Source: N/A				
Comments: No indicator has been developed for which it is feasible to collect performance data for STPS. It is well to note that in 1994 at least three major conferences took place in which statistical divisions of DOL and STPS compared data and continued dialog on methodologies for data collection, measurement and interpretation.				
	Baseline	Year (Year)	Planned	Actual
		1994		
		1995		

(Country Name) Mexico

**PROGRAM OUTCOME NO. 1.1 Improved training capacity of target institutions in NAFTA-related issues**

Indicator: (1) Number of trainers in the target institutions trained.

Unit: Number of people

Source: US AGENCIES: PTO, FDA, DOL, EPA, APHIS, NMFS; in conjunction with Mexican counterparts: MIPO, SSA, STPS, SEDESOL, SARH, SEPESCA.

Comments: It was infeasible to track back to earlier years to obtain baseline data on numbers of trainers trained. Therefore, statistics begin with actuals in 1994. The number of trainers planned to be trained in 1996 is reduced by 50% from 1995, as several of the major initiatives will have concluded in 1995.

Baseline	Year	Planned	Actual
	1994		75
	1995	100	
Target	1996	50	
	1997		
	1998		
	1999		

Indicator: (2) Number of training courses developed for the target institutions

Unit: Number of courses

Source: US AGENCIES: PTO, FDA, DOL, EPA, APHIS, NMFS, in conjunction with Mexican counterparts: MIPO, SSA, STPS, SEDESOL, SARH, SEPESCA.

Comments: Several of the courses which have been developed have not yet been delivered, events which will take place in 1995. It is anticipated that many of these courses which are being developed will have a several year shelf-life, with updating only to accommodate changes in laws and technology. Therefore, the estimates for succeeding years are reduced.

Baseline	Year	Planned	Actual
	1994		31
	1995	20	
Target	1996	10	
	1997		

(Country Name) Mexico

**PROGRAM OUTCOME NO. 1.2 Increased information exchange involving target institutions on NAFTA-related issues.**

Indicator: (1) Issues on which a major study involving information exchange has been completed.

Unit: Number of issues	Baseline	Year (Year)	Planned	Actual
Source: US AGENCIES: Department of Labor and Environmental Protection Agency (in conjunction with Mexican counterparts STPS and SEDESOL)  Comments: This indicator tracks major, substantive issues related to the implementation of the legal/regulatory environment linked to the NAFTA for which information exchange through studies has taken place between target Mexican institutions and their U.S. counterparts. Only issues involving USAID/Mexico funded studies are tracked.		1994		3
		1995	3	
	Target	1996	3	
		1997		
		1998		
		1999		

Indicator: (2) Number of conferences held involving the target institutions

Unit: Number of conferences	Baseline	Year (Year)	Planned	Actual
Source: US AGENCIES: Department of Labor and Environmental Protection Agency (in conjunction with Mexican Counterparts, STPS and SEDESOL)  Comments: This indicator is reflective of conferences held on issues related to the implementation of the NAFTA legal/regulatory environment. Because of some uncertainty regarding the availability of funds for travel, estimates for 1995 and 1996 are conservative.		1994		3
		1995	2	
	Target	1996	2	
		1997		
		1998		

## II. PERFORMANCE REPORT

### PROTECTING THE ENVIRONMENT:

There is clearly an increasing awareness in Mexico of the importance of protecting the environment, not only for human health reasons, but also in support of sustainable economic development. The Government of Mexico has increased its support for environmental protection and natural resources management and is also facilitating the participation of non-governmental and private sector institutions in this field. USAID/MEXICO has developed a focused program to assist in key areas, principally, global climate change, biodiversity conservation and human resources development.

Strategic Objective No. 2: Environmentally sound natural resource and energy use increased.

Indicator #1: Annual carbon dioxide emissions prevented through select energy uses.

Results: There are three principal activities ongoing under this indicator: DSM pilot projects, ILUMEX, and the Mexico expansion of renewable energy - rural electrification applications project. The initial estimates for emissions averted were based on a series of project assumptions. These estimates would still seem to be valid. Pilot project implementation is progressing satisfactorily, but slower than planned. The BEST/Winrock component was discontinued primarily because of the Mexican economic crisis. Current estimated benefits are (in millions of tons): 1994 - 10.212; 1995 - 10.212; 1996 - 8.677; 1997 - 11.105.

Indicator #2: Average annual deforestation rate in target areas.

Results: As indicated in the July, 1994, Mission Strategic Planning Report, grantees are presenting quarterly reports, indicating deforestation rates for the areas where they are working. Baseline information is projected to be available by the end of 1995. Specific targets for 1994 through 1999 will be set on or before September, 1995. Currently the program is supporting activities in 15 different sites. Preliminary results, based upon grantee quarterly reports and field visits, indicate that percent deforestation rates are being sustained or reduced in more than half of these sites.

Indicator #3: Number of viable populations of indicator species maintained in target areas.

Results: The establishment of the Mexico Conservation Fund is progressing well. As previously indicated, target areas/populations will be identified once the sub-contracting process with prospective grantees is completed. First grants are expected to be disbursed in 1996.

Program Outcome No. 1.1: Adoption of select renewable energy and energy efficient technologies and practices.

Indicator #1.1: Number of firms adopting high efficiency motors.

Results: Fifteen firms were projected to accomplish this goal by 1995. To date 6 firms have been audited and are considering investing in high efficiency motor programs. It is projected that 10 firms will have been audited and be participating in the program by the end of 1995. USAID/Mexico projects that 5 firms will have met the target in 1995. Notwithstanding the severe economic downturn, it appears that a number of firms are still going to be willing to invest in this technology, as they

recognize that the cost savings will help them maintain a competitive market edge. This could change, however, if the crisis deepens and the peso continues to be devalued.

**Indicator 1.2:** Number of residential customers purchasing energy efficient compact fluorescent lamps (CFL).

**Results:** Number of units projected for 1994 was 150,000 and 300,000 for 1995. Levels achieved in 1994 were 50,000 and are estimated to reach approximately 200,000 in 1995. The reduced performance estimate is based upon the current economic crisis and peso devaluation. Because both of the major CFL suppliers are U.S. corporations. The CFL price of one of these corporations is cost valued in dollars, effectively increasing the price to Mexicans by approximately 45% due to the devaluation. The other supplier's price is peso denominated and is being sustained at pre-devaluation levels; however, it is unknown how long this supplier will be willing and/or able to honor the original price schedule. A peso price increase would have a further negative effect on 1995 performance.

**Indicator 1.3:** Number of communities adopting energy efficient and renewable energy technologies and practices.

**Results:** Despite the slow start, momentum is building in this program. The working group has signed 5 contracts with rural development agencies in Northern Mexico and expects to sign another three with conservation NGOs in Southeastern Mexico, which are managing numerous projects in protected areas. Levels achieved in 1994 were 90 communities and for 1995 the program expects participation by 5,000 communities.

**Program Outcome No. 2:** Improved management of target protected areas and their buffer zones.

**Indicator 2.1:** Number of core protected areas of the GOM park system demonstrating improved management capability.

**Results:** Seven areas are currently being supported under the Parks-in-Peril Program (PIP). One project (El Pinacate), although it only was begun in 1994 and is still in the initial planning stages, already has accomplished good area planning and assessment of ecological values and identification of critical areas. Improved management capability is currently being demonstrated at each of the other six sites. In fact, results have exceeded expectations, as indicated in the FY 94 Annual Evaluation and FY 95 Implementation Plan conducted by TNC/Parks-in-Peril.

**Indicator 2.2:** Percent of target protected areas and their buffer zones that are being managed according to NGO workplans.

**Results:** Five primary NGOs (WWF, CI, PRONATURA/Y, PROAFT and BSP) participate in this part of the program. Although 1995 annual progress reports are not yet completed, review of quarterly progress reports indicates that nearly 100% of the NGO grantees are meeting the activities completion rate target of 80%.

**Indicator 2.3:** Number of people in target areas participating in alternative, sustainable nature-based economic activities (gender disaggregated).

**Results:** Baseline data under this indicator are just now being developed. Specific targets will be established once the baseline information is available. However, reporting formats for this indicator have been developed and NGO implementors have been trained in the use of these reporting tools. A number of exciting developments are taking place as several of the projects are gearing up to begin

production; these include organic honey production around the Calakmul Biosphere Reserve, ecotourism in Celestun/Lagartos, natural cosmetic products at Mazunte and non-timber product production around the Sian Káan Biosphere Reserve.

Program Outcome No. 3: Improved Mexican non-governmental institutional capacity for preservation of biodiversity.

Indicator 3.1: Mexico Conservation Fund (MCF) established and functioning.

Results: The MCF is established and doing well. Despite an approximate six month delay in implementation, projected activities are getting underway and are progressing satisfactorily. The project paper final design is scheduled for March 19-25. Final document review is expected to take place in AID/W in May of 1995. \$500,000 have been obligated and are well along to being disbursed by Pronatura for the planned institutional strengthening activity. A pre-awards survey to test MCF capabilities is expected to take place on or about May, 1995. The administrative structure of the Fund is established and institutional capacity is being developed.

Indicator 3.2: Overall level of Mexican and other donor (non-USAID) capitalization of the Mexico Conservation Fund (MCF).

Results: Despite the economic crisis in Mexico, The GOM is expected to honor their remaining \$9 million counterpart contribution commitment. The new Secretary of Environment, Natural Resources and Fisheries, Julia Carabia, is working with the MCF in developing a schedule of payments to complete this GOM counterpart contribution. Final agreements in this regard will be part of the project paper design. The MCF is in contact with the multi-laterals and other donors to secure remaining \$70 million in endowment funding.

Indicator 3.3: Number of new grants disbursed each year by the Mexico Conservation Fund (MCF).

