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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D C 20523

G-CAP

PROJECT PAPER

CENTRAL AMERICA REGIONAL ENVIRONMENTAL PROJECT

AID/LAC/P-953

PROJECT NUMBER 596-0180

UNCLASSIFIED

A

2 COUNTRY/ENTITY: Central America
 3 PROJECT NUMBER: 596-0180

4 BUREAU/OFFICE: LAC 05
 5 PROJECT TITLE (maximum 40 characters): Central American Regional Environmental

6 PROJECT ASSISTANCE COMPLETION DATE (PACD): MM DD YY 12/31/00
 7 ESTIMATED DATE OF OBLIGATION (Under B below enter 1 2 3 or 4): 7
 A. Initial FY 95 B. Quarter 4 C. Final FY 00

8 COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY <u>96</u>			LIFE OF PROJECT		
	B FX	C L/C	D Total	E FX	F L/C	G Total
AID Appropriated Total	500	200	700	20,630	4,370	25,000
(Grant)	(500)	(200)	(700)	(20,630)	(4,370)	(25,000)
(Loan)	()	()	()	()	()	()
Other US						
1 NGOs				1,000	1,000	2,000
2						
Host Country		100	100		810	810
Other Donor(s)						
TOTALS	500	300	800	21,630	6,180	27,810

9 SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1 Grant	2 Loan	1 Grant	2 Loan	1 Grant	2 Loan	1 Grant	2 Loan
(1)	DA					25,000		25,000	
(2)									
(3)									
(4)									
TOTALS						25,000		25,000	

10 SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)
 11 SECONDARY PURPOSE CODE

12 SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
 A. Code
 B. Amount

13 PROJECT PURPOSE (maximum 480 characters)
 To develop and consolidate a Central American System of protected areas and promote a strengthened regional regulatory and enforcement framework for environmental management

14 SCHEDULED EVALUATIONS: Interim MM YY MM YY Final MM YY
 15 SOURCE/ORIGIN OF GOODS AND SERVICES: 000 941 Local Other (Specify)

16 AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)
 I certify that the methods of payment and audit plans are in compliance with the Payment Verification Policy

Signature: Gary Byllesby
 Gary Byllesby
 Controller

17 APPROVED BY: William Stacy Rhodes
 Signature: William Stacy Rhodes
 Title: William Stacy Rhodes
 Director
 Date Signed: MM DD YY 01/21/97
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Central American Regional Environmental Project
(Proyecto Ambiental Regional para Centro America)

"PROARCA"

- PROJECT PAPER -

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CENTRAL AMERICAN REGIONAL ENVIRONMENTAL PROJECT
(Proyecto Ambiental Regional para Centro America)

"PROARCA"

I EXECUTIVE SUMMARY

PROARCA has been developed in partnership with bilateral missions USAID/W and various Central American organizations. The goal of this approximately five-year \$25 million project is to promote the effective regional stewardship of key natural resources in support of sustainable development. Its purpose's are (1) to develop and consolidate a Central American system of protected areas, and (2) to promote a strengthened regional regulatory and enforcement framework for environmental protection.

PROARCA will have three major project components: I Central American Protected Areas System (CAPAS), II Coastal Zone Management (CZM), and III Environmental Protection. Under Components I and II, priority terrestrial and marine sites will be targeted for the application of concrete activities which apply the principles of biological diversity conservation and management, and provide key baseline and monitoring information. The underlying vision for these components is the establishment of a Central American "biological corridor" along the isthmus. The Environmental Protection Component will support the sustainability of these interventions and help control contamination threatening priority protected areas through upward harmonization of environmental laws and regulations throughout the region. This upward harmonization of environmental regulatory frameworks will take place within the context of the recent CONCAUSA agreement with the objective of establishing common or uniform environmental legislation, regulations and standards within Central America that meet the highest practical levels achievable and that ensure adequate environmental protection across the region.

The project will place major importance on a participatory process in achieving its objectives. Environmental consensus building through stakeholder identification and targeted public awareness efforts will be key activities. Technical and managerial advisory services provided through PROARCA will help build national and regional capabilities in support of a Central American System of Protected Areas and reduce environmental contamination across the region.

Primary counterparts and implementors will include the Central American Commission on Environment and Development (CCAD), national environmental and protected areas management agencies, the U.S. Environmental Protection Agency, and local and international NGOs.

II THE CHALLENGE *Statement of the Problem/Opportunity Purpose and Assistance Interventions*

A Regional Political Context

An enhanced regional consciousness and commitment is emerging in Central America for cooperative efforts in environmental management for the conservation of the region's natural resource base and the upward harmonization of its environmental laws. The first steps toward creation of both legal and administrative mechanisms to promote region-wide collaboration in these areas were taken in 1994 by Central American leaders through the negotiation and conclusion of an "Alliance for Sustainable Development" for Central America. At the October 12-13, 1994 Environmental Summit for Central America held in Managua, Nicaragua, the heads of State of all Central American countries signed the Alliance in the presence of Vice President Al Gore, who lauded the achievement on behalf of the United States Government.

The Alliance underlines the unequivocal political commitment by Central American leaders to promote sound environmental management across the region, in a completely collaborative fashion. The Summit of the Americas, held December 9-11, 1994 in Miami, resulted in definition of three major hemisphere-wide initiatives on the environment:

- (21) Partnership for Sustainable Energy,
- (22) Partnership for Biodiversity, and
- (23) Partnership for Pollution Prevention

A subsequent agreement was signed between the USG and the seven countries of the Alliance to support key regional environmental objectives specified under the partnership. This agreement provides the political imperative and consensus for the PROARCA Project. Through the signing of the Convenio Centro-Americano - USA, or "CONCAUSA" at the Miami Summit, the U.S. became the first partner of the Alliance. The CONCAUSA accord provides a regional policy declaration and strategic framework, endorsed at the highest political levels, for the project activities described below, and responds to the alliance partnership initiatives for biodiversity (22) and pollution prevention (23).

B Mission Regional Environmental Strategic Objective

USAID/G-CAP's environmental strategic objective is to achieve, "Effective regional stewardship of key natural resources in support of sustainable development in Central America." The term, "stewardship" implies management that protects and maintains the natural resource base while at the same time, fosters sustainable development of the region's resources through encouraging practices which are compatible with the needs of the population and within the limits of the ecological carrying capacity of the region. The phrase, "key natural resources" implies that activities will be focused both geographically and substantively on natural resources of highest value and significance to the region. It also

implies that activities will be strategic and catalytic i.e., that they will be chosen for maximum regional impact and for their ability to leverage and provide solutions and direction to the significantly larger pool of bilateral and multilateral assistance programs. Natural resources is taken in the full sense of the term to mean, the region's soil, air, water, flora and fauna -- the basic elements of sustainable growth. As reflected in the Strategic Objective (S O) Tree and Logframe included in the Annexes, this Project is the Mission's primary mechanism through which to achieve its Regional Environmental Strategic Objective. In addition to this project, complementary initiatives and activities are being designed and implemented to address the environmental problems of the Central American region. Initiatives related to municipal level pollution control and public awareness, managed by the Mission's Regional Housing and Urban Development Office (RHUDO) will support this S O , as will interventions in the energy sector (based in the CONCAUSA accord) which are to be carried out through Global Bureau projects.

C Agency/LAC Strategies

In fulfillment of USAID's Global "Strategies for Sustainable Development" this project will finance regionally appropriate interventions designed to conserve biodiversity, reverse destruction and contamination of the region's natural resource base, and promote environmental and developmental policies and practices that are sustainable. The LAC Bureau's Central American Environmental and Natural Resources Management Strategy (1989), is still fundamentally valid in its analysis of the major causal factors, its overall goal and its priority areas for concentrating support at both the regional and country levels. The design of PROARCA builds upon this strategy, and upon the lessons of the RENARM project which was developed to carry out that strategy.

D Non-Presence Countries

The future USAID "non-presence countries" in the region (Belize and Costa Rica) contain critical components of contiguous regional ecosystems, and are highly active members of regional environmental institutions, such as PROARCA's regional counterpart organization, the Central American Commission on Environment and Development (CCAD). Both countries play active roles in the development of the region's Alliance for Sustainable Development and the CONCAUSA accord negotiated with the U.S. (and are signatories to both agreements). It is clear that some degree of participation by Belize and Costa Rica is essential for the success of any program that attempts to address cross-border and region-wide environmental issues/problems. Appropriate project activities which are regional in character and which involve Costa Rica and Belize after FY 1996 will be financed to the extent authorized by USAID/W, based on a separate request for an exception to the Agency's policy regarding non-presence countries.

E Lessons Learned and Progress Made through the RENARM Project

PROARCA's predecessor project, RENARM (Regional Environmental and Natural Resources Management) focused on reducing environmental degradation through the widespread adoption of best management practices in protected areas management sustainable agriculture and forestry, increasing compliance by non-traditional agriculture exporters with U S pesticide regulations improving public awareness and increasing donor attention to key environmental issues and problems

1 Lessons Learned

The RENARM Project highlighted the critical relationship that exists between protected areas and buffer zones, and the importance of promoting compatible buffer zone uses such as organic agriculture and natural forest management

RENARM provided valuable models for working with both international and local NGOs for effective partnering and coordination in the management of protected areas It also demonstrated the importance and effectiveness of the regional and national networks of extensionists and trainers, who in turn have trained thousands of small farmers

The RENARM evaluation highlighted the important relationship between USAID/G-CAP the bilateral missions and host governments, and the need to involve Central Americans in project design and implementation Similarly, effective and regular communication between collaborators and national counterparts is key

The RENARM Project also studied and clarified the way in which the distribution of indigenous groups in Central America corresponds with the distribution of the region's remaining major forests RENARM's anthropological mapping study through the National Geographic Society in 1992, underscored the need to conserve the region's rich cultural heritage and knowledge of forest resources These and other lessons have been incorporated into the PROARCA design

2 Achievements/Progress

The evaluation of RENARM conducted in 1994 highlighted major project accomplishments including

- * The planting of multi-purpose, fast growing trees by an estimated 100 000 farmers
- * The large-scale adoption by participating farmers throughout Central America of a wide range of sound natural resource management and sustainable agriculture practices (including watershed management and integrated pest management) in protected area buffer zones as well as degraded areas undergoing restoration,
- * Increased compliance with U S pesticide regulations on the part of producers of non-traditional agricultural exports,

- * The advancement of national park and reserve management in Belize (including, more than 300 000 acres of new reserves) Costa Rica Guatemala and Honduras
- * The success of media campaigns on Central American biodiversity
- * The CA Presidents signing of the Biodiversity Treaty -- yet to be ratified
- * The "Green Book" approach to assessing the impacts of policies laws and incentives on environmental, economic growth and social welfare
- * The increase in the number, variety and capability of conservation NGOs

Despite RENARM's achievements and the important inroads made by bilateral USAID projects in Central America over the last five years, environmental degradation of the region's natural resource base continues to advance at an alarming rate with associated threats to human health. Furthermore, despite the successes of the RENARM Project cited above the evaluation also pointed out that the project lacked a unifying strategy and was too diffuse in its activities, limiting measurable region wide impact. By building upon RENARM's accomplishments and learning from its shortcomings, PROARCA is designed to provide regionally appropriate, high-impact support to areas critical to the protection and use of the natural resource base of the region.

F Project Goal & Purpose

The project goal is the effective regional stewardship of key natural resources in support of sustainable development. The project will complement and be complemented by additional USAID/G-CAP initiatives promoting regional economic integration and trade, strengthening of local governance and municipal-level pollution control and related public awareness interventions.

The project purpose is to develop and consolidate a Central American system of protected areas, by providing appropriate management models for terrestrial and coastal protected areas, and to promote a strengthened regional regulatory and enforcement framework for environmental management.

G Problem/Assistance Interventions

1 Component I Central American Protected Areas System and Terrestrial Protected Areas Management

Central America enjoys a diverse and valuable range of terrestrial and coastal ecosystems. These serve a critical biological function and provide the raw material for sustainable economic development. For centuries Central American ecosystems have played a critical role in the flow of genetic material between the Northern and Southern Hemispheres. In recent decades, this flow has become increasingly threatened by extensive deforestation, urbanization, and environmental contamination.

Conservation of biological diversity and protected areas has been a major focus of previous bilateral and regional environmental assistance in Central America. Significant progress has been made in designating national protected areas in terrestrial ecosystems, developing protected area legislation, establishing both a national and international presence in key protected areas, and increasing policy maker and public awareness nationally and regionally.

Under CONCAUSA, the Central American presidents have identified biodiversity conservation as a high priority and have specifically endorsed the establishment of a biological corridor (Protected Areas System) in Central America to preserve existing critical biodiversity habitats. Consistent with the CONCAUSA agreement, the objective of this PROARCA Component is the consolidation of a Central American System of Priority Protected Areas and the gradual ecological restoration and sustainable use of areas surrounding them.

The Central American Protected Areas System (**CAPAS**, or the **Regional System**) is envisioned as a network of key ecosystems which are interconnected through "corridors" of biological material, both terrestrial and marine. The critical ecosystems which make up the heart, or backbone, of the Regional System are called the **core** protected areas. Core protected areas are large, legally established (or to be established) parks and biosphere reserves in each country which are made up of a protected **nucleus zone** and another surrounding area called the **buffer zone**. The present priority is to improve the conservation and effective management of threatened ecosystems which form the backbone of the System through protection of the nucleus zone and promotion of compatible land uses in the buffer zones.

Under Component I, regional collaboration will be promoted to support the application of an upwardly harmonized set of environmental policies, international and regional treaties, as well as to monitor national accomplishments (or failures) in managing protected areas systems. The achievement of a functioning Central American System of protected areas will depend to a great extent upon the consolidation and effective management of each country's national system of protected areas. Initially, three protected areas will be targeted where specific interventions will be carried out to demonstrate effective models for broader regional application.

2 Component II Coastal Zone Management

The coasts of Central America and their associated coral reefs, mangroves and sea grass beds are a center of biodiversity of great economic importance for fisheries, tourism and other enterprises. These areas not only generate vast amounts of hard currency for the region but also serve critical ecological functions such as the natural filtration by wetlands in cleansing contamination. Yet these marine-coastal complexes have received far less attention than the terrestrial areas and are deteriorating at an alarming rate under the combined influence of increasing coastal populations, industrial and agricultural wastes, sedimentation from upriver deforestation practices, and over fishing.

Mangroves are being cut down for fuelwood and in the conversion of coastal areas to agricultural production, intensive mariculture, or construction of human settlements. Coral reefs, which are the most diverse and complex marine ecosystems analogous to tropical rain forests on land, have also suffered a dramatic loss of coral cover and associated marine organisms over the last two decades. A Smithsonian Tropical Research Institute (STRI) study off Panama's north coast, for example, documented a 25% loss in coral cover over an 8-year period.

Over the past 10-15 years, the first marine-coastal protected areas have been created and other major ones proposed. However, in general, poor governance and policies related to coastal zone management hinder the protection and sustainable use of even these designated protected areas. National and regional legal and policy frameworks are currently inadequate to ensure effective coastal zone protection. Responsibility for fisheries, marine and coastal habitats are often scattered among different government entities. Legislation and regulations either do not exist, are inadequate, or poorly implemented and enforced. PROARCA will address these issues while working in four priority coastal areas, only one of these is designated as a protected area, but as yet even this area does not have a viable management plan.

3 Component III Environmental Protection

To date, USAID/G-CAP's main environmental focus in the region has been on natural resource conservation, rather than on issues of environmental pollution and contamination. Environmental contamination from all the key sources, whether from domestic or industrial solid and liquid wastes, from air emissions of cars or industries, or pesticides from agricultural activities, remains largely unaddressed throughout the region. Regional legislative frameworks as well as existing institutional capacity to implement and enforce current laws and regulations remain inadequate to stem the tide of increasing environmental contamination.

The CONCAUSA agreement expresses the political will of the countries in the region, at the presidential level, to strengthen environmental legislation across the region and to harmonize legal frameworks, as well as to focus on specific environmental contamination issues such as

pesticides and lead. This project Component will provide the mechanism for supporting an adequately harmonized environmental legislative and regulatory framework regionally as well as providing support needed to prioritize and focus environmental protection strategies and to implement and enforce environmental laws and regulations.

III PLAN OF ACTION

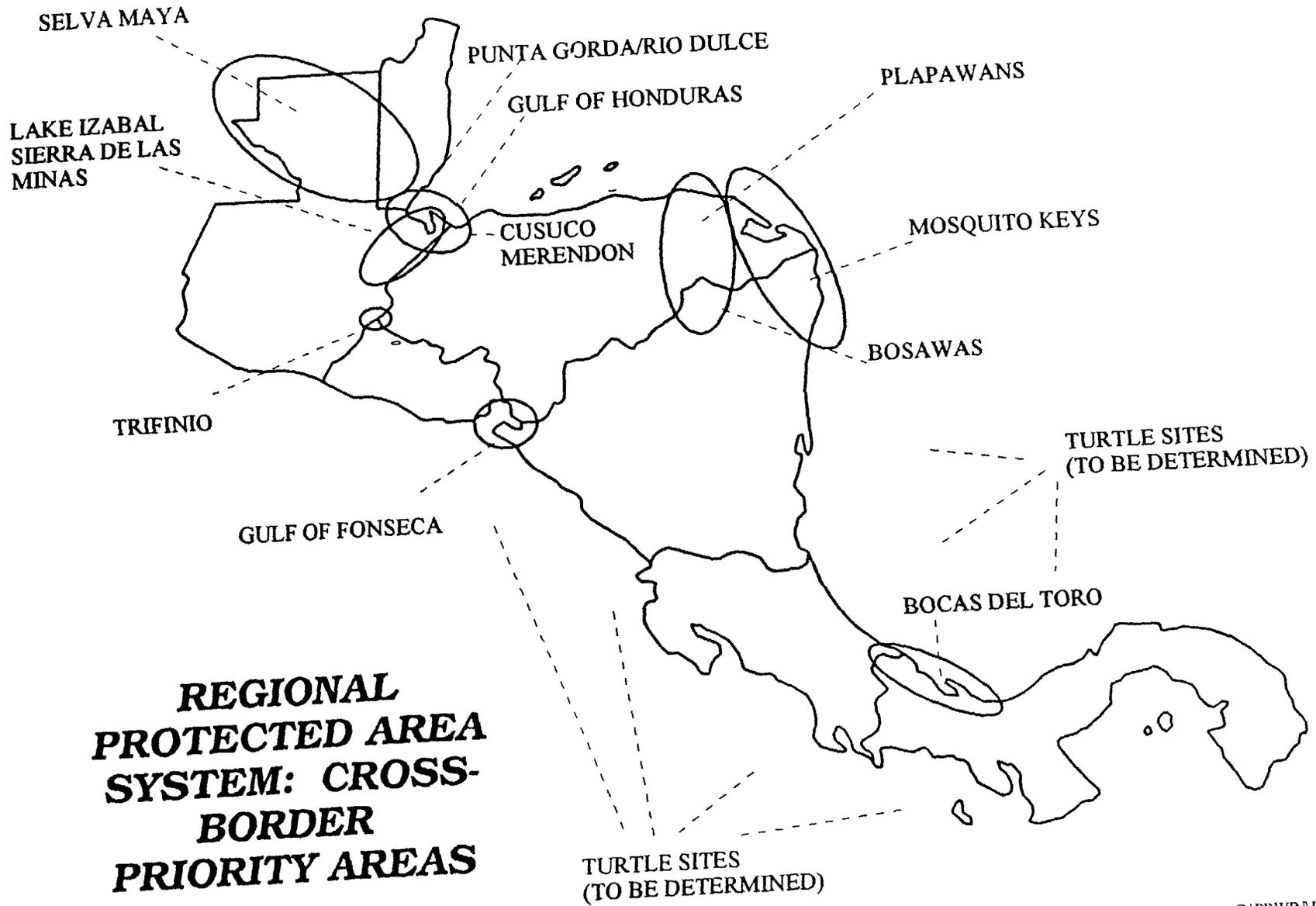
A Overview

The project's scope of operations will be strategic and catalytic. It will focus on issues/problems that are intrinsically "regional" and where the principle of "economies of scale" applies. It will complement bilateral USAID projects and work closely with Central American (CA) Missions in field testing and synthesizing policy alternatives and methods of regional application. Specific field-based activities within Priority Project Areas are envisaged for cross-border areas and areas of high regional priority not covered by bilateral projects, (see Figures 1 and 2).

