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U.S. Agency for International Development

FISCAL YEAR

2003

Budget Justification to the Congress

Annex IV
Latin America and the Caribbean

A

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
FY 2003 BUDGET JUSTIFICATION

LATIN AMERICA AND THE CARIBBEAN
ANNEX IV

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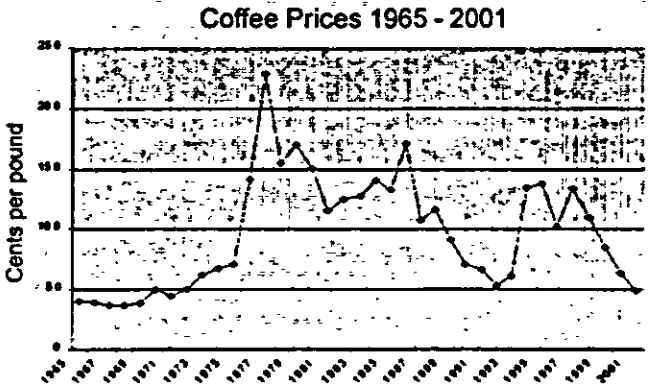
LATIN AMERICA AND THE CARIBBEAN

DEVELOPMENT CHALLENGE: This past year has been witness to an exciting mixture of heartening triumphs and disconcerting challenges throughout Latin America and the Caribbean. Despite the highly polarized atmosphere of Nicaragua's elections, and the abrupt resignation of President Alberto Fujimori in Peru, these countries ushered in democratically elected governments that must break from the past, rise to the challenge, and respond to their citizens' calls for transparency and accountability. However, there is growing concern that the economic crisis and the rising populist sentiment in Argentina could spill over to neighboring countries and endanger the region's commitment to market-based reform and the establishment of a Free Trade Area of the Americas (FTAA) by January 2005. USAID's efforts will help our regional partners stay the course on the hard road of reform and implement the trade, democracy, and education commitments agreed upon by President Bush and leaders of the Western Hemisphere at the Third Summit of the Americas held in Quebec, Canada.

Looking back, USAID investments in the region helped spread democratic processes and reduce human rights violations. Today, all governments in the LAC region, with the exception of Cuba, have democratically elected governments. USAID efforts have also contributed toward the continued reduction of the region's infant mortality rate, which now stands at 30 per 1000 live births as compared to 91 in the late 1960s. Additionally, access to basic education has increased and adult illiteracy rates have been more than cut in half. Coupled with this, USAID assistance has helped countries in the region increase and diversify their agricultural exports. Cultivation of licit crops in Bolivia and Peru has increased as USAID's alternative development programs in South America have given small farmers new economic options. USAID has also helped countries mitigate the effects of disasters. As part of hurricane reconstruction programs in Central America and the Caribbean and the El Salvador earthquake reconstruction program, improved environmental standards have been developed to protect physical and social investments. Houses constructed after Hurricane Mitch withstood the shocks of the devastating El Salvador earthquakes. The Rio Lempa watershed did not flood with the heavy rains of Hurricane Keith in 2000. USAID has also been highly successful in promoting the adoption of agriculture, forestry, energy, and industrial production practices that are environmentally sound and economically competitive.

Despite these encouraging trends, substantial challenges remain. Although the 1990s brought the region a welcome recovery from the economic troubles of the 1980s, the achievements of the past decade have not created enough economic horsepower to reduce poverty and income inequality. Persistent poverty still characterizes the LAC region today, with more than one-third of the population living below the poverty line. While roughly two-thirds of the poor live in urban areas, people living in rural areas are twice as likely to be poor. The skewed income inequality in the LAC region is the worst in the world with countries like Nicaragua, Honduras, Brazil, and Guatemala at the top of the global list. The lack of economic opportunities in Latin America and the Caribbean makes the region the number one source of illegal immigration into the United States, with 88% of illegal immigrants coming from these countries. An additional concern is the cross-border spread of communicable diseases such as tuberculosis and HIV/AIDS.

Coffee Prices 1965 - 2001



These challenges are compounded by the current worldwide recession, which has depressed commodity prices. Coffee, a major export earner for Latin American countries, is experiencing its lowest price levels in 30 years due to the entry of Vietnam and Indonesia into the market. Many coffee-producing areas of Central America have been devastated, a situation further exacerbated by two years of severe drought. Effects of the crisis will be felt in the region for a number of years, as

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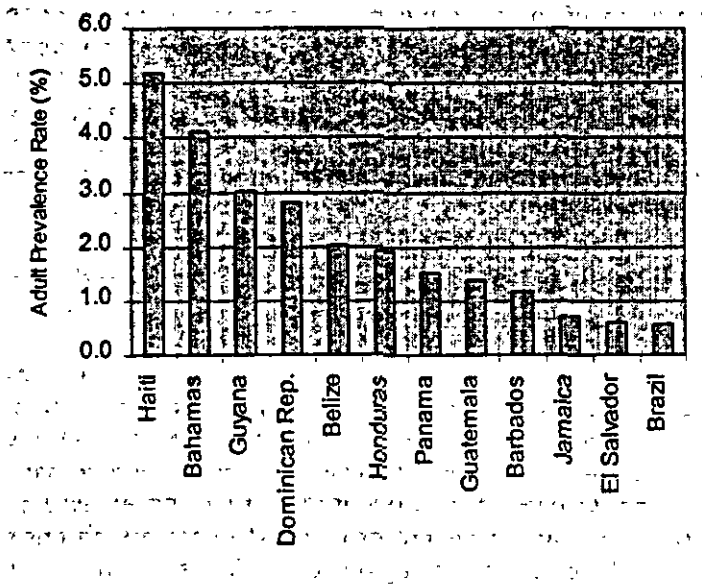
coffee prices remain low. With the economic downturn, even the region's bright spots have dimmed – Mexico's sterling growth and job creation rates, which were fueled by the North American Free Trade Agreement (NAFTA), have plunged. The aftershock of the tragic terrorist attacks of September 11, 2001, has accelerated the economic deterioration in the region. Countries with significant trade and tourism sectors are particularly vulnerable. Sixty-five percent of Caribbean holiday bookings were cancelled after the September 11th attacks. The decrease in tourism revenue has reduced many governments' budgets and boosted unemployment rates. Worsening economic conditions could fuel an increase in narcotics trade, other criminal activities, and violence, especially since the region has already proven to be fertile ground for transnational crime networks (Jamaica and the Eastern Caribbean), guerilla insurgency and terrorism (Colombia), and money laundering (Paraguay).

Continued efforts are needed to solidify democracy and reduce the potential for conflict. While impressive gains in democratic institution building have taken place in the region, these new institutions are still fragile and not all political processes are fair and democratic. Electing democratic governments is one step in the process of creating a democratic society; however, to sustain and achieve further gains in democracy, people in the LAC region must be able to envision the linkages between democracy and direct improvement in their daily lives. Many citizens have lost their early fervor for a return to democracy, especially as crime and corruption continue to erode the legitimacy of freely elected governments. There is still a great deal of work to be done to improve the responsiveness of government institutions, especially for the poor and the indigenous groups who find themselves relegated to the margins of the political process, to help strengthen the rule of law, and to eliminate corruption.

The area's natural resource base is under increasingly intense pressure. The region has rich soils and fisheries and is home to one-half the world's remaining tropical forests and biodiversity. Unfortunately, it also has one of the world's highest rates of deforestation. Two-thirds of the region's coral reefs are either dead or highly threatened, and available fresh water per capita is one-fifth that of 50 years ago. Environmental degradation has a negative impact on development efforts. The World Bank estimates that environmental degradation reduces the gross domestic product (GDP) of developing countries by roughly 4 to 8 percent. Additionally, the International Committee of the Red Cross has concluded that environmental degradation, not war or political repression, is the greatest cause of displaced people and refugees.