Results: Original projections estimated 10 grants to be disbursed in 1996. Due to the delays and economic problems indicated above, grants may slower coming on line. Endowment capitalization will be slower to generate funds to support grants. At the outside, it is projected that the full outputs will be realized no later than 1997, if not before.

The E/GCC activities being supported by USAID/Mexico play an important role in underpinning sustainable development. Many of the environmental activities such as energy technologies offer interesting opportunities for income and employment generation as well as increased long-term competitiveness for Mexican industry. Environmentally sound micro-enterprise activities offer important economic alternatives for rural populations and are squarely in line with the Summit of the Americas Plan of Action. In addition, environmental activities are initiating interesting cross-cutting linkages with population/energy/democratic initiatives objectives.

Overview Table - Strategic Objective Program "Tree"

<p>Mexico</p> <p>Agency Goal: Protecting the Global Environment</p> <p>STRATEGIC OBJECTIVE NO. 2 Environmentally sound natural resource and energy use increased.</p> <p>SO Indicators 1. Carbon dioxide emissions prevented through selected uses (per year) 2. Average annual deforestation rate in target areas. 3. Number of viable population of indicator species maintained in target areas</p>		
<p>PROGRAM OUTCOME NO. 1 Adoption of renewable energy and energy efficient technologies and practices.</p>	<p>PROGRAM OUTCOME NO. 2 Improved management of protected areas and their buffer zones.</p>	<p>PROGRAM OUTCOME NO. 3 Improved Mexican non-governmental institutional capacity for preservation of biodiversity.</p>
<p>Indicators</p> <p>1. No. of firms adopting energy efficient and renewable energy technologies and practices.</p> <p>2. No. of residential customers adopting energy efficient and renewable energy technologies and practices.</p> <p>3. No. of communities adopting energy efficient and renewable energy technologies and practices</p>	<p>Indicators</p> <p>1. Reduction of deforestation trends in target parks and reserves.</p> <p>2. Improved management capability: management and operational plans, data/information systems, trained staff and improved infrastructure in target core protected areas.</p> <p>3. Communities in buffer zones of protected areas supporting and earning income from alternative and sustainable nature-based economic activities.</p>	<p>Indicators</p> <p>1. Establishment and effective management of the Mexico Conservation Fund</p> <p>2. Overall level of Mexican and other donor (non-USG) financial resources in the conservation fund devoted to bio-diversity conservation efforts.</p> <p>3. No. of new grants/projects managed successfully by the Mexico Conservation Fund.</p>

TABLE 1: Strategic Objective Program "Tree"

PROGRAM OUTCOME No 1 Adoption of Select Renewable Energy and Energy Efficient Technologies and Practices		PROGRAM OUTCOME No 2 Improved Management of Target Protected Areas and their Buffer Zones		PROGRAM OUTCOME No 3 Improved Mexican Non-Governmental Institutional Capacity for Conservation of Biodiversity	
Mexico					
Agency Goal: Protecting the Global Environment					
STRATEGIC OBJECTIVE NO.2 Environmentally Sound Natural Resource and Energy Use Increased					
Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)
598-0784 Mexico Renewable Energy Project (PASA with Department of Energy)	598-0784 Cultural Biosphere Management	523-4007 Mexico Conservation Fund			
598-0784 Energy Training Program (Buy-in to GEN/VEET-ETP/III)	598-0784 Debt-for-Nature Swap - Selva Lacandona/Maderas Azules Biosphere Reserve (CI)	598-0780 Design & Establishment of the Mexico Conservation Fund (W/WF)			
Under GEN/VEET REP Energy Advisor (USAID/Mexico)	598-0784 Environmentally Sound Community Level Activities SE Mexico (W/WF) includes reforestation in the Marwich butterfly biosphere				
	598-0784 Management of Northern Border Wilderness (W/WF/BSR)				
	598-0784 Support for Parks in Pent Mexico Program: Protection of Critical Mass of Mexico (TNC)				
	598-0784 Support for Mexico Tropical Forestry Action Plan (PMA/PROAFT)				
Close collaboration and technical support from the Energy Advisor on the following projects	598-0784 Environmental Policies Related to Climate Change (EU & FUNDEA)				
936-0784 Pilot Project on Optimization of Efficiency of Electric Motor and Drive Systems (GEN/VEET-EEP/CC)	598-0784 Assessment of Land Use Patterns, Carbon Dynamics & Forest Management Options in SE Mexico (EPA/ENR)				
936-5743 High Efficiency Lighting Pilot Project (GEN/VEET-REP/GEF) (Feasibility Study Concluded)	598-0780 Program for Conservation Planning & Establishment of a System of Protected Areas in Sian Ka'an (CS)				
936-5743 Sustainable Cane Initiative (GEN/VEET-EEP/RCC)	598-0616 Establish & Support a Youth Conservation Corps (FOA)				
936-5743 Study on Energy and Environmental Market Conditions in Mexico (GEN/VEET-EEP/RCC)	598-0784 ADC Training Program				
936-5737 Mexico Business Cogeneration Development Program (GEN/VEET-REP/IN/IN/ROCK) (Concluded)	598-0616 The Mazunte Miracle: A Community Development Enterprise				
936-5738 Study on Private Power Opportunities in Mexico (GEN/VEET-EEP/RW)	598-0616 GCC/EPM Improved Environmental Planning and Training (FUNDEA)				

Mexico - Strategic Objective 2: Environmentally sound natural resource and energy use increased.

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

Indicator 1.1: No. of firms adopting energy efficient and renewable energy technologies and practices.

Unit: No. of firms.	Year	Planned	Actual
Source: Energy Projects Contractors	1993	---	
<p>Comments:</p> <p>This indicator tracks the number of firms adopting energy efficient motors as part of the high efficiency motors program for the industry under the Industrial Demand Side Management Pilot Project (DSM-PP). Figures are cumulatives.</p> <p>Under this project, twenty firms will participate in energy audits which will identify how their energy uses can be improved. By implementing energy audits, the firms are gathering important information of their energy consumption, and getting analysis elements for their process of making decisions and increase the efficiency.</p> <p>Based on the results of the pilot implementation, a large-scale motors and drives efficiency program will be designed. The lessons learned in the pilot project will determine the scope and type of program to be proposed.</p> <p>Figures for the replication of the pilot projects are estimated.</p>	1994	---	
	1995	15	
	1996	20	
	1997	40	
	1998	60	
Target	1999	90	

Mexico - Strategic Objective 2: Environmentally sound natural resource and energy use increased.

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

Indicator 1.2: No. of residential customers adopting energy efficient and renewable energy technologies and practices.

Unit: No. of residential customers		Year	Planned	Actual
Source: Energy Projects Contractors	Baseline	1993	---	
Comments: Figures are cumulative.  (1) Under the Rational Use of Lighting in Mexico Project or "Flumex" Project (GEF-g/ENV/EET) at least 1.7 million compact fluorescent lamps (CFLs) will be introduced in Monterrey and Guadalajara, the two largest cities served by CFE.  Residential customers will be eligible to purchase up to five CFLs per customer. Between 300,000 to 500,000 residential customer are expected to purchase the CFLs from CFE before the projects end in 1996.  Due to the economic crisis in Mexico, the cost of the CFLs was affected since the 50% of those lamps was valued in dollars. Important delays in the selling of the CFLs were caused by the Peso devaluation.		1994	150,000	10,000
		1995	100,000	
		1996	140,000	
		1997	200,000	
		1998	TBD	
	Target	1999	450,000	

Mexico - Strategic Objective 2: Environmentally sound natural resource and energy use.

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

Indicator 1.3: No. of communities adopting energy efficient and renewable energy technologies and practices.

Unit: Numbers	Year	Planned	Actual
Source: Energy Project Contractors	1994	100	
Comments: Figures are cumulative.	1995	5 000	
	1996	10 000	
	1997	15 000	
	1998	TBD	
This indicator will track the number of communities adopting renewable energy technologies for productive applications under the Mexico Renewable Energy Project (RET). The project team is working with number of counterpart agencies and NGOs that are integrating renewable energy technologies into their existing programs, and have indicated their intention to replicate the demonstrated technologies and applications.	1999	15 000	
	Target		

Number of communities was chosen as the indicator because the technologies will be adopted jointly by groups of producers, and to give an idea of the geographic scope of the program's impact. Number of beneficiaries of each system will also be tracked in the comments section.

Field projects are being evaluated from a economic, environmental, technical and institutional point of view, focusing on environmental and economic impacts, as well as on social and other sustainability issues.

