

PD-ABM-631
98754

USAID/MEXICO

SEMI-ANNUAL PROJECT STATUS REPORT

OCTOBER 1, 1993 - MARCH 31, 1994

During the past three months, progress has been made on all of the outputs described in the 1994 portfolio review, submitted and reviewed, March, 1994. This is due in large part to receipt of resources from the Global Bureau, other agencies of the USG, and counterpart support from the GOM, that greatly exceed funding from LAC.

As apparent in the project table, some pipeline problems exist with the PASAs to other USG agencies on NAFTA-related issues. While the U.S. government agencies have been slow in billing USAID/Mexico, they are progressing in their activities. USAID/Mexico receives constant up-dates on the agencies' activities and accomplishments to date. Since March 31, 1994 (the closing date for the table), USAID/Mexico has received several requests for payment from the various agencies--significantly reducing the pipeline for these projects.

The GCC program has shown remarkable impact to date in contributing to the development of sound environmental policies and operational programs dealing with protection of tropical forests and reduction of greenhouse gas emissions via innovations in energy efficiency and conservation.

In FY93, AID was supporting directly or indirectly approximately 13 projects with the objective of mitigating climate change. Under the forestry Program Output, AID/M provided nearly \$2 million dollars for the management of parks and reserves, and the buffer zones surrounding them, in all strengthening 17 Mexican conservation NGO's and helping to protect more than 6 million hectares in southern Mexico, including the state of Chiapas.

As indicated in the matrix, all GCC projects except one were in the "A" category; one was categorized as "B" project for reporting or financial managements reasons, not technical deficiencies.

One important problem encountered during this exercise that needs to be addressed is the Non Federal Audit (NFA) Program implemented by the Regional Inspector General in San Jose, Costa Rica (RIG/A/SJ). There was a serious lack of interest on the part of the internationally recognized audit firms (not the grantees) in complying with AID's audit requirements on this regard. For instance, the grantees could only use the services of those audit firms included in the RIG/A/SJ, which include only the "big 8" (e.g. Price Waterhouse, KPMG, etc.). These firms have very large operations in Mexico, focusing mainly on private corporations, for which they charge proportionally larger amounts. On the other hand, most of AID/M activities subject to the NFA Program were between the range of \$25,001 - \$100,000, therefore posing little or no interest to the major audit firms. (average cost for an audit within this funding level is \$8,000). Besides, the auditors in Mexico have very little knowledge of AID and USG requirements and standards for auditing, which resulted in an increased workload and consequently low quality reports. USAID/W, in part due to discussions between the AID/Rep. and AID/W Financial Mgt., revised the regulations and increased the audit threshold to \$100,000.

Nonetheless, adherence to earlier audit policies resulted in a delay to the original planned schedule (reports for cy 1992 began to be received at the end of cy 1993).

We have notified our accounting station (USAID/Guatemala) and RIG/A/SJ of this situation. At the present time there are no open audit recommendations for any of the USAID/M activities or components.

C) FUNCTIONAL ACCOUNT: ARDN

Cooperative Support for GOM's Plant and Animal Health Policies - USDA/APHIS 10029	91	A	N/A										
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D) FUNCTIONAL ACCOUNT: EHR

Cooperative Support in the Exchange of Information on Mexico - Department of Labor 20004	91	A	N/A	N/A	X	N/A	X	N/A	N/A	N/A	N/A	N/A	N/A
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Tech. Transfer for Develop. of Mexico's Industrial Property Office - D.O.C./P.T.O. 20007	91	A	N/A	N/A	X	N/A	X	N/A	N/A	N/A	N/A	N/A	N/A
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Develop. of a U.S.-Mexico Border Environment Plan - W.E.C. 20001	91	B	N/A	N/A	X	N/A	X	N/A	N/A	N/A	N/A	N/A	N/A
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DESEM Export	93	A	N/A										
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Office of Internat. Health D.H.H.S.	93	A	N/A	N/A	X	N/A	X	N/A	N/A	N/A	N/A	N/A	N/A
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SECTION V) PROGRAM IN SCIENCE AND TECHNOLOGY

936-5542.01-523-8.600	89	A	N/A										
UNAM - Organizational, Dynamics and Manipulation of Genetic Information in Rhizobium													
936-5542.01-523-11.453	92	A	N/A										
C.P. Centro de Edafología - Tepetate Reclamation Using Erosion Prediction Technology													
936-5542.01-523-12.367	92	A	N/A	N/A	X	N/A	X	N/A	N/A	N/A	N/A	N/A	N/A
UNAM - Centro de Biotecnología - Regulation of Enzymes of Ureide Biosynthesis in Tropical Varieties of Legumes													

SECTION VI) ADVANCED DEVELOPED COUNTRY TRAINING

CTR 598-0640-C-0734	89	A	N/A										
DEVELOPMENT ASSOCIATES, INC.													