HIV/AIDS Adult Prevalence Rate in Selected LAC Countries, 1999



Although considerable progress has been made in the health and education sectors, HIV/AIDS is taking its toll, especially in the Caribbean where the prevalence of HIV/AIDS in adults is second only to sub-Saharan Africa. More work is needed to reduce maternal mortality, through increased access to professional care during delivery, and to reduce malnutrition. Malnutrition has declined in the rest of the region, but in Central America, the rates of underweight and stunting in children have remained stagnant for 20 years. While there have been significant reductions in child mortality rates and an increase in the use of family planning region-wide, focus needs to shift to younger infants for whom death rates remain high, and family planning efforts must expand to reach all couples who want this important service, especially in remote rural areas. In the education sector, remarkable progress has been made in providing access to basic education, but

major failings still exist in the quality, equity, and efficiency of education systems. The majority of LAC children attend weak and under-funded public schools, where they fail to acquire basic skills in mathematics, language, and science. In the region, only 56% of students who start school finish six grades and only about one-third of those children attend secondary school. When comparing LAC countries with countries of similar incomes, students in LAC enter the labor force with far less education than their counterparts. This under-investment in human capital, if not reversed, will ensure that world markets turn elsewhere and that labor, not commodities, will become the region's chief export.

USAID's approach to addressing the challenges faced by Latin American and Caribbean countries is based upon the Agency's four pillars: Economic Growth, Agriculture, and Trade; Global Health; Democracy, Conflict, and Humanitarian Assistance; and Global Development Alliances.

To address the myriad challenges in the LAC region, USAID has developed subregional initiatives that cut across the Agency's pillars. These initiatives are: the Partnership for Prosperity, a trade-led rural economic growth strategy for Central America and Mexico that focuses on reducing poverty, particularly in rural areas; the Andean Regional Initiative, a multi-country counternarcotics program which emphasizes political stability and addresses widespread poverty reduction through activities in democracy, economic growth, trade, and alternative development in South America; and the Third Border Initiative, which includes measures to address poverty, trade, fragile democracies, health, education, and crime in the Eastern Caribbean.

The Economic Growth, Agriculture, and Trade pillar strengthens U.S. efforts to ensure that the people of Latin America and the Caribbean are able to take advantage of the potential of globalization, rather than become its victims. USAID activities under this pillar fully support the commitment made at the Third Summit of the Americas held in Quebec, Canada, to establish FTAA by 2005, as well as the summit themes of creating prosperity and realizing human potential. The activities underscore the interrelationship of economic growth and agricultural development, environmental sustainability, and the development of a country's human capital with the ultimate goal of creating and cultivating vibrant, broad-based market economies. Moreover, the approach to achieving this goal centers on improving rural livelihoods and contributes toward the prevention of conflict as the poor and often disenfranchised are better able to envision and take steps toward a more prosperous future. This is important in LAC where many countries still have serious stability issues that emanate from rural areas (e.g., Colombia, Nicaragua, and Guatemala).

For example, USAID's Partnership for Prosperity (PfP) program, to be initiated in FY 2002, will provide market development, business services, and access to finance to small farmers; build trade capacity and competitiveness; support applied agricultural research and biotechnology; enhance education; and improve disaster preparedness. The PfP initiative will signal a new way of doing business by forging strong partnerships with the U.S. Hispanic community, corporations, private foundations, U.S. state governments, and international financial institutions. USAID is planning to partner with private groups in order to help coffee farmers tap premium specialty markets, including the environmentally certified, or "green," market. PfP will also explore ways to reduce transaction costs and facilitate the use of remittances for development purposes. Remittances play a critical role in the Central American and Caribbean economies, for example, accounting for over 10% of GDP in Nicaragua and El Salvador.

Under the Andean Regional Initiative (ARI), USAID is playing a central role in helping Colombia and its neighbors address the economic, social, and institutional problems linked to illicit coca and drug production. USAID will continue programs under this initiative aimed at developing viable alternatives to coca production. USAID will also undertake trade capacity-building activities in the Andean region, which, in addition to being vital to identifying markets for alternative crops in coca growing areas, will also be key to promoting the FTAA. Similarly, as part of the Third Border Initiative, the Eastern Caribbean regional program will assist countries with trade-capacity development. USAID is committed

to developing alliances with non-governmental organizations, foundations, corporations, and others in order to leverage resources and new technologies to address the most important development issues.

USAID encourages the development of human potential through education programs that focus on improving service delivery in basic education, particularly to disadvantaged populations including girls, indigenous and rural people. In FY 2002, USAID will implement a new initiative creating Centers of Excellence for Teacher Training to serve as regional teacher training and resource centers in the Caribbean, the Andean region, and Central America. The focus of the program will be on improving reading instruction and upgrading the knowledge and pedagogical skills of poorly qualified teachers.

USAID's environment and natural resource management programs focus on promoting policies and practices that are both environmentally sustainable and economically competitive. USAID helps farmers to implement hillside agriculture practices that reduce erosion while increasing household income. Focus is placed on management practices that increase the profitability of sustainable natural forest management while reducing the incentive to convert forested lands to other uses. In Brazil, Bolivia, Ecuador, Central America, and Mexico, USAID has promoted low-impact harvesting techniques that provide timber on a sustainable basis at costs comparable to the traditional destructive cutting practices. Additionally, USAID promotes pollution prevention practices and technologies to a variety of industries, which have helped to reduce production costs. USAID also supports conservation through the Parks in Peril program, through which 28 million acres of fragile ecosystems are protected and supported by local communities.

The Global Health pillar includes activities to promote maternal and child health, nutrition, and women's reproductive health and to combat HIV/AIDS and other infectious diseases such as tuberculosis (TB) and malaria. These are global issues with global consequences: the health of a population directly affects their productivity, and unchecked infectious diseases in other countries pose threats to our own. USAID carries out population, health, and nutrition programs in 14 countries in the region. The major areas of focus include family planning, child survival, HIV/AIDS, infectious diseases, health sector reform, and maternal health. USAID targets its assistance to countries with the most needs, and within these countries, to the most needy populations. Our approach to health challenges in the region reflects an in-depth understanding of national health-sector resources and weaknesses combined with on-the-ground coordination with other major donors and host-country public- and private-sector organizations. Recently, programs in HIV/AIDS and TB have shown the most growth, as a concrete response to the increasing concern that these infectious diseases are literally on our doorstep.

The Democracy, Conflict, and Humanitarian Assistance pillar integrates the existing portfolio of USAID democracy programs with new approaches to crisis and conflict analysis and resolution. LAC democracy programs, with their emphasis on institutional reform and citizen participation, are at the heart of conflict prevention. The Peace Accords program in Guatemala for example, promotes good governance, which is critical to reducing the economic, health, and environmental vulnerabilities that continue to breed instability. As a result of USAID's efforts under the Andean Regional Initiative, community participation is improving local democratic processes and government decentralization in Colombia. *USAID will continue programs under this initiative aimed at establishing a fair and* transparent justice system, attaining a greater voice in government decision-making, and improving basic human rights making crime, insurgency, and drug trafficking less attractive alternatives. In El Salvador, the USAID-funded community policing pilot activity has been adopted nationwide. USAID activities under this pillar also support the Summit of the America's action plan in the areas of anti-corruption, human rights, access to justice, and political participation.