Table 2a Strategic Objective Performance

Mexico - Strategic Objective 2: Environmentally sound natural resource and energy use increased.				
SO Indicator #1: Carbon dioxide emissions prevented through selected uses (per year)				
Unit: Tons of CO <sub>2</sub>		Year	Planned	Actual
Source: Energy Project Contractors	Baseline	1994	10,212,099	
<p>Comments: This indicator aggregates emissions averted through adoption of renewable energy and energy efficient technologies and practices promoted in the following projects:</p> <p>(1) Demand Side Management Pilot Project, which promotes adoption of energy efficient motors. Project contractor RCG/Hagler, Bailly estimates a LOP reduction between 15 to 21 Millions of tons (MMT) of carbon dioxide from the DSM project. Yearly emissions averted were calculated using an average of 18 MMT.</p> <p>(2) The LUMEX Project, which will promote use of energy efficient fluorescent lamps. Contractors LBL and IIEC calculate that between 55 to 73.4 thousand tons (KT) of carbon will be saved in a two year period (LOP). Yearly emissions averted were calculated using an average of 64.2 KT.</p> <p>(3) The Mexico Renewable Energy - Rural Electric Applications Project which will introduce renewable energy systems for productive applications to reserve and park facilities and poor and indigenous communities in surrounding buffer zones.</p> <p>The emissions averted will include: 40 thousand tons in direct reductions due to field pilot projects, and 4 to 12 MM Tons in indirect CO<sub>2</sub> reductions depending on the number of new renewable projects developed in Mexico. Emissions saved were calculated using and average of 8,040,000 tons.</p> <p>(4) The Mexico Biomass Cogeneration Development Program under BEST/Warrock component was discontinued primarily because of the Mexican economic crisis.</p> <p>As the present it is expected that all of these projects will end in 1996, though some may be extended. The Total LOP Target is: 40,206,735 (8.9% of the total amount of CO<sub>2</sub> emissions in Mexico in 1991; estimated at 450 MMT)</p>	1995	10,212,099		
	1996	8,676,999		
	1997	11,105,538		
	1998	TBD		
1999	TBD			
Total			40,206,735	

Table 2: Strategic Objective Performance

Mexico					
STRATEGIC OBJECTIVE NO. 2: Environmentally sound natural resource and energy use increased					
Indicator #2: Average annual deforestation rate in target areas					
Unit: Percent					
Source: GCC/Forestry Grantee Reports		Baseline	Year (Year)	Planned	Actual
<p>Comments:            Using the reporting formats negotiated with project grantees under the GCC monitoring and evaluation system, grantees are to present quarterly reports including deforestation rates for the areas where they are working. The baselines for these rates will be provided through analysis of data provided through satellite imagery by EPA and/or the NGOs themselves, with "ground truthing" by the NGOs.            USAID/Mexico expects baseline data for the deforestation rate to be available in 1995, probably showing land use from 1994.            USAID/Mexico will average the rates for individual target areas.</p>			1994		
			1995	TBD	TBD
			1996	TBD	TBD
			1997	TBD	TBD
			1998	TBD	TBD
		Target	1999	TBD	TBD

Indicator #3: Number of viable populations of indicator species maintained in target areas				
Unit: Number		Year (Year)	Planned	Actual
Source: Mexico Conservation Fund reports	Baseline	1994		
Comments: This indicator will reflect impacts of the Mexican Conservation Fund in conserving biodiversity. The definition of the indicator may be further refined as the activities to be funded by the MCF are more fully defined. As it is anticipated that the first sub-grants under the MCF will be disbursed in 1996, establishment of baseline levels is planned for 1997.		1995		
		1996		
		1997	TBD	TBD
		1998		
	Target	1999		

Mexico				
PROGRAM OUTCOME NO. 2.2: Improved management of target protected areas and their buffer zones				
Indicator: #1: Number of core protected areas of the government park system demonstrating improved management capability				
Unit: Number	Baseline	Year (Year)	Planned	Actual
Source: Reports of The Nature Conservancy		1994	2	4 sites claimed.
Comments: This indicator captures the impact of parks in Peril Project (PIP) activities on strengthening the GOM's capability to manage/protect core reserve areas. Reporting will be done by the TNC, reflecting the progress reports of its NGO partners.				
This indicator will record the number of core protected areas which have achieved all of the following criteria: 1) establishment of management and operational plans; 2) installation of data/information system; 3) met targets for numbers of staff trained; and 4) Infrastructure improvements as laid out in PIO work plans.				
It is expected that all eight of the current target protected areas(*) will meet all criteria and "graduates" by 1997.				
(*)		1995	4	6 sites
1. Ria Celestun and Ria Lagartos		1996	6	
2. Calakmul Biosphere Reserve		1997	8	
3. El Ocote Forestry and Faunal Reserve				
4. El Triunfo Biosphere Reserve				
5. La Sepultura Conservation Zone				
6. La Encrucijada				
7. Sian Ka'an				
8. El Pinacate				
Target		1999		

Indicator: #2 Percent of target protected areas and their buffer zones that are being managed according to NGO work plans.

Unit: Percent

Source: Reports of World Wildlife Fund, Conservation International, PROA/P and the Biodiversity Support Project

Comments: This is a new indicator intended to capture the results of activities to improve management of target areas and buffer zones by NGOs. It complements the preceding indicator which measures efforts to improve GOM management capacity, in some cases in the same protected areas.

The indicator will be measured using data provided by project implementors, using their own quarterly reports and/or those of their counterpart NGOs. NGOs which have completed 80% or more of the outputs projected in their work plans will be judged as managing their respective target areas satisfactorily.

	Baseline	Year (Year)	Planned	Actual
		1995	4	3
		1996	4	
		1997		
		1998		
		1999		

Mexico

PROGRAM OUTCOME NO. 2.2: Improved management of target protected areas and their buffer zones

Indicator #3 Number of people in target areas participating in alternative, sustainable, nature-based economic activities (sex-disaggregated).

Unit: Number	Baseline	Year	Planned	Actual
Source: GCC Grantee Reports		1994	---	
Comments: This indicator is intended to reflect the participation of local community members in the conservation of protected areas which the Mission feels is an essential element in achieving improved overall management. As part of its efforts to involve communities, the GCC projects will promote alternative economic activities for communities involving sustainable uses of resources in buffer zones.  This indicator has been revised slightly to coincide with indicators which project NGOs have agreed to report upon under the GCC monitoring system.		1995	TBD	
		1996	TBD	
		1997		
		1998		
		1999		
	Target	2000		

Mexico

PROGRAM OUTCOME NO. 2.3. Improved Mexican non-governmental Institutional capacity for preservation of biodiversity.

Indicator: #1: Mexico Conservation Fund established and functioning

Unit: Stages of establishment	Year	Planned	Actual
Source: Pronatura and Mexico Conservation Fund reports	Baseline 1993	----	0
<p>Comments: It is expected that establishment of the Mexico Conservation Fund will increase non-governmental capacity for preservation of biodiversity in Mexico, in the form of a sustainable endowment that will in turn strengthen the capacity of NGOs receiving sub-grants for biodiversity conservation projects.</p> <p>Stages in the MCF's development being supported by USAID include:</p> <ol style="list-style-type: none"> <li>(1) legal establishment of the MCF</li> <li>(2) completion of the project design (USAID project paper)</li> <li>(3) disbursement of USAID endowment funds</li> <li>(4) establishment of accounting/management manuals and guidelines approved by USAID</li> <li>(5) administrative structure established and functioning</li> <li>(6) initiation of sub-grants</li> </ol> <p>These development steps of the MCF are expected to be complete by 1996. Initial reporting will be provided by Pronatura/Mexico, which will be providing strengthening services and assisting in the first phases of implementation of MCF's activities.</p>	1994	1,2	1
	1995	3,4,5	2,3,4,5
	1996	6	
	1997		
	1998		
Target	1999		

Indicator: #2: Overall level of Mexican and other donor (non-USAID) capitalization of the Mexico Conservation Fund.

Unit: U.S. dollars (millions)

Source: MCF

Comments: This indicator is intended to reflect the MCF's growing non-USAID financial resources, an important element of its institutional capacity.

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

	Year	Planned	Actual
Baseline	1993	-----	0
	1994	1	1
	1995	10	TBD by 9/95
	1996	30	
	1997	60	
	1998	80	
Target	1999		

Mexico

PROGRAM OUTCOME NO. 2.3. Improved Mexican non-governmental institutional capacity for preservation of biodiversity.

Indicator: #3: Number of new grants disbursed each year by the Mexico Conservation Fund.

Unit: Number

Source: Mexico Conservation Fund

Comments: The number of sub-grants disbursed will constitute the ultimate indicator of the Mexico Conservation Fund's institutional capacity.

Targets are rough estimates. With the establishment/acceptance of the MCF's financial plan in 1995, further targets will be provided and these projected targets adjusted if necessary.

	Year	Planned	Actual
Baseline	1995	----	0
	1996	10	
	1997	25	
	1998	50	
	1999	tbd	
Target	2000	tbd	

## II. PERFORMANCE REPORT

### STABILIZING WORLD POPULATION GROWTH:

The rate at which a country's population increases will, in part, define its future. The family planning program begun by USAID/Mexico in the 1970's at the request of the Mexican Government, has been a resounding success. In order to ensure sustainability beyond USAID funding, specific program outcome targets have been set to measure progress toward self-sufficiency.

Strategic Objective No. 3: Sustainable increase in contraceptive prevalence.

Program Outcome 3.1: Increased availability of quality family planning services in target areas.

- Indicator (1): Number of service delivery points in target areas.
- Indicator (2): Number of providers of family planning services in target areas.
- Indicator (3): Number of people trained per year in family planning service provision in target areas.

Program Outcome 3.2: Increased demand for family planning services.

- Indicator (1): Number of new users of public sector family planning services per year.
- Indicator (2): Couple Years of Protection per year for key family planning NGOs.
- Indicator (3): Increased demand for family planning services.

Program Outcome 3.3: Increased sustainability of family planning delivery systems.

- Indicator (1): Total annual Government of Mexico family planning budget.
- Indicator (2): Percent of total costs recovered by key family planning NGOs.
- Indicator (3): Dependence of key family planning NGOs on USAID funding

Results: As of the writing of this Action Plan update, 1994 data were not available for inclusion in the performance tables or for analysis in this narrative. It is anticipated that this information will be provided by the Government of Mexico within 30 days. Aside from the fact that a new administration took office in December, 1994, and a massive personnel turnover has left gaps in staffing and in institutional memory within the bureaucracy, the GOM normally does not make previous year's data available until at least the end of the first quarter of the following year. Therefore, USAID/Mexico will be issuing a supplement to the Action Plan - Section II. Performance Report- in which the required information relating to the family planning will be provided.

As a caveat we add that there has been no indication on any of the programs that results are seriously below the projected targets or that there are major programmatic problems which threaten to derail activities. Therefore, it is anticipated that the 1994 performance will generally meet target levels and will require no significant corrective actions.

