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USAID/BRAZIL

ACTION PLAN

FY 1996 - 1997

May 1995

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SECTION I. STRATEGY OVERVIEW

A. Narrative

1. Strategic Objectives

Brazil by every indicator is at the top of the list of countries important for economic, social, commercial, and diplomatic reasons to the U.S. Brazil is the largest country in Latin America at 150 million people covering almost half of the continent; it has an economy of \$530 billion (just the state of São Paulo has an economy larger than Argentina's); its trading relationship with the U.S. in 1994 was on the order of \$17 billion and growing; it is one of two GCC priority countries for the USG in the Americas; and it is an important diplomatic partner of the U.S. in such regional fora as the Rio Pact and as a guarantor in the Peru/Ecuador border dispute.

Brazil's immense size and USAID's limited resources require that USAID/Brazil's program be strategically targeted, highly focused, and capable of significant leveraging of other resources. The USAID/Brazil program does this by operating under three strategic objectives in the environment, reproductive health, and AIDS. In addition, we have been carrying out two other activities. The first is a program of training to support these three strategic objectives and the two cross cutting issues of democracy and economic policy reform. The second is the At-Risk Youth Project begun this year.

Our strategic objectives and two activities are in accord with the U.S. Mission Brasilia's Mission Program Plan approved by the Ambassador and the Bureau and Agency's objectives and the operational focus of increasing our design and implementation through PVOs. In order to maximize impact, the USAID program is closely coordinated with the activities at all USG agencies at post, such as USIA in the area of good governance, the Economic Section and FCS with regard to economic liberalization and ADR and IPR issues, NAS and USIA on judicial reform, and the FAS, FCS, and Science Section on environment and energy issues.

Our program is almost exclusively implemented through NGOs; U.S. PVOs working in partnership with one or more Brazilian NGOs. Part of our environmental program is also implemented through other U.S. governmental agencies such as USDA/Forest Service, EPA, The Smithsonian, and the State Universities of Florida and New York. While none of our funding is directly implemented through Government of Brazil (GOB) agencies, several of our NGO partners and cooperating USG agencies work with the Ministries of Health and the Environment, federal agencies, and various state level secretariats of health, social welfare, and the environment. USAID also has a coordinating relationship with the Ministry of Health and several state secretariats of health, the Ministry of the Environment and various state and federal organizations in the environmental area, and various federal and state organizations in conjunction with the training, democracy, and economic policy reform activities.

Over the last year we have attempted to broaden the impact of our program without increasing our funding or staffing requirements beyond those already approved. Thus, we have reformulated our environmental objective from a focus on "environmentally and socioeconomically sustainable alternatives to deforestation adopted beyond target areas" to the more fundamental issue of "adoption and dissemination of environmentally and socioeconomically sustainable alternatives for sound land use in the Amazon." We believe that this will better respond to the USAID/Brazil goal of "rate of deforestation in the Brazilian Amazon reduced" and the Bureau objective of "moderation in global climate change (through stabilization of carbon dioxide emissions)."

We also believe that the "sound land use" objective provides an incentive to our partners to seek broader more widespread use of the technologies developed with USAID funding and better provide integrated interventions for traditional forest

dwellers and the indigenous populations of the Amazon, while still reducing the rate of deforestation. This approach, we believe, also assures that such activities are continued after our projects are completed, thereby continuing the reduction in the rate of deforestation.

Additionally, we have added the new strategic objective: "To adopt and disseminate environmentally and socioeconomically sustainable alternatives for energy production and use in and beyond target areas." This was done to recognize the importance that energy efficiency and alternative energy sources play in reducing global climate change, in particular carbon dioxide emissions. Adding this new strategic objective also allowed us to respond to the EIA initiative of the Miami Summit in a way consistent with our country focus and mandate.

Thus our strategic objectives are the following:

- To adopt and disseminate environmentally and socioeconomically sustainable alternatives for sound land use in the Amazon.
- To increase access to contraceptive methods and integrated family planning services in order to improve women's reproductive health;
- To adopt and disseminate environmentally and socioeconomically sustainable alternatives for energy production and use in and beyond target areas; and
- To reduce rates of sexually-transmitted HIV in the states of Rio and Sao Paulo.

2. Economic, Political and Social Trends

Brazil's current President, Fernando Henrique Cardoso, was elected in October 1994 and took office in January 1995, having been elected without a runoff and with well over 50% of the vote, a landslide in Brazilian politics. His electoral platform made a commitment to achieving crucial constitutional reforms including privatization, tax and fiscal reform, deregulation, opening the economy to foreign investment, and reform of the state. These objectives were seen as critical to gaining efficiency and better performance in the economy, as well as providing increased levels of investment, improved control of federal expenditures, lower inflation, enhanced capacity for tax collection, and improved efficacy and efficiency of the judiciary. Cardoso also reversed the GOB's longstanding, though unofficial, position of opposition to NGOs and invited them to work with the government to help solve Brazil's development challenge.

Cardoso was elected on the strength of the "Plano Real" which he introduced in March 1994 as finance minister under the previous government of Itamar Franco. The Plano Real began the economic reform program with the introduction of a new currency, reduction in inflation to about 3% a month from double digits, and a reduction in the government deficit. It produced an immediate spurt of production and consumption which continues well into 1995, in turn creating new jobs and investment. However, these positive effects now threaten to overheat the economy and are unsustainable without the accompanying constitutional reforms which the government has been slow to extract from the congress which they control.

A growing unease that this very promising government may be faltering in producing the desired reforms is coupled with long-term serious defects in the operation of the political system. This is evidenced by the scandal which led to former President Collor's resignation, but who was subsequently acquitted in December 1994 on charges of accepting bribes. Additional new allegations and revelations of graft and corruption have further undermined public confidence in the political process. These involve various important political figures and some 20 senators who used the congressional printing office to print electoral

propaganda for the October 1994 elections; the "discovery" by the new federal and state administrations which took office in January 1995 of thousands of "phantom" employees at the state and federal levels; the bankruptcy of the state banks of Rio and Sao Paulo because of state government debts; and indications that considerable amounts are skimmed from social and infrastructure spending and that many government programs are essentially undermined by diversion of funds. These factors have all served to further disaffect the Brazilian electorate. Recent survey research shows that over the last two years the public's confidence in democratic institutions has declined, and general confidence in political institutions is low.

Despite these initial obstacles, both government leaders and the population at large demonstrate very solid support for political, social, and economic reform. This pro-reform atmosphere is enhanced by the fact that Cardoso does not belong to the traditional political elites and that congress, which is held in such low esteem by Brazilian society as a result of these issues, may be finally forced to act for the country's benefit and improvement of its own image. The convergence of these factors could finally give Brazil the opportunity to reform its economic and political system.

It is within this context that USAID will focus on the four strategic objectives outlined above. Recognizing that our limited resources can only have an effect when used in areas where the government is already committed to reform and prepared to take the next steps, but is perhaps unsure of what that next step is or how to take it; we must use our funding to support these reform processes. We will be focusing on promoting increased participation of NGOs and the private sector in the solution of environmental and energy issues; improved functioning of public and private health systems for the provision of reproductive health and AIDS prevention activities; beginning a dialog on judicial and legal reform, including issues of ADR and IPR; and promoting strengthening of NGOs and increasing their participation in addressing social issues

3. Managing for Results

During the last year we had a conference with the partners supported under our GCC program. Out of the broad exchange of information and experiences came a thorough review of our environmental strategic objective and indicators. The review gave the PVOs an opportunity, within the context of our overall GCC program, to suggest changes required in the indicators, helped us focus the objectives, and strengthened the spirit among a very diverse group of U.S. and Brazilian PVOs. It also helped us explain the importance of the strategic planning framework and the data collection activities. We believe that the data contained in this year's Action Plan demonstrates this.

We have reorganized the Environmental Office and added an administrative assistant approved last year to take some of the administrative burden off the USPSC and FSN PSC professionals who manage these activities. This should allow them more time to visit project sites and interact with the local and U.S. NGOs implementing the program. We are now reviewing options for management of the energy activities, which should begin later this year.

We carried out a similar meeting with our reproductive health partners in the context of the evaluation of our reproductive health program. We are awaiting the completion of the report to determine what adjustments or changes we may need to make in this objective as we approach the phase-out of this program.

Likewise, in late May we will be meeting with the NGOs and state health agencies working under the USAID funded AIDS program to review our program and make adjustments for the last two years of the project.

Our grantees have had some important successes this year. One of our local NGO partners, the Victoria Amazonica Foundation (FVA) signed a co-management agreement with the Brazilian Institute for Environment and Renewable Resources (IBAMA), for development and implementation of a management plan for the Jaú National Park, the largest park in Brazil with 2.2 million hectares. This is the first park management agreement ever signed between an NGO and a government agency in Brazil, and it allows an NGO affiliated with a U.S. PVO to manage a significant part of the Amazon.

Successful completion of the pilot experiment of the Sustainable Forest Management Project by the Amazon Institute of Man and Environment (IMAZON), was highlighted by the production of an award-winning video. The video was broadcasted nationally by two major TV networks, and was also shown to the Minister of Environment and other high-ranking government officials at the state and federal levels, which led to the invitation of IMAZON to participate in the forestry policy dialogue. This project has been perceived as a pioneer and successful partnership between an NGO and the private sector (logging companies).

In the reproductive health area, USAID/Brazil is pleased to report significant successes in the last year. Through policy dialog with GOB, import and federal taxes on condoms were abolished, contributing to the wider availability and lower cost of this essential product for STD/AIDS prevention. In the Northeast, where USAID supports two states in their reproductive health programs, both states committed budgetary resources, including the purchase of essential commodities, specifically to the USAID supported programs. Finally, USAID/Brazil's new project for at-risk youth and street kids in the Northeast, was launched by the Ambassador with considerable media attention and a very positive reception from local government leaders, NGOs and the press.

In sum, we have focused the impact of our environmental program; added an energy component; carried out a thorough review of our reproductive health program, which will allow us to focus on the issues and problems requiring attention prior to the phase-out; and begun an At-Risk Youth program with much public support.

SECTION II. PERFORMANCE REPORT

A. Increase Access to Contraceptive Methods and Integrated Family Planning Services in order to improve Women's Reproductive Health.

1. Narrative

a. Agency Goal and Strategic Objective

USAID/Brazil is implementing the Agency goal of stabilizing population growth and protecting human health through a strategic objective of increasing access to family planning services in order to improve women's health.

The current strategy for USAID population assistance to Brazil is a phase-out strategy covering the period 1992-2000. The implementation plan for the strategy anticipates that most activities related to service delivery will conclude by 1997, leaving the final years for data collection and impact evaluation. The Brazil population strategy predates the reorganization of USAID and the expansion of the mandate of its population program. An assessment team comprised of outside population experts, G and LAC staff, visited Brazil in March, 1995 to examine progress to date on the phase-out strategy and assess the timing planned for phase-out of support to public and private sector institutions and advise on priority actions within the remaining phase-out period in light of the Agency's new directions. A copy of their report is on file in LAC/SPM and SAM and in G/PHN/POP.

The initial recommendations (at the writing of the action plan the final report was in preparation) of the assessment team indicated that the current strategy continues to be relevant and appropriate, and that efforts should continue to phase-out assistance as planned. The team recognized that much of the support to the state health departments started recently, and that important activities will have to be funded by other donors after the phase-out period. In order to not disrupt these important service delivery points in the remaining years of assistance, the team felt that commodities and logistics would require redoubled attention, and that training and IEC are also priority areas. Private sector interventions, both NGO and commercial, should receive less emphasis.

b. Strategic Objective Performance

The program outcomes of population assistance in Brazil are (a) improved quality of family planning services; and (b) improved sustainability of family planning delivery systems. All population activities are funded from the G bureau and are implemented by Cooperating Agencies of the Office of Population, with local coordination by USAID/Brazil.

In 1994 a number of significant steps were made in the implementation of the strategy, which concentrates in the Northeast of Brazil and specifically in the two states of Bahia and Ceara. Both states have begun implementing formal women's reproductive health care programs, and have committed state resources to these programs. In both states, strategic plans were developed with USAID CAs' assistance and detailed implementation plans were produced for the first year of operations. Data from a situation analysis also supported by USAID was used in both states to set service delivery targets.

In other Northeast states, USAID continued to provide some support through BEMFAM, the Brazilian IPPF affiliate. In these states, BEMFAM focused on improving quality of family planning services by providing a wider range of method choice. BEMFAM also continued to work on its sustainability plan, in particular the commercial marketing venture.

A critical component of the strategy to complete USAID's assistance in population to Brazil involves phasing over the provision of contraceptive commodities to non-USAID sources. This is a particularly important issue in Brazil, where over 90% of contraceptive users rely on sterilization or oral contraceptives. A number of CAs collaborated to establish a Commodity Procurement Organization that will import and sell at affordable prices commodities currently donated by USAID. In 1994, the CPO was legally established and in early 1995 imported its first shipment of IUDs for sale in Brazil. This shipment of 20,000 units immediately sold out.

As a result of the process of preparations for the Population and Development Conference in Cairo in 1994, Brazil has taken steps to establish a continuing mechanism for GOB/NGO dialog on population related issues. USAID/Brazil has participated in the planning meetings, and funded a number of NGO participants. The establishment of a formal organization on population is a significant development in a country which has long resisted any official population policy.

c. Monitoring and Evaluation Status and Plans

The attached indicator tables were prepared with the participation of the population Cooperating Agencies working in Brazil. They use as data sources the DHS conducted in Northeast Brazil in 1991 and situational analyses conducted in Ceara and Bahia to assess service delivery points.

A meeting is scheduled for May, 1995 to refine these indicators, and in particular to establish targets. A Task Force has been established to coordinate CA reporting efforts, and to update the indicators more frequently.

A national level DHS is planned for 1996, and will provide follow up data.

2. Tables 1 and 2

TABLE 1: STRATEGIC OBJECTIVE PROGRAM "TREE"

Brazil
Bureau Objective: Support the achievement of broadly-based, sustainable economic growth
Bureau Sub-objective: Encourage increased economic opportunities for the disadvantaged
STRATEGIC OBJECTIVE NO. 1: Increase access to contraceptive methods and integrated family planning services in order to improve women's reproductive health.

PROGRAM OUTCOME NO. 1.1 Improved quality of family planning services	PROGRAM OUTCOME NO. 1.2 Improved sustainability of family planning delivery systems
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Projects (Number\Title)	Projects (Number\Title)
936-3042 - Pathfinder	936-3056 - PROFIT
936-3045 - JHPIEGO	936-3051 - SOMARC
936-3030 - Pop. Council 936-3043 - IPPF	936-3035 - Policy 936-3043 - IPPF
936-3060 - Evaluation	936-3060 - Evaluation
936-3052 - PCS	
936-3060 -Women's Studies	

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE

BRAZIL				
STRATEGIC OBJECTIVE NO.1 Increase access to contraceptive methods and integrated family planning services in order to improve women's reproductive health				
Indicator: (1) Unwanted fertility rate				
Unit:		Year	Planned	Actual
Source: DHS in Northeast Brazil				
Comments: Measured in Cear and Bahia	Cear	1991	**	1.6*
	Bahia	1991	**	1.5*
		1995	**	
		1996	**	
	Target	1997		
Indicator: (2) Mistimed births				
Unit:		Year	Planned	Actual
Source: DHS in Northeast Brazil				
Comments: Measured in Cear and Bahia	Cear	1991	**	19.9*
	Bahia	1991	**	18.1*
		1995	**	
		1996	**	
	Target	1997		

(*) Baseline data

(**) USAID/PVO meeting to be held in Washington in May/95, to define target figures for 1995-1997. Data will be presented at Action Plan submission in June.

Indicator: (3) Abortion rate				
Unit: Number of abortions/year		Year	Planned	Actual
Source: The Alan Guttmacher Institute				
Comments:	NE Region	1994	**	574.000*
		1995	**	
		1996	**	
	Target	1997	**	
Indicator: (4) High-risk pregnancies				
Unit:		Year	Planned	Actual
Source: DHS in Northeast Brazil				
Comments: Measured in Ceará and Bahia	Ceará	1991	**	57.8*
	Bahia	1991	**	63.2*
		1995	**	
		1996	**	
	Target	1997		

(*) Baseline data

(**) USAID/PVO meeting to be held in Washington in May/95, to define target figures for 1995-1997. Data will be presented at Action Plan submission in June.

BRAZIL				
PROGRAM OUTCOME NO.1.1 Improved quality of family planning services				
Indicator: Program level - Service delivery points provide full range appropriate methods				
Unit: % of service delivery points		Year	Planned	Actual
Source: Situational Analysis, Ceará and Bahia				
Comments: Ceará Situational Analysis results released in early 1994; Bahia Situational Analysis released 4/95.	Ceará	1993	**	25*
	Bahia	1994	**	20*
		1995	**	
		1996	**	
	Target	1997		
Indicator: Population level: Population has available full range of methods				
Unit: % of population		Year	Planned	Actual
Source: Situational Analysis, Ceará and Bahia				
Comments: Ceará Situational Analysis results released in early 1994; Bahia Situational Analysis released 4/95. Data analysis under way.	Ceará	1993	**	
	Bahia	1994	**	
		1995	**	
		1996	**	
	Target	1997		

(*) Baseline data

(**) USAID/PVO meeting to be held in Washington in May/95, to define target figures for 1995-1997. Data will be presented at Action Plan Submission in June.

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE

Indicator: Program level: SDP quality of care score.				
Unit:		Year	Planned	Actual
Source: Situational Analysis, Ceará and Bahia				
Comments: Ceará Situational Analysis results released in early 1994; Bahia Situational Analysis released 4/95.	Ceará Quality of Care Score -Interpersonal Relations -Choice of method -Understanding clients' needs -Information to clients -Technical competence -Mechanisms to ensure continuity	1993	**	61* 53* 32* 35* 22* 60*
	Bahia	1994	**	
		1995	**	
		1996	**	
	Target	1997		
Indicator: Population level: Discontinuation rates				
Unit:		Year	Planned	Actual
Source: DHS in Northeast Brazil				
Comments:	Ceará	1991	**	49.5*
	Bahia	1991	**	52.0*
		1995	**	
		1996	**	
	Target	1997		

(*) Baseline data

(**) USAID/PVO meeting to be held in Washington in May/95, to define target figures for 1995-1997. Data will be presented at Action Plan submission in June.

Indicator: Population level: OC compliance				
Unit: % of women using OCs correctly		Year	Planned	Actual
Source: DHS in Northeast Brazil				
Comments:	Ceará	1991	**	42.1*
	Bahia	1991	**	49.8*
		1995	**	
		1996	**	
	Target	1997		
Indicator: Population level: Users satisfaction				
Unit: % of users satisfied with current method		Year	Planned	Actual
Source: DHS in Northeast Brazil				
Comments:	Ceará	1991	**	82.8*
	Bahia	1991	**	87.9*
		1995	**	
		1996	**	
	Target	1997		

(*) Baseline data

(**) USAID/PVO meeting to be held in Washington in May/95, to define target figures for 1995-1997. Data will be presented at Action Plan submission in June.

BRAZIL				
PROGRAM OUTCOME NO.1.2 Improved sustainability of family planning delivery systems				
Indicator: Program level - % of public sector SDPs with family planning service:				
Unit: % of service delivery points		Year	Planned	Actual
Source: Situational Analysis, Ceará and Bahia				
Comments: Ceará Situational Analysis results released in early 1994; Bahia Situational Analysis released 4/95.	Ceará	1993	**	34*
	Bahia	1994	**	32*
		1995	**	
		1996	**	
	Target	1997		
Indicator: Population level: Population having access to public sector SDPs with family planning				
Unit: % of women in fertile age		Year	Planned	Actual
Source: Situational Analysis, Ceará and Bahia; DHS in Northeast Brazil; Bahia Strategic Plan				
Comments: Data for Ceará under analysis	Ceará	1993	**	
	Bahia	1994	**	15*
		1995	**	
		1996	**	
	Target	1997		

(*) Baseline data

(**) USAID/PVO meeting to be held in Washington in May/95, to define target figures for 1995-1997. Data will be presented at the Action Plan submission in June.

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE

Indicator: Program level: Number of HMOs providing family planning				
Unit: Number of HMOs		Year	Planned	Actual
Source: Profit project reports				
Comments: One HMO providing FP services in Alagoas with USAID funding. Project is under review by Pop. Evaluation Team and may be terminated	Ceará	1994	0	0*
	Bahia	1994	0	4*
	Alagoas	1994	1	1*
		1995	**	1*
		1996	**	
	Target	1997		
Indicator: Population level: Population served by HMOs with family planning				
Unit: % of population		Year	Planned	Actual
Source: Profit Project reports				
Comments:	Ceará	1994	**	0*
	Bahia	1994	**	25*
	Alagoas	1994	**	
		1995	**	
		1996	**	
	Target	1997		

(*) Baseline data

(**) USAID/PVO meeting to be held in Washington in May/95, to define target figures for 1995-1997. Data will be presented at the Action Plan submission in June.

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE

Indicator: Number of commodities by source				
Unit: 1000		Year	Planned	Actual
Source: Project data				
Comments: Commodities provided by USAID.	Brazil	1994		
	BEMFAM			
	- Condoms		16,875	16,875*
	- OCs		1,989	1,989*
	- IUDs		11.7	11.7*
	- Jelly		35.9	35.9*
	-Diaphrgm		1.2	1.2*
	- Foam		2.67	2.67*
	- VFTs		148.5	148.5*
	PATHFINDER			
	- Condoms			
	- OCs		.931	.931*
	- IUDs		.89	.89*
	- Jelly		.35	.35*
-Diaphrgm	.16	.16*		
- Foam	.3	.3*		
-VFTs	.1	.1*		
		.59	.59*	
Brazil	1995			
PROFIT/CEPEO				
- IUDs		60	60*	
- Condoms	1,300	1,300*		
	1996	**		
Target	1997			

(*) Baseline data

(**) USAID/PVO meeting to be held in Washington in May/95, to define target figures for 1995-1997. Data will be presented at the Action Plan submission in June.

