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1996 Results Review
and Resource Request for 1999

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Contents

PART I: Overview of the Mexico Program 1

PART II: Progress Toward Objectives 6

STRATEGIC OBJECTIVE #1 ~ POPULATION:
Sustainable Increase in Contraceptive Prevalence 7

STRATEGIC OBJECTIVE #2 ~ ENVIRONMENT: Environmentally-sound
Natural Resource and Energy Use Increased 21

SPECIAL OBJECTIVE #1 ~ ECONOMIC GROWTH: Improved Performance
of Target Institutions in Selected Legal/Regulatory Areas Related to
NAFTA 37

SPECIAL OBJECTIVE #2 ~ DEMOCRACY: Strengthened Capacity
of Target Institutions to Deal with Selected Democracy/Human
Rights Issues 42

SPECIAL OBJECTIVE #3 ~ HIV/AIDS: Improved Knowledge of Modes of
Transmission and Prevention of HIV/AIDS 46

A Special Note About USAID/Mexico's ADC Training Project 51

PART III: Status of the Management Contract 54

PART IV: Resource Request 59

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ACRONYMS

ADMIC	Asesoria Dinámica a Microempresas
ADR	Alternate dispute resolution
AVSC	AVSC International (population cooperating agency)
BANRURAL	Mexican Rural Development Bank
BSP	Biodiversity Support Program
CA	Cooperating agency
CCP	Central Contraceptive Procurement
CFE	Federal Electricity Commission (Comisión Federal de Electricidad)
CFL	Compact fluorescent lamp
CI	Conservation International
COESPO	State Population Council (Consejo Estatal de Población)
CONAE	National Energy Saving Commission (Comisión Nacional para el Ahorro de Energía)
CONAFE	Consejo Nacional de Fomento de la Educación (rural teacher corps)
CONAPO	National Population Council (Consejo Nacional de Población)
CONASIDA	Mexico National AIDS Control Program
CRMP	Coastal Resources Management Project
CSM	MEXFAM clinic (Centro de Servicios Médicos)
CSM/SOMARC	Contraceptive Social Marketing Project
DOE	U. S. Department of Energy
DSM	Demand-side management
EE	Efficient energy
EEP	Energy Efficiency Project
ENPF~95	National Family Planning Survey, 1995 (Encuesta Nacional de Planificación Familiar)
EP3	Environmental Pollution Prevention Project
EPRI	Electric Power Research Institute
ESCOs	Energy service companies
ETIP	Energy Technology and Innovation Project
FEMAP	Mexican Federation of Private Family Planning Associations (Federación Mexicana de Asociaciones Privadas de Salud y Desarrollo Comunitario)
FHI	Family Health International
FIDE	Trust Fund for Electrical Savings (Fideicomiso Para el Apoyo al Programa de Ahorro de Energía del Sector Eléctrico)
FIRCO	Shared Risk Trust Fund (Fideicomiso de Riesgo Compartido)
FMCN	Mexico Nature Conservation Fund (Fondo Mexicano Para la Conservación de la Naturaleza)
FPLM/JSI	Family Planning Logistics Management/John Snow, Inc.
FPMD/MSH	Family Planning Management Development/Management Sciences for Health
GCC	Global climate change
GEF	Global Environment Facility
G/ENV/EET	Global Center for Environment/Office of Energy, Environment, and Technology
GOM	Government of Mexico
IDB	Inter-American Development Bank
IEC	Information, Education and Communication
IIEC	International Institute for Energy Conservation
IIE	Electrical Research Institute (Instituto de Investigaciones Eléctricas)
IMPI	Mexican Patent Office

IMSS	Mexican Social Security Institute (Instituto Mexicano del Seguro Social)
INCF	International Narcotics Control Fund
INOPAL	The Population Council Operations Research Project
IPO	Mexican Industrial Property Office
IPPF/WHR	International Planned Parenthood Federation/Western Hemisphere Region
ISSSTE	Government Workers' Institute for Security and Social Services (Institutode Seguridad y Servicios Sociales de los Trabajadores del Estado)
ITAM	Mexican Technological Institute (Instituto Tecnológico Autónoma de Mexico)
LAC	Latin America and the Caribbean Bureau
LAC/E	Latin America and Caribbean Bureau/Environment
MEXFAM	Mexican Family Planning Foundation (Fundación Mexicana para la Planificación Familiar)
MLD	Women in the Struggle for Democracy (Mujeres en la Lucha por la Democracia)
MNCF	Mexico Nature Conservation Fund (Fondo Mexicano Para la Conservación de la Naturaleza)
MOU	Memorandum of Understanding
MUSS	Michoacanos For Health and Against AIDS (Michoacanos por la Salud y Contra el SIDA)
NAFTA	North American Free Trade Agreement
NCSC	National Center for State Courts
NDI	National Democratic Institute
NTMBP	Neotropical Migratory Bird Program
OFHEO	U.S. Office of Federal Housing Enterprise Oversight
PAHO	Pan American Health Association
PASCA	Central American AIDS Prevention and Action (Prevención, Acción, SIDA de Centro America)
PCS	Population Communication Services, Johns Hopkins University
PF	Pathfinder International
PiP	Parks in Peril
PP	Pollution prevention
PRB	Population Reference Bureau
PRIME	Training project of INTRAH (International Training in Health)
PV	Photovoltaic
PVO	Private voluntary organization
RE	Renewable energy
REACH	Reduced Emissions and Advanced Combustion Hardware
SEDESOL	Secretary of Social Development (Secretaría de Desarrollo Social)
SEMARNAP	Secretary of Environment, Natural Resources, and Fisheries
SRP	Salt River Project
SSA	Health Secretariat (Secretaría de Salud)
TNC	The Nature Conservancy
UNAM	National Autonomous University of Mexico (Universidad Nacional Autónoma de México)
USPTO	US Patent and Trademark Office
WWF	World Wildlife Fund

C

Part I ~

Program Overview
and
Major Accomplishments

PART I: OVERVIEW OF THE MEXICO PROGRAM

This report presents US/AID Mexico's 1996 Results Review, documenting progress made towards its two strategic and three special objectives during fiscal year 1996, and its Resource Request for the period FY1997-FY1999.

USAID/Mexico has effectively utilized the Agency's re-engineering process during the past year to manage five separate but mutually-reinforcing objectives which directly support USAID's strategic framework:

SO#1 ~ Sustainable increase in contraceptive prevalence (Agency goal: Stabilizing World Population Growth and Protecting Human Health)

SO#2 ~ Increased environmentally sound natural resource and energy use (Agency goal: Protecting the Environment)

SpO#1 ~ Improved performance of target institutions in selected legal/regulatory areas related to NAFTA (Agency goal: Encouraging broad-based Economic Growth)

SpO#2 ~ Strengthened capacity of target institutions to deal with selected democracy/human rights issues (Agency goal: Building Democracy)

SpO#3 ~ Improved knowledge of modes of transmission and prevention of HIV/AIDS (Agency goal: Stabilizing World Population Growth and Protecting Human Health)

Each of USAID/Mexico's objectives ~ population control, environmental protection, economic growth, AIDS prevention, and strengthening of democracy ~ are of global importance, and directly relate to U.S. foreign policy objectives. The upcoming visit of President and Mrs. Clinton in April of 1997 underscores the importance of USAID's mission in Mexico, as we continue to shape our program to not only address Mexico's needs but also reflect American global interests. Mexico's 2,000 mile border with the United States ensures continuous interaction between the two countries (and at times, conflicts) with respect to a broad range of issues that include population growth and the concomitant issues of immigration and the spread of HIV/AIDS, environmental degradation, and the need to strengthen both Mexico's economy and its democratic processes and institutions. Mexico's success or failure to resolve its problems in these areas has a direct effect on the quality of life on both sides of the border, and prompts us to maintain and build upon the strong partnership with our neighbors to the south as we continue to work together to address these issues.

To this end, USAID/Mexico's development strategy has continued to focus primarily on its three objectives related to protecting the environment, stabilizing population growth, and encouraging economic growth. Given the diminishing levels of budget support, and in line with re-engineering goals, USAID/Mexico has continued the restructuring and

prioritization of its portfolio of activities during the past year to achieve a more highly-focused, results-oriented program in these three areas. In its environment portfolio, 35 activities have been redefined and are being consolidated under a new program strategy that will bring the number down to 11 by 1999. USAID/Mexico's highly successful family planning and reproductive health activities will, as phase-out of this portfolio continues, be increasingly subsumed under Mexican public and private sector programs. Activities in the economic growth portfolio, downgraded this year from a strategic to a special objective, have been directed towards supporting innovative technologies and processes which can be replicated in situations where opportunities exist for leveraging significant investments.

Activities in democracy and HIV/AIDS prevention were upgraded this year from "targets of opportunity" to special objectives, each with a more focused strategy. Plans within the democracy portfolio reflect the U.S. government's commitment to the promotion of democracy abroad, working with local organizations in monitoring elections, supporting the participation of women in democratic processes, stregthening local governance, and promoting dialogue on human rights issues and judicial reforms. USAID/Mexico's HIV/AIDS intervention activities are of strategic geographical importance in the fight against the spread of the disease throughout Central and North America, and are focused on areas with large numbers of migrants to and from bordering countries, including the United States. In both cases, the goal has been to achieve customer-defined solutions based upon collaboration with NGOs and the Government of Mexico to problems surrounding democratic participation and health issues. In both cases, results achieved have begun to address the vital issues that will contribute to the mutual prosperity and security of the United States and Mexico.

This kind of collaboration is a key factor in the success of USAID's Mexico program. Because of Mexico's status as an Advanced Developing Country, the Strategic Plan focuses on a scaled-back foreign aid "partnership" between the governments of the United States and Mexico. Its achievements in 1996 are a result of the efforts of a network of Mexican governmental and non-governmental organizations and private sector donors who, along with USAID, are working together in a partnership approach to implement development objectives. These important linkages have resulted in maximizing USAID's investment of its limited resources, and demonstrated progress toward its goal of enabling Mexican public and private sector institutions to sustain and replicate successful activities in the years to come.

Within the parameters of an ambitious set of strategic and special objectives, a country setting still challenged by the devastating economic collapse of 1994, and the need to manage our portfolio with fewer human and financial resources, the Mexico program has demonstrated impressive results, documented in later sections of this report, during the FY1996 period. Major accomplishments under each of the five objectives include:

STRATEGIC OBJECTIVE #1: Sustainable increase in contraceptive prevalence

* The ISSSTE, working with the Population Council, offered 27.5% of women (up from 3% in 1995) family planning services in Veracruz. The ISSSTE also implemented a new reproductive health logo, enabling users to better locate services.

* Training was a large part of USAID's work with the public sector institutions in 1996, with activities sponsored in priority states by SSA, IMSS, and ISSSTE. For example, as part of an AVSC program, 932 doctors and nurses were trained as teams in no-scalpel vasectomies in 26 three-day courses throughout the country. The number of health clinics providing no-scalpel vasectomies increased from 101 to 118, and the number of vasectomies performed increased by 69%.

* In Chiapas, post-obstetric contraceptive coverage increased from 20% to 50%, through the efforts of an SSA rural service delivery expansion program. Activities for adolescents included the production of videos on the responsibilities of parenthood and the spread of STDs. In addition, twenty-five hospital clinics and health centers were established.

* The IMSS developed a protocol to evaluate reproductive health counseling, including evaluation of the training process, and made significant progress in improving informed consent procedures. Method choice improved with the inclusion of injectables in the IMSS medical regimen. As part of its program for adolescents, IMSS designed a mobile stand for use in schools to provide young people with information and referrals, and the IMSS sex education counseling manual was revised.

* In the private sector, MEXFAM and FEMAP, the two largest family planning institutions in Mexico, made significant strides in their administrative and managerial capabilities. MEXFAM's IPPF-funded clinics increased their income generation by 35%, and their deficits dropped by 73% from FY1995 to FY1996. FEMAP established a financial monitoring system which enables them to evaluate monthly progress towards self-sustainability, which is currently 54%.

* CONAPO completed the second phase of its mass media campaign, including eight TV and 40 radio spots, and an impact evaluation model was developed to assess the impact of the campaign.

STRATEGIC OBJECTIVE #2: Increased environmentally sound natural resource and energy use

* The Mexico Nature Conservation Fund was capitalized with $19.5 million from USAID, and a program initiated that will fund 77 grants beginning in 1997 to support biodiversity conservation throughout Mexico, including ten priority protected areas. The Fund will work with government and non-government organizations, who together are contributing more than $20 million.

* Important biological resources in eleven forested areas totalling 3.1 million hectares were protected through conservation activities that kept the deforestation rate well below national averages.

* USAID/Mexico's strengthening of partner organizations resulted in the protection of 371,000 hectares of marine reserves sheltering coral reefs on the Caribbean coast, and

a regional conservation planning process for the Gulf of California, including reform of commercial fishing regulations.

* As a result of USAID partnership activities, permission to resume logging operations in the 144-hectare El Cielo Biosphere Reserve was denied by SEMARNAP. In addition, the illegal colonization of Montes Azules Biosphere Reserve has been effectively deterred, through the active intervention of the biological stations established there with USAID funds.

* At the Manzanillo power plant, which provides power to a large area of western Mexico, including Guadalajara, new burners which reduce carbon and other emissions were installed, in cooperation with CFE. Results indicate a reduction in carbon dioxide emissions of 60%, totalling 4,700 tons since September of 1996. Boiler efficiency was increased by .5%, which saves 18,000 barrels of oil and $306,000 annually for each 300 megawatt burner stack.

* USAID/Mexico provided technical and financing assistance to FIDE and CONAE to promote sound energy management technologies during 1996, resulting in 266,250 tons of carbon dioxide not released into the atmosphere. It is expected that replication of these demonstration projects will create substantial new markets for U.S. industry.

* In the area of renewable energy, a highly successful program jointly funded by USAID and DOE, with leadership from Sandía National Laboratories, has implemented 100 projects which meet rural energy needs in an environmentally-friendly way. Working with FIRCO and Alianza Para El Campo, farming communities in northern and southern Mexico have installed irrigation schemes and water pumping systems using photovoltaic cells and wind-powered devices.

* In collaboration with IIEC, CFE, and the World Bank, USAID/Mexico was able to demonstrate how energy efficiency improvements reduce electricity costs to the consumer and lower emissions of greenhouse gases as well. In the ILUMEX project in the states of Jalisco and Nuevo León, 1,099,674 compact florescent lamps were sold to customers in 1996 in place of incandescent bulbs, resulting in the prevented emission of 88,500 tons of CO_2, 47.8 tons of SO_2 and 5.4 tons of NOx into the atmosphere. In addition, customers paid lower electric bills.

SPECIAL OBJECTIVE #1 ~ Improved performance in target institutions... related to NAFTA

* USAID's support of the U.S. Department of Commerce's Patent and Trademark training program with their Mexican counterparts successfully demonstrated that information exchange via Internet can improve enforcement of U.S. intellectual property rights and strengthen commercial ties and trade relationships under the NAFTA.

* USAID's support of the U.S. Department of Labor's workshops on cross-border labor issues provided mechanisms for open dialogue on potentially divisive issues, such as child labor, discrimination, and union-management relations.

SPECIAL OBJECTIVE #2 ~ Strengthened capacity of target institutions to deal with democracy and human rights issues

* Based on collaboration among the LAC Bureau, the Global Democracy Center, and USAID/Mexico, a Democracy and Governance Assessment and priorities framework was prepared in July, 1996. This was a significant step towards consensus building, program coordination, and establishing financial commitments among participating organizations.

* USAID, through financial and technical support to the National Democratic Institute and its Mexican partner, Alianza Cívica, sponsored an electoral reform seminar in Saltillo, Coahuila in January 1996 in preparation for the 1997 elections. Eighty-three workshops on civic education and election observation reached 2,300 volunteers in the states of Chiapas, Michoacán, Puebla, Oaxaca, and Tlaxcala.

* Mujeres en Lucha por la Democracia, a USAID-sponsored NGO, conducted a broad sensitization program designed to expand the participation of women in politics and public affairs. The project centered around an analysis of the portrayal of women by the Mexican mass media. As a result of this work, legislative reforms of the federal laws which govern radio and television were presented to the Congressional Chamber of Deputies in May 1996, and are expected to be brought to debate in the spring of 1997.

SPECIAL OBJECTIVE #3 ~ Improved knowledge of....HIV/AIDS

* In 1996, a USAID partner, El Frente Común Contra el SIDA, translated information about HIV/AIDS into nine indigenous languages, and trained more than 400 instructors from CONAFE as HIV/AIDS educators in rural areas in the state of Oaxaca.

* In the state of Michoacán, one of Mexico's poorest and the supplier of a large proportion of migrant workers into the U.S., community health workers received information and training on HIV/AIDS prevention. In 1996, 142 talks were given in rural communities of Michoacán, reaching 5,217 people, and 6,183 condoms were distributed.

Part II ~

Progress Toward Objectives

STRATEGIC OBJECTIVE # 1 ~ POPULATION:
Sustainable Increase in Contraceptive Prevalence

"Reproductive health is being healthy enough to reproduce."

~ 22-year old taxi driver in Morelia, upon being asked the question, "What, in your opinion, is reproductive health?"

Overview

USAID/Mexico's Strategic Objective on Population, the achievement of a "sustainable increase in contraceptive prevalence," has its roots in a program that began in the 1970's, as it became clear that family planning benefits children, reproductive-age women, and families, and that uncontrolled population growth has repercussions for environmental protection as well as economic development. In 1992 the present strategy for the Objective on Population was initiated, one which supports Mexico's commitment to reproductive health and family planning and its efforts to reinforce a decline in population growth. The strategy has stayed the course and the 1992 vision is still on target.

These issues continue to be a high priority for Mexico, as is evidenced by its commitment to the National Population Program 1995-2000. In 1996, the GOM budget for family planning was more than $400 million USD, more than three times the targeted amount. (See Table 3.1, page 20). Except for vaccinations, family planning services are the only program offered by the GOM to all of its citizens free of charge. In his State of the Nation address on September 1, 1996, Mexico's President Zedillo extolled the launching of an unprecedented effort to provide basic health care, including reproductive health services, to Mexico's poorest, most isolated areas. In December of 1996, Mexico's Minister of Health stressed the importance of family planning when discussing the health needs facing the country.

The three Intermediate Results and the portfolio of activities within S.O. #1 center around the availability, demand and sustainability of family planning services, and the use of contraception as a means of achieving family planning goals and slowing the population growth rate in Mexico. (See Results Framework, page 16.) As demonstrated by the tables following this narrative (pages 17- 20), progress toward the S.O. has met or exceeded expectations in most areas. Although final data on 1996 contraceptive prevalence is not yet available, estimates show astounding advances, especially in rural areas. In those programs where actual levels have fallen short of planned levels, reasons are given.

Two events bear mentioning at the outset: First, the economic debacle and devaluation of the peso in 1994 continues to put a strain on public sector health care providers. Costs of equipment, supplies, and salaries continue to escalate (approximately 25% in FY1996) and

added to this is the burden placed upon SSA (Health Secretariat) by the thousands who are still unemployed as a result of the crisis in '94 and no longer eligible for health services from the IMSS (Mexico's social security system). The second factor which could affect performance of the S.O. is the decentralization, effective January 1, 1997, of health care services in the public sector. Services once managed by the federal government are being turned over to the 31 state governments and the Federal District to administer. While this ideally results in more accessible and effective health care, it also presents problems in that many state governments do not yet have the capability nor the resources to satisfactorily meet the demands of population planning and implementation.

For purposes of clarity, reporting on progress toward S.O. #1 will be divided into public and private sector activities. Given GOM data collection schedules and the timing of the surveys being carried out, most of the data for the public sector indicators is not yet available. As it becomes available, it will be submitted to USAID/Washington. Therefore, results of a number of public sector surveys and a mid-term review of public sector programs, described below, will serve to illustrate, for the purposes of this Results Review, the progress towards the objective and its IRs. Performance data in the private sector is available, and will be reported on later in this section.

Finally, phase-out activities in both the private and public sectors is slated for September 1998. In the case of the latter, each of the public sector cooperating agencies (CAs) is currently working with Mexican institutions to focus on what remains to be done in the final year of the program. USAID/Mexico, based on the recommendations of the Review Team, is requesting an unfunded extension of the MOU, however, to enable it to continue its work in family planning at this crucial time in Mexico's commitment to population programs and reproductive health, to carry it to the year 2000. The rationale for this extension is discussed at the end of this section.

Progress Toward Intermediate Results ~ Public Sector

Successes in public sector activities in FY1996 were centered around an expanded program of services to rural areas and the design of service delivery and educational strategies for specific populations ~ adolescents, men and indigenous peoples. These activities included strengthening of the no-scalpel vasectomy program, the design of innovative educational materials, improvements in coverage and quality of family planning counseling services, and a mass media campaign on contraception and reproductive health.

The three Intermediate Results for S.O. #1 are:
IR #1 ~ Increased availability of quality family planning services in target areas;
IR #2 ~ Increased demand for family planning services in target areas;
IR #3 ~ Increased sustainability of family planning delivery systems in target areas.

Three important surveys assessing progress toward the three IRs and a mid-term review of the U.S.-Mexico collaborative program on population and reproductive health were carried out in FY1996.

The National Family Planning Survey (ENPF-95) ~ This survey has proven to be an important program planning tool. CONAPO has used this data in three important ways: (1) to strengthen and focus its mass media campaign which encourages delaying marriage, delaying first childbirth, and increasing birth intervals; (2) to begin stimulating private sector involvement and encouraging social marketing activities; and (3) to perform the yearly evaluation of the National Population Program presented to President Zedillo. In addition, SSA has used the data to develop the 1997 National Health Program, and also worked with CONAPO to develop family planning educational materials for SSA personnel. Complete results of the survey, including separate publications for each priority state and the nation as a whole, will be released at the end of March 1997. These results will have important implications for the service delivery institutions, particularly in the area of informed consent.

Innovations in Informed Consent
Dr. Sergio Hidalgo Ramirez, the director of SSA's Regional General Hospital "Dr. Pedro Daniel Martinez" in Uruapan, Michoacán, became aware of the problems with informed consent in Mexico. In order to assure that women in his hospital receive the family planning method they desire, medical and paramedical personnel were trained in counseling and informed consent, and he and his staff developed a simple, attention-getting rubber stamp consent form to be used on each patient's chart.

The Service Delivery Points Survey ~ In order to measure quality of family planning services, interviews were carried out between September and December of 1996 with community health agents, physicians, nurses, pharmacists, and administrators working in private hospitals and public sector institutions in communities with less than 20,000 inhabitants where ENPF-95 interviews took place. The survey included questions about the availability of human resources, contraceptive methods and equipment, the training of service providers, the capacity for counseling, and attitudes and knowledge of providers towards family planning. In addition, information on norms and institutional policies and the relationships between sectors and subprograms was obtained. Preliminary results will be presented to the Consejo Nacional de Población (13 Cabinet members) in mid-March.

The Family Planning Communication Survey ~ This was conducted concurrently with the Service Delivery Points Survey, and both men and women were interviewed for the first time in a national survey on family planning. Information was gathered which will help, if necessary, to redirect the CONAPO communication campaign, and data will be updated for 1996 on contraceptive prevalence and method mix. Results of this survey, as well as final results for the Service Delivery Points Survey, will be available by August 1997.