In order to eliminate the need for future Action Plan supplements, and so that all the Action Plan information and progress reviews can be submitted in a single document, the population officer will be negotiating with counterparts in the Mexican Government to arrange for production of as much as possible of the 1995 data in time for inclusion in the Action Plan.

**Table 1: Strategic Objective Program "Tree"**

(Country) Mexico
Agency Goal: Sustainable increase in contraceptive prevalence
STRATEGIC OBJECTIVE NO. 3 Contraceptive prevalence

PROGRAM OUTCOME NO. 3.1 Increased availability of quality family planning services in target areas	PROGRAM OUTCOME NO. 3.2 Increased demand for family planning services	PROGRAM OUTCOME NO. 3.3 Increased sustainability of family planning delivery systems	PROGRAM OUTCOME NO.	PROGRAM OUTCOME NO.
Projects (Number\Title) Extension of reproductive health and FP services in SSA	Projects (Number\Title) Communication project in FP with CONAPO	Projects (Number\Title) Improved management capability and sustainability of FEMAP	Projects (Number\Title)	Projects (Number\Title)
Extension of reproductive health and FP services in IMSS	Integration of LAM in the Mexican community-based multimerhod FP system	Improved management capability and sustainability of MEXFAM		

**Table 1: Strategic Objective Program "Tree"**

(Country) Mexico
Agency Goal: Sustainable increase in contraceptive prevalence
STRATEGIC OBJECTIVE NO. 3 Contraceptive prevalence

PROGRAM OUTCOME NO. 3.1 Increased availability of quality family planning services	PROGRAM OUTCOME NO. 3.2 Increased demand for family planning services	PROGRAM OUTCOME NO. 3.3 Increased sustainability of family planning delivery systems	PROGRAM OUTCOME NO.	PROGRAM OUTCOME NO.
Projects (Number\Title) Extension of reproductive health and FP services in ISSSTE	Projects (Number\Title) Time of progestin-only OC initiation among lactating women	Projects (Number\Title) Memorandum of Understanding of 17 June 1992 between USAID/Mexico and CONAPO	Projects (Number\Title)	Projects (Number\Title)
Evaluation of the Program to Support the Extension of Reproductive Health and Family Planning Services	IPPF Transition Project	Costs of Population Activities: Phases One and Two		

**Table 1: Strategic Objective Program "Tree"**

(Country) Mexico
Agency Goal: Sustainable increase in contraceptive prevalence
<b>STRATEGIC OBJECTIVE NO. 3</b> Contraceptive prevalence

<b>PROGRAM OUTCOME NO. 3.1</b> Increased availability of quality family planning services in target areas	<b>PROGRAM OUTCOME NO. 3.2</b> Increased demand for family planning services	<b>PROGRAM OUTCOME NO. 3.3</b> Increased sustainability of family planning delivery systems	<b>PROGRAM OUTCOME NO.</b>	<b>PROGRAM OUTCOME NO.</b>
Projects (Number\Title) Prospective (condom) aging study	Projects (Number\Title)	Projects (Number\Title) Support for clinic development and continuous quality improvement for sustainability with MEXFAM	Projects (Number\Title)	Projects (Number\Title)
IUD use and tubal infertility		Foundations for sustainability with FEMAP		
Expanded time to infertility after vasectomy		Continuous quality improvement with SSA		

Table 2: Strategic Objective Performance

(Country Name) Mexico				
STRATEGIC OBJECTIVE NO. 3: Sustainable increase in contraceptive prevalence				
Indicator: #1: Contraceptive prevalence				
Unit: Contraceptive Prevalence Rate (CPR)				
Source: Government of Mexico demographic survey for 1992 and 1995; DHS for 1997	Baseline	1992		63.1%
Comments		1993		
		1994		
		1995		
		1996		
	Target	1997		
		1998		

(Country Name) Mexico

**PROGRAM OUTCOME NO. 3.1 Increased availability of quality family planning services in target areas.**

Indicator: (1) Number of service delivery points in target areas

Unit: Number

Source: GOM demographic survey for 1992 baseline; for other years it will be GOM annual reports for the public sector, Key NGO annual reports, and the IMS for the commercial sector.

Comments

	Year	Planned	Actual
Baseline	1992		42,079
	1993		43,295
	1994	44,377	
	1995	44,942	
	1996	46,936	
Target	1997	47,775	
	1998		

Indicator: (2) Number of providers of family planning services in target areas

Unit: Number of people

Source: GOM annual reports for public sector, key NGO reports; and IMS for commercial sector

Comments:

	Year	Planned	Actual
Baseline	1992		95,619
	1993		105,422
	1994	108,742	
	1995	115,299	
	1996	122,291	
Target	1997	125,129	
	1998		

(Country Name) Mexico

**PROGRAM OUTCOME NO. 3.1: Increased availability of quality family planning services in target areas**

Indicator: (3) Number of people trained per year in family planning service provision in target areas

Unit: Number of people

Source: GOM annual reports for public sector, key NGO reports, IMS for commercial sector

Comments

	Year	Planned	Actual
Baseline	1992		43,813
	1993		26,989
	1994	43,904	
	1995	56,349	
	1996	66,287	
Target	1997	74,054	
	1998		

Indicator: (4) To be added: Indicator of quality family planning services available in target areas

Unit: TBD

Source:

Comments:

	Year (Year)	Planned	Actual
Baseline	1994		
	1995		
	1996		
Target	1997		
	1998		
	1999		

(Country Name) Mexico

**PROGRAM OUTCOME NO. 3.2: Increased demand for family planning services**

Indicator: (1) Number of new users of public sector family planning services per year

Unit: Number of users (people)

Source: GOM annual reports

Comments

	Year	Planned	Actual
Baseline	1992		946,950
	1993	975,000	999,086
	1994	1,060,000	
	1995	1,100,000	
	1996	1,150,000	
Target	1997	1,200,000	
	1998		

Indicator: (2) CYP's per year for key family planning NGOs

Unit: CYP (Couple Year of Protection)

Source: Key NGO reports (FEMAP and MEXFAM)

Comments:

	Year	Planned	Actual
Baseline	1992		539,395
	1993		542,001
	1994	398,873	
	1995	577,981	
	1996	614,264	
Target	1997	651,495	
	1998		

(Country Name) : Mexico

**PROGRAM OUTCOME NO. 3.2: Increased demand for family planning services**

Indicator: (3): Commercial sales of contraceptives per year

Unit: CYP (Couple Year of Protection)		Year	Planned	Actual
Source: Information Management Services (IMS)	Baseline	1992		1,354,771
Comments		1993	1,342,488	
		1994	1,392,065	
		1995	1,504,950	
		1996		
		Target	1997	

(Country Name): Mexico

**PROGRAM OUTCOME NO. 3.3: Increased sustainability of family planning delivery systems**

Indicator: (1) : Total annual Government of Mexico family planning budget

Unit: nominal or real U.S. dollars (thousands)

Source: Government of Mexico annual reports (annual budgets of SSA, IMSS, CONAPO and ISSSTE)

Comments

	Year	Planned	Actual
Baseline	1992		63,200
	1993		87,200
	1994	97,000	
	1995	110,000	
	1996	125,000	
Target	1997	140,000	
	1998		

Indicator: (2) Percent of total costs recovered by key family planning NGOs

Unit: Percent

Source: Key NGOs (FEMAP and MEXFAM) financial reports, CA reports

Comments:

	Year	Planned	Actual
Baseline	1992	FEMAP MEXFAM	FEMAP N/A MEXFA - 16.4
	1993	FEMAP MEXFAM	FEMAP - 30.34 MEXFA - 17.6
	1994	FEMAP - 33.28 MEXFA - 19.7	FEMAP MEXFA
	1995	FEMAP - 28.08 MEXFA - 29.5	FEMAP MEXFA
	1996	FEMAP - 33.3 MEXFA - 34.8	FEMAP MEXFA
Target	1997	FEMAP - 34.04 MEXFA - 38.9	FEMAP MEXFA
	1998		

(Country Name) Mexico

**PROGRAM OUTCOME NO. 3.3: Increased sustainability of family planning delivery systems**

Indicator: (3): Dependence of key family planning NGOs on USAID funding

Unit: Percent of key NGO budget supplied by USAID/Mexico

Source: Key NGOs (FEMAP and MEXFAM) financial reports;  
Cooperating agencies' reports

Comments

	Baseline	Year	Planned	Actual
		1992	FEMAP MEXFA	FEMAP - N/A MEXFA - 40
		1993	FEMAP MEXFA	FEMAP - 62.61 MEXFA - 37
		1994	FEMAP - 66.58 MEXFA - 30	FEMAP MEXFA
		1995	FEMAP - 46.04 MEXFA - 20	FEMAP MEXFA
		1996	FEMAP - 33.99 MEXFA - 10	FEMAP MEXFA
	Target	1997	FEMAP - 34.14 MEXFA - 5	FEMAP MEXFA
		1998		

## II. PERFORMANCE REPORT

**OTHER ACTIVITIES:** In addition to the three strategic objectives, USAID/Mexico is supporting three Other Activities which indirectly support and reinforce various aspects of the strategic framework.

### 1. Increased Availability of Information on Modes of Transmission and Prevention of HIV:

Throughout the 1980's and 1990's, the number of AIDS cases in Mexico has continued to increase to the point where Mexico now ranks third in the Americas, behind the United States and Brazil, in the number of cases reported to The World Health Organization. By January 1, 1995, it was officially estimated that 33,000 Mexicans had developed AIDS, though significant under-reporting suggests that the actual number of cases is much higher.

Currently the fourth leading cause of death in males in their most economically productive years, HIV/AIDS is expected to become the number one cause of mortality in that population by the turn of the century. Already, according to statistics from the National AIDS Prevention Council (CONASIDA), close to 240,000 working years have been lost to the epidemic, the equivalent of one year's productivity from the entire male population of the State of Aguascalientes.