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE

Indicator: Public resources allocated to family planning services or commodities				
Unit: U\$ 1000		Year	Planned	Actual
Source: State Budgets				
Comments:	Ceará	1994	150	212*
	Bahia	1994	**	
		1995	**	
		1996	**	
	Target	1997		
Indicator: USAID-supported NGOs that continue without USAID funding				
Unit: Number of NGOs		Year	Planned	Actual
Source: Project data				
Comments: Data on other institutions will be available along the phase-out process, when USAID funding is withdrawn from NGOs. Funding not completed with any NGO to date.	Ceará	1995	**	
	Bahia	1995	**	
	BEMFAM National Program Sustainability Levels	1991		24%
		1992		29%
		1993		37%
		1994		41%
		1995	**	
	1996	**		
Target	1997			

(*) Baseline data

(**) USAID/PVO meeting to be held in Washington in May/95 to define target figures for 1995-1997. Data will be presented at the Action Plan submission in June.

3. BULLETED SUMMARY OF HIGHLIGHTS

a. Agency Goal and Strategic Objective

- o increasing access to family planning services in order to improve women's health
- o phase-out strategy to 2000
- o March, 1995 assessment team recommendations to continue the strategy, giving more emphasis to commodity procurement and logistics by the public sector, training and IEC.

b. Strategic Objective Performance

- o program outcomes of improved quality of family planning services (especially increased diversity in method mix) and sustainability of service delivery systems
- o establishment in Northeast states of Bahia and Ceara (combined population of 20 million) of formal, state-supported public sector reproductive health care plans
- o start-up of a Commodity Procurement Organization to sell contraceptive commodities at affordable prices when donations cease
- o support for Brazilian NGOs in preparation for Cairo and Beijing conferences and USAID participation in GOB forums on population and development issues

c. Monitoring Plans

- o DHS and state-level situation analyses as baselines
- o Task Force of CAs formed to set targets and coordinate reporting
- o new national-level DHS planned for 1996

B. Environmentally and socioeconomically alternatives for sound land use - Environment and sustainable development.

1. Narrative

The USAID/Brazil Global Climate Change Program (GCC) continued to make valuable contributions towards the achievement of its strategic objective of "Environmentally and socio-economically sustainable alternatives for sound land use adopted beyond target areas." Program outcomes being supported are: 1) Target policies to support environmentally sound land use adopted and/or implemented, 2) Systems for sustainable management identified, promoted and adopted in target areas, 3) Systems disseminated beyond target areas, and 4) Target institutions strengthened. GCC Program progress and impacts, successes and shortfalls can be summarized by program outcome area:

a. Targeted policies to support environmentally sound land use adopted and/or implemented.

In August, 1993 the World Wildlife Fund (WWF), the Environmental Law Institute (ELI), the U.S. Environmental Protection Agency (EPA) and the U.S. Forest Service (USFS) in cooperation with the State University of New York, delivered an intensive three-week "train the trainers" course for 17 Brazilian environmental professionals from nine Amazon states and three other states on the environmental impact assessment process. The course was held in Washington, D.C., Philadelphia, Pennsylvania, and George Washington National Forest in Virginia.

Two follow-up environmental assessment courses were conducted in Brazil, with six of the Brazilian trainees acting as trainers, assisted by the GCC grantees. The courses were held in Rio Branco, Acre, in May 2-6, 1994, and in Belém, Pará, in October 24-28, 1994, with 25 participants each, from government, non-government and academic institutions. Over 200 applications were received for these courses, indicating the importance of the subject and need for this kind of training. Several of the individuals trained in these courses were instrumental in conducting public hearings for two proposed kaolin mines - one in Pará State and one in Amazonas State, to reduce adverse environmental impacts. As a direct result of these hearings, mining plans were modified and state-level legislation was proposed (pending approval) creating a check-off fund from mineral revenues to be applied to local environmental projects.

On October 14-15, 1994, ELI delivered a course in Manaus, Amazonas for 35 Brazilian Federal and State Judges on U.S. and Brazilian environmental law. The course covered national environmental policy laws, enforcement mechanisms, citizen suits, environmental impact assessment, protected areas, and pollution control.

During this year WWF was able to engage in a more active participation in the environmental policy dialogue. A more constant presence of WWF in the various policy debate fora and meetings, lead to their appointment to several policy task forces organized by the federal government and inclusion of many of WWF's suggestions in the final documents, such as "Policies for Protected Areas Management," "Indicators of Sustainable Development for the Amazon," and Bill No. 2892 that creates the National System of Protected Areas (Sistema Nacional de Unidades de Conservação - SNUC), a national policy modification for protected area management. WWF participated actively in designing policy frameworks for protected areas and forestry. WWF was also designated by the Brazilian NGOs and logging community to act as Brazil host for the executive secretariat of the Forest Stewardship Council, the entity responsible for certification of "green labeling" of forest products.

b. Systems for Sustainable Management Identified, Promoted and Adopted in Target Areas.

Agroforestry/Sustainable Agriculture - Agroforestry systems hold the potential of keeping small farmers on degraded land already cleared of forests. Efforts to increase or intensify production on existing small farms as part of an overall effort to increase productivity and income, will preclude additional forest clearing for agriculture. In Acre, The University of Florida efforts have helped promote agroforestry and the culture of native trees, including seven types of fruit trees. More than 50 species of trees have been planted in more than 96 farm plots. In Pará, WWF and the Woods Hole Research Center (WHRC) have been carrying out research and agroforestry activities in three communities, in the Capim River and Araras settlements. WWF in cooperation with the local Rural Workers Union (STRP), established six nurseries producing 34,500 seedlings in the Capim River. Up to now 178 hectares of agroforestry plots were established surpassing the original target of 134 hectares. Results from data gathering from 130 families in two communities on the Capim river helped to prevent the closing of two public schools, reinforcing key social ties to keep these families on the land. WHRC conducted experiments on participating farms and identified several organic residues suitable for use as mulch. Application of these mulches, cheaper than fertilizers and readily available, helped farmers achieve an 80% survival rate for seedlings. These successes attracted the attention of the state extension Agency (EMATER), which showed interest in developing similar agroforestry projects in 10 other communities in the State of Para.

Forest Management - The activities in forest management include sustainable forestry and fire prevention and control. WWF's partner organization, The Amazon Institute of Man and Environment (IMAZON), organized a pilot project comparing logging practices on two 100 hectare plots - one logged using traditional methods and the other using a model management plan. In both operations, IMAZON documented numbers of trees damaged, time spent, and costs. The results indicated that planned extraction reduces damage to other trees by 50%, increases harvest efficiency by 25%, while still generating a 25% return on investment at only 1% more cost. A video was produced using footage of both operations and interviews with several stakeholders, including the president of the Paragominas logger's union. The video has been widely disseminated being broadcasted nationally by two major networks, and twice by the local TV station. It was also presented at two major timber industry events. Representatives of timber companies expressed interest in adopting sustainable logging practices, required by law but scarcely followed at present because of weak enforcement and lack of an incentive structure.

WHRC in collaboration with Brazilian scientists carried out a series of mapping and research projects on Amazon forests that revealed potential vulnerability to wildfire on a much larger scale than previously understood. Logging renders these deeply rooted forests highly vulnerable to fire. Additionally, severe dry seasons, associated with El Niño events, can provoke some forests into shedding their leaves, facilitating wildfire. These conditions make it difficult for forest margin farmers, such as the ones in the Capim River communities in Paragominas, to control accidental forest fires. Using the results of its research, WHRC is developing fire prevention courses and workshops for communities of small farmers. The USFS, in collaboration with the Brazilian Institute for the Environment and Renewable Resources (IBAMA), is doing research on the effect of forest burning on the region's air quality and is also helping install a network of fire monitoring stations to collect data on air quality and emissions in the Amazon.

Management of Protected Areas - WWF has helped NGOs form protected area management agreements with IBAMA. One of WWF's local NGO partners, Victoria Amazonica Foundation (FVA), signed the first co-management agreement with IBAMA, for development of a management plan for the Jaú National Park, the largest park in Brazil with 2.2 million hectares (larger than Israel, or about the size of

Massachusetts). FVA has completed a socio-economic survey of park residents and formed a multidisciplinary study team, including biological and social scientists from many different government and non-government institutions. This team has begun studying the park's natural and financial resources to develop a management plan. E/GCC is also helping with the establishment of Extractive Reserves in some Amazon States. In Amapá, WWF has helped two groups of rubber-tappers form community associations, file the necessary papers, and fulfill the legal requirements for their extractive reserves, Cajari and Maracá, covering 845,000 hectares, to be officially recognized. WWF also provided training in reserve resource management, and assisted with studies on forest product marketing and forest management. The University of Florida provided similar assistance in setting up extractive reserves in Acre State.

c. Systems disseminated beyond target areas.

The political and economic climate in the Brazilian Amazon is such that producers and consumers are looking for natural resource management solutions that work, as the days of subsidized, wasteful development fade. Dissemination of economically viable and environmentally sound solutions is critical to prevent rural exodus or continued lawless exploitation of Amazon resources. Scientists with Woods Hole Research Center (WHRC) promoted a series of workshops with small-farmer communities and extension agents. A one-day workshop on non-timber forest products (NTFPs) for approximately 100 members of four small landholder communities was held in a private forest reserve. It included presentations of household consumption of NTFPs, financial rewards of timber sales vs. forest fruit production, the use of medicinal plants, and personal stories of failed timber sales. Most of the presentations were given by women from the Mother's Club. Another two-week workshop on economic valuation of NTFPs was organized in collaboration with the International Institute for Environment and Development (IIED), with the participation of 14 extension agents. The video produced by WWF and IMAZON on the forest management pilot experiment in Paragominas, has been causing major impact, being requested by various government agencies, business organizations, and NGOs. It was shown to the Minister of Environment and the President of IBAMA. It also won the "best video" award at the National Environmental Video Festival. Several press stories about the video appeared in regional and national newspapers and magazines. The American Embassy in Surinam used the video on a presentation to the local Government as an example of the feasibility of sustainable logging practices.

d. Target institutions strengthened.

The purpose of institutional strengthening activities is to enable organizations to continue their work beyond the project's life. The PESACRE group, for example, has generated an increasing amount of administrative support funds from the sale of services, mainly by offering formal training courses in participatory research and extension. Training is the main tool used to reach institutions. WWF's organizational development strategy provided training on NGO management skills, strategic planning and institutional development, for 213 individuals (164 males and 64 females) from various Amazon based NGOs. The environmental education strategy focuses on building local community capacity to continue target natural resource management practices. The emphasis on practical tools and tangible results has proven effective with 132 individuals trained (50 males and 82 females) from various government and non-government organizations.

Internships offered by University of Florida/PESACRE and the Woods Hole Research Center through GCC grants enabled six promising young Brazilian researchers to get hands-on participatory development experience in the Brazilian Amazon in 1994. These interns are conducting leading-edge research on sustainable development alternatives and form the core of a new generation of professionals

dealing with local problems through a participatory multi-institutional, multi-disciplinary approach.

The GCC Program also provides training through the State University of New York Advanced Developed Country Training Program for Brazil(SUNY). Since its inception in 1991 the program has trained 134 individuals (69 males and 65 females). Two-thirds of the trainees work for federal and state government institutions, while the remainder working for NGOs ranging from grass-roots community groups to independent policy and research institutes. A recent survey to reveal the impacts of this training program, with 45 respondents, provided some very interesting results. Exactly half of the respondents reported that they have been promoted since returning and that their promotion was a direct result for their training. A total of 2,789 individuals were formally trained by these 45 respondents after returning to Brazil, which corresponds to an average of 62 per trainee. If this average is applied to the total number of 134 trainees, the estimated total for formal multiplication of training is 8,405 individuals.

2. Tables 1 and 2

TABLE 1: STRATEGIC OBJECTIVE PROGRAM TREE

Brazil			
Bureau Objective: Support the achievement of broadly-based, sustainable economic growth.			
Bureau Sub-objective: Encourage preservation and sustainable use of the natural resource base.			
STRATEGIC OBJECTIVE NO. 2: Environmentally and socioeconomically sustainable alternatives for sound land use adopted beyond target areas.			
PROGRAM OUTCOME No. 2.1 Targeted policies to support environmentally sound land use adopted and/or implemented.	PROGRAM OUTCOME No. 2.2 Systems for sustainable management identified, promoted, and adopted in target areas.	PROGRAM OUTCOME No. 2.3 Systems disseminated beyond target areas.	PROGRAM OUTCOME No. 2.4 Target Institutions strengthened.
Projects (Number\Title)	Projects (Number\Title)	Projects (Number\Title)	Projects (Number\Title)
ELI Grant 512-0784-G-00-1046	Forest Service PASA 512-0784-P-AG-1044	ELI Grant 512-0784-G-00-1046	ELI Grant 512-0784-G-00-1046
EPA PASA 512-0784-P-EP-1045	Smithsonian Grant 512-0784-G-00-3008	EPA PASA 512-0784-P-EP-1045	EPA PASA 512-0784-P-EP-1045
Woods Hole Grant 512-0784-G-00-3007	TNC Grant 512-0784-A-00-4011	Forest Service PASA 512-0784-P-AG-1044	Forest Service PASA 512-0784-P-AG-1044
WWF Grant 512-0784-G-00-1043	U. Florida Grant 512-0784-G-00-0040	Smithsonian Grant 512-0784-G-00-3008	Smithsonian Grant 512-0784-G-00-3008
	Woods Hole Grant 512-0784-G-00-3007	TNC Grant 512-0784-A-00-4011	TNC Grant 512-0784-A-00-4011
	WWF Grant 512-0784-G-00-1043	U. Florida Grant 512-0784-G-00-0040	U. Florida Grant 512-0784-G-00-0040
		Woods Hole Grant 512-0784-G-00-3007	Woods Hole Grant 512-0784-G-00-3007
		WWF Grant 512-0784-G-00-1043	WWF Grant 512-0784-G-00-1043

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE

BRAZIL				
STRATEGIC OBJECTIVE No. 2 Environmentally and socio-economically sustainable alternatives for sound land use adopted beyond target areas.				
Indicator: 1. Number of logging companies that adopt sustainable logging plan in addition to target company.				
Unit: Number of logging companies		Year	Planned	Actual
Source: Project surveys	Baseline	1991	N/A	0
Comments: Numbers to be adjusted during a meeting with GCC Partners in May 1995.		1994	0	0
		1995	0	
	Target	1996	4	
Indicator: 2. Number of protected areas where government adopts sustainable management system in addition to target areas.				
Unit: Number of protected areas		Year	Planned	Actual
Source: Project surveys	Baseline	1991	N/A	0
Comments: Numbers to be adjusted during a meeting with GCC Partners in May 1995.		1994	0	0
		1995	0	
	Target	1996	2	

Table 2: Strategic Objective Performance (cont.)

BRAZIL				
STRATEGIC OBJECTIVE No. 2 Environmentally and socio-economically sustainable alternatives for sound land use adopted beyond target areas.				
Indicator: 3. Number of communities/persons outside target area who have adopted improved agroforestry systems.				
Unit: Number of communities/persons		Year	Planned	Actual
Source: Project surveys	Baseline	1991	N/A	N/A
Comments: Numbers to be adjusted during a meeting with GCC Partners in May 1995.		1994	0	0
		1995	0	
	Target	1996	10/1,000	

Table 2: Strategic Objective Performance (cont.)

BRAZIL				
PROGRAM OUTCOME No. 1. Target policies to support environmentally sound land use adopted and/or implemented.				
Indicator: 1.1 Forest code revised as necessary for sustainable forest management.				
Unit: Revised articles		Year	Planned	Actual
Source: Forest code	Baseline	1991	N/A	0
Comments: An analysis of all bills before the Brazilian Congress that would have an impact on deforestation, was completed.		1994	0	0
		1995	0	
	Target	1996	1	
Indicator: 1.2 Labeling criteria adopted by labeling organizations.				
Unit: Number of criteria		Year	Planned	Actual
Source: Forest Stewardship Council	Baseline	1991	N/A	0
Comments: WWF was designated by the Brazilian NGOs and logging community to hold the executive secretariat of the Forest Stewardship Council in Brazil. The FSC is responsible for certifying the certification organizations.		1994	0	0
		1995	0	
	Target	1996	1	

Table 2: Strategic Objective Performance (cont.)

BRAZIL				
PROGRAM OUTCOME No. 2. Systems for sustainable management identified, promoted and adopted in target areas.				
Indicator: 2.1 Number of hectares of cleared area planted with improved agroforestry systems within target areas.				
Unit: Number of hectares (cumulative)		Year	Planned	Actual
Source: Project surveys	Baseline	1991	N/A	0
Comments: Target - implementation of agroforestry system in at least 0.5 ha. of cleared area per family.		1994	40	178.5
		1995	55	
	Target	1996	67	
Indicator: 2.2 Number of families which have adopted improved agroforestry systems and complementary production systems within target areas.				
Unit: Number of families/adopters(cumulative)		Year	Planned	Actual
Source: Project surveys	Baseline	1991	N/A	0
Comments: . Total number of families: 268 families . Total area occupied by communities: 23,480 ha. . Total cleared area: 3,790 ha.		1994	80	123
		1995	110	
	Target	1996	134	

Table 2: Strategic Objective Performance (cont.)

BRAZIL				
PROGRAM OUTCOME No. 2. Systems for sustainable management identified, promoted and adopted in target areas.				
Indicator: 2.3 Number of target protected areas adopting management systems.				
Unit: Number of protected areas (cumulative)		Year	Planned	Actual
Source: Project surveys	Baseline	1991	N/A	0
Comments: Protected areas: . 2 National Parks (Jaú and Serra do Divisor) . 2 Extractive Reserves (Cajari and Maraca)		1994	1	1
		1995	2	
	Target	1996	4	
Indicator: 2.4 Number of hectares in target forested areas using improved management systems.				
Unit: Number of hectares		Year	Planned	Actual
Source: Project surveys	Baseline	1991	N/A	0
Comments: Jaú National Park - 2,272,000 ha. Serra do Divisor National Park - 605,000 ha. Extractive Reserves - 845,000 ha.		1994	2,272,000	2,272,000
		1995	3,117,000	
	Target	1996	3,722,000	

Table 2: Strategic Objective Performance (cont.)

BRAZIL				
PROGRAM OUTCOME No. 2. Systems for sustainable management identified, promoted and adopted in target areas.				
Indicator: 2.5. Logging company accepts sustainable logging plan.				
Unit: Number of logging companies		Year	Planned	Actual
Source: Project surveys	Baseline	1991	N/A	0
Comments: One logging company in Paragominas is adopting the sustainable logging plan. The techniques are being disseminated to 80 potential adopters (companies) in the same area.		1994	0	1
		1995	0	
	Target	1996	1	

BRAZIL				
PROGRAM OUTCOME NO. 3. Systems disseminated beyond target areas.*				
Indicator: 3.1 Number of persons reached with dissemination materials, by gender.				
Unit: Number of persons (cumulative)		Year	Planned	Actual
Source: Project Surveys	Baseline	1991	N/A	0
Comments: Numbers to be adjusted during a meeting with GCC Partners in May 1995.		1994	0	0
		1995	500	
	Target	1996	1,000	

*More indicators are still to be determined for this program outcome.

Table 2: Strategic Objective Performance (cont.)

BRAZIL				
PROGRAM OUTCOME NO. 4. Target institutions strengthened.				
Indicator: 4.1 Number and gender of persons trained in short-term (< 3 months).				
Unit: Number of persons trained		Year	Planned	Actual
Source: Project training records	Baseline	1991	N/A	N/A
Comments: Environmental Education-132 persons (132F, 50M) Organizational Development-256 persons(61F, 195M) EIA and Judicial Training -214 persons(77F, 137M) SUNY Program - 113 persons (57F, 56M) Partners of America - 39 persons(9F, 30M)		1994	534	754
		1995	803	
	Target	1996	963	
Indicator: 4.2 Number and gender of persons trained in long-term (> 3 months).				
Unit: Number of persons trained		Year	Planned	Actual
Source: Project training records	Baseline	1991	N/A	N/A
Comments: SUNY Program - 21 persons (10F, 11M)		1994	20	21
		1995	40	
	Target	1996	50	

3. BULLETED SUMMARY OF HIGHLIGHTS

a. Agency Goal and Strategic Objective

- o Reducing long-term threats to the global environment, particularly loss of biodiversity and climate change.
- o Promoting sustainable long-term economic growth locally, nationally, and regionally by addressing environmental, economic, and development practices that impede development and are unsustainable.

b. Strategic Objective Performance

- o The First Non-timber Forest Products Fair in Acre State, sponsored by PESACRE in May 1994, generated wide media coverage highlighting the strong market potential for local products produced without the need to clear additional forested land.
- o An award-winning forest management video was produced, based on the sustainable, low-impact logging system developed by AMAZON. The video was broadcast by two nationwide TV networks and a local TV station in the Amazon, and was shown by U.S. embassy staff to forestry officials in Suriname to guide decisions on logging concessions.
- o The forest management video has caused major impact at Federal and State Government levels in Brazil, leading to an invitation to AMAZON to participate in the national forest policy task force.
- o Victoria Amazonica Foundation (FVA) signed a co-management agreement with the Brazilian Institute of Environment and Renewable Resources (IBAMA), for the development of a management plan for Jaú National Park. This is the first park co-management agreement between a government agency and an NGO in Brazil.
- o The President of Brazil, Fernando Henrique Cardoso, met with leaders of ten environment NGOs (six of the GCC Program collaborators) in Manaus, Amazonas State, in late March, 1995 reaffirming GOB commitment to sustainable development in the Amazon region, and recognizing the importance of partnerships between government and NGOs in this process.

c. MONITORING PLANS

- o Beginning in July, 1995 the USAID/Brazil environmental office will initiate a series of "monitoring review" visits to GCC project sites to work with local partners in focused annual events to collect data on performance indicators.
- o Data synthesis on greenhouse gas emissions in Brazil will begin with assistance from the U.S. Country Studies Program. Data will cover agriculture, forestry and energy sectors.