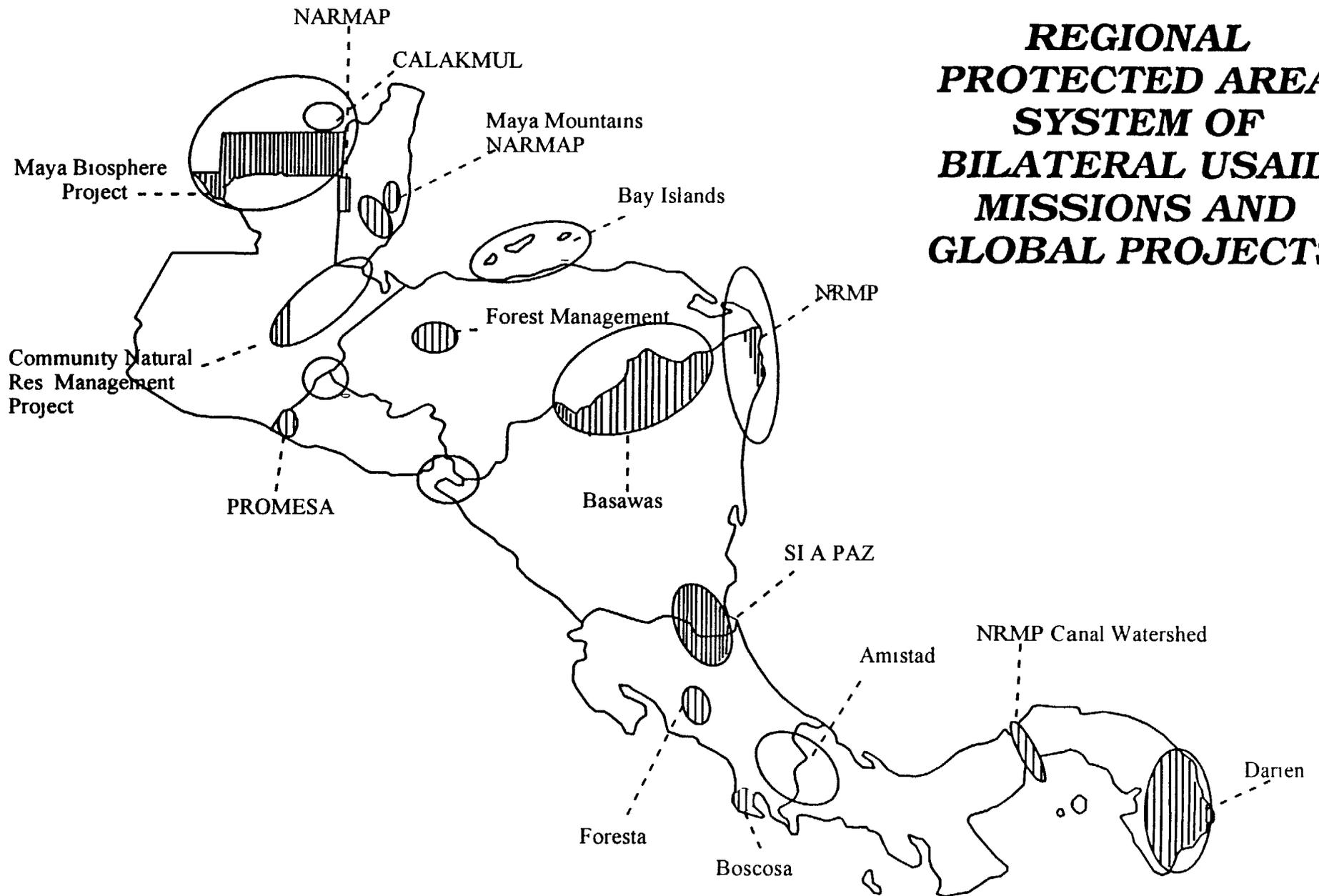
A combined bilateral-regional USAID Project Steering Committee will coordinate PROARCA implementation with USAID bilateral environmental programs. Through review of work plans and periodic meetings, the Committee will identify problems of mutual concern, monitor results and thereby strengthen and develop synergy between USAID's efforts at the regional and bilateral levels. Day-to-day implementation will be directed by a Management Unit chaired by the Project Officer with representation by each of the principle partners in implementation, i.e. the Team Leader for the institutional contractor, the CCAD Executive Secretary, EPA/PASA Coordinator and PVO partners.

B Component I Central American Protected Areas System (CAPAS) and Terrestrial Protected Areas Management

PROARCA will carry out, in conjunction with bilateral missions, host country agencies and stakeholders, an ecological gap analysis. This analysis will evaluate current levels of biodiversity to determine whether all key ecosystems and areas of high biodiversity are included in the national protected areas system. In association with this effort the Project will support establishment of uniform criteria for selecting core protected areas (their buffer zones and regions of influence) to be included in the regional Protected Areas System and will support the Central American Commission for Environment and Development (CCAD) as coordinator of donor activities within this System. CCAD is the regional treaty organization supported by all seven Central American countries to specifically address environmental and natural resource management issues. (See also Annex VIII C, Institutional Analysis CCAD)



REGIONAL PROTECTED AREA SYSTEM OF BILATERAL USAID MISSIONS AND GLOBAL PROJECTS



This figure is provided only for illustrative purposes, to indicate general coincidence with PROARCA priority areas

Additional examples of the types of activities to be conducted in collaboration with CCAD bilateral missions and other donors include

- Identification by national systems of priority protected areas to be included in a regional system
- Analysis of the existing deficiencies in legal and policy frameworks for ensuring effective coastal area protection
- Analysis of policies and laws that promote the use of funds raised through revenue generating activities for park management and financial sustainability
- Information dissemination and exchange at the regional level in support of national protected area programs, (e.g. sustainable financing mechanisms/practices)
- Organization of regional fora for monitoring and strengthening national protected area systems
- Facilitation of regional scientific and policy exchanges and the linking of area managers through regional information networks

Under this Component, at least three major protected areas will be targeted in the initial phase of the project where specific interventions will be carried out to demonstrate effective models for broader regional application. The prime institutional contractor responsible for implementation of Component I will be authorized to administer grants to local NGOs to operationalize community involvement and project implementation at target sites within the terrestrial priority protected areas. USAID/G-CAP will not be involved in the direct management of the individual priority areas.

The criteria for selection of the targeted priority protected areas are (1) biological importance, (2) relative size, (3) strategic contribution to the regional system of protected areas (4) division by an international boundary, or other special regional conditions (5) the extent to which adequate assistance is being provided from other sources, and (6) demonstrated economic and financial sustainability of proposed activities at the location. The following list of priority areas was selected jointly by G-CAP and bilateral missions for initial attention under these criteria, other regionally important protected areas may also be addressed through the project over time, such as Si-A-Paz, Amistad, Darien, etc.

La Mosquitia Corridor (Honduras/Nicaragua)

The Mosquitia Corridor forms the largest biological corridor in Central America. It includes the Rio Platano Biosphere Reserve in Honduras, which is the last large forested area in the country, as well as the Tawaka Asangni Biosphere Reserve, the Cordillera Entre Rios National Park and the Bosawas Biosphere in Nicaragua. This area is critical habitat for the harpy eagle, the giant anteater and hundreds of other species nearly extinct in Central America.

Port of Honduras, Rio Dulce, Merendon (Belize/Guatemala/Honduras)

This area runs from the Port of Honduras and Punta Gorda in Belize, through Sarston-Timach on the Belize/Guatemala border, to Rio Dulce, Sierra San Gil and Sierra Del

Merendon (Guatemala/Honduras border) The terrestrial area along the coast contains critical and extremely diverse fauna and flora. The management of this area has direct implications for priority coastal zone protection (see Component III). A part of this area has already been the focus of regional conservation efforts under the RENARM Project. PROARCA will seek to consolidate these conservation efforts into a tri-national sub-regional protected area system.

Selva Maya and Maya Mountain Corridor (Mexico/Guatemala/Belize)

The Selva Maya represents 20% of Guatemala's territory and has been the focus of a tri-national effort (Guatemala/Belize/Mexico) to conserve the contiguous block of natural forest that link the Calakmul, Montes Azules, Rio Bravo and Montañas Maya. The sub-region is home to 50% of all bird species in Guatemala and contains over 2000 archeological sites of the ancient Maya civilization. A large part of the Maya Mountain Corridor is still unspoiled, providing critical habitat for large mammals (such as the jaguar), migratory birds, rare butterflies and other threatened species. Yet it is under increasing pressure from subsistence and commercial agriculture, forestry, cattle, and other activities in both Guatemala and Belize. Under RENARM, major investments have been made in the Maya Biosphere Reserve. However, the Maya Mountain Corridor in Belize has received little external support or national attention to-date despite its regional ecological importance.

1 Protected Area Management Plans

PROARCA will assist in the preparation of management and operational plans for the targeted protected areas where these are lacking or outdated. Management plans for the core protected areas will focus on preserving the integrity of and protecting all components of biodiversity present in the areas. Plans will include boundary demarcation, park protection and enforcement, resolving the park's legal status, addressing the park/people interface, visitor management and access planning.

2 Compatible Land-Use in Buffer Zones

Because of the critical role that buffer zones play in conserving biodiversity and reducing threats to continued protection of that diversity, PROARCA will support mechanisms for improving management of natural resources in buffer zones for the targeted sites. Compatible uses such as shaded coffee, organic agriculture, or natural forest management will be promoted through small grants to local NGOs and sub-contracts with regional institutions. Pilot activities under these grants/contracts will demonstrate the economic viability and desirability of compatible uses in buffer areas, and will provide mechanisms for involving communities.

3 Financial Sustainability

Models of fiscal self-sufficiency for biodiversity conservation and sustainable use will be a major objective of PROARCA. The Project will identify and develop sustainable financing

of parks and protected areas. Use of park entrance fees, hotel fees, separate national conservation budgets, a regional biodiversity conservation fund, and development of regional institutions to manage such funds will be explored.

4 Public Involvement

In order to increase public involvement in managing protected areas and their buffer zones, the project will seek opportunities for community participation, such as establishing local fora for conflict resolution and environmental awareness.

C Component II Coastal Zone Management

Virtually all coastal resources are impacted across national boundaries. However, it is not possible for PROARCA to support the implementation of activities in all critical regional coastal areas. The Project must therefore target a small number of coastal areas where effective models for protection of core areas may be demonstrated and then adapted for application at the national and regional levels.

The choice of where specific demonstration activities will be implemented must be made through the Project Management Unit in collaboration with host governments and associated USAID bilateral missions. To guide this effort, the following four priority protected areas have been pre-selected at the sub-regional level. They were selected in consultation with bilateral missions and coastal area experts based on their biological importance and the "regional nature" of the problems to be confronted.

Central American Barrier Reef and Gulf of Honduras

The barrier reef, which extends from Southeast Mexico through Belize to Guatemala and the Gulf of Honduras, is the largest in the western hemisphere and is second only in the world to Australia's Great Barrier Reef. The coastline is relatively unspoiled, but is severely threatened by misuse and contamination by the rapidly expanding tourist industry, conversion of uplands and coastal watersheds to farm land, and destructive fishing practices.

La Mosquitia Coastal Zone - (Honduras/Nicaragua)

This coastline of coral reefs, lagoons, wetlands and beaches is the most pristine of the areas considered under this component due largely to its relative inaccessibility and low population levels. Although this area plays a central role in the sustainability of large scale fisheries in Central America, it is inhabited primarily by small artisanal fishing communities.

Sea Turtle Nesting Sites (Belize/Guatemala/Honduras/Nicaragua/ Costa Rica/Panama)

Virtually every sea turtle species in the world appears on the endangered species list. At the same time, within the Western Hemisphere there is no area more critical to their survival than the coasts of Central America, for its beaches serve as the most concentrated sea turtle rookeries anywhere in the world. Yet a serious decrease in the number of nesting turtles across the region testifies to the intense pressures from uncontrolled harvesting of eggs, the

construction of beach front homes and hotels, shrimp trawling practices which inadvertently kill an estimated 20,000 turtles each year off of just one country's Pacific coast and intensified mariculture. Pilot efforts have demonstrated that these threatening pressures are almost always amenable to improved planning and management practices. This is particularly true when such plans and practices are developed in collaboration with local communities.

The Gulf of Fonseca (Salvador/Honduras/Nicaragua)

This tri-national gulf is under increasing pressure from conversion of mangroves and mud flats to shrimp ponds, contamination from urban and agricultural runoff and siltation from deforestation in the upper watershed. PROARCA activities in this area however will be contingent on the development of a tri-national agreement and serious commitment by the three Central American countries involved to address the coastal problems in this gulf. In the absence of such a political agreement PROARCA will provide more limited support for this coastal area through activities such as Green Book policy analysis workshops but will not get deeply involved in more extensive targeted activities in the area.

Bocas del Toro (Panama-Costa Rican coast line)

The Bocas Del Toro Archipelago is located on the extreme NW corner of Panama and bordering Costa Rica. One of the five islands and two keys included in the archipelago has already been declared a national marine park, and Indigenous Reserve. The archipelago is rich in biodiversity. Each island presents unique flora and fauna of scientific importance. Sea turtles are abundant in the area. Laguna Chiriqui provides important habitat for Green Sea Turtles. Puma and jaguar are found in the upland watershed. Although still relatively pristine, tourism is increasing rapidly and the reefs are threatened as indicated by a study in a small area off Panama's north coast which documented a 25% loss in coral cover over an eight year period. The extent, distribution and cause(s) of this deterioration are not known.

In addition to the areas described above, other crossborder coastal areas can be considered by the Project Management Unit as appropriate.

1 Implementation

Under this Coastal Zone Component, the U.S. NGO/PVO recipient of the Cooperative Agreement will design and implement a strategy for effective regional stewardship of selected coastal areas. The strategy will be implemented through an "umbrella" sub-grants program. Sub-grants will be awarded to maximize their strategic and catalytic impact within each selected area and within the region as a whole. Sub-grants will be strategic in their ability to demonstrate solutions to CZM problems of high priority. They will be catalytic in their ability to mobilize additional resources, induce spill-over effects beyond specific demonstration sites and bring about measurable change throughout the region. They may be focused on specific demonstration sites within priority protected areas or on an entire protected area. They will be awarded to communities, local NGO's, and other concerned parties. At a minimum, they will gather baseline data, increase public awareness of CZM

issues, develop and implement conservation and sustainable use practices and management plans, provide and strengthen local fora for discussion and negotiation of management plans and policy issues tied to sustainable use of coastal resources, and monitor progress against PROARCA SOs

a Baseline Assessment

It is anticipated that baseline assessments will be carried out for each project intervention area and activity included in the Recipient's intervention strategy through remote sensing and detailed field surveys. Baseline assessments can serve as benchmarks against which to measure progress under relevant performance and program output indicators discussed above. Under Performance Indicator 2, reduced degradation of selected coastal areas and contributing watersheds, marine fauna and flora must be monitored over time to detect changes resulting from improved CZM. The applicant may wish to tie monitoring approaches for individual sites to regional monitoring systems such as CARICOMP.

Surveys and assessment may also be carried out, as needed, in the five high priority coastal resource areas to provide the basis for determining local area needs and priorities necessary to establishing management plans.

b Coastal Zone Management Plans

Based on the baseline assessment and drawing from existing scientific surveys and data for the priority protected areas, the Recipient will have to plan to provide technical support for management plans for the coastal and marine areas targeted within the Recipient's strategy. These plans should be community-based and developed through participatory process. They should include mechanisms for ensuring sustainable use of high priority coastal and marine areas, while establishing and protecting marine parks.

In the case of protecting sea turtle rookeries, plans for long-term management of nesting sites might include control of poaching, training of protected area staff, and management of ecotourism. Specific activities should be designed based on the local situation and status of important nesting beaches in the region, as determined in the baseline assessment.

c Pilot/Demonstration Projects

The Recipient may implement field projects, at selected sites within the targeted priority coastal areas, to demonstrate replicable solutions to coral reef/coastal zone management. Demonstration projects would test economic viability, compatible use of coastal resources with ecosystem conservation. The types of activities proposed will depend on the Recipient's strategy.

d Financial Sustainability

The Recipient must provide technical assistance for assessing appropriate user fees or taxes in coastal area management plans for the selected sites. The types of financial mechanisms that could be promoted include specific taxes on hotels or other tourism activities in these coastal areas and fees or licenses for activities that directly impact on coastal areas such as fishing or diving licenses.