The permeability of the 2,000 mile U.S.-Mexico border (with approximately 300 million legal crossings annually, and untold millions of illegal crossings) and the increased contact between the two countries as a result of the NAFTA, heighten the risk for both countries. Measures to address this plague in one country will necessarily affect the other.

Migrant workers present a special challenge for both the United States and Mexico in terms of HIV/AIDS prevention. Their low educational level, transient life style, and frequently illegal status make them the most difficult single group to reach with prevention messages and health services. Yet migrants account for ten percent of total AIDS cases in Mexico. In rural areas, 45% of those infected have a history of temporary residence in the United States.

Perhaps the most disturbing specter on Mexico's AIDS horizon is that the country has an enormous population of young people (36% of the population in 1994 was age 15 or under). It has been estimated that 30-40% of reported AIDS cases were contracted during adolescence, indicating that Mexico is facing a potential time bomb.

Mexico's current economic crisis threatens to overwhelm the capacity of a health system already strained by the effort to address "modern" diseases such as AIDS in a society where diarrhea and respiratory infections are still among the leading causes of death. The rising costs of attention to the growing numbers of AIDS cases will doubtless divert resources needed for long-term investment in human and economic development. Given that there is currently no cure for HIV/AIDS, prevention is the key to halting the march of this deadly virus. USAID/Mexico's support is directed toward increasing the availability of information on the prevention of HIV/AIDS and activities in this area are expected to continue with intensity through FY 1997 at least.

### **Statistics on HIV/AIDS Increased Availability of Information for 1994:**

**Number of lectures, conferences held: 1,621**

**Number of people attending: 33,847**

**Brochures, pamphlets, posters produced: 209,950**

**Video "Women & AIDS" produced - Copies distributed: 100**

**Evaluation of video by National Aids Prevention Council with 100 students.**

## **2. Strengthened Capacity of Target Institutions to Deal with Selected Democracy/Human Rights Issues.**

Mexico has made significant progress over the last 18 months in reforming its electoral process, improvements culminating in August of 1994, in the most transparent elections in the history of the country. Capitalizing on the momentum, then President-Elect Ernesto Zedillo advanced sweeping proposals for judicial reform prior to his inauguration in December of 1994. Successful passage and implementation of these reforms is going to be critical to restoration of investor confidence and subsequent economic revitalization.

USAID/Mexico is currently supporting an ongoing project with the Parliamentary Human Rights Foundation (PHRF). This project provides information, global database links, and organizational support to Mexican legislators on bilingual education, human rights and democracy issues. Begun in early 1994 as part of the activities in preparation for the election, the major event was a congressional roundtable in Mexico City with participants from the United States, Mexico and Canada. Members of the Mexican Congress who attended were sufficiently impressed with the work of the PHRF that they requested follow-on activities. A second roundtable will be held this spring in Ottawa, followed by a seminar in Mexico City at which members of congress and NGOs will receive training in the use of on-line facilities to communicate with counterparts in other countries.

Additional activities in 1995 are contemplated in the areas of administration of justice and civil society. The specifics of these activities will be finalized in approximately one month. None of these new activity is projected to have a life of project cost in excess of \$1 million.

## **3. Strengthened institutional capacity for microenterprise assistance in Southern Mexico:**

This activity is being carried out through a grant with ADMIC, a local ACCION Internacional affiliate. The purpose is to support expansion of a credit program for microenterprises in the target region of Chiapas in Southern Mexico. This area is characterized by underdevelopment, high poverty rates, and recent political instability.

Microenterprise assistance is a priority area of assistance for USAID worldwide and is an element in the Summit of the Americas Plan of Action. In the context of Mexico, this activity is a vehicle for encouraging economic growth. There are an estimated 2.6 million microenterprises comprising 85% of all companies in Mexico. In the first four month of the grand term, ADMIC has:

**Advised and provided technical assistance to: 491 microenterprises**  
**Generated 91 new jobs; strengthened 237 existing jobs**  
**Presented 19 courses in capacitation for microenterprises**  
**Trained 177 people in the capacitation courses**  
**Extended credit to 97 microenterprises**

## COUNTRY TRAINING PLAN

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. In September, 1994, USAID/Mexico exercised an option in the original contract to extend the completion date through August, 1996, and to train 160 additional participants.

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 and other activities.

In fact, USAID/Mexico's training program is impressively focused on directly buttressing USAID/Mexico's work in the priority strategic objective areas. Almost all training activities are closely linked to ongoing project activity in one of the strategic objective areas. Training funded from one of the Mission's two main training projects is used in the vast majority of cases to supplement assistance provided to Mexican institutions through the other USAID/Mexico projects. This is the case in all three strategic objective sectors and for the HIV other activity. In some cases, strategic objective managers request training funds for particular training needs under their own projects, and in others, they work with training project staff to help determine priority uses of funds under the two training projects.

The CLASP II MDC Training program has also been highly effective in expanding Mexico's human resources in identified priority areas, and on fostering cultural and commercial ties between U.S. and Mexican institutions. The program also 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 has, at times, included a portion of tuition and/or maintenance allowances as well.

AID/Mexico established a target of 25% as the portion of training costs to be contributed by participants or their employers. It is important to note that project performance on the LAC II and CLASP II MDC programs has consistently exceeded the goal. In 1994, host country contribution to training costs ranged as high as 80% and averaged approximately 40% across all categories of participants. These high participant match percentages very likely will change in 1995, as

institutions and individuals are beset by the peso devaluation and severe economic downturn in Mexico.

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 sufficient to accommodate the number of requests for academic training in the U.S. Since 1983, which ushered in a previous period of economic uncertainty, there has been a significant reduction in GOM support for graduate and undergraduate study outside Mexico, and a corresponding increase in requests to USAID for financial assistance.

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 has been able to stretch the training funds in order to make academic training in the U.S. available to a larger number of Mexicans. However, given the country's most recent economic tribulations, it is probable that the number of Mexicans interested and qualified to study in the U.S. will continue to 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 over 80% the CLASP target for female participation by continued outreach and 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 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. This has resulted in a reduction of administrative costs over the last two years, leaving greater resources for the actual training. In addition, for the MDC project, agreements with the University of California system and the expansion of the ongoing programs with Texas universities has continued to leverage training dollars beyond standard participant cost averages.

USAID/Mexico continues striving 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. A second group of 25 Mexicans received training on AIDS Prevention in an HBCU institution. Group training programs in entrepreneurship, international trade and other relevant sectors are also possible at the Mississippi Consortium for International Development.

As the result of audit 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.

Training has long been an integral component of the USAID/Mexico Program. In the context of increased programmatic focus, training has become a powerful tool supporting achievement USAID/Mexico's strategic objectives. Training is a key component of each strategic objective and the other activity areas. USAID/Mexico currently trains over 200 persons annually and that number may well increase, especially as the 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.

Due to an amendment signed in September, 1994, to extend both the time frame and the scope of the ADC Training Project, FY95 promises to be a busy year for the project. In addition to extending the completion date by one year, the extension increased the total number of person-months over the life of the project from 2,268 to 2,597.50. It also stipulated that an additional 160 participants would be trained in the areas of environment, international trade, health, global climate change and AIDS prevention, all of which are fields directly related to the achievement of the strategic objectives and other activity areas.

Of these 160 participants, 10 will receive academic training; 40 will be programmed to attend short-term technical training courses of approximately two weeks; 20 will attend conferences and 15 will be sponsored to attend observational visits. Finally, three groups of 25 participants each will be programmed to attend two- to three-week tailor-made courses. The ADC Training Project completion date is August 31, 1996. Because of the importance of training for USAID/Mexico beginning in FY 96 a new 5 year training program will be initiated and targeted to the training needs suggested by each strategic objective. Funding will be drawn from each strategic objective funding category to support this training initiative. Because the ABS will not accommodate inter-portfolio transfers, the resources required for the training are not yet broken out. It is the intention of USAID/Mexico to address this in a subsequent budget revision, assuming the software has been modified to allow this transfer.

**Statistics on Training for 1994:**

<b>S.O. 1</b>	<b>No. of Participants:</b>	<b>36</b>	<b>Male:</b>	<b>26</b>	<b>Female:</b>	<b>9</b>
<b>S.O. 2</b>	<b>No. of Participants:</b>	<b>68</b>	<b>Male:</b>	<b>56</b>	<b>Female:</b>	<b>12</b>
<b>Other Activities</b>	<b>No. of Participants:</b>	<b>43</b>	<b>Male:</b>	<b>24</b>	<b>Female:</b>	<b>19</b>
<b>Totals:</b>	<b>No. of Participants:</b>	<b>146</b>	<b>Male:</b>	<b>106</b>	<b>Female:</b>	<b>40</b>

### III. 1996-97 PROGRAM PLANS AND RESOURCE REQUIREMENTS

#### Encouraging broad-based economic growth:

**STRATEGIC OBJECTIVE NO. 1:** Improved performance of target institutions in selected legal/regulatory areas related to the NAFTA.

a) **Activities:** The primary activities which will be supported are those involving training and information exchanges between The EPA; The U.S. Department of Labor; and The U.S. Department of Commerce - Patent and Trademark Office and National Marine Fisheries Services.

Table 5 identifies the respective project timelines for activities in support of Strategic Objective No. 1.

Although there will be new activities in 1996 and 1997 which will be designed to encourage broad-based economic growth, none will exceed \$1 million life of project cost to USAID. Essentially designed to move beyond the current focus of legal and regulatory frameworks, the new activities will be structured to help small and medium sized businesses become integrated into NAFTA. As we move toward the year 2000, enterprises of any will be handicapped without computer technology and without an understanding of how to make that technology work through network systems.