In recent years, Central America and the Caribbean have been rocked by earthquakes and deluged by hurricanes. Although these natural phenomena cannot be prevented, poor choices in land use increase vulnerability. USAID's disaster reconstruction programs help countries implement improved disaster mitigation measures and environmental standards. *USAID* works with national agencies, local

governments, and communities to identify flood or disaster-prone areas, promote practices to prevent risk in the future, and improve preparedness for disasters. To mitigate future disasters, USAID programs are preparing risk maps of landslide hazards that threaten water and sanitation systems, small towns, and rural roads; are putting in place land use ordinances; and are strengthening seismic, landslide, flood, and volcanic monitoring capacities.

PROGRAM AND MANAGEMENT CHALLENGES: LAC is actively supporting the Administration's foreign-policy objectives by integrating and focusing the impact of our activities through major initiatives: the Partnership for Prosperity, the Andean Regional Initiative, and the Third Border Initiative. The major management challenge faced by LAC continues to be constraints on the human resources needed to implement the planned programs. Having successfully completed regionalization of management support services in the field on a sub-regional basis over the past few years, LAC will continue to examine approaches to further restructure the workforce for greater efficiency. Initial steps will include a series of management assessments to identify options for more efficient management within and across individual operating units.

OTHER DONORS: The United States is the largest provider of Official Development Assistance among all bilateral donors in this region. The other major donors in the region are the European Union, Japan, the Netherlands, and Germany. USAID's collaboration with other donors is a critical and expanding focus of its strategy in the LAC region. Our primary multilateral partners are the Inter-American Development Bank (IDB), the World Bank, the Pan American Health Organization, and the Organization of American States. As a key source of development finance in the LAC region, the IDB is our natural partner. USAID's extensive coordination with the IDB continues to bring positive results. USAID is using its strong ties to IDB technical staff to ensure that its grant investments enrich the World Bank loan investments. USAID has applied its established relationships with local NGOs, flexible grant funds, and in-country presence to shape IDB programming and improve implementation.

FY 2003 PROGRAM: USAID FY 2003 resources for the LAC region total $894 million. Of this amount, $417 million is for Development Assistance (DA), $96 million is Economic Support Funds (ESF), $278 million is Andean Counterdrug Initiative, and $103 million is P.L. 480 Title II. The USAID FY 2003 program for LAC addresses the highest priority goals for the region. In Economic Growth, Agriculture, and Trade, activities focus on promoting trade-led and broad-based growth in developing and transitional economies, securing a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation; improving equity and quality in education and training, and reducing the risk of future disasters by promoting disaster mitigation measures. In Global Health, activities focus on stabilizing the world's population and protecting human health and reducing the spread of infectious diseases. In Democracy, Conflict, and Humanitarian Assistance, activities focus on increasing adherence to democratic practices and strengthening democratic governance with increased respect for human rights, stemming the flow of illegal narcotics into the United States, and preventing or minimizing the human costs of conflict and natural disasters.

Latin America and the Caribbean
PROGRAM SUMMARY
(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	79,957	98,743	0	0
Child Survival and Health Programs Fund	0	0	144,615	0
Development Assistance	201,000	225,515	228,437	417,005
Economic Support Fund	124,877	120,238	166,500	96,000
Andean Counterdrug Initiative *	46,000	25,750	215,000	278,000
PL 480 Title II	123,511	113,163	68,209	102,518
Plan Colombia Supplemental	207,500	0	0	0
Total Program Funds	**782,845**	**583,409**	**822,761**	**893,523**

* Includes International Narcotics Control (INC) funding

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Latin America and the Caribbean
PROGRAM SUMMARY

(in thousands of dollars)

Country/ Fund Account	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Bolivia				
Child Survival and Disease Programs Fund	7,583	6,598	0	0
Child Survival and Health Programs Fund	0	0	19,410	0
Development Assistance	25,388	25,098	12,053	30,547
Economic Support Fund	0	1,995	10,000	10,000
Andean Counterdrug Initiative *	16,000	0	33,000	42,000
PL 480 Title II	22,059	15,918	9,910	21,525
Plan Colombia Supplemental	80,000	0	0	0
Total Bolivia	151,030	49,609	84,373	104,072
Brazil				
Child Survival and Disease Programs Fund	4,150	7,883	0	0
Child Survival and Health Programs Fund	0	0	8,700	0
Development Assistance	8,491	7,318	3,930	17,537
Total Brazil	12,641	15,201	12,630	17,537
Caribbean Regional Program				
Child Survival and Disease Programs Fund	0	1,497	0	0
Child Survival and Health Programs Fund	0	0	4,000	0
Development Assistance	540	0	0	15,750
Economic Support Fund	7,000	6,985	11,000	3,000
Total Caribbean Regional Program	7,540	8,482	15,000	18,750
Central America Regional Program				
Child Survival and Disease Programs Fund	3,150	3,692	0	0
Child Survival and Health Programs Fund	0	0	4,750	0
Development Assistance	8,200	9,030	8,142	26,927
Total Central America Regional Program	11,350	12,722	12,892	26,927
Colombia				
Economic Support Fund	4,000	0	0	0
Andean Counterdrug Initiative *	5,000	0	104,500	151,000
PL 480 Title II	2,306	0	0	0
Plan Colombia Supplemental	119,500	0	0	0
Total Colombia	130,806	0	104,500	151,000
Cuba				
Economic Support Fund	3,500	4,989	5,000	6,000
Total Cuba	3,500	4,989	5,000	6,000

Country/ Fund Account	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Dominican Republic				
Child Survival and Disease Programs Fund	3,300	6,385	0	0
Child Survival and Health Programs Fund	0	0	9,532	0
Development Assistance	6,800	8,800	6,450	19,409
Economic Support Fund	3,356	3,492	2,000	3,500
PL 480 Title II	99	1,525	0	0
Total Dominican Republic	13,555	20,202	17,982	22,909
Ecuador				
Child Survival and Disease Programs Fund	550	0	0	0
Development Assistance	11,720	8,184	6,855	7,130
Economic Support Fund	7,000	8,984	17,500	22,250
Andean Counterdrug Initiative *	0	0	10,000	16,000
PL 480 Title II	0	1,459	0	0
Plan Colombia Supplemental	8,000	0	0	0
Total Ecuador	27,270	18,627	34,355	45,380
El Salvador				
Child Survival and Disease Programs Fund	10,495	14,557	0	0
Child Survival and Health Programs Fund	0	0	14,822	0
Development Assistance	19,508	31,807	44,880	33,724
Economic Support Fund	4,950	4,989	25,000	0
Total El Salvador	34,953	51,353	84,702	33,724
Guatemala				
Child Survival and Disease Programs Fund	7,810	6,905	0	0
Child Survival and Health Programs Fund	0	0	15,350	0
Development Assistance	13,150	16,937	12,320	26,691
Economic Support Fund	20,000	13,969	10,000	7,500
PL 480 Title II	18,356	16,036	15,808	18,013
Total Guatemala	59,316	53,847	53,478	52,204
Guyana				
Child Survival and Disease Programs Fund	200	798	0	0
Child Survival and Health Programs Fund	0	0	1,000	0
Development Assistance	3,200	3,800	3,100	3,180
Total Guyana	3,400	4,598	4,100	3,180
Haiti				
Development Assistance	0	0	0	25,000
Economic Support Fund	52,550	46,894	30,000	0
PL 480 Title II	25,076	25,111	0	22,375
Total Haiti	77,626	72,005	30,000	47,375