Economic and financial feasibility must be a criterion against which all potential sub-grants/contracts are evaluated. Pre-award feasibility analyses must include determination of resources required to assure minimum protection and management resources available and alternative sources and strategies for meeting the shortfall.

e Public Involvement

The recipient will design and implement community-based environmental education and awareness programs in the selected demonstration sites, stressing community involvement and participation. These programs will help build and sustain the capacity of local communities to better manage and benefit from protection and/or sustainable use of their coastal and marine resources. Lessons learned and models for ensuring effective public involvement in coastal zone management will be developed and disseminated under the recipient's regional CZM strategy.

D Component III Environmental Protection

Based on a collaborative process, this Component will address pollution issues related to the regulatory and legal frameworks especially those addressed by GATT and NAFTA. The mission will engage USG entities such as the EPA and USTR in this process as appropriate. Examples of issues that are of immediate concern include

- Promoting pollution prevention and clean technologies over end-of-pipe treatment wherever possible, which have been shown to provide direct economic benefits to businesses in the short and long-term as well as reducing the need for waste treatment and disposal, or production of toxic substances,
- Incorporating the costs of pollution in the cost of doing business so that it is more costly to pollute than not to pollute, thereby ensuring economic growth that is sustainable environmentally and does not result in long-term social and economic devastation,
- Effective public participation in problem identification, problem-solving, rule-making and right-to-know,

- Leveraging and directing USG (USAID and USEPA) and other donor and private resources through a coherent participatory regional strategy
- Establishing the mechanisms and professional networks for effective technology transfer, both regionally and globally

In addition to the activities financed under PROARCA the Mission is refocusing the municipal problem-solving activities under the LOGROS Project on urban pollution prevention, particularly as it affects vulnerable areas such as inland and coastal watersheds

1 Environmental Risk Assessment and Prioritization

The purpose of the environmental risk assessment will be to identify and prioritize Central America's growing pollution problems and determine through participatory mechanisms the priority legislative, policy and strategic actions for resolving these

a Regional Risk Assessment

A regional comparative environmental risk assessment will be conducted in the first year to reach consensus on and prioritize the major pollution problems in the region. This assessment will build on the recent RHUDO report on regional urban pollution and the World Bank funded National Environmental Action Plans either completed or underway in Guatemala, Salvador, Honduras, Nicaragua, and Costa Rica as well as any other pertinent studies. The World Bank sponsored National Environmental Action Plans in particular provide comprehensive environmental risk assessments and prioritize the strategic multi-sectoral actions required to address the key natural resource deterioration and environmental contamination problems within the relevant socioeconomic and institutional contexts

The regional risk assessment will be developed through a participatory process coordinated by the CCAD that includes key regional stakeholder, such as representatives from national and local government, NGOs, private sector and special interest groups. Through a series of regional stakeholder meetings the regional policy makers, implementers, enforcers and compliers can rank the environmental contamination priorities using agreed criteria, set reasonable environmental management goals, identify the most feasible risk management actions to meet these goals, identify ways to measure progress toward each environmental management goal, and identify responsible parties for taking the next steps toward full implementation of the selected risk management actions and for measuring progress toward the goals

Ideally, this process will result in the development of a regional Action Plan with concrete commitments reached and immediate actions identified and implemented

b Regional Environmental Legislation

The second, and complementary part of this task will be to compile and synthesize existing environmental legislation in Central America thereby allowing for identification of critical areas where additional legislative and regulatory strengthening are required both at the national and regional levels in order to address priority environmental problems. Legislative and regulatory review will also consider where national legislation is inadequate and where there is excessive variability in environmental legislation and regulations regionally that would require upward harmonization. Such harmonization is even more critical in the context of anticipated economic integration regionally through sub-regional GATT consistent trade blocks.

The legislative analysis will also assess existing legislation in relation to the NAFTA and GATT environmental requirements and in relation to existing international treaties and conventions that directly address environmental contamination issues such as the Basel Convention for toxic wastes. This assessment will help determine whether the Central American countries are signatories of the key treaties and conventions and what progress has been made to-date in implementing such treaties or conventions.

c Management Risk Assessment

Third, based on the above, a management risk assessment will be conducted to evaluate each country's capacity to address the priority environmental contamination risks, implement current laws and design a viable environmental protection program. Institutional capabilities will be of particular concern, at both the national, as well as municipal levels in those countries where decentralization and municipal control now form an increasing and integral part of national environmental protection, but where municipal administrative and financial capacity is still extremely weak. Given differences in judicial systems and other enforcement mechanisms from country to country the assessment will examine the effectiveness of different models, such as separate courts, specialized prosecutorial units, ombudsmen and civil versus criminal penalties, and build from lessons learned and experiences in addressing similar problems at the different national levels.

2 Services on Demand by Environmental Professionals

To support the upward harmonization of environmental laws, standards and regulations and overall objectives of the project, PROARCA will draw on a roster of environmental professionals. These professionals can include government officials, university professors, NGO environmental experts, private sector engineers who have implemented pollution prevention methods within production processes, or those involved in developing cleaner technologies. As urbanization and industrialization increase, projects directed at recycling, minimization of solid waste, industrial clean-ups and the creation of microenterprises for wastewater and potable water will constitute important elements of the technical regional

exchange. The environmental professionals identified through the roster will provide technical assistance on demand, in certain key areas such as

- * Advise on modification of legislation, standards and other means to achieve compatible, upwardly harmonized, environmental protection programs throughout the region
- * Strengthen environmental enforcement capabilities in the region
- * Provide a mechanism for information and technical exchanges on environmental risk assessment and environmental policy issues,
- * Promote environmental impact assessment as well as environmental monitoring programs,
- * Identify and promote appropriate economic incentives, clean technologies and trade benefits to achieve environmental compliance

3 Upward Harmonization of Central American Laws and Standards

Achievement of harmonized legal frameworks and environmental standards will serve as the foundation for ensuring adequate levels of environmental protection. Focus will be on (1) establishing minimum environmental standards to regulate key regional contamination concerns, beginning with pesticides and lead (both identified as priorities under CONCAUSA), (2) promoting pollution prevention as the preferred mechanism to achieve such standards, (3) establishing effective monitoring and enforcement mechanisms

Regional upward harmonization will need to consider weak existing administrative, legal, and financial capacity at the national level, and the long-term process required to institute new environmental legislation. National frameworks for environmental regulation will need to effectively incorporate local authorities, particularly for the municipal provision of services such as solid waste management, and respond to the challenge of dealing with the widespread heterogeneity among municipalities. Harmonization will also focus on integration of both "brown" and "green" environmental laws in recognition of the inter-relationships between these, and coordinate work both underway and planned by USAID bilaterals and other donors.

Relevant experiences and lessons learned from Central American countries that have developed and implemented a framework for environmental regulations will serve as a model for other countries. In support of a Central American Protected Areas System, this component will promote compliance with regional and international conventions, treaties, and other legal agreements and actions related to biodiversity conservation, (such as CITES, RAMSAR, and Regional Biodiversity Convention)

a Minimum Environmental Standards

In general, the Central American countries have yet to establish adequate minimum environmental standards that effectively implement existing environmental legislation to

control contamination. In Guatemala, for example, existing industrial effluent discharge limits cover few industries and establish levels that are inadequate to achieve adequate water protection, while regulations to control air emissions from either stationary or mobile sources are non-existent. Harmonization will therefore also focus on establishing consistent regional environmental standards. These will further serve a critical role in future regional trade negotiations by ensuring that region environmental laws and regulations are consistent with the requirements under NAFTA and GATT. In accordance with the CONCAUSA agreement, PROARCA will specifically develop and implement regional harmonization of pesticide environmental standards and enforcement as the first priority focus area.

b Pollution Prevention

Pollution prevention and the focus on sustainable industrial practices or clean technologies can be an effective tool for achieving environmental standards and will receive a priority focus under this project. Whereas managers in industry view pollution control equipment as only an added cost with no direct economic benefit to their enterprises, pollution prevention can result in direct economic savings over the short- and long-run because of reduced operating costs and greater productivity. Concentration should therefore be on substituting less toxic materials input, reformulating processes to reduce the need for toxics, redesigning products to reduce toxic constituents, improving operations and maintenance and instituting recycling or closed loop processes. Environmental legislative and regulatory harmonization and strengthening will include mechanisms to promote and foster pollution prevention and clean technologies as the preferred approach to environmental protection. The focus on pollution prevention will also ensure more environmentally sustainable industrial processes that will be less dependent on compliance monitoring and enforcement.

c Monitoring and Enforcement

Within this activity, the legislative basis for environmental monitoring and enforcement will also be harmonized. This will include the mechanisms for monitoring environmental contamination and compliance with environmental standards (such as industrial monitoring and reporting requirements), legal enforcement mechanisms such as the establishment and definition of viable and effective fines and penalties, and the judicial role and structure for applying these.

Design of an effective monitoring and enforcement system will help ensure that the costs of environmental contamination (and its prevention) are internalized in the cost of doing business, rather than remaining purely a social cost. At present, it is less costly to contaminate the environment than it is to prevent or treat such contamination, since pollution carries no real (short-term) cost or risk, whereas pollution treatment or prevention requires an immediate financial outlay.

4 Improving Implementation and Enforcement of Environmental Laws and Regulations

Building on the foundation of a harmonized environmental legislative framework, the project will also focus on providing support for improved implementation and enforcement of environmental laws and regulations. This will involve, for example, support in the analysis of resources required and available, for the implementation of a viable enforcement system (such as existing analytical capacity at the laboratory level, assignment and training of enforcement officers) and development of national monitoring programs/plans that clearly define roles of the government in relation to other sectors. For example, a national monitoring program could define the responsibility of the private sector and polluting industries in collecting and analyzing air or water samples to determine whether discharge levels are within existing standards and the frequency and reporting of such monitoring.

Effective enforcement will involve not only upgrading and strengthening institutional capabilities, but also a participatory and potentially negotiatory process to involve the private sector or contaminating industries directly in problem solving and concrete commitments to comply with environmental laws and regulations. This will be critical within the Central American context given the extreme deficiencies that exist at the governmental level and that will continue to exist for the foreseeable future. The private sector, as represented by organizations such as national Chambers of Commerce and Industry Associations, have already begun to play a more active role in trying to influence environmental legislation, address governmental deficiencies and provide environmental education on specific contamination problems such as pesticides. This project will seek to tap into the growing awareness and activism being shown by this sector to ensure an open, though managed dialogue so that they become part of the solution rather than only the source of the problem.

PROARCA will also support strengthening of governmental and other institutional capabilities through technical assistance and training to ensure the availability of a cadre of environmental professionals able to conduct environmental monitoring, and able to enforce laws and regulations when these are violated. In order to determine whether environmental laws and regulations are being enforced, the number of enforcement actions will be collected annually and compared against a baseline of enforcement actions obtained during the first year.

IV DEFINITION OF SUCCESS

A Strategic Objective: Effective Regional Stewardship of Key Natural Resources

In order to achieve this strategic objective, this project seeks to ensure effective regional stewardship of key natural resources through establishment of a viable regional system of protected areas and buffer zones, coastal and marine protected areas and reduced contamination of the natural resource base through strengthened and harmonized legal frameworks. The three program outputs which will be specifically addressed are

- (1) Improved management of a regional system of protected areas and buffer zones under which the region's cross-border protected areas of highest value will be protected and compatible land use practices fostered in the surrounding buffer zones (Component I)
- (2) The region's unique and valuable coastal resources will be protected through improved management of key coastal areas and immediate watersheds (Component II)
- (3) Regulations and policies that affect key natural resources will be strengthened and effectively enforced across the region (Component III)

In order to monitor progress toward achievement of the strategic objective and three Program Outputs, an important component of PROARCA will include collection of baseline and periodic data on the performance indicators listed below

Every six months, the institutional contractor will assess progress against each performance indicator and issue a Project Monitoring Report to the USAID/G-CAP Project Officer. This will measure the effectiveness of PROARCA activities and provide the opportunity to increase project effectiveness in achieving the strategic objective

B Performance Indicators

1 Conversion of Natural Cover/Deforestation Trends in Selected Protected Areas

Deforestation rates will be measured in parks and protected areas selected for project intervention. Through the use of satellite and low altitude aerial photography, baseline forestry cover and deforestation information will be gathered for these areas, and changes in forest coverage (in km²) will be compared over time. Deforestation trends in these protected areas can then be compared to the rates of deforestation in effect at the onset of the PROARCA project.

2 Reduced Degradation of Selected Coastal Areas and Watershed Resources

Improvements in coastal and marine ecosystem conservation will be monitored through changes in the indicator species populations of the coastal/marine protected areas. The appropriate indicator species to be monitored will be determined on a site-by-site basis but could include coral, mangroves, turtles, and indicator fish. Measurement methods will be compatible with the Caribbean Coastal Marine Productivity Project (CARICOMP) system and will be tailored to the indicator species, such as biological transects, coral skeleton examinations, aquatic population census studies or analyses of rates of recruitment and growth.

C Program Outputs (Project Purpose)/Indicators (End-of-Project Status)

1 A Regional System of Protected Areas and Buffer Zones Established

- a Program Output Indicator #1 Priority Protected Areas (PPA) borders established and protected

Previous experience shows that communities tend to recognize and respect borders when these are physically obvious and clearly marked or identified. Without borders clearly established and protected, protected area managers are unable to control trafficking and use within protected area boundaries. This is largely the situation that currently exists in virtually all designated protected areas. As a result, PROARCA will determine the percent of targeted protected areas having borders which have been established and are protected at the onset of the project and the increase in the percent established and protected by the end of the project. Established borders mean those which have been demarcated. Protection will be defined as and measured through a physical presence in the area (regular patrolling of the border areas) that effectively prevents or reduces incompatible activities in the park.

- b Program Output Indicator #2 Financial self-sufficiency of parks and protected areas

The establishment of a protected areas management system that is viable in the long-term will require adequate financial resources. In addition to national and regional political will, mechanisms such as user fees, taxes, and concessions, that help ensure financial self-sufficiency of parks and protected areas are therefore one indicator of success. Through the budgets of selected parks and protected areas, PROARCA will determine the level of financial self-sufficiency at the onset of the project, as well as changes in this level over the course of the project. The level of financial self-sufficiency will be measured through the percent of park or protected area operating costs that are derived from secure core funding, user fees, taxes, concessions or other relatively sustainable financing mechanisms.

- c Program Output Indicator #3 Number of PPA where economic incentives and policies are in place and operating

To ensure the long-term viability of effective protected area management, PROARCA will promote and monitor the establishment and implementation of economic incentives and policies for maintaining protected areas as such. This will include developing a list or policy matrix of policies which have direct and indirect effects on PPA and buffer zones and identifying changes in policies which are needed to support PPA. Monitoring will consist of an assessment of policies subsequently adopted at the national levels that provide economic incentives for protecting designated areas.

2 Improved Management of Selected Regional Coastal Resources and Contributing Watersheds

- a Program Output Indicator #1 Number of marine parks established

PROARCA will be targeting improved management and protection of specific key high priority coastal/marine areas. However, very few of these areas are officially recognized and as protected as marine parks. Therefore, in order to determine whether management of these areas is improving over time, PROARCA will monitor the number of marine parks established and effectively protected over the course of the project.

- b Program Output Indicator #2 Financial self-sufficiency of marine parks

To determine the long-term sustainability of marine park management and protection, PROARCA will review marine park budgets and assess the percent of park management revenues derived from user fees, taxes, or other sustainable sources.

3 Improved Enforcement of Harmonized Environmental Regulations and Policies that Control Contamination of Key Natural Resource Areas

This program output refers to the environmental protection component which seeks to more effectively control environmental contamination, through the establishment and improved enforcement of harmonized environmental regulations and policies to prevent the adverse impacts on human health and on key natural resources.

- a Program Output Indicator #1 Legislation adopted to address key threats

Given the current deficiencies in environmental legislation within the region, PROARCA will initially develop a matrix of existing Central American environmental legislation designed to control contamination. Progress in improving environmental protection will then be measured through adoption of harmonized legislation by Central American countries in the priority contamination areas. For example, pesticides and lead have already been identified as high risk areas under CONCAUSA and priorities for legislative harmonization and targeted program activities. Thus, PROARCA would determine how many Central American countries adopt harmonized legislation for controlling contamination from pesticides and lead as compared to the baseline status.

- b Program Output Indicator #2 Increase in the number of enforcement actions (administrative judicial) taken

To determine the effectiveness of environmental legislation PROARCA will determine how well the legislation is being enforced This will be measured through the number of enforcement actions taken by governmental institutions during the course of the project in selected contamination areas (such as for pesticides or toxic waste disposal) The current history of extensive non-compliance and non-enforcement of laws and regulations suggests that during the five-years projected for PROARCA enforcement actions would be a suitable indicator of governmental attempts to increase compliance and environmental protection Over time however it would be anticipated that compliance with environmental legislation would become the norm and enforcement actions could eventually decrease without compromising environmental protection

D Expected Project Outputs

1 Component I CA Protected Area System and Terrestrial Protected Areas Management

- * Transfer of skills to enable Central American counterparts to effectively carry out protected areas management and environmental programs
- * Management and operational plans for targeted protected areas
- * Demonstrated economic viability and desirability of compatible land-uses in buffer zones
- * Financial mechanisms, such as user fees or taxes, are in place at targeted protected areas and are used for park management
- * Increased public awareness and involvement in National Protected Areas Management

2 Component II Coastal Zone Management

- * Development of Coastal Area Management Plans for targeted PROARCA coastal protected areas
- * Implementation of compatible land use activities in the selected coastal protected areas through demonstration projects
- * Incorporation of laws, policies and economic incentives for coastal area protection within legal and policy frameworks
- * Implementation of legislation and policies that protect sea turtles (such as requiring all fishing boats to use turtle excluder devices)
- * Regional forum/conferences held on key coastal resource protection themes
- * Use of financial sustainability mechanisms within the targeted coastal protected areas for park management
- * Communities, local NGOS and other relevant parties initiate activities that promote coastal area protection, supported by the sub-grants program

- * Implementation of environmental education and awareness programs in selected demonstration sites

3 Component III Environmental Protection

- * Stakeholder consensus reached on the priority regional environmental contamination problems and strategic actions needed (Regional Action Plan)
- * Matrix of regional environmental laws, standards regulations and enforcement practices, which describes the status of legal frameworks in each country
- * Assessment of national institutional and management capacity for implementing environmental protection policies and programs
- * A regional environmental risk assessment which prioritizes the most critical areas for action and allows for targeted actions and donor coordination will have been developed and consensus reached through stakeholder participation
- * An analysis of national and regional environmental laws and standards and areas where harmonization is needed will have been completed and be the basis for harmonization efforts
- * Management capabilities and institutional responsibilities for addressing environmental risks within each country will be identified to allow for targeting of training or other technical assistance and support required
- * Directory/roster of environmental officials and experts from the U S and Central America
- * Establishment and maintenance of a common data base of information on environmental laws, regulations and enforcement practices among countries

V ANALYSIS OF FEASIBILITY, KEY ASSUMPTIONS AND RELATED RISKS

The purpose of this section is to provide the approving officer with a clear understanding of the issues examined during project development and the risks associated with the proposed project before authorization. Key risks to project success and sustained impact and conclusions reached during design are discussed below and recommendations are made on how to monitor these risks during project implementation.