C. Reduce rates of sexually transmitted HIV infection in target population in two geographic regions.

1. Narrative

a. Agency Goal and Strategic Objective

USAID/Brazil is implementing the Agency goal of stabilizing population growth and protecting human health through a strategic objective of reduced rates of sexual transmission of HIV infection. The major vehicle for implementing this strategic objective is the G/PHN AIDSCAP program. Other HIV/AIDS prevention activities in Brazil include counselling and services offered by the IPPF affiliate in a special program to integrate HIV/AIDS with reproductive health care, awareness and prevention activities for adolescents and street girls, and annual seminars for professionals nationwide.

Brazil ranks second only to the U.S. in reported AIDS cases (over 59,000 reported as of January 1, 1995). It is estimated that over one million Brazilians are currently infected with HIV. While high-risk populations, such as prostitutes, continue to show the most elevated HIV transmission rates, it is clear that the epidemic in Brazil is no longer confined to groups with high-risk behavior. AIDS is now the leading cause of death among women of reproductive age in the state of Sao Paulo.

The major interventions of USAID/Brazil's 5-year strategy for AIDS Prevention are:

- (1) STD prevention and control, by strengthening the local capacity to provide treatment and prevention services;
- (2) behavior change communication, including the use of media and the development and distribution of IEC materials regarding STDs and HIV/AIDS;
- (3) condom distribution, in collaboration with GOB and through social marketing, to increase the availability and reduce the price of condoms, and to encourage regular and correct condom use.

In addition, the program includes interventions in logistics management to improve condom and STD drugs supply and distribution; private sector leveraging to promote AIDS prevention activities in the workplace; and behavioral research grants. Policy reform is a critical activity, especially in the area of condom availability. Issues such as importation, taxation and tariffs, and domestic regulation are addressed under policy reform.

The five-year budget for the AIDSCAP program in Brazil totals \$10.3 million. It is important to note that USAID/Brazil supports this project with a buy-in from our ITT funds, and that continued support is critical in the remaining project years to realize the results of our investments to date.

b. Strategic Objective Performance

In the past 12 months, AIDSCAP Brazil country office developed and signed 14 subagreements with NGOs, PVOs, state and municipal level governments, private sector and state universities. One additional subagreement is being finalized in São Paulo for CSWs. A subagreement with Shell Oil Company for men-in-the-workplace was recently approved.

In addition, progress was achieved in the following areas:

Policy reform

Through policy dialogue, in collaboration with local advocates, USAID Mission and AIDSCAP office convinced the Brazilian government to reduce federal import tax and federal sales tax on condoms, which had made condoms unaffordable to a great part of the population at risk. USAID/Brazil continues to push for the elimination of the state-level sales tax as well.

Efforts are now being concentrated on the testing and approval process for imported condoms, which is causing major delays in USAID, World Bank, and MOH project activities. USAID, PAHO and World Bank have suggested to the Minister of Health and other high level health policy makers that the standards, which differ from international norms and operate to protect local producers, be reviewed. This could have the added impact of encouraging imports, which are cheaper, thereby lowering prices.

Logistics Management

In Rio de Janeiro TA to AIDS/STD state level authorities resulted in the implementation of a computerized system (ECMIS) for STD drugs and condom distribution control for the whole state serving thirteen million people. A separate warehouse was established for STD/HIV drugs and condoms in São Paulo and Rio de Janeiro under the STD/AIDS state division supervision.

Social Marketing

DKT is improving activities on condom social marketing trying to establish close contacts with ongoing AIDSCAP projects to ensure availability of affordable and good quality condoms for all sub-projects's customers by intensifying condom marketing in traditional and non-traditional outlets. DKT sales of socially-marketed condoms in Brazil tripled from 3,084,030 in 1992 to 9,956,669 in 1994 since project implementation.

Capacity Building and Sustainability of Local Implementing Agencies

AIDSCAP is providing technical assistance to local partners to enhance their program design and development skills; to improve management, coordination, monitoring and evaluation capabilities; and institutionalize training as a mechanism of human resource capacity-building.

In November, 1994, a Mid-Term Evaluation of the AIDSCAP program was conducted by Development Associates, Inc. to document the status of project implementation and to evaluate whether the AIDSCAP project is structured and managed to achieve the project objectives by the project completion date. Field visits were carried out between October 30 and November 7 in Brazil.

The team's two AIDS experts concluded that AIDSCAP was among the best HIV/AIDS projects in the world. Moreover, because of its broad range of activities, it has had the additional effect of leveraging other international assistance and providing a valuable flow of current empirical data to other international efforts.

The team identified critical issues for special attention in the overall project implementation and some are relevant to the program in Brazil:

-Program management: Significant management problems that need to be addressed are excessive centralization of decisions, lack of financial management support to the field, and improvement of the budgeting and accounting system.

-Policy development: In collaboration with local USAID Mission and international agencies involved in HIV/AIDS and socio-economic development, AIDSCAP should develop and promote innovative models of HIV/AIDS prevention programs

directed, structured, operated and coordinated in such ways that they have the power to implement HIV/AIDS policies as a national priority, cutting across relevant governmental and non-governmental sectors.

-Behavioral research: Results should be disseminated to on-going projects so that lessons learned can lead to adjustments in strategic design even before final study results are deemed of a sufficient scientific quality to qualify them for publication. In this consolidation phase of AIDSCAP, dissemination of experiences and results achieved has to be improved.

The major constraints USAID/Brazil is experiencing in implementing its HIV/AIDS prevention strategy focus on donor coordination and condom supply. USAID/Brazil has tried to encourage other donor involvement and to establish collaboration with the World Bank project of the MOH/STD/AIDS Division without positive response. Opportunities offered to the Division, such as training, have not had a major impact on the national program, due to staff turnover and lack of follow-up by the MOH. The logistics and the social marketing components are not being implemented under the World Bank loan, despite consistent USAID/Brazil support and pressure, causing major delays on the national prevention strategy.

Condom procurement is fraught with difficulties, which are experienced by all organizations that import the product, including the MOH. Imported condoms must be tested on arrival by Brazilian, not international standards, by the one laboratory in the country accredited to perform these tests. The result is long delays and rejection of imported products. USAID/Brazil has met with the responsible officials in the MOH to offer three solutions: accrediting additional labs, including perhaps some in the U.S., accrediting USAID's supplier in the U.S., and changing the standards to international norms.

Affordable condoms remain in short supply. In light of our investment to date, and the delays experienced by the World Bank project of the MOH, USAID has decided to authorize the donation of 36 million condoms to supply the at risk populations of AIDSCAP subprojects. The donation will ensure supply to our projects and help guarantee that the HIV/AIDS prevention strategy can be effective until the World Bank and MOH condoms are available.

c. Monitoring and Evaluation Status and Plans

Evaluation for AIDSCAP sub-projects is now being conducted by a full-time evaluation officer who coordinates the subproject evaluation components. All subagreements will have completed their evaluation plans by the LOP. Efforts were devoted to the refinement of evaluation indicators and baseline figures. A recent meeting on the evaluation component resulted in significant changes in the previous existing tables. Following-up on the recommendations, the tables were reviewed and modified as follows:

The indicator "Number of Partners" was excluded for all target groups, except for Men-in-the-workplace, based on the assumption that it is more important to change risk behavior, no matter how many partners one might have, than to simply reduce the number of partners without changing risk behavior. Reducing the number of partners of CSWs was not seen as a viable objective.

The original target population of men-away-from-home will be dropped from the project since the two subprojects which were developed were eventually cancelled by the private sector companies with which AIDSCAP negotiated. The profile of the epidemic has shifted to the point where AIDS is now the leading cause of death among women of reproductive age in Sao Paulo. It was decided, therefore, not to pursue other subprojects with men away from home, but to attempt to channel any existing project resources into activities with women.

The indicators "HIV seroprevalence" and "STD prevalence" rates were expanded to a new target group, men-in-the-workplace, who will be reached through an intervention with harbor workers in the major port city of Santos.

The indicators "Condom Use" and "STD Incidence" were included for two new groups who will be reached through subprojects men-in-the-workplace, and adolescents. The inclusion of these new tables is due to the implementation of subagreements dealing with these specific groups not included in the original scope of work.

AIDSCAP is conducting a cohort study with CAPS-UCSF for youth in São Paulo and an intervention project with CHILDHOPE for adolescents and youth in slums and homeless, and two projects for Men-in-the-workplace, a cohort study among port workers in Santos (HIV seroprevalence and behavioral study) and the other a prevention/education project for Men-in-the-workplace in Rio de Janeiro.

2. Tables 1 and 2

TABLE 1: STRATEGIC OBJECTIVE PROGRAM "TREE". No. 3

Brazil
Bureau Objective: Respond to specific challenges
Bureau Sub-objective: Respond to epidemics that threaten the region: AIDS prevention
STRATEGIC OBJECTIVE NO. 3: Reduced incidence of sexually-transmitted HIV infection in target populations in two geographic regions in Brazil.

PROGRAM OUTCOME NO. 3.1 Reduced high-risk sexual behavior among target populations	PROGRAM OUTCOME NO. 3.2 Reduced rates of sexually transmitted diseases (STDs) in target populations
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Projects (AIDSCAP)	Projects (AIDSCAP)
Education intervention on behavior change for target populations in SP and RJ	Education intervention on STD prevention and control for target populations in SP and RJ
Social marketing of condoms intervention among target populations	Logistics management of condoms and STD drugs among target populations
Institutional strengthening of in-country MOH/NGOs/PVOs working with target populations and policy reform	Institutional strengthening of in-country STD clinics/MOH working with target populations and policy reform
Private sector leveraging for education interventions in the workplace	Behavioral research among target populations

TARGET POPULATIONS ARE: Commercial Sex Workers (CSMs), Men Who Have Sex with Other Men (MWM), STD patients (STDs), Adolescents and Youth and Men in the Workplace

TARGET REGIONS ARE: São Paulo State : São Paulo and Santos
Rio de Janeiro State

TABLE 2 - STRATEGIC OBJECTIVE PERFORMANCE (SP & RJ)

STRATEGIC OBJECTIVE No.3. Reduced incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME No.3.1. Reduced high-risk sexual behavior among target populations				
INDICATOR: CONDOM USE				
UNIT: Commercial Sex Workers (SP/RIO)		YEAR	PLANNED	ACTUAL
SOURCE: Project Data	BASELINE	1991		81% Santos (SP) a / 55.2%(RJ) b
COMMENTS: (a) - KABP survey data (direct question) (c) - Census and KABP survey data (indirect question) (b) - KABP survey data - WHO - PI - 5 Report condom use in the most recent sexual intercourse. In 93, data were collected when the CSW were already under intervention for Santos and Rio de Janeiro.		1992		82,5% Santos (SP) N/A (RJ)
		1993		87.9% c Santos (SP) / 73.9% b(RJ)
		1994		N/A
		1995		
	TARGET	1996	90%(SP/RJ)	

STRATEGIC OBJECTIVE No.3. - Reduced incidence of sexually-transmitted HIV infection in target populations in two geographic regions				
PROGRAM OUTCOME No.3.1. - Reduced high-risk sexual behavior among target populations				
INDICATOR: CONDOM USE				
UNIT: Men Who Have Sex With Other Men (RJ/SP)		YEAR	PLANNED	ACTUAL
SOURCE: Project Data	BASELINE	1993		19,7%(RJ)/N/A(SP)
COMMENTS: KABP Survey - 1994. Of 142 men who had anal intercourse interprevious month of the interview 28 had consistent condom use - 19,7%		1994		N/A
		1995		N/A
	TARGET	1996	50%(SP/RJ)	

data is available from São Paulo and Rio de Janeiro . In the tables it is shown : SP/RIO

TABLE 2 - STRATEGIC OBJECTIVE PERFORMANCE (SP & RJ)

STRATEGIC OBJECTIVE No.3. - Reduced incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME No. 3.1. - Reduced high-risk sexual behavior among target populations				
INDICATOR: CONDOM USE				
UNIT: STD Patients (Males/Females)		YEAR	PLANNED	ACTUAL
SOURCE: General Population	BASELINE	1989		30% (BRAZIL)
COMMENTS: Appropriate data are from general population survey, males and females. (a)1989- Contraceptive Methods - Females (b)1993- Survey conducted by Playboy Magazine (males) "always use" (c) 1994- Informe Estado Survey (M/F) "always use" Specific data from STD patients will be collected through intercept clients survey in July 95/May 96		1993		9% (BRAZIL)
		1994		45%M/25%F c/BRAZIL
		1995		
	TARGET	1996	60%(SP/RJ)	

STRATEGIC OBJECTIVE No.3. Reduced incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME No.3.1. Reduced high-risk sexual behavior among target populations				
INDICATOR: CONDOM USE				
UNIT: Youth and Adolescents (SP/RIO)		YEAR	PLANNED	ACTUAL
SOURCE: Project Data	BASELINE	1994		34,4%(RJ)/N/A(SP)
COMMENTS: (a)KABP survey conducted in Oct/94 in Rio de Janeiro (UERJ/CHILD HOPE). (a)WHO PIS - "rate of condom use during last sexual intercourse"		1995		
	TARGET	1996	60% (SP/RJ)	

STRATEGIC OBJECTIVE No.3. Reduced incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME No.3.1. Reduced high-risk sexual behavior among target populations				
INDICATOR: CONDOM USE				
UNIT: Men in Workplace (SP/RIO)		YEAR	PLANNED	ACTUAL
SOURCE: General Population	BASELINE	1993		9%- BRAZIL(a)
COMMENTS: Data from general population survey among males (a)1993- Survey conducted by Playboy Magazine (males) "always use" (b)1994- Informe Estado Survey (M/F) "always use" KABP survey data will be collected in May/June 1995 in Rio de Janeiro. Cohort study is being conducted among port workers in Santos (1994 through 96)		1994		45 %-BRAZIL(b)
		1995		
	TARGET	1996	60%(SP/RJ)	

TABLE 2 - STRATEGIC OBJECTIVE PERFORMANCE (SP & RJ)

STRATEGIC OBJECTIVE No.3. Reduced incidence of sexually transmitted HIVinfection in target populations in two geographic regions of Brazil				
INDICATOR: HIV SEROPREVALENCE RATES IN TARGET POPULATIONS				
UNIT: Commercial Sex Workers (RJ)		YEAR	PLANNED	ACTUAL
SOURCE: U.S. Bureau of Census (SP/RJ)	BASELINE	1991		12%(SP) - 27 %Santos 11.6 (RJ)
COMMENTS: (a)12% for low income CSW in São Paulo City 27% for low income CSW in Santos This goal indicator is not required for CSW project in Rio. A cross-section follow-up HIV seroprevalence study will be conducted in Santos in 1995 and 1996 A cross-section HIV seroprevalence study is planned to be conducted in Rio de Janeiro in 1995 and 1996 Start date of project: Santos ,93, Rio,94 , SP,95 Note: Subject to revision on subsequent data AIDSCAP is working in three select urban areas in these two region: São Paulo downtown, Greater Rio de Janeiro and Santos City.		1992		N/A
		1993		N/A
		1994		N/A
		1995		
	TARGET	1996	12%(SP) 27%(Santos) 11.6%(RJ)	

TABLE 2 - STRATEGIC OBJECTIVE PERFORMANCE (SP & RJ)

STRATEGIC OBJECTIVE No.3. - Reduced incidence of sexually-transmitted HIV infection in target populations in two geographic regions of Brazil				
INDICATOR: HIV SEROPREVALENCE RATES IN TARGET POPULATIONS				
UNIT: Men Who Have Sex With Other Men (SP/RJ)		YEAR	PLANNED	ACTUAL
SOURCE: U.S. Bureau of Census	BASELINE	1989/87		12.2%(SP)/25.0%(RJ)
<p>COMMENTS:</p> <p>No HIV seroprevalence study is planned for this target group supported by AIDSCAP or as counterpart from I.A. The ABIA's policy does not agree to join prevention activities with HIV seroprevalence studies.</p> <p>A HIV seroprevalence cohort study for MWM to vaccine trials is being conducted supported by WHO/MOH in São Paulo and Rio de Janeiro.</p> <p>1993 Data from cohort study conducted in São Paulo is among <i>Transvesties (MWM Sex Workers)</i>.</p>		1991		N/A
		1992		N/A
		1993		30.23%(SP)/N/A (RJ)
		1994		
		1995		
	TARGET	1996	12.2%(SP) 25.0%(RJ)	

TABLE 2 - STRATEGIC OBJECTIVE PERFORMANCE (SP & RJ)

STRATEGIC OBJECTIVE No. 3. Reduced incidence of sexually-transmitted HIV infection in target populations in two geographic regions of Brazil				
INDICATOR: HIV SEROPREVALENCE RATES IN TARGET POPULATIONS				
UNIT: STD Patients (SP/RJ)		YEAR	PLANNED	ACTUAL
SOURCE: MOH	BASELINE	1992		16%(SP) / 22.7% (RJ)
COMMENTS: (a) STD clinics sentinel cross-section study - MOH (b) There is a recognized bias in the data from Rio de Janeiro. Patients included were looking for HIV test. Next study will be conducted in 1995. Assumed timely implementation of MOH program. Delay may impact ability to achieve target.				
		1993		N/A
		1994		N/A
		1995		
	TARGET	1996		16%(SP)/ 22.7%(RJ)

STRATEGIC OBJECTIVE No.3. Reduced incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
INDICATOR: HIV SEROPREVALENCE RATES IN TARGET POPULATIONS				
UNIT: Men in Workplace (Santos,SP)		YEAR	PLANNED	ACTUAL
SOURCE: U.S. Bureau of Census/Project Data	BASELINE	1994		1.4% Santos (SP)
COMMENTS: A cohort study is being carried out among port workers in Santos, which HIV seroprevalence study is contemplated. An intervention/education project is being conducted among Shell Oil Company workers at the main office in Rio de Janeiro, but any HIV seroprevalence is being conducted because of the company AIDS/HIV police.		1995		
	TARGET	1996		1,4% Santos (SP)

TABLE 2 - STRATEGIC OBJECTIVE PERFORMANCE (SP/RJ)

STRATEGIC OBJECTIVE No.3. Reduced Incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME 3.2. Reduced rates of sexually transmitted disease (STDs) in target populations				
INDICATOR: STD INCIDENCE				
UNIT: Commercial Sex Workers (SP/RJ)		YEAR	PLANNED	ACTUAL
SOURCE: Project Data	BASELINE	1991		21%(SP) / 27.2%(RJ)
<p>COMMENTS:</p> <p>Both baseline data were collected from KABP survey were CSW reported STD previous year (1990). There is no updated data for 1994.</p> <p>A KABP survey linked to syphilis and HIV seroprevalence study will be conducted in Rio de Janeiro and Santos in 1995 and 1996.</p> <p>An effort is being conducted in order to adequate the HIS on STD services placed in Santos and Rio de Janeiro in order to facilitate data collection.</p>		1992		N/A
		1993		N/A
		1994		N/A
		1995		N/A
		1996		21%(SP) / 27,2%(RJ)

TABLE 2 - STRATEGIC OBJECTIVE PERFORMANCE (SP/RJ)

STRATEGIC OBJECTIVE No.3. Reduced Incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTPUT 3.2. Reduced rates of sexually transmitted disease (STDs) in target populations				
INDICATOR: STD INCIDENCE				
UNIT: Men Who Have Sex With Other Men (SP/RJ)	BASELINE	YEAR	PLANNED	ACTUAL
SOURCE: Project Data		1989	.	N/A (SP) / 18.1%(a)(RJ)
COMMENTS: (a) Data collect through MWM KABP survey conducted in 1989, STD reported previous year. This indicator was not contemplated in the questionnaire of similar cross-section MWM KABP survey held in 1994. This indicator will be contemplated in the next KABP survey.		1991		
		1992		N/A
		1993		N/A
		1994		N/A
		1995		N/A
	TARGET	1996	18.1%(RJ)	

STRATEGIC OBJECTIVE No.3. - Reduced Incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME No. 3.2. - Reduced rates of sexually transmitted disease (STDs) in target populations				
INDICATOR: STD INCIDENCE				
UNIT: STD Patients (Santos/RJ)		YEAR	PLANNED	ACTUAL
SOURCE: State Health Dept. of Rio	BASELINE	1991		519 Santos,SP
COMMENTS: Reliable data for this indicator is impossible to be get according to the current Health Information System and the coverage of STD services working in the geographic target area of AIDSCAP. Instead of STD incidence we suggest the use of STD patients reported number. Output indicator for Santos STD Project - 20.000 pts. Output indicator for Rio de Janeiro STD Project - 10.000 pts (a) Preliminary data from Santos city(SP).		1992		357 Santos ,SP
		1993		758 Santos,SP
		1994		3260(a)Santos (SP)
		1995		
		TARGET	1996	20.000(SP / 10.000(RJ)

TABLE 2 - STRATEGIC OBJECTIVE PERFORMANCE (SP/RJ)

STRATEGIC OBJECTIVE No.3. - Reduced Incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME No. 3.2. - Reduced rates of sexually transmitted disease (STDs) in target populations				
INDICATOR: STD INCIDENCE				
UNIT: Youth and Adolescents (SP/RJ)		YEAR	PLANNED	ACTUAL
SOURCE: Project data	BASELINE	1994		7.4% (RJ)
COMMENTS:		1995		N/A
In Rio de Janeiro, rate of STD diagnosed in the clinic	TARGET	1996	7,4% (RJ)	

STRATEGIC OBJECTIVE No.3. - Reduced Incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME No. 3.2. - Reduced rates of sexually transmitted disease (STDs) in target populations				
INDICATOR: STD INCIDENCE				
UNIT: Men in the Workplace		YEAR	PLANNED	ACTUAL
SOURCE: Project data	BASELINE	1994		N/A
COMMENTS:		1995		N/A
In São Paulo, data will be collected in the cohort study - KABP in Santos.				
In Rio de Janeiro, baseline data will be collected in the KABP survey planned. Data available in September 95.	TARGET	1996	10%	

TABLE 2 - STRATEGIC OBJECTIVE PERFORMANCE (SP & RJ)

STRATEGIC OBJECTIVE No.3. - Reduced incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME No. 3.2. - Reduced rates of sexually transmitted disease (STDs) in target populations				
INDICATOR: STD PREVALENCE OVER TIME				
UNIT: Commercial Sex Workers (SP/RJ)		YEAR	PLANNED	ACTUAL
SOURCE: Fernandes M.E.L. et al	BASELINE	1991		66%SP / 69%Santos / N/A. (RJ)
<p>COMMENTS: STD Prevalence for this high risk sexual behavior target group is measured by syphilis seroprevalence in a CSW selected sample.</p> <p>(1) 66% for São Paulo 69% for Santos Rio de Janeiro - Data not available Syphilis seroprevalence study will be conducted in 1995 and 1996 in Santos and Rio de Janeiro. Start date of project: Santos ,93, Rio 94, SP, 95</p>		1992		N/A
		1993		N/A
		1994		N/A
		1995		N/A
	TARGET	1996	66%SP - 69%Santos	

E 1 - STRATEGIC OBJECTIVE PERFORMANCE (SP & RJ)

STRATEGIC OBJECTIVE No.3. - Reduced incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME No. 3.2. - Reduced rates of sexually transmitted disease (STDs) in target populations				
INDICATOR: STD PREVALENCE OVER TIME				
UNIT: Men Who Have Sex With Other Men		YEAR	PLANNED	ACTUAL
SOURCE: N/A	BASELINE	1991		N/A
COMMENTS: No study is planned to be conducted over LOP sponsored by AIDSCAP and/or as counterpart. Data will be collected if existing. A cohort study is being conducted in São Paulo and Rio de Janeiro.		1992		
		1993		
		1994		
		1995		
	TARGET	1996	20%(SP/RJ)	

STRATEGIC OBJECTIVE No.3. - Reduced incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME No. 3.2. - Reduced rates of sexually transmitted disease (STDs) in target populations				
INDICATOR: STD PREVALENCE				
UNIT: STD Patients (SP/RJ)		YEAR	PLANNED	ACTUAL
SOURCE: MOH	BASELINE	1993		23,0%(SP)/11,4% (RJ)
COMMENTS: (b) Data provided by State Health Department of Rio de Janeiro (not published). Next cross section of STD clinic sentinel study will be conducted in 1995 and also in 1996. Data from cross sectional maternity clinics and pre-natal services will be used when available.		1994		N/A
		1995		N/A
	TARGET	1996	23,0 / 11,4	

STRATEGIC OBJECTIVE No.3. Reduced incidence of sexually transmitted HIV infection in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME No. 3.2. Reduced rates of sexually transmitted disease (STDs) in target populations				
INDICATOR: STD PREVALENCE				
UNIT: Men in Workplace (Santos/Rio)		YEAR	PLANNED	ACTUAL
SOURCE: U.S. Bureau of Census/Project Data	BASELINE	1993		N/A
		1994		N/A
		1995		N/A
	TARGET	1996	10%(SP/RJ)	
COMMENTS: A cohort study is being conducted in Santos among port workers that will provide syphilis seroprevalence data.				