The Midterm Program Review of the U.S.-Mexico Program of Collaboration on Population and Reproductive Health ~ This review was carried out in September-October 1996. The draft report was reviewed by USAID/Mexico and public sector CAs, revised, and then reviewed by Mexican public sector institutions. Once the final report is prepared (March 1997) USAID/Mexico will present it to the Mexican institutions at a meeting of the Operations Coordinating Committee, where each recommendation will be prioritized and implementation plans discussed.

In preparation for this meeting, USAID/Mexico and the public sector CAs met to discuss the priorities for the MOU as it enters its final stage. Recommendations were prioritized based on importance to the MOU and feasibility of program goals in the remaining available time, resulting in the following list:

IEC ~ Continue emphasis on reaching women with an unmet need for family planning, review media plans, create IEC committees at state level, utilize results of communication survey for focusing IEC activities in the phase-out year, and continue interinstitutional collaboration on production of IEC materials;

Training ~ Continue training medical and paramedical personnel, standardize training materials, curricula, and trainers, especially for minilaparotomy, and strengthen and standardize training centers;

Method mix ~ Given limited method mix in several of the service delivery institutions, support research activities and efforts to expand its use;

USAID Lauded at Press Conference
At a press conference on "International Population Control and Family Planning," Mexico's population program was attacked and USAID's participation in financing "coercive" family planning programs was criticized. A Mexican Embassy representative who was present affirmed that while there is evidence of occasional coercion, it is "an unacceptable practice in Mexico." He also stressed the importance of USAID's assistance, calling it "a very productive relationship for more than 20 years...We cherish the [technical] assistance, [which] has proven to be a positive instrument of help to us."

Supervision ~ Standardize supervision criteria, beginning with IMSS, and share with other institutions. Supervision materials and models should be created, as should working groups within each institution;

Geographic focus ~ Efforts to date in the priority states have been successful, and the ENPF-95 shows that some states' contraceptive coverage is higher than the national average. In order to maximize the benefit obtained from USAID assistance, we are going to begin negotiating the inclusion of one or two additional states concomitant with the removal of states where substantial progress has been made. One of the areas of particular concern to IMSS-Solidaridad, for example, is San Quintín, Baja California Norte, or "Oaxacalifornia," a migration destination for indigenous people (Mixtecos, Zapotecos, Triquis, and Nahuas) escaping poverty in their home state of Oaxaca. Twelve thousand families live in 42 communities and 33 camps, and many have lived there for more than five years. The lack of health care in these communities is striking ~ the nearest medical facility is in Ensenada, 120 miles away.

Norms ~ Rewriting of the Mexico Family Planning Norms is not probable at this time, so our efforts in the last phase will be on improving dissemination of the existing norms and encouraging technical updates when necessary.

Informed consent ~ This is an area of great concern to everyone involved in reproductive health in Mexico. While incredible progress by the service delivery institutions and the CAs has been made in counseling and informed consent, much work still needs to be done. We will continue to support Mexican public sector institutions in developing informed consent forms and linking them to the IEC systems, discussing this issue in the Interinstitutional Reproductive Health Committee, and encouraging more thorough discussion of informed consent in norms and manuals.

Progress Toward Intermediate Results ~ Private Sector

Achievements within the private sector during FY1996 were impressive, although not always measurable. They include the maturation and consolidation of clinic programs, the increase in income generation and sustainability of these programs, the development of social marketing of contraceptives, and collaboration with GOM institutions to facilitate access to reproductive health services in rural and marginal urban areas.

The IRs pertaining to private sector family planning activities (see Tables 2.2 and 2.3, page 19) have shown declines since last year. The limited growth in number of people receiving family planning services, as shown by the data in these tables, is a reflection of continued clinic closings and exodus of paying clients over to the GOM's free services. The seemingly contradictory improvements in percent of total costs recovered by NGOs and their decreased dependence on USAID funding (see Tables 3.2 and 3.3, page 20) is due primarily to their efforts in charging for primary and reproductive health services.

Both of Mexico's private sector family planning institutions, MEXFAM and FEMAP, are currently working with the cooperating agencies listed below in preparation for imminent phase-out of USAID assistance:

INOPAL ~ FEMAP introduced cost analysis techniques which sparked both cost control and cost recovery efforts among the affiliates. Systems were established for evaluating sustainability strategies, and, as a result, institutional standards and norms concerning price of services and productivity of staff were developed and implemented. MEXFAM tested the use of Continuous Quality Improvement techniques and quality improvement teams were established.

FPLM ~ All FEMAP personnel were trained in logistics management, and an evaluation of the workshops' impact was done. MEXFAM's Logistics Supervision Guidelines were developed, MEXFAM personnel were trained in logistics supervision capabilities, and a training impact evaluation/system assessment was done.

SOMARC ~ FEMAP's corporate image was evaluated and redefined, a manual and institutional promotion video were produced, and materials were introduced to all affiliates. SOMARC also supported product marketing. MEXFAM's fully-integrated marketing strategy continued, including the new "Ponte La Camiseta" campaign, feasibility assessments, and marketing plans specific to the clinics.

FPMD ~ Together with the Population Council, FPMD has assisted FEMAP in conducting market and cost studies. Needs assessments for a clinic performance MIS and organizational effectiveness were carried out. The work with MEXFAM on Continuous Quality Improvement (CQI) led to a better understanding among MEXFAM staff of the interrelationship between quality and financial sustainability. In addition, it led to the development of training materials in quality improvement.

A mid-term assessment of the private sector component was carried out in February 1996, in which important recommendations were made for assisting MEXFAM and FEMAP in the final years of USAID's population strategy portfolio. Implementation to date is as follows:

MEXFAM ~ Recommendations:

- Operations of the MEXFAM clinics (CSMs) should be closely monitored ~ USAID/Mexico, private sector CAs and MEXFAM hold quarterly benchmark meetings to review the programmatic and financial status of each CSM, determine technical assistance needs, and make decisions on the each CSM's immediate and long-term future. Since initiating the benchmark meetings, USAID funding for several CSMs has been terminated.

- Price elasticity studies should be conducted at each clinic, and the feasibility of conducting new client profiles and adjusting CSM marketing strategies accordingly should be explored ~ See CA activities above.

Multisectorial Collaboration: Public, Private, and Commercial
In order to stimulate participation of Mexico's private sector in family planning, a ground-breaking social marketing activity is being carried out by MEXFAM, FEMAP, CONAPO, and Schering. Microgynon 21 price negotiations with Schering are in the final stages, MEXFAM and FEMAP volunteer promoters from four priority states have been trained in social marketing of the method, which they will soon begin selling. And to create demand, CONAPO is developing the accompanying mass media campaign (posters and radio).

- USAID should continue to provide contraceptives needed by MEXFAM until termination of USAID assistance ~ Foreseeing the end of contraceptive assistance, MEXFAM has taken an active role in preparing for their future, by practically eliminating free donations to industry and public sector programs, and by initiating condom, pills, and IUD social marketing programs.

- USAID should support MEXFAM in a rigorous strategic planning process ~ MEXFAM's most important, yet grim, conclusion from the USAID-supported exercise was that, given the absence of external donor support, the success of CSMs was absolutely essential for survival of the social programs. Given that not all of the clinics will survive post-USAID assistance, and those remaining will never be the sole funders

of social programs, MEXFAM's focus has shifted to assuring the survival of the strongest, and attracting other donors to support their social programs.

FEMAP ~ Recommendations:

It was recommended that FEMAP be provided with an additional year of USAID support, particularly for contraceptive procurement and cost recovery activities. Potential plans include:

- Continued operational costs for those community programs showing the greatest performance and potential;
- Development of a centralized contraceptive commodities purchasing unit;
- Development of an information system specific to the management of clinics and hospitals;
- Social marketing, including development, packaging, promotion and introduction of new products, marketing of other FEMAP services, continued training of personnel in marketing, and consolidation of the FEMAP corporate image;
- Support for technical assistance given to the affiliates by FEMAP central level personnel; and,
- Creation of a revolving fund for purchase of medical equipment, essentially creating a credit line for the affiliates.

Phase-out/ In 1997 and Beyond

Public Sector:

Public sector activities are slated for phase-out in September 1998. The recommendations listed above make it clear that much remains to be done as that date approaches. Public sector cooperating agencies are working with Mexican institutions in these areas, assisted by a preliminary technical assistance (TA) needs diagnosis carried out by USAID/Mexico. Potential areas of need include IEC, training, use of data for decision making, counseling, evaluation, information systems, user satisfaction, and others. In discussions with Mexican institutions, issues were raised regarding the mechanisms for soliciting TA, the TA currently being provided, and the development of a TA plan for the final years of the population strategy. The results of this needs diagnosis will assist all the players in developing the public sector implementation plan.

As recommended in the public sector review report, USAID/Mexico is requesting an unfunded extension of the MOU through FY1999, with a program review in that year to determine if there were additional, minimal funding needs for the remaining period to bring

the program to a close in FY2000. While the Review Team has determined that substantial progress has been made to date in the Mexico program, one year is not sufficient time to implement the recommendations listed earlier in this report. In the event that the September 1998 date is not modifiable, the Mexican institutions, the CAs, and USAID/Mexico will do all we can to implement, or initiate implementation of, as many of the recommendations as possible. An extension of the MOU, however, would allow reasonable time for this. Activities to be carried out in this final year, ones that would have greater impact if given additional implementation time, are:

1. Consolidation of public sector activities ~ Based on the Review Team recommendations, above, consolidation would involve strengthening, wrapping-up, and/or evaluating programs having to do with information, education, and communication programs. particularly with adolescents and in rural areas.

2. Strengthening of the private sector ~ SOMARC and CONAPO are currently designing a project to strengthen the private sector through training and organization of a private providers network. SOMARC personnel recently visited Mexico to interview private physicians and hospital personnel, and found that great interest exists. Another activity just getting off the ground is the multisectorial project for social marketing of Microgynon. Additional time would encourage institutionalization of these activities, and allow for expanding the project to include injectables and condoms ~ something which MEXFAM and FEMAP are eager to do.

3. Training ~ Local and international training of population policy makers will be given by The Future's Group and The Evaluation Project on practical applications of data, especially for use in planning and evaluation, multi-level analysis for evaluating impact, and market segmentation.

4. Survey activities ~ An extension of the MOU would allow time for a complete analysis and dissemination of the final family planning survey, as well as for continued analysis of existing surveys and the smaller studies carried out on quality.

Private Sector:

Phase-out of the private sector population program will occur in September 1998. In the final year before phase-out, MEXFAM and FEMAP's activities with the CAs will be focused on strengthening the institutions as much as possible before the termination of USAID funding:

1. INOPAL will work with FEMAP on expanding marketing strategies to improve their sustainability status, and institutional evaluation systems will be established and adapted at additional affiliates. With MEXFAM, INOPAL will test the use of touch screen technology as a means to increase the number of referrals to its clinics and inform adolescent audiences about reproductive health issues. Also, MEXFAM clinic personnel will develop skills to evaluate financial performance and will learn to use marketing information to design strategies to improve communication campaigns.

2. FPLM will focus on determining any remaining logistics training needs in both institutions, and assist with the introduction of a new social marketing approaches.

3. SOMARC will assist the NGOs in establishing the 1997 Corporate Marketing Plan and performance, image and client service standards in each clinic. It will standardize promotional materials for all services, train clinic management personnel in marketing, and implement continuous monitoring models in each clinic.

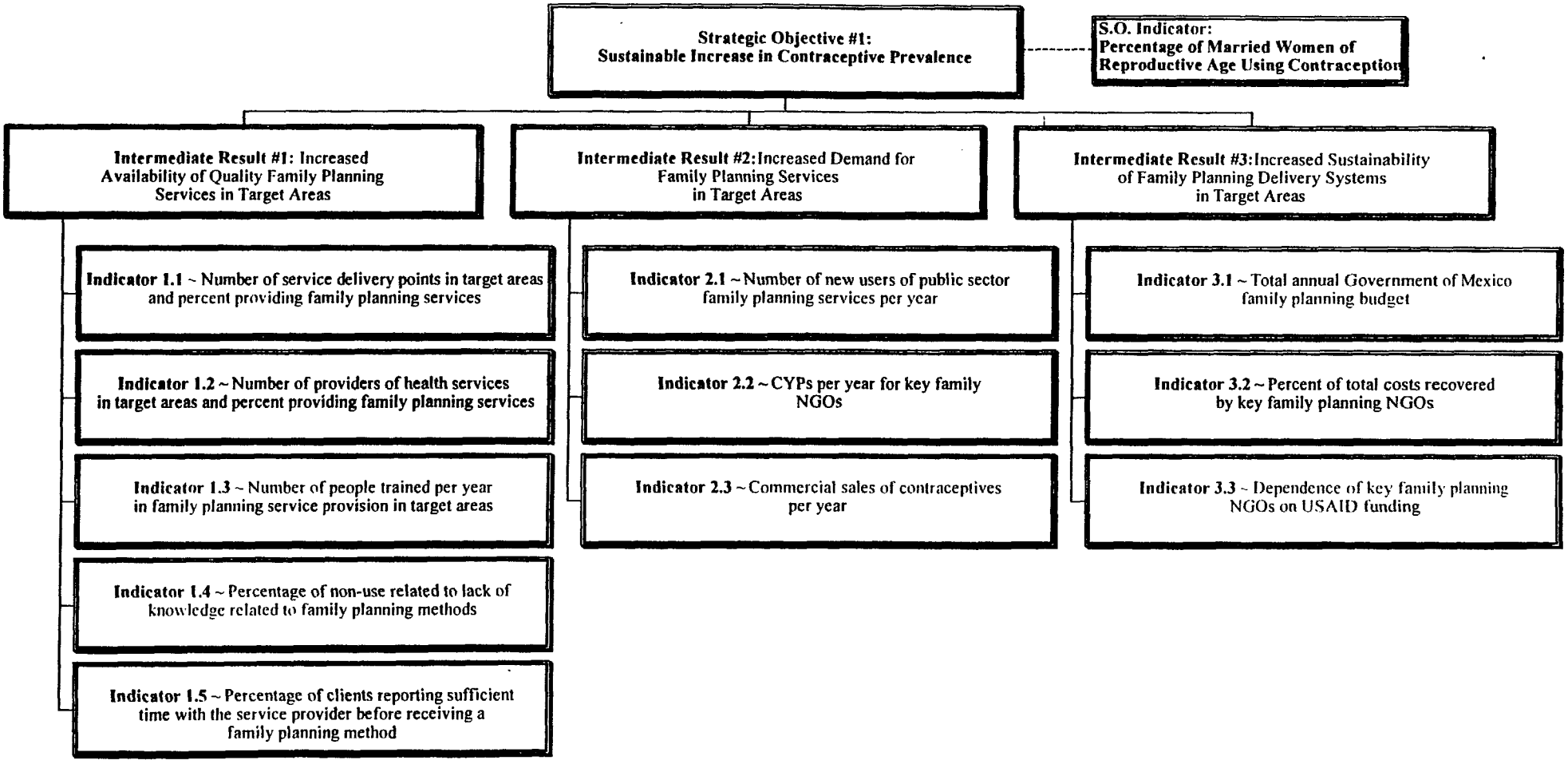
4. FPMD will work with FEMAP on the development and implementation of a Model for Organizational Effectiveness, including data collection and a workshop on FEMAP Best Organizational Practices in selected affiliates.

The mechanism to be used to channel funds to FEMAP and MEXFAM when the Transition Project ends in June 1997 is currently being discussed by USAID/Mexico, USAID/Washington, and IPPF. USAID/Mexico will assume IPPF/WHR's role as coordinator of technical assistance, and technical assistance needs in the final year of MEXFAM and FEMAP activities will be provided by the three CAs already working with these NGOs: SOMARC, INOPAL, and MSH.

NGO and Government Linkages: MEXFAM and IMSS

This collaborative project was originally designed to help the IMSS meet their clients' unmet demand in rural areas. MEXFAM's tasks were to provide family planning information and services, and to continuously assess training and contraceptive needs. Before the project started, however, a quick needs assessment showed that this collaborative effort would be more useful, and MEXFAM's skills better used, in urban areas of Chiapas, Guerrero, Oaxaca, Michoacán and the Estado de México, concentrating on educational and training activities, and primarily working with adolescents.

Results Framework ~ Population



Strategic Objective 1: Sustainable increase in contraceptive prevalence

SO Indicator Table

RESULT NAME: Contraceptive prevalence in target areas among married women-all methods.

INDICATOR: Percent of married women of reproductive age using contraception

UNIT OF MEASURE: Percent

SOURCE: Government of Mexico demographic surveys

COMMENTS: Target areas are the priority states identified in the USAID/Mexico population strategy: Chiapas, Guanajuato, Guerrero, Hidalgo, Estado de México, Michoacán, Oaxaca, Puebla, and Veracruz.

Survey data for 1996 will be available in August 1997.

YEAR	PLANNED	ACTUAL
1992 (B)	60.0%	58.2%
1993		
1994		
1995		63.4%
1996		
1997		
1998 (T)	68.7%	

INTERMEDIATE RESULT #1 ~ Increased availability of quality family planning services in target areas.

IR Indicator Table 1.1

INDICATOR: No. of service delivery points in target areas in which family planning services are available.

UNIT OF MEASURE: Number and percent

SOURCE: GOM demographic survey for 1992 baseline; for other years it will be GOM annual reports for the public sector, and key NGO annual reports.

COMMENTS: This figure represents the number of service delivery points in the target areas where family planning services are provided. Institutional data and survey data will be available in May and August 1997, respectively.

YEAR	PLANNED	ACTUAL
1992 (B)	29,191	32,621
1993	29,891	32,516
1994	31,084	32,428
1995	31,691	27,546
1996	29,372	
1997	30,900	
1998 (T)	32,724	

IR Indicator Table 1.2

INDICATOR: No. of providers of family health services who provide family planning services in target areas.

UNIT OF MEASURE: Number of people and percent

SOURCE: GOM annual reports for the public sector and key NGO reports.

COMMENTS: Institutional data and survey data will be available in May and August 1997, respectively.

YEAR	PLANNED	ACTUAL
1992 (B)	89,371	98,625
1993	100,380	107,786
1994	108,422	111,935
1995	115,189	110,805
1996	117,700	
1997	122,353	
1998 (T)	128,021	

IR Indicator Table 1.3

INDICATOR: No. of people trained per year in family planning service provision in public sector target areas

UNIT OF MEASURE: Number of people

SOURCE: GOM annual reports for public sector

COMMENTS: This figure represents the number of people trained in family planning and reproductive health in IMSS, ISSSTE, and SSA with USAID population assistance funds.

Institutional data and survey data will be available in May and August 1997, respectively.

YEAR	PLANNED	ACTUAL
1992 (B)	50,000	
1993	1,000	422
1994	6,000	4,440
1995	12,000	12,216
1996	14,000	
1997	6,000	
1998 (T)	2,000	

IR Indicator Table 1.4

INDICATOR: Percentage of non-use related to lack of knowledge of family planning methods.

UNIT OF MEASURE: Percent of women at risk for a pregnancy who do not desire children

SOURCE: 1992 and 1995 GOM demographic surveys.

COMMENTS: This indicator was chosen as an indicator for quality because it demonstrates the efforts of family planning service delivery institutions and service providers in informing users of family planning methods. Baseline information is available for 1992 from the ENADID, and the same indicator was measured in 1995 (ENPF~95).

YEAR	PLANNED	ACTUAL
1992 (B)		20.3%
1993		
1994		
1995		12.1%
1996		
1997		
1998 (T)	9.0%	

IR Indicator Table 1.5

INDICATOR: Percentage of clients reporting sufficient time with the service provider before receiving a family planning method.

UNIT OF MEASURE: Percent of current users

SOURCE: Government of Mexico demographic surveys

COMMENTS: This figure represents the percent of current users who stated that the service delivery provider dedicated sufficient time to providing information on family planning before supplying her with a method or a prescription for a method.

YEAR	PLANNED	ACTUAL
1992 (B)		
1993		
1994		
1995		Pub.: 52.2% Priv.: 61.1%
1996		
1997		
1998 (T)	Pub.: 60.0% Priv.: 66.0%	

INTERMEDIATE RESULT #2 ~ Increased demand for family planning services in target areas

IR Indicator Table 2.1

INDICATOR: No. of new users of public sector family planning services per year

UNIT OF MEASURE: Number of users (people)

SOURCE: GOM annual reports

COMMENTS: This figure represents the number of clients who received a family planning method for the first time through the service delivery points of the IMSS, ISSSTE, and SSA.

Institutional data will be available in May 1997.

YEAR	PLANNED	ACTUAL
1992 (B)	1,000,000	946,950
1993	975,000	928,879
1994	1,060,000	978,863
1995	1,100,000	1,367,600
1996	1,150,000	
1997	1,200,000	
1998 (T)	1,400,000	

IR Indicator Table 2.2

INDICATOR: CYPs per year for key family planning NGOs

UNIT OF MEASURE: CYPs (Couple Years of Protection)

SOURCE: Key NGO reports (MEXFAM and FEMAP)

COMMENTS: Target areas for the private sector are the projects sites of the key NGOs (FEMAP and MEXFAM).

YEAR	PLANNED	ACTUAL
1992 (B)		539,395
1993		542,001
1994	398,873	522,356
1995	577,981	440,916
1996	614,264	298,822
1997	651,495	
1998 (T)		

IR Indicator Table 2.3

INDICATOR: Commercial sales of contraceptives per year

UNIT OF MEASURE: CYPs (Couple Years of Protection)

SOURCE: Key NGO financial reports (MEXFAM and FEMAP) and CA reports.

COMMENTS: These figures represent the amount of commercial sales of contraceptives per year by the key NGOs (MEXFAM and FEMAP), expressed as CYPs.

YEAR	PLANNED	ACTUAL
1992 (B)	432,532	442,347
1993	602,011	628,366
1994	424,164	305,953
1995	533,573	425,270
1996	496,200	327,288
1997	528,417	
1998 (T)	551,610	

INTERMEDIATE RESULT #3 Increased sustainability of family planning delivery systems in target areas.

IR Indicator Table 3.1

INDICATOR: Total annual Government of Mexico family planning budget

UNIT OF MEASURE: nominal and real pesos, and real U.S. dollars

SOURCE: GOM annual reports

COMMENTS: This indicator tracks sustainability by indicating continued government support of family planning services.

YEAR	PLANNED (Real US$)	ACTUAL (Real US$)	ACTUAL (Nominal Mex$)	ACTUAL (Real Mex$)
1992	50,000,000	63,200,000	196,893,280	196,893,280
1993	54,000,000	87,200,000	270,834,480	246,213,164
1994	97,000,000	104,640,000	347,928,000	290,448,284
1995	110,000,000	336,400,000	2,048,070,480	1,097,731,882
1996	125,000,000	414,240,000	3,106,800,000	2,521,975,969
1997	140,000,000			
1998	160,000,000			

IR Indicator Table 3.2

INDICATOR: Percent of total costs recovered by key family planning NGOs

UNIT OF MEASURE: Percent

SOURCE: Key NGO financial reports (MEXFAM and FEMAP) and CA reports

COMMENTS: This indicator tracks long-term sustainability of the two key family planning NGOs (MEXFAM and FEMAP) that provide approximately 90% of the NGO sector services in Mexico.