A CONCAUSA and the Central American Alliance for Sustainable Development

Much of PROARCA's vision and goals are based on the CONCAUSA accords reached in Miami in December of last year and signed by heads of state of all Central American governments with U S President Clinton. The signing of CONCAUSA and the Central American Alliance before it, represents a commitment by Central American governments to allocate significant resources to implement and support the agreements which were reached. The political will must continue at the highest levels for the project to achieve maximum impact. An indicator of continued high level commitment will be whether the host country governments ratify the Central American Treaty on Biodiversity and whether continued progress is made on ratification of other treaties governing biodiversity. Harmonization of

environmental laws throughout the region will also require a commitment at the highest levels of all CA national governments to follow through on the commitment to develop effective legislative frameworks for protection of the environment

B Environmental Protection and Enforcement

Many countries in the region do not exercise effective rule of law in the environmental area and have not exhibited the capacity nor willingness to engage in meaningful enforcement. The Project's Component IV addresses the issue of legal frameworks for environmental protection and enforcement. In an attempt to tailor the approach under this section to suit the current situation in Central America, the Project has emphasized pollution prevention and economic incentives over end-of-pipe controls. However, for any of the proposed activities to be successful, there must be strong support and political will at the highest levels of government and attention must continue to be focused on the issue of environmental enforcement. Enforcement actions will be monitored under the project and has been included as a project indicator.

C Institutional Development of the Central American Commission on Environment and Development (CCAD)

Key to maintaining the regional vision and political will is the continued effectiveness of CCAD, the Project's proposed counterpart organization. CCAD is largely responsible for CA agreeing to the CONCAUSA provisions and has been actively following up on and monitoring progress under each of the commitments. However, the driving force behind CCAD can be attributed to the extraordinary effectiveness of one or two individuals including the dynamism of the Committee's executive secretary and the commitment of certain board members. If there are changes in the make up of the Board or if the current executive secretary moves on or is replaced, the success of the project may be in jeopardy. The most recent discussion with the executive secretary indicates that he will continue on the condition that member countries exhibit their commitment to the organization by paying their member country contributions in full. This issue will be of continuing concern to the G-CAP Mission and a major focus in the coming months.

D Refugee and Resettlement Issues

Resettlement pressures continue to build in many countries and was exhibited most recently in Honduras where a local environmental leader was killed allegedly in connection with a land dispute involving potential location of resettlement communities with the borders of a designated park. Similar issues exist in Guatemala where, under pressure to find suitable lands for refugees returning from exile in Mexico, the Government has proposed settlement within one of the protected areas in the Peten. The manner in which these disputes over scarce land resources are resolved will to a certain degree determine the success of the proposed regional system of biodiversity corridors.

E Donor Funding

Other donor and USAID bilateral funding will continue to be relied upon to support the objectives of the project. To the extent that these resources continue to flow into the environmental sector, the project should be able to effectively leverage them to support implementation of a regional program. It however, US bilateral resources dry up for example, the Project would suffer accordingly in its ability to extend its finding, lessons learned and models for sustainable development.

F "Close-out Country" Participation

Another major issue is the degree to which we will be able to include the USAID close-out countries of Belize and Costa Rica in project implementation. While no direct support to the governments of these countries is envisaged, the project does expect to include experts from these countries in their expert networks and to use successful environmental activities in these countries as models and sites for study tours for neighboring countries.

G Trade Agreements

A further project rationale, particularly on the legislative side, has been the assumption that there would continue to be movement towards a NAFTA-like sub-regional trade block under the Summit objective of a Free Trade Area of the Americas (FTAA). Such a trade agreement would put pressure on CA governments to harmonize their legal frameworks to establish and maintain a "level playing field" for regional trade. If this trade imperative does not materialize, this will effectively take away on a major driving force behind the Project's Component IV on environmental legislation.

Table 1a Illustrative Budget & Obligation Plan by Implementor, (\$,000) U \ald\123Data\arcal\IMPARCA2 wk3

PROARCA 1995 - 2000								Local Currenc	Counter part
	1995	1996	1997	1998	1999	2000	Total		
* Core Institutional Contractor									
A L-term TA									
1 Team Leader PA Mgt (US)	0	174	145	145	145	166	775		
2 Admin Assist (local hire)	0	65	64	64	64	64	321		
3 NR Economist (US)	0	174	145	145	145	166	775		
4 Biodiv/CZM/Env (US)	0	166	137	137	136	158	734		
5 Specialist (TBD) * 1 (CA)	0	48	48	48	42	13	199	1000	
B S-term TA (12 pm * 5/yr)	0	209	209	209	209	166	1002	300	
Secretary (FSN)		20	20	20	20	20	100	100	
C Office Rent/Commodities	0	60	60	40	40	30	230	190	
D Proc (Vehicles & Comp)	0	100	50	25	5	5	185	93	
E Program Grants & Sub-cont	0	275	425	330	0	0	1030	300	
F S-term Trng/study tours	0	100	100	100	100	0	400	100	
G Fora, Coord & Info Transfer	0	125	125	150	150	180	730	200	
H Monitoring	0	50	80	80	80	90	380		
I Misc	0	5	5	50	55	55	170		
J Overhead @ 80 %	0	1257	1290	1234	953	890	5625		
Sub-total	0	2828	2903	2777	2144	2003	12656		
U S PVO/NGO CZM (Coop Agmt)									
A Small Subgrants to local NGOs	400	500	500	500	0	0	1900	100	
B Trng/Study tours	33	200	200	200	0	0	633	50	
C Mgt & Tech Trans	200	300	300	300	300	100	1500		
D Reef & CZM Monitoring	100	100	100	100	0	0	400		
E Inf & communication networks	100	100	100	75	75	75	525	50	
F Overhead @ 20 %	167	240	240	235	75	35	992		
Sub-total	1000	1440	1440	1410	450	210	5950		1963
* CCAD - (HB3 Grantee)									
A Staff Env Mgt (FTE * 1)	150	100	100	100	100	100	650	100	215
B Program Protected Areas	100	100	100	100	100	100	600	300	198
C Program Pollution Prev	50	50	50	50	50	50	300	150	99
D Incre Funding of EPA & Startup)	847	0	0	0	0	0	847		280
E Audit (CCAD)		10	10	10	10	10	50	50	17
Sub-total	1147	260	260	260	260	260	2447		
* EPM/WRI (Buy - in to Global)									
	0	90	90	45	45	0	270		39
* PRIDE (Buy-in to Global)									
	500	0	0	0	0	0	500		
* PASA-EPA									
A Personnel (FTE * 4)	434	0	0	0	0	0	434		
B Program	519	0	0	0	0	0	519	200	
Sub-total	953	0	0	0	0	0	953		
USAID FSN management support									
1 FSN Prof (12) Env specialist	64	68	68	68	68	68	404	404	
2 FSN Prof (9-11) Mgt specialist	58	62	62	62	62	62	368	368	
3 FSN Sec (6)	18	19	19	19	19	19	113	113	
4 FSN regional travel	16	17	17	17	17	17	101	101	
Sub-total	156	166	166	166	166	166	986		
USAID/G-CAP PSC Assist PM									
1 Env/PA Mgt Specialist (PSC)	144	166	130	137	136	158	871	100	
Evaluation	0	0	0	0	0	367	367		
Contingency	0	0	0	0	0	0	0		
Total	3900	4950	4989	4795	3201	3164	25000	4369	2810

Source Selection Information-See FAR 3 104

Source Selection Information-see FAR 3 104

Source Selection

Information-See FAR 3 104

TABLE 1B METHODS OF IMPLEMENTATION, PAYMENT AND AUDIT

METHOD OF IMPLEMENTATION	METHOD OF FINANCING	APROXIMATE AMOUNT	AUDIT
<i>Institutional contract</i>	<i>direct reimbursement</i>	<i>13,000</i>	<i>single audit act</i>
<i>Cooperative Agreement with U S PVO</i>	<i>letter of credit or Direct reing</i>	<i>6,000</i>	<i>single audit act</i>
<i>HB3 CCAD Dir reimbursement</i>	<i>Direct reimbursement</i>	<i>2 500</i>	<i>Recipient contractin g</i>
<i>Buy-In (PRIDE)</i>	<i>Advice of charge</i>	<i>500</i>	<i>N/A</i>
<i>PASA (EPA)</i>	<i>Direct Pay</i>	<i>1,000</i>	<i>N/A</i>
<i>Staff salaries & Audit</i>	<i>Direct pay</i>	<i>2,000</i>	<i>N/A</i>
TOTAL		25,000	

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**SOURCE SELECTION
INFORMATION**

Table 2 Illustrative Budget by Component, (\$,000)

	LOP	LC	Match
Component I			
TA	3515	250	0
Training, study tours & Fora	1242	300	198
Management/Admin	1099	600	0
Sub-grants/contracts	1526	300	280
Monitoring	445	50	0
Sub-total	7827	1500	478
Component II			
TA	2959	150	396
Training, study tours & Fora	1741	100	459
Management/Admin	1113	350	198
Sub-grants/contracts	2280	400	752
Monitoring	548	100	158
Sub-total	8641	1100	1963
Component III			
TA	2709	600	215
Training, study tours & Fora (CCAD Program)	831	300	46
Management/Admin	1021	400	50
Sub-grants & contracts	3300	420	283
Monitoring	306	50	17
Sub-total	8167	1770	610
USAID Evaluation	365		
Total	25000	4370	3051
All Components			
TA	9183	1000	611
Training, study tours & Fora	3814	700	703
Management/Admin	3233	1350	248
Sub-grants/contracts	7106	1120	1315
Monitoring	1299	200	175
USAID Evaluation	365		
	25000	4370	3051

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**SOURCE SELECTION
INFORMATION**

D Counterpart

According to HB 3 Appendix 2G, minimum counterpart requirements established by Section 110 of the Foreign Assistance Act do not apply to authentically regional programs. However, it is this Mission's policy to require regional organizations to provide at least 25% of the total costs of its grant, in order to promote the sustainability of activities and discourage a dependency on USAID funding. In this project, only one Agreement will be signed with a regional organization, CCAD, and illustrative details of the estimated counterpart "match" they will provide is included Table 2, above. In addition to these counterpart resources, each Central American country has made commitments under the CONCAUSA declaration that, while not formally counterpart to this project, will indeed promote its purposes. Likewise, while no agreements will be signed with the national agencies that receive support under PROARCA, when such assistance is provided through project mechanisms, it is assumed that it will complement on-going activities, with the majority of their financing coming from non-USAID sources. Lastly, the USNGO that implements the Coastal Zone Management Component of the project will finance at least 25% of the Component's costs. Local NGOs receiving sub-grants from the USNGO or institutional contractor will, to the extent possible, provide 25% counterpart.

E Local Currency Procurement

It is estimated that local spending will total approximate 25% of funding. Types of spending will primarily consist of local short- and long-term TA, rent on office space and conference facilities, basic office supplies and computer equipment, information transfer and communications.

F Audit Plan

Audits of the institutional contractor and USNGO will be managed out of AID/W as part of the single audit act. Both will be responsible for accounting for the use of USAID resources sub-granted/contracted. In the unlikely event that a sub-grantee expends \$100,000 or more in a given year, a separate audit of that organization, coordinated by the USNGO or institutional contractor, will be required. CCAD will be subject to standard terms and conditions of the Recipient Contract Audit program, in accordance with the "Guidelines for the Financial Audits Contracted by Foreign Recipients" issued by the USAID Inspector General and the Government Accounting Office (GAO), "Government Auditing Standards (1988 revision)

VII MANAGEMENT PROCEDURES

The designated Project Officer for PROARCA will oversee implementation all three of its Components. He will directly manage the institutional contract the Cooperative Agreement with the U S PVO/NGO selected to implement the CZM Component and will have overall management responsibility for administration of the HB3 Grant Agreement with CCAD

A Component I Central American Protected Areas System and Terrestrial Protected Areas Management

The first component, "Central American Protected Areas System and Terrestrial Protected Areas Management," is to be primarily implemented under an institutional contract awarded through the competitive bidding process. Each component under PROARCA will receive assistance from the institutional contractor. However, the primary responsibility of the institutional contractor will be implementation of the Terrestrial Protected Areas Management Component, with some support going to the EP and CZM Components. The Institutional Contractor (IC) will provide technical assistance administer sub-contracts and small grants to local NGOs for Priority Protected Areas, and provide logistical support and coordination among implementors of all three project components

The Project Officer will chair the PROARCA Project Management Unit (PMU), and Regional-bilateral Project Steering Committee. The function of the PMU is to insure coordination between partners, quality control and timely implementation of all agreed upon actions. The PMU will include representatives from CCAD, the institutional contractor U S PVO/NGO Grantee, RHUDO, and other USAID/G-CAP offices when appropriate. The Steering Committee will be composed of Environmental Officers and other appointed representatives of concerned bilateral USAIDs throughout the region. Its purpose will be insure that all field activities in priority protected areas (PPAs) complement bilateral USAID programs in the countries where PROARCA activities are implemented

1 Long-Term Technical Assistance

Offerers will be asked to define (A) their understanding of the issues/problems and targeted approach to resolve critical threats, (B) tasks and outputs to be accomplished on a specific time-line, (C) the quantifiable indicators to monitor progress and accomplishment, and (D) technical qualifications, experience, and terms of reference for the members of the long- and short-term technical assistance team that they propose

2 Short-Term Technical Assistance

The prime contractor will propose and request USAID/G-CAP to pre-quality a roster of experts in conservation, sustainable natural resource management remote sensing and other technical fields to be drawn on for "services on demand" in order to provide rapid response to the Project Management Unit s demand for technical administrative and logistical support

The following illustrative list indicates the diverse areas of expertise that may be required during implementation

- * Natural resource economics
- * Conservation and park planning
- * Public participation and communication
- * Natural forest management
- * Market development for green products
- * Sustainable Agriculture
- * Land characterization and use planning
- * Institutional strengthening of gov and NGOs
- * Coastal and shallow Marine Ecosystem Mgt
- * GIS application
- * Land tenure and cadastral survey
- * Environmental Impact Assessment
- * Environmental law and standards
- * Environmental enforcement and monitoring
- * Environmental risk assessment
- * ENR training

3 Collaboration with NGOs and CA institutions

In defining the tasks and expertise required, the IC will identify those tasks to be conducted by local NGOs and CA institutions. While the IC will be authorized to administer small grants and award sub-contracts to CA NGOs and institutions as appropriate.

The Team Leader for the IC will be a member of the Project Management Unit (PMU) which will review, technically approve, and recommend sub-grants to local NGOs and sub-contracts not approved during original contract negotiations. The process of selecting local NGO partners, determining specific interventions to be funded and gaining the approval from host country governments is expected to take several months once specific activities are selected for Priority Protected Areas and cleared by the USAID Steering Committee. The majority of site specific interventions within PPAs (through grants and sub-contracts) will be determined and approved following award of the prime contract.

4 Procurement

To provide the full range of services described above in principal support of Component I, and secondary support of Components II and III, the institutional contractor will establish an office with complete administrative support capability in Guatemala City. Minor commodity procurement will be authorized to supply this facility with standard office equipment, (e.g. computers, fax, duplicating machines, printers.)

For transport while in Guatemala City and field sites the IC will be authorized to purchase one 4-door, economy sedan and one 4-wheel drive field vehicle.

B Component II Coastal Zone Management

The Coastal Zone Management (CZM) Component is to be implemented through a Cooperative Agreement with a U S PVO University or other not-for-profit organization selected through open competition. The recipient of the Cooperative Agreement must assume responsibility for administration of an "umbrella" sub-grants program for Central American NGOs to work in natural resource management at the community level in coastal Priority Protected Areas (PPAs).

The U S PVO grantee must insure close communication with local government to sanction and support participation of local civil society in the implementation of project interventions. Technical assistance and other inputs will be provided to government agencies and local NGOs through the Cooperative Agreement and institutional contract as appropriate. It is expected that the senior representative of the U S PVO/NGO will work closely with the Institutional Contractor and USAID Project Officer to achieve the most effective allocation of TA and other inputs.

Sub-grants will be awarded to communities, local NGOs, and other concerned parties to gather primary biological data, develop conservation and sustainable use practices and management plans, and provide local forums for discussion and negotiation of policy issues tied to sustainable use of coastal resources. The grants will range from \$5 000 to \$75 000 depending on the nature of the tasks to be accomplished and, will generally require a 25% match in-kind or cash.

Through technical review by the Project Officer, PMU and Steering Committee USAID/G-CAP will retain the right to approve all sub-grants to local organizations to insure that all activities in the PPAs complement bilateral USAID programs in the countries where the activities are to take place. The principle partner(s) under the Cooperative Agreement will also be required to obtain the approval of the respective host governments before proceeding with implementation of its annual work plans.

C Component III Environmental Protection

1 US EPA PASA

Implementation of the Environmental Protection Component is to be supported primarily by a PASA with the US EPA, (and secondarily by resources accessed through an institutional contract). All interventions are to be "demand driven" through closely collaboration and coordination with Central American governments, NGOs and the private sector.

2 Handbook 3 Grant to CCAD

The Comision Centro Americana de Desarrollo (CCAD) will coordinate project activities in the context of CONCAUSA and Central American Alliance for Sustainable Development.

and maintain channels of communication between project implementors and high level representatives of CA governments. In order to allow activities to begin while the selection of an institutional contractor is underway \$250,000 will be obligated through the CCAD Agreement for direct USAID contracting of long and short-term technical assistance in support of CONCAUSA.