TABLE 2 - STRATEGIC OBJECTIVE PERFORMANCE (SP & RJ)

STRATEGIC OBJECTIVE No.3. Reduced incidence of sexually transmitted HIV in target populations in two geographic regions of Brazil				
PROGRAM OUTCOME No.3.1. Reduced High-risk rates sexual behavior among target populations				
INDICATOR: NUMBER OF PARTNERS				
UNIT: Men in Workplace (SP/RJ)		YEAR	PLANNED	ACTUAL
SOURCE: Playboy Magazine Survey	BASELINE	1993		23% (BRAZIL)
		1994		N/A
		1995		
	TARGET	1996	23%(SP/RJ)	
COMMENTS: Playboy Magazine Survey: 23% of the men had more than one partner in the previous 3 months of the interview. KABP survey of Shell Oil Company will provide data in Rio de Janeiro. Data from cohort study among port workers in Santos will provide data in Santos city (São Paulo State) by the end of 1995. Project Start date - Feb. 95				

3. SUMMARY OF HIGHLIGHTS

a. AGENCY GOAL AND STRATEGIC OBJECTIVE

o Reduce incidence of sexually transmitted HIV infection in target populations in two geographice regions in Brazil

b. STRATEGIC OBJECTIVE PERFORMANCE

Activities accomplished in Brazil under the project:

People trained:	2,466
People educated :	44,644
Mass media spots :	6,400
BCC material distributed:	486,326
Condoms distributed :	24,814,517

-Policy Reform:

Condoms were exempted from import duties and federal taxes on manufactured products.

-Social Marketing of condoms intervention among target populations:

"Prudence" condom sales by PSI/DKT through social marketing technic have reached 12% of the total Brazilian condom market.

-Education Intervention on STD prevention and control for target populations:

Improving of STD services through training of 79 Health Care Providers from 5 new polyclinics to implement STD management and care in the city of Santos based upon syndromic approach. Donation of laboratory equipment was essential to perform STD tests in the municipal health system.

Education/intervention project is reaching 15,000 port workers from the biggest commercial port in Brazil.

Low income adolescents and youth from slums and poor districts are being reached under two major subagreements in São Paulo and Rio de Janeiro.

-Capacity building and institutional strengthening:

A counterpart contribution of at least 25% is required from each implementing agency. To date, counterpart contributions in Brazil total 64%.

AIDSCAP/Brazil presented 14 abstracts at the X International Conference in Yokohama, Japan in August, 1994.

D. Environmentally and socioeconomically alternatives for sound land use - Renewable energy and energy conservation.

1. Narrative

USAID/Brazil will initiate activities in the area of renewable energy and energy efficiency in 1995. An additional Strategic Objective has been added to the environment portfolio, "Environmentally and socioeconomically sustainable alternatives for energy production and use disseminated in and beyond target areas." This new SO for USAID/Brasilia is consistent with USAID's mandate to address global climate change (GCC) in key Latin American countries. USAID/Brasilia has been addressing GCC issues through its SO#1 dealing with environmentally and socioeconomically sustainable alternatives for sound land use. SO#4 is USAID/Brasilia's response to include activities to reduce the emission of green house gases (GHG) as part of its GCC portfolio of activities. SO#4 focuses on the electricity sub-sector of the much broader energy sector. Focus on this sub-sector is one of USAID's comparative advantages.

The specific purposes of this project are: a) to promote policy changes which result in increase participation of the private sector in the electricity sub-sector and other related sustainable energy production and use issues; b) to promote the use of renewable energy systems; c) to promote the adoption of energy efficiency measures; d) to train individuals in the various areas of sustainable energy production and use; and e) to foster, develop, and strengthen in-country capacity and institutions in order to ensure the sustainability of these efforts.

The corresponding project outcomes are: 1) Policies supportive of sustainable energy production and use adopted and/or implemented; 2) Increased use of systems for sustainable energy production and use in target areas; and 3) Systems disseminated beyond target areas.

The rationale for this modification is discussed in Section VII. ANNEXES. Because energy sector activities did not actually commence by the writing of this report, baseline data and targets are not fully defined. Additional details about activities planned for the energy sector are outlined in Section III. FY 1996-97 PROGRAM PLANS AND RESOURCE REQUIREMENTS, A. New Activity Descriptions, 3. Brazil Renewable Energy Project.

2. Tables 1 and 2

TABLE 1: STRATEGIC OBJECTIVE PROGRAM TREE

Brazil
Agency goal: Moderation in GCC through stabilization of greenhouse gas (GHG) emissions
STRATEGIC OBJECTIVE NO. 4 Environmentally and socioeconomically sustainable alternatives for energy production and use

PROGRAM OUTCOME NO. 1 Policies supportive of sustainable energy production and use adopted and/or implemented	PROGRAM OUTCOME NO. 2 Increased use of systems for sustainable energy production and use in target areas	PROGRAM OUTCOME NO. 3 Systems disseminated beyond target areas
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Projects (Number\Title)	Projects (Number\Title)	Projects (Number\Title)
936-5730/REAT	936-5730/REAT	936-5730/REAT
936-5737/BEST	936-5737/BEST	936-5737/BEST
936-5743/EEP	936-5743/EEP	936-5743/EEP
936-5734/ETP	936-5734/ETP	936-5734/ETP

REAT - Renewable Energy Applications and Training 936-5730
 BEST - Biomass Energy Systems Technologies 936-5737
 EEP - Energy Efficiency Project 936-5743
 ETP - Energy Training Project 936-5734

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE

Brazil					
STRATEGIC OBJECTIVE NO. 4 Environmentally and socioeconomically sustainable alternatives for energy production and use.					
Indicator: Percent installed capacity that is renewable.					
Unit:		Year	Planned	Actual	
Source:	Baseline	(Year)			
Comments		1994			
		1995			
		1996			
		1997			
		1998			
		Target	1999		
	Indicator: Energy intensity (commercial energy consumption per GDP.				
Unit:		Year	Planned	Actual	
Source:	Baseline	(Year)			
Comments:		1994			
		1995			
		1996			
		1997			
		1998			
		Target	1999		

To be determined on initiation of activity

Table 2: Strategic Objective Performance (cont.)

Brazil				
PROGRAM OUTCOME NO. 1 Policies supportive of sustainable energy production and use adopted and/or implemented.				
Indicator: Policy changes supportive of energy efficiency and renewable energy production and use adopted and/or implemented.				
Unit: Number of decrees, laws, resolutions		Year	Planned	Actual
Source:	Baseline	(Year)		
Comments		1994		
		1995		
		1996		
		1997		
		1998		
		Target	1999	
Indicator: Policy changes supportive of increased private sector participation in the electric sub-sector adopted and/or implemented.				
Unit: Number of decrees, laws, resolutions		Year	Planned	Actual
Source:	Baseline	(Year)		
Comments:		1994		
		1995		
		1996		
		1997		
		1998		
		Target	1999	

Table 2: Strategic Objective Performance (cont.)

Brazil				
PROGRAM OUTCOME NO. 2 Increased use of systems for sustainable energy production and use.				
Indicator: Number and type of energy efficiency measures adopted and/or implemented.				
Unit: Number of decrees, laws, resolutions		Year	Planned	Actual
Source:	Baseline	(Year)		
Comments		1994		
		1995		
		1996		
		1997		
		1998		
		Target	1999	
Indicator: Number and type of pre-investment studies co-financed.				
Unit: Number of solar, wind, biomass, small hydro, geothermal, other		Year	Planned	Actual
Source: REPSO/Brazil	Baseline	(Year)		
Comments:		1994		
		1995	0	
		1996	2	
		1997	4	
		1998		
		Target	1999	

Table 2: Strategic Objective Performance (cont.)

Brazil				
PROGRAM OUTCOME NO. 2 and 3 Increased use of systems for sustainable energy production and use.				
Indicator: Megawatts of renewable energy systems installed.				
Unit: MW		Year	Planned	Actual
Source:	Baseline	(Year)		
Comments		1994		
		1995		
		1996		
		1997		
		1998		
		Target	1999	
Indicator: Number and type of projects identified for funding by EEAF.				
Unit: Number of solar, wind, biomass, geo, hydro, other		Year	Planned	Actual
Source:	Baseline	(Year)		
Comments:		1994		
		1995	0	
		1996	1	
		1997	4	
		1998		
		Target	1999	

E. Other activities

1. At-Risk Youth

USAID/Brazil's three-year, \$3 000,000 At-Risk Youth Project was initiated in October 1994, and is being implemented by Partners of the Americas.

It is estimated that one third of Brazil's population lives below the poverty line. Of this number, 30 million are children. USAID's At-Risk Youth Project targets the needs of children in the cities of Salvador, Recife, and Fortaleza, in Northeast Brazil, where poverty conditions are among the worst. In these three cities, 1,355,000 children are estimated to be at risk of illiteracy, disease, delinquency, drug abuse, prostitution, and human's rights violations. The project addresses four priority areas: family preservation; market-oriented vocational training; prevention of child and adolescent prostitution; and improvement of the juvenile justice system. All these areas are in line with the recommendations made by heads of state in the Summit of the Americas, which emphasized the commitment to promote greater social justice, protect human and children's rights, and encourage participation of civil society in the decision-making process.

USAID/Brazil's At-Risk Youth Project supports Brazilian non-government and government organizations in the search for innovative approaches and solutions to the problems of at-risk youth. The first sub-grants have been awarded; CIELA, the Interuniversity Center for Latin American Studies is carrying out a study to identify successful family preservation experiences in the U.S. (Atlanta and Los Angeles); and in the three target cities, Recife, Salvador, and Fortaleza, located in Northeast Brazil. This study will lead to the development of a methodology of interventions with low-income, at-risk families. In Bahia, USAID has been supporting a vocational training project with Projeto Axé, one of the most successful institutions addressing at-risk children and youth in Brazil. This Project brings in a strong sustainability component, and should be fully operational without external funding in two years.

Maximizing our comparative advantages, especially quick response and the ability to work efficiently with NGOs, USAID has been assuming a leading role in the three target cities. In its first five months of operation USAID/Brazil's At-Risk Youth Project has managed to establish successful mechanisms of donor coordination, which have permitted close collaboration with UNICEF, IDB, CRS, UNESCO, the European Commission, CIDA, and Save-the-Children, among others. The first Seminar on Child and Adolescent Prostitution, organized by USAID, for instance, will be co-sponsored by UNICEF and Save-the-Children.

2. Democratic Initiatives

Following the impeachment and resignation of President Fernando Collor in January 1993, Vice-President Itamar Franco formally assumed the role of President as prescribed under the Brazilian constitution. He served the remaining term of office until elections in October 1994 chose as his successor his minister of finance, Fernando Henrique Cardoso. The Brazilian public is proud that constitutional procedures were followed in removing President Collor from office, but serious defects in the operation of the political system are evidenced by the scandal which led to Collor's resignation and his subsequent acquittal in December 1994 on charges of accepting bribes. Additionally, new allegations and revelations of graft and corruption involving various important political figures and some 20 senators who used the congressional printing office to print electoral propaganda for the October 1994 elections; the "discovery" by the new federal and state administrations which took office in January 1995 of thousands of "phantom" employees at the state and federal levels; the bankruptcy of the state banks of Rio and Sao Paulo because of state government debts; and indications that considerable amounts are skimmed from social and infrastructure spending and that many government programs are essentially undermined by

diversion of funds has led to increased interest in reform of the management of public funds and accountability. Congress, held in such low esteem by Brazilian society as a result of these issues, may be finally forced to act for the country's benefit and improvement of its own image.

However these factors have all served to further disaffect the Brazilian electorate. Recent survey research shows that over the last two years the public's confidence in democratic institutions has declined, and general confidence in political institutions is low.

Brazil's new government was elected on a program committed to achieving crucial constitutional reforms, including a privatization, tax and fiscal reform, deregulation, and reform of the state, in order to gain efficiency and better performance, as well as providing increased levels of internal/external control of federal expenditures and enhanced capacity for tax collection. These reforms also seek to improve channels of political representation between the Congress and the population, and improvement the efficacy and efficiency of the judiciary.

With a range of problems such as those described above, selecting where to focus a very limited USAID DI program is a difficult task. Additionally, these funds will be of limited impact unless focused on areas where there is a firm commitment to reform, political interest, and local interlocutors. Under these conditions, a carefully prioritized, tailored program, can have a significant impact in support of the continent's largest democracy and economy.

USAID/Brazil's program focuses on the following priorities areas:

a) Accountability and transparency in governance

As a follow-on to a previous training activity with the GAO and the Congressional Budget Office looking at the advantages of establishing a GAO type activity in Brazil, USAID supported a seminar in Brasilia to further define what the participants believed to be an appropriate systems for Brazil. The training and seminar contributed greatly to the creation of the Federal Control Secretariat whose functions are to audit and evaluate the federal government expenditures. We plan to access the Regional Financial Management Project over the next year to make this secretariat much more effective. As a follow-on to a training activity with the Congressional Budget Office on developing the financial plan; budget development, budget presentation, negotiation, and execution, we supported, in five cities in the north-northeast of Brazil, NGO training in "how to read the public budget." The objective was to control the government activities based on the budget appropriations.

We are encouraging public sector reform at the federal government level by introducing ten key executive branch officials to the U.S. reinventing government program. In this training they discussed the public sector and its role in American life, revenue sources and public debt control, government administrative structure, content and vision of national performance reviews, program evaluation, institutional reform, decentralization and privatization, market mechanisms, and regulations. The main objective of this program is to expose participants to new management and policy principals and techniques, as well as useful approaches and tools that improve the performance and delivery of government services at lower cost, create higher levels of employee morale and citizen satisfaction, and decrease bureaucratic inefficiency.

b) Justice

Twelve public prosecutors from the five major cities in the south-southeast of Brazil participated in a three-week training program organized by the Office of Professional Development and Training of the U.S. Department of Justice. The program provided information on the U.S. judicial system and the Department of Justice and its role in the Federal Criminal Justice System. Topics included U.S.

criminal procedure, drug trafficking, money laundering, white collar crime, public corruption, illegal gambling, and the use of task forces systems to combat these organized crime issues. The focus at the training was to expose these prosecutors to the investigations methods used by public prosecutors and attorneys in the U.S..

A Brazilian participant was sent to the II Alternatives for Dispute Resolutions (ADR) Seminar held in Santa Cruz, Bolivia. The objective of the meeting was to evaluate the development of ADR programs in the U.S. and Latin America, the benefits of creating such systems outside of the judicial system vs. as part of the judicial system, and procedures which allow the disputants to have access to different methods of resolving their conflicts in a more expeditious, less formal, and more timely manner than the current systems are able to provide. This will contribute to the improvement of the access to justice and democratization and improve the climate for private business in the Americas. We plan to fund additional training and T.A. in this area.

c) Strengthening Civil Society

USAID sponsored a seminar in Brasilia on democracy and participation with representatives of over 50 NGOs. The seminar concluded that NGOs have to be more organized in order to achieve their objectives and promote citizen awareness and to mobilize human and financial resources in a more cost effective way. Although, the most of the NGOs are composed of by highly educated professionals in the social area, there is a lack of professionals in the areas of administration, accountability, social marketing, and fund raising. This situation is reenforced by the fact that most of the NGOs do not think they need professionals in these areas, because they are non-profit organizations.

As a follow-on of this seminar we sent a group of nine NGOs representatives to the U.S. to observe organization, administration, social marketing, media, voluntarism, fund raising, board functions, and the NGO environment under U.S. law. A seminar, will be held in Brazil on these subjects using American professionals and Brazilian NGOs representatives as multipliers of this "new" concept.

3. Economic Policy

Brazil is the world's tenth largest economy with a GDP of US\$530 billion and a GDP of Sao Paulo state which is greater to that of Argentina. Brazil is trying to consolidate its new economic stabilization plan. To date it has been successful in bringing inflation down from 30% to 3% month, but constitutional reforms and reforms in the fiscal area are important for the continuity of the plan.

Since last year we have also attempted to include income equality as a priority area. Lack of funds has made this difficult.

During 1994 USAID offered a Tax Administration Program. In 1993 the Receita Federal (Brazilian IRS) began the organization of the Fiscal Intelligence Department. Since then USAID/Brazil has trained annually nine senior officers of the Receita Federal in an IRS International Financial Fraud Training Program and Harvard Technology for Fiscal Systems. As a follow-on we financed the visit of five IRS trainers to support a in-country training program for thirty six employees of the Receita Intelligence Unit.

Since the creation of this Intelligence Unit the GOB has experienced an increase of nearly 45% in tax revenues. By September 1995, ninety Brazilians professionals from Intelligence Unit will have been trained, including the head of the unit. This cost effective training was shared by the Receita Federal and USAID/Brazil which used only US\$ 90,000. Due to lack of funds USAID/Brazil we will have to discontinue this program.

SECTION III. FY 1996 - 1997 PROGRAM PLANS AND RESOURCE REQUIREMENTS

A. New Activity Descriptions

1. Training to support broad-based economic and social development in Brazil.

a. Basic project data

Activity Title: Brazil Training Project.
Project Number: 512-
Authorization/PACD: 1st quarter FY 1996/September 30, 2001.
Funding Source: LAC and Global funds.
Projected Level of
Resources Required: \$900,000 per year for four years.

b. Strategic Objective

The mission has no strategic objective in this area. The project falls under the Bureau's strategic objective of promoting broad-based economic and social development and supports such activities in Brazil.

The proposed project will provide training in democratic strengthening initiatives, including administration of justice and electoral reform; economic policy reform, including poverty reduction, small business development, ADR, and IPR issues; and the mission strategic objectives described in the this Action Plan.

c. Background

Brazil is classified as a More Developed Country in which a traditional bilateral USAID assistance program was terminated for policy reasons in 1975. USAID re-opened the USAID Representative's Office in Brazil in 1980. However, due to Glenn-Symington sanctions, USAID funding has been limited to PVO support, reproductive health activities, AIDS prevention programs, global climate change activities, and training in selected other sectors such as economic policy, strengthening democratic institutions, PVO development, and judicial reform. Because of actions taken by the Government of Brazil, it is expected that these sanctions will be removed in 1995. Under the Environmental Initiative of the Americas program offered by the United States at the Miami Summit, USAID's funding in the environment will double in FY 1995, adding biodiversity as an additional focus. An energy conservation and renewable energy component will also be added to the USAID program activities this fiscal year.

With more than 150 million people, Brazil is the largest nation in Latin America and the fifth largest in the world. Although per capita income exceeds \$3,452 per year, there are wide disparities in income distribution, with only 2.6% of aggregate household income going to the lowest-income 20% of households while 65% goes to the upper 20%. There is severe and widespread poverty. The northeast of Brazil contains more than 40 million people (more than all of Central America) most of whom are in the lowest cartel of the income distribution. Forests cover approximately one-half of Brazil's interior, which includes a major share of the Amazon Basin and world's largest tropical rain forest. Brazil's health indicators are generally low. AIDS has become a serious problem, with 62,000 reported cases, Brazil is second only to the U.S. in number of cases. Rapid, broad-based sustainable economic development, improved income distribution, and specific health interventions are needed to improve the life situation of the millions of poor people, while conserving a natural resource base which is of critical global significance. Brazil needs to be able to provide economic opportunities to its population which are based on a sustainable development strategy that preserves its natural resource base.

In spite of the impressive economic growth, recent survey research shows that over the last two years the public's confidence in democratic institutions has declined, and general confidence in political institutions, in particular the congress and the judiciary, is low.