YEAR	PLANNED	ACTUAL
1992 (B)	FEM: MEX:	FEM: N/A MEX: 10.57
1993	FEM: MEX:	FEM: 30.34 MEX: 16.41
1994	FEM: 33.28 MEX: 19.70	FEM: 30.41 MEX: 17.36
1995	FEM: 28.08 MEX: 29.50	FEM: 56.00 MEX: 21.00
1996	FEM: 33.30 MEX: 24.60	FEM: 54.00 MEX: 29.00
1997	FEM: 34.04 MEX: 27.18	FEM: MEX:
1998 (T)	FEM: 42.00 MEX: 29.75	FEM: MEX:

IR Indicator Table 3.3

INDICATOR: Dependence of key family planning NGOs on USAID funding

UNIT OF MEASURE: Percent of key NGO budget supplied by USAID/Mexico

SOURCE: Key NGO financial reports (MEXFAM and FEMAP) and CA reports

COMMENTS: This indicator provides a measure of financial sustainability of the NGO sector in the more medium term. The aspect of financial sustainability being tracked is the dependance of the NGO sector on USAID funding, as measured by the percent of the NGO budget that is supplied by USAID.

YEAR	PLANNED	ACTUAL
1992 (B)	FEM: MEX:	FEM: N/A MEX: 44.6
1993	FEM: MEX:	FEM: 52.51 MEX: 37.98
1994	FEM: 66.58 MEX: 30	FEM: 62.90 MEX: 42.60
1995	FEM: 46.04 MEX: 20	FEM: 69.00 MEX: 36.85
1996	FEM: 33.99 MEX: 29.68	FEM: 52.00 MEX: 23.00
1997	FEM: 34.14 MEX: 26.63	FEM: MEX:
1998 (T)	FEM: 25.00 MEX: 22.43	FEM: MEX:

STRATEGIC OBJECTIVE #2 ~ ENVIRONMENT: Environmentally-sound Natural Resource and Energy Use Increased

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".....Today we are able to make the capitalization of the Mexico Nature Conservation Fund a reality. The United States Agency for International Development has made an ample contribution of 20 million dollars towards the Fund, and the Mexican government, for our part, has added another 10 million dollars... Together, in cooperation with the international community, both public and private, we fulfill a worldwide obligation to protect the wildlife that makes our country their home."

~Ernesto Zedillo
President of Mexico
April 29, 1996

Overview

Since 1989, USAID/Mexico has participated in an environmental "partnership" program with Mexican NGO and government policymakers. Given Mexico's unique environmental qualities and status as an advanced developing country, USAID/Mexico's environmental activities focused on Agency-wide goals pertaining to global climate change and binational environmental issues relating to the approval of the NAFTA accord. In 1993 biodiversity conservation was approved as an additional activity under the Environment portfolio. Thus, the Strategic Objective on Environment, as of 1993, has focused on two main areas: (1) Global climate change, including activities in urban pollution prevention, forestry conservation, and efficient energy use; and (2) Biodiversity conservation, in both terrestrial and marine ecosystems. Life of the SO is expected to continue through 2006 under a new strategic vision, described later in this section.

USAID/Mexico's FY1996 environment initiatives have continued to follow the strategy outlined at the beginning of the partnership, with three Intermediate Results that address Mexico's needs in the two areas mentioned above. (See Results Framework, page 32.) Intermediate Result #1, **Adoption of renewable energy and energy efficient technologies and practices** seeks to prevent or reduce carbon dioxide emissions through energy efficiency and selected uses of "clean energy" and renewable energy technologies, in both rural and urban areas. Intermediate Result #2, **Improved management of protected areas and their buffer zones** serves both to reduce deforestation of targeted areas as a means of storing carbon, thus contributing to global climate change goals, and also to protect the many species of plants and animals that abide in the targeted protected areas and their buffer zones. Intermediate Result #3, **Improved Mexican non-governmental institutional capacity for preservation of biodiversity** focused on the establishment and effective management of the Mexico Nature Conservation Fund.

FY1996 activities continued to offer USAID/Mexico a partnership role in building capability and sustainability in all areas in which it gave assistance. In the energy sector, a focus on public-private partnerships that innovate or transfer technology on a for-profit basis led to pilot projects in renewable energy and energy efficiency. USAID was able to help train

individuals and act as a catalyst in the creation of successful models which are being replicated throughout Mexico. By strengthening NGOs and community groups active in biodiversity preservation and other ecological issues, USAID helped foster democratic pluralism and civic institution-building, from a grassroots level upward.

In each of the three IRs used to measure progress towards its objective in FY1996, USAID/Mexico's environmental team has met or exceeded expected results, as will be shown in the tables and narrative that follow. The numerous and diverse nature of USAID activities in Mexico on both the "green" and "brown" sides (several coming from outside the USAID/Mexico portfolio), however, called for an updated strategic approach to prioritize the many environmental intervention possibilities which exist. An analysis of Mexico's environmental sub-sectors was begun in January of 1996. By June 1996 a new strategy for Environmental and Natural Resource Management in Mexico was presented representing a collaboration between the Global and LAC bureaus, the office of the USAID/Mexico Representative, and Mexican partner organizations, bringing together a team of experts in forestry, fisheries and wildlife, biodiversity conservation, global climate change, energy, urban pollution, and other environmental areas. The new strategy is a 5-year plan that furthers the national interests of both Mexico and the United States and addresses the way in which USAID/Mexico can operate most effectively with limited resources, making best use of overall USAID managerial capacity and complementing the activities of other donors. A description of the proposed Results Framework (in draft) which arose from the recommendations of the new strategy is presented at the end of this section.

Progress Toward Objectives ~ Energy Activities

Mexico's increasing energy demand and the accompanying increase in greenhouse gas emissions necessitates, more than ever, the use of renewable (i.e. hydro, geothermal, wind and solar) energy, as well as "clean" technologies aimed at reducing the amount of carbon dioxide and other pollutants released into the atmosphere. Because it is one of the two highest priority countries in Latin America in terms of global warming concerns, USAID has designated Mexico as a "key" country within the Agency's program to address global climate change. Thus, in FY1996 USAID/Mexico's energy portfolio focused on reducing greenhouse gases and supporting the GOM's interest in using energy efficient technologies as a means to promote development in an environmentally sustainable manner. Program activities include supporting energy efficient pilot projects, strengthening key energy institutions, promoting policy dialogue and reforms, and training and information management. The program also has developed an initiative to strengthen the capability of Mexico's two major energy organizations, FIDE and CONAE, in developing and implementing energy management measures in order to promote replication of energy efficiency technologies. This is described in greater detail on page 25.

SO Indicator #1 ~ CO_2 emissions prevented through select uses

Progress toward the Strategic Objective as measured by Indicator #1 exceeded performance expectations. This does not take into account long-term effects of replication and continuation of activities. (See Table 1, page 33). With a planned level of CO_2 reduction of

153,333 tons in FY1996, actual results showed this figure to be 271,250 tons, due to the success of the following activities:

- As part of the Demand Side Management (DSM) initiative, FIDE and contractor Hagler Bailly continued in 1996 to manage pilot projects in high efficiency electric motors and efficient motor rewinds. The expected reduction of CO_2 from these projects approximates 100,000 tons a year. As a direct result of these activities, CFE (Mexico's national utility company) is embarking on a 5-year, $80 million program to promote electricity efficiency through information campaigns and customer incentives.

- CONAE, also in collaboration with Hagler Bailly, continued its work with combustion and steam engine pilot projects, achieving a reduction of 7 tons of CO_2 in FY1996. This project was also used as a tool to measure end-use fuel consumption.

- The Ilumex project, which substituted compact florescent lamps (CFLs) in place of 1.7 million incandescent bulbs in Monterrey, is in its final year of implementation. USAID's participation in the feasibility and design aspects of this model energy efficiency project has been completed, but the process is being replicated by Mexican partner organizations. Based on IIEC's figures, the annual reduction of CO_2 from this project totals 118,000 tons annually, and CFE has recently launched other CFL projects, including one in Mexicali where expectations are that 50,000 tons of CO_2 emissions will be avoided each year.

- Under the Environmental Pollution Prevention Project (EP3), whose purpose was to promote the adoption of cleaner production techniques in industry through training and technical assistance, energy audits were carried out that led to an estimated 10,000 tons of CO_2 averted in 1996.

REPLICATION – AN IDEA CATCHES ON

USAID/DOE's jointly-sponsored Mexico Renewable Energy Program seeks to decrease greenhouse gas emissions which contribute to global climate change. Using renewable energy-based electric systems (photovoltaics and wind power), pilot projects in irrigation and water pumping were installed in rural farming areas under a USAID/DOE grant managed by Sandia National Laboratories of Albuquerque, New Mexico.

The effort to use the pilot programs as a tool for institutionalizing the use of renewable energy technologies in Mexico has paid off. As the projects are replicated in other parts of Mexico with guaranteed loans from the Mexican rural development bank (BANRURAL) and shared-risk trust fund monies from FIRCO, an arm of Mexico's Secretary of Agriculture, the U.S. cost-share has decreased dramatically.

At present, FIRCO has participated in the installation of 100 new projects in partnership with the Alianza Para El Campo, a GOM agricultural program. The results: improved pasture and range management through water-pumping and irrigation schemes, rural electrification, reduced energy costs, and decreased greenhouse gas emissions – another example of technology with significant implications for U.S. industry which can be used to improve Mexico's environment and the lives of its people.

- The Mexico Renewable Energy Project, managed by Sandia National Laboratories and jointly-sponsored by USAID/Mexico and DOE, introduced renewable energy systems for application in parks and reserves, and in communities in protected area buffer zones. By using wind and solar energy to generate electricity for ranger stations, information centers and communication systems, 5,000 tons of CO_2 were averted in FY1996 and planned future levels are calculated at 13,300 tons per year.

- Finally, the Manzanillo power station retrofit project is an example of the way in which USAID can support institutional reform, leverage private sources of capital, and involve U.S. technology to promote energy efficiency, clean technologies, and the improved delivery of energy services. USAID's Center for Environment, together with Mexico's CFE and IIE (the research arm of CFE) developed a project to install a low carbon-emitting system at the 1,900-megawatt oil-fired power station at Manzanillo, in the state of Colima. Utilizing U.S.-developed combustion equipment that increases burner efficiency (REACH, developed by a consortium headed by EPRI), phase II of the Manzanillo project was due to begin when USAID was faced with a major hurdle due to scarcity of financial resources. The Salt River Project (SRP) then offered to join the team to conduct pre- and post-emissions tests which would quantify the project's success and develop a baseline for future environmental improvements. Phase II is now near completion. It is estimated that replication of the Manzanillo retrofit project on most of Mexico's oil-fired power stations could result in the reduction of greenhouse gases by some 315,00 tons of CO_2 annually, in addition to oil savings worth more than $10 million USD. In FY1996, there were 9,400 tons of CO_2 reductions.

Intermediate Result #1:
Adoption of renewable energy and energy efficient technologies and practices

This IR is measured by two results indicators: the number of firms and the number of beneficiaries adopting energy efficient and/or renewable energy technologies and practices. (Please see IR Indicator Tables on page 34).

IR Indicator Table 1.1 ~ Number of firms adopting energy efficient and renewable energy technologies and practices. This table clearly shows that progress toward the IR is being exceeded. Thirty firms were expected to have adopted one of the methods of environmentally-sound energy use by the end of FY1996; in actuality, the number was forty.

- Under the DSM project, 20 firms chose to participate with FIDE in the high efficiency motors project, and all 20 adopted the technology.

- Two firms were selected to test an innovative energy audit methodology (and subsequently adopted it) in combustion and steam systems as part of a CONAE initiative. Another 40 firms have been designated to participate in the project in 1997 and beyond.

- Under the EP3 Program, audits conducted in two industrial sectors, the *maquiladoras* and the electroplating industry, showed that 16 firms had participated in the implementation of high-efficiency energy technologies. By the end of FY1996, 10 of these companies had adopted these technologies.

- A joint USAID/Mexico-FIDE program in rewind motors which involved evaluations, development of rewind standards, and/or training programs in more than 100 companies resulted in the adoption of motor rewind technology in eight firms.

- In the future, a FIDE-designed incentives program will involve more than 1,000 firms in the substitution of 288,000 motors, 5,000 compressors, and 4,000 pumps as replications of the projects mentioned above are undertaken.

IR Indicator Table 1.2 ~ Number of beneficiaries adopting energy efficient and renewable energy technologies and practices. This table measures the number of people who are benefitting from renewable energy technologies, such as wind and photovoltaic (PV) systems, which have been integrated into existing programs under the Mexico Renewable Energy Project. Managed by Sandia National Laboratories and its sub-contractors, the project works in collaboration with FIRCO, the Mexican Shared-Risk Trust Fund, state governments and NGOs. The technologies introduced have both direct and indirect beneficiaries. Direct beneficiaries are those people who have benefitted from the installation of US-funded PV or wind systems ~ in 1996 this totalled approximately 5,000. Indirect beneficiaries are those who benefit as a result of the FIRCO and state government replication programs ~ approximately 10,000 in 1996. The number of both direct and indirect beneficiaries was double the target number. Cost-effective PV and wind systems have been replicated and installed in more than 100 sites, and as a result of their success, FIRCO and the World Bank have adopted these approaches and are collaborating on the implementation of renewable energy technologies in a Rainfed Areas Development Project.

The Mexico Energy Initiative

As described in last year's R4, USAID/Mexico continued to seek ways to streamline USAID's energy portfolio while increasing cost effectiveness and impacts. Based on a strategy meeting with G/ENV/EET and Mexican counterparts and collaborators in October 1996, USAID is presently well along in developing a new Mexico Energy Initiative, one which takes advantage of the GOM's interest in energy efficiency and clean energy technologies. The number of activities will be consolidated under one IQC/management unit to streamline management, and lessons learned during the first phase of the program will be incorporated into the new Initiative activity in FY1997 and beyond.

USAID/Mexico proposes to implement the Initiative, including collaboration with other organizations, through unified and verified institutional strengthening programs focused on FIDE and CONAE. Beginning in FY1998, this one program involving eight primary technical activities will replace the current portfolio of 15 energy efficiency projects

(primarily Global activities) as they are completed. These technical areas will include energy efficiency pilot projects, strengthening CONAE as it promotes energy saving activities throughout the country, support for the development of ESCOs (Energy Service Companies) and energy performance contracting, establishment of energy performance standards, promotion of clean energy production in industry, and providing technical assistance to the GOM for energy policy reform.

Expected results of the new Initiative will be the strengthening of FIDE and CONAE as enforcers/promoters of environmentally-sound energy use nationwide, as the number of stakeholders such as firms, individuals, industries and state enterprises adopting the desired technologies and practices increases.

Biodiversity Conservation

The conservation of biological diversity is one of the Agency's two global environmental goals. Because of its ecological links to the U.S., the conservation of biological resources in Mexico plays a key role in the U.S. environmental agenda. The remaining two SO Indicators and two Intermediate Results under the environmental Strategic Objective are centered on activities which strive to conserve Mexico's abundant biodiversity. They focus on protected areas which include, among others, carbon-sequestering forests throughout Mexico, marine ecosystems in the Gulf of California and around the Yucatán Peninsula, and biosphere reserves throughout southern Mexico.

The biodiversity program encompasses a wide range of activities that include encouraging management approaches that protect targeted ecosystems, strengthening conservation NGOs through training and community development initiatives, and developing sound economic alternatives for populations living in buffer zones around protected areas. In addition, USAID/Mexico was key in planning, establishing, and capitalizing the Mexico Nature Conservation Fund (MNCF), a far-reaching endowment program which provides a permanent funding mechanism for grants to Mexican conservation organizations.

MEXICO: A BIOLOGICAL MEGADIVERSITY.....

- *.... is home to 30,000 plant species, more than 40% of which are found only in Mexico;*
- *.... has more reptiles than any other country in the world;*
- *.... is the most important wintering ground in the western hemisphere for 340 species of migratory birds and waterfowl;*
- *.... contains 34 species of pine trees, more than any other country in the world;*
- *.... is the winter sanctuary for millions of monarch butterflies who migrate to Mexico from Canada and the U.S. and return, spanning the lifetime of several generations of butterflies with each trip.*

Natural resource protection is a long-term process which requires long-term planning and commitment. The Mexico Nature Conservation Fund, capitalized in 1996 with a $19.5 million grant from USAID, will provide sustained funding with a growing endowment capability. Working together with the Mexican government and conservation NGOs as well as private donors, the Fund will ensure the protection of precious natural resources through the biodiversity conservation grant projects it funds.

SO Indicator #2 ~ Average annual deforestation rate reduced in target areas

Mexico's 55 million hectares of forests are an important source of carbon storage, which serves to mitigate global climate change. But deforestation from over-harvesting, burning, or conversion to agriculture has resulted in the loss of hundreds of thousands of hectares each year. It is estimated that Mexico has lost two-thirds of its medium and high forests over the past 21 years.

Deforestation contributes to species extinction and releases significant amounts of CO_2 into the atmosphere; thus, in participating in activities designed to protect forests in 11 areas, USAID/Mexico is achieving both global climate change and biodiversity conservation results.

Analyses of existing deforestation rates over the past 20 years undertaken by The Nature Conservancy (TNC) in seven reserves in southern Mexico, although difficult to measure precisely, have been estimated based on the best information available. Deforestation rates are measured over the long-term (i.e. five or more years), and our existing best estimates show that rates of deforestation had dropped from 1.3% in the 1970's to .9% by the end of FY1996, in project areas. (See Table 2, page 33).

Because of the deficiencies in the baseline data, USAID/Mexico has devised, in collaboration with TNC, the World Wildlife Fund (WWF) and the Biodiversity Support Program (BSP) a plan in which rates of deforestation will be compared among core and buffer zones over the life of the project in order to ascertain to what extent program activities have affected regional deforestation rates. In addition, WWF will carry out analyses of deforestation rates in the specific buffer zone communities in which they work. It is anticipated that their analyses, as well as those of our other partners, will demonstrate the effectiveness of the programs at the community level, as well as strengthen community organizations in their roles as environmental guardians/managers in the future. Nearly all of these analyses should be completed by the end of 1997.

Intermediate Result #2 ~
Improved management of target protected areas and their buffer zones

USAID/Mexico's effort to improve the management of protected areas and their buffer zones consists of activities managed and largely co-funded by international conservation organizations such as The Nature Conservancy, the World Wildlife Fund, Conservation International, Pronatura Mexico, and the Biodiversity Support Program, in collaboration with 22 Mexican NGOs based in target areas. Goals center around strengthening protected area infrastructure and management, and encouraging environmentally-sustainable livelihoods in buffer area communities surrounding the core protected zones. FY1996 activities in biodiversity conservation under IR #2 included:

- Management of the Calakmul Biosphere Reserve, with Pronatura;
- Marine biodiversity conservation and coastal zone management initiatives through workshops, education and training, as part of the Gulf of California

Program, led by Conservation International Mexico;

- Also with Conservation International, a Debt-for-Nature Swap which provided for planning, management and training at Selva Lacandona/Montes Azules Biosphere Reserve;

- Institutional development of conservation NGOs through training and technical assistance as part of the Parks-in-Peril Program of The Nature Conservancy; also, protection of core zones through environmental monitoring and community development initiatives;

- In partnership with Mexican NGO Ecosolar, development of a small natural cosmetics enterprise, and training/technical assistance in a coffee-growing scheme in seven communities in Mazunte, Oaxaca in an effort to provide alternative livelihoods for residents who had previously worked in a sea turtle slaughterhouse;

- With the National Marine Fisheries Service, training and technical assistance for the installation of turtle excluder devices on shrimp boats, and the application of similar technology for by-catch exclusion;

- Strengthening of coastal zone management through community-based conservation training in long-term coastal protection, in collaboration with Amigos de Sian Ka'an as part of the Coastal Resources Management project;

- Forest conservation and community development in threatened buffer zones, including institutional strengthening, policy reform, education and research, in conjunction with the Northern Border Wildlands Program, the Southern Mexico Ecodevelopment Program, and others.

IR Indicator Table 2.1 ~ Number of core areas in targeted parks and reserves demonstrating improved administrative capability, including management and operational plans, data/information systems, trained staff, and improved infrastructure. This indicator was designed to track the progress of the Parks-in-Peril Program (PiP), which has been working with USAID/Mexico to improve management in seven protected areas. Since its inception in 1991, PiP/Mexico has been responsible for adding more than 400,000 hectares of land to the protected areas system in buffer zones, representing an increase of 16% in the size of protected areas.

The figure in Indicator Table 2.1 (page 35) refers to the number of protected areas in the PiP program that have "consolidated," that is, reached a sufficient stage of development so that USAID funding can be stopped even as the conservation effort continues. Sites consolidate according to a fixed schedule, by which they must reach a score of 4 or more on a 16-point checklist. USAID/Mexico provides up to $40,000 in the year following consolidation in case improvements need to be made in any of the programmatic areas. Three sites consolidated in FY1996; they are now receiving post-consolidation funding, and should

reach a score of 4 or more in 1997. It is expected that all seven (two of the areas are managed as a single unit) of the target protected areas will consolidate by 1998.

IR Indicator Table 2.2 ~ Number of target protected areas and their buffer zones being managed according to NGO work plans, i.e. meeting a target of 80% compliance. This indicator captures the results of activities to improve management of target areas, and in particular, their buffer zones, by the Biodiversity Support Program, the World Wildlife Fund, Conservation International, and their local NGO partners. NGOs which have completed 80% or more of the outputs projected in their work plans are judged as managing their respective target areas satisfactorily. As the table clearly shows, this IR is on track, with 100% of target areas meeting the 80%-or better goal.

IR Indicator Table 2.3 ~ Number of people in target areas participating in and earning income from alternative, sustainable, nature-based economic activities (sex-disaggregated). This indicator is intended to reflect the participation of local community members as an essential element in the conservation of protected areas. Projects promote alternative economic activities for communities involving sustainable uses of resources in buffer zones, including organic/intensive agriculture, ecotourism, and organic coffee production and marketing. Numbers in 1996 exceeded planned levels, with 2,409 persons directly involved in these kinds of activities, more than 25% of them women. (See Table 2.3, page 35).

Of the personnel hired by all programs in the biodiversity portfolio, including NGO and grantee organization employees and park staff, 15% are women. Women comprise 19% of those employed by income-producing sustainable activities which USAID/Mexico supports. In Mazunte, Oaxaca, for example, 15 local women are employed in a natural cosmetics factory managed and operated by a women's cooperative. The enterprise, which markets its products through The Body Shop, opened in 1996 as an income-earning alternative to the slaughtering of sea turtles for profit.

SO Indicator #3 ~ Number of viable populations of indicator species maintained in target areas

At present, there is no data on this long-term indicator. Once the results of the Mexico Nature Conservation Fund (MNCF)'s first grants begin to come in, it will reflect the impact of the Fund on biodiversity activities. The indicator may in fact be refined as the activities to be funded by the MNCF are determined, and baseline levels will be established in 1997, after the first grants have been disbursed.