Country/ Fund Account	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Honduras				
Child Survival and Disease Programs Fund	7,400	8,936	0	0
Child Survival and Health Programs Fund	0	0	13,070	0
Development Assistance	12,633	16,789	15,430	35,096
Economic Support Fund	0	998	1,000	0
PL 480 Title II	9,340	5,270	3,647	5,190
Total Honduras	29,373	31,993	33,147	40,286
Jamaica				
Child Survival and Disease Programs Fund	3,357	4,116	0	0
Child Survival and Health Programs Fund	0	0	2,821	0
Development Assistance	7,810	7,685	9,471	15,980
Economic Support Fund	500	1,497	1,000	0
Total Jamaica	11,667	13,298	13,292	15,980
LAC Regional				
Child Survival and Disease Programs Fund	12,830	14,780	0	0
Child Survival and Health Programs Fund	0	0	11,765	0
Development Assistance	22,970	27,284	60,466	60,274
Economic Support Fund	7,000	7,584	17,500	12,500
Total LAC Regional	42,800	49,648	89,731	72,774
Mexico				
Child Survival and Disease Programs Fund	4,200	5,987	0	0
Child Survival and Health Programs Fund	0	0	5,500	0
Development Assistance	9,562	7,885	6,915	18,276
Economic Support Fund	2,736	6,178	10,000	12,000
Total Mexico	16,498	20,050	22,415	30,276
Nicaragua				
Child Survival and Disease Programs Fund	7,932	7,006	0	0
Child Survival and Health Programs Fund	0	0	8,170	0
Development Assistance	14,450	16,390	16,152	27,258
Economic Support Fund	500	1,499	1,500	0
PL 480 Title II	6,702	7,808	8,039	10,363
Total Nicaragua	29,584	32,703	33,861	37,621
Panama				
Development Assistance	3,500	3,700	4,500	7,000
Economic Support Fund	1,000	998	4,000	3,500
Total Panama	4,500	4,698	8,500	10,500
Paraguay				
Child Survival and Health Programs Fund	0	0	2,525	0
Development Assistance	5,175	6,320	3,600	6,625
Economic Support Fund	1,000	3,492	3,500	3,500
Total Paraguay	6,175	9,812	9,625	10,125

Country/ Fund Account	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Peru				
Child Survival and Disease Programs Fund	7,000	9,603	0	0
Child Survival and Health Programs Fund	0	0	23,200	0
Development Assistance	27,904	28,488	14,173	40,601
Economic Support Fund	9,785	5,695	17,500	12,250
Andean Counterdrug Initiative *	25,000	25,750	67,500	69,000
PL 480 Title II	39,573	40,036	30,805	25,052
Total Peru	109,262	109,572	153,178	146,903
Total Program Funds	**782,848**	**583,409**	**822,761**	**893,523**

*Includes International Narcotics Control (INC) funding

LATIN AMERICA AND THE CARIBEAN
Budget Justification Fiscal Year 2003
Notified Levels for FY 2002

Country/Program Obj. No.	Objective Title	FY 2002 Estimate	Amount Notified in FY 2003 CBJ	Account
BOLIVIA				
511-001	Increased Citizen Support for the Bolivian Democratic System	2,500	0	DA
		4,000	0	ESF
		4,000	0	ACI
511-002	Increased Income for Bolivia's Poor with Emphasis on Targeted Communities, Directly or Indirectly Assisted by USAID	3,500	0	DA
		6,000	0	ESF
511-003	Improved Health of the Bolivian Population	19,410	12,370	CSH
511-004	Forest, Water and Biodiversity Resources Managed for Sustained Economic Growth	6,053	465	DA
511-005	Illegal and Excess Coca Eliminated from Bolivia	29,000	0	ACI
BRAZIL				
512-001	Environmentally and Socioeconomically Sustainable Alternatives for Sound Land Use Adpoted Beyond Taget Areas	2,930	212	DA
512-002	Increased Adoption of Key Actors of Concepts, Methods and Technologies for Clean and Efficient Energy Production and Use	1,000	0	DA
512-003	Increased Effective Programs to Prevent HIV Transmission and Control Tuberculosis	7,700	275	CSH
512-005	Improved Ability of At-Risk and Working Children to Become Productive, Healthy Citizens	1,000	0	CSH
COLOMBIA*				
514-007	Promote More Responsive, Participatory, and Accountable Democracy	24,000	0	ACI
514-008	Provide Economic and Social Alternatives to Illicit Crop Production	56,500	0	ACI
514-009	Provide Economic and Social Opportunities to Vulnerable Groups, Particularly Internally Displaced Persons	24,000	0	ACI
CUBA*				
516-001	Civil Society Developed through Information Dissemination	5,000	0	ESF
DOMINICAN REPUBLIC				
517-002	Increase Use of Sustainable Basis Health Services and Practices	2,557	0	CSH
517-003	More Participatory, Representative and Better Functioning Democracy Achieved	700	0	DA
517-007	Policies Adopted that Promote Good Governance for Sustainable Economic Growth	175	0	DA
517-XXX	Increased Sustainable Economic Opportunities for the Poor	2,775	2,775	DA
517-YYY	More Participatory, Representative and Accountable Democracy Achieved	2,800	2,800	DA
		2,000	2,000	ESF
517-ZZZ	Sustained Improvement in the Health of Vulnerable Populations in the Dominican Republic	6,975	6,975	CSH
ECUADOR				
518-001	Biodiversity Conserved in Selected Protected Areas and their Buffer Zones	5,375	0	DA
		2,000	0	ESF
518-011	Improved Social and Economic Conditions of Inhabitants along the Peru-Ecuador Border, thereby Promoting Border Integration (Peru-Ecuador Border Region Development)	2,500	0	ESF
518-012	Increased Support for the Democratic System	100	100	DA
		7,500	0	ESF
518-013	Improved Quality of Life of Population Living Along the Northern Border	10,000	0	ACI
518-014	Increased Economic Opportunities for the Poor	1,380	0	DA
		5,500	0	ESF

* Requires separate notification

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LATIN AMERICA AND THE CARIBEAN
Budget Justification Fiscal Year 2003
Notified Levels for FY 2002

Country/Program Obj. No.	Objective Title	FY 2002 Estimate	Amount Notified in FY 2003 CBJ	Account
EL SALVADOR				
519-001	Expanded Access and Economic Opportunities for Rural Poor Families	6,020	0	DA
519-002	More Inclusive and Effective Democratic Processes	3,000	0	DA
519-003	Sustainable Improvements in the Health of Women and Children Achieved	8,522	4,885	CSH
519-004	Increased Access by Rural Households to Clean Water	3,200	0	DA
519-008	Lives of Targeted Earthquake Victims Improved	32,660	29,525	DA
		6,300	1,979	CSH
		25,000	3,550	ESF
GUATEMALA				
520-001	More Inclusive and Responsive Democracy	2,000	0	DA
		1,000	1,000	ESF
520-002	Better Educated Rural Society	2,750	0	DA
520-003	Better Health for Women and Children	15,350	5,250	CSH
520-004	Increased Rural Household AClome and Food Security	3,500	0	DA
520-005	Improved Natural Resources Management and Conservation of Biodiversity	4,070	0	DA
520-006	Support the Implementation of the Priority Peace Accords	9,000	0	ESF
GUYANA				
504-001	Improved Climate for Private Investment	1,600	0	DA
504-003	Improved HIV/AIDS Knowledge and Applied Prevention Strategies	1,000	0	CSH
504-004	More Responsive and Participatory Governance and Rule of Law	1,500	0	DA
HAITI*				
521-001	Sustainably Increased Income for the Poor	7,100	0	ESF
521-002	Environmental Degradation Slowed	0	0	ESF
521-003	Healthier Families of Desired Size	17,900	0	ESF
521-004	Increased Human Capacity	2,500	0	ESF
521-005	Genuinely Inclusive Democratic Governance Attained	2,500	0	ESF
HONDURAS				
522-001	Economic Reactivation Meeting the Needs of the Poor	3,730	0	DA
522-002	Improved Management of Watersheds, Forests, and Protected Areas	2,800	2,800	DA
522-003	Sustainable Improvements in Family Health	13,070	2,770	CSH
522-004	Strengthened Rule of Law and Respect for Human Rights	2,400	0	DA
		1,000	0	ESF
522-006	Improved Opportunity to Obtain Basic Education and Vocational Skills	3,500	0	DA
522-007	More Responsive and Effective Municipal Government	3,000	400	DA
JAMAICA				
532-002	Improved Quality of Key Natural Resources in Selected Areas that are Both Environmentally and Economically Significant (Ridge to Reef Program)	3,203	0	DA
532-003	Improved Reproductive Health of Youth	2,821	0	CSH
523-004	Increased Literacy and Numeracy among Targeted Jamaican Youth	3,678	0	DA
523-006*	Improved Business Environment for Developing the Small, Medium, and Micro Enterprise Sectors	2,090	0	DA
523-007	Improved Economic and Social Conditions in Targeted Inner City Communities	500	0	DA
		500	0	ESF
523-008*	Improved Citizen Security and Participation in Democratic Processes	500	0	ESF