Brazil's new government, which took office in January 1995, was elected on a commitment to achieving crucial constitutional reforms, including privatization, tax and fiscal reform, deregulation, and reform of the state, in order to gain efficiency and better performance, as well as providing increased levels of internal/external control of federal expenditures and enhanced capacity for tax collection. These reforms also seek to improve channels of political representation between the congress and the population, and improvement the efficacy and efficiency of the judiciary.

d. Rationale

The USAID program in Brazil, like other MDC's, is intended to support U.S. developmental interests, act as a catalyst to establish long-term developmental and institutional relationships between U.S. and MDC institutions, leverage non-USAID resources into development activities, support democratic reform, and improve the climate for private investment. These programs are implemented in the context of overall U.S. foreign policy interests in Brazil addressing problems of mutual concern such as the environment, economic modernization, democracy, and AIDS.

The Brazil Training Program will familiarize Brazil's leaders with U.S. institutions, technologies, and products by establishing interchanges and partnerships in support of shared development interests. This training is a particularly appropriate mechanism to carry out our development program, since the continuation of the type of carefully programmed technical and academic training, seminars, observational training, and experts in support of the Brazil specific areas mentioned above, has the potential to have a significant impact in linking the Brazil human and institutional resource base with new technologies, organizational arrangements, and institutions in the United States and Latin America, with a relatively modest investment. The benefits derived from such applied training in such a setting as Brazil, can be proportionally far greater than their associated cost.

e. Project Description

The Brazil Training Program is a Brazil specific follow-on to the Advanced Developing Country Training Project (598-0660) which covered Brazil and four other LAC ADCs, and has had successful results in Brazil to date, but for which funds available to Brazil have been expended.

The Brazil MDC Training activity will finance short-term participatory training in the U.S, in-country, and selected third countries to improve the technical skills of individuals, transferring U.S. technology and strengthening the bonds between U.S. and Brazilian institutions.

Specifically, the proposed project will fund formal training; attendance at international, regional and national seminars; observational travel; and technical assistance in support of democratic strengthening initiatives, including administration of justice and electoral reform; economic policy reform, including poverty reduction, small business development, ADR, and IPR issues; and the mission strategic objectives described in the this Action Plan.

1. TRAINING CATEGORIES

The following major categories of training will be established:

Seminars and Conferences: An estimated total of 60 people will be sponsored for short-term conferences, normally lasting from one to seven days. The observational travel is included in this category.

Short-term technical training: The majority of the Brazilian participants will receive short-term technical training, normally lasting from one week to nine months. It is anticipated that approximately 35 people per year for a total of approximately 140 will receive training. The exact length of training will depend on the participant's experience and field of expertise. Whenever possible, practical internships in U.S. businesses, universities, and other organizations will be combined with classroom training.

Technical Assistance: An estimated total of 12 professionals will be sponsored to provide technical assistance in Brazil. This technical assistance will be provided as an in-country training or/and a follow-on activity or/and an assessment in the areas of democratic initiatives or economic policy.

Follow-On: As recommended in the 1993 ADC Training/Brazil evaluation, a formal structure for planning and implementing follow-on activities under the program will be designed by the implementation contractor. Although selection procedures under the current ADC Training project have been designed to locate participants who can multiply training upon their return, no formal structure was set up to insure that follow-on activities were carried out on a regular basis. This will be an integral part of the new activity.

2. SELETION CRITERIA

Training will be focused on leadership within the targeted field, ability to apply the knowledge acquired in the U.S. to practical issues and problems in Brazil, and a minimum level of English language skills. The language requirement may be waived completely where interpreters can be provided. As with the ADC Training Project and due to cost reasons, the Brazil Training Program will not fund English language training for participants.

Also, except in limited cases in which waivers may be approved by the USAID Representative, international travel will be paid by the participant's sponsoring institution, the participant, or by a third party.

USAID/Brazil will make its best efforts to assure equal representation by women participants in the training programs, to work with HBCUs and will monitor accordingly. Socioeconomic criteria will not be a factor for selection, though other factors being equal, preference will be provided for individuals whose economic level has not permitted prior training or travel to the United States.

3. TRAINING FOCUS AREAS

The Brazil Training Program will support USAID/Brazil's Strategic Objectives through a training focus on economic policy, and democratic initiatives. Specific objectives for each of these training focus areas follow:

Economic Policy: Not part of the original ADC Project training agenda for Brazil, this focus area has evolved due to USAID/Brazil's identification of the importance of pursuing a modest economic reform and modernization program, and the identification of opportunities to effect needed, and meaningful change. Economic modernization efforts to September 1994 have focussed on four areas: (1) promotion of competition (demonopolization, anti-trust regulatory reform); (2) privatization, especially of services; (3) fiscal reform (tax administration, expenditure efficiencies, budgetary reform); and (4) regional economic

integration and external trade liberalization. Since then, poverty reduction through income distribution and supporting microenterprise training has been added.

To date the ADC Training project has identified key institutions and interlocutors on the training needs related to these priority policy issues. Training has been provided on all topics listed above, and has been successfully tailored to reach the highest levels of government. For example, training has been provided for officials of the Brazilian Congressional Budget Committee at the U.S. Congressional Budget Office; anti-trust training has been provided to the Director of the Ministry of Justice's Council for the Protection of Economic Rights as well as to key Presidential advisors and staff; Congressional committee officials working on intellectual property rights visited counterpart officials in the U.S. on the subject of intellectual property registration procedures; and, through the IRS, the project has funded Brazilian officials' training in International Financial Fraud Training.

Economic Policy training will be financed at an estimated level of \$1,600,000 from LAC and Global funds.

Democratic Initiatives: This training focus was not included in the original ADC Training agenda for Brazil, but grew out of outcry for controls on corruption and government spending following the Collor impeachment. Democratic Initiatives training under the ADC Project has only recently begun in FY 1993, but is part of an overall Embassy effort to assist the Fernando Henrique Cardoso government create more honest, transparent, and accountable operations and institutions.

At present, the Embassy is pursuing, through USAID, LAC Regional Financial Management funds for Financial Management Improvement purposes, and other LAC regional funds for strengthening civic organizations. Through USIS, the Embassy has sponsored Brazilian participation in a regional anti-corruption seminar. The ADC Training Project to date has sent representatives from Congress and the National Accounting Office on an observational tour to Bolivia to study the USAID/World Bank sponsored SAFCO project to promote public sector accountability in the Controller General's office; prosecutors to study the investigative methods used by public prosecutors and public attorneys in the U.S.; a Brazilian representative to the "II Alternatives for Dispute Resolutions Seminar;" and sponsored a seminar in Brazil on democracy and participation with representatives of over fifty NGOs. As a follow-on to this activity, USAID sent nine indigenous NGOs representatives to U.S. to learn how to become make their organizations more cost effective and increase financial independence.

There will be more emphasis on specific Democratic Initiatives training in the Brazil Training activity. To date, the ADC Training project has identified key institutions and interlocutors on the training needs related to these priority policy issues. Training has been provided on all topics listed above, and has been successfully tailored to reach the technical as well as policy levels of government. Illustratively, training has been provided for and a detailed training plan for Democratic Initiatives will be developed by USAID/Brazil in conjunction with the implementation contractor early in the program. It is expected that the training focus in this regard will include the judicial system, public sector financial efficiency and accountability, and strengthening civil society through institutional strengthening of indigenous NGOs.

LAC and Global funds in the estimated amount of \$2,000,000 will be used to finance training in the Democratic Initiatives area.

4. PROJECT IMPLEMENTATION

The Brazil Training Project will be implemented via a four year Cooperative Agreement with an implementing organization, that will execute day to day management responsibilities, selected through full and open competitive

procedures, as soon as possible following project authorization.

The Project will be under the overall direction of the USAID Representative, with day to day project management responsibility vested in the USAID/Brazil FSN Training Officer. The Training Officer will supervise the implementation of the CA, and advise and assist the implementation grantee in all phases of the program as required. USAID/Brazil will establish and/or approve policy and selection criteria, make the final selection of participants, and monitor performance.

The grantee will be responsible for recruitment and initial screening of applicants, English and academic testing as needed, preparation of documentation, orientation, placement and administration of participants in U.S. training institutions, evaluation, follow-on programs, assurance of 25% counterpart contribution and tracking, etc.

The Brazil Training Project will be monitored and evaluated at both program and project levels, making use of USAID/W oversight and process evaluators and evaluation methodologies. USAID/W evaluation contractors, as was done with the ADC Training project, can assist USAID/Brazil and the implementation grantee in the collection and maintenance of program data for input into annual reports. As well, centrally funded studies can and should be performed that report on and analyze the dynamics and mechanisms for establishing professional and institutional linkages, the appropriateness and efficiency of training programs, and the nature of needed follow-on activities.

USAID/Brazil and the implementation grantee will be responsible for country specific monitoring and evaluation, such as standard project management techniques to track participants, expenditures, and conformance with annual training plans. USAID/Brazil will ensure that its internal reporting system is adequate to meet its own information needs. The implementation grantee will provide quarterly and annual financial and operational reports and will work closely with USAID/Brazil and evaluation contractors in their preparation.

A mid-term evaluation shall be carried out after approximately two years of implementation experience, using either an evaluator associated with other central USAID training projects, or an independent evaluation contractor as appropriate. The evaluation will include, but not be limited to a study of the effectiveness of the training in terms of the application of participants' training; whether, how and to what effect institutional and professional links with U.S. organizations have been established; the efficacy of program follow-on activities; and the management performance and capability of the implementation contractor.

USAID/Brazil would manage these activities in Brasilia with the services of one FSN as Project Officer and one FSN Project Assistant. We propose that the current Brazilian Project Officer and the Brazilian Project Assistant be funded with project funds, with no direct requirements from OE.

e. Statement of the policy agenda and general strategy

The Brazil Training Program is planned as a Brazil specific follow-on to the Advanced Developing Country Training Project (598-0660) which was approved in August, 1989 and provided \$10 million for participant training in the five Advanced Developing (now termed "More Developed") Countries of Brazil, Chile, Mexico, Paraguay and Uruguay.

An evaluation of the Brazil training activities under the ADC Training Project was carried out in late 1993. The evaluation praised the relevance, quality and management of the training already undertaken and made a number of recommendations for this follow-on activity which are reflected later in the AAD.

The Brazil Training activity will permit the important short term activities for Brazil to continue to receive funding and, as described below, will in large part evolve from and complement the training priorities for Brazil set out in the original 1989 ADC project. The PACD for the Brazil Training activity will be September 30, 2001 or five years from activity authorization in order to allow participants to return to Brazil and a final evaluation to be completed, though funding of the project and initiation of new training programs will be completed in four years from authorization, or by 2000.

f. Design and analytical work needed for project paper

The current project has been evaluated by USAID/W and the evaluation is the only analytical work anticipated.

g. Identification of key stakeholders

Stakeholders are policy makers, government officials at all levels, and the training participants and the institutions represented by them. In the Judicial area, they are judges, prosecutors and attorneys, in the civil society area, the NGO representatives, and in the fiscal administration area, the auditors and program managers.

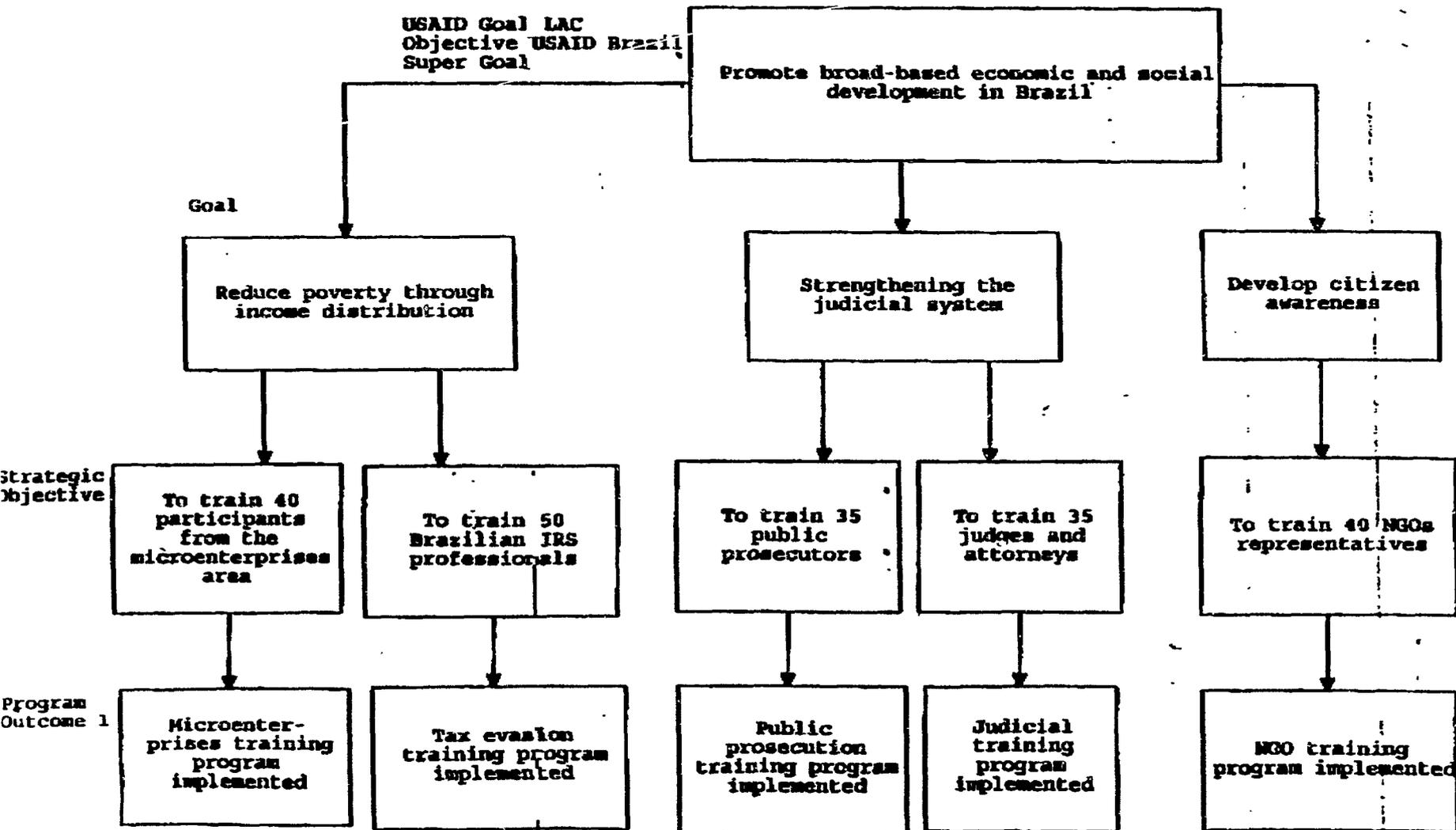
h. Timetable and resource requirements for developing project paper

The project paper will be prepared in August 1995 with the assistance of USAID/La Paz project development office. It is anticipated that three weeks of a design officer's assistance will be required. In addition, two days each of Controller's Office and Regional Contracting Office assistance will be required. We do not anticipate any legal issues at this time, but should they arise we will consult with the RLA as to whether a TDY is required.

i. Recommendations for project authorization

We recommend that review, approval, authorization of the Project be delegated to the USAID/Brazil Representative, based on recommendation for approval by the Project Development, Controller's, RCO, and RLA offices located at USAID/Bolivia

TRAINING PROJECT LOGICAL FRAMEWORK



2. Brazil Global Climate Change and Biodiversity Conservation

a. Basic project data

Activity Title: Brazil Global Climate Change and Biodiversity Conservation
Project Number:
Estimated Term: October 1, 1996 - September 30, 1999
Funding Source: Agency global change and biodiversity funds
Projected Level of Resources Required: \$4.5 million per year for three years

b. Strategic Objective and program outcome being supported, problem being addressed, relationship to host country priorities, and other donor activities:

USAID Strategy for Sustainable Development: Protecting the Environment

USAID Environmental Strategic Goals:

- 1) Reducing long-term threats to the global environment, particularly loss of biodiversity and climate change.
- 2) Promoting sustainable economic growth locally, nationally, and regionally by addressing environmental, economic, and development practices that impede development and are unsustainable.

Mission Strategic Objective: Environmentally and socio-economically sustainable alternatives for sound land use adopted beyond target areas.

Program outcomes:

- 1) Target policies to support environmentally sound land use adopted and/or implemented;
- 2) Systems for sustainable management identified, promoted and adopted in target areas;
- 3) Systems disseminated beyond target areas;
- 4) Target institutions strengthened.

Problem being addressed: Global Climate Change: Reduction of CO₂ Emissions.
Biodiversity Conservation: Reduction in biodiversity loss.

Brazilian society is highly supportive of protection of its natural heritage, while recognizing the failure of government agencies to provide that protection. Brazilian environmental priorities are spelled out (by ecosystem) in the 1988 Constitution. Increasingly, the perception has gained force in the Brazilian public that government institutions alone cannot provide effective environmental protection. NGOs are seen as valuable partners with government in co-management of protected areas and development of viable development alternatives.

One of the biggest gaps in existing donor activities in Brazilian environmental affairs has been the area of training and research seed support for local level problem-solving. USAID/Brazil has been approached by the World Bank Resident Representative in Brazil and Brazilian counterpart task managers to expand training opportunities as a complement to the \$250 million G-7 Pilot Program for the Brazilian Rainforest, which lacks a training mechanism. Individuals already trained through the GCC Program have been instrumental in negotiating a turn-around in the G-7 Pilot Program's Natural Resource Policy Sub-Program, adopting a more integrated participatory approach with state-level agencies. USAID/Brazil's leveraging influence over the Pilot Program has been considerably greater than the USG financial contribution to date (\$7.5 million).c

c. Background

Land transformation and associated biomass burning continue to be the major source of greenhouse gas emissions in Brazil. Furthermore, there is no question that this same large-scale conversion of native ecosystems to degraded lands remains the greatest threat to biodiversity conservation in Brazil. Just as the threat to global climate change and biodiversity are inextricably linked, sustainable development alternatives already enacted under the USAID/Brazil Global Climate Change Program serve the dual purpose of reducing greenhouse gas emissions while reducing biodiversity loss.

Ironically, just as the resilience of tropical forests and success of local agroforestry alternatives are being recognized by the scientific community, regional climate anomalies (El Niño droughts) and low commodity prices for some tree crops forebode the next wave of massive land conversion in Brazil. A wildfire incident in 1988 covering 1,000 km² was observed for the first time (detected by careful examination of Landsat TM imagery) in logged forests on the Eastern Amazon fringe. This previously undetected incident alone covers almost 10% of the total estimated deforestation for the Brazilian Amazon in one year (an indication of the extent of forest conversion that does not show up in the official statistics). Buffer-zone cocoa cultivation in understory forest remnants is giving way to pastureland - a highly undesirable neighbor for the few remaining native Atlantic Forest reserves. In the current political and social context in Brazil, NGO partnerships with local civil society have shown most valuable at diagnosing local land-use problems and proposing and implementing viable alternatives.

The USAID/Brazil approach to dealing with environmental problems has been a mix of training support to key individuals working close to the issue with support for local problem diagnosis, participatory research on alternatives, and action to implement change, largely through local NGOs (who in turn are linked to government agencies responsible for environmental protection). New activities being proposed build on the success of the existing GCC Program by expanding training opportunities to key future environmental leaders, both from the public and private sector, and initiating new NGO partnerships in the most highly threatened ecosystems of Brazil.

d. Description of proposed activity

Proposed actions are centered around two main activities: finding economic alternatives for forest conservation and training of environmental professionals.

1) Finding economic alternatives for forest conservation encompasses a series of field-based actions through local NGOs, with a participatory on-site research and outreach approach that recognizes forest dwellers as the "front line" in forest protection. The GCC Brazil Program is already funding several activities that include sustainable timber management, agroforestry systems for restoration of productivity to degraded areas, protected areas management and fire suppression and management. USAID/Brazil intends to expand these existing environmental actions to address the most significant and critical environmental problems in Brazil - mismanagement of forest resources and the subsequent threat to the biodiversity of the few remaining unaltered areas.

One new project will center around an economic assessment of local land-use alternatives including logging, non-timber forest product extraction, understory cocoa cultivation, minor crop agriculture, conservation set-asides and ecotourism in the highly threatened Atlantic Forest region. This ecosystem was recently highlighted in the September 1994 Biodiversity Support Program priority setting exercise as the most important terrestrial biodiversity site in the entire LAC region. A participatory diagnosis will investigate the stability of squatter and small farmer communities and research will be conducted on ways to develop more sustainable land-use practices that reduce the need to clear additional forest.

Data on land-use, property boundaries, transportation networks and the size and location of primary forest patches will be integrated in a computer-based geographic information system to identify which conservation strategies might be appropriate in different parts of the study area. Institutional and policy aspects affecting current land-use practices will be examined to reveal opportunities and constraints facing forest conservation in the region and to direct future conservation investment in the region.

2) Training environmental professionals as leaders of sustainable development in Brazil is key to addressing issues of deforestation, biodiversity conservation, forest management, and sustainable agriculture and fisheries. Well-chosen training activities have the greatest potential to leverage scarce USAID resources, guaranteeing a multiplication effect beyond traditional forms of development assistance. Numerous examples exist of individuals trained under the GCC Program who have already assumed leadership positions in their home institutions, securing Tinker Foundation grant funds for Amazon land-use investigation, drawing up guidelines as participants in the Forest Stewardship Council process, assisting local communities to call public hearings to contest an ill-conceived Kaolin mine, etc.

This activity will adopt a pro-active and opportunistic strategy to facilitate a scientific career sequence that will develop a cadre of permanent researchers at local institutions. It will also organize integrated strategic planning by institutions that fund programs in the region and promote linkages of accumulated scientific knowledge about the region's problems to those decision makers involved in sustainable development activities.

An ideal training ground for these individuals are the research NGOs and academic institutions that have developed in Brazil in response to the need for more concerted action to face serious resource depletion issues. Direct funding of academic degree programs, thesis enrichment grants, and field research grants can encourage many young professionals with varied backgrounds in natural science, economics, sociology, law, education, etc.