Intermediate Result #3 ~ Improved Mexican non-governmental institutional capacity for preservation of biodiversity

One of the most significant accomplishments of the USAID/Mexico Environmental team over the past two years has been its role in the development of the Mexico Nature Conservation Fund, a non-governmental endowment which will provide sustained financing for biodiversity conservation. In partnership with the World Wildlife Fund, The Nature

Conservancy and Pronatura, USAID supported the design, legal establishment, and financial review of the Fund. In February of 1996 an agreement for its initial endowment was signed, authorizing transfer of $19.5 million from USAID to the managers of the endowment. The money has been invested in the U.S. for the benefit of the Fund, and interest will finance a series of conservation activities carried out by NGOs and private organizations in Mexico, often in collaboration with the GOM. It is hoped that by the year 2000, the Fund will have been capitalized to somewhere between $50 and $100 million USD.

The data in the Results Indicators under this IR, all of which pertain to the MNCF, are found in the three tables on page 36. Progress toward the IR is essentially on track, despite some delays which are explained below.

IR Indicator Table 3.1 ~ Establishment and effective management of the Mexico Nature Conservation Fund. All six stages in the development of the Fund, as noted in Table 3.1, have been completed.

IR Indicator Table 3.2 ~ Overall level of Mexican and other donor capitalization of the Mexico Nature Conservation Fund. Table 3.2 planned and actual figures are cumulative, showing a total of $23 million in capital in 1996. This represents $20 million from USAID and $3 million in GOM contributions. GOM continues to pay interest on an additional $7 million which was promised as capital, scheduled to be transferred to the Fund in 1998, at which time planned levels of funding will match actual levels.

IR Indicator Table 3.3 ~ Number of new grants disbursed each year by the Mexico Nature Conservation Fund. During the last quarter of 1996, 77 projects were selected for funding with Mexican peso resources under the MNCF, to be implemented in 1997. Grants will range in size, with a maximum number of grants given without reducing the capital base of the Fund. Delays in capitalization of the Fund due to the project paper development/approval process have affected the amount of interest that has accrued, which in turn has delayed by approximately six months the disbursement of USAID-funded grants ~ thus, none were awarded in 1996, as was planned. Lessons learned during the first round of grants (77 awarded in 1996) will improve program planning and management in subsequent years.

In FY1997 and Beyond ~ The New Results Framework

The experience and strategic vision for the USAID/Mexico Environmental program has evolved, leading to the formulation, in early 1997, of a new, draft Results Framework under the Strategic Objective of Increased Environmentally-sound Natural Resource and Energy Use. Two Intermediate Results packages are anticipated to reflect the objective's two programmatic areas of focus, one on the "brown" side and the other on the "green" side.

New Intermediate Result #1 ~ Adoption of renewable energy, energy efficiency, and pollution prevention technologies and practices. All activities in the "brown" component of the Environment Strategic Objective are being collapsed into three main groups: (1) the implementation of replicable demonstration pilot projects in energy-efficient (EE), renewable

energy (RE), and pollution prevention (PP) technologies and practices; (2) energy/"brown" sector policy reform, working in collaboration with organizations such as CFE; and (3) institutional strengthening and capacity-building, working with partner organizations such as FIDE, CONAE, state and municipal authorities, and the private sector. As part of the effort to streamline the "brown" environment portfolio, projects aimed at urban/industrial pollution prevention, including government efforts to provide urban services to reduce pollution, are now included under this IR. Three Results under this IR, therefore, are:

Result #1.1 ~ EE, RE, and PP demonstrated at the pilot project level;
Result #1.2 ~ Policies in place that promote EE,RE, and PP technologies;
Result #1.3 ~ Improved Mexican institutional capacity for EE, RE, and PP development.

New Intermediate Result #2 ~ Critical habitats and biological resources conserved. As part of the streamlining effort on the "green" side, this IR represents the incorporation of activities from two previous IRs that had to do with management of protected areas and environmental NGO capacity-building. It will support conservation activities within marine as well as terrestrial ecosystems. There are six Results, dealing with management of protected areas and their buffer zones, policy reform, and institution-building of environmental sector NGOs, including the Mexico Nature Conservation Fund:

Result #2.1 ~ Management of core protected areas and buffer zones improved;
Result #2.2 ~ Increased community management of non-protected areas;
Result #2.3 ~ Sustainable non-destructive resource practices (terrestrial and marine) adopted by people living in buffer zones and non-protected areas;
Result #2.4 ~ Improved policy framework for the conservation of protected areas;
Result #2.5 ~ Priorities established for better management of critical biological resources;
Result #2.6 ~ Improved Mexican non-governmental institutional capacity for conservation and wise use of natural resources.

Funding levels under this new Framework will gradually be reduced beginning in 2003, with completion of the SO scheduled for 2006.

There are many compelling reasons why an increase in Mexico's environmentally-sound use of natural and energy resources serves the interests of the U.S., in addition to the obvious benefits over the long-term to Mexico. Mexico is the most important destination for the sale of U.S. environmental technology, for instance, and thanks to NAFTA, trade between the U.S. and Mexico will only increase with time. But chief among the reasons is the fact that both countries share common ecosystems along a 2,000-mile border, and what happens to Mexico's migratory species, its air quality, its forests and its oceans affects not only trade agreements and tourism, but also the day-to-day lives of the people who live in both countries. The well-being and protection of Mexico's environmental biodiversity, and a reduction of the greenhouse gases emitted into its atmosphere, should continue to be priorities for the U.S. environmental agenda. For what happens to the environment in Mexico surely will affect America's environment as well.

Results Framework ~ Environment

Strategic Objective #2:
Environmentally-sound Natural Resource and Energy Use Increased

S.O. Indicators:
1 ~ CO_2 Emissions Prevented Through Selected Uses
2 ~ Average Annual Deforestation Rate Reduced In Target Areas
3 ~ Number of Viable Populations of Indicator Species Maintained In Target Areas

Intermediate Result #1: Adoption of Renewable Energy and Energy Efficient Technology and Practices*

- **Indicator 1.1** ~ Number of firms adopting energy efficient and renewable energy technologies and practices
- **Indicator 1.2** ~ Number of beneficiaries adopting energy efficient and renewable energy technologies and practices

*A third indicator under this IR, "number of residential customers adopting energy efficient and renewable energy technologies and practices," has been dropped due to the fact that USAID participation in the activity which this indicator measured, the ILUMEX lighting project, has ended.

Intermediate Result #2: Improved Management of Protected Areas and Their Buffer Zones

- **Indicator 2.1** ~ Number of core areas demonstrating improved management capability (operational plans, data/information systems, trained staff) in protected areas
- **Indicator 2.2** ~ Number of target protected areas and their buffer zones that are being managed according to NGO work plans
- **Indicator 2.3** ~ Number of people in target areas supporting and earning income from alternative and sustainable nature-based economic activities

Intermediate Result #3: Improved Mexican Non-governmental Institutional Capacity for Preservation of Biodiversity

- **Indicator 3.1** ~ Establishment and effective management of the Mexico Nature Conservation Fund
- **Indicator 3.2** ~ Overall level of Mexican and other donor capitalization of the Mexico Nature Conservation Fund
- **Indicator 3.3** ~ Number of new grants/projects managed successfully by the Mexico Nature Conservation Fund

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

S.O. Indicator Table 1

INDICATOR: Carbon dioxide emissions prevented through selected uses (per year)

UNIT OF MEASURE: Tons of CO_2

SOURCE: Energy program contractors and partners

INDICATOR DESCRIPTION: Tons of carbon dioxide, computed using conversion factors for specific energy applications.

COMMENTS:
* First half of FY1997.

YEAR	PLANNED	ACTUAL
1994	23,333	24,000
1995	141,333	145,000
1996	153,333	271,250
1997	158,000	92,475*
1998	205,699	
1999	224,499	
Total	906,397	

S.O. Indicator Table 2

INDICATOR: Average annual deforestation rate in target areas reduced.

UNIT OF MEASURE: Average percent deforestation per year

SOURCE: E/GCC Grantee Reports

INDICATOR DESCRIPTION: Rate of deforestation measured through analyses of satellite imagery, aerial photography, and other remote sensing data.

COMMENTS: Figures based on best available data, which has not changed since spring 1996. Grantees are currently executing contracts to provide detailed analysis of historical and regional baselines, and of effects of program activities on deforestation rates within target areas. For most areas, this information should become available in April, 1997, and be complete by December 1997.

YEAR	PLANNED	ACTUAL
1973-1990		1.3%/yr
1990-1996	<1.3%/year	0.9%/yr
1990-1997	<1.3%/year	
LOP	<1.3%/year	

S. O. Indicator Table 3

INDICATOR: Number of viable populations of indicator species maintained in target areas.

UNIT OF MEASURE: Number

SOURCE: Mexican Nature Conservation Fund reports

INDICATOR DESCRIPTION: Measures the effect of the MNCF on conservation of important biological resources in Mexico. As the first grants are about to be given under the MNCF, measurement of the indicator is premature.

COMMENTS: This indicator is under review, primarily because difficulties are expected in measuring "viability" of populations and in defining "indicator species," and because discussions with our green program grantees indicate that restricting the measure to populations of indicator species may defeat our efforts to measure broader effects on the environment. Specification of a more appropriate indicator is expected in FY1997.

YEAR	PLANNED	ACTUAL
1997	TBD	
1998		
1999		

Strategic Objective No. 2: Environmentally sound resource and energy use increased.
Intermediate Result No. 1: Adoption of renewable energy and energy efficient technologies and practices.

IR IndicatorTable 1.1

INDICATOR: Number of firms adopting energy efficient and renewable energy technologies and practices.

UNIT OF MEASURE: Number of firms (cumulative).
SOURCE: Energy Program Contractors

INDICATOR DESCRIPTION: The program implements energy-efficiency audits in manufacturing firms. This indicator measures the number of firms implementing the recommendations of the audits.

COMMENTS:
* First half of FY1997.
Program implementors have been able to conduct additional energy-efficiency audits in tandem with pollution audits under the EP3 project. Differences between actual and planned levels result from these additional audits. Planned levels for FY1998 and FY1999 reflect the results of these additional audits, and may be adjusted further depending on future program achievements.

YEAR	PLANNED (cumul.)	ACTUAL (cumul.)
1995	15	19
1996	20	40
1997	75	46*
1998	85	
1999	95	

IR Indicator Table 1.2

INDICATOR: Number of beneficiaries adopting energy efficient and renewable energy technologies and practices.

UNIT OF MEASURE: Numbers of Beneficiaries
SOURCE: Renewable Energy Project Contractors

INDICATOR DESCRIPTION:
COMMENTS:
* First half of FY1997.
USAID believes that planning levels initially established were over-ambitious and unrealistic. It is now working with its partners to decide if adjustment of planned levels for 1998 and 1999 is appropriate in light of project experience to date. Planned levels for phase II of the project are contingent upon funding levels in USAID and Department of Energy.

YEAR	PLANNED	ACTUAL
1994	100	60
1995	5,000	dir. 864 ind.3,136 4,000
1996	7,000	dir.5,000 ind.10,000 15,000
1997	9,000	dir.3,400 ind.4,100 *7,500
1998	10,000	
1999	12,000	

Strategic Objective No. 2: Environmentally sound resource and energy use increased.
Intermediate Result No. 2: Improved management of target protected areas and their buffer zones.

IR Indicator Table 2.1

INDICATOR: Number of core areas in protected areas system demonstrating improved management capability.

UNIT OF MEASURE: Number of protected areas consolidated
SOURCE: Reports of The Nature Conservancy (TNC)

INDICATOR DESCRIPTION: Captures the impact of Parks in Peril Program (PiP) activities on strengthening the GOM's (or GOM designate's) capability to manage core protected areas.

This indicator will record the number of core protected areas which have consolidated according to the following criteria: 1) establishment of management and operational plans; 2) installation of data/information system; 3) met targets for numbers of staff trained; 4) infrastructure improvements as laid out in work plans; and 5) site constituency (support of local communities).

COMMENTS: None

YEAR	PLANNED	ACTUAL
1990	0	0
1996	2	2
1997	5	
1998	6	

IR Indicator Table 2.2

INDICATOR: Number of target protected areas and their buffer zones being managed according to NGO work plans.

UNIT OF MEASURE: No. of areas meeting target (80% compliance)
SOURCE: Reports of BSP, WWF, CI

INDICATOR DESCRIPTION: NGOs that have completed 80% or more of the outputs projected in their work plans are judged as managing their respective target areas satisfactorily. Due to the 80% compliance threshold each year, planned levels are not expected to increase from year to year, although they will vary as activities are added or completed.

COMMENTS: [1] BSP activity with Sonoran Institute competed in FY1994

YEAR	PLANNED	ACTUAL
1994	8	8
1995	7[1]	7
1996	7	7
1997	7	
1998	7	
1999	7	

IR Indicator Table 2.3

INDICATOR: Number of people in target areas participating in and earning income from alternative, sustainable, nature-based economic activities (sex-disaggregated).

UNIT OF MEASURE: Number of men/women
SOURCE: E/GCC Grantee Reports

INDICATOR DESCRIPTION: This indicator has been revised to coincide with indicators which project NGOs have agreed to report upon under the GCC monitoring system.

COMMENTS: Planned levels will be established each year as part of development of the next year's workplan.

YEAR	PLANNED	ACTUAL
	men/women	men/women
1994	Previous Units	Previous Units
1995	Previous Units	Previous Units
1996	1777/472	1954/455
1997	2107/657	

Strategic Objective No. 2: Environmentally sound resource and energy use increased.
Intermediate Result No. 3: Improved Mexican non-governmental institutional capacity for preservation of biodiversity.

IR Indicator Table 3.1

INDICATOR: Establishment and effective management of Mexico Nature Conservation Fund.

UNIT OF MEASURE: Stages of establishment
SOURCE: Mexico Nature Conservation Fund reports

INDICATOR DESCRIPTION: Stages in the FMCN's establishment:
(1) legal establishment of the FMCN
(2) completion of the project design (USAID project paper)
(3) disbursal of USAID funds
(4) establishment of accounting system/approved by USAID
(5) administrative structure established and functioning
(6) initiation of sub-grants

COMMENTS: None

YEAR	PLANNED	ACTUAL
1993	0	0
1994	1	1
1995	2,3,4,5	2,4,5
1996	6	3,6

IR Indicator Table 3.2

INDICATOR: Overall level of Mexican and other donor capitalization of the Mexico Nature Conservation Fund.

UNIT OF MEASURE: Millions of U.S. dollars (cumulative)
SOURCE: Mexico Nature Conservation Fund reports

INDICATOR DESCRIPTION: Capitalization of the Fund's endowment from all sources.

COMMENTS:
[1] US$1,000,000 disbursement from GOM.
[2] US$500,000 from USAID for infrastructure development
[3] US$19.5 million USAID and US$2,000,000 GOM contributions. GOM continues to pay interest on its promised additional US$8 million capitalization.
[4] Target year for transfer of remaining US$8 million from GOM.
[5] Includes US$20 million planned from other donors.

YEAR	PLANNED	ACTUAL
1993	----	1.0[1]
1994	1	1.5[2]
1995	10	1.5
1996	30	23[3]
1998	30[4]	
2000	50[5]	

IR Indicator Table 3.3

INDICATOR: Number of new grants disbursed each year by the Mexico Nature Conservation Fund.

UNIT OF MEASURE: Number of grants
SOURCE: Mexico Nature Conservation Fund reports

INDICATOR DESCRIPTION: Amount of funding available for grants depends on the timing of disbursement of funds to the FMCN, since the amount of time the funds are actually in the endowment controls the amount of interest that accrues. First projects will receive funding early in calendar 1997.

COMMENTS:
77 projects were selected for funding in FY1997. MNCF has determined that in this first year, at least, it will give grants ranging in size from large to small, so that more grants are possible. Lessons learned during the first tranche of proposals will affect program management/planning in subsequent years.

YEAR	PLANNED	ACTUAL
1996	10	0[1]
1997	77	
1998	TBD	
2000	TBD	

SPECIAL OBJECTIVE #1 ~ ECONOMIC GROWTH:
Increased Performance of Target Institutions in Selected Legal/Regulatory Areas Related to NAFTA

"Development benefits people not only in poor countries, but also in industrialized donor countries. Increased prosperity in developing countries demonstrably expands markets for the goods and services of industrialized countries. Increased human security reduces pressures for migration and accompanying social and environmental stresses."

~ J. Brian Atwood, Administrator, USAID
May 1996

In FY1996, USAID/Mexico re-examined its Economic Growth Strategic Objective, and consistent with the Management Contract with AID/W, formulated a new Special Objective for Economic Growth which supports NAFTA and other USG interests as recommended in last year's R4 deliberations. It takes advantage of the unique role in which USAID/Mexico finds itself ~ located within one of the world's largest U.S. embassies, with access to 33 other U.S. agencies working in Mexico. Some of these agencies are prohibited from making budget expenditures overseas; USAID/Mexico is therefore in a position to take advantage of their expertise and experience in critical programs that seek to strengthen economic and commercial ties between the U.S. and Mexico.

As the new Special Objective continues to take shape it will seek to assist and support selected U.S. government agencies and other institutions in Mexico which are involved in using innovative technologies offering high potential for leveraging additional investments to stimulate economic growth. While a Results Framework is not required for a budget allocation the size of the Economic Growth SpO, USAID/Mexico will continue to identify and develop meaningful results indicators for future activities on a case-by-case basis as a means of measuring progress.

The Program and Its Progress

Activities within the Economic Growth portfolio focused in FY1996 on strengthening Mexican institutions working in the three following areas:

(1) **Intellectual property rights** ~ The U.S. Patent and Trademark Office (USPTO) has made tremendous strides toward improving protection of U.S. intellectual property rights by providing technical assistance and training to Mexico's Industrial Property Office (IPO) and the Mexican Patent Office (IMPI). Having achieved and maintained the original objective of eliminating the backlog of patent applications, the focus of the program has turned to increasing the institutions' efficiency and ability to implement and enforce Mexico's industrial and intellectual property laws. A series of six training seminars and exchanges were carried out between the U.S. and Mexico, resulting in more than 25 Mexican officials receiving specialized training in topics such as design patents, advanced biotechnology patent examining, and trademark and patent basics. An analysis of the automation and equipment

requirements of the IMPI led to initiation of steps to improve application processing and better utilization of the Internet as an information and search tool. These activities together have led to the much improved enforcement of intellectual property rights and more extensive information sharing between the U.S. and Mexican agencies. USPTO has requested a 3-month extension of the PASA agreement through March of 1997 to complete acquisition and installation of computers and Internet software. (See Table 1, page 41).

(2) **Labor rights and relations** ~ In the interest of expanding dialogue and encouraging cooperation between the U.S., Mexico, and Canada on sensitive cross-border labor issues, the U.S. Department of Labor continued a training program for participants from the three countries. Six workshops were carried out in FY1996, on topics such as child labor in the agriculture and garment industries, income security programs, and health and safety policies. Participants included representatives of government, labor unions, industry, and labor relations enforcement agencies from the three countries. By providing a forum for ongoing dialogue on issues such as labor law, employer-union relations, regulatory enforcement, and discrimination, these workshops served to improve communications between the U.S. and Mexico and avoid conflicts that could be damaging to bilateral relations and NAFTA. In addition, they have served to reinforce commitment to human rights issues such as child labor laws and women's equality in the workplace.

(3) **Mortgage Finance System** ~ Mexico's emergence from a centralized, state-dominated finance system into the international monetary community required the modernization of its financial sector, including new laws and regulations on housing finance. Given Mexico's past and present housing deficit, the level of resources required to meet these needs must be sought from international investors.

During FY1996, the U.S. Office of Federal Housing Enterprise Oversight (OFHEO), working in conjunction with the Mexican Treasury Department (Hacienda) and the Secretariat of Social Development (SEDESOL), took important steps toward creating a secondary mortgage market in Mexico. Similar efforts are being directed at meeting international finance requirements to ensure investor confidence in purchasing mortgage instruments from Mexico. A study undertaken to explore legal obstacles to the establishment of such a market has served as a vehicle for establishing consensus on policy reform, and led to recommendations and an action plan for overcoming the identified obstacles. A twenty-minute video in Spanish and English highlighting the potential benefits associated with creating a secondary mortgage market in Mexico was produced and is being actively used by Hacienda officials to urge state officials to modify state bankruptcy, foreclosure and other laws that currently impede development of a secondary market. The private sector has also demonstrated a strong interest in this initiative. At the request of the Mexican bankers association, a two-day seminar was held in April to provide information to bankers on topics such as mortgage lending, servicing and liquidation, and managing credit risk.

USAID/Mexico also brought to a close two remaining projects. The EPA PASA, completed in March 1996, produced an assessment of air quality management training needs for five border cities, as well as a blueprint for the establishment of a coordinated training program in industrial pollution control. The PASA's final two meetings on air quality management were held in El Paso, Texas, and Toluca, Mexico. As a result of this activity,

SEMARNAP air quality inspection norms have been instituted, and plans have been formulated for the creation of three regional training centers on the U.S.-Mexico border. (See Table 2, page 41.)

The other activity brought to completion was in micro-enterprise development. Beginning in 1994, funding was given to the non-governmental Asesoría Dinámica a Microempresas (ADMIC) to enable the group to expand its technical assistance and micro-enterprise credit program to the states of Oaxaca and Chiapas. ADMIC did establish an office in Oaxaca but fell far short of achieving its targets, due in part to the then on-going political crisis in Chiapas. While the project created some new jobs, provided training workshops, and extended credit to a number of small businesses, these efforts represented less than 50% of the original targets in each area. The poor results achieved under this activity are in part attributable to the country's continued economic difficulties and resulting high interest rates that make small-scale lending difficult. With the closing of this grant in June 1996, micro-enterprise development will no longer be pursued as part of USAID Mexico's economic growth portfolio. This is consistent with the DAEC decision last year to withdraw from attempting to address poverty alleviation in Mexico since meaningful levels of USAID financing do not exist, and other international donors are active in poverty programs.

In FY1997 and Beyond

The Economic Growth portfolio will be reduced in 1997 from 8 down to 4 on-going activities. Previously allocated funding for the Department of Commerce (USPTO) and Department of Labor PASA agreements, as well as the OFHEO grant, will enable these activities to continue to the end of their respective contract agreements.

Activities in the intellectual property rights arena will focus on linking the USPTO and IMPI electronically, thereby providing easier access to USPTO databases and faster, more accurate information to both the Mexican public and interested parties worldwide. The project will end in March of 1997 and is a possible pilot for global replication using electronic communication to modernize patent and trademark offices and their tasks around the world.

The U.S. Department of Labor PASA will continue into 1997 with four remaining workshops, including a public conference entitled "Improving Children's Lives: Child and Youth Labor in North America," and another on "Women and Work in the 21st Century." Having achieved the sensitization objectives that were the focus of the initiative in 1996, the 1997 program plan will focus on encouraging compliance with health and safety guidelines, particularly as they relate to women and children, through on-site tours of *maquiladoras* in northern Mexico where these issues are dealt with in a variety of ways. A no-cost extension of the PASA for an additional year to expend remaining resources has been requested by the Department of Labor.

The achievements in the financing scheme for low-income housing have laid the groundwork for necessary legal reform, making it likely that a secondary mortgage market will be in place before 1998. Activities in 1997, with USAID support, will include another

study on credit risk and market regulation in the U.S., and a comparative study on the role of various governments in mortgage bond and secondary market development. These studies will provide the Government of Mexico with information and models as it explores alternatives for creating its own secondary mortgage market, and the World Bank has recently approved a $500 million loan to assist in this endeavor. USAID/Mexico expects to accomplish its development role in this area no later than 1998.