* Requires separate notification

LATIN AMERICA AND THE CARIBEAN
Budget Justification Fiscal Year 2003
Notified Levels for FY 2002

Country/Program Obj. No.	Objective Title	FY 2002 Estimate	Amount Notified in FY 2003 CBJ	Account
MEXICO				
523-002	*Enhanced Quality and Sustainability of HIV/AIDS and STI Services in Targeted Areas*	1,500	0	CSH
523-003	More Democratic Processes Adopted in Key Government Institutions	700	0	DA
		9,000	0	ESF
523-006	Critical Ecosystems and Biological Resources Conserved	3,765	174	DA
523-007	Carbon Dioxide Emissions and Pollution Reduced	1,750	250	DA
523-008	Sustainable and Effective Institutional Capacity Developed to Diagnose, Control and Monitor Tuberculosis in Target Areas	4,000	0	DA
523-009	Strengthen the Institutional Base for Sustainable Microenterprise Growth by Supporting Mexican Initiatives	700	0	DA
523-XXX	Increased Opportunities for Mexicans in Further Education and Training	1,000	1000	ESF
NICARAGUA				
524-001	More Political Participation, Compromise and Transparency	3,722	0	DA
		1,500	0	ESF
524-002	Sustainable Growth in Small Producer Employment and AClome	9,930	0	DA
524-003	Better Educated, Healthier, Smaller Families	2,500	0	DA
		8,170	0	CSH
PANAMA				
525-004	Panama Sustainably Manages the Canal Watershed and Buffer Areas	4,500	0	DA
525-005	Momentum Toward Fairer and Faster Justice Established	4,000	0	ESF
PARAGUAY				
526-004	Key Democratic Governance Practices Instituted	2,600	0	DA
		3,500	0	ESF
526-005	Management of Globally Important Ecoregions Improved	1,000	175	DA
526-006	Use of Voluntary Reproductive Health Services Increased	2,525	297	CSH
PERU				
527-006	Expanded Opportunities for Girl's Quality Basic Education in Target Areas	1,000	0	DA
		500	0	ACI
527-008*	Improved Quality of Life of Peruvians along the Peru-Ecuador Border Target Area	2,500	0	ESF
527-009	Democratic Processes and Institutions Strengthened in Cricitial Areas	2,526	2,526	DA
		15,000	0	ESF
527-010	Increased Economic Opportunities for the Poor in Selected Economic Corridors	5,920	0	DA
		3,000	0	ACI
527-011	Improved Health fo Peruvians at High Risk	23,200	0	CSH
		5,000	0	ACI
527-012	Strengthened Environmental Management to Address Priority Problems	4,727	0	DA
		3,000	0	ACI
527-013	Reduced Illicit Coca Production in Target Areas of Peru	56,000	0	ACI

* Requires separate notification

LATIN AMERICA AND THE CARIBEAN
Budget Justification Fiscal Year 2003
Notified Levels for FY 2002

Country/Program Obj. No.	Objective Title	FY 2002 Estimate	Amount Notified in FY 2003 CBJ	Account
CARIBBEAN REGIONAL				
538-004*	Increased Employment and Diversification in Select Non-Traditional Activities	4,500	0	ESF
538-005*	Improved Environmental Management by Public and Private Entities	3,100	0	ESF
538-006*	Increased Efficiency and Fairness of Legal Systems in the Caribbean	1,000	0	ESF
538-008*	Enhanced Caribbean Response to the HIV/AIDS Crisis in Target Countries	4,000	700	CSH
		2,000	0	ESF
CENTRAL AMERICA REGIONAL				
596-005	Increased Central American Competitiveness in Global Markets	2,800	0	DA
596-006	Improved Environmental Management in the Mesoamerican Biological Corridor	5,342	0	DA
596-007	Strengthened Municipal Finance Systems for Local Governments in Central America	0	0	DA
596-008	Enhanced Central America Capacity to respond to HIV/AIDS Crisis - Phase II	4,750	680	CSH
LAC REGIONAL				
598-003	More Effective Delivery of Selected Health Services and Policy Interventions	9,029	9,029	CSH
598-005*	Reinforcement of Regional Trends that Deepen Democracy	4,500	0	DA
		10,500	0	ESF
598-006	A Broad-Base of Leaders and Potential Leaders in LAC Countries Equipped with Technical Skills, Training and Academic Education	9,000	0	DA
		1,000	0	CSH
598-017	Institutional Infrastructure Improved to Support Access of the Poor to Markets (Property, Financial, and Product)	2,700	0	DA
598-018	Environmental Performance of Targeted LAC Businesses and Communities Improved through the Promotion of Replicable Market-based Models	730	0	DA
598-019	Continued Participation of LAC Sub-Regional Trading Blocs in the Free Trade Area of the Americas (FTAA) Process Achieved	1,550	1,550	DA
598-020	Program Development and Learning (PD&L)	4,196	3,013	DA
		355	0	CSH
598-021	Advancing Development Cooperation Opportunities in the Hemisphere	14,200	12,110	DA
		1,381	0	CSH
598-022	Improved Conservation of the Region's Biological Resources	7,235	2,835	DA
598-023*	Strengthened Regional Initiatives to Improve Equity and Quality in Education and Training	8,355	8,355	DA
		7,000		ESF

* Requires separate notification

LATIN AMERICA AND THE CARIBEAN
Budget Justification Fiscal Year 2003
Notified Levels for FY 2003