In-country training for dissemination of research results for non-academic professionals, policy makers, extensionists, and grassroots organizers is also an instrument to be used in this activity, fostering the necessary synergy for coordination and cooperation of the different institutions and organizations involved in sustainable development.

Many existing research NGOs in Brazil have an outstanding track record for attracting and hiring talented individuals as interns to conduct well-defined problem-solving research. Key groups supported in part by the USAID/Brazil GCC Program will serve as training sites under the training effort: IMAZON (Institute for Man and the Amazon Environment), IPAM (Institute of Environmental Research for the Amazon - associated with the Federal University of Pará), Fundação Vitória Amazônica (NGO dedicated to conservation efforts on the Rio Negro basin of Brazil), and PESACRE (Group for Research and Extension in Agroforestry Systems in the State of Acre - associated with over 10 state and federal institutions in Acre State), as well as NGOs new to the USAID/Brazil environmental program: SOS Amazonia (Acre), SPVS (Brazilian Society for Wildlife Research and Environmental Education, located in Curitiba, Parana), and ISES (the Southern Bahia Institute of Social and Environmental Studies). Internships will favor individuals who have an association with one of these research NGOs, and also individuals who are initiating their careers with associated federal and state research, development and legal agencies and the private sector. Management skills, familiarity with policy issues and legal procedures, and basic understanding of market forces are just as important as scientific knowledge to well-rounded professionals.

3) Types of interventions anticipated:

The proposed new activity builds on the model of environmental partnerships developed under the USAID/Brazil Global Climate Change (GCC) Program. Interventions are anchored in field-based demonstration activities in threatened ecosystems in Brazil, and typically involve core grants to US-based environmental institutions (non-governmental as well as governmental) with subgrants to local executing entities (usually NGOs). Collaborating US-based institutions include World Wildlife Fund, University of Florida, Woods Hole Research Center, USDA/Forest Service, US/Environmental Protection Agency, Smithsonian Institution, The Nature Conservancy, Conservation International, and the State University of New York at Albany. Where appropriate, interventions would not rule out direct grants to local NGOs if these institutions are of sufficient stature and credibility to deal with environmental issues on a regional and international basis, and are capable of handling the auditing requirements for grant funds. The same NGOs under consideration as institutional mentors under the expanded training activity (see preceding paragraph) would also be eligible for direct grant support: IMAZON, IPAM, FVA, PESACRE, SOS Amazonia, SPVS, and ISES.

Training activities are an integral part of proposed actions in global climate change and biodiversity conservation. Ideally, a single training grantee/contractor would handle all training activities, both individual and group instruction, from short term visitational travel to Masters level academic training, including small grants for support of field thesis research.

USAID/Brazil would manage these activities in Brasília with its staff of one US PSC and one FSN as Environmental Advisors, with one FSN Program Assistant, all covered out of project costs, with no direct requirements from OE. Technical support from USAID/Washington is desirable for information management and tracking of key indicators.

e. Statement of the policy agenda and general strategy:

There is concern that three years after UNCED in Rio de Janeiro, little has been accomplished to relieve the threat of global warming and guard against further loss of biodiversity. Compliance with the terms of the Framework Convention on Climate Change and the Biodiversity Convention is not possible without workable solutions that address the reality of people in the local development setting. The USAID/Brazil approach has been successful because it recognizes the need to reconcile working level public policy with global commitment of governments to protect the environment.

The USAID/Brazil policy agenda is set in a participatory fashion with local stakeholders. The failure of the much larger World Bank-managed GEF and G7 Pilot Programs to contribute to policy change is due in large part to a top-down approach to project design and inflexibility in project implementation. The agility of the USAID/Brazil approach is noted by policy makers and is considered a model for innovative action for change.

f. Design and analytical work needed for project paper:

The project paper will be prepared by USAID/Brazil with assistance needed mainly in the area of performance indicators and information management.

g. Identification of key stakeholders:

Stakeholders include forest dwellers and smallholders who depend on intact forests for their livelihoods. Brazilian society stands to benefit by maintenance of the natural resource base for future generations, breaking the current cycle of predatory, unsustainable land conversion for immediate economic gain.

The project purpose is to build Brazilian capacity to manage natural resources for sustained future use. Preliminary verifiable indicators for the project purpose are: number of Brazilians offered traineeships and internships in career fields dedicated to sustainable resource management; and number of individuals and communities adopting sustainable natural resource management practices.

Management for results will assure answers to the following questions:

- * Are greenhouse gas emissions being reduced?
- * Have sources and sinks of emissions been identified and are action plans being implemented that address forestry and agriculture sectors?
- * Have levels of biodiversity in key geographical areas been conserved?
- * Have conservation plans and strategies been implemented for these areas, including provisions for protection of parks and sensitive areas and support for sustainable economic activities for inhabitants of these areas and their buffer zones?
- * Do these plans enjoy the support of local people, such that they can be maintained over time?
- * Have economic policy distortions that encourage excessive exploitation of critical habitats been reformed?

h. Timetable and resource requirements for developing project paper:

A project paper will be developed by early FY 1996. It is anticipated that this project paper will not differ substantially from the existing E/GCC project paper. It will be developed with assistance from USAID/La Paz in conjunction with development of the training project. We will also request assistance of the regional environmental advisor.

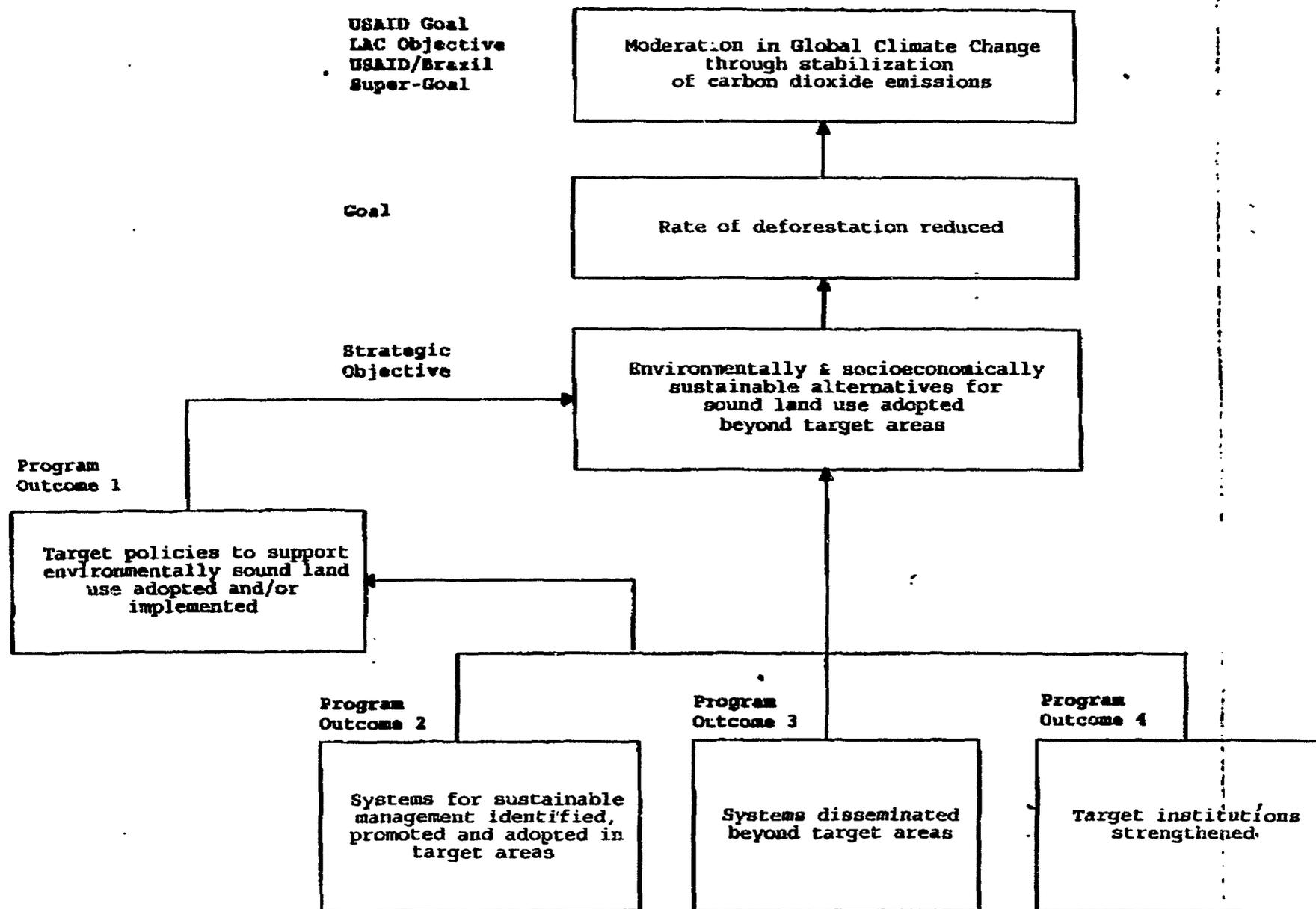
i. Recommendations for project authorization:

We recommend that review, approval, authorization of the Project be delegated to the USAID/Brazil Representative, based on recommendation for approval by the Project Development, Controller's, RCO, and RLA offices located at USAID/Bolivia

j. Preliminary logical framework and objective tree:

Individual logical frameworks exist for each grantee/contractor and are too lengthy to attach to the Action Plan. The objective tree continues the same as that presented under existing Strategic Objective 2 (see section IB. narrative).

E/GCC LOGICAL FRAMEWORK



3. Brazil Renewable Energy and Energy Efficiency

a. Basic project data

Activity Title: Brazil Renewable Energy and Energy Efficiency
Project Number:
Estimated Term: June, 1995 - September 30, 1997
Funding Source: Environmental Initiative for the Americas (EIA)
Projected Level of Resources Required: \$3.3 million

b. Statement of Problem

Brazil has been designated by USAID as a key country to address GCC in support of the objectives of the Framework Convention on Climate Change (FCCC) ratified by the U.S. Senate in 1992. Historically, USAID/Brasilia has emphasized activities geared towards combating deforestation as its GCC activities, in order to preserve carbon sinks, due to Brazil's vast forest resources and rapid deforestation rate. Nevertheless, Brazil is the largest emitter of green house gases (GHG) in Latin America. These GHG emissions come from a variety of sources including the transportation, energy, and other energy intensive sectors. USAID/Brasilia proposes to take advantage of the momentum created by the Summit of the Americas, which included a section describing a partnership for sustainable energy use, to start a program to address emissions generated by the energy sector. USAID comparative advantage in the energy sector, developed from years of experience, is in the electricity sub-sector which is the focus of this project.

Brazil is expected to show considerable economic growth in the next few years resulting in increased demand for energy throughout the country. According to the Fourth Quarter 1994 Issue of the International Private Power Quarterly, the Government of Brazil wants to install over 45,000 Megawatts (MW) of additional generation capacity by the year 2,000 in order to support the anticipated economic growth. The increase demand for energy can be satisfied either solely by traditional means such as large hydroelectric dams, with their corresponding detrimental effects on the environment, and conventional fossil fuel plants with their corresponding GHG emissions, or through a combination of traditional and sustainable energy means such as improved energy efficiency and renewable energy use.

The specific purposes of this project are:

- to promote policy changes which result in increase participation of the private sector in the electricity sub-sector and other related sustainable energy production and use issues
- to promote the use of renewable energy systems
- to promote the adoption of energy efficiency measures
- to train individuals in the various areas of sustainable energy production and use
- to foster, develop, and strengthen in-country capacity and institutions in order to ensure the sustainability of these efforts

This project supports the following new USAID/Brasilia strategic objective:

SO#4 Environmentally and Socioeconomically Sustainable Alternatives for Energy Production and Use

This is a new SO for USAID/Brasilia consistent with USAID's mandate to address global climate change (GCC) in key Latin American countries. USAID/Brasilia has been addressing GCC issues through its SO#1 dealing with environmentally and socioeconomically sustainable alternatives for sound land use. SO#4 is USAID/Brasilia's response to include activities to reduce the emission of green house gases (GHG) as part of its GCC portfolio of activities. SO#4 focuses on the electricity sub-sector of the much broader energy sector. Focus on this sub-sector is one of USAID's comparative advantages.

The corresponding project outcomes (POs) to SO#4 are:

- PO#1 Policies supportive of sustainable energy production and use adopted and/or implemented
- PO#2 Increased use of systems for sustainable energy production and use in target areas
- PO#3 Systems disseminated beyond target areas

Candidate indicators for energy sector activities are:

- 1) Number and type of pre-investment studies co-financed through the REPSO (PO#2, PO#3)
- 2) Megawatts (MW) of renewable energy systems installed in target areas (PO#2, PO#3)
- 3) Number and type of environmentally beneficial projects identified for funding by the Environmental Enterprise Assistance Fund (EEAF) (PO#2, PO#3)
- 4) Number and type of energy efficiency measures adopted and/or implemented (PO#2, PO#3)
- 5) Policy changes supportive of energy efficiency and renewable energy production and use adopted and/or implemented (PO#1)
- 6) Policy changes supportive of increased participation of the private sector in the electricity sub-sector (PO#1)

The activities described in section 2 of this project paper, i.e. Plan of Action, were developed after discussions and consultations with several relevant in-country institutions and were based on similar successful activities implemented by USAID in other countries. Close collaboration with relevant Brazilian institutions created a healthy participatory environment in the project design process which continues to this date.

c. Plan of Action

The plan of action for this project includes the implementation of the following activities in renewable energy, energy efficiency, independent power, and training with their corresponding estimated budgets:

- 1) Renewable Energy [\$1.565 million plus a \$.36 million additional allocation below under Section D, Training]
 - a) Strengthen and assist the Associacao Brasileira Industriais de Equipamentos de Energias Renovaveis (ABEER), the Brazilian renewable energy trade association
 - i. Provide consulting assistance on strategic planning for the association

- ii. Collect and disseminate information (working with and without the Reference Center for Renewable Energy that will be sponsored by two federal ministries)
 - iii. Exchange information with U.S. industry and national labs
 - iv. Translate and re-print of U.S.-based documents
 - v. Develop of standards
 - vi. Hold workshops to bring together industry, utilities and other potential users
- b) Establish a Brazilian affiliate of the international network of Renewable Energy Project Support Offices (REPSOs)
- i. Perform policy analyses
 - ii. Conduct or facilitate selected resource assessments
 - iii. Work with International Financial Institutions (IFIs) on pre-investment studies
 - iv. Share costs of pre-investment studies with selected developers
 - v. Work with non-profit NGOs to identify opportunities and to design programs
- c) Establish a Brazilian affiliate of the international network of the Environmental Enterprises Assistance Fund offices. The affiliate would identify businesses and projects in which EEAF could invest (with non-USAID funds) and work closely with banks in Brazil and elsewhere in order to leverage co-investment.
- d) Strengthen local institutions through which renewable energy technologies could penetrate the rural electrification market
- i. provide technical capability to rural electric utilities
 - ii. foster linkages between rural electric cooperatives and sources of capital to fund rural electrification projects using commercially available renewable energy technologies
- 2) Efficiency [\$0.25 million, plus a \$.54 million additional allocation below under Section D, Training]
- a) Promote energy-efficient lighting systems
- i. Develop promotional, training, and technical assistance materials
 - ii. Implement a pilot phase for 20 companies
 - iii. Launch a full-scale national program after the completion and evaluation of the pilot phase
- b) Disseminate information
- i. Establish an information resource center at local NGO promoting energy efficiency and help build a publications program
- c) Support the development of the energy service companies (ESCOs) industry
- i. Sponsor conferences or workshops to promote concept, goals, and ideas of the ESCOs industry
 - ii. Perform selected market studies
 - iii. Promote the elimination of institutional barriers
- d) Assist in establishing efficiency standards
- i. Conduct studies on the potential for and design of appliance efficiency standards
 - ii. Develop strategies to advance building energy codes

- iii. Develop strategies to advance energy efficiency in the transportation sector
- e) Provide expert support and fund reverse trade missions
 - i. Support for one year an energy efficiency expert to the utility and local NGO
 - ii. Finance the travel of Brazilians to the U.S. for professional development
- 3) Independent Power [\$0.385 million plus a \$0.1 million additional allocation below under Section D, Training]
 - a) Disseminate information in variety of ways (e.g., sponsorship of and participation in annual conference, study tours in the U.S.)
 - b) Provide technical assistance regarding procurement structuring contracts and project financing (e.g., advisory mission to Brazil, Brazilian participation in planned international conference, and seminar in Brazil)
 - c) Provide technical assistance regarding transmission access, pricing and regulation (e.g., workshops and a study tour)
 - d) Technical assistance regarding "clean" fossil fuels for independent power
- 4) Training and Comprehensive Information Dissemination
[All amounts in \$millions: \$0.1 general; \$0.36 for renewable energy; \$0.54 for efficiency; and \$0.1 for independent power]
 - a) Assess training needs (in private and public entities), develop a training plan, and begin implementation of such plan (see 2. below)
 - b) Conduct training programs
 - i. Renewable energy (training in resource assessment, system design and installation, operations and maintenance, etc.)
 - ii. Efficiency (integrated resources planning, demand-side management, development of standards, etc.)
 - iii. Private sector power (pricing, contracting, interconnections, risk assessment, etc.)
 - c) Conduct follow-on activities (evaluation, alumni activities, etc.)
 - d) Establish connection with the Global Energy and Environment Network (GLEEN) and implementation of international conference focusing on selected Brazilian issues

Some of the institutions expected to be part of this project include Winrock International, the National Rural Electric Cooperative Association (NRECA), the Environmental Enterprises Assistance Fund (EEAF), the Associacao Brasileira Industriais de Equipamentos de Energias Renovaveis (ABEER), the Centro de Pesquisas de Energia Eletrica (CEPEL), the Instituto de Eficiencia Energetica (IEE), the U.S. Export Council for Renewable Energy (US/ECRE) and its sub-grantees, and other institutions yet to be identified.

d. Definition of Success

The specific purposes of this project are:

- to promote policy changes which result in increase participation of the private sector in the electricity sub-sector and other related sustainable energy production and use issues

- to promote the use of renewable energy systems
- to promote the adoption of energy efficiency measures
- to train individuals in the various areas of sustainable energy production and use
- to foster, develop, and strengthen in-country capacity and institutions in order to ensure the sustainability of these efforts

There are several measures of success for this project which follow the proposed indicators in section 1 above. The project will be considered successful if it positively contributes to policy changes promoting sustainable energy practices as well as further opening of the electric sector to private investments. Additionally, the success of the project will be closely related to the successful establishment of a REPSO/Brazil including sharing the cost of a number of promising renewable energy projects. Other measures of success include the identification of good quality projects to receive funding from EAAF, the adoption of energy efficiency measures by selected Brazilian companies, the development of a number of rural electrification projects reaching approximately 1,000 families, the number and types of individuals receiving training, and other related measures of success.

e. Financial Plan

The estimated funding level for this activity is \$3.3 million dollars. The funds will come entirely from the Environmental Initiative for the Americas (EIA) and will cover a period of approximately two years. The activity will be implemented through existing projects in the Global Bureau, specifically G/ENV/EET projects. The projected level of resources required by component areas is as follows:

Renewable Energy	\$1.565 million
Energy Efficiency	\$0.250 million
Independent Power	\$0.385 million
Training	<u>\$1.100 million</u>
Total	\$3.300 million

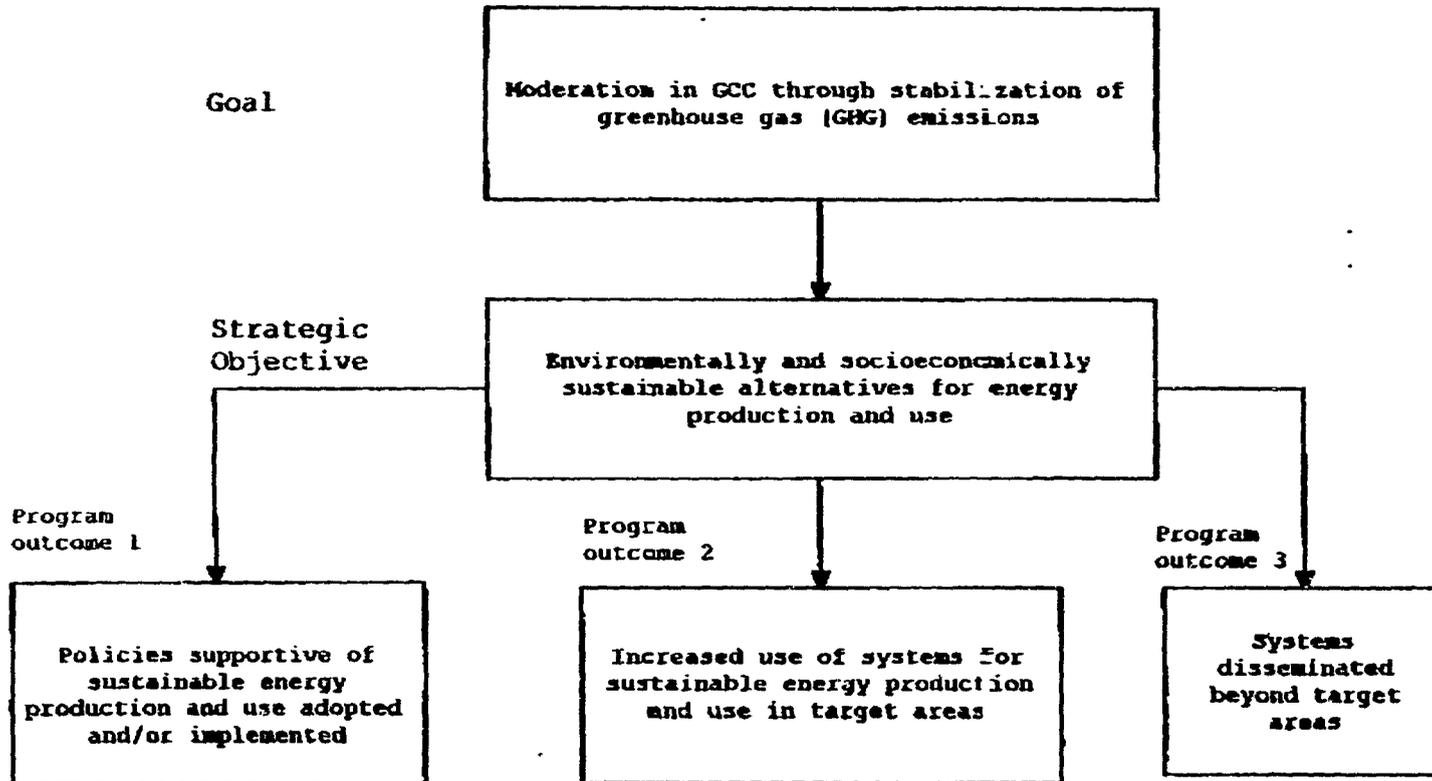
The training component will be supportive of all other areas. It is anticipated that the various components of this activity will be implemented through buy-ins into the following G Bureau projects:

Energy Efficiency Project (EEP) 936-5743
Biomass Energy Systems and Technology (BEST) 936-5737
Renewable Energy Applications and Training (REAT) 936-5730
Energy Training Project (ETP) 936-5734

According to the expected restrictions on EIA funding, every effort to obligate all funds as soon as possible will be made. Approximately, one half of the obligated funds will be spent during the first year of the project.