The fourth activity in the Economic Growth portfolio in FY1997, and the only one to which 1997 funds will be allocated, is the continuing obligation with Conservation International to complete a multi-year fish bi-catch excluder device program. Like the turtle excluder devices (TEDs) which are now required by the GOM in all fleets in the Gulf of Mexico and the Pacific, use of bi-catch excluders in the shrimping industry would significantly reduce the monumental waste of hundreds of thousands of metric tons of baby fish which are inadvertently harvested each year with the shrimp. In addition, adoption of this technique will help to avoid potential trade sanctions against Mexico which are currently under consideration in the U.S. This activity is but one of several within the SO#2 (Environment) portfolio which reflect the synergy developed between it and the Special Objective on Economic Growth.

As for expected progress of this Special Objective in FY1998 and 1999, the planning and forecasting of results is difficult due to the unexpected cut of 66% of the planned $150,000 requested for 1997. Our ability to respond to unique targets of opportunity resulting from dialogue with our Mexican partners, as well as our ability to leverage funds, has been significantly reduced. Despite the recent notice from the LAC Bureau that the funding level would be restored to $200,000 in FY1998, reservations exist as to whether it is cost-effective to begin planning for use of these funds, given uncertainties as to whether they will be made available.

In conclusion, the downsizing of the economic growth portfolio reflects the completion of the final implementation phase of numerous activities. Selective new activities are expected to be approved in FY1998 based on budget planning levels for this SpO and our belief that democratic societies cannot be sustained without parallel economic growth and prosperity. This focus is consistent with the Summit of the Americas' conclusion that democracy and economic growth are mutually reinforcing, and reflects a realistic approach to Mexico's current economic and political situation. Despite its gradual economic recovery, Mexico still faces deep-rooted problems of poverty, income inequality, and unemployment, accompanied by an unprecedented lack of trust on the part of its citizens in political and judicial processes. The Zedillo administration will face opposition from within Mexico's borders to structural changes and reforms. Thus, continued U.S. cooperation and effort, including USAID assistance, is a must if the NAFTA is to remain a strong and viable conduit of economic opportunity between the two countries.

SPECIAL OBJECTIVE #1 ~ ECONOMIC GROWTH

PERFORMANCE DATA TABLE 1

OBJECTIVE: SpO #1 ~Improved Performance of Target Institutions in Selected Legal/Regulatory Areas Related to NAFTA

APPROVED: March 1995 **COUNTRY/ORGANIZATION:** USAID/MEXICO

INDICATOR: SpO Indicator #1 ~ Percent of patent applications still pending

UNIT OF MEASURE: Percent

SOURCE: USPTO in conjunction with IPO (Mexico)

INDICATOR DESCRIPTION: Number of patent applications pending from prior years

COMMENTS: With the achievement of 0% backlog in patent applications in FY1995, the program focused on increasing the ability of Mexican institutions to enforce industrial and intellectual property laws. Project will be completed in March 1997.

YEAR	PLANNED	ACTUAL
1992-		4.0%
1993		2.5%
1994	1.5%	0%
1995-1996	0%	0%

PERFORMANCE DATA TABLE 2

OBJECTIVE: SpO #1 ~ Improved Performance of Target Institutions in Selected Legal/Regulatory Areas Related to NAFTA

APPROVED: March 1995 **COUNTRY/ORGANIZATION:** USAID/MEXICO

INDICATOR: SpO Indicator #2 ~ Percent of SEMARNAP inspections that follow developed norms for industrial pollution control

UNIT OF MEASURE: Percent

SOURCE: EPA in conjunction with SEMARNAP

INDICATOR DESCRIPTION: Air quality inspections conducted by SEMARNAP

COMMENTS: Project completed in March 1996

YEAR	PLANNED	ACTUAL
1992-93	75%	99%
1994	100%	no data
1995	100%	100%
1996	100%	100%

SPECIAL OBJECTIVE #2 ~ DEMOCRACY:
Strengthened Capacity of Target Institutions to Deal with Selected Democracy/Human Rights Issues

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"Representative democracy is indispensable for the stability, peace, and development of the region. It is the sole political system which guarantees respect for human rights and the rule of law; it safeguards cultural diversity, pluralism, respect for the rights of minorities, and peace within and among nations...Democracy and development reinforce one another."

~from the Declaration of Principles of the Summit of the Americas, 1994

USAID/Mexico's expanded commitment in the arena of democratic strengthening reflects the fact that this sector is one of the U.S. government's highest priorities in Mexico. Its activities form part of a multi-agency initiative and are coordinated under the Embassy's Democracy Cluster Group. Other U.S. Government agencies have dedicated considerable resources to programs which complement and build upon those supported by USAID.

In 1996, as a result of the collaborative efforts of LAC, the Global Democracy Center, and USAID/Mexico, significant progress was achieved in (1) conducting an assessment of the democracy sector; (2) defining and building consensus on priorities for future programs beginning in FY1997; and (3) initiating inter-agency discussions on funding support levels for the Mexico program. A series of selective, catalytic interventions under the Special Objective were carried out, aimed at reinforcing the Government of Mexico's own efforts to bring about critical political reforms in two key areas described below: Judicial Support and Governance.

Judicial Support ~ In the area of victims' rights, the National Center for State Courts (NCSC) assisted the Mexican Foundation for Assistance to Victims of Crime and Abuse of Power in carrying out a forum which brought together 115 officials, case managers and non-governmental representatives for the purpose of identifying common challenges and needs pertaining to victims' rights. This meeting established important linkages between human rights groups and government officials throughout the country, and laid the groundwork for an agenda on improving assistance to victims in Mexico. The next stage of this initiative will be to create a detailed strategy delineating priority interventions to be undertaken, based on the identified problems and recommendations of the forum.

The NCSC grant also contained funding to provide technical assistance to the Instituto Tecnológico Autónoma de México (ITAM) for the development of a legislative and judicial reform framework for the state of Hidalgo, and an alternative dispute resolution (ADR) curriculum for the ITAM law school. The first effort was canceled for lack of institutional support, and the second was put on hold pending a determination of executive support and

probable passage of ADR legislation in FY1997. Alternative dispute resolution is considered a critical component of efforts to improve the administration of justice in Mexico because of its potential to alleviate the backlog of cases facing the courts, thus enabling the system to function more rapidly and help restore public confidence in the justice system. As has been the case in many countries, however, there is lack of knowledge in both the legal and commercial sectors as to the benefits of ADR. For this reason, a long-term sensitization effort is a necessary first step in establishing consensus and legislative support for ADR in Mexico.

In September 1996, the decision was made to consolidate remaining NCSC program funds and direct them into the start-up of a Judicial Exchange Program. Since then, NCSC has helped Mexican judicial officials to draft a set of principles and operational guidelines for the future direction of this, and has convened Mexican and U.S. working groups to decide on content and design an annual workplan. U.S. judges have been selected for the initial exchange, which is expected to take place in February or March 1997.

Human rights is a special area of concern reflected in the USAID/Mexico democracy assessment. The Parliamentary Human Rights Foundation, working in conjunction with key members of the Mexican Congress, succeeded in drawing considerable attention to the discussion of human rights through a roundtable seminar on Criminal Justice and Human Rights in Mexico, held in August 1996 in the state of Tlaxcala. Seminar participants included ten parliamentarians from Mexico, Chile and Canada. This support has contributed to strengthening the emerging leadership role of Mexico's Congress and its subcommittee on human rights.

Governance ~ Participants in the Summit of the Americas held in December of 1994 agreed that democratic governance is critical in addressing issues of social justice, and that improving social equity is contingent upon widespread participation by the general populace in Mexico's evolving democracy.

Based on these principles, USAID/Mexico's program in governance supports efforts to promote citizen participation in electoral reform and election monitoring, and to reduce barriers to full political participation by women. Mexico's electoral system changed dramatically in 1996, with the creation of a new and highly sophisticated voter registry and passage of a comprehensive package of electoral and political reforms. The first test of the new system will come in July 1997, when the country will elect 500 members to the Chamber of Deputies, 32 Senators, the mayor of the Federal District, and state and local officials in eleven states. These elections are significant in that they have the potential to dramatically alter the country's political balance by giving opposition parties control of key states and possibly the national Congress and/or the Federal District. Because of key political reforms in 1996, these elections also present new opportunities for NGOs and civic groups to participate in all stages of the process. The system is much improved, but not perfect; thus it is important that these organizations contribute to the work of the Federal Electoral Institute to prevent unfair campaign practices and fraud.

In FY1996, the National Democratic Institute (NDI) in Washington, D.C. provided financial and technical support to the Alianza Cívica, one of the most visible and effective NGO's to have emerged from the 1994 electoral process. NDI and the Alianza sponsored a workshop in Mexico City in October 1995 to produce training manuals, flyers, posters, radio spots and videos to be used to increase public awareness of vote-buying, voter coercion and use of government resources to support candidates. The workshop fostered an exchange of programmatic expertise between state chapters, and allowed national Alianza leaders to work closely with the state chapters to develop civic education programs tailored to local resources and political environments. Using the materials, 83 civic awareness and election observation training seminars were subsequently held in five states, training an estimated 2,300 volunteers to implement the public awareness program.

With assistance from NDI, Alianza chapters in the states of Chiapas, Oaxaca, Puebla, Michoacán and Tlaxcala carried out campaign monitoring and observation of important elections in those states. These experiences serve as test cases for the organization's new training techniques and program strategies and will be used as a foundation for the group's training and election monitoring efforts during the 1997 electoral cycle. USAID/Mexico has placed priority on assisting voter education and election monitoring efforts of Alianza Cívica and/or other civic groups prior to and during these important elections.

Alianza Cívica also held an electoral reform seminar in January 1996 to develop a consensus on the importance of creating uniform state electoral laws in addition to federal reforms. This meeting was attended by more than 100 participants, including federal and state election officials, journalists, academics and representatives of all major political parties. It sets the stage for a non-governmental initiative for timely and meaningful reform legislation.

Another area of priority in the governance program is the promotion of greater participation by women in all stages of the political process. Recognizing the vast influence that media images can have on public acceptance of women in non-traditional roles, and the frequently denigrating images of women conveyed in the Mexican media, USAID/Mexico supported Mujeres en Lucha por la Democracia (MLD) in conducting a broad sensitization program. The program analyzed the impact of media on women and the process of democracy in Mexico, and held roundtable seminars for opinion leaders, federal legislators, media representatives and others to sensitize these individuals to the problem and the need for action. The seminars contributed to the formulation of draft legislation to reform the Federal Radio and TV Law, which was presented to the Special Commission on Public Communications of the Cámara de Diputados in 1996 and is likely to be voted on in early 1997. USAID/Mexico will continue supporting similar efforts in 1997-98 to provide more opportunities for women to participate in the political sphere, including running as candidates for public office.

In FY1997 and Beyond

Based on the assessment done in the democracy sector, USAID/Mexico is now developing a Results Framework for the Special Objective on Democracy which targets activities that focus on judicial support initiatives and good governance, with appropriate Intermediate Results and accompanying results indicators that measure performance in both of these areas. This is expected to be completed in FY1997 or early FY1998, following additional program design work to be done this year.

Activities on the Judicial Support side of the portfolio will be grouped into four important areas: (1) improved court administration, (2) judicial exchange programs, (3) promotion and implementation of an alternative dispute resolution system, and (4) legal assistance in the area of human rights protection, through training of judges and prosecutors.

Governance activities will center around increased citizen participation in the electoral process thereby promoting transparency and fair elections; of particular interest will be the participation of women in all levels of public life and politics. In addition, programs will be directly supported which employ innovative mechanisms for cooperation among local governments, the private sector, and NGOs in accomplishing specific policy objectives in areas such as environmental protection, public participation, and accountability.

Many studies have been carried out in order to identify successful experiments in local governance in Mexico, but the lessons learned from these cases have yet to be operationalized on the scale needed to make an impact. Particularly in rural Mexico, there is a need to create new economic markets through the development of infrastructure and resources using processes which encourage active participation by citizens and private sector groups. Previous work in municipal governance carried out by the International City Managers Association (ICMA) in 1995-96 in Ciudad Juárez, Chihuahua and other cities in the state of Sonora may be used as a model for future programming in this area. Funding priority will be given to both operational programs and, with assistance from the Urban Programs division within USAID Global Center for Environment, support of policy reforms necessary to facilitate better municipal governance.

SPECIAL OBJECTIVE #3 ~ HIV/AIDS: Improved Knowledge of Modes of Transmission and Prevention of HIV/AIDS

"Our organization began with very little resources except our strong desire to prevent the spread of AIDS in our community. USAID was the first organization which showed an interest in our work and placed their confidence in our abilities. That relationship has been growing and today we count USAID as friends and true collaborators in the fight against AIDS in Oaxaca and Mexico."

~Nancy Mayagoitia, Founder
Frente Común Contra el SIDA
Oaxaca, Mexico

Overview

The focus of HIV/AIDS activities supported by USAID/Mexico in FY1996 was on the training of community health educators in the prevention and transmission of the HIV/AIDS virus. Areas that have a large number of seasonal migrant workers, primarily in the states of Michoacán, Oaxaca, and Chiapas, were targeted.

There is widespread belief among Mexicans that the HIV/AIDS epidemic was brought to Mexico from north of the border, and a recent headline in the capital's highly-regarded daily newspaper, *La Reforma*, announced "La epidemia que llegó hablando inglés" ("The epidemic that arrived speaking English"). An estimated two million migrants travel between Mexico and the U.S. every year; Mexico's National AIDS Control Program (CONASIDA) estimates that 2 out of every 10 of those returning to Mexico from the U.S. are infected with HIV.

The states of Michoacán, Oaxaca, and Chiapas are among Mexico's most impoverished, and as a result, large numbers of migrant workers from these states look northward to find seasonal employment. Data indicates that about 10% of Mexico's AIDS cases, country-wide, have occurred in migrant workers, but in Michoacán the percentage is closer to 50%. In the southern state of Chiapas, which shares a border with Guatemala, the number of cases of HIV/AIDS is on the rise, particularly among commercial sex workers and their clients, many of them migrants from Central and South America who stop off in border towns for an average of 3-6 months on their way north.

Studies indicate that even as the AIDS epidemic continues to spread, particularly in rural areas, a large percent of rural at-risk populations in these three states remains ignorant of the way in which HIV is transmitted heterosexually, perceiving it instead as an urban, homosexual problem. Because of their low education levels, mobile lifestyle, and undocumented status, migrants have always been one of the most difficult segments of the population to reach with AIDS prevention messages. Thus, programs to train community health workers in these geographically strategic areas, with a focus on the relationship between migration, commercial sex, and AIDS, have become a top priority for

USAID/Mexico in its fight to curb the epidemic. Given that migration is usually a circular and not a one-way path, and that the HIV virus knows no national boundaries, the growing AIDS epidemic among migrant populations in Mexico becomes a health issue for the U.S. as well. The U.S.-Mexico Binational Commission's Migrant Health Core Group is exploring opportunities to expand bilateral efforts to address health issues, including HIV/AIDS, which affect migrant workers and their families. At the XI International HIV/AIDS Conference in Vancouver last July, Mexico's Secretary of Health joined his American and Canadian counterparts in a trinational agreement to increase collaboration in HIV/AIDS efforts, and to address the concerns of affected families and communities.

The Program and Its Progress

USAID/Mexico has responded to this challenge by offering training and technical assistance to NGO partners who have credibility and access to target communities, as well as to CONASIDA. Budget levels of only $200,000 in FY1996 belie USAID's contributions to the grassroots effort aimed at the prevention of AIDS in Mexico. USAID's financial and human resource support to CONASIDA and key NGOs early on, as well as its commitment to keeping the HIV/AIDS issue on the U.S. policy agenda, has always been recognized as an important catalyst to initiating and supporting Mexico's HIV/AIDS response. The HIV/AIDS Program Officer has developed and maintained close collaborative relationships with both the Ministry of Health and Mexican AIDS service organizations.

Because of the small size of the program, progress toward the HIV/AIDS Special Objective and its two Intermediate Results (see page 50) were not measured in terms of results indicators in FY1996. An appeal was made in last year's R4 for greater investment in the HIV/AIDS program in Mexico and the LAC Bureau agreed to $500,000/year. This increase plus an additional one-time sum will raise the FY1997 support level to $1.2 million. A strategy and Results Framework for HIV/AIDS investments is being formulated, thus enabling USAID's Mexico program to address the problem in Mexico in a more comprehensive manner and access global field support for policy dialogue/advocacy, evaluation, and NGO strengthening.

We believe, however, that performance in FY1996 met or exceeded expectations in both Intermediate Results areas which were designated in last year's R4. Activities supporting **Intermediate Result #1, Increased availability of information on modes of transmission and prevention of HIV/AIDS**, took place in all of the targeted areas. In Michoacán, a grassroots organization, Michoacanos Por la Salud y Contra el SIDA (MUSS) worked with student volunteers and government community health workers to train them as replicators for HIV/AIDS information. Through a series of talks, more than 5,000 people in hard-to-reach rural areas in Michoacán were presented with HIV information, and more than 6,000 condoms were distributed. The success of this project was the result of a cooperative effort between USAID and the Ministry of Health (MOH), the Mexican Social Security Institute (IMSS) and the University of Morelia, in Michoacán. It is capable of being replicated throughout Michoacán and in other states, with funding leveraged by USAID from other organizations.

In Oaxaca, El Frente Común is an outstanding example of the way in which grassroots organization can mobilize volunteers in the struggle against AIDS to effectively educate members of targeted communities. Supported from its beginning by USAID, El Frente this past year increased the number of people it serves as it continued to mobilize support from education, artistic and medical communities in Oaxaca for an AIDS education program that provides informational talks in schools, prisons, factories, churches and hospitals. In 1996, information was translated into nine indigenous languages used throughout Oaxaca, and more than 400 instructors from rural villages were trained as AIDS information providers.

Under **Intermediate Result #2, Improved capacity to design communications on HIV/AIDS prevention**, USAID began, in September of 1996, to give financial support to a project in AIDS intervention in Chiapas, in Ciudad Hidalgo on the border with Guatemala. Based on prior research, CONASIDA designed an intervention program tailored to commercial sex workers (CSWs) who sell sexual services to truckers, soldiers, customs agents and locals in order to finance their journey north, and whose level of information about HIV/AIDS is very poor. The program consists of a series of workshops, both with CSWs and with local decisionmakers (civil authorities as well as local entrepreneurs) dealing with the commercial sex industry. After the workshops are completed, CSWs and decisionmakers will meet together to formulate strategies for effective AIDS prevention in their community. In addition to the workshops, materials will be designed and distributed which are directed at the "floating population" of truckers, military, and migrant laborers.

"¡Todos Podemos Hacer Algo!"

El Frente Comun Contra el SIDA, a grass roots organization and USAID partner in Oaxaca, works to raise awareness, increase knowledge, and consolidate support from the community around HIV/AIDS prevention. Its public campaign this year highlighted individuals in the community who worked with El Frente and gave of their various talents in promoting HIV/AIDS awareness. Among them:

~ Dino Castro, a young dancer and actor, wrote and performed a theatrical work about AIDS. It opened on December 1, 1996, World AIDS Day, to considerable note in Oaxaca.

~ Lina Machoro is an accomplished chef and owns one of Oaxaca's best restaurants. This year she is putting together a cookbook for families who are caring for persons with AIDS, containing healthful dishes using local ingredients and traditional tastes.

~ Maria del Refugio Castillo, an accountant in Oaxaca, has long been a friend of the Frente Comun. Free of charge, she has organized its books for over a year, and today they are completely in order, with every cent accounted for.

Also in FY1996, 29 Mexican health professionals from both NGOs and COESIDAs (state councils for the prevention and control of AIDS) participated in two AIDS Prevention Program Planning Workshops designed and conducted by International Health Programs, Western Consortium for Public Health, Santa Cruz, California. The aim of the workshops was to build capacity in program planning and communication theory tailored to HIV/AIDS prevention. (See box, page 51.)

In the future, USAID/Mexico is likely to continue to give priority to activities that seek out underserved and vulnerable populations such as migrants and their families (who are both hard to reach and hard to serve), commercial sex workers along Mexico's borders, and clandestine populations of men who have sex with men, who continue to be targets for discrimination and who receive proportionately less HIV/AIDS resources than others.

While women are not a target group, *per se*, of the Special Objective on HIV/AIDS, gender is a cross-cutting issue in virtually all of the activities in the portfolio. In Michoacán, the community health workers who are trained through the MUSS program are women. The Frente Común in Oaxaca holds womens' discussion groups in private homes, where topics on sexual health are raised that would create embarrassment and discomfort in the presence of men. "Nosotros También," a video about women and AIDS, was produced by trainees in the Santa Cruz program.

In conclusion, it merits mentioning that the HIV/AIDS issue touches on and is linked to other goals and objectives of the USAID/Mexico mission. AIDS prevention is a key component of reproductive health, along with family planning and child care, for AIDS primarily affects the reproductive-age population, and is itself a sexually transmitted disease. Stemming the spread of AIDS is a crucial factor, as well, in sustaining economic growth, insofar as the population affected by AIDS consists primarily of adults in their most productive years. AIDS is placing strains on a health system already overburdened by other bacterial and viral diseases, as well as respiratory infections related to environmental pollution. And finally, the HIV/AIDS issue is a major factor in promoting democracy and human rights, and is increasingly raised on the international human rights agenda. The social ostracism which occurs when HIV-positive individuals are denied employment or adequate medical care has been open and persistent in Mexico. NGOs formed to safeguard human rights of people with HIV has led to greater community activism by previously uninvolved or marginal groups, including women. USAID's activities aimed at increasing and improving information about HIV/AIDS, therefore, have an impact not only in the area of health care, but also in supporting economic growth and strengthening community-based democratic institutions in Mexico.

Results Framework ~ HIV/AIDS

Special Objective #3: Improved Knowledge of Modes of Transmission and Prevention of HIV/AIDS

Intermediate Results #1:
Increased Availability of Information on Modes of Transmission and Prevention of HIV/AIDS

Keystone Activities/Partners

- AIDS Education for University Students/Community Health Workers as Replicators of Information/Michoacanos por la Salud y Contra el SIDA, MOH and IMSS
- AIDS Education in Oaxaca State/ El Frente Comun Contra al SIDA

Intermediate Result #2:
Improved Capacity to Design Communications on HIV/AIDS Prevention

Keystone Activities/Partners

- AIDS/STD Prevention on Mexico's Southern Border/CONASIDA
- AIDS Prevention Program Planning Workshops, Santa Cruz/COESIDAs

A SPECIAL NOTE ABOUT USAID/MEXICO'S ADC TRAINING PROJECT, 1990 ~ 1997

USAID/Mexico's ADC Training Project, which comes to an end in April 1997, began in 1990 under a contract with Development Associates, Inc. Although the program began with a broader range of training objectives, all activities in the past two years have pertained to the four following objectives:

(1) Environment/Global Climate Change
(2) International Trade
(3) Health
(4) AIDS

The training programs have attempted to promote linkages between U.S. and Mexican institutions as they seek to apply innovative technology and products as a means of solving critical development problems. These broad objectives have been supported through the participation of Mexican nationals at conferences, workshops, seminars and courses, both in the U.S. and in Mexico.