CCAD has managed a USAID grant under the RENARM Project with all audits verifying their capacity to properly use and account for USAID funds. However, since this new USAID grant will be significantly larger than those previously managed by CCAD, the technical office will coordinate with the Financial Management and Regional Contracting Offices to carry out a review of CCAD's administrative and financial systems prior to signing a new agreement. If any related technical assistance requirements are identified, they will be financed as priority start-up activities under the new grant. CCAD will contribute 25% to the costs of activities it will implement. See Table 3 (Pending) for details. (See also Section VIII C, page 33 for additional information on CCAD.)

3 Buy-in to PRIDE

The Project will buy-in to the AID/W Global Bureau, Project in Development and the Environment (PRIDE) to conduct the initial "Environmental Risk Assessment and Prioritization," described in detail under this Component (see pages 13-14).

4 Institutional Contract

At the direction of the Project Officer, the IC will make logistical arrangements in support of regional fora, short-term training, study tours, special studies, and short-term TA. For Component IV to be successful, the USAID-CCAD-EPA collaborative leadership must be able to call on the IC for assistance as needs arise.

D USAID/G-CAP Management

Pending decisions to be made in the context of overall Mission staffing, the in-house USAID/G-CAP management team will consist of the following:

- * 1 USDH Project Manager
- * 1 Senior FSN (12) Program Specialist (Technical)
- * 1 FSN Program Specialist (9), Assistant Project Manager
- * 1 USPSC Natural Resource Management Specialist
- * 1 FSN Secretary (6), OE Funded
- * 1 FSN Secretary (5), Project Funded

The USAID Steering Committee will be chaired by the Project Officer and composed of bilateral Environmental Officers and other appointed representatives of concerned USAIDs throughout the region.

The Project Management Unit (PMU) which will be responsible for coordinating all activities across the three Components and among lead implementors will be chaired by the Project Officer and composed of the Team Leader for the Institutional Contractor, the senior representative of the U S PVO/NGO a senior representative of CCAD and other USAID/G-CAP staff as appropriate, e g RHUDO and TRI

E Liaison with the donor community and regional NGOs

Due to the enormous importance of biodiversity conservation many donors especially USAID, and national governments are placing emphasis on the concept of a system of regional and national corridors Close coordination of all CA implementing agencies donors and USAID bilateral missions must be a hallmark of project management The biological corridor concept coupled with promotion of a participatory process for environmental decision-making has the potential for linking and leveraging other donors environmental programs in the region The project will contribute to creating a unified Central American and donor environmental strategy which will expand collaboration assure regional complementarity within country and donor strategic plans and leverage resources

Examples of existing and potential donor activity in support of PROARCA objectives are the following The European Union has already initiated a sustainable agriculture project "Agricola Frontera" (\$11 million) in six buffer zones adjacent to several of the Region s major transboundary parks and protected areas The project was designed in close collaboration with CCAD and directly supports the regional corridor concept The Swedes have been funding CCAD and will continue to do so, coordinating their support closely with PROARCA Several activities have been funded through the Global Environmental facility including a project to plan and manage the Belize reef system (\$3 million), a project in Panama's Darien, a \$4.1 million project in the Rio Dulce area and one in the transboundary area of La Amistad The IDB has designed an \$11 million project for the Bay Islands and the UNDP is considering further support for environmental protection in the Bay Islands (\$11 million) The Multilateral Investment Facility (MIF) is considering a program (\$25 million) to support environmental protection in Central America to be closely coordinated by CCAD Examples of bilateral activity would include the DANIDA support to the Gulf of Fonseca and the GTZ project in the Peten Additionally, many international NGOs and foundations are expending significant resources in the region on biodiversity and environmental protection With all this activity and additional new project concepts in the pipeline, the need for donor coordination and cooperation is obvious and will be a high priority under PROARCA Coordination will be achieved through consultative meetings involving both CCAD and the institutional contractor, though government/donor policy dialogue and through close communication between USAID and the U S Executive Director with the Multilateral Banks

- VIII ANNEXES
- A Strategic Objective Tree
 - B Logical Framework
 - C Institutional Analysis Comision Centroamericana de Ambiente y Desarrollo (CCAD)
 - D Technical Analyses Conservation of Biological Diversity and Protected Areas - (by Dr Craig MacFarland)
 - E Selected Current Activities in Conservation of Biodiversity by U S Governmental Agencies
 - F NAD Approval Cable/Response
 - G Initial Environmental Examination
 - H Project Assistance Checklist

REGIONAL Objective Tree

S.O. # 2 – Effective Regional Stewardship of Key Natural Resources

Performance

Indicators

- 1) Deforestation Trends in Selected Protected Areas
- 2) Reduced Degradation of Selected Coastal Areas and Watershed Resources

Program
Outputs

2 1 A Regional System of Protected Areas and Buffer Zones Established

2 2 Improved Management of Selected Regional Coastal Resources and Contributing Watersheds

2 3 Improved Enforcement of Harmonized Environmental Regulations and Policies that Control Contamination of Key Natural Resource Areas

2 4 Replicable Community-based Solutions Adopted and Implemented to Reduce Contamination of the Natural Resource Base from Urban Waste

2 5 Increase Utilization of Renewable Energy Enforcement of Energy Efficiency Measures and Private Sector Participation in the Energy Sector

Program
Output
Indicators

- 1) Park and protected area (PPA) borders of selected areas established and protected
- 2) Financial self-sufficiency of selected parks and protected areas
- 3) Economic incentives and policies in support of PPA are in place and operating

- 1) Number of marine parks established
- 2) Financial self-sufficiency of marine parks

- 1) Legislation adopted to address key threats
- 2) Increase in the number of enforcement actions (administrative and judicial)

- 1) Number of communities adopting and implementing these community-based solutions
- 2) Capital invested in implementing and replicating these community-based solutions

- 1) Increased investment in renewable energy projects
- 2) Increased public awareness and knowledge of renewable energy sources and use
- 3) Increased awareness, knowledge and implementation of energy efficiency measures
- 4) Countries have enforced demonopolization policies and adopted enabling legislation and policies in energy sector that encourage private sector participation in energy investment

Projects

596-0180 PROARCA
598-0780 Environment Support
936-5554 Biodiversity Support

596-0180 PROARCA
598-0780 Env Support
Parks in Peril

596-0180 PROARCA

596-0167 LOGROS

936-5746 Commercial Applications of Renewable Energy Technologies (CARFT)

LOGFRAME

SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>PROJECT GOAL</p> <p>Effective Stewardship of Key Natural Resources in Support of Sustainable development in Central America</p>	<p>1 Reduced Deforestation in Selected Protected Areas</p> <p>2 Reduced Degradation of Selected Coastal Areas and Watershed Resources</p>	<p>1 Remote sensing conducted through institutional contract</p> <p>2 Water quality monitoring conducted through institutional contract</p>	<p>a) C A support/ownership for ASD</p> <p>b) Leverage other donor resources</p> <p>c) Continued bilateral programs in this area</p> <p>d) Authorities allow public participation</p> <p>e) Enforcement of the rule of law (re environment)</p> <p>f) Population and resettlement problems consistent with appropriate land use</p> <p>g) Government will continue to factor in the public cost vs private gain</p> <p>h) Trade imperative continues to act as an incentive</p> <p>i) USAID regional ENR funding of \$30.50 million over 5-8 years</p>
<p>PROJECT PURPOSE</p> <p>To improve the management of a regional system of key natural resource areas and improve the enforcement of regionally harmonized environmental regulations and policies</p>	<p>1 Park and protected area (PPA) borders established (land and coastal areas)</p> <p>2 Financial self sufficiency measured in terms of operating costs funded from user fees, taxes, concessions (land and coastal areas)</p> <p>3 Number of key areas (land and coastal) where appropriate economic incentives/policies are in place</p> <p>4 Legislation adopted to address key threats</p> <p>5 Number of enforcement actions taken in selected areas</p>	<p>1 Monitoring through Project's institutional contractor USNGO staff</p> <p>2 Data provided by PPAs and analyzed by Project staff institutional contractor USNGO</p> <p>3 Same as #1</p> <p>4 Same</p> <p>5 Reports from national CONAMAs</p>	

of

C Comision Centroamericana para el Ambiente y Desarrollo (CCAD)

1 The Role of CCAD in PROARCA

The role of a counterpart organization to USAID in the PROARCA Project is to create a partnership that will ensure that all USAID initiated activities are developed in concert with are compatible to, and avoid conflict with those of the Central American governments specifically the Alliance for Sustainable Development and particularly the CONCAUSA Agreement

The Central American Commission for Environment and Development (CCAD) leads the CONCAUSA Agreement in two areas environmental legislation and biodiversity It will be incumbent upon the CCAD to maintain the clarity of vision inherent in the original CONCAUSA and Alianza agreements

PROARCA will provide support to CCAD to design and orchestrate the participatory processes leading to a strategy and action plan in both environmental legislation and biodiversity The CCAD will bring the national representatives and councils together to define the problem, develop national strategies that conform regionally, allocate resources and ensure that the environmental dimension is included in all other areas of the CONCAUSA agreement political, economic, social, and educational Concurrently the CCAD will review and provide comments on other sectoral initiatives

The national councils the forum for country-specific strategic planning with representation from both the public and private sectors, will be formed under the Alianza Agreement to set the national agendas PROARCA will support the development of the national councils by providing the technical support necessary to through a participatory process, define the objectives of the councils, create a strategic vision, a clear set of products and functions, and a mechanism through which information generated at the local level will be transmitted to and from the CCAD

The USAID/bilateral missions will along with other donors, participate in the national councils The national councils will coordinate and strategically develop national activities/projects, evaluate prospects for funding, assess the need for outside technical support, identify areas of coordination and define the national agenda within the regional context The leaders of each council will form a steering committee to process information strategic plans and requests to and from the CCAD and PROARCA

The aggregate of these seven national strategies will help to set the regional agenda and consolidate requests for technical support The CCAD will serve as a vehicle for providing

access to and coordination of information and technical support essential to the effective implementation of both CONCAUSA and PROARCA

The function of CCAD in relation to PROARCA will be effected through a series of activities, excluding direct execution of projects

The CCAD will function as a regional information clearinghouse providing access to and analysis of information amongst and between the CA governments USAID and other donors Through coordination and analysis of information the CCAD will ensure that the CONCAUSA agenda the PROARCA project and other donor activities (current and proposed) are synchronized geographically conceptually and politically

With technical support from PROARCA the CCAD will establish national and regional networks of environmental professionals public fora engaging all sectors donors NGOs indigenous groups and the private sector to define and prioritize the regional agenda and strategically allocate the provision of technical services to and from PROARCA and CONCAUSA With financial support from PROARCA, CCAD will hire an environmental legislation expert who will work out of the CCAD offices in Guatemala to coordinate communications through the networks of environmental professionals and serve as technical advisor between CCAD, Central American governments and activities under the USEPA PASA

As the focal point for coordination of donor activity, the CCAD will provide the analysis and development of a donor coordination strategy that ensures effective coordination and assesses the current and potential relationship of donors to the emerging Central American agenda, the Alianza CONCAUSA and PROARCA

The CCAD will seek to initiate/promote activities between the USG and the Alianza such as such as joint implementation

2 Regional System for Monitoring Natural Resource Conservation and Environmental Protection

A major objective of PROARCA will be to work with Central American governments and institutions to design and implement a system for national and regional monitoring of progress toward achieving the Central American regional environmental strategy and goals This will involve determining the key strategic objectives that will be tracked, defining indicators that can be used to monitor progress towards the goals, how this information will be compiled at the national levels, and how the information will be analyzed and managed at the regional level (for example, by CCAD) This activity will not only allow for the monitoring of progress during the PROARCA project period, but also provide for a more

sustainable mechanism to monitor regional progress toward environmental protection in the long-term

Some of the specific types of monitoring activities that may be included within the specific project components include

a Terrestrial Protected Area Management

Through remote sensing (such as through aerial photography, aerial multi-spectral imagery, satellite imagery), rates of deforestation can be mapped and monitored through a GIS. This will provide concrete data at the national level on the effectiveness of protected area programs, as well as regional trends.

Other indicators, such as tracking of the number of enforcement actions taken for illegal activities in protected areas, or of the level of revenues generated through financing mechanisms to help fund protected area plans, can also be monitored to measure progress in achieving the project objectives.

b Coastal Zone Management

A regional system for monitoring coastal resource area degradation over time will be possible through remote sensing and field surveys (ground truthing) to develop a mapping system through a regional GIS that helps determine the extent of degradation and degradation trends. Habitat surveys, or surveys of key indicator species can be carried out to determine rates of degradation.

Other indicators, such as the level of revenues generated through financing mechanisms to help fund protected area plans, or establishment of compatible use projects in the protected area buffer zones can also be monitored.

c Environmental Protection

A regional system for monitoring environmental protection would include tracking of legislative and regulatory changes and harmonization, number of enforcement actions carried out, or monitoring the level of pollutants found in water, air, soils to determine environmental contamination and compliance.

3 Institutional Assessment

a Mission and goals

The Central American Commission of Environment and Development was created by the Central American presidents in 1989 to promote regional cooperation to improve environmental management in Central America. CCAD's principal mission is to promote policy coordination, develop new funding, build institutional capacities (in the government and independent sectors in the region), make information available, and foster citizens' participation to help address the region's pressing environmental and development needs.

b Organization

The Commission is composed of the heads of the ministries (or agencies) most directly responsible for environmental policy in each of the Central American countries. Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua are the founding members of the Commission. Panama and Belize participate in all meetings and discussions but are awaiting formal ratification by three of the five founding members to become full members of the Commission. The presidency of the Commission is held by one member country for a period of one year. In accordance with its bylaws, CCAD has a Secretariat in charge of carrying out the Commission's resolutions. The Secretariat is a very lean operation of only five staff-- the Executive Secretary (appointed by CCAD members), two assistants, an accountant, and a messenger-- but supplemented by consultants who assist with specific tasks. Besides the Executive Secretariat, CCAD created an affiliate organization, the Central American Council for Sustainable Forestry, which is based in Costa Rica. The Council works hand-in-hand with CCAD's Secretariat promoting and coordinating forestry and biodiversity related initiatives in the region.

c CCAD activities and accomplishments

Initially CCAD functioned mainly as a forum that all Central American ministers dealing with the environment used to discuss issues of common concern. But by 1992, this forum had broadened to include planning and coordinating activities related to development and environment issues in the region. Similarly, the Secretariat has become a reliable source of information on who is doing what in environment and development in Central America. Some examples of CCAD's accomplishments in promoting and catalyzing cooperation for sustainable development include the Central American Agenda for Development and Environment, a joint regional statement on priority actions addressing environmental issues in the region, produced in 1992 and signed by all the Central American presidents in 1993, and the Central American Tropical Forest Action Plan which CCAD sponsored in 1991 and which has drawn over \$160 million in support for better forest management in the region.

To facilitate the coordination of legal reforms across the region, CCAD helped create the Central American Interparliamentary Commission on the Environment (CICAAD), which

brings together representatives of the legislatures from the seven countries, has proven to be an important instrument for getting international conventions and policy reforms approved by national congresses. In 1991, for example, faced with several disclosures of toxic waste dumping in the region, CCAD and CICAAD joined forces and helped set up regional networks of NGOs and government bodies to monitor attempts to dump waste in Central America. Late in 1992, the seven countries in the isthmus signed an agreement to ban the importation or international transport of a wide range of hazardous materials.

As part of its institutional strengthening activities, CCAD lobbied countries for the creation of environmental agencies, and is currently helping strengthen those agencies in the formulation of sound environmental policies that respond to the interests of the various stakeholders. For example, in 1994 and 1995 CCAD with the technical assistance of USAID/G-CAP and WRI, carried out a project to train government environmental officials in participatory methods for policy formulation, including policy analysis, consultation and negotiation.

Overall, CCAD has been one of the most active and effective vehicles for integration in Central America. The quest for integration led to the "Central American Alliance for Sustainable Development", which was adopted by the seven Central American presidents in October of 1994. With the leadership of CCAD, the Alliance is quickly becoming a forum in which various interested parties discuss and identify priorities. Similarly, the Alliance has become the regional framework for international cooperation for Central America.

d Priority Themes for CCAD

The Commission agrees that the Central American Alliance for Sustainable Development clearly sets CCAD's agenda, particularly under the heading "Compromises in Matters of Environment and Natural Resources." While all the topics are deemed important, CCAD will initially focus on those for which there are no regional organizations with a relevant mandate. The specific topics that CCAD will address are: upward legal harmonization and compliance with international agreements; biodiversity corridors and centers of biodiversity; improvement of land use planning; building Environmental Impact Assessment capacities in the region; pollution control and energy (in various media); education and training; and information. Two important cross-cutting issues of concern to the Commission are: 1) a commitment to continuing to promote participation and equity and 2) that CCAD continue to act as a catalyst to ensure that other regional organizations implementing other parts of the resolution of the Alliance will properly incorporate environmental issues into their activities. Another important area in which CCAD can play an important yet diplomatic role is in ensuring the incorporation of environmental consideration in trade and economic negotiations.

e Strengths of CCAD

45

CCAD's strengths rest on its role as a catalyst and promoter. Three factors are key in this respect:

Access to high level policy-makers Access to ministers, presidential delegates, congressmen, and, when necessary, presidents has been a key factor that has allowed CCAD to get high level policy-makers to discuss issues and adopt proposals and plans of action. This access has expanded over the years as CCAD has carved its unique niche in catalyzing regional initiatives.

Collaborative and low profile way of operating CCAD has played a major role in virtually all successful Central American initiatives of regional integration over the last five years. But CCAD has always worked with other agencies and groups seeking to incorporate all key parties into decision-making processes. As such, the Commission has always been generous in sharing credit with groups or institutions that are key for the success of an initiative, sometimes even taking a "back row seat" when competition for credit is likely to undermine the success of an initiative.