Approximately 10% of the EIA funds will be used for the overall local management of the various components of this activity. It is anticipated that no new FTEs will be needed to perform this activity. Technical support from USAID/Washington will be essential for the successful completion of this activity. Technical support is anticipated from G/ENV/EET through the various projects already mentioned above.

ENERGY LOGICAL FRAMEWORK



B. Project timeline - Table 5

Table 5: USAID/BRAZIL PORTFOLIO -- PROJECT TIMELINE
Strategic Objective #1 - Women's Reproductive Health

PROJECT NUMBER\TITLE	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
936-3062- Pathfinder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3065 - IPPF/WHR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3051 - SOMARC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3054 - Fellows	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3060-Women's Study	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3041 - FHI					-	-	-	-	-	-	-	-	-	-	-	-								
936-3061 - NFP					-	-	-	-	-	-	-	-	-	-	-	-								
936-3072 - Prime	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3064 - JHPIEGO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3078 - Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3057 - CCP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3052 - PCS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3056 - PROFIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3050 - Population Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3023 - IRD/DHS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
936-3060-Evaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
TOTAL PROJECTS (number) (at end of FY 4th Quarter)				14				16				16				15								

Table 5: USAID/Brazil PORTFOLIO -- PROJECT TIMELINE
Strategic Objective #3 - AIDS Prevention

PROJECT NUMBER\TITLE	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
AIDSCAP (AIDS Control and Prevention Project)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
SUNY (MDC Training Contract)	-	-	-	-	-	-	-	-	-	-	-	-												
PARTNERS (ITT Grant)	-	-	-	-	-	-	-	-	-															
TOTAL PROJECTS (number) (at end of FY 4th Quarter)				3				3				2				1								

Other Activities

* New Contractor Selected

PROJECT NUMBER\TITLE	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
At-Risk Youth 512-0616-A-00-4010				-	-	-	-	-	-	-	-	-	-	-	-	*								
SUNY MDC Training 512-0660-C-00-0050					-	-	-	-																
Partners ITT Grant 512-0616-G-00-2042					-	-	-	-																
Democratic Initiatives Economic Policy Trg																								
Partners ITT Grant 512-0616-G-00-2042	-	-	-	-	-	-	-	-	-	-														
SUNY MDC Training 512-0660-C-00-0050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*								
TOTAL PROJECTS (number) (at end of FY 4th Quarter)				3				5				3				2								

Table 5: USAID/Brazil PORTFOLIO -- PROJECT TIMELINE
Strategic Objective #2 - Environmentally and socioeconomically sustainable alternatives for sound land use adopted beyond target areas.

PROJECT NUMBER\TITLE	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
Cultural Survival Grant 512-0784-G-00-2045	-	-	-	-																				
Environmental Law Institute Grant 512-0784-G-00-1046	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Env. Protection Agency PASA 512-0784-P-EP-1045	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
USDA/Forest Service PASA 512-0784-P-AG-1044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GENESYS Buy-In PDC-0100-222-00-9044	-	-	-	-																				
Partners of the Americas ITT 512-0616- G-00-2042	-	-	-	-																				
Smithsonian Institution Grant 512-0784-G-00-3008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
SUNY MDC Training Grant 512-0660-C-00-0050	-	-	-	-	-	-	-	-	-	-	-	-												
The Nature Conservancy Grant 512-0784-A-00-4011					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
University of Florida Grant 512-0784-G-00-0040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Woods Hole Research Ctr 512-0784-G-00-3007					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

World Wildlife Fund Grant 512-0784-G-00- 0043						
SUBTOTAL PROJECTS (number) (at end of FY 4th Quarter)	10	9	8	8	5	5

Table 5: USAID/Brazil PORTFOLIO -- PROJECT TIMELINE
Strategic Objective #2 - Environmentally and socioeconomically sustainable alternatives for sound land use adopted beyond target areas.

(cont....)

PROJECT NUMBER\TITLE	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
Training Next Generation of Amazon Scientists New Grant					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New MDC Training Project											-	-	-	-	-	-								
TOTAL PROJECTS (number) (at end of FY 4th Quarter)				10				10				10				10				6				6

Strategic Objective #4 - Renewable Energy and Energy Conservation

PROJECT NUMBER\TITLE	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
936-5730/REAT											-	-	-	-	-	-	-	-	-	-				
936-5737/BEST											-	-	-	-	-	-	-	-	-	-				
936-5743/EEP											-	-	-	-	-	-	-	-	-	-				
936-5734/ETP											-	-	-	-	-	-	-	-	-	-				
TOTAL PROJECTS (number) (at end of FY 4th Quarter)								4				4				4				4				

* Other = PASAs and TCNs

C. Resource Requirements

1. Narrative

Inflation Effects on OE Budget

Inflation during FY-95 in Brazil will probably average 25% to 30%, and the "Real," which was issued at parity with the dollar in July 1994, appreciated to R\$0.82 to US\$1.00 by late 1994. While there has been some slight devaluation of the Real over the last few months, we do not expect parity to be reached again until about September and then only slightly devalue the rest of the year.

In the past the effect of high inflation in Brazil has been offset by equally high, or even slightly higher devaluation. The result was usually some slight cost savings over the fiscal year. Under the current set of circumstances, which are expected to last indefinitely, we can no longer expect such savings. Rather the combined impact on our OE budget of inflation and appreciation of the Real has been and will continue to be significant. This will continue to negatively affect the prices of goods and services procured locally and on FSN salaries.

Some examples to illustrate the point are:

the price of roundtrip airfare Brasilia - Washington in \$850, while the price of roundtrip airfare Brasilia - Manaus is \$890;and,

as an indicator of price levels we face on local procurement, USDH are receiving a COLA OF 20% TO 25%.

This fiscal year we have had the following increases in FSN salary costs: an approximately 15% cost-of-living adjustment (COLA) to FSN salaries based on the State wage and salary survey carried out in April 1994 and implemented effective October 1, 1994; a 17% GOB mandated COLA adjustment effective March 1995; and a banding system implemented effective October 1, 1995, of approximately 7% to 8% to adjust FSN salaries for the appreciation of the Real, since FSN salaries are denominated in dollars but are paid in Reales.¹ Additionally, we will have assignment travel for one USDH during FY-96 and perhaps additional household furnishings and equipment.

All of these factors have been accommodated within our current OE level. However, additional inflation and/or erosion of the exchange rate could necessitate adjustment in OE levels.

¹ The FSN salaries were established in dollars by converting previous salaries denominated in Cruzados Reales at an exchange rate of R\$0.92 to US\$1.00.

USAID/BRAZIL

2. BUDGET TABLE

Funding Category	FY94	FY95	FY96	SO#
LAC Bureau				
HEALTH (ITT thru FY-95)	1760	1380	1500	3
AIDS	1500	1300	1300	
AIDS (FNPSC)	60	80	80	
AIDS Program Support Activities	0	0	120	
Drug Education (AIDS)	200	0	0	
POPULATION	0	0	1600	1
Extraordinary condom purchase	0	0	1600	
Partners of the Americas - Grant	350	0	0	99
AIDS	60			
Drugs (aids)	75			
PVO Leadership	100			
Econ/DI	115			
MDC Training Contract - I	645	220	0	99
AIDS	80	120		
Economic Policy	170	0		
Democratic Initiatives	170	100		
PVO Leadership	150	0		
MDC Training Contract - II	0	0	740	99
Economic Policy			330	
Democratic Initiatives			410	
Program Secretary	25	30	40	99
FNPSC Training Officer	75	120	120	99
TOTAL ITT	2855	1750	3900	
AOJ/ DEMOCRATIC INITIATIVES	500	100	100	99
Regional Financ. Manag. (598-0880)	100	100	100	
AIFLD	400	0	0	

Funding Category	FY94	FY95	FY96	SO#
GLOBAL CLIMATE CHANGE	2276	2900	4000	1
World Wildlife Fund	520	900	800	
University of Florida	366	570	550	
Woods Hole Research Center	473	600	600	
The Nature Conservancy	185	200	300	
USDA/Forest Service	150	200	300	
Environmental Protection Agency	22	0	50	
Smithsonian	65	50	200	
Next Generation Amazon Scientist	0	0	800	
MDC Training Contract - I	300	0	0	
USPSC	70	120	130	
FSNPSC	85	130	120	
GCC Support/New Activities	40	130	150	
- FSNPSC	(0)	(65)	(65)	
- Non GCC Training	(0)	(40)	(40)	
- Support and New Projects	(40)	(25)	(45)	
ENVIRONMENTAL INITIATIVE AMERICA	0	5600	0	1
Environmental Protection Agency		50		
Environmental Law Institute		200		
Next Generation of Amazon Scientist		800		
MDC Training Contract - I		300		
Energy Buy-Ins		3300		
Atlantic Forest Activities		950		
TOTAL ENVIRONMENT	2276	8500	4000	
TOTAL LAC BUREAU	5631	10350	8000	

Funding Category	FY94	FY95	FY96	SO#
Other Bureau Funded				
GLOBAL/POP:	6225	7785	5060	1
Various Family Planning Projects	6200	7725	5000	
FNPSC	25	60	60	
GLOBAL/HCD:	0	65	60	99
HERNS Project		55	40	
Regional Training Support RSSA		10	20	
GLOBAL/DI:	0	100	100	99
National Center for State Courts		60	60	
Rule of Law		40	40	
GLOBAL/H:	750	1000	1000	3
AIDSCAP	750	1000	1000	
At-Risk Youth	2000	1000	0	99
Partners of the Americas Grant	1730	840		
Training Under MDC Project	150	0		
FNPSC At-Risk Youth Officer	70	160		
Partners of the Americas training	50	0		
GLOBAL/ENVIRONMENT:	0	0	900	2
Training Contract			300	
Atlantic Forest Activities			400	
Cerrado Activities			200	
WID:	120	0	0	2
Genesys-follow-on(Matching Funds)	120			
TOTAL, OTHER BUREAU	9095	9950	7120	
TOTAL AID	14726	20300	15220	
FY 1995 APPROPRIATED DA		13545	14980	
EIA		5600	0	
HERNS PROJECT		55	40	
REG. FIN. MANAGEMENT		100	100	
AT-RISK YOUTH		1000	0	
POPULATION LAC CONDOMS		0	100	
TOTAL AID		20300	15220	

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 Table III

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SO No	Title Project	Obligations X Percentages				FY94 Pct	FY95 Pct	FY96 Pct
		FY94	FY95	FY96	FY97			
01	INCREASE ACCESS TO CONTRACEPTIVE METHODS AND INTEG							
	936-3023	0	500	50	0			
	936-3024	0	200	0	0			
	936-3030	0	300	100	0			
	936-3031	100	165	0	0			
	936-3035	50	280	50	0			
	936-3041	0	130	0	0			
	936-3050	50	100	50	0			
	936-3051	200	450	280	0			
	936-3052	100	250	200	0			
	936-3054	0	160	0	0			
	936-3056	1,000	500	200	0			
	936-3057	3,000	2,110	2,100	0			
	936-3060	100	150	50	0			
	936-30601	0	100	100	0			
	936-3062	600	800	400	300			
	936-3065	800	1,100	1,280	400			
	936-3069	300	600	200	0			
	Total:	6,300	7,895	5,060	700			
	S.O. PCT:	49.0	58.3	33.7	53.8			
	USDR FTE	FY94	FY95	FY96				
		0.5	0.5	0.5				
	Central Regional Costs for FY96			0				
02	DEFORESTATION REDUCED IN BRAZILIAN AMAZON							
	512-BRAZ	0	0	1,059	0			
	598-0784	2,272	2,900	4,000	0			
	Total:	2,272	2,900	5,059	0			
	S.O. PCT:	17.7	21.4	33.7	0.0			
	USDR FTE	FY94	FY95	FY96				
		0.5	0.5	0.5				
	Central Regional Costs for FY96			0				
03	REDUCED RATES OF SEXUALLY TRANSMITTED HIV INFECTIO							

SO No	Title Project	Obligations X Percentages				FY94 Pct	FY95 Pct	FY96 Pct
		FY94	FY95	FY96	FY97			
	598-0616	150	0	0	0	17	0	0
	936-5972	3,401	1,000	1,000	0			
	Total:	3,551	1,000	1,000	0			
	S.O. PCT:	27.6	7.4	6.7	0.0			
	USDH FTE	FY94 0.5	FY95 0.5	FY96 0.5				
	Central Regional Costs for FY96			0				
99	OTHER ACTIVITIES IN SUPPORT OF AGENCY GOALS							
	598-0616	735	1,750	3,900	600	83	100	100
	Total:	735	1,750	3,900	600			
	S.O. PCT:	5.7	12.9	26.0	46.2			
	USDH FTE	FY94 0.5	FY95 0.5	FY96 0.5				
	Central Regional Costs for FY96			0				
Report Totals		12,858	13,545	15,019	1,300			
	S.O. PCT:	100.0	100.0	100.0	100.0			
	USDH FTE	2.0	2.0	2.0				
	Central Regional Costs for FY 96			0				

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Table III

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SO No	Title Project	Obligations X Percentages				FY94 Pct	FY95 Pct	FY96 Pct	FY97 Pct
		FY94	FY95	FY96	FY97				
01	INCREASE ACCESS TO CONTRACEPTIVE METHODS AND INTEG								
	936-3023	0	500	50	0				
	PN		500	50					
	936-3024	0	200	0	0				
	PN		200						
	936-3030	0	300	100	0				
	PN		300	100					
	936-3031	100	165	0	0				
	PN	100	165						
	936-3035	50	280	50	0				
	PN	50	280	50					
	936-3041	0	130	0	0				
	PN		130						
	936-3050	50	100	50	0				
	PN	50	100	50					
	936-3051	200	450	280	0				
	PN	200	450	280					
	936-3052	100	250	200	0				
	PN	100	250	200					
	936-3054	0	160	0	0				
	PN		160						
	936-3056	1,000	500	200	0				
	PN	1,000	500	200					
	936-3057	3,000	2,110	2,100	0				
	PN	3,000	2,110	2,100					
	936-3060	100	150	50	0				
	PN	100	150	50					
	936-30601	0	100	100	0				
	PN		100	100					

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SO No	Title Project	Obligations X Percentages				FY94 Pct	FY95 Pct	FY96 Pct
		FY94	FY95	FY96	FY97			
936-3062		600	800	400	300			
	PN	600	800	400	300			
936-3065		800	1,100	1,280	400			
	PN	800	1,100	1,280	400			
936-3069		300	600	200	0			
	PN	300	600	200	0			
Total:		6,300	7,895	5,060	700			
S.O. PCT:		49.0	58.3	33.7	53.8			
USDH FTE		FY94	FY95	FY96				
		0.5	0.5	0.5				
Central Regional Costs for FY96				0				
02 DEFORESTATION REDUCED IN BRAZILIAN AMAZON								
512-BRAZ		0	0	1,059	0			
	DP			1,059				
598-0784		2,272	2,900	4,000	0			
	DP	2,272	2,900	4,000	0			
Total:		2,272	2,900	5,059	0			
S.O. PCT:		17.7	21.4	33.7	0.0			
USDH FTE		FY94	FY95	FY96				
		0.5	0.5	0.5				
Central Regional Costs for FY96				0				
01 REDUCED RATES OF SEXUALLY TRANSMITTED HIV INFECTIO								
598-0616		150	0	0	0	17	0	
	DP	150						
	PN							
936-5972		3,401	1,000	1,000	0			
	DP	3,401	1,000	1,000	0			
Total:		3,551	1,000	1,000	0			

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SO No	Title Project	Obligations X Percentages				FY94 Pct	FY95 Pct	FY96 Pct
		FY94	FY95	FY96	FY97			
	S.O. PCT:	27.6	7.4	6.7	0.0			
	UNDR FTE	FY94 0.5	FY95 0.5	FY96 0.5				
	Central Regional Costs for FY96			0				
99	OTHER ACTIVITIES IN SUPPORT OF AGENCY GOALS							
	598-0616	735	1,750	3,900	600	83	100 100	
	DP	735	1,750	2,400	600			
	PN			1,500				
	Total:	735	1,750	3,900	600			
	S.O. PCT:	5.7	12.9	26.0	46.2			
	UNDR FTE	FY94 0.5	FY95 0.5	FY96 0.5				
	Central Regional Costs for FY96			0				
Report Totals		12,858	13,545	15,019	1,300			
	S.O. PCT:	100.0	100.0	100.0	100.0			
	UNDR FTE	2.0	2.0	2.0				
	Central Regional Costs for FY 96		96	0				

D. Other Donor Issues

1. Women's Health

ISSUE: Collaboration between USAID and UNFPA in the Northeast should be expanded to States other than Ceará and Bahia in order to maximize impact in the region.

USAID is supporting the state health care programs of two Northeastern states, Ceara and Bahia, with a combined population of about 20 million. UNFPA, the other large donor active in Brazil in the area of women's health, is also supporting the Viva Mulher program in Ceara, through a formal agreement with the GOB that was approved in December, 1994.

A new UNFPA Representative arrived in Brazil in January, 1995, and has taken a keen interest in the USAID-supported women's health care program in the state of Bahia. After attending a USAID Cooperative Agencies meeting in Ceara and a donors coordination meeting in Bahia, the UNFPA Representative has suggested that UNFPA may develop a program of assistance to complement USAID support of the state of Bahia. Our reaction was to welcome the collaboration, but to suggest that Ceara and Bahia should not comprise the total of donor assistance in women's health in the Northeast and that UNFPA might reserve some funds for a third, perhaps smaller Northeastern state, where impact could be maximized with available resources. It appears that this course of action, including a third state is what UNFPA will do. USAID and UNFPA have collaborated closely on assistance to Ceara, and continue to meet frequently both in Brasilia and in Ceara to discuss implementation issues.

ACTION: USAID/Brazil will continue to collaborate with UNFPA, and requests USAID/W officials to support this collaboration in headquarters meetings with UNFPA.

ISSUE: Despite USAID's efforts locally, difficulties persist in collaborating with the World Bank's Northeast Basic Health Project.

As in the past, collaboration with the World Bank's Northeast Basic Health Services remains difficult because of the lack of authority and knowledge by local World Bank coordinators. This project began in September, 1990. However, in most Northeast states a very small percentage of available project funds has been spent, and our efforts to access World Bank funds to complement our activities in the Northeast have been in vain. This brings up a concern on the role to be played by the World Bank in the women's reproductive health area, when USAID completes its phase-out strategy by the year 2000.

ACTION: Contact in Washington, where most World Bank decisions are made, by USAID staff to press for more attention to the Northeast Basic Health Project, and for active inclusion of reproductive health in its activities, is recommended.

2. Environment

World Bank Program

ISSUE: Implementation of the \$250 million G-7 Pilot Program to Conserve the Brazilian Rain Forests (PP-G7) for the Amazon is badly off schedule.

USAID participated actively in the design of the G-7 Pilot Program managed by the World Bank. The program was initiated at the request of the Group of Seven (G-7) at the Houston Summit in July 1990. World Bank management of the Pilot Program was established in March 1992 with formal approval by the Bank's Executive Directors of the Rain Forest Trust Fund. The umbrella agreement was not approved by the Brazilian Senate until August 1993 and was signed by the Brazilian government only in February 1994. Subsequently, the first five of nine project

components under the G-7 Pilot Program were not formally launched until late 1994, with no money having been disbursed as of April, 1995. Four project components are still in the project identification phase (the first of four stages before implementation).

Staff and representatives of several NGOs which work with USAID/Brazil have played a major role in various World Bank missions to develop this \$250 million program. USAID funded projects on agroforestry, sustainable timber management and rehabilitation of degraded lands have been used as models for the G-7 Pilot Program.

The Science Centers and Directed Research project is also supported by a separate but integrally connected emergency assistance project funded through the Bank by the USG (USAID \$2 million, and State \$0.5 Million) with GOB counterpart (\$2.5 Million). The emergency assistance project's goal is to rehabilitate and upgrade critical infrastructure and equipment at the two science centers, Goeldi Museum (Belém) and National Institute for Amazonian Research-INPA (Manaus). Problems with fiscal transfer arrangements first between the USAID and the World Bank and then the Bank and FINEP (the Ministry of Science and Technology entity that handles research grants) continue to delay disbursement of these emergency funds, over two years after announcement of the award by President Bush on January 15, 1993.

Similar delays continue to plague the World Bank-managed National Environmental Program (PNMA), the forestry resource development program for Rondônia state (PLANOFORO), the natural resource development program for Mato Grosso state (PRODEAGRO), and other state-level natural resource development programs.

ACTION: USAID and Treasury Officials should meet with the World Bank staff and request that the Bank take whatever actions necessary to accelerate implementation. We hope that the new World Bank Rep and staff who arrived recently to oversee the environmental program will make a difference, but that in itself is can only be a partial answer to this problem.