Under a contract amended in 1994, project goals envisaged training for 85 academics in long-term (more than nine months) situations and 510 short-term technical training participants. These goals have been exceeded for all types of training while overall costs have remained below the budgeted amount. Between 1990 and 1996, 341 participants attended short-term technical courses (5% above target), 374 attended conferences or seminars (102% above target), and 105 received long-term training (23.5% above target). A total of 954 participants had received training by January 1997, a number which exceeded the original target of 595. Recognizing that women should participate in training in priority areas, USAID used a target ratio of 2 women to every 5 men trained, or 40%. Of those trained, 62% were male and 38% were female.

....."Encantada"....

When USAID/Mexico phased out condom donations to the Mexican health sector in 1995, the Brigada Callejera, an NGO working in the area of La Mercéd, Mexico City's huge central market and historic home to commercial sex workers (CSWs) since the time of the Spanish conquest, feared their work promoting safer sex would be seriously jeopardized. How could La Mercéd's sex workers, traditionally the city's poorest, afford to buy condoms at commercial prices?

Early in 1996, USAID/Mexico invited Elvira Madrid, President of the Brigada, to participate in an AIDS Prevention Program Planning Workshop for Mexican health professionals at the University of California at Santa Cruz. When Elvira returned to Mexico she set about using the skills in communication, focus groups and decision-making she had learned in Santa Cruz to involve CSWs of La Mercéd in developing an attractive, low-cost condom. Everything from the presentation (in packs of six, "to look like a chocolate bar"), to the red ribbon symbol, to the name ("Encanto") was chosen by the CSWs themselves.

The result? A product which a condom social marketing expert said she would have been proud to produce. And it sells. The Brigada is selling "Encanto" to other AIDS prevention groups in Mexico, and the CSWs of La Mercéd are persuading their clients to try a little "Encanto" ~ at one peso, about 13 cents. (The leading commercial brand costs slightly more than one dollar.) As it says on the "Encanto" box, the welfare of their children depends on it.

Training included professional and managerial skills as well as technical skills in new concepts, methodologies and technologies. Many training participants later acted as trainers for other professionals and technicians in their organizations. Broken down according to field, data shows numbers of individuals trained in three general areas:

Environment, including energy and biodiversity	414 persons
Trade, agriculture, and rural development	232 persons
Health, including AIDS and family planning	308 persons

Eighty percent of the participants were trained in the U.S., 10% in Mexico, and 11% in third countries. Beginning in 1995, training took place in Mexico as well as abroad. This turned out to be a successful training strategy and resulted in considerable cost savings as well. The estimated total cost of the 7-year program was budgeted at $3.617 million USD. Thanks to cost-sharing and additional contributions by sponsoring institutions, a substantial increase in the number of trainees was possible.

Part III~

Status of the Management Contract

PART III:
STATUS OF THE MANAGEMENT CONTRACT

Strategic Objective #1: POPULATION ~ Sustainable increase in contraceptive prevalence

♦ **Proposed extension of public sector program:** The LAC Bureau is requested to approve USAID/Mexico's proposal to extend the planned phase-out of the public sector population program an additional two years, from FY1998 to FY2000. Justification is based on the recommendations stemming from the Review Team's evaluation, conducted in October, 1996 which stated that "USAID should extend the MOU through the year 2000 as an unfunded extension," and recommended that a program review be done in 1998 "to determine if additional, minimal funding will be needed for the remaining period."

USAID/Mexico agrees with the consultants' assessment and officially requests an unfunded extension through FY1999, with a review of the funding needs in that year, in the understanding that program closeout will be completed in FY2000. This request is based on findings that indicate that additional time is required for the consolidation of public sector activities. Additional strengthening of selected institutions will ensure greater sustainability of program impact.

Strategic Objective #2: ENVIRONMENT ~ Environmentally-sound natural resource and energy use increased

♦ **Revised Results Framework:** A draft of the new Results Framework for SO#2 is presented at the end of this section (see page 57). With Global and LAC assistance, USAID/Mexico is working with partner organizations to refine the IRs and indicators at all levels. Essentially, it further collapses a broad, wide-ranging portfolio of activities into a focused, carefully thought out program which includes two Intermediate Results, one pertaining to climate change mitigation through EE, RE, and PP activities, and the other to biodiversity conservation. The most significant changes are the inclusion of urban industrial pollution prevention within IR #1's energy activities, and the consolidation of coastal/marine resources and terrestrial biodiversity protection activities within IR #2.

♦ **Life of the SO and Planned Phase-out:** LAC is requested to confirm in the Management Contract its commitment in principal to the planned life of the Environment SO through the year 2006, with a progressive reduction of funding levels beginning in FY2003. This timeframe of assistance to Mexico and its environmental institutions is consistent with our Cooperative Agreement responsibilities under the Mexico Nature Conservation Fund, which established an oversight role for USAID/Mexico through the year 2006. This timeframe is necessary to accomplish the proposed Results Framework and the long-term financial sustainability of our environmental partner organizations.

Special Objective #1: ECONOMIC GROWTH ~ Increased performance of target institutions in selected legal/regulatory areas related to NAFTA

♦ **Proposed Modification and Rewording of the Special Objective:** USAID/Mexico proposes that the current SpO statement be changed to reflect USAID/Mexico's reduced role in NAFTA-related affairs and its two primary strengths: (1) identifying and participating in unique opportunities which advance U.S.-Mexico development interests and (2) leveraging investment resources to accomplish these ends. The proposed language reflects USAID/Mexico's special role in an advanced developing country such as Mexico, and the mutual interest in transferring new technologies and building business relationships. The LAC Bureau is therefore requested to approve the following wording of SpO #1:

> "Advance economic development interests through fostering US/Mexican partnerships and leveraging investments."

♦ **Proposed Extension of the Life of the SpO:** The current Management Contract with USAID/Mexico pursues a limited number of activities to support NAFTA and other USG interests, which will be evaluated on a case-by-case basis through FY1998. Given the strategic importance of U.S.-Mexican relations, USAID/Mexico plays a unique role within the U.S. Embassy and other USG agencies as a catalyst in leveraging its own limited resources to obtain significant contributions from others, both in terms of expertise and financial support. We believe this warrants LAC Bureau's commitment to continue this SpO at least through FY2000.

Special Objective #2: DEMOCRACY ~ Strengthened capacity of target institutions to deal with selected democracy and human rights issues

♦ **Proposed Extension of the Life of the Democracy SpO:** In recognition of the shared interests of the U.S. and Mexican governments and our peoples in the development of a stable democracy, and the contributions that USAID/Mexico can make to that process, it is proposed that the LAC Bureau approve a minimum five-year period of program support for this SpO. This will afford a reasonable timeframe in which to develop a cohesive strategy, strengthen USG interagency relationships to best take advantage of their respective programs, and build strong working relationships with Mexican partner institutions.

Special Objective #3: HIV/AIDS ~ Increased availability of information on modes of transmission and prevention of HIV/AIDS

♦ **Status of Strategic Planning Activities:** The HIV/AIDS Special Objective has received timely assistance from the Global Bureau in the form of a needs assessment performed in July 1996, followed by site visits in January 1997. USAID/Mexico is now in the process of formulating a limited-scope AIDS strategy and supporting Results Framework. The collaborative efforts of NGOs and government representatives are expected to result in the review of a draft strategy in March of this year, followed by the selection of a limited number of IRs (less than 4) as well as appropriate indicators to measure progress/results under

each IR. Special attention will be given to gender issues. The final Results Framework is expected to be completed before the end of FY1997. G and LAC representatives will be consulted and their advice sought throughout all phases of this work.

♦ **Proposed Modification and Rewording of the Special Objective:** USAID/Mexico proposes that the current SpO statement be amplified to include information on sexually transmitted infections (STIs) in light of recent research which highlights the interrelationship of AIDS and STIs. The activities under the SpO will target two specific groups, migrant workers and adolescents, who are deemed most in need of information about the spread of STIs and the AIDS virus. LAC is requested to approve the new SpO wording: "Increased access to HIV/STI information and services for mobile populations, families of mobile populations, and youth in key states."

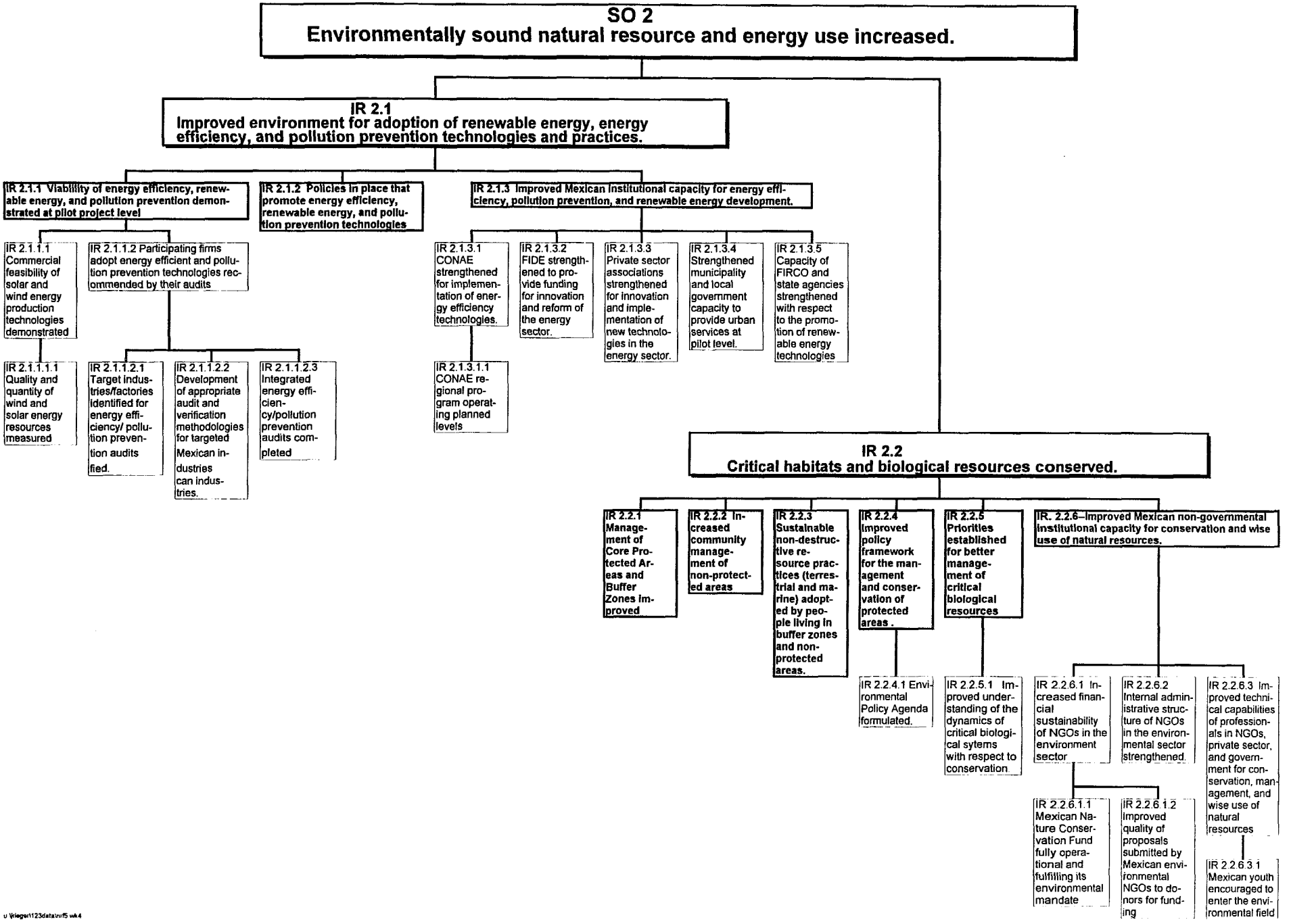
♦ **Proposed Life of the HIV/AIDS SpO:** USAID/Mexico's Management Contract should establish a planned period for LAC Bureau support to the Mexico HIV/AIDS program. Consistent with the increased levels of funding for this sector and current development of a new HIV/AIDS Strategy and Results Framework, USAID/Mexico proposes as a minimum a five-year period beginning in FY1998 for the life of the HIV/AIDS SpO, through the year 2002. It is proposed that this timeframe be examined periodically in light of a possible worsening of the AIDS problem, or the potential development of an inexpensive and effective HIV/AIDS vaccine which would begin to eradicate the epidemic.

* * *

An Issue for LAC/Global Discussion:

USAID/Mexico, like other missions in the LAC region, is faced with a serious problem in obligating FY1997 funds under new Global Environment Center IQCs. Many of these IQCs are not expected to be completed and under contract until after, or close to, the end of this fiscal year. This makes it impossible, therefore, for M/OP in Washington to process and obligate FY1997 mission "add-on" or "buy-in" monies. Will this be a problem? What do you recommend as a solution in order to avoid loss of all or part of these funds?

Preliminary Draft of New Results Framework



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57

Part IV ~

Resource Request

PART IV: RESOURCE REQUEST

(All tables referred to are found at the end of this section)

Prioritization of Objectives

Based on the LAC Bureau's approval of USAID/Mexico's Management Contract for FY1998, described in Part III , and actual receipt of LAC's proposed FY1998 funding levels as presented in the Budget Request Table for this FY, we would rank our SOs and SpOs in the following order of priority:

#1 - Environment SO
#2 - Population SO
#3 - Democracy and HIV/AIDS SpOs
#4 - Economic Growth SpO

Rationale for the ranking of our SOs/SpOs in the above order is quite simple. In FY1998 we plan to substantially phaseout the **Population SO** (closeout of the private sector) and to significantly reduce our support level (to $3 million in FY1998 down from $9 million in FY1997). Thus, the **Environment SO** will emerge in FY1998 as the largest and most important part of the country program. All indicators of the SO's performance in FY1996 have been met or exceeded expected targets. With the ongoing prioritization and consolidation of this SO's activities to achieve a better managed and targeted portfolio, even greater impact is expected in the following years. Keeping the portfolio as a manageable unit will require both continued Global and LAC support.

USAID/Mexico developed a Strategic Assessment on Democracy (July 1996) and has been working in collaboration with the State Department and USAID/W in designing the **Democracy SpO** program, our third highest priority. With activities that focus on supporting Mexico's transition to a more stable democratic society, its performance in FY1996 has met or exceeded expected targets of the limited activities that were supported.

Equally important as a priority is the **HIV/AIDS SpO**. Given that the pattern of migration from Mexico to the U.S. is often a circular and repetitive journey, the growing AIDS epidemic among migrant workers in Mexico is a significant health issue for the U.S. as well. Elevating this SpO to the same level as the Democracy SpO is warranted not only from a health perspective, but also from our interests in promoting Mexico's sustained economic growth and improved democracy/human rights.

The **Economic Growth SpO** has in the past been viewed as a Target of Opportunity, and as such, is the most vulnerable part of our program in a budget reduction exercise. This SpO is now focusing on unique opportunities to significantly leverage impact and investments from international donors (IDB, World Bank, etc.) or private investors. One example is helping to jump-start the new IDB $15 million microenterprise lending program targeted on Chiapas. By sharing its experience on how to best implement small-scale loans with its IDB/Mexican PVO partners, USAID/Mexico can play a part in measurably improving the program's chances of success and accelerating local economic impact. Sharing our experience

and expertise to leverage large-scale programs financed by international finance institutions is cost-effective, manageable in a mission of our size, and consistent with the Agency's views on how to better manage resources in a time of global change and shrinking budgets.

Linkage of Field Support

SO #1: POPULATION:

The high priority projects in the Population Strategy continue to be those described in last year's R4, which provide direct financial and technical support to our Mexican partners: CCP Contraceptives, Pathfinder International, IPPF/WHR, and AVSC. Highest-priority Global projects this year are INOPAL 3, FPLM, and PRB, primarily because of their role in preparing for phase-out. Those deemed as medium-high provide substantial technical assistance to the subprojects: CSM II, PCS, FPMD, the EVALUATION Project, and the POLICY Project. Medium priority projects are those with an important but smaller scope in Mexico: PRIME and FHI. Lastly, the projects classified as medium-low and low have less importance to the achievement of the SO, as reflected in the amounts allocated.

SO #2: ENVIRONMENT:

Global field support is an essential element for the implementation, as currently configured and planned, of this SO. Environment Center support occurs through three principal mechanisms: buy-ins to Global projects, strategic planning, and technical backstopping. The primary technical areas receiving support are currently energy efficiency (EEP), renewable energy technologies (ETIP), pollution prevention (EP3), biodiversity conservation (BSP, NTMBP), and marine coastal zones management (CRMP). As these activities finish and USAID/Mexico's procurements through new IQCs and other contracting instruments are identified, special assistance and guidance will be required.

USAID/Mexico's limited staff capabilities, most notable on the brown side of the portfolio, make it impossible to provide the technical depth needed for the sophisticated environmental assistance program called for in Mexico. Both the LAC and Global Bureaus provide the major part of that technical depth. Monetarily, $4,843,000 is requested in FY1997 in Global and LAC field support (see Table at end of this section). This includes $850,000 iin direct Global monetary support for the final phase of the Manzanillo clean energy project, funding for renewable energy training, neotropical migratory bird program funding, and GCC technical assistance in the development of a Mexico Climate/Joint Implementation Office. In addition, technical backstopping is needed from both LAC and Global for various project management functions, strategic planning, and results framework development/collaboration. In summary, Global Environment Center and LAC/E assistance are and will continue to be essential elements in the successful completion of SO #2 through its projected completion date of 2006.

SpO #1: ECONOMIC GROWTH:

Given the limited funding levels expected in this area over the next few years, it is unlikely that extensive use of Global Field Support will be required.

SpO #2: DEMOCRACY:

Substantial support from the Global Center for Democracy is expected to assist in implementing the diverse activities planned under this SpO. Specific needs and identification of appropriate Global contract mechanisms can not be identified at this time, given the early stage of planning as well as uncertainties surrounding INC resources and their targeted uses.

SpO #3: HIV/AIDS:

The increase in funding for this program in FY1997, especially the $1 million from the AIDS reserve account, will permit us to access field support to an extent previously beyond the means of our low-funded Target of Opportunity activity.

In general, we need field support to tap into Global expertise on what is being done worldwide in HIV/AIDS. Specifically, what were the lessons learned over the past decade in confronting the epidemic, and how to best apply the knowledge to particular situations in Mexico.

Enhanced NGO response is critical to any effective national response. The International HIV/AIDS Alliance will do an assessment of Mexican NGOs in key states, then work with selected NGOs to strengthen them both technically and financially. The Policy Project will work to strengthen local organizations in advocacy/policy dialogue in order to influence decision-making. And because the importance of evaluation is generally not well understood by Mexican NGOs in HIV/AIDS, MEASURE will work to strengthen evaluation processes as an essential component in the effective use of resources.

Lastly, the new Global Results Packages will enable us to access state-of-the-art technical assistance, especially with regard to best practices, condom social marketing, and operations research. It should be noted that Global Field Support for working in policy dialogue, NGO strengthening, and condom social marketing is congruent with the PASCA project's components, thereby contributing to a more consistent regional approach to HIV/AIDS prevention.

FY1997-FY1999 Workforce and Operating Expenses

Operating Expenses ~ After a very thorough OE review, USAID/Mexico estimates a need of $374.5 for OE for FY1997. This will enable us to fund regular office operations at current costs and workforce levels (e.g. FSN compensation and benefits, LQA, travel, communications, etc.) at the proposed OYB level of $17.2 million.

This level also permits coverage of the normal (NTE 25%) automatic increases in almost all local currency expenses, such as pay scale revisions and devaluation/inflation-induced adjustments in telephone costs and utilities. During CY1996 prices in pesos continued to increase; the official inflation rate for CY1996 was 28%. Costs in U.S. dollar terms, however, have changed little. Our budget projections for FY1998 and FY1999 conservatively assume at least a 25% increase per year in each local-cost line item.

The largest component of the FY1997 request continues to be personnel compensation (Object Class 11) at $195.0. This is due mainly to the highly technical and specialized skill requirements of our staff positions (average staff level is FSN-10) and the hiring of a part time USPSC contract specialist (budgeted at $23.0). This position is being filled based upon a recommendation made in a prior vulnerability assessment.

Workforce ~ Ceilings for USAID/Mexico have been straightlined at a total of 13 positions for FY1997 through FY1999 (see Tables at end of this section). USAID/Mexico does not envision at this point the need to increase this level; nevertheless, the budget estimates for both FY1998 ($520.5) and FY1999 ($549.5) show funding levels in excess of the current FY1997 approved level.

Reasons for budget increase in FY1998:

- Assignment to Washington and Post assignment of the AID Representative position, to include travel, freight and educational allowances for new incumbent;
- ICASS ($110);
- Other normal automatic increases in local currency as explained above.

Reasons for budget increase in FY1999:

- Assignment to Washington and Post assignment of the Project Development Officer position, to include travel, freight and educational allowances for new incumbent;
- ICASS ($120);
- Other normal automatic increases in local currency as explained above.

If requested increases cannot be provided, our management and fiscal vulnerability would increase dramatically, as all USAID/Mexico personnel directly involved in program implementation are program funded. In this regard, it would not be possible to make shifts from OE to program funding (as OE funded positions perform essential support duties only) without a net reduction in the number of overall OE staff.

With the implementation of the NMS in October 1996, USAID/Mexico now relies heavily on the support provided by USAID/El Salvador in the Controller, Contracts and SDO functions. Funds were budgeted in the travel line-item, therefore, for critically-needed further training and technical assistance.

Environmental Compliance

USAID/Mexico is a small mission, but we are fortunate to have on our staff a number of environmental specialists and professionals in related fields who are experienced in the preparation of IEEs and EAs as mandated by 22CFR 216. As part of our new Results Package development processes, we plan to integrate environmental review into the formulation of umbrella projects in Environment, HIV/AIDS, and Democracy. This would involve the virtual, if not actual, participation of the LAC Environmental Officer to assist us in preparing the required documentation for an IEE threshold determination. The documentation will be submitted to the LAC Bureau for its approval in FY1997 or early FY1998, depending on design schedules.

USAID FY 1997 Budget Request by Program/Country

($000)

Country/Program: US AID/MEXICO

S.O. #, Title	Approp Acct	Bilateral/ Field Spt	Est. SO Pipeline at end of FY 96	FY 1997 Total Request	Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G	Est Expend. FY 97	Est Total cost life of SO	Mortgage at end of 1997
				FY 1997 Request											
SO1: Population															
		Bilateral	N/A	100			100						N/A		
		Field Spt		9,219			9,219								
		Total	0	9,319			9,319						0	66,000	3,000
SO 2: Environment & Energy															
		Bilateral	2,749	4,965							4,965		6,368		
		Field Spt		850	*						850				
		Total	2,749	5,815							5,815		6,368	83,059	37,173
SPO 1 Economic Growth															
		Bilateral	474	50		50							294		
		Field Spt		0		0									
		Total	474	50		50							294	2,000	200
SPO 2 Democracy															
		Bilateral	49	1,593								393	800		
		Field Spt		0								0			
		Total	49	1,593								393	800	4,120	2,000
SPO 3 AIDS															
		Bilateral	127	1,245					520				1,025		
		Field Spt		0					725						
		Total	127	1,245					1,245				1,025	5,366	2,020
Total Bilateral				7,953		50	100		520		4,965	393			
Total Field Support				10,069		0	9,219		725		850	0			
TOTAL PROGRAM			3,399	18,022	N/A	50	9,319	N/A	1,245	N/A	5,815	393	8,487	160,545	44,393

FY 97 Budget Request by Appropriation - ($000's)	
Development Assistance	18,022
Development Fund for Africa	0
Economic Support Funds	700
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0
International Narcotics Control Fund (INCF)	500

* Additional resources requested from G in support of US AID/M program. These are outside of units OYB.