There are cultural differences among each of the NAFTA countries. Doing business in the United States can be very different from doing business in Mexico and Canada. Being aware of the diversity and appropriate approaches in each country will facilitate participation of businesses in the NAFTA. It is interesting to note that during the week of March 6, 1995, the GOM put on a short workshop at the U.S. Embassy in Mexico City. The subject was procurement by the Federal Government of Mexico. The purpose of the seminar was to educate Embassy staff, particularly those having linkages to the U.S. business community, in the intricacies of the government procurement system and the cultural concomitants of the system. Knowing the procedures without the psychology will not result in contracts.

As new NAFTA regulations become effective, it may be necessary to continue doing some strengthening both with the GOM and the private sector, but this function is expected to lessen in both importance and intensity over the next two years.

b) **Resource requirements:** Table 3 sets forth the resource requirements necessary to support the Strategic Objective No. 1 activities for the next two budget years.

c) **Other donor issues:** At this point, there are no significant issues involving other donors which are likely to have an impact on the achievement of Strategic Objective No. 1.

d) **Plan for monitoring and reporting on progress of strategy implementation:**

1. The performance targets under Strategic Objective No. 1 are measurable and are valid and reliable measures of the desired program outcomes. All measures are defined in percentages or absolute numbers. The establishment of 1995 targets will allow a comparison with actual results achieved for 1995. Furthermore, the 1995 actual results can be compared against the 1994 actual results to see if progress has been made from one year to the next.

2. Data collection is the responsibility of both the U.S. and Mexican counterpart agencies. Indicators relating to percentage of inspections which follow norms for industrial pollution control and for percentage of shrimp boats in compliance with required use of turtle excluder devices will be very

dependent upon the reporting of valid data by the respective agencies.

Occasionally, if results reported appear to be inconsistent with other known program circumstances, a request for verification of the data may be made.

Insofar as the USPTO/MIPO project, the target for elimination of the backlog of patent applications has already been met. Future data collection will focus on progress being made by MIPO to continue reducing the length of time for application pendency, which is now estimated between 18 months and 3 years, depending upon the complexity and technological area in which the application is filed.

Data collection for numbers of trainers trained, numbers of training courses developed, numbers of information exchanges completed and numbers of conferences held are somewhat easier to amass and will be based upon semi-annual requests for information update.

3. Annual progress reviews are a derivative of the second semi-annual data collection, with detailed analysis of the results against the plan. A written record of these progress reviews is retained in the Mission files.

e) Alternative programming scenario:

Plus 5%: Effects of a 5% increase on activities in support of Strategic Objective No. 1 would be negligible. This sum is insufficient to allow a major increase in the level of effort. It might be adequate to provide any needed updates or increments to training courses which were created in earlier years.

Less 25%: Although USAID/Mexico has made a practice of designing programs which have stand-alone components, a 25% decrease in funding for Strategic Objective No. 1 activities would have a serious impact. It is anticipated that travel between the U.S. and Mexico, which has been an important part of training and conferences, would have to be scaled back to almost zero. This would be indeed unfortunate, for much of the training benefit inures to participants when they are able to have hands-on experience with their counterpart's systems and equipment. Even seeing the design and lay-out of office, laboratory and work spaces can have major training value. Opportunities to establish networks would sorely diminish as well.

Insofar as possible, training and conferences would likely be done through on-line computer and teleconferencing activities as well as through regular written texts. While students have learned for hundreds of years by reading books, the importance of face-to-face interchanges is almost incalculable. Dialogue energizes and catalyzes. This is the essence of learning.

Table 5: USAID/MEXICO PORTFOLIO -- PROJECT TIMELINE

PROJECT NUMBER/TITLE SO#1	FY94				FY95				FY96				FY97				FY98				FY99			
	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 - EPA 598-0616.23-3-20001	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PASA - Department of Labor 598-0616.23-3-20004	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PASA - NMFS 598-0616.23-3-30018	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PASA - USPTO 598-0616.23-20007	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-
PHRF - Grant No. 598-0616.23-523-4036	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ADMIC - Grant No.598-0616.23-523-4020	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AOJ/Judicial Reform - New activity	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-
Civil Society - New activity	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New activity - NAFTA - Improving compliance with legal/regulatory framework	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-
New activity - NAFTA: Beyond legal/regulatory frameworks Trade 2000: Integration into the hemispheric economy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-
TOTAL PROJECTS (number) (at end of FY 4th Quarter)	6				4				3				1											

\* Other = PASAs and TCNs

### III. 1996-97 PROGRAM PLANS AND RESOURCE REQUIREMENTS

#### Protecting the environment:

STRATEGIC OBJECTIVE NO. 2: Environmentally sound natural resource and energy use increased.

a) **Activities:** The primary activities which will be supported under the E/GCC Program are forest conservation, energy efficiency/savings and biodiversity conservation. Forestry activities focus on supporting NGO conservation organizations to protect reserves and promote sustainable development in buffer zones. Energy activities focus on promoting efficiency technologies, renewable energy resources and energy training. Over the coming year, biodiversity work will concentrate on institutional strengthening of the Mexico Conservation Fund, project paper design and approval and preparing for pre-award survey.

Table 5 indicates the respective timelines and funding projections for activities in support of Strategic Objective 2.

Four new areas of activity are being proposed under the EIA components of urban and industrial pollution mitigation, sustainable energy production and use, and coastal and marine ecosystems conservation. These activities all fit under the existing Mission strategic objective/indicator framework. See NAD descriptions below.

b) **Resource requirements:** Table 3 sets forth the resource requirements necessary to support the Strategic Objective No. 2 activities for FY96-97.

c) **Other donor issues:** The only activity under this strategic objective where donor collaboration is essential is the Mexico Conservation Fund. The Fund and cooperating organizations (principally WWF and TNC) are seeking multi-lateral funding to fully capitalize the endowment. Discussions with the IDB and World Bank are positive and co-funding is expected to materialize during the period covered by this Action Plan.

d) **Plan for monitoring and reporting on progress of strategy implementation:**

1) As under Strategic Objective No. 1, the performance targets for environment (Strategic Objective No. 2) are measurable. They are valid and reliable indicators of desired program outcomes. All measures are easily quantifiable, being defined in terms of processes, specific tasks which reflect institutional capability, percentages or absolute numbers.

2) Data collection is the responsibility of both the grantees and Mexican counterpart agencies. Since monitoring and data gathering for environmental indicators is a complex and long-term process, USAID/Mexico is seeking to provide technical assistance and training to facilitate the process. Assistance from Global staff, including AAAS Fellows, will be used to facilitate the monitoring and evaluation process in 1995-96.

By the end of 1995, the development of baseline data by the EPA/ Corvalis research project is expected to provide solid, quantified information on land use changes over the past 30 years. This will facilitate tremendously evaluation of forestry project impacts and benefits in coming years.

The ongoing political insurgency in the State of Chiapas has caused some delays in project implementation in this region, and may lead to unforeseen deforestation impacts resulting from military

control of the area. In light of these problems, project implementation has nonetheless proceeded satisfactorily, and NGO and USAID grantees have been able to maintain good working relationships with both government and local communities. Efforts are continuing to bolster this rapport in order to mitigate the effects of the insurrection. Project activities in the Montes Azules/Selva Lacandona program are being looked at as interesting models for furthering sustainable development in the area, which would directly confront one of the rebels' main issues: the seemingly intractable poverty and lack of viable development options.

For more specific information on the data collection functions and responsibilities, please see Table 2 for Strategic Objective No. 2.

3) Annual progress reviews are a derivative of the second semi-annual data collection, with detailed analysis of the results against the plan. A written record of these progress reviews is maintained in the Mission files.

e) Alternative programming scenario.

5% increase: If 5% additional resources, USAID/Mexico would invest them via a buy-in to the Environmental Enterprises Assistance Fund to expand their operations in Mexico. This mechanism would provide the flexibility to invest in environmental activities in a broad range of E/GCC program areas focusing on the identification, promotion and support of environmentally sound and sustainable businesses and projects that would strengthen our ongoing activities. The fund would, with these resources, be able to work with foreign and domestic banks and the private sector to leverage co-investment funds.

Less 25%: A budget cut of this magnitude would produce specific negative impacts in each focus area, both for Mexico and potentially also for the United States. E/GCC activities in environmental policy, for instance, have focused on helping Mexico modify or increase environmental enforcement in order to comply with NAFTA environmental standards, thus avoiding the possibility of trade disruption.

One direct result of project-supported training and technical assistance to Mexican fisheries is a greatly increased use of turtle excluder devices by Mexican shrimp and tuna boats -- reducing the risk of a U.S. embargo. Project funding also supports much of the legal training being provided to local public and private agencies on environmental policy and regulation in Mexico. Major retrenching in policy and regulatory training could leave Mexico deficient in the regulatory and policy background necessary for effective trading with the United States.

E/GCC's activities in sustainable forestry and protected areas conservation have targeted local beneficiaries, including farmers, indigenous communities and NGOs. Program activities link conservation with economic development, emphasizing the long-term economic benefits of local resources (and therefore the value of preserving them). People who can support themselves are less likely to feel the need to migrate to the United States.

Activities have already resulted in the creation of several promising markets: eco-tourism, crafts, oils and natural cosmetics, and have helped preserved natural areas whose genetic, agricultural and potential pharmaceutical resources have not yet fully been discovered and catalogued. FY 1995-96 funding includes training aimed at securing sustainable economic benefits from these and other products, as well as an initiative to protect Mexico's biologically rich, economically important coastal zones. To reduce this funding would not only leave valuable resources unprotected, it would force activities to be scaled back to the point that the new economic markets would stagnate, wiping out earlier gains, and heightening the possibility that further economically marginalized populations will opt for northward migration.