Country/Program Obj. No.	Objective Title	OYB Request FY 2003	Account
BOLIVIA			
511-001	Increased Citizen Support for the Bolivian Democratic System	2,500	DA
		4,000	ESF
		3,500	ACI
511-002	Increased Income for Bolivia's Poor with Emphasis on Targeted Communities, Directly or Indirectly Assisted by USAID	4,650	DA
		6,000	ESF
511-003	Improved Health of the Bolivian Population	18,317	DA
511-004	Forest, Water and Biodiversity Resources Managed for Sustained Economic Growth	5,080	DA
511-005	Illegal and Excess Coca Eliminated from Bolivia	38,500	ACI
BRAZIL			
512-001	Environmentally and Socioeconomically Sustainable Alternatives for Sound Land Use Adpoted Beyond Taget Areas	5,680	DA
512-002	Increased Adoption of Key Actors of Concepts, Methods and Technologies for Clean and Efficient Energy Production and Use	1,000	DA
512-003	Increased Effective Programs to Prevent HIV Transmission and Control Tuberculosis	9,957	DA
512-005	Improved Ability of At-Risk and Working Children to Become Productive, Healthy Citizens	900	DA
COLOMBIA*			
514-007	Promote More Responsive, Participatory, and Accountable Democracy	24,000	ACI
514-008	Provide Economic and Social Alternatives to Illicit Crop Production	75,000	ACI
514-009	Provide Economic and Social Opportunities for Vulnerable Groups, Particularly Internally Displaced Persons	52,000	ACI
CUBA*			
516-001	Civil Society Developed through Information Dissemination	6,000	ESF
DOMINICAN REPUBLIC			
517-XXX	Increased Sustainable Economic Opportunities for the Poor	6,000	DA
517-YYY	More Participatory, Representative and Accountable Democracy Achieved	2,000	DA
		3,500	ESF
517-ZZZ	Sustained Improvement in the Health of Vulnerable Populations in the Dominican Republic	11,409	DA
ECUADOR			
518-001	Biodiversity Conserved in Selected Protected Areas and their Buffer Zones	5,000	DA
		2,000	ESF
518-011	Improved Social and Economic Conditions of Inhabitants along the Peru-Ecuador Border, thereby Promoting Border Integration (Peru-Ecuador Border Region Development)	2,250	ESF
518-012	Increased Support for the Democratic System	10,000	ESF
		100	DA
518-013	Improved Quality of Life of Population Living Along the Northern Border	0	ESF
		16,000	ACI
518-014	Increased Economic Opportunities for the Poor	2,030	DA
		8,000	ESF

* Requires separate notification

LATIN AMERICA AND THE CARIBEAN
Budget Justification Fiscal Year 2003
Notified Levels for FY 2003

Country/Program Obj. No.	Objective Title	OYB Request FY 2003	Account
EL SALVADOR			
519-001	Expanded Access and Economic Opportunities for Rural Poor Families	15,527	DA
519-002	More Inclusive and Effective Democratic Processes	4,469	DA
519-003	Sustainable Improvements in the Health of Women and Children Achieved	9,628	DA
519-004	Increased Access by Rural Households to Clean Water	4,100	DA
519-008	Lives of Targeted Earthquake Victims Improved	0	
GUATEMALA			
520-001	More Inclusive and Responsive Democracy	2,200	DA
520-002	Better Educated Rural Society	3,750	DA
520-003	Better Health for Women and Children	11,731	DA
520-004	Increased Rural Household Income and Food Security	5,500	DA
520-005	Improved Natural Resources Management and Conservation of Biodiversity	3,510	DA
520-006	Support the Implementation of the Priority Peace Accords	7,500	ESF
GUYANA			
504-001	Improved Climate for Private Investment	836	DA
504-003	Improved HIV/AIDS Knowledge and Applied Prevention Strategies	1,000	DA
504-004	More Responsive and Participatory Governance and Rule of Law	1,344	DA
HAITI*			
521-001	Sustainably Increased Income for the Poor	6,500	DA
521-003	Healthier Families of Desired Size	14,000	DA
521-004	Increased Human Capacity	2,500	DA
521-005	Genuinely Inclusive Democratic Governance Attained	2,000	DA
HONDURAS			
522-001	Economic Reactivation Meeting the Needs of the Poor	8,830	DA
522-002	Improved Management of Watersheds, Forests, and Protected Areas	2,600	DA
522-003	Sustainable Improvements in Family Health	12,566	DA
522-004	Strengthened Rule of Law and Respect for Human Rights	3,100	DA
522-006	Improved Opportunity to Obtain Basic Education and Vocational Skills	5,000	DA
522-007	More Responsive and Effective Municipal Government	3,000	DA
JAMAICA			
532-002	Improved Quality of Key Natural Resources in Selected Areas that are Both Environmentally and Economically Significant (Ridge to Reef Program)	3,642	DA
532-003	Improved Reproductive Health of Youth	2,270	DA
523-004	Increased Literacy and Numeracy among Targeted Jamaican Youth	4,678	DA
523-006	Improved Business Environment for Developing the Small, Medium, and Micro Enterprise Sectors	2,590	DA
523-008*	Improved Citizen Security and Participation in Democratic Processes	2,800	DA

* Requires separate notification

LATIN AMERICA AND THE CARIBEAN
Budget Justification Fiscal Year 2003
Notified Levels for FY 2003

Country/Program Obj. No.	Objective Title	OYB Request FY 2003	Account
MEXICO			
523-002	Enhanced Quality and Sustainability of HIV/AIDS and STI Services in Targeted Areas	2,111	DA
523-003	More Democratic Processes Adopted in Key Government Institutions	1,700	DA
		10,000	ESF
523-006	Critical Ecosystems and Biological Resources Conserved	5,265	DA
523-007	Carbon Dioxide Emissions and Pollution Reduced	1,500	DA
523-008	Sustainable and Effective Institutional Capacity Developed to Diagnose, Control and Monitor Tuberculosis in Target Areas	4,000	DA
523-009	Strengthen the Institutional Base for Sustainable Microenterprise Growth by Supporting Mexican Initiatives	700	DA
523-XXX	Increased Opportunities for Mexicans in Further Education and Training	3,000	DA
		2,000	ESF
NICARAGUA			
524-001	More Political Participation, Compromise and Transparency	4,510	DA
524-002	Sustainable Growth in Small Producer Employment and AClome	12,520	DA
524-003	Better Educated, Healthier, and Smaller Families	10,228	DA
PANAMA			
525-004	Panama Sustainably Manages the Canal Watershed and Buffer Areas	7,000	DA
525-005	Momentum Toward Fairer and Faster Justice Established	3,500	ESF
PARAGUAY			
526-004	Key Democratic Governance Practices Instituted	2,600	DA
		3,500	ESF
526-005	Management of Globally Important Ecoregions Improved	1,000	DA
526-006	Use of Voluntary Reproductive Health Services Increased	2,025	DA
526-007	Increased Incomes for the Poor in Selected Economic Regions	1,000	DA
PERU			
527-006	Expanded Opportunities for Girl's Quality Basic Education in Target Areas	2,424	DA
		1,000	ACI
527-008	Improved Quality of Life of Peruvians along the Peru-Ecuador Border Target Area	2,250	ESF
527-009	Democratic Processes and Institutions Strengthened in Cricitial Areas	3,026	DA
		10,000	ESF
		4,000	ACI
527-010	Increased Economic Opportunities for the Poor in Selected Economic Corridors	8,120	DA
		3,000	ACI
527-011	Improved Health fo Peruvians at High Risk	21,731	DA
		5,000	ACI
527-012	Strengthened Environmental Management to Address Priority Problems	4,300	DA
		3,000	ACI
527-013	Reduced Illicit Coca Production in Target Areas of Peru	53,000	ACI