64

USAID FY 1998 Budget Request by Program/Country

($000)

Country/Program: US AID/MEXICO

S.O. #, Title	Approp Acct	Bilateral/ Field Spt	Est. SO Pipeline at end of FY 97	FY 1998 Request: FY 1998 Total Request	Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G	Est Expend. FY 98	Est Total cost life of SO	Mortgage at end of 1998
SO 1: **Environment & Energy**															
		Bilateral	1,334	5,585							5,606		6,470		
		Field Spt		1,000							1,000				
		Total	1,334	6,585							6,606		6,470	83,059	31,567
SP0 1 **Economic Growth**															
		Bilateral	230	200		200							250		
		Field Spt		0		0								*	
		Total	230	200		200							250	2,000	0
SP0 2 **Democracy**															
		Bilateral	842	2,250	**							2,250	1,380		
		Field Spt		0								0		*	
		Total	842	2,250								2,250	1,380	4,120	0
SP0 3 **AIDS**															
		Bilateral	347	400					400				565		
		Field Spt		0					0						
		Total	347	400					400				565	5,366	1,455
SP04: **Population**															
		Bilateral	N/A	100			100						N/A		
		Field Spt		3,000			3,000								
		Total	0	3,100			3,100						0	66,000	N/A
Total Bilateral				8,535		200	100		400		5,606	2,250			
Total Field Support				4,000		0	3,000		0		1,000	0			
TOTAL PROGRAM			2,753	12,535	N/A	200	3,100	N/A	400	N/A	6,606	2,250	8,665	160,545	33,022

FY 98 Budget Request by Appropriation - ($000's)	
Development Assistance	10,535
Development Fund for Africa	0
Economic Support Funds	1,000
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0
International Narcotics Control Fund (INCF)	1,000

* Mortgage estimates are deleted pending Management Contract decisions by LAC Bureau on the life of these SpOs.

** This assumes the availability of INCF monies

USAID FY 1999 Budget Request by Program/Country

($000)

Country/Program: US AID/MEXICO

S.O. #, Title	Approp Acct	Bilateral/ Field Spt	Est. SO Pipeline at end of FY 98	FY 1999 Request: FY 1999 Total Request	Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G	Est Expend. FY 99	Est Total cost life of SO	Mortgage at end of 1999
SO 1: **Environment & Energy**															
		Bilateral	3,450	5,459							5,459		6,470		
		Field Spt		1,000	*						1,000				
		Total	3,450	6,459							6,459		6,470	83,059	26,107
SP0 1 **Economic Growth**															
		Bilateral	180	200		200							220		
		Field Spt		0		0									
		Total	180	200		200							220	2,000	200
SP0 2 **Democracy**															
		Bilateral	1,712	** 0								0	1,749		
		Field Spt		0								0			
		Total	1,712	0								0	1,749	4,120	0
SP0 3 **AIDS**															
		Bilateral	182	450					450				575		
		Field Spt		0					0						
		Total	182	450					450				575	5,366	980
SP04: **Population**															
		Bilateral	N/A	0			0						N/A		
		Field Spt		0			0								
		Total	0	0			0						0	N/A	N/A
Total Bilateral			2,874	6,109		200			450		5,459	0			
Total Field Support			0	1,000		0			0		1,000	0			
TOTAL PROGRAM			5,524	7,109	N/A	200	N/A	N/A	450	N/A	6,459	0	9,014	94,545	27,287

FY 99 Budget Request by Appropriation - ($000's)	
Development Assistance	7,109
Development Fund for Africa	0
Economic Support Funds	0
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0
International Narcotics Crime Fund	0

* Mortgage estimates are deleted pending Management Contract decisions by LAC Bureau on the life of these SpOs.

** This assumes the availability of INCF monies

66

USAID/MEXICO
GLOBAL FIELD SUPPORT TABLES

SO No. 1 POPULATION

Objective Name	Field Support: Activity Title & Number		Priority	Duration	Estimated Funding ($000) FY 1997 Obligated by: Operating Unit	FY 1997 Obligated by: Global Bureau	FY 1998 Obligated by: Operating Unit	FY 1998 Obligated by: Global Bureau	FY 1999 Obligated by: Operating Unit	FY 1999 Obligated by: Global Bureau
SO1: Population	936-3024	POPTECH	Low	1 year (1996-97)		0		0		
	936-3030	INOPAL 3	High	6 years (1992-98)		450		200		
	936-3038	FPLM (JSI)	High	6 years (1992-98)		275		100		
	936-3046	PRB	High	6 years (1992-98)		50		0		
	936-3050	PopCouncil Program	Low	6 years (1992-98)		0		0		
	936-3051	CSM II	Medium-High	6 years (1992-98)		675		0		
	936-3052	PCS	Medium-High	6 years (1992-98)		250		0		
	936-3055	FPMD	Medium-High	6 years (1992-98)		250		100		
	936-3057	CCP Contraceptives	High	6 years (1992-98)		250		0		
	936-3060	The EVALUATION Project	Medium-High	1 year (1997-98)		56		0		
	936-3061	Georgetown	Low	5 years (1992-97)		0		0		
	936-3062	Pathfinder	High	6 years (1992-98)		3,775		1,200		
	936-3065	IPPF/WHR	High	6 years (1992-98)		1,500		800		
	936-3068	AVSC	High	6 years (1992-98)		1,300		600		
	936-3072	PRIME	Medium	3 years (1995-98)		188		0		
	936-3073	FOCUS	Medium-low	2 years (1996-98)		0		0		
	936-3078	The POLICY Project	Medium-high	1 year (1997-98)		50		0		
	936-3079	FHI	Medium	6 years (1992-98)		150		0		
GRAND TOTAL						9,219		3,000		

SO No. 2 ENVIRONMENT & ENERGY

Objective Name	Field Support: Activity Title & Number		Priority	Duration	Estimated Funding ($000) FY 1997 Obligated by: Operating Unit	FY 1997 Obligated by: Global Bureau	FY 1998 Obligated by: Operating Unit	FY 1998 Obligated by: Global Bureau	FY 1999 Obligated by: Operating Unit	FY 1999 Obligated by: Global Bureau
SO2: Environment & Energy	936-5741	Energy Technology Innovation Project (ETIP)								
		Manzanillo	High		33	400	0	0	0	0
	936-5730	Renewable Energy Appli. &Trng Project (REAT)	High		0	200	0	0	0	0
	598-0795	Neotropical Migratory Bird Conservation	Medium-High	1996-2006	0	200	50	200	50	200
	936-5743	Energy Efficiency Project (EEP)								
		Climate Change Mitigation and Climate Office Support *	High	1996-2002	150	50	50	200	50	200
		* Mission Managed								
		Mexico Energy Initiative	High	1997-2006	1,000		800	400	800	400
		New Energy Efficiency IQC - (TBD)								
	936-5559	Environmental Pollution Prevention	High	1995-2006	250		500	200	700	200
		EP-3 New IQC TBD								
	PCE-5518	Coastal Resources Management II Program	High	1995-2006	200		350		300	
		New IQC TBD								
	DHR-5554	Biodiversity Support Program (BSP/WWF)	High	1990-2006	750		750		600	
	936-5855	Global Training for Development	High	1997-2001	760		550		550	
	936-5600	Innovative Scientific Research II		1995-1997	150		150		150	
		AAAS Environment Fellow								
	LAC-0782	Parks-in-Peril - The Nature Conservancy **	High	1991-2006	500	200	500	250	400	250
		**LAC Field Support								
GRAND TOTAL					3,793	1,050	3,700	1,250	3,600	1,250
					LAC: 500	LAC: 200	LAC: 500	LAC: 250	LAC: 400	LAC: 250
					G: 3,293	G 850	G: 3,200	G: 1,000	G: 3,200	G: 1,000

SpO No. 3: HIV/AIDS

Objective Name	Field Support: Activity Title & Number		Priority	Duration	Estimated Funding ($000) FY 1997 Obligated by: Operating Unit	FY 1997 Obligated by: Global Bureau	FY 1998 Obligated by: Operating Unit	FY 1998 Obligated by: Global Bureau	FY 1999 Obligated by: Operating Unit	FY 1999 Obligated by: Global Bureau
SpO3: HIV/AIDS	936-3078	The POLICY Project	Medium-high	3 years (1998-00)		250				
		Measure	Medium-high	3 years (1998-00)		125				
	936-5972.51	Int'l HIV/AIDS Alliance	High	1 year (1998)		150				
		New HIV/AIDS Procurement (SO4)	Medium-high	3 years (1998-20)		200				
GRAND TOTAL						725				

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Org. No: 25523

OC		FY 97 Dollars	FY 97 TF	FY 97 Total	FY 98 Dollars	FY 98 TF	FY 98 Total	Requested FY 99 Dollars	Requested FY 99 TF	Requested FY 99 Total	Targeted FY 99 Dollars	Targeted FY 99 TF	Targeted FY 99 Total
11.1	**Personnel compensation, full-time permanent**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH	110.0		110.0	115.0		115.0	120.0		120.0			0.0
	Subtotal OC 11.1	110.0	0.0	110.0	115.0	0.0	115.0	120.0	0.0	120.0	0.0	0.0	0.0
11.3	**Personnel comp. - other than full-time permanent**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	**Other personnel compensation**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	**USDH**	0.0		0.0	0.0		0.0	0.0		0.0			0.0
11.5	**FNDH**	53.0		53.0	55.0		55.0	58.0		58.0			0.0
	Subtotal OC 11.5	53.0	0.0	53.0	55.0	0.0	55.0	58.0	0.0	58.0	0.0	0.0	0.0
11.8	**Special personal services payments**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	23.0		23.0	24.0		24.0	26.0		26.0			0.0
11.8	FN PSC Salaries	32.0		32.0	33.0		33.0	34.0		34.0			0.0
11.8	IPA/Details-In/PASAs/RSSAs Salaries	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 11.8	55.0	0.0	55.0	57.0	0.0	57.0	60.0	0.0	60.0	0.0	0.0	0.0
12.1	**Personnel benefits**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	**USDH benefits**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	0.0		0.0	10.0		10.0	11.0		11.0			0.0
12.1	Cost of Living Allowances	0.0		0.0	0.0		0.0	0.0		0.0			0.0
12.1	Home Service Transfer Allowances	0.0		0.0	0.0		0.0	0.0		0.0			0.0
12.1	Quarters Allowances	0.0		0.0	0.0		0.0	0.0		0.0			0.0
12.1	Other Misc. USDH Benefits	2.0		2.0	2.0		2.0	1.0		1.0			0.0
12.1	**FNDH Benefits**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FNDH	0.8		0.8	1.5		1.5	1.0		1.0	0.0		0.0
12.1	Other FNDH Benefits	0.0		0.0	0.0		0.0	0.0		0.0			0.0
12.1	**US PSC Benefits**	0.0		0.0	0.0		0.0	0.0		0.0			0.0
12.1	**FN PSC Benefits**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FN PSC	0.2		0.2	0.5		0.5	0.5		0.5	0.0		0.0
12.1	Other FN PSC Benefits	0.0		0.0	0.0		0.0	0.0		0.0			0.0
12.1	**IPA/Detail-In/PASA/RSSA Benefits**	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 12.1	3.0	0.0	3.0	14.0	0.0	14.0	13.5	0.0	13.5	0.0	0.0	0.0
13.0	**Benefits for former personnel**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	**FNDH**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH	0.0		0.0	0.0		0.0	0.0		0.0			0.0
13.0	Other Benefits for Former Personnel - FNDH	0.0		0.0	0.0		0.0	0.0		0.0			0.0
13.0	**FN PSCs**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs	0.0		0.0	0.0		0.0	0.0		0.0			0.0
13.0	Other Benefits for Former Personnel - FN PSCs	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Org. Title: USAID/Mexico Representative
Org. No: 25523

OC		FY 97 Dollars	FY 97 TF	FY 97 Total	FY 98 Dollars	FY 98 TF	FY 98 Total	Requested FY 99 Dollars	Requested FY 99 TF	Requested FY 99 Total	Targeted FY 99 Dollars	Targeted FY 99 TF	Targeted FY 99 Total
21.0	**Travel and transportation of persons**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	**Training Travel**	1.0		1.0	1.0		1.0	1.5		1.5			0.0
21.0	**Mandatory/Statutory Travel**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	0.0		0.0	2.4		2.4	2.5		2.5			0.0
21.0	Assignment to Washington Travel	0.0		0.0	2.0		2.0	1.0		1.0			0.0
21.0	Home Leave Travel	1.0		1.0	0.0		0.0	0.0		0.0			0.0
21.0	R & R Travel	1.5		1.5	1.5		1.5	1.5		1.5			0.0
21.0	Education Travel	0.0		0.0	0.0		0.0	0.0		0.0			0.0
21.0	Evacuation Travel	0.0		0.0	0.0		0.0	0.0		0.0			0.0
21.0	Retirement Travel	0.0		0.0	0.0		0.0	0.0		0.0			0.0
21.0	Pre-Employment Invitational Travel	1.5		1.5	0.0		0.0	0.0		0.0			0.0
21.0	Other Mandatory/Statutory Travel	0.0		0.0	0.0		0.0	0.0		0.0			0.0
21.0	**Operational Travel**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	5.0		5.0	6.0		6.0	6.0		6.0			0.0
21.0	Site Visits - Mission Personnel	17.5		17.5	14.0		14.0	14.0		14.0			0.0
21.0	Conferences/Seminars/Meetings/Retreats	4.0		4.0	4.0		4.0	4.0		4.0			0.0
21.0	Assessment Travel	1.0		1.0	1.5		1.5	1.5		1.5			0.0
21.0	Impact Evaluation Travel	1.5		1.5	1.0		1.0	1.0		1.0			0.0
21.0	Disaster Travel (to respond to specific disasters)	1.0		1.0	1.0		1.0	1.0		1.0			0.0
21.0	Recruitment Travel	0.0		0.0	0.0		0.0	0.0		0.0			0.0
21.0	Other Operational Travel	2.0		2.0	2.0		2.0	2.0		2.0			0.0
	Subtotal OC 21.0	37.0	0.0	37.0	36.4	0.0	36.4	36.0	0.0	36.0	0.0	0.0	0.0
22.0	**Transportation of things**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	0.0		0.0	12.0		12.0	12.0		12.0			0.0
22.0	Home Leave Freight	2.0		2.0	0.0		0.0	0.0		0.0			0.0
22.0	Retirement Freight	0.0		0.0	10.0		10.0	10.0		10.0			0.0
22.0	Transportation/Freight for Office Furniture/Equip.	1.0		1.0	0.0		0.0	0.0		0.0			0.0
22.0	Transportation/Freight for Res. Furniture/Equip.	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 22.0	3.0	0.0	3.0	22.0	0.0	22.0	22.0	0.0	22.0	0.0	0.0	0.0
23.2	**Rental payments to others**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	0.0		0.0	0.0		0.0	0.0		0.0			0.0
23.2	Rental Payments to Others - Warehouse Space	0.0		0.0	0.0		0.0	0.0		0.0			0.0
23.2	Rental Payments to Others - Residences	61.0		61.0	62.5		62.5	63.0		63.0			0.0
	Subtotal OC 23.2	61.0	0.0	61.0	62.5	0.0	62.5	63.0	0.0	63.0	0.0	0.0	0.0
23.3	**Communications, utilities, and miscellaneous charges**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	1.5		1.5	1.5		1.5	1.5		1.5			0.0
23.3	Residential Utilities	3.5		3.5	4.0		4.0	4.0		4.0			0.0
23.3	Telephone Costs	13.0		13.0	14.0		14.0	14.5		14.5			0.0
23.3	ADP Software Leases	0.0		0.0	0.0		0.0	0.0		0.0			0.0
23.3	ADP Hardware Lease	0.0		0.0	0.0		0.0	0.0		0.0			0.0
23.3	Commercial Time Sharing	0.0		0.0	0.0		0.0	0.0		0.0			0.0
23.3	Postal Fees (Other than APO Mail)	0.2		0.2	0.3		0.3	0.4		0.4			0.0
23.3	Other Mail Service Costs	0.0		0.0	0.0		0.0	0.0		0.0			0.0
23.3	Courier Services	2.0		2.0	2.5		2.5	2.5		2.5			0.0
	Subtotal OC 23.3	20.2	0.0	20.2	22.3	0.0	22.3	22.9	0.0	22.9	0.0	0.0	0.0

Org. Title: USAID/Mexico Representative
Org. No: 25523

OC		FY 97 Dollars	FY 97 TF	FY 97 Total	FY 98 Dollars	FY 98 TF	FY 98 Total	Requested FY 99 Dollars	Requested FY 99 TF	Requested FY 99 Total	Targeted FY 99 Dollars	Targeted FY 99 TF	Targeted FY 99 Total
24.0	**Printing and Reproduction**	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.1	**Advisory and assistance services**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations	12.0		12.0	3.0		3.0	3.0		3.0			0.0
25.1	Management & Professional Support Services	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.1	Engineering & Technical Services	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 25.1	12.0	0.0	12.0	3.0	0.0	3.0	3.0	0.0	3.0	0.0	0.0	0.0
25.2	**Other services**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.2	Residential Security Guard Services	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.2	Official Residential Expenses	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.2	Representation Allowances	0.2		0.2	0.2		0.2	0.2		0.2			0.0
25.2	Non-Federal Audits	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.2	Grievances/Investigations	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.2	Insurance and Vehicle Registration Fees	1.0		1.0	1.2		1.2	1.4		1.4			0.0
25.2	Vehicle Rental	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.2	Manpower Contracts	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.2	Records Declassification & Other Records Services	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.2	Recruiting activities	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.2	Penalty Interest Payments	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.2	Other Miscellaneous Services	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.2	Staff training contracts	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.2	ADP related contracts	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 25.2	1.2	0.0	1.2	1.4	0.0	1.4	1.6	0.0	1.6	0.0	0.0	0.0
25.3	**Purchase of goods and services from Government accounts**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	FAAS	100.0		100.0	0.0		0.0	0.0		0.0			0.0
25.3	ICASS	0.0		0.0	110.0		110.0	120.0		120.0			0.0
25.3	All Other Services from Other Gov't. accounts	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 25.3	100.0	0.0	100.0	110.0	0.0	110.0	120.0	0.0	120.0	0.0	0.0	0.0
25.4	**Operation and maintenance of facilities**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	0.0		0.0	1.0		1.0	1.0		1.0			0.0
25.4	Residential Building Maintenance	1.0		1.0	1.5		1.5	2.0		2.0			0.0
	Subtotal OC 25.4	1.0	0.0	1.0	2.5	0.0	2.5	3.0	0.0	3.0	0.0	0.0	0.0
25.6	**Medical Care**	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 25.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7	**Operation/maintenance of equipment & storage of goods**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	0.0		0.0	0.0		0.0	0.0		0.0			0.0
25.7	Storage Services	1.5		1.5	1.7		1.7	2.0		2.0			0.0
25.7	Office Furniture/Equip. Repair and Maintenance	7.5		7.5	7.5		7.5	7.5		7.5			0.0
25.7	Vehicle Repair and Maintenance	2.0		2.0	2.0		2.0	2.0		2.0			0.0
25.7	Residential Furniture/Equip. Repair and Maintenance	0.0		0.0	0.5		0.5	0.5		0.5			0.0
	Subtotal OC 25.7	11.0	0.0	11.0	11.7	0.0	11.7	12.0	0.0	12.0	0.0	0.0	0.0

Org. Title: USAID/Mexico Representative
Org. No: 25523

OC		FY 97 Dollars	FY 97 TF	FY 97 Total	FY 98 Dollars	FY 98 TF	FY 98 Total	Requested FY 99 Dollars	Requested FY 99 TF	Requested FY 99 Total	Targeted FY 99 Dollars	Targeted FY 99 TF	Targeted FY 99 Total
25.8	**Subsistance and support of persons (by contract or Gov't.)**	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0	**Supplies and materials**	1.5		1.5	1.5		1.5	1.5		1.5			0.0
	Subtotal OC 26.0	1.5	0.0	1.5	1.5	0.0	1.5	1.5	0.0	1.5	0.0	0.0	0.0
31.0	**Equipment**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	1.0		1.0	2.0		2.0	0.0		0.0			0.0
31.0	Purchase of Office Furniture/Equip.	2.0		2.0	3.0		3.0	4.0		4.0			0.0
31.0	Purchase of Vehicles	0.0		0.0	0.0		0.0	0.0		0.0			0.0
31.0	Purchase of Printing/Graphics Equipment	0.0		0.0	0.0		0.0	0.0		0.0			0.0
31.0	ADP Hardware purchases	0.0		0.0	0.0		0.0	6.0		6.0			0.0
31.0	ADP Software purchases	0.0		0.0	0.0		0.0	2.0		2.0			0.0
	Subtotal OC 31.0	3.0	0.0	3.0	5.0	0.0	5.0	12.0	0.0	12.0	0.0	0.0	0.0
32.0	**Lands and structures**	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& construction of bldgs.)	0.0		0.0	0.0		0.0	0.0		0.0			0.0
32.0	Purchase of fixed equipment for buildings	0.0		0.0	0.0		0.0	0.0		0.0			0.0
32.0	Building Renovations/Alterations - Office	2.5		2.5	1.2		1.2	1.0		1.0			0.0
32.0	Building Renovations/Alterations - Residential	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 32.0	2.5	0.0	2.5	1.2	0.0	1.2	1.0	0.0	1.0	0.0	0.0	0.0
42.0	**Claims and indemnities**	0.0		0.0	0.0		0.0	0.0		0.0			0.0
	Subtotal OC 42.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL BUDGET	474.4	0.0	474.4	520.5	0.0	520.5	549.5	0.0	549.5	0.0	0.0	0.0
	Less FAAS	(100.0)	0.0	(100.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Net Mission Budget	374.4	0.0	374.4	520.5	0.0	520.5	549.5	0.0	549.5	0.0	0.0	0.0

Workforce Resources
FY 1997 Position Allocation of Staff Ceilings
Organization: USAID/Mexico Representative

Staff	Strategic Objective 1: Population	Strategic Objective 2: Env&Energy	Strategic Objective 3: (title)	Special Objective 1: Ec. Growth	Special Objective 2: Democracy	Special Objective3: HIV/AIDS	Subtotal S.O. Staff	Support Offices: Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff
USDH							0	2							2	2
USPSC (OE/TF) Internationally Recruited							0								0	0
USPSC (OE/TF) Locally Recruited							0								0	0
USPSC (Program Funded)	1	1		0.5	0.5	1	4								0	4
FSN/TCN Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Direct Hire (OE/TF) Locally Recruited		1.5				0.5	2		0.5		0.5			1	2	4
FSN/TCN Non-Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited							0		1	1					2	2
FSN/TCN Non-Direct Hire (Program Funded)		1					1								0	1
Other (RSSA, PASA, IPA) (OE/TF Funded)							0								0	0
Other (RSSA, PASA, IPA) (Program Funded)							0								0	0
Total Staff by Objective	1	3.5	0	0.5	0.5	1.5	7	2	1.5	1	0.5	0	0	1	6	13
TAACs*																
Fellows*		1														