The Mexican Government has expressed clear interest in alternative power technology, but lacks the

infrastructure to provide initial equipment or to regulate its use. The resulting technology transfer has opened new economic opportunities for the United States, with a potential for enormous growth (five years ago, energy/environment products were supporting \$1.9 billion in trade). E/GCC's energy efficiency program uses U.S. expertise and technology to provide replicable, locally sustainable models for generating environmentally safe energy for household and productive applications.

Clean energy, which includes renewable energy such as wind and solar power, obviates the disadvantages of traditional power, such as forest and habitat destruction from cutting fuelwood, and the production of global warming gases from the burning of wood and fossil fuels. E/GCC is presently initiating a renewable energy activity which will eventually result in a carbon debt reduction of up to 5 tons. The project is also benefitting U.S. companies involved in training and technology transfers. Deep budget cuts of the kind contemplated would eliminate a potentially very lucrative market for U.S. products, reduce availability of economically viable, clean energy and the training necessary to enable its sustainable use. In addition, it could force Mexico to continue expensive, ecologically destructive extension of the electrical grid.

## **New Activity Descriptions (NADs) for E/GCC**

USAID/Mexico is submitting four new activities of over one million dollars in this Action Plan under the SO# 2 environment/global climate change. The first activity is the Mexico Environment and Global Climate Change Project which is scheduled to become a bilateral beginning in FY 1996. The three remaining activities were recently submitted to AID/W for funding under the EIA. These will be only briefly summarized here.

### **S.O. # 2 - Environmentally sound natural resources and energy use increased**

#### **NAD #1**

##### **1. Basic Data**

Program: MEXICO

Title: 523-0784, The Mexico Global Climate Change (GCC) Project

Funding Source: DAF

Proposed Obligation (\$000s): \$50 million

Initial FY of Obligation: FY 96

Final FY of Obligation: FY 2005

Project Assistance Completion Date (PACD): September 30, 2005

Number: Grant

New

Prior Reference: Environment\GLocal Climate Change (598-0784)

Scheduled Evaluations: FY 1997 and FY 2000

Source/Origin of Goods and Services: Mexico & the United States

The Mexico E/GCC project is proposed to be an extension of the LAC E/GCC Project that has had an active Mexico component from FY 1990-FY1995.

Principal Contractors or Agencies Contemplated:

- a) Pronatura, Peninsula de Yucatan, A.C. (PPY)
- b) World Wildlife Fund/Biological Support Program (WWF/BSP)
- c) The Nature Conservancy (TNC)
- d) Environmental Law Institute (ELI)
- e) Fundacion Mexicana para la Educacion Ambiental, A.C. (FUNDEA)
- f) Conservation International (CI)
- g) Partners of the Americas
- h) Fondo Mexicano para la Conservacion de la Naturaleza (FMCN)

##### **2. Strategic Fit with Agency/Bureau Goal**

This project directly supports the Agency's environmental strategy, "Protecting the Global Environment." 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. Also consistent with USAID/Mexico's S.O. #2 and Program Outcomes as follows:

P.O.#1. Adoption of select renewable energy and energy efficient technologies and practice

P.O. #2 Improved management of target protected areas and their buffer zones, and

**P.O. #3 Improved Mexican non-governmental institutional capacity for preservation of biodiversity.**

**Purpose:** to reduce deforestation and increase clean energy, renewable energy and energy efficiency technologies in Mexico.

**Project Description:** The Agency has identified Mexico as one of the two special emphasis/"key" countries in Latin America (along with Brazil) for the mitigation of global warming. The overriding objective is to reduce emissions of greenhouse gasses, resulting primarily from the burning of forests and fossil fuels.

Effective October 1, 1994, management authority for activities supported under the LAC Regional E/GCC project were completely shifted to USAID/Mexico and USAID/Brazil. This NAD describes the mechanism for the transfer of management and implementation authority.

One of Mexico's primary sources of greenhouse gas emissions is deforestation; therefore, the majority of the project's funds initially promoted sustainable uses of forest resources and other alternatives to deforestation. A second major focus has been reducing greenhouse gas emissions by increasing energy efficiency and using renewable energy sources; with FY 95 funds, Mexico will initiate energy-related activities. The major components of the project include: (1) policy and legal/regulatory analysis, reform and systems development; (2) forest, extractive reserves and buffer zone management; (3) establishment and management of parks and protected areas; (4) demonstration, technology transfer and pilot practical energy, agriculture and forestry applications; (5) institutional strengthening of non-government organizations; (6) training and research.

**Relationship to USAID Country Strategy:** The project is designed to meet Congressional directives regarding global climate change. The project also supports the Agency environmental strategy to address global environmental problems, and it supports LAC Bureau's new Environmental Initiative for the Americas.

**Beneficiaries:** Small farmers, individuals involved in non-timber extractive forest industries such as chicle tappers, the tourism sector, and others living directly off the land, as well as larger farming and timber concerns will continue to benefit from improved protected area management, agroforestry, forest management and forest resource utilization. Individuals and companies also will benefit from improved energy efficiency and renewable energy activities designed to generate income. At the international level, benefits will result from pilot demonstrations concerning how to reduce greenhouse gas emissions and protect tropical forests.

**Relationship to Host Country and Other Donors:** Activities complement those of USAID and other donors and are compatible with and support host country development strategies. Examples where E/GCC activities were designed to leverage multilateral funding include the Mexico Conservation Fund Program to Conserve Biodiversity and the GEF Mexico Renewable Energy Project. USAID also coordinates E/GCC with their U.S. government agencies (e.g., U.S. Forest Service, EPA, DOE) and with NGOs.

**NADs #2-4.**

**1. Basic Data (EIA PROPOSALS)**

Program: MEXICO

Title: Three Proposed EIA Activities:

1. Mexico Urban and Industrial Pollution Prevention
2. Mexico Integrated Coastal Resources Management
3. Mexico Sustainable Energy Production and Use Program

Funding Source: EIA

Proposed Obligation (\$000s):(respectively

1. \$ 2,100
2. \$ 1,200
3. \$ 3,750

Initial FY of Obligation: FY 95

Final FY of Obligation: FY 96

Project Assistance Completion Date (PACD): September 30, 1996

Number: Buy-Ins to Global Projects, respectively:

1. EP3 Project
2. Coastal Resources Management Project
3. EEP, BEST, REAT, CARET and ETP Projects

New

Prior Reference: N/A

Scheduled Evaluations: (final) FY 1996

Source/Origin of Goods and Services: Mexico & United States

These Mexico EIA activities are proposed as expansions or extensions of ongoing USAID/M E/GCC programs. The Strategic focus and basic program outputs of the Mission portfolio remain the same. Detailed descriptions of each of these activities, including specific purpose, background, project description, relationships and results, were developed for the EIA submission and are available upon request.

**2. Strategic Fit with Agency/Bureau Goal**

In addition to following the EIA guidance, these projects directly support the Agency's environmental strategy, "Protecting the Global Environment" and are consistent with the Environmental Strategy Implementation Guidelines of Jan 27, 1994.

As in the case of the previous case, these activities are fully consistent with USAID/Mexico's S.O. #2 and one or more Program Outcomes.

Table 5: USAID/MEXICO PORTFOLIO -- PROJECT TIMELINE

PROJECT NUMBER/TITLE SO#2	FY94				FY95				FY96				FY97				FY98				FY99			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
598-0784 Debt-for-Nature Swap (CI)	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
598-0784 Eco Development - Env. Sound Community Level-SE Mexico (WWF)	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-
598-0784 Mgt. Northern Border Wildlands (WWF/BSP)	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-
598-0784 Parks-in-Peril (TNC)	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-
598-0784 Tropical Forestry Action Plan (FMA/PROAFT)	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
598-0784 Env. Policies related to Climate Change (ELI)	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
598-0784 Assessment of Land Use Patterns (EPA/ERL)*	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
523-4007 Institutional strengthening Mexico Conservation Fund (Pronatura)	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
598-0784 Calakmul Biosphere Reserve	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
598-0616 - Establish Youth Conservation Corps (POA)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
598-0616 The Mazunte Miracle (Escolar)	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
598-0780 Design & Establish MCF (WWF)	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
598-0616 GCC/EPM Training (FUNDEA)	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-
Endowment Support MNCF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PROJECTS (number)</b> (at end of FY 4th Quarter)	-	-	1	-	-	-	6	-	-	-	2	-	-	-	2	-	-	-	2	-	-	-	-	-

Other = PASAs and TCN

### III. 1996-97 PROGRAM PLANS AND RESOURCE REQUIREMENTS

#### Stabilizing world population growth:

STRATEGIC OBJECTIVE NO. 3: Sustainable increase in contraceptive prevalence.

a) Activities: Table 1 reflects the activities which are supporting the achievement of this strategic objective.

Table 5 identifies the respective project timelines for activities in support of Strategic Objective No. 3.

**New Activities:** Although new activities integrating population and environment objectives will not exceed \$1 million life of project cost to USAID during 1996 and 1997, it is important to mention that two innovative new projects in Mexico will focus on incorporation of population activities such as reproductive health and family planning, into environmental/GCC projects that support forest conservation and buffer zone management. These pilot efforts will be located in the Calakmul Biosphere Reserve, State of Campeche and in the Ocote Reserve, in Chiapas. Life of project funding for each initiative is projected to be \$50,000.

b) Resource requirements: Table 3 sets forth the resource requirements necessary to support Strategic Objective No. 3 activities for the next two budget years.

c) Other donor issues: At this point, USAID/Mexico is focusing on ensuring that the Government of Mexico will continue to meet its funding level commitments, even in the face of the current economic turmoil. Every indication is that the GOM intends to uphold its end of this bargain.

d) Plan for monitoring and reporting on progress of strategy implementation:

1. The performance targets under Strategic Objective No. 3 are measurable and are valid and reliable measures of the desired program outcomes. All measures are defined in percentages or absolute numbers, including dollars.