Agile operative structure CCAD's lean structure and the dynamism and commitment of the Executive Secretariat has been key to allowing CCAD to identify opportunities and to respond creatively to those opportunities. By remaining lean, CCAD has reinforced its image and its role as a catalyst and promoter, leaving it up to other regional organizations to implement projects and manage funds resulting from their efforts.

t Needs for strengthening

Given CCAD's accomplishments in the region and the new demands being placed on them by these accomplishments, there are five areas in which CCAD will require strengthening, all of which are topics that have been identified and discussed by the Commission in planning retreats or ordinary meetings:

Full incorporation of Belize and Panama Even though Belize and Panama have not been fully ratified as members of the Commission, they have been treated as de facto members, having the same rights and votes as founding members. The full incorporation of these two countries is critical at this time because all of the founding member governments have served in CCAD's presidency. If Panama and Belize were full-fledged members, it would now be up to Panama to take the presidency. But given the fact that neither of these two countries have been ratified as members of the Commission by at least three of the congresses of the founding countries, neither can currently assume the position. For the first time, this is establishing a distinction between the member countries and the de facto countries, and if not addressed, this

distinction might lead to dwindling commitment to CCAD from Panama and Belize undermining CCAD's impact as a regional forum

Strengthening links with government environmental agencies Prior to the 1990 s, several Central American countries did not have central agencies in charge of coordinating the implementation of environmental factors into government planning In recent years, CCAD has played an important role in lobbying those governments for the creation of such central agencies Similarly, CCAD, with USAID/G-CAP and WRI's technical support, has provided technical assistance to government environmental agencies to strengthen their capacities in policy-making But most of CCAD's attention has focused on catalyzing regional processes that have cultivated political will in support of sustainable development at the high policy levels Having reached the "Central American Alliance for Sustainable Development", the Commission believes that CCAD should now place more attention on links with national agencies, involving these agencies more in CCAD's work This involvement is seen both as a way to cultivate national level commitment and capacities to carry out the goals of the "Central American Alliance" and as a source of support to CCAD With these objectives, the Commission has decided to assign a counterpart in each country in charge of promoting and coordinating CCAD activities, and strengthening links with national environmental agencies Specific roles of country counterparts and a system of communication between CCAD and its counterparts still need to be developed

Strengthening the Executive Secretariat To continue in its catalyst role and to respond to changing needs in the region, CCAD will have to expand its coordination and information functions To this end, the Commission has instructed the Executive Secretary to hire at least two new professional staff for the Secretariat One person will be responsible for following-up on the Executive Secretary's commitments and coordinating activities with other regional organizations and member governments G-CAP, through WRI, is providing technical assistance to CCAD in developing a simple system of program planning, monitoring and coordination that can facilitate this task

A second person will be hired to establish and manage an information office within CCAD This office would be in charge of developing the means to ensure that information on the activities of CCAD is timely and accessible throughout the region It would assist member governments in the development of information systems, would act as the regional clearing house on information pertinent to environment and development in the region, would publish a regular bulletin, and would coordinate the publication of a biennial Central American Report on Environment and Development

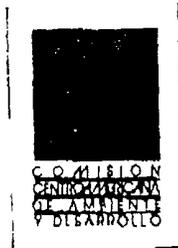
In addition to these two professionals CCAD will have to assess the potential need for additional support and administrative staff

Financial Sustainability Up to now most of CCAD's operating funds have come from international cooperation agencies (mainly USAID/G-CAP and SIDA). In addition, CCAD members have imposed upon themselves yearly membership contributions of \$20,000 each, enough to cover the salary of the Executive Secretary and the operational costs of the Secretariat. But only a minority of countries have paid their contributions, which places CCAD in a vulnerable situation. It is imperative that members of the Commission aggressively lobby their governments to come up to date in their contributions to CCAD, and for donors to develop with CCAD a strategy to ensure financial sustainability for the Executive Secretariat.

From C C A D

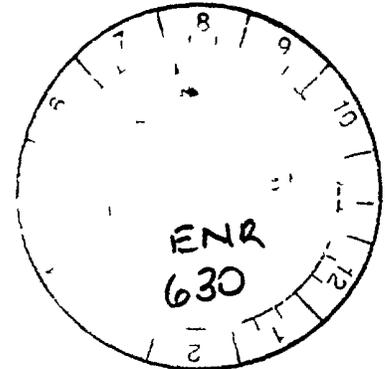
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7 de mayo de 1995



Señor
 Stacy Rhoder
 Director Regional
 AID
 Ciudad de Guatemala

Estimado Señor Rhoder:

Después de presentarle mi respetuoso saludo, y en seguimiento a los compromisos contenidos en la Alianza para el Desarrollo Sostenible en materia de medio ambiente y recursos naturales, así como también en relación a los compromisos adquiridos por los Gobiernos Centroamericanos y el Gobierno de los Estados Unidos durante la Cumbre de las Américas dentro de la declaración CONCAUSA, en forma particular los relacionados con biodiversidad, legislación ambiental, programas de implementación conjunta, mercados verdes y otras áreas, por este medio me permito solicitar la cooperación de AID-G-CAF para que a través del proyecto PROARCA como respuesta del Gobierno de los Estados Unidos a los temas de ambiente y recursos naturales contenidos en CONCAUSA, se considere la asistencia técnica y financiera a la CCAD para lograr un cumplimiento más efectivo de dichos compromisos.

Al agradecer la atención a la presente me permito suscribirme

Atentamente,

[Handwritten signature]
 ARQ JORGE A CABRERA
 SECRETARIO EJECUTIVO



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D Technical Analyses Conservation of Biological Diversity, and Protected Areas - (by Dr Craig MacFarland)

Objective Determine key needs at national level and the potential role of a regionally focused program of biodiversity conservation, social development and sustainable natural resource use to support those needs

1 Key national needs

- * Consolidation of National Protected Areas Systems
- * Implementation of protected areas management on the ground especially through substantial strengthening of core protection zones management and integration of those zones with buffer zone development and management
- * Management of corridor linkages in the same manner as with buffer zones,
- * Definition of roles and development of productive relationships among government agencies, NGOs and the private sector, especially at the local specific level,
- * Substantial strengthening of national and local institutions, especially government agencies but also NGOs and resources user groups and communities, which are responsible for environmental management, protected areas and/or buffer zones This must include major emphasis on personnel development and organic and administrative structural adjustments
- * Strengthening of national and local financial and other commitments to these processes,
- * Preparation of a general diagnostic study, evaluation and strategy for each National System of Protected Areas, from which would be derived the selection of national priority protected areas and their buffer zones and a system of national-level biological corridors,
- * Development of effective legal and policy frameworks to support all the above

2 Four Main Lines of Action

a Central American System of Regional and National Biological Corridors

Creation of a Regional System of Priority Protected Areas (SICAP), Strengthening of National Systems of Protected Areas, and Development of Integrated Protected Area - Buffer Zone Experimental/Demonstration Examples

This would include components such as

- * Simultaneous rapid diagnostic evaluations and preparation of strategies for the strengthening and implementation of each National Protected Areas System This would involve standardized methodologies, consultation among countries on

- transtrontier areas and standardized criteria and processes for selecting candidate priority protected areas for the Regional System
- * Establishment of the Regional System of Priority Protected Areas This would include development of criteria for selecting the protected areas (and their buffer zones and regions of influence) to be included in the Regional System and development of mechanisms for their selection monitoring and evaluation, support, management coordination, etc
- * Institutional strengthening of protected areas management agencies and related NGOs and user groups This would involve comparative analysis of needs, preparation of personnel development programs, development of standards, norms, methodologies and mechanisms for institutional restructuring and reorganization, etc
- * Support and guidance for the planning and implementation of key bi- and tri-national frontier protected areas and their buffer zones
- * Guidance for the selection, planning and implementation of several experimental/demonstration "Integrated Conservation and Development Regions" (RECODES), made up of one or more protected areas and their surrounding buffer zones and regions of influence, including assistance in application of a wide array of alternative sustainable land use systems
- * Support and guidance for land use planning at fine scale of selected critical areas within the RECODES, especially the buffer zones, of priority protected regions within SICAP and among the key transtrontier areas of Central America

b Central American Regional Integration on Environment and Sustainable Use

Some of the principle components of this programmatic line would be as follows

- * Support for the processes of strengthening and application of regional (and international) conventions, treaties and other legal agreements and actions
- * Strengthening regional non-political scientific, technical, legal and financial institutions and networks involved in environment, protected areas, and sustainable use e.g the existing regional environmental law network and specific leaders of that movement such as CEDARENA and IDAEDS, CATIE, ICAITI, FUMEBI, Centro Cientifico Tropical, the new Fundacion Mesoamericana or something like it,
- * Strengthening the relatively new, official executive/administrative and legislative bodies promoting regional integration on the environment and sustainable use e.g CCAD, CCAP, CICAD
- * Comparative analyses and guidance for processes of integration/harmonization of policies, legislation, norms, joint planning and management across borders, basic methods and techniques of planning and management (e.g in land use planning, land use capability methodologies, monitoring and evaluation methods)

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- * Support for periodic regional and national fora on the scientific technical, legal and similar bases for and problems/trends and advances in relation to sustainable use biodiversity conservation and social development
- * Support for regional networking on various thematic areas such as personnel development/training methods and opportunities GIS legal and policy issues

c Policy and Legal Base Strengthening and Coordination

The major components included in this program would be

- * Preparation of key protocols to support implementation of regional agreements and programs e.g. Regional Biodiversity Convention, Regional System of Protected Areas, frontier protected areas
- * Further comparative analyses of laws and regulations and preparation and broad dissemination of model environmental and related legislation (codes) and tools for guiding national organizations in those reform processes
- * Further comparative analyses of policies and preparation, testing, refinement and broad dissemination of model policies and tools for policy dialog This should include such areas as environmental impact, national environmental accounting, personnel and institutional development, protected areas systems, land use capability planning, land tenure, buffer zones and private lands, fiscal systems (incentives, disincentives, natural resource user fees and other forms of "taxation", redistribution and reinvestment of fees collected, internalization of costs) etc

d Regional and National Planning Monitoring and Evaluation

- * Development and harmonization of land use planning and monitoring systems in the region, including such aspects as habitat status, land use changes, biodiversity status environmental impacts, etc
- * Development and support for application of standards and methodologies for protected areas and buffer zones classification, integrated planning and management, evaluation of effective management, monitoring, etc
- * Definition, harmonization and dissemination of protected areas and land use standards and practices i.e. best management practices
- * Development, testing and wide dissemination and support for application of methodologies, standards, and norms for national environmental accounting
- * Support for a regional process of evaluation and monitoring of compliance with international and regional conventions, treaties and similar agreements, including preparation of standards and methods
- * Development of mechanisms to ensure proper dissemination of all the tools indicated above and for interchange of information and results

3 Three Support Mechanisms -- Lines of Action

a Development of Critical, Sustainable Financial Support Mechanisms

This should include several critical components

- * Support and guidance for the creation of an integrated set of regional financial alternatives/mechanisms for biodiversity conservation and sustainable use, e.g. a regional biodiversity conservation fund, development of regional institutions to manage such funds
- * Guidance for the countries in the development of national financial strategies and integrated sets of alternative financial mechanisms for support of biodiversity conservation and sustainable use, development of model "packages" with standards, organizational and operational policies and norms, etc. This must include the development of mechanisms for gradual internalization of costs and guaranteed commitment by national and local governments to such processes
- * Development of a process of mutual information exchange, joint planning and collaboration among the international donor community at regional, national and local levels

b Provision of High Level Technical Assistance

- * Provide access to services of high level technical assistance to support all of the processes and actions described in the other main lines of action
- * Tightly link technical assistance to regional national and local counterparts, so that capability is left behind and continuity improved

c Education of Priority Sectors of the Public

Three principle components would be included

- * Education of high level decision makers concerning biodiversity conservation, sustainable resources use, protected areas, the regional and national corridors system, Regional System of Priority Protected Areas, RECODES, etc
- * Preparation and dissemination of an integrated set of primary and secondary level curricula on biodiversity conservation, protected areas, corridors, etc
- * Support for development or improvement of university level curricula in biodiversity conservation, protected areas management and sustainable development at the undergraduate and graduate levels at selected institutions which could serve regionally as well as nationally, and sharing of curricula design and application experience

E Selected Current Activities in Conservation of Biodiversity by U S
Governmental Agencies

1 Protected Areas Management

Belize

- Through its Natural Resources Management and Protection Project (NARMAP), USAID is working in cooperation with the Government of Belize and local NGOs to improve conservation management to increase and sustain economic benefits from agriculture, forestry and fisheries resources

Costa Rica

- The U S National Park Service has assisted Costa Rica in park planning for over twenty years and plans to continue its training program in FY 95

El Salvador

- USAID supports an environmental protection project designed to halt and reverse the degradation of El Salvador's natural resource base to safeguard year-round water supplies and rural incomes

Guatemala

- USAID is providing financial and technical assistance to the National Council for Protected Areas (CONAP) to strengthen the management of renewable natural resources and the protection of biodiversity in the Maya Biosphere Reserve

Honduras

- USAID is providing assistance to an ambitious new government program to set aside for conservation 104 parks covering 12 percent of the country

Nicaragua

- USAID is supporting efforts to develop and implement effective management plans for three important protected areas in Nicaragua Bosawas, Miskito Cays, and Volcan Masaya

Panama

- USAID, the U S National Park Service and the U S Bureau for Land Management have provided training, technical assistance, and support for the protection and integrated management of national parks and the Panama Canal watershed

Region-Wide

- Through its Regional Natural Resources Management (RENARM) project, USAID works, in collaboration with the citizens of Central America to promote a region-wide program to generate, transfer and apply the information and technology essential for the conservation of biodiversity through the sustainable management of significant terrestrial and aquatic habitats
- Through RENARM, USAID has supported Rapid Ecological Assessments of selected protected areas and is supporting Conservation Data Centers in selected countries
- The Partners in Flight program protects neotropical migratory birds with projects by Federal and State agencies and NGOs which emphasize research monitoring and habitat management
- The National Biological Survey is establishing the National Biological Information Infrastructure, a network of data bases and information sources on biological resources This new network will make available to Central American countries information on biodiversity in Central America collected by U S researchers
- Through the Parks in Peril Program, USAID supports efforts by governments and private organizations to develop fully functioning, sustainable protected areas Parks in Peril plans to build a conservation infrastructure for the region's most imperiled ecosystems, integrate protected areas into the economic and cultural lives of local communities and create long-term funding mechanisms to sustain the management of these areas
- USAID is supporting the development of a system of protected areas and establishment of a biological corridor in Central America

2 Natural Forest Management

Costa Rica

- With USAID assistance, three pilot areas which represent more than 60% of the accessible and financially attractive timber resources have been chosen as sites for field activities where the government can monitor and control logging and outflow of timber

- USAID is working with the Costa Rican NGO Fundacion Neotropica to preserve forest cover in the 62,000 hectare Golfo Dulce Forest Reserve. Nine forest management plans covering some 100 hectares of primary and secondary forest have been drafted. USAID has been instrumental in leveraging additional donor funds for the initiative and securing almost \$1 million for 11 grassroots organizations.
- USAID is working to promote sustainable development of forest and agricultural resources in the buffer zone surrounding the Corcovado National Park in the Osa Peninsula, including the establishment of a research center.
- USAID is providing assistance to stimulate reforestation with native tree species in the Zona Sur.

Guatemala

- USAID has assisted efforts to stabilize 20 micro-watersheds in highland and eastern Guatemala using forest management, sustainable agriculture, community-based watershed planning models, and other NRM techniques.
- Through the Maya Biosphere Project (MAYAREMA) USAID has developed innovative, community based natural forest management activities including developing markets for forest and non-forest products.

Honduras

- In cooperation with the government and the World Wildlife Fund, USAID is supporting establishment of a pilot demonstration community forestry project to promote sustainable forest management and timber extraction on communal lands.

Region-Wide

- Through its RENARM project, USAID supports over 60 public and private institutions to demonstrate techniques and advantages of sustainable natural forest management and use.
- The USDA Forest Service Sister Forest Program develops partnerships between natural resource managers on U.S. national forests and their colleagues in natural resource management organizations in other countries. Through technical exchanges and integrative problem solving, the program seeks to find common solutions to common forest management obstacles, and to expand research and cooperative opportunities.

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3 Policy and Capacity Building

Belize

- USAID is working to increase the capacity of both the private and public sectors to plan and manage tourism growth that will benefit Belizeans while protecting the natural resources

Costa Rica

- USAID has supported efforts to develop the capacity of local NGOs and private trade organizations to assist the government in enforcing the execution of approved sustainable forest management plans and to help inspectors in supervising the transport of logs at depots and roads

El Salvador

- USAID is working to strengthen Salvadoran environmental NGOs to be self-sustaining advocates for natural resource management

Guatemala

- USAID has initiated a policy component designed to support its field-based natural resource management activities, focused primarily in the Peten, but including other areas of significance for the conservation of biodiversity

Nicaragua

- USAID has assisted the Ministry of Environment and Natural Resources to develop and implement effective environmental policies and legislation, oversee management of protected areas, and implement a national environmental education program

Region-Wide

- USAID has helped the Central American Commission on Environment and Development to promote dialogue and action on key environmental issues particularly in promoting initiatives such as the Biodiversity Treaty for Central America, the Tropical Forestry Action Plan, the Central American Agenda for Environment and Development and the Alliance for Sustainable Development
- At the Universidad Nacional de Costa Rica, the U S Fish and Wildlife Service supports a clearinghouse for technical literature for Central America, addressing the needs of the region for effective information exchange and the dissemination of

locally produced, unpublished technical reports. The clearinghouse publishes an information bulletin quarterly which is sent to more than 250 institutions and researchers within the hemisphere and Europe.

- Through RENARM, USAID promotes increased participation and improved analysis in the formation of national and regional natural resource use policy.
- USAID has assisted with completion of inventories of environmental legislation in Central America, and supported preparation of a model environmental law and studies of multilateral legal mechanisms necessary to establish a biological corridor.
- USAID has supported the development of The Green Book, a three volume report issued in both English and Spanish designed to help NGOs, PVOs, government agencies, and donors promote a participatory, transparent and information driven policy formulation process.

4 Training and Institution Building

Costa Rica

- With USAID assistance, a series of environmental education materials have been produced and teacher workshops held. Fifteen training seminars for 10 community groups have been held.

Honduras

- With USAID support, Fundacion VIDA worked with Price Waterhouse and the Biodiversity Support Program to develop its institutional capacity to manage the Environment Protection Fund and its subprojects. Fundacion VIDA drafted and began implementing a series of organizational and operating plans and procedures. One important step was the establishment of standardized evaluation criteria for reviewing and selecting subproject proposals. A series of workshops for local groups informed participants about the selection process and opportunities for technical assistance and training. By May 1994 Fundacion VIDA had received subproject grant proposals from over a dozen Honduran and U.S. groups. Three subprojects have been approved so far and implementation will begin shortly.