* Requires separate notification

LATIN AMERICA AND THE CARIBEAN

Budget Justification Fiscal Year 2003

Notified Levels for FY 2003

Country/Program Obj. No.	Objective Title	OYB Request FY 2003	Account
CARIBBEAN REGIONAL			
538-004*	Increased Employment and Diversification in Select Non-Traditional Activities	5,000 1,000	DA ESF
538-005	Improved Environmental Management by Public and Private Entities	2,500	DA
538-006	Increased Efficiency and Fairness of Legal Systems in the Caribbean	1,000	DA
538-008*	Enhanced Caribbean Response to the HIV/AIDS Crisis in Target Countries	5,750 2,000	DA ESF
CENTRAL AMERICA REGIONAL			
596-005	Increased Central American Competitiveness in Global Markets	7,300	DA
596-006	Improved Environmental Management in the Mesoamerican Biological Corridor	10,742	DA
596-007	Strengthened Municipal Finance Systems for Local Governments in Central America	1,100	DA
596-008	Enhanced Central America Capacity to respond to HIV/AIDS Crisis - Phase II	6,785	DA
LAC REGIONAL			
598-003	More Effective Delivery of Selected Health Services and Policy Interventions	7,166	DA
598-005*	Reinforcement of Regional Trends that Deepen Democracy	5,100 11,500	DA ESF
598-017	Institutional Infrastructure Improved to Support Access of the Poor to Markets (Property, Financial, and Product)	2,200	DA
598-018	Environmental Performance of Targeted LAC Businesses and Communities Improved through the Promotion of Replicable Market-based Models	500	DA
598-019	Continued Participation of LAC Sub-Regional Trading Blocs in the Free Trade Area of the Americas (FTAA) Process Achieved	1,100	DA
598-020	Program Development and Learning (PD&L)	2,192	DA
598-021*	Advancing Development Cooperation Opportunities in the Hemisphere	18,261 1,000	DA ESF
598-022	Improved Conservation of the Region's Biological Resources	4,500	DA
598-023	Strengthened Regional Initiatives to Improve Equity and Quality in Education and Training	11,255	DA
598-XXX	Support to Programs Throughout the LAC Region (via Other USAID	8,000	DA

* Requires separate notification

BOLIVIA

THE DEVELOPMENT CHALLENGE: Bolivia has enjoyed macroeconomic stability for over 15 years and free democratic elections over the last 19 years. The Government of Bolivia (GOB) has implemented an impressive array of key policy and institutional reforms: financial market and trade liberalization; divestiture and privatization of the major state enterprises; establishment of the independence of the Central Bank; laws for popular participation and decentralization; pension reform; establishment of independent regulatory bodies and independent superintendencies; and customs reform. Nevertheless, the Bolivian economy has grown at less than three percent per annum on average during this 15-year period, or at a mere 0.5% more than population growth.

> 63% of Bolivia's population live in poverty.

Located in the heart of the Andes, landlocked and rugged, Bolivia remains one of the most impoverished nations in the hemisphere. A large income gap between rich and poor continues to widen. The wealthiest 20% of Bolivians possess 57.5% of the country's total income while the poorest 20% have only 3.1%. Constraints such as weak institutions, limited financial services, inadequate infrastructure, low productivity in rural areas, inadequate technological development, lack of competitiveness, and a shortage of human capital continue to impede economic growth and efforts to reduce poverty.

In June 2001, the World Bank and the International Monetary Fund boards approved a GOB-submitted Poverty Reduction Strategy Paper (PRSP), opening the way for $1.5 billion in debt relief over the next 15 years under the Heavily-Indebted Poor Countries Initiative (HIPC). Bolivia's external debt totals approximately $4.5 billion, with gross domestic product totaling $7.8 billion. The poverty reduction strategy aims to alleviate poverty by promoting the efficient and transparent use of resources from the HIPC debt relief, the GOB, and all donors.

U.S. foreign policy priorities in Bolivia emphasize supporting Bolivian democracy and counter-narcotics efforts. A stable democracy is a necessary condition for continued success in combating narcotics production and trafficking. Bolivia is also a committed U.S. ally in the war on terrorism.

THE USAID PROGRAM:
FY 2002 Estimate: $84.373 million *FY 2003 Request: $104.072 million*

The Program Data Sheets cover the five development objectives for which USAID is requesting funds. These five objectives concentrate on nurturing and institutionalizing democratic principles, providing opportunities to increase the incomes of the poor, improving the health of Bolivians, protecting the environment, and promoting alternative development. FY 2002 and FY 2003 funds will be used to continue implementation of the ongoing programs as described in the FY 2002 Congressional Budget Justification. USAID/Bolivia also intends to use FY 2002 funds to carry out certain new activities under the ongoing objectives. The specific activities to be funded by FY 2002 and FY 2003 appropriations are described in more detail in the Program Data Sheets.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED:
None

OTHER PROGRAM ELEMENTS: In addition to the bilateral program, several centrally-managed activities are being implemented in Bolivia. Child survival activities managed by the Democracy, Conflict and Humanitarian Assistance Bureau are implemented by three U.S. private voluntary organizations (PVOs): Medical Care Development International, Save the Children, and the International Eye Foundation. All activities are carried-out in under-served rural areas of Bolivia where child health is at greatest risk. Political party training is done by the National Democratic Institute, and Partners of the Americas promotes political participation. Support from the Economic Growth, Trade and Agriculture Bureau is also provided to expand financial services in Bolivia.

OTHER DONORS: The number of donors is significant, with the participation of eight multilateral and 15 bilateral donors. Of the bilateral donors, 13 are Development Assistance Committee members. Japan and the United States are the largest bilateral donors. The donors are organized around four working groups in support of the GOB's National Poverty Strategy and according to their main areas of interest. The groups are: Sustainability of the PRSP (macroeconomic policy, HIPC initiative, and access to markets), led by the IMF and European Union; Implementation and Monitoring of the PRSP (public investment, Bolivian Comprehensive Development Framework, national dialogue, and social control), led by Holland; Institutionality (anticorruption, rule of law, and *modernization of the State*), led by Denmark and the United Nations Development Program (UNDP); and Participation and Social Integration, led by UNDP. USAID participates in the majority of the groups and leads the Rule of Law sub-group. In addition, Spain, the United Nations Drug Control Program, and the European Union are active members of the Alternative Development Donor Group, *led by USAID.*

Bolivia

PROGRAM SUMMARY

(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	7,583	6,598	0	0
Child Survival and Health Programs Fund	0	0	19,410	0
Development Assistance	25,388	25,098	12,053	30,547
Economic Support Fund	0	1,995	10,000	10,000
Andean Counterdrug Initiative *	16,000	0	33,000	42,000
PL 480 Title II	22,059	15,918	9,910	21,525
Plan Colombia Supplemental	80,000	0	0	0
Total Program Funds	**151,030**	**49,609**	**84,373**	**104,072**

STRATEGIC OBJECTIVE SUMMARY				
511-001 Increased Citizen Support for the Bolivian Democratic System				
DA	3,100	2,850	2,500	2,500
ESF	0	1,995	4,000	4,000
ACI	2,000	0	4,000	3,500
Plan Colombia	2,000	0	0	0
511-002 Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID				
DA	3,400	3,576	3,500	4,650
ESF	0	0	6,000	6,000
PL 480	8,828	6,367	3,964	8,610
511-003 Improved health of the Bolivian population				
CSD	7,583	6,598	0	0
CSH	0	0	19,410	0
DA	12,390	13,271	0	18,317
PL 480	13,231	9,551	5,946	12,915
511-004 Forest, water and biodiversity resources managed for sustained economic growth				
DA	6,498	5,401	6,053	5,080
511-005 Illegal and Excess Coca Eliminated from Bolivia				
ACI	14,000	0	29,000	38,500
Plan Colombia	78,000	0	0	0

*Includes International Narcotics Control (INC) funding.

PROGRAM DATA SHEET

USAID MISSION: *Bolivia*
PROGRAM TITLE: Democracy and Governance Strengthened (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Increased Citizen Support for the Bolivian Democratic System, 511-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,500,000 DA, $4,000,000 ACI, $4,000,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,500,000 DA, $3,500,000 ACI, $4,000,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The USAID Democracy program includes technical assistance and training to:

- improve implementation of the Code of Criminal Procedures (CCP);
- promote decentralization, increase participation and strengthen the capacity of municipalities; and
- the legislature to better represent constituents.