2. Data collection is primarily the responsibility of the Government of Mexico, with some information coming from key NGOs and the Information Management Service (IMS). Because the GOM normally does not publish the previous year's data until at least the end of the first quarter of the following year, population data for 1994 were unavailable at the time of preparation of this Action Plan.

Steps will be taken to negotiate with the GOM for collection and release of the 1995 data in time for inclusion in the next Action Plan. In the future, at a minimum, semi-annual requests will be made for information updates. Meanwhile, a supplement will be issued to the FY 96-97 Action Plan, providing the required information, together with an analysis of the performance of this portfolio.

3. Annual progress reviews are a derivative of the second semi-annual data collection, with detailed analysis of the results against the plan. A written record of these progress reviews is retained in the mission files.

e) Alternative programming scenario:

Plus 5%: Effects of a 5% increase on activities in support of Strategic Objective No. 3 would not be dramatic. This sum is insufficient to allow a major increase overall in the level of effort. A 5%

increment would more likely be well directed to slightly increase the scope of certain planned activities, as in raising the number of slots available at participant training courses or in reproducing additional IEC materials.

Less 25%: Although Mexico's national family planning program receives substantial support from the

Government of Mexico, a 25% shortfall in U.S. funding for Strategic Objective No. 3, would not likely be offset by additional monies from the GOM. The GOM has steadily been assuming a greater share of the financial burden for the family planning program, but the recent economic upheaval will not have a salutary effect on short-term progress in this regard.

Despite the fact that USAID/Mexico has attempted to, and has been successful in, designing programs which are reasonably tractable in the event of budget cuts, a 25% funding decrement would therefore have serious impact in both public and private sector institutions. The most probable way of coping with such a loss of funding would be to reduce the geographic focus of family planning to only those states with the highest priority. This would, of course, have the net effect of eliminating states which, although not top priority, are still in desperate need relatively speaking.

Project activities would also likely be scaled back to a "bare bones" regimen, in which case, the institutions would be constrained in efforts to initiate innovative service delivery strategies, because only those proven methodologies could be employed.

Table 5: USAID/MEXICO PORTFOLIO -- PROJECT TIMELINE

PROJECT NUMBER/TITLE SO#3	FY94				FY95				FY96				FY97				FY98				FY99			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Extension of reproductive health and family planning services in the IMSS (Pathfinder, AVSC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extension of reproductive health and family planning services in the SSA (Pathfinder, AVSC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extension of reproductive health and family planning services in the ISSSTE (Pathfinder, AVSC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Communication project in FP with CONAPO (Pathfinder)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Evaluation of the Program to Support the Extension of Reproductive Health and Family Planning Services (Pathfinder)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Integration of LAM in the Mexican community-based multimeriod fp system (Georgetown)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Continuous Quality Improvement with SSA (MSH)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Time of progestin-only OC initiation among lactating women (FHI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prospective (condom) aging study (FHI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs of Population Activities: Phases One and Two (FHI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



FY 1996 Budget Planning Document  
 Strategic Objective Summary Report  
 Table III

Page: 1 March 16, 1995  
 18:15

SO No	Title Project	Obligations X Percentages				FY94 Pct	FY95 Pct	FY96 Pct	FY97 Pct
		FY94	FY95	FY96	FY97				
01	IMP. PERF. TARGET INSTIT. IN SEL. LEGAL/REG. AREAS								
	598-064012	50	0	0	0	10	10	10	10
	DP	50							
	<b>Total:</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>				
	S.O. PCT:	0.3	0.0	0.0	0.0				
	USDH FTE	FY94	FY95	FY96					
		0.2	0.2	0.5					
	Central Regional Costs for FY96			0					
02	ENVIRONMENTALLY SOUND NATURAL RESOURCE AND ENERGY								
	598-064012	350	0	0	0	70	70	70	70
	DP	350							
	936-555400	0	250	350	350				
	DP		250	350	350				
	936-573400	0	260	60	260				
	DP		260	60	260				
	936-5737	0	0	25	0				
	DP			25					
	936-574300	0	200	200	0				
	DP		200	200					
	936-574600	0	600	2,200	2,200				
	DP		600	2,200	2,200				
	<b>Total:</b>	<b>350</b>	<b>1,310</b>	<b>2,835</b>	<b>2,810</b>				
	S.O. PCT:	2.0	3.3	13.6	15.7				
	USDH FTE	FY94	FY95	FY96					
		0.2	0.2	0.5					
	Central Regional Costs for FY96			3,310					

SO No	Title Project	Obligations X Percentages				FY94 Pct	FY95 Pct	FY96 Pct	FY97 Pct
		FY94	FY95	FY96	FY97				
03	SUSTAINABLE INCREASE IN CONTRACEPTIVE PREVALENCE								
	598-064012	50	0	0	0	10	10	10	
	DP	50							
	936-3030	600	300	800	650				
	PN	600	300	800	650				
	936-3038	150	250	250	200				
	PN	150	250	250	200				
	936-3041	440	200	200	200				
	PN	440	200	200	200				
	936-3044	130	130	130	0				
	PN	130	130	130					
	936-3046	20	20	20	20				
	PN	20	20	20	20				
	936-3049	1,368	2,298	2,298	1,500				
	PN	1,368	2,298	2,298	1,500				
	936-3050	120	120	120	120				
	PN	120	120	120	120				
	936-3051	300	500	500	500				
	PN	300	500	500	500				
	936-3052	340	550	550	350				
	PN	340	550	550	350				
	936-3055	250	350	350	250				
	PN	250	350	350	250				
	936-3056	50	400	400	400				
	PN	50	400	400	400				
	936-3057	2,250	1,200	1,200	590				
	PN	2,250	1,200	1,200	590				
	936-3061	28	50	50	50				
	PN	28	50	50	50				
	936-3062	4,682	4,700	4,700	4,500				
	PN	4,682	4,700	4,700	4,500				

SO No	Title Project	Obligations X Percentages				FY94 Pct	FY95 Pct	FY96 Pct	FY97 Pct
		FY94	FY95	FY96	FY97				
936-3065		2,015	3,200	3,200	2,500				
	PN	2,015	3,200	3,200	2,500				
936-3072		297	310	300	300				
	PN	297	310	300	300				
Total:		13,090	14,578	15,068	12,130				
S.O. PCT:		75.0	36.7	72.3	67.6				
USDH FTE		FY94	FY95	FY96					
		0.2	0.2	0.5					
Central Regional Costs for FY96				13,848					
99	OTHER ACTIVITIES IN SUPPORT OF AGENCY GOALS								
598-064012		50	0	0	0	10	10	10	10
	DP	50							
936-596605		69	0	0	0				
	DP	69							
936-597226		35	0	0	0				
	DP	35							
936-597231		10	0	0	0				
	DP	10							
936-5991		166	35	35	0				
	DP	166	35	35					
Total:		330	35	35	0				
S.O. PCT:		1.9	0.1	0.2	0.0				
USDH FTE		FY94	FY95	FY96					
		0.2	0.2	0.5					
Central Regional Costs for FY96				200					
Report Totals		13,820	15,923	17,938	14,940				

SO No	Title Project	----- Obligations X Percentages -----				FY94 Pct	FY95 Pct	FY96 Pct	FY97 Pct
		FY94	FY95	FY96	FY97				
S.O. PCT:		79.1	40.1	86.1	83.3				
USDH FTE		0.8	0.8	2.0					
Central Regional Costs for FY	96			17,358					

REMARKS:

AID/Mexico is planning to design a 5 year training project beginning in FY96 that will withdraw its funding from the determined accounts levels for each of the Strategic Objectives areas. Starting in FY96 a percentage will be established for each of the accounts to support the above training component.

As soon as the ABS can accomodate these data entries, a modified ABS reflecting these changes will be submitted.

**TABLE 4**  
**USAID/(country)**  
**OE Funding Requirements**  
**(\$000)**

OE/TRAUST FUNDED LEVELS By Major Function Code:	FY 95		FY 96		FY 97	
	U100 U.S. Direct Hire	28.5	20.0	21.5		
U200 F.N. Direct Hire	195.0	205.0	210.0			
U300 Contract Personnel	23.0	25.0	27.0			
U400 Housing	67.7	68.0	69.0			
U500 Office Operations	68.0	65.0	60.0			
U600 NXP Procurement	13.5	12.7	8.2			
Total Mission Funded OE/TF Costs	\$395.7	** \$395.7	**\$395.7			
Of which TF Funded	\$0.00	\$0.00	\$0.00			

\* Must not exceed Approved Annual Plan.  
 \*\* Should not exceed estimated actual FY95 levels.

	Mission Staffing Requirements									
	FY95			FY96			FY97			
	USDH*	USPSC**	TCNPSC**	FSN	Other	USDH*	USPSC**	TCNPSC**	FSN	Other
Total Authorized Positions	2	5	0	7	0	2	4	0	7	0
of which Program funded	0	5	0	1	0	0	4	0	1	0

\* May not exceed authorized USDH position ceiling  
 \*\* Must agree with Bureau established PSC ceilings for FY95. Any increases requested for FY 96/97 must be specifically justified within the context of planned program activity.

**VI. USAID/Mexico**  
**ENVIRONMENT -- Compliance with Section 118-119 of the Foreign Assistance Act**  
**regarding Tropical Forest and Biodiversity Activities Reporting**

As indicated in the FY 95-96 Action Plan presentation, AID has had a 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 facilitating the reduction of greenhouse gas emissions through the protection of forests and improved energy efficiency and conservation practices. In FY 1994, AID/Mexico began 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 therein.

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.