Panama

- USAID is working to strengthen the capacity of Panama's National Institute of Renewable Natural Resources and other organizations to protect and manage the country's natural resource base.

Region-Wide

- The U S Fish and Wildlife Service through the Western Hemisphere Program supports a Central American Regional Training Program for biodiversity management and conservation. This program, implemented through the Universidad Nacional de Costa Rica, provides a number of different training opportunities for professionals in this field.
- The U S National Park Service will offer 3-4 workshops in park management and operations in Spanish next year to which Central American countries could send participants.
- RENARM supports regional capacity building activities through institutional strengthening and long- and short-term professional training designed to increase the supply of technical expertise and organizational capacity to address natural resource management and sustainable agriculture issues.
- The International Reserve Manager Training program (RESERVA), supported by the U S Fish and Wildlife Service, provides training in techniques for the conservation and management of reserves and protected areas. The three month course is conducted in Spanish by Mexican nationals in Mexico but scholarships are provided for participants from Central America.
- USAID is strengthening the ability of the Tropical Agricultural Research and Education Center (CATIE), to respond to the increasing demand by C A public and private institutions for training and technical assistance on a broad range of natural resource issues.

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SUBJECT GUATEMALA-CENTRAL AMERICAN PROGRAMS NAD - C A
REGIONAL ENVIRONMENTAL PROJECT (PROARCA)

1 THE SUBJECT NEW ACTIVITY DESCRIPTION (NAD) WAS REVIEWED ON FEBRUARY 22, 1994 LAC/SPM DIRECTOR CHRISTINA SCHOUC CHAIRED THE REVIEW AND PARTICIPANTS INCLUDED LAC/RSD, LAC/SPM, LAC/CEN PPC, M, AND G TOM DELANEY, PDO, REPRESENTED USAID G-CAP THE NAD WAS APPROVED SUBJECT TO THE FOLLOWING QUALIFICATIONS AND CLARIFICATIONS

2 APPROVAL TO SUPPORT ACTIVITIES IN NON-PRESENCE COUNTRIES UNDER THIS PROJECT IS CONTINGENT UPON M AND PPC AUTHORIZATION PARTICIPANTS WERE GENERALLY IN AGREEMENT THAT THE PROARCA PROJECT IS AN INHERENTLY REGIONAL INITIATIVE UNDER WHICH CERTAIN ACTIVITIES IN NON-PRESENCE COUNTRIES COULD BE JUSTIFIED ACCORDINGLY, IT WAS AGREED THAT AT THE APPROPRIATE POINT IN PROJECT DEVELOPMENT, THE MISSION SHOULD SUBMIT A PROPOSAL TO LAC DETAILING THE EXTENT TO WHICH COSTA RICAN AND BELIZEAN PARTICIPATION IS CRITICAL TO THE REGIONAL OBJECTIVES OF THE CONCAUSA AGREEMENT, THE EXTENT TO WHICH INSTITUTIONS IN THOSE COUNTRIES WILL OR WILL NOT RECEIVE SUPPORT THROUGH THE PROJECT, AND AN ILLUSTRATIVE BREAKDOWN OF FUNDING THAT WILL BE DIRECTLY ATTRIBUTABLE TO THE NON-PRESENCE COUNTRIES IF APPROVED BY LAC, THE BUREAU WOULD THEN SEEK

AA/M CONCURRENCE TO PROCEED WITH THESE EXCEPTIONAL PRESENCE ACTIVITIES

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3 PRIOR TO OBLIGATION, A CONGRESSIONAL NOTIFICATION
BE SUBMITTED TO THE HILL

4 IN PROCEEDING WITH PROJECT DESIGN, THERE WAS CONCERN
ON THE NEED FOR G-CAP TO TAKE THE FOLLOWING SPECIFIC

CONCERNS INTO ACCOUNT

A) CLARIFICATION OF CAP ENVIRONMENTAL STRATEGY IN
RELATION TO PROARCA AND CONCAUSA IN ITS 1996-97 ACTION
PLAN PRESENTATION OF THE CAP ENR STRATEGY, G-CAP SHOULD
CLARIFY BOTH HOW PROARCA RELATES TO THE OVERALL CAP
ENVIRONMENTAL STRATEGY AND HOW OBJECTIVES IMPORTANT TO
CONCAUSA BUT OUTSIDE THE SCOPE OF PROARCA (SUCH AS ENERGY)
WILL BE ADDRESSED

B) THE MISSION CLARIFIED THAT STANDARDS ESTABLISHED IN
RELATION TO A POSSIBLE C A FREE-TRADE AGREEMENT WILL HELP
GUIDE EFFORTS TO STRENGTHEN THE REGIONAL ENVIRONMENTAL
LEGAL/REGULATORY/POLICY FRAMEWORK (AND VICE-VERSA) LAC

ENCOURAGES THE MISSION TO CLOSELY ANALYZE THIS LINKAGE
BOTH IN DESIGNING PROARCA AND IN DESIGNING ITS REGIONAL
TRADE POLICY AND ECONOMIC INTEGRATION PROJECT (WHICH, AS
PER STATE 199227, IS TO BE REVIEWED AND AUTHORIZED IN
WASHINGTON)

C) IT WAS ALSO NOTED THAT THERE WILL NEED TO BE CLOSE
COOPERATION BETWEEN PROARCA AND THE PARKS IN PERIL
PROGRAM

D) WHILE PROJECT EFFORTS TO FACILITATE THE IMPROVEMENT OF
THE CURRENT REGIONAL ENVIRONMENTAL LEGAL/REGULATORY/POLICY
FRAMEWORK WILL BE A POSITIVE AND NECESSARY PROCESS, THE
MISSION SHOULD--TO THE EXTENT POSSIBLE--INCLUDE MEASURES
IN THE PROJECT LEADING TO INCREASED ENFORCEMENT OF THE
IMPROVED ENVIRONMENTAL REGULATIONS, LAWS AND POLICIES

E) IT WAS NOTED THAT THE STILL FLEDGLING CENTRAL AMERICAN
COMMISSION ON ENVIRONMENT AND DEVELOPMENT (CCAD) HAS
PLAYED AN IMPRESSIVE ROLE IN ORCHESTRATING KEY
INTERNATIONAL FORA AND AGREEMENTS (INCLUDING THE REGIONAL
BIODIVERSITY TREATY SIGNED BY CENTRAL AMERICAN PRESIDENTS
IN 1993 AND RECENT ALLIANCE FOR SUSTAINABLE DEVELOPMENT),
AND THAT CCAD SHOULD CONTINUE TO PLAY A KEY ROLE IN THE
IMPLEMENTATION OF THE CONCAUSA AGREEMENT IT WAS ALSO
AGREED, HOWEVER, THAT CCAD'S ROLE IN PROARCA SHOULD FOCUS
ON REGIONAL POLICY COORDINATION (IN CONTRAST TO PROJECT
IMPLEMENTATION) AND THAT THE CENTRAL AMERICAN GOVERNMENTS

SHOULD TAKE OVER THE RESPONSIBILITY FOR FULLY FINANC
CCAD IN THE FIRST FEW YEARS OF PROGRAM IMPLEMENTATIO
CHRISTOPHER
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U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

LAC-IEE-95-24

ENVIRONMENTAL THRESHOLD DECISION

<u>Project Location</u>	Central America Regional
<u>Project Title</u>	Proyecto Ambiental Regional Para Centro America (PROARCA)
<u>Project Number</u>	TBD
<u>Funding</u>	\$25 million
<u>Life of Project</u>	FY 95-2000
<u>IEE Prepared by</u>	Thomas Pierce, MEO
<u>Recommended Threshold Decision</u>	Categorical Exclusion/ Conditional Negative/Positive Determination
<u>Bureau Threshold Decision</u>	Categorical Exclusion/ Conditional Negative Determination

Comments

A Categorical Exclusion is issued, as stated in attached IEE, for training, workshops, public education, seminars, and other technical assistance that will not directly affect the environment

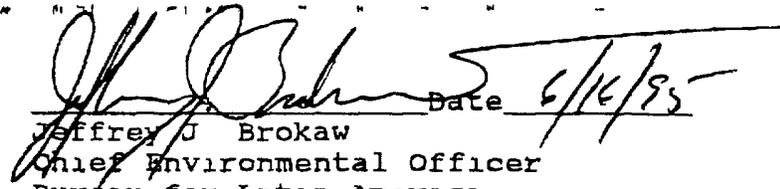
A Conditional Negative Determination is issued for all other activities, since they may have an effect on the environment, however, due to their limited extent and close monitoring--as part of the PROARCA design--the effect should be minimal. To ensure significant negative environmental impacts do not occur, this negative determination is issued with the condition that environmental guidelines be developed, and approved by LAC Chief Environmental Officer (CEO). The guidelines shall be used by the project collaborators, Mission Environmental Officer, and Regional Environmental Advisor as a screen to ensure adverse effects are avoided, and to develop site-specific mitigation measures for those impacts that are unavoidable. Mitigation measures shall be incorporated into activity design prior to implementation. If a significant negative impact could foreseeably occur, an amended IEE for the specific case must be submitted to the LAC CEO.

**ENVIRONMENTAL THRESHOLD
DECISION (cont'd.)**

LAC-IEE-95-24

In addition, funds shall not be used to support commercial timber extraction or significant deforestation, nor for the procurement of equipment that could lead to deforestation, without an Environmental Assessment (EA) approved by the LAC CEO. Funds shall also not be used for the procurement or use of pesticides without an EA approved by the LAC CEO.

Conditions of this negative determination shall be placed in appropriate grant or contract agreements.


 Date 6/16/95
 Jeffrey J. Brokaw
 Chief Environmental Officer
 Bureau for Latin America
 and the Caribbean

- Copy to William Stacy Rhodes, Director
USAID/G-CAP
- Copy to Thomas H. Pierce, C/ENR
USAID/Guatemala
- Copy to Wayne Williams, REA/CEN
USAID/Guatemala
- Copy to Jean Meadowcraft, LAC/SPM-CAC
- Copy to Ken Ellis, LAC/CEN
- Copy to IEE File

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2 Initial Environmental Examination

PROJECT COUNTRY	CENTRAL AMERICA - REGIONAL
PROJECT TITLE	REGIONAL ENVIRONMENTAL PROJECT FOR CENTRAL AMERICA "PROYECTO AMBIENTAL REGIONAL PARA CENTRO AMERICA" (PROARCA)
PROJECT NUMBER	596-0180
FUNDING SOURCE	DEVELOPMENT ASSISTANCE, ENVIRONMENTAL INITIATIVE FOR THE AMERICAS
FUNDING	\$25,000,000 INCLUDING \$3,500,000 FROM THE ENVIRONMENTAL INITIATIVES FOR THE AMERICAS
DURATION	FY 1995 - 2000
ENVIRONMENTAL ACTION RECOMMENDED	Categorical exclusion, conditional negative determination, Programmatic Environmental Assessment

PROJECT DESCRIPTION

PROARCA is a regional environmental protection and conservation PROJECT designed to have a positive environmental influence throughout Central America. The project is designed to conserve biodiversity and coastal resources, reverse contamination of the region's natural resource base, and promote policies that are environmentally positive and sustainable. The project will have three components: **Component I** - USAID/G-CAP will continue to develop and consolidate a Central American system of protected areas, **Component II** - Regional coastal resources and contributing watersheds, especially species-rich coral reefs, mangroves, sea grass beds and adjacent coastal habitats will receive improved management, and, **Component III** - A strengthened regional regulatory and enforcement framework for upwardly harmonized environmental legislation will be promoted.

These goals and purposes will be achieved through improved use of adjacent/connecting buffer zones, protection of parks and reserves, harmonized environmental laws and policies and environmental monitoring. Project activities will incorporate lessons learned during the RENARM project about environmental protection and management to avert negative environmental impacts and promote positive environmental impacts.

RECOMMENDATIONS AND CONCLUSIONS

1 CATEGORICAL EXCLUSION

Components of subprojects under PROARCA involving training, workshops, public education and awareness, seminars, database development, comparative risk assessment and prioritization, or feasibility studies are categorically excluded according to 22 CFR 216.2 (c)(2)(i) and (iii).

2 CONDITIONAL NEGATIVE DETERMINATION

PROARCA is specifically designed to improve environmental conditions in Central America, but certain activities of the Project may result in temporary negative impacts which would need mitigative actions to assure environmental integrity. A Conditional Negative Determination is issued for subprojects with the condition that environmental/best practices guidelines be developed, approved by the LAC Bureau Environmental Officer (BEO) and applied by the institutional contractor and U.S. PVO/NGO Cooperative Agreement recipient.

6

Guidelines will be applied to design subprojects and evaluate their environmental impacts. The Mission Environmental Officer (EO) and the Project Officer shall retain oversight responsibility for the environmental review of subprojects. As determined using the guidelines, any subproject or element of a subproject which may have a significant negative impact on the environment, shall be referred to the BEO to determine appropriate mitigation or need for environmental review. These would include, at a minimum, subprojects which

- support, or might be reasonably expected to lead to timber extraction or significant deforestation,
- procure equipment that could lead to deforestation, or,
- procure or use pesticides

Examples of activities for which guidelines will need to be developed include

- **Marine Ecosystem Monitoring** Monitoring of selected marine protected ecosystems must not adversely impact the resource

- **Adoption of sustainable methods of harvesting and utilizing marine and coastal resources in demonstration sites** The guidelines must be applied during the development of "new ways to sustainably manage coastal and marine resources "

- **Improved resource management by communities** Resource management plans must be approved in advance to insure sustainable means to conserve the resource base. For example, the promotion of shaded coffee and organic agriculture, construction of roads and other infrastructure, and natural forest management will require review to assure compliance with best management practices, etc

- **Management plans for parks and reserves and adjacent buffer zones** must be environmentally acceptable and sustainable

- **Activities to promote ecotourism** must be reviewed for sustainability of target area carrying capacity, maintenance of the tourism values present, and waste management

- **Financial self-sufficiency of parks** can degrade the environment. The Monteverde reserve in Costa Rica and Ambergris Key in Belize are good examples to learn from in achieving financial self-sufficiency while preventing surrounding area degradation

3 PROGRAMMATIC ENVIRONMENTAL ASSESSMENT (PEA)

A scoping session will be conducted to identify those environmental regulatory and standard setting activities with potential for significant adverse environmental impact. Activities so identified will be subject to a Programmatic Environmental Assessment. One foreseeable concern associated with regional harmonization of environmental legislation and standards is that **economic or other incentives for achieving legislative goals may have direct or indirect negative impacts on the environment**. For example, pollution offsets permitting pollution in remote areas for the sake of less pollution in urban areas may actually threaten the stability of biodiversity and tropical ecosystems through acid rain, or other perturbations and such effects would need to be mitigated. Economic incentives and trade benefits would also be considered to assure that they in themselves are not damaging.

The PEA will assess proposed environmental standards to assure that health and welfare would be protected sufficiently.

ADMINISTERING MITIGATIVE MEASURES

The institutional contractor and NGO recipient of the cooperative agreement will be responsible for insuring that all environmental reviews required above are performed on all subproject grants under their respective Agreements to acceptable standards as described in 22 CFR §216.

Funding for the costs of developing the best practices guidelines, conducting the environmental reviews, and implementing approved mitigation measures will come from line items in the institutional contractor's budget, the NGO's Cooperative Agreement, or EPA PASA as appropriate. The PEA will be funded and conducted through the EPA PASA, and as appropriate, preliminary scoping of environmental issues will be conducted through the PRIDE Project Buy-in which will conduct the regional comparative environmental risk assessment.

The directives for performing the above must be described in the EPA PASA, RFA, PRIDE buy-in Scope of Work and RFP for implementing PROARCA.

DOCUMENTS EXAMINED

In preparation of this Initial Environmental Evaluation, the following documents were referenced to understand the contents of the new PROARCA Project. The Project will receive funding from the regional mission budget and also from the Environmental Initiative for the Americas. Hence, the referral to Environmental Initiative for the Americas

documents, which represent proposals sent to EIA/Washington DC for consideration for funding

- 1 New Activity Description (NAD) PROARCA 10 p
- 2 Environmental Initiative for the Americas Regional Environmental Project for Central America Coastal and Marine Ecosystem Conservation and Management 11 p
- 3 Environmental Initiative for the Americas Regional Environmental Project for Central America Trade and Environmental Regulation Integration 13 p
- 4 Project Paper, PROARCA, April 1995

Approved William Stacy Rhodes
William Stacy Rhodes
USAID/G-CAP Director

Disapproved _____
William Stacy Rhodes
USAID/G-CAP Director

Date _____
Concurrence _____
Jeffrey Brokaw
LAC Bureau Chief
Environmental Officer

N/A
See attached LAC memo
Threshold Decision from
LAC/CEO

Drafter
Clearances

Thomas H Pierce C/ENR
Alex Dickie, ENR
Wayne Williams, REA
Ron Carlson, RHUDO
Tom Delaney, PDM
Clifford Brown, RLA

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**CENTRAL AMERICAN REGIONAL ENVIRONMENTAL PROJECT
(596-0180)**

5C(2) - ASSISTANCE CHECKLIST

Listed below are statutory criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive assistance. This section is divided into three parts. Part A includes criteria applicable to both Development Assistance and Economic Support Fund resources. Part B includes criteria applicable only to Development Assistance resources. Part C includes criteria applicable only to Economic Support Funds.

CROSS REFERENCE IS COUNTRY CHECKLIST UP TO DATE?

N/A This is a regional project

A CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

1 Host Country Development Efforts (FAA Sec 601(a))
Information and conclusions on whether assistance will encourage efforts of the country to (a) increase the flow of international trade, (b) foster private initiative and competition, (c) encourage development and use of cooperatives, credit unions, and savings and loan associations, (d) discourage monopolistic practices, (e) improve technical efficiency of industry, agriculture, and commerce, and (f) strengthen free labor unions

N/A

e) To some extent, the regional upward harmonization of environmental policy, including that related to industrial pollution, will improve the efficiency and sustainability of agricultural and industrial production in C A

2 U S Private Trade and Investment (FAA Sec 601(b))
Information and conclusions on how assistance will encourage U S private trade and investment abroad and encourage private U S participation in foreign assistance programs (including use of private trade channels and the services of U S private enterprise)

N/A

3 Congressional Notification

a General requirement (FY 1995 Appropriations Act Sec 515, FAA Sec 634A) If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the Appropriations Act notification requirement has been waived because of substantial risk to human health or welfare)?