Washington Treasury and USAID staff and Brazil USAID staff should monitor compliance with this accelerated schedule and meet on a regular basis in Washington and Brasilia with Bank staff (who have been advised by their Washington headquarters to do so) to discuss implementation issues.

3. Training and Research Support

ISSUE: USAID/Brazil has a recognized comparative advantage in training and NGO strengthening that complements other (often much larger) donor efforts.

One of the biggest gaps in existing donor activities in Brazilian environmental affairs has been the area of training and research seed support for local-level efforts through north-south environmental NGO partnerships. USAID/Brazil has been approached by the World Bank Resident Representative in Brazil and Brazilian counterpart task managers to strengthen our training component as a complement to the \$250 million G-7 Pilot Program for the Brazilian Rainforest, which lacks a training mechanism. Individuals already trained through the GCC Program have been instrumental in negotiating a turn-around in the G-7 Pilot Program's Natural Resource Policy Sub-Program, adopting a more integrated participatory approach with state-level agencies. USAID/Brazil can continue to leverage the Pilot Program as it moves to implementation (after more than three years of negotiation) through carefully-selected training of key individuals in both the public and private sector.

The USAID/Brazil environmental program is increasing collaboration with the Ford Foundation in Brazil. The expanded USAID/Brazil training program will complement the small grants program already underway between Ford and WWF, "Nature and

Society." Also, proposed new USAID activities in the Atlantic Rainforest will pick up with grass-roots NGOs initially supported by the Ford Foundation.

ACTION: Funding for the GCC Program activity, "The next generation of professionals as leaders of sustainable development in the Amazon" should not be delayed or cut short. Initial success in this area is a widely recognized strength of USAID environmental action in Brazil and funding for this expanded effort was approved in the April 1994 Brazil Action Plan Review.

4. AIDS Prevention

ISSUE: A major constraint in AIDS prevention programs in Brazil is the use of standards for imported condoms that are different from ISO 4074, and the additional requirement for two tests not included in the ISO. Locally produced condoms do not have to submit to these tests, which a significant percentage of USAID donated condoms fail. In addition, the national standards board (INMETRO) has licensed only one laboratory to perform these tests, resulting in delays of over 90 days for the mandatory tests.

USAID has approached the national STD/AIDS program, which administers a World Bank loan of \$160 million, PAHO and the new national director of the public health service with three proposals: (1) accredit more laboratories in Brazil to perform the required tests; (2) accredit one or more FDA-approved laboratories in the U.S. to perform the tests required of imported condoms in Brazil, to allow USAID donated condoms to arrive already approved; (3) adopt international standards.

If the World Bank could influence the MOH in Brazil to revise the procedures surrounding condom imports, a major barrier to timely and adequate condom provision would be achieved. The Ambassador has discussed these issues with the Minister of Health.

World Bank and PAHO collaboration on two other issues related to condoms might also be required. The World Bank loan to Brazil's MOH for its STD/AIDS program includes a component for developing a national logistics system for condom distribution and a component for social marketing of condoms. According to the director of the STD/AIDS division, both components should be implemented through a competed RFP. In the third year of the project, no RFP has been developed for either component. The low priority assigned to these elements of the programs implies that condom distribution remains extremely cumbersome, haphazard and almost entirely dependent on public sector donations. More vigorous support from the World Bank might provide an impetus for MOH attention to these components. The shortage to date of adequate supplies of condoms in the public health service has prompted USAID to make two extra-ordinary donations of condoms for aids prevention activities, the first 7 million condoms returned to USAID from our family planning program in Pakistan, and the second, to be implemented shortly, of 36 million condoms to support our AIDSCAP subprojects in Rio and Sao Paulo.

ACTION: Contact by USAID officials in Washington with counterparts at the World Bank to raise these concerns and discuss possible solutions that include Bank participation, would be a useful next step and of considerable assistance to USAID/Brazil.

5. At-Risk Youth

ISSUE: Coordination strengthened with several donors working in Brazil as a result of the implementation of USAID's At-Risk Youth Project.

In its first five months of operation, USAID/Brazil's At-Risk Youth Project has managed to establish successful mechanisms of donor coordination. Meetings were held with UNICEF, IDB, ILO and the European Commission, among other donors in

this programmatic area, to provide information on USAID objectives and to receive information on these institutions' programs targeting at-risk children. USAID, UNICEF, UNESCO and Save the Children are working together to cost-share a workshop on child and adolescent prostitution in Salvador next June; in late March, USAID co-sponsored with UNESCO and UNICEF a national seminar on this same subject in Brasilia; a proposal to launch a national campaign against child and adolescent prostitution counts on the support of USAID, IDB, UNICEF, ILO, CIDA, the European Commission and other international development agencies. Finally, USAID's support to vocational training programs in Bahia will be cost-shared with the Catholic Relief Services - CRS.

ACTION: This successful networking should be enhanced and encouraged for the life of project. In addition, USAID/Brazil requests USAID/W to provide information on other donor initiatives in the area of at-risk youth, to enhance our ability to communicate with other groups at the local level.

SECTION IV. FY 1996 - 1997 PROGRAM MANAGEMENT REQUIREMENTS

A. Workforce

1. Narrative

a. Computer Systems Management

The installation of the LAN this past year and the increased importance of the use of the computer system as the new corporate management, project, and financial systems are rolled-out make having a full-time system manager a must. The system is currently managed on a half-time basis by my secretary/administrative assistant. However, with this arrangement, we have only two and-a-half secretaries for ten professional staff, and my secretary the only OE funded secretary. This does not leave us with sufficient secretarial staff, nor are the LAN systems management issues being adequately addressed.

The State Department systems manager at post is attempting to provide limited assistance to us under the FAAS agreement, and we have paid for his attendance at the recent two week course in order to familiarize him with the USAID system. Although he provides as much assistance as he and his staff are able, their prime function is to run the Embassy's VS system. Logically this must get first priority, making it difficult for him to provide us with the type of real-time assistance required. If the Agency is serious about using the new corporate, computer-based systems, then a full-time systems manager in Brazil is required, and we will require an additional OE funded position in FY 1996.

b. Energy Sector Activities

Under the new G-funded energy activities, our proposal requests funding for the establishment of an office in Brazil by one of the programs' prime contractors, at a site to be determined by G and USAID/Brazil. We have also requested the assignment for two years of a AAAS fellow to work as the USAID manager of these activities under the supervision of the USAID Rep. We are also discussing whether this person should be located in Brasilia or Rio, where one of the prime local implementing agencies, the Brazilian Energy Efficiency Foundation, is located. The latter is an issue which would have to be discussed with embassy administration as well, before a decision was reached. However, G has agreed with us on making these funds available under the program, and we will continue to discuss the location of the resources.

2. Table 4

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

OE/TRUST FUNDED LEVELS By Major Function Code:	FY 95	FY 96	FY 97
U100 U.S. Direct Hire	58.7	71.8	53.7
U200 F.N. Direct Hire	31.0	49.0	52.0
U300 Contract Personnel	51.0	60.0	65.0
U400 Housing	37.3	39.8	38.8
U500 Office Operations	110.0	126.5	131.0
U600 NXP Procurement	15.2	48.6	18.6
Total Mission Funded OE/TF Costs	303.2*	395.7**	359.1
Of which TF Funded			

*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	USDH*	USPSC**	TCNPSC**	FSN	Other
Total Authorized Positions	2	1	0	1	9										
of which Program funded	0	1	0	1	2										

* 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.

*** FSN PSC

SECTION V. MISSION INITIATED ISSUES

A. Democracy/Good Governance/Economic Policy

Brazil's current President, Fernando Henrique Cardoso, was elected in October 1994 and took office in January 1995, having been elected without a runoff and with well over 50% of the vote a landslide in Brazilian politics. His electoral platform made a commitment to achieving crucial constitutional reforms including privatization, tax and fiscal reform, deregulation, opening the economy to foreign investment, and reform of the state. These objectives were seen as critical to gaining efficiency and better performance in the economy, as well as providing increased levels of investment, improved control of federal expenditures, lower inflation, enhanced capacity for tax collection, and improved efficacy and efficiency of the judiciary. Cardoso also reversed the GOB's longstanding position of opposition to NGOs and invited them to work with the government to help solve Brazil's development challenge.

A growing unease that this very promising government may be faltering in producing the desired reforms is coupled with long-term serious defects in the operation of the political system. This is evidenced by the scandal which led to former President Collor's resignation, but who was subsequently acquitted on charges of accepting bribes in December 1994. Additional new allegations and revelations of graft and corruption have further undermined public confidence in the political process. These involve various important political figures and some 20 senators who used the congressional printing office to print electoral propaganda for the October 1994 elections; the "discovery" by the new federal and state administrations which took office in January 1995 of thousands of "phantom" employees at the state and federal levels; the bankruptcy of the state banks of Rio and Sao Paulo because of state government debts; and indications that considerable amounts are skimmed from social and infrastructure spending and that many government programs are essentially undermined by diversion of funds. These factors have all served to further disaffect the Brazilian electorate. Recent survey research shows that over the last two years the public's confidence in democratic institutions has declined, and general confidence in political institutions is low.

Despite these initial obstacles, both government leaders and the population at large demonstrate very solid support for political, social, and economic reform. This pro-reform atmosphere is enhanced by the fact that Cardoso does not belong to the traditional political elites and congress, which is held in such low esteem by Brazilian society as a result of these issues, may be finally forced to act for the country's benefit and improvement of its own image. The convergence of these factors could finally give Brazil the opportunity to reform its economic and political system.

From the USG's point of view Brazil by every indicator is at the top of the list of countries important for economic, social, commercial, and diplomatic reasons. Brazil is the largest country in Latin America at 150 million people covering almost a half of the continent; it has an economy of \$530 billion (just the state of São Paulo has an economy larger than Argentina's); its trading relationship with the U.S. in 1994 was on the order of \$17 billion and growing; it is one of two GCC priority countries for the USG in the Americas; and it is an important diplomatic partner of the U.S. in such regional fora as the Rio Pact and as a guarantor in the Peru/Ecuador border dispute. Finally, Under Secretary Garten of the Department of Commerce on a recent visit to Brazil mentioned three countries globally as most important to the U.S. from a commercial point of view: Brazil, Indonesia, and India.

Thus, the U.S. Mission Brasilia's Mission Program Plan identifies reforms which support the development of a stable democracy in Brazil and the fostering of a partnership with the U.S. for international and hemispheric leadership as prime goals of the USG in Brazil. Key components of these reforms include economic liberalization, justice reform and increased anti-corruption measures, improved public sector financial management and tax administration, and a more modern congressional branch. The Ambassador looks to USAID, in coordination with the other members of the country team, to support these democracy and economic reform efforts with targeted, but adequate resources.

However, against this very promising background in a country with high political, economic, and commercial interest for the USG, USAID/Brazil has few resources available to work in helping Brazil modernize its justice and financial management systems, decrease corruption, and become more friendly to U.S. investment. We will be attempting to maximize impact of these scarce resources by using LAC's the Regional Financial Management Project to do an assessment of the public sector financial management and control issues preparatory to hopefully leveraging WB and IDB financing for a project similar to the Bolivia SAFCO project. We will begin a modest judicial reform activity, including ADR, under the Global Bureau's NCSC project and using our own training project. Under this same training project, we will be doing additional training of Brazilian IRS authorities and hope to have sufficient funds to be able to offer some assistance on IPR technical issues once the new Brazilian IPR regime is in place.

However, current resources are inadequate to even these modest proposals. Of the \$500,000 requested by USAID/Brazil for these areas in FY-95, only \$360,000 was provided of which \$110,000 is in-kind provided through Global contacts or grants and \$150,000 funds the Brazil training officer and secretary. This leaves us only \$100,000 to contract or grant directly. The late arrival of funds this year seriously compromises even these modest democracy, good governance, and economic policy activities. If our proposed FY-96 LAC level is also cut or the Global Bureau ties the use of its resources instruments which do not fit our requirements, then we will be unable to accomplish even this modest level of activities.

ISSUE: In order to support the Brazil Mission Management Program, in FY'96 maintain or increase LAC discretionary funds; increase the Global democracy allocation and allow funds to be used in global instruments or not, as best fits the AID'S requirements. The Ambassador supports this request as critical to meeting the Mission Management Goals.

B. Family Planning Sustainability and Phase Out

The current strategy for USAID in population assistance in Brazil projects a phase-out of assistance by the year 2000, with the majority of funds (currently about \$8 million per year) to be curtailed after 1997. Population assistance is implemented through about 10 Cooperating Agencies using central projects of G/PHN.

An assessment team composed of outside experts and staff from the LAC and G bureau visited Brazil in March, 1995 to examine progress on the strategy and suggest revisions or new directions.

The recommendations of the assessment team indicated that the current strategy continues to be relevant and appropriate, and that efforts should continue to phase-out assistance as planned. The team recognized that much of the support to the state health departments started recently, and that important activities will remain for other donors after the phase-out period. In the remaining years of assistance, the team felt that commodities and logistics would require redoubled attention, and that training and IEC are also priority areas. Private sector interventions, both NGO and commercial, should receive less emphasis.

USAID/Brazil intends to work in the coming months on an implementation plan for the revised strategy through 1997. The implementation plan would operationalize the recommendations of the assessment team, and would specify the roles, responsibilities and resource needs of the Cooperating Agencies needed to conduct the programmatic components viewed as essential for achieving sustainable, quality reproductive health services.

An implementation plan will need to address the following specific issues:

- o BEMFAM, Brazil's IPPF affiliate and a long-time recipient of USAID funds will not be able to continue its current program, despite efforts at increasing its sustainability, if USAID phases out support, as planned, in 1997. Change at the senior management level will be required. As well as major restructuring to assure that BEMFAM in some form continues to provide family planning services. IPPF must work with USAID/Brazil specifically on this problem.
- o the Northeast states of Ceara and Bahia will by 1997 have incorporated reproductive health services in their public sector networks; the extent, quality and durability of this commitment need to be assessed.
- o USAID's program to phase-out commodity donations while establishing a commercial source for low-cost contraceptives such as the IUD and diaphragm is proceeding well, but may require additional emphasis before phase-out is complete.
- o USAID/Brazil would like to further refine our private sector interventions to achieve greater short-term impact and, most importantly, continued impact in Brazil after the phase-out of donations, rather than redirecting these funds to the public sector component. Private sector services funded to date do not attend to the large volume of clients as seen in the public sector, but are achieving impressive financial and organizational successes.

USAID/Brazil believes that the private sector is an essential partner in realizing the objective of sustainable services, and that ventures USAID has supported in the commercial sector can form the basis for a small USAID-related presence in Brazil without donor funding.

USAID/Brazil requests formal LAC bureau concurrence with these recommendations, the support they imply over the next years from both the G and LAC bureau, and our plan to translate these recommendations into more concrete implementation directives.

C. Use of Global Bureau Resources

Global Bureau resources are becoming an increasingly important part of our Mission portfolio. In order to be useful in meeting our strategic goals and objectives, there must be a certain flexibility in their use, which permits funding of mission support costs and use of non-Global vehicles when the Global contracts and grants are not the most appropriate mechanisms for meeting mission objectives.

Our population program, which is almost wholly G Bureau funded has at its disposition a wide range of project and program instruments developed by the Office of Population over many years. This panoply of instruments allows fulfilling nearly all of our project requirements and is extremely helpful to the Mission. However, a mechanism was required, which we were able to work out after some effort, to fund our local FSN program support costs.

The Brazil AIDS activity is also funded in large part by the G Bureau through a central contract which covers our requirements very well. However, we again had some difficulties before we were able to work out a mechanism for funding our FSN management program support costs.

We have been provided a small amount of Democracy funds by Democracy Center. The uses to which we wish to put these funds, in accord with our interest in AOJ, seem to fit the current National Center for State Courts contract. However, at the beginning of the dialog on this issue, this was not clear. Additionally, we may wish to use some FY-96 funds for other activities, for which a Global mechanism may not exist. As USAID/Brazil understands the ground rules on use of Global funds, in the latter case, Global funds may only be used for funding through Global mechanisms.

ISSUE: In order for Global provided funds to help Missions meet their strategic objectives, their use must be flexible enough to permit Missions to use these resources through non-Global vehicles when these mechanisms do not fit Mission strategic objectives, rather than be faced with a situation of either "use it or lose it." This guarantees that the availability of Global mechanism will not distort Mission program focus and also will reinforce the Global Bureau's policy to develop field-oriented, field-driven implementation mechanisms and terminate ones which are not.

The LAC and Global Bureau should review the requirements on the use of Global resources in order to:

- o Generally provide that Missions should be required to use already negotiated Global grant or contract mechanism for Global provided funds when their use is consistent with Mission strategic objectives.
- o The LAC and Global Bureau should explore ways to make the mechanism for funding local mission support costs more routine, as it is with LAC funding for mission objectives.
- o Where missions find that funds "tied" to Global mechanisms do not meet mission strategic objectives of valid implementation related requirements, then Missions should be free to use the approved funds through other Global or non-Global instruments.
- o An adjudication mechanism should exist when the Global Bureau and a specific mission cannot agree on the use of the funds. LAC should participate in this mechanism.

SECTION VI. SPECIAL REPORTING REQUIREMENTS

A. Section 118 and 119 - Tropical Forestry/Biodiversity

Brazil's Senate approved the Climate Change and Biodiversity Conventions in early 1994. The Ministry of the Environment and Legal Amazon created a Coordinating Unit for Biodiversity Affairs, nominating a respected scientist (an on-going collaborator of GCC-supported fire control efforts) for the position. A Biodiversity Working Group was officially created in July 22 1994, involving five ministries (Environment, Agriculture, Science and Technology, Health and Planning). The objectives of this working group are to: establish a channel for discussing national strategies for conservation and sustainable use of biodiversity, present a proposal for a national program on biodiversity, and identify policy mechanisms for implementation of the biodiversity convention. The Working Group has 5 government members and 6 civilians, 2 from academia, 2 NGO representatives and 2 from the productive sector.

A presidential decree of June 21, 1994 created the Interministerial Commission for Sustainable Development (CIDES), aimed at adopting all the necessary policies and measures to endorse Agenda XXI. The commission is chaired by the Ministry of Planning and composed of all other Ministries. Three coordination bodies were also created: Coordination for Foreign Affairs, chaired by the Ministry of Foreign Affairs; Coordination on Climate Change, chaired by the Ministry of Science and Technology; and Coordination of Biological Diversity, chaired by the Ministry of Environment and Legal Amazon.

Brazilian President Fernando Henrique Cardoso who took office January 1, 1995, was elected largely on the basis of the economic stabilization plan he put into effect as Minister of Finance, which puts Brazil on the track to badly needed fiscal reform. Past subsidies that drove much of the deforestation through the 1980's are not likely to return under the Cardoso administration.

Environment Minister Gustavo Krause named the respected former Director of the Amazon Research Institute (INPA) in Manaus, José Seixas Lourenço, to the key position of Secretary for the Amazon. Seixas Lourenço has sought out international collaboration to boost scientific output and provide alternatives to destructive use of Amazon resources.

Deforestation in the Brazilian Amazon, as measured from interpretation of Landsat TM images at the Brazilian Space Research Institute (INPE), continued a downward trend in the latest statistics: 9,000 km² for 1993, compared with 9,500 km² for 1992, 11,130 km² for 1991, and 13,810 km² for 1990 against a mean rate of deforestation of 21,500 km² per year through the 1980s (when cattle ranching subsidies were still in effect). There is concern, however, that these satellite inventories of cleared versus forested land do not fully reflect the true extent of forest conversion (and consequently biodiversity loss), as evidenced by recent discovery of a 1000 km² fire scar in a logged forest in the Eastern Amazon in 1988 imagery (in an area where selective logging continues to inflict damage on 50% of the forest canopy, rendering it susceptible to wildfire).

SECTION VII. ANNEXES

A. Changes in Strategic Plan/Performance Measurement System

USAID/Brazil recognizes that the Strategic Objective that covers current activities conducted under the Global Climate Change Program, "Environmentally and socioeconomically sustainable alternatives to deforestation adopted beyond target areas" is also appropriate for many biodiversity conservation activities. However, it was felt that the intent of USAID/Brazil to include biodiversity issues outside the Amazon (endorsed at the September 1994 biodiversity strategy workshop in Miami) and the actual evolution of the work of the NGOs involved in our program calls for a modified Strategic Objective for environment: "Environmentally and socioeconomically sustainable alternatives for sound land use adopted beyond target areas." Although forest destruction is the principal cause of biodiversity loss in Brazil and the greatest source of greenhouse gas emissions, other forms of land degradation (i.e. savanna conversion and decertification) and inappropriate land use (i.e. overgrazing and uncontrolled burning) represent a threat to species diversity in key ecosystems. The new Strategic Objective addresses these concerns and more accurately describes the work of the NGOs involved in our program.

With development of a new activity in renewable energy and energy efficiency (under the Environmental Initiative of the Americas), the program approach and nature of which differ significantly from the land-based environmental activities in the Amazon under the GCC Program, USAID/Brazil decided to develop an additional Strategic Objective for energy sector activities: "Environmentally and socioeconomically sustainable alternatives for energy production and use

disseminated in and beyond target areas." Project outcomes specific to energy sector activities are:

- 1) Target policies to support environmentally sound energy production and use adopted and/or implemented.
- 2) Systems for sustainable energy production and use identified, promoted, and adopted in target areas.
- 3) Systems disseminated beyond target areas.

Candidate indicators for energy sector activities are:

- 1) Percent installed capacity that is renewable;
- 2) Energy intensity (commercial energy consumption per GDP);
- 3) Energy subsidies (actual price in relation to economic price).

Because the land-use and energy sector activities evolved at different times and involve different management approaches on the part of USAID/Brazil (energy activities are expected to be coordinated out of a REPSO office and fit with existing Global Bureau activities), it makes sense to treat them as separate strategic objectives. Although there may be some overlap in approaches between the existing USAID/Brazil activities designed to develop alternatives for sound land use and biomass energy activities (producer-related issues), most energy sector actions will involve industrial trade associations, equipment manufacturers, and energy policy under the jurisdiction of the Ministry of Mines and Energy (not the Ministry of Environment). Both activities have in common the ultimate goal of reducing greenhouse gas emissions (and increasing sinks) to reduce the threat of global warming.