Totals by Staffing Catagory - FY 1997 Ceiling

Staff	Strategic Objective 1: Population	Strategic Objective 2: Env&Energy	Strategic Objective 3: (title)	Special Objective 1: Ec. Growth	Special Objective 2: Democracy	Special Objective3: HIV/AIDS	Subtotal S.O. Staff	Support Offices: Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff
USDH	0	0	0	0	0	0	0	2	0	0	0	0	0	0	2	2
USPSC (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)	1	1	0	0.5	0.5	1	4	0	0	0	0	0	0	0	0	4
Total USPSCs	1	1	0	0.5	0.5	1	4	0	0	0	0	0	0	0	0	4
FSN/TCN Direct Hire (OE/TF)	0	1.5	0	0	0	0.5	2	0	0.5	0	0.5	0	0	1	2	4
FSN/TCN Non Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	1	1	0	0	0	0	2	2
FSN/TCN Non Direct Hire (Program Funded)	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Total FSN/TCN Non Direct Hire	0	1	0	0	0	0	1	0	1	1	0	0	0	0	2	3
Total FSN/TCN (OE/TF)	0	1.5	0	0	0	0.5	2	0	1.5	1	0.5	0	0	1	4	6
Total FSN/TCN (Program Funded)	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Total FSN/TCN Staff	0	2.5	0	0	0	0.5	3	0	1.5	1	0.5	0	0	1	4	7
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	0	1.5	0	0	0	0.5	2	2	1.5	1	0.5	0	0	1	6	8
Total Program Funded Staff	1	2	0	0.5	0.5	1		0	0	0	0	0	0	0	0	0
Grand Total All Staff	1	3.5	0	0.5	0.5	1.5	7	2	1.5	1	0.5	0	0	1	6	13

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can devide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

Workforce Resources
FY 1998 Position Allocation of Staff Ceilings
Organization: USAID/Mexico Representative

Staff	Strategic Objective 1: Population	Strategic Objective 2: Env&Energy	Strategic Objective 3: (title)	Special Objective 1: Ec. Growth	Special Objective 2: Democracy	Special Objective3: HIV/AIDS	Subtotal S.O. Staff	Support Offices: Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff
USDH							0	2							2	2
USPSC (OE/TF) Internationally Recruited							0								0	0
USPSC (OE/TF) Locally Recruited							0								0	0
USPSC (Program Funded)	1	1		0.5	0.5	1	4								0	4
FSN/TCN Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Direct Hire (OE/TF) Locally Recruited		1.5				0.5	2		0.5		0.5			1	2	4
FSN/TCN Non-Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited							0		1	1					2	2
FSN/TCN Non-Direct Hire (Program Funded)		1					1								0	1
Other (RSSA, PASA, IPA) (OE/TF Funded)							0								0	0
Other (RSSA, PASA, IPA) (Program Funded)							0								0	0
Total Staff by Objective	1	3.5	0	0.5	0.5	1.5	7	2	1.5	1	0.5	0	0	1	6	13
TAACs*																
Fellows*		1														

Totals by Staffing Catagory - FY 1998 Ceiling

Staff	Strategic Objective 1: Population	Strategic Objective 2: Env&Energy	Strategic Objective 3: (title)	Special Objective 1: Ec. Growth	Special Objective 2: Democracy	Special Objective3: HIV/AIDS	Subtotal S.O. Staff	Support Offices: Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff
USDH	0	0	0	0	0	0	0	2	0	0	0	0	0	0	2	2
USPSC (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)	1	1	0	0.5	0.5	1	4	0	0	0	0	0	0	0	0	4
Total USPSCs	1	1	0	0.5	0.5	1	4	0	0	0	0	0	0	0	0	4
FSN/TCN Direct Hire (OE/TF)	0	1.5	0	0	0	0.5	2	0	0.5	0	0.5	0	0	1	2	4
FSN/TCN Non Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	1	1	0	0	0	0	2	2
FSN/TCN Non Direct Hire (Program Funded)	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Total FSN/TCN Non Direct Hire	0	1	0	0	0	0	1	0	1	1	0	0	0	0	2	3
Total FSN/TCN (OE/TF)	0	1.5	0	0	0	0.5	2	0	1.5	1	0.5	0	0	1	4	6
Total FSN/TCN (Program Funded)	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Total FSN/TCN Staff	0	2.5	0	0	0	0.5	3	0	1.5	1	0.5	0	0	1	4	7
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	0	1.5	0	0	0	0.5	2	2	1.5	1	0.5	0	0	1	6	8
Total Program Funded Staff	1	2	0	0.5	0.5	1		0	0	0	0	0	0	0	0	0
Grand Total All Staff	1	3.5	0	0.5	0.5	1.5	7	2	1.5	1	0.5	0	0	1	6	13

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can devide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

Workforce Resources
FY 1999 Position Allocation of Staff Target Levels
Organization: USAID/Mexico Representative

								Support Offices								
Staff	Strategic Objective 1: Population	Strategic Objective 2: Env&Energy	Strategic Objective 3: (title)	Special Objective 1: Ec. Growth	Special Objective 2: Democracy	Special Objective3: HIV/AIDS	Subtotal S.O. Staff	Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff
USDH							0	2							2	2
USPSC (OE/TF) Internationally Recruited							0								0	0
USPSC (OE/TF) Locally Recruited							0								0	0
USPSC (Program Funded)	1	1		0.5	0.5	1	4								0	4
FSN/TCN Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Direct Hire (OE/TF) Locally Recruited		1.5				0.5	2		0.5		0.5			1	2	4
FSN/TCN Non-Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited							0		1	1					2	2
FSN/TCN Non-Direct Hire (Program Funded)		1					1								0	1
Other (RSSA, PASA, IPA) (OE/TF Funded)							0								0	0
Other (RSSA, PASA, IPA) (Program Funded)							0								0	0
Total Staff by Objective	1	3.5	0	0.5	0.5	1.5	7	2	1.5	1	0.5	0	0	1	6	13
TAACs*		1														
Fellows*																

Totals by Staffing Catagory - FY 1999 Target

Staff	Strategic Objective 1: Population	Strategic Objective 2: Env&Energy	Strategic Objective 3: (title)	Special Objective 1: Ec. Growth	Special Objective 2: Democracy	Special Objective3: HIV/AIDS	Subtotal S.O. Staff	Support Offices: Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff
USDH	0	0	0	0	0	0	0	2	0	0	0	0	0	0	2	2
USPSC (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)	1	1	0	0.5	0.5	1	4	0	0	0	0	0	0	0	0	4
Total USPSCs	1	1	0	0.5	0.5	1	4	0	0	0	0	0	0	0	0	4
FSN/TCN Direct Hire (OE/TF)	0	1.5	0	0	0	0.5	2	0	0.5	0	0.5	0	0	1	2	4
FSN/TCN Non Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	1	1	0	0	0	0	2	2
FSN/TCN Non Direct Hire (Program Funded)	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Total FSN/TCN Non Direct Hire	0	1	0	0	0	0	1	0	1	1	0	0	0	0	2	3
Total FSN/TCN (OE/TF)	0	1.5	0	0	0	0.5	2	0	1.5	1	0.5	0	0	1	4	6
Total FSN/TCN (Program Funded)	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Total FSN/TCN Staff	0	2.5	0	0	0	0.5	3	0	1.5	1	0.5	0	0	1	4	7
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	0	1.5	0	0	0	0.5	2	2	1.5	1	0.5	0	0	1	6	8
Total Program Funded Staff	1	2	0	0.5	0.5	1		0	0	0	0	0	0	0	0	0
Grand Total All Staff	1	3.5	0	0.5	0.5	1.5	7	2	1.5	1	0.5	0	0	1	6	13

Notes:

*• TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can devide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

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PAGE 01 STATE 148032 162225Z
ORIGIN AID-00

ACTION OFFICE(S): !LASP
INFO OFFICE(S): AAG AALA BHR DUTY GAFS GC GENR LADP LASA
LDHR LPHN LRSD MB MBPA OFDA OPA OPCC OPE
OPOD OPPS PAUL PDSP POP PPCE PPPC SDB TDA
WID

INFO LOG-00 ARA-01 TEDE-00 /001R

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SOURCE: KODAKA.160136
DRAFTED BY: AID/LAC/SPM:KLANDERSON:KLA:MEX\MEX96R4 . CBL
APPROVED BY: AID/AA/LAC : NJPARKER
AID/LAC/SPM:JWEBER (DRAFT) AID/G/PHN/P: EMAGUIRE (DRAFT)
AID/LAC/SAM:WTATE (DRAFT) AID/LAC/DPB: DCHIRIBOGA (DRAFT)
AID/LAC/RSD: TJOHNSON (DRAFT) AID/LAC/DPB:RMEEHAN (DRAFT)
STATE/ARA:JWAGNER (DRAFT) AID/LAC/RSD:CDABBS (DRAFT)
AID/LAC/SPM:GBERTOLIN DRAFT DATE 06/07/96
AID/LAC/SPM:PMARTIN DRAFT DATE 06/05/96
AID/PPC/PC:VCUSUMANO DRAFT DATE 06/12/96
AID/G/PDSP:GSTANDROD DRAFT DATE 07/03/96
AID/M/B:BGREENE DRAFT DATE 06/12/96
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E.O. 12958: N/A
TAGS:
SUBJECT: REVIEW OF USAID/MEXICO R4 FOR FY 1996-1998 --
MANAGEMENT CONTRACT
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PAGE 02 STATE 148032 162225Z

1. SUMMARY. THE FY 1996-1998 RESULTS REVIEW AND RESOURCE REQUEST FOR USAID/MEXICO WAS REVIEWED ON MAY 31, 1996. THE DAEC WAS CHAIRED BY ACTING AA/LAC NORMA PARKER; DAA/LAC ERIC ZALLMAN WAS ALSO PRESENT. REPRESENTATIVES OF M/B, G/PHN, G/ENV, AND ALL APPROPRIATE LAC OFFICES ALSO

ATTENDED. USAID/MEXICO WAS REPRESENTED BY USAID REPRESENTATIVE ART DANART AND PROGRAM OFFICER JEFFORY BOYER. THE R4 WAS APPROVED BY THE BUREAU, SUBJECT TO THE GUIDANCE PROVIDED BELOW. END SUMMARY.

2. PERFORMANCE INDICATORS: THE MISSION WAS COMMENDED FOR SUBSTANTIAL IMPROVEMENTS IN OBTAINING DATA FOR ITS STRATEGIC OBJECTIVE INDICATORS AND IN ITS REPORTING ON GENDER. THE MISSION WAS ADVISED TO DEVELOP AN OBJECTIVE STATEMENT, RESULTS FRAMEWORK, AND INDICATORS FOR MEASUREMENT FOR ITS DEMOCRACY SPECIAL OBJECTIVE, AND INDICATORS FOR ITS AIDS SPECIAL OBJECTIVE. TO THE EXTENT POSSIBLE, NEW INDICATORS SHOULD BE DISAGGREGATED BY GENDER. FURTHER RECOMMENDATIONS REGARDING INTEGRATION OF GENDER IN USAID/MEXICO'S PROGRAM ARE CONTAINED IN A

MEMORANDUM FROM LAC'S GENDER ADVISOR, PATRICIA MARTIN, DATED MAY 30, 1996. G/PHN REPORTED THAT IT HAS OUTSTANDING ISSUES REGARDING INDICATORS FOR MISSION SO 3, WHICH ARE NOTED IN A MEMORANDUM FROM THE USAID/W MEXICO PHN TEAM TO KAREN ANDERSON, LAC/SPM, DATED MAY 30, 1996.

3 EXTENSION OF POPULATION ACTIVITIES: AN ISSUE WAS RAISED REGARDING WHETHER PHASE-OUT OF USAID POPULATION ASSISTANCE TO MEXICO SHOULD BE EXTENDED FROM THE PREVIOUS

1997 PHASE-OUT DATES. THERE WAS CONCERN REGARDING THE ABILITY OF PUBLIC SECTOR INSTITUTIONS TO CONTINUE EXPANDING FAMILY PLANNING SERVICES TO TARGET POPULATIONS AFTER USAID ASSISTANCE IS WITHDRAWN. THERE WAS ALSO CONCERN THAT THE TWO USAID-SUPPORTED FAMILY PLANNING NGOS, MEXFAM AND FEMAP, WOULD BE UNABLE TO ACHIEVE FINANCIAL SUSTAINABILITY BY THEIR PLANNED PHASE-OUT DATE. MEXFAM WAS EXPECTED TO BE PARTICULARLY VULNERABLE FOLLOWING WITHDRAWAL OF USAID SUPPORT. AT A JULY 2 MEETING ATTENDED BY LIZ MAGUIRE, JOHN COURY AND REBECCA LOPEZ OF G/PHN AND NORMA PARKER, JANICE WEBER, WAYNE TATE AND CAROL DABBS OF LAC, IT WAS DECIDED THAT PHASE-OUT OF PUBLIC SECTOR ACTIVITIES WILL BE EXTENDED TO A NEW PACD OF JUNE 30, 1998. FUNDING LEVELS CURRENTLY PLANNED FOR PUBLIC SECTOR ACTIVITIES IN FY 97 ARE EXPECTED TO CARRY MOST OF THE PROGRAM THROUGH FY 98.

AT THE SAME JULY 2 MEETING, G AND LAC HAVE AGREED THAT ACTIVITIES WITH FEMAP WILL CONTINUE THROUGH SEPTEMBER 1998; ACTIVITIES WITH MEXFAM WILL BE EXTENDED THROUGH SEPTEMBER 1998. SEPTEL WILL FOLLOW WITH MORE DETAIL ON NEXT STEPS WITH MEXFAM AS SUGGESTED BY THE USAIDIW MEXICO PHN TEAM.

AS THE CURRENT G MECHANISM PROVIDING ASSISTANCE TO THE PRIVATE SECTOR EXPIRES IN FY 97, IT HAS BEEN DETERMINED THAT G WILL WORK WITH THE MISSION IN IDENTIFYING ANOTHER CA WHICH WOULD PROVIDE THE MISSION ITS REQUIREMENTS, RATHER THAN THE MISSION-SUGGESTED DIRECT MANAGEMENT. IN ADDITION, G HAS COMMITTED TO CAREFULLY EXAMINING THE OVERHEAD RATES SO THAT THE LOWEST POSSIBLE RATES WILL BE

NEGOTIATED AND AS MUCH FUNDING IS AVAILABLE FOR ACTUAL ACTIVITIES.

4. FUTURE AIDS ACTIVITIES: AN ISSUE WAS RAISED REGARDING WHETHER USAID/MEXICO SHOULD DEVELOP A STRATEGY FOR ITS FUTURE HIV/AIDS ACTIVITIES. THE MISSION PROPOSED AN INCREASE IN AIDS FUNDING FROM THE CURRENT $200,000 ANNUAL LEVEL TO $350,000-$400,000 PER YEAR BEGINNING IN FY 1997. THERE WAS GENERAL AGREEMENT THAT THE GROWTH OF THE EPIDEMIC, PARTICULARLY AMONG POPULATIONS OF SPECIAL

RELEVANCE TO USAID, WARRANTS AN INCREASE IN FUNDING. IT WAS AGREED THAT USAID/MEXICO WILL WORK WITH G AND LAC TO DESIGN A PLAN FOR ACHIEVING ITS AIDS SPECIAL OBJECTIVE, INCORPORATING LINKAGES WITH USAID'S CENTRAL AMERICA AIDS PROGRAM. GIVEN USAID'S EXPERIENCE IN THE SECTOR AND THE EXTENT OF INFORMATION AVAILABLE ON AIDS ISSUES IN MEXICO, A FULL-BLOWN ASSESSMENT AND STRATEGY OF THE SECTOR WAS DEEMED UNNECESSARY.

5. FUTURE DEMOCRACY ACTIVITIES: ISSUES WERE RAISED REGARDING THE FUTURE FOCUS OF DEMOCRACY ACTIVITIES IN MEXICO. THE MISSION, WITH USAID/W PARTICIPATION, PLANS TO PERFORM A FOCUSED, LOW-COST ASSESSMENT OF THE DEMOCRACY SECTOR WITHIN THE NEXT MONTH IN ORDER TO DEFINE PRIORITIES FOR ITS FUTURE PROGRAMS TO BEGIN IN FY 97. THE ASSESSMENT WILL FOCUS ON DEFINING AREAS OF INVOLVEMENT IN CIVIL SOCIETY ISSUES. SIMULTANEOUSLY, THE LAC BUREAU WILL SEEK RESOURCES TO DEVELOP A PROGRAM IN ADMINISTRATION OF JUSTICE AND RULE OF LAW, TO BE INITIATED IN FY 96. IT WAS AGREED THAT, FOLLOWING THE ASSESSMENT, THE MISSION WILL

DEVELOP AN OBJECTIVE STATEMENT, RESULTS FRAMEWORK AND INDICATORS OF MEASUREMENT FOR THE DEMOCRATIC SPECIAL OBJECTIVE, WITH ASSISTANCE FROM G AND LAC. THE DEMOCRACY SPECIAL OBJECTIVE IS EXPECTED TO RUN THROUGH FY 98.

6. ECONOMIC GROWTH: ISSUES WERE RAISED REGARDING FUTURE

80

ACTIVITIES IN ECONOMIC GROWTH. THE MISSION HAS ACHIEVED ITS STRATEGIC OBJECTIVE-LEVEL TARGETS FOR 50 1, THE NAFTA OBJECTIVE, BUT REQUESTED FLEXIBILITY TO CONTINUE A FEW NAFTA-RELATED ACTIVITIES AND SUPPORT FOR EXPANSION OF MEXICO'S SECONDARY MORTGAGE MARKET. AN ISSUE WAS RAISED REGARDING WHETHER USAID/MEXICO SHOULD DEVELOP A MORE FOCUSED APPROACH TO ECONOMIC GROWTH ISSUES, AND EMPHASIZE POLICY DIALOGUE AIMED AT ALLEVIATING MEXICO'S POVERTY AND EQUITY PROBLEMS. THE DAEC DETERMINED THAT THE RESOURCES AVAILABLE TO USAID/MEXICO IN THIS SECTOR ARE NOT SUFFICIENT TO ADDRESS POVERTY ALLEVIATION IN A MEANINGFUL WAY. USAID/MEXICO WILL PURSUE A LIMITED NUMBER OF ACTIVITIES TO SUPPORT NAFTA AND OTHER USG INTERESTS, WHICH WILL BE EVALUATED ON A CASE-BY-CASE BASIS AS THEY ARISE. USAID/MEXICO WILL FORMULATE A SPECIAL OBJECTIVE FOR THE ACTIVITIES IN THIS AREA, WITH A TIME FRAME EXPECTED TO EXTEND NO LATER THAN FY 98 AND ANNUAL FUNDING ON THE ORDER OF DOLS 150,000.

7. MICROENTERPRISE: AN ISSUE WAS RAISED REGARDING FUTURE MISSION SUPPORT FOR MICROENTERPRISE ACTIVITIES AFTER ITS CURRENT SMALL ACTIVITY ENDS IN JUNE 1996. IT WAS DECIDED THAT, GIVEN BUDGET CONSTRAINTS, MAJOR INVESTMENTS BY OTHER DONORS IN THE SECTOR, AND THE FACT THAT MICROENTERPRISE

ACTIVITIES DO NOT DIRECTLY SUPPORT ANY MISSION STRATEGIC OBJECTIVE, FOLLOW-ON ACTIVITIES IN THIS AREA WILL NOT BE PURSUED.

8. ENVIRONMENT: CONCERNS WERE EXPRESSED REGARDING THE SCOPE OF ACTIVITIES PLANNED IN THE ENVIRONMENT, AND THE MISSION'S ABILITY TO MANAGE THEM SUCCESSFULLY GIVEN BUDGET AND STAFFING CONSTRAINTS. THE ACTING AA/LAC NOTED THAT ENVIRONMENT WILL BE THE SOLE SO REMAINING BEYOND FY 98. THE R4 NOTED PLANS TO ADD TWO NEW INTERMEDIATE RESULTS TO ENVIRONMENTAL 50 2, ONE FOCUSING ON BROWN ISSUES AND MUNICIPALITY STRENGTHENING AND ONE FOCUSING ON COAST AND MARINE RESOURCES. THE MISSION ARGUED THAT WHILE THE ADDITION OF IRS MAY SUGGEST OTHERWISE, THE PROGRAM HAS ACTUALLY BECOME MORE FOCUSED, AND THAT IT CAN BE MANAGED WELL WITH EXISTING STAFF. THE DAEC DETERMINED THAT THE MISSION COULD PURSUE THE TWO MAIN STRATEGIC AREAS OF GLOBAL CLIMATE CHANGE AND BIODIVERSITY INCLUDED IN THE DRAFT ENVIRONMENTAL STRATEGY, BUT THAT A THIRD CATEGORY, DESCRIBED AS STRATEGIC TARGETS OF OPPORTUNITY RELATED TO U.S. INTERESTS, SHOULD BE DROPPED. USAID/MEXICO REPORTED THAT MAINTAINING ITS ENVIRONMENT STAFF AT CURRENT LEVELS IS CRUCIAL TO ACHIEVE THE SO. THE LAC BUREAU PLEDGED TO ASSIST THE MISSION IN TRYING TO RETAIN ITS ENVIRONMENTAL

AAAS POSITION.

9. STAFFING: CONCERNS WERE EXPRESSED REGARDING STRAIGHTLINING OF THE OE AND WORKFORCE LEVELS IN THE R4 BEYOND FY 98. THE ACTING AA/LAC ADVISED THE MISSION THAT IT SHOULD EXPECT REDUCTIONS IN ITS OE AND STAFFING LEVELS OVER THE NEXT FEW YEARS. FOR EXAMPLE, DEMOCRACY AND

POPULATION STAFF POSITIONS WILL DROP OUT AS WORK IN THOSE SECTORS PHASES OUT. THE MISSION WAS ADVISED TO WORK WITH LAC/DPB TO DETERMINE THE MINIMUM STAFFING LEVELS NEEDED TO MANAGE ITS PROGRAM. THE MISSION DROPPED THE REQUESTS FOR NEW URBAN ENVIRONMENTAL SPECIALIST AND CONTRACTS SPECIALIST POSITIONS THAT WERE INCLUDED IN THE R4.

10. GCC PIPELINE: M BUREAU RAISED A POINT OF CLARIFICATION REGARDING THE PIPELINE OF THE GLOBAL CLIMATE CHANGE PROJECT. THE MISSION PROVIDED ADDITIONAL INFORMATION TO CLARIFY PIPELINE LEVELS. M/B SUGGESTED THAT THE MISSION CONTINUE TO CLOSELY MONITOR THE PIPELINE LEVEL.

11. BUDGET: THE FY 96 BUDGET FOR MEXICO IS DOLS 36.136 MILLION, INCLUDING DOLS 19.5 MILLION FOR THE MEXICO NATURE CONSERVATION FUND AND DOLS 610,000 FOR ACTIVITIES FUNDED UNDER THE ENVIRONMENTAL INITIATIVE FOR THE AMERICAS. CHRISTOPHER

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82