A notification has been submitted to LAC and will be presented to Congress prior to the obligation of funds

b Special notification requirement (FY 1995 Appropriations Act Sec 520) Are all activities proposed for obligation subject to prior congressional notification?

N/A

c Notice of account transfer (FY 1995 Appropriations Act Sec 509) If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate

N/A

Appropriations Committees and has such obligation been subject to regular notification procedures?

c Cash transfers and nonproject sector assistance (FY 1995 Appropriations Act Sec 536(b)(3)) If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U S interests to be served and a description of any economic policy reforms to be promoted?

N/A

4 Engineering and Financial Plans (FAA Sec 611(a)) Prior to an obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance, and (b) a reasonably firm estimate of the cost to the U S of the assistance?

(a) Yes (financial)

(b) Yes

5 Legislative Action (FAA Sec 611(a)(2)) If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?

N/A

6 Water Resources (FAA Sec 611(b)) If project is for water or water-related land resource construction, have benefits and costs

N/A

been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U S C 1962, et seq)?

7 Cash Transfer/Nonproject Sector Assistance Requirements
(FY 1995 Appropriations Act Sec 536) If assistance is in the form of a cash transfer or nonproject sector assistance

N/A

a Separate account

Are all such cash payments to be maintained by the country in a separate account and not commingled with any other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance)?

b Local currencies

If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies

(1) Has USAID (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of USAID and that government to

monitor and account for deposits into and disbursements from the separate account?

(2) Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

(3) Has USAID taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

(4) If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

8 Capital Assistance (FAA Sec 611(e)) If project is capital assistance (e.g., construction), and total U S assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively?

N/A

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9 Multiple Country Objectives (FAA Sec 601(a)) Information and conclusions on whether projects will encourage efforts of the country to (a) increase the flow of international trade, (b) foster private initiative and competition, (c) encourage development and use of cooperatives, credit unions, and savings and loan associations, (d) discourage monopolistic practices, (e) improve technical efficiency of industry, agriculture and commerce, and (f) strengthen free labor unions

See item (1) above

10 U S Private Trade (FAA Sec 601(b)) Information and conclusions on how project will encourage U S private trade and investment abroad and encourage private U S participation in foreign assistance programs (including use of private trade channels and the services of U S private enterprise)

N/A

11 Local Currencies

a Recipient Contributions (FAA Secs 612(b), 636(h)) Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U S are utilized in lieu of dollars

N/A

b U.S.-Owned Currency (FAA Sec 612(d)) Does the U S own excess foreign currency of the country and, if so,

N/A

what arrangements have been made for its release?

12 Trade Restrictions

a **Surplus Commodities** (FY 1995 Appropriations Act Sec 513(a)) If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U S producers of the same, similar or competing commodity?

N/A

b **Textiles (Lautenberg Amendment)** (FY 1995 Appropriations Act Sec 513(c)) Will the assistance (except for programs in Caribbean Basin Initiative countries under U S Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U S -made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U S exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?

No

13 Tropical Forests (FY 1991 Appropriations Act Sec 533(c)(3)(as referenced in section 532(d) of the FY 1993 Appropriations Act) Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas?

No On the contrary, the Project will support specific efforts to protect the region's forests

14 PVO Assistance

a Auditing and registration (FY 1995 Appropriations Act Sec 560) If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of USAID, and is the PVO registered with USAID?

Assistance will be provided to PVOs, but they have yet to be identified Prior to entering into any agreement with a PVO, these requirements will be met

b Funding sources (FY 1995 Appropriations Act, Title II, under heading "Private and Voluntary Organizations") If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?

Same as above

15 Project Agreement Documentation (State Authorization Sec 139 (as interpreted by conference report)) Has confirmation of the date of signing of the project agreement, including the amount

N/A

involved, been cabled to State L/T and USAID LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision)

16 **Metric System** (Omnibus Trade and Competitiveness Act of 1988 Sec 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec 2, and as implemented through USAID policy) Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will USAID specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

Yes, to the extent practicable

17 **Abortions** (FAA Sec 104(f), FY 1995 Appropriations

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Act, Title II, under heading "Population, DA," and Sec 518)

a Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions? (Note that the term "motivate" does not include the provision, consistent with local law, of information or counseling about all pregnancy options including abortion)

No

b Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

No

c Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?

No

d Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? (As a legal matter, DA only)

No

e In awarding grants for natural family planning, will any applicant be discriminated against

because of such applicant's religious or conscientious commitment to offer only natural family planning? (As a legal matter, DA only) N/A

f Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? No

g Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization? No

18 Cooperatives (FAA Sec 111) Will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life? N/A

19 U S -Owned Foreign Currencies

a **Use of currencies** (FAA Secs 612(b), 636(h), FY 1995 Appropriations Act Secs 503, 505) Are steps being taken to assure that, to the maximum extent possible, foreign currencies owned by the U S are utilized in lieu of dollars to meet the cost of contractual and other services N/A

b Release of currencies (FAA Sec 612(d)) Does the U S own excess foreign currency of the country and, if so, what arrangements have been made for its release?

N/A

20 **Procurement**

a Small business (FAA Sec 602(a)) Are there arrangements to permit U S small business to participate equitably in the furnishing of commodities and services financed?

Yes

b U S procurement (FAA Sec 604(a)) Will all procurement be from the U S , the recipient country, or developing countries except as otherwise determined in accordance with the criteria of this section?

Yes

c Marine insurance (FAA Sec 604(d)) If the cooperating country discriminates against marine insurance companies authorized to do business in the U S , will commodities be insured in the United States against marine risk with such a company?

Yes

d Insurance (FY 1995 Appropriations Act Sec 531) Will any USAID contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U S insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate?

Yes

e Non-U S agricultural procurement (FAA Sec 604(e)) If non-U S procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U S)

N/A

f Construction or engineering services (FAA Sec 604(g)) Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries)

N/A

g Cargo preference shipping (FAA Sec 603)) Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U S flag commercial vessels to the extent

N/A

such vessels are available at fair and reasonable rates?

h Technical assistance (FAA Sec 621(a)) If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

Yes

i U S air carriers (International Air Transportation Fair Competitive Practices Act, 1974) If air transportation of persons or property is financed on grant basis, will U S carriers be used to the extent such service is available?

Yes

j Consulting services (FY 1995 Appropriations Act Sec 559) If assistance is for consulting service through procurement contract pursuant to 5 U S C 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)?

Yes

k Metric conversion (Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec 2, and as implemented through USAID policy) Does the assistance program use the metric system of mea-

Yes, to the extent practicable

surement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will USAID specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

l Competitive Selection Procedures (FAA Sec 601(e))

Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes

m Notice Requirement (FY 1995 Appropriations Act Sec 568) Will project agreements or contracts contain notice consistent with FAA section 604(a) and with the sense of Congress that to the greatest extent practicable equipment and products purchased with appropriated funds should be American-made?

Yes



21 Construction

a Capital project
(FAA Sec 601(d)) If capital (e g ,
construction) project, will U S
engineering and professional services
be used? N/A

**b Construction
contract** (FAA Sec 611(c)) If
contracts for construction are to be
financed, will they be let on a com-
petitive basis to maximum extent
practicable? N/A

**c Large projects,
Congressional approval** (FAA Sec
620(k)) If for construction of pro-
ductive enterprise, will aggregate
value of assistance to be furnished by
the U S not exceed \$100 million
(except for productive enterprises in
Egypt that were described in the
Congressional Presentation), or does
assistance have the express approval
of Congress? N/A

22 U S Audit Rights (FAA
Sec 301(d)) If fund is established
solely by U S contributions and
administered by an international
organization, does Comptroller
General have audit rights? N/A

23 Communist Assistance
(FAA Sec 620(h)) Do arrangements
exist to insure that United States
foreign aid is not used in a manner
which, contrary to the best interests
of the United States, promotes or
assists the foreign aid projects or N/A

activities of the Communist-bloc countries?

24 Narcotics

a Cash reimbursements (FAA Sec 483) Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? **Yes**

b Assistance to narcotics traffickers (FAA Sec 487) Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to believe have either (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances), or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? **Yes**

25 Expropriation and Land Reform (FAA Sec 620(g)) Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? **Yes**

26 Police and Prisons (FAA Sec 660) Will assistance preclude use of financing to provide

training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes

27 CIA Activities (FAA Sec 662) Will assistance preclude use of financing for CIA activities? Yes

28 Motor Vehicles (FAA Sec 636(1)) Will assistance preclude use of financing for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U S , unless a waiver is obtained? Yes

29 Export of Nuclear Resources (FY 1995 Appropriations Act Sec 506) Will assistance preclude use of financing to finance--except for purposes of nuclear safety--the export of nuclear equipment, fuel, or technology? Yes

30 Publicity or Propaganda (FY 1995 Appropriations Act Sec 554) Will assistance be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? No

31 Exchange for Prohibited Act (FY 1995 Appropriations Act Sec 533) Will any assistance be provided to any foreign government (including any instrumentality or No

agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law?

32 Commitment of Funds
(FAA Sec 635(h)) Does a contract or agreement entail a commitment for the expenditure of funds during a period in excess of 5 years from the date of the contract or agreement?

No

33 Impact on U S Jobs
(FY 1995 Appropriations Act, Sec 545)

a Will any financial incentive be provided to a business located in the U S for the purpose of inducing that business to relocate outside the U S in a manner that would likely reduce the number of U S employees of that business?

No

b Will assistance be provided for the purpose of establishing or developing an export processing zone or designated area in which the country's tax, tariff, labor, environment, and safety laws do not apply? If so, has the President determined and certified that such assistance is not likely to cause a loss of jobs within the U S ?

No

c Will assistance be provided for a project or activity that contributes to the violation of inter-

nationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, or will assistance be for the informal sector, micro or small-scale enterprise, or smallholder agriculture?

No

B CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

1 Agricultural Exports (Bumpers Amendment) (FY 1995 Appropriations Act Sec 513(b), as interpreted by conference report for original enactment) If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U S exporters of a similar agricultural commodity, or (2) in support of research that is intended primarily to benefit U S producers?

N/A

2 Tied Aid Credits (FY 1995 Appropriations Act, Title II, under heading "Economic Support

No

Fund") Will DA funds be used for tied aid credits?

3 Appropriate Technology (FAA Sec 107) Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

N/A

4 Indigenous Needs and Resources (FAA Sec 281(b)) Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country, utilizes the country's intellectual resources to encourage institutional development, and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government

The Project is a direct response to the C A Alliance for Sustainable Development By promoting participatory processes related to policy development/application and protected areas management, the Project will ensure that local decisions drive activities CCAD will be the primary coordinator/planner of interventions, and local NGOs and C A governments will be involved with all aspects of the Project

5 Economic Development (FAA Sec 101(a)) Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes By emphasizing the linkage between trade/economic growth and natural resource management, on both a policy and field level, the Project will contribute to the sustainable development of the region

6 Special Development Emphases (FAA Secs 102(b), 113, 281(a)) Describe extent to which activity will (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technolo-

(a) N/A

at.

gy, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U S institutions, (b) encourage democratic private and local governmental institutions, (c) support the self-help efforts of developing countries, (d) promote the participation of women in the national economies of developing countries and the improvement of women's status, and (e) utilize and encourage regional cooperation by developing countries

- (b) The Project will facilitate local fora for decision-making related to natural resource management
- (c) The Project will provide TA and training in response to the demands/needs of Central Americans relative to management of their natural resource base
- (d) Women will be fully integrated into the decision-making processes facilitated by the Project as members of local communities
- (e) Project activities represent a critical part of the USG support to the CONCAUSA Agreement

7 Recipient Country Contribution (FAA Secs 110, 124(d))
Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

N/A since this is a regional Project However, each NGO grantee will be required to cover at least 25% of the costs of their agreement from non-USG sources, unless specifically waived by the Mission

8 Benefit to Poor Majority (FAA Sec 128(b)) If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

Yes

9 Contract Awards (FAA Sec 601(e)) Will the project utilize competitive selection procedures for the awarding of contracts, except

Yes

where applicable procurement rules allow otherwise?

10 Disadvantaged Enterprises (FY 1995 Appropriations Act Sec 555) What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

Although funds will not be specifically set aside for participation of these enterprises, technical assistance and other contracts will be competitively bid, allowing for participation of economically disadvantaged firms. Even if such firms are not the prime contractor, Gray Amendment sub-contracts will be required in accordance with current procurement regulations.

11 Biological Diversity (FAA Sec 119(g) Will the assistance (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity, (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats, (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection, or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas? (Note new special authority for biodiversity activities contained in section 547(b) of the FY 1995 Appropriations Act)

(a) Yes

(b) No

(c) Yes

(d) No

B

12 **Tropical Forests** (FAA Sec 118, FY 1991 Appropriations Act Sec 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act)

a USAID Regulation

16 Does the assistance comply with the environmental procedures set forth in USAID Regulation 16? Yes

b Conservation

Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible (1) stress the importance of conserving and sustainably managing forest resources, (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas, (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management, (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices, (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded, (6) conserve forested watersheds and rehabilitate those which have been deforested, (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber Yes

harvesting, removal, and processing, (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation, (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas, (10) seek to increase the awareness of U S Government agencies and other donors of the immediate and long-term value of tropical forests, (11) utilize the resources and abilities of all relevant U S government agencies, (12) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (13) take full account of the environmental impacts of the proposed activities on biological diversity?

c Forest degradation Will assistance be used for (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustain-

No

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able forest management systems, (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas, (3) activities which would result in the conversion of forest lands to the rearing of livestock, (4) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands, (5) the colonization of forest lands, or (6) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

d Sustainable forestry If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

Yes

e Environmental impact statements Will funds be made available in accordance with provisions of FAA Section 117(c) and applicable USAID regulations requiring an environmental impact

Yes, as necessary

statement for activities significantly affecting the environment?

13 **Energy** (FY 1991 Appropriations Act Sec 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act) If assistance relates to energy, will such assistance focus on (a) end-use energy efficiency, least-cost energy planning, and renewable energy resources, and (b) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases?

N/A

14 **Debt-for-Nature Exchange** (FAA Sec 463) If project will finance a debt-for-nature exchange, describe how the exchange will support protection of (a) the world's oceans and atmosphere, (b) animal and plant species, and (c) parks and reserves, or describe how the exchange will promote (d) natural resource management, (e) local conservation programs, (f) conservation training programs, (g) public commitment to conservation, (h) land and ecosystem management, and (i) regenerative approaches in farming, forestry, fishing, and watershed management

N/A

15 **Deobligation/-Reobligation** (FY 1995 Appropriations Act Sec 510) If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated,

N/A

and have the House and Senate Appropriations Committees been properly notified?

16 Loans

a Repayment capacity (FAA Sec 122(b)) Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest

N/A

b Long-range plans (FAA Sec 122(b)) Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

c Interest rate (FAA Sec 122(b)) If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter?

d Exports to United States (FAA Sec 620(d)) If assistance is for any productive enterprise which will compete with U S enterprises, is there an agreement by the recipient country to prevent export to the U S of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

AS

17 Development Objectives

(FAA Secs 102(a), 111, 113, 281(a)) Extent to which activity will (1) effectively involve the poor in development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U S institutions, (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions, (3) support the self-help efforts of developing countries, (4) promote the participation of women in the national economies of developing countries and the improvement of women's status, and (5) utilize and encourage regional cooperation by developing countries?

See No 6 above

18 Agriculture, Rural Development and Nutrition, and Agricultural Research (FAA Secs 103 and 103A)

N/A

a Rural poor and small farmers. If assistance is being made available for agriculture, rural development or nutrition, describe extent to which activity is specifically designed to increase productivity and income of rural poor, or if assistance is being made

available for agricultural research, has account been taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made

b Nutrition Describe extent to which assistance is used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value, improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs, and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people

c Food security Describe extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution

19 Population and Health
(FAA Secs 104(b) and (c)) If

assistance is being made available for population or health activities, describe extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach

N/A

20 Education and Human Resources Development (FAA Sec 105) If assistance is being made available for education, public administration, or human resource development, describe (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development, and (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities

N/A

21 Energy, Private Voluntary Organizations, and Selected Development Activities (FAA Sec 106) If assistance is being made available for energy, private voluntary organizations, and selected development problems, describe

N/A

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extent to which activity is

a concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production, and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment,

b concerned with technical cooperation and development, especially with U S private and voluntary, or regional and international development, organizations,

c research into, and evaluation of, economic development processes and techniques,

d reconstruction after natural or manmade disaster and programs of disaster preparedness,

e for special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U S assistance,

f for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor

participate in economic and social development

22 Capital Projects (Jobs Through Export Act of 1992, Secs 303 and 306(d)) If assistance is being provided for a capital project, is the project developmentally sound and will the project measurably alleviate the worst manifestations of poverty or directly promote environmental safety and sustainability at the community level?

N/A

C CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY

N/A

1 Economic and Political Stability (FAA Sec 531(a)) Will this assistance promote economic and political stability?

To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?

2 Military Purposes (FAA Sec 531(e)) Will this assistance be used for military or paramilitary purposes?

3 Commodity Grants/Separate Accounts (FAA Sec 609) If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? (For FY 1995, this provision is superseded by the separate account requirements of FY 1995 Appropriations Act Sec 536(a), see Sec 536(a)(5))

4 Generation and Use of Local Currencies (FAA Sec 531(d)) Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106? (For FY 1995, this provision is superseded by the separate account requirements of FY 1995 Appropriations Act Sec 536(a), see Sec 536(a)(5))

5 Capital Projects (Jobs Through Exports Act of 1992, Sec 306) If assistance is being provided for a capital project, will the project be developmentally-sound and sustainable, i e , one that is (a) environmentally sustainable, (b) within the financial capacity of the government or recipient to maintain from its own resources, and (c) responsive to a significant development priority initiated by the country to which assistance is being provided (Please note the definition of "capital project" contained in section 595 of the FY 1993 Appropriations Act Note, as well, that although a comparable provision does not appear in the FY 94 Appropriations Act, the FY 93 provision applies to, among other things, 2-year ESF funds which could be obligated in FY 94)

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