Inputs, Outputs and Activities: *FY 2002 Program*: USAID will use Economic Support Funds (ESF) and Andean Counterdrug Initiative (ACI) resources to continue implementation of the CCP in four key areas (legal reform, institutional strengthening, capacity building, and public education and awareness). Using ACI funds, USAID will work to strengthen involvement of civil society in the public awareness and acceptance of the new system of justice. ACI funds will also be transferred to the International Crime Investigation and Training Assistance Program (ICITAP) for technical assistance, training, and commodities to enhance the investigative capability of prosecutors and to introduce community policing approaches. With ESF, decentralization activities will replicate successful municipal participation and governance methods, strengthening the municipal association structure and expanding the municipal financial base. A key tool for this purpose is an internet-based service platform for municipalities that USAID launched in 2001. Municipal associations will assume greater control over the platform and sustain it through business agreements and dues. With Development Assistance (DA), Congressional representation activities will be expanded to include training for new congressional representatives, assistance to 30 single-member district representatives, town hall meetings, public hearings, assistance to regional caucuses, and assistance to women and minority representatives. Also, analyses will be undertaken to inform a new country strategy which will begin in FY 2004. In addition, DA funds will be used for a bi-annual Democratic Values Survey (DVS).

Planned FY 2003 Program: USAID programs will continue to use ESF funds to strengthen municipal governments and improve Congressional representation. ESF funds will also be used for a new civil society conflict resolution program. ACI funds will continue to support implementation of the Code of Criminal Procedures and to promote justice reform and public awareness. DA funds will continue to support activities that strengthen civil society.

> Activities under this program facilitated the passage and initial implementation of the Code of Criminal Procedures and improved the quality of municipal governance.

Performance and Results: The most recent nationwide DVS revealed overall improvement in citizen support for the democratic system. Much of this improved support can be attributed to the highly inclusive National Dialogue process, which the GOB carried out to obtain broad citizen participation in the development of a poverty reduction strategy, and to the continued

success of USAID programs. Methodologies developed under USAID's Democratic Development and Citizen Participation program have become public policy for the implementation of Bolivia's Popular Participation Law. National survey data demonstrate an increased level of participation at the municipal level, suggesting not only the impact of the program, but also the benefit of stronger municipal governance in creating a democratic culture. Strong GOB leadership in the implementation of the CCP assured its passage into full effect in 2001 and the efficient implementation of the first oral trials. Municipal governments working under a new Municipalities Law demonstrated improved performance, and public confidence in municipalities remains relatively high. Increasingly mature municipal associations in all nine national departments and a growing number of sub-regional municipal associations have greatly facilitated the replication of USAID's municipal strengthening program to more than 150 of Bolivia's 314 municipalities.

Continued progress in these areas will result in greater citizen support and trust in government institutions, adoption of USAID's municipal strengthening practices throughout Bolivia, increased female participation in municipal-level decision making, and justice sector institutions that will have adapted to the new legal system requirements.

Principal Contractors, Grantees, or Agencies: USAID implements its democracy activities primarily through the following prime contractors: Management Sciences for Development for justice reform, and Chemonics International and International City/County Managers Association for the decentralization component. Also, the State University of New York implements the new legislative strengthening initiative and the DVS is carried out by the University of Pittsburgh and a local survey firm as a subcontractor.

US Financing in Thousands of Dollars

Bolivia

511-001 Increased Citizen Support for the Bolivian Democratic System	DA	ESF	ACI	Plan Colombia
Through September 30, 2000				
Obligations	16,812	8,250	6,588	0
Expenditures	11,017	8,200	3,507	0
Unliquidated	5,795	50	3,081	0
Fiscal Year 2001				
Obligations	2,850	1,995	0	2,000
Expenditures	2,812	0	2,011	0
Through September 30, 2001				
Obligations	19,662	10,245	6,588	2,000
Expenditures	13,829	8,200	5,518	0
Unliquidated	5,833	2,045	1,070	2,000
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2002 NOA				
Obligations	2,500	4,000	4,000	0
Total Planned Fiscal Year 2002				
Obligations	2,500	4,000	4,000	0
Proposed Fiscal Year 2003 NOA				
Obligations	2,500	4,000	3,500	0
Future Obligations	2,500	5,000	3,500	0
Est. Total Cost	27,162	23,245	17,588	2,000

PROGRAM DATA SHEET

USAID MISSION: Bolivia
PROGRAM TITLE: Increased Economic Opportunities (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID, 511-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $3,500,000 DA, $6,000,000 ESF and $3,964,000 P.L. 480
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $4,650,000 DA, $6,000,000 ESF and $8,610,000 P.L. 480
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to increase the income of Bolivia's poor includes a mix of technical assistance and training:

- to provide financial services to the poor;
- in production and marketing of agricultural commodities;
- to increase trade and Bolivia's competitiveness; and
- for a school feeding program to increase levels of primary school enrollment.

Inputs, Outputs and Activities: *FY 2002 Program*: USAID proposes to fund an additional activity not notified in the FY 2002 Congressional Budget Justification. With the ultimate goal of creating additional employment in Bolivia, USAID plans to use Economic Support Funds (ESF) for an activity intended to increase Bolivia's competitiveness, attract foreign direct investment, and successfully negotiate new trade agreements. This new activity will seek to reduce constraints to increasing exports, improve the environment for foreign direct investment and enhance access to markets. With Development Assistance (DA) funds, USAID will continue supporting the adoption of new technologies to increase production and sales of primary (non-livestock) commodities and increase market access for agricultural products. DA will also fund technical assistance to microfinance institutions to strengthen their capacity to expand their client base and generate sufficient profits to ensure sustainability. USAID's P.L. 480 Title II program, working in some of Bolivia's poorest communities, will continue to resolve productive infrastructure constraints, support community participation in road improvement and micro-irrigation projects, and provide assistance in production and marketing of agricultural commodities. Analyses will also be undertaken to inform a new country strategy which will begin in FY 2004.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: USAID plans to use DA funds to continue providing technological services to farmers to increase yields and improve their access to markets, thereby raising household incomes. DA will be used to provide technical assistance to micro-finance institutions to increase access of microentrepreneurs to financial services and to increase solvency and efficiency rates of microfinance institutions. USAID also plans to use DA to provide assistance to reduce administrative costs of loan portfolios, introduce new credit products, and offer non-credit financial services such as new savings products, money transfers (domestic and international), and bill payments. With ESF, technical assistance will continue to increase Bolivia's ability to compete in the global economy and prepare for the Free Trade Agreement of the Americas. USAID's P.L. 480

Title II program will continue to support non-governmental organization investment in community training, agriculture extension, and marketing to improve rural income.

Performance and Results: As a result of USAID activities, the income of Bolivia's poor receiving USAID assistance increased from an average of $950 in 2000 to $1,078 in FY 2001 (a 14% increase). Adoption of new technologies disseminated with support from USAID increased significantly, and production and sales of primary (non-livestock) commodities increased by approximately four percent. The cumulative number of farms receiving technological services rose to 12,400, from last year's 9,821. Outstanding loans increased to 239,117, from 219,184 in 2000. Over 65% of the recipients of these loans were women. Bolivia's microfinance institutions continued to demonstrate strengthened resiliency. All five major private financial funds registered a slight profit. FY 2001 was the last year of school feeding activities with P.L. 480 Title II resources. Nearly 188,000 students participated of which 93% were advanced to the next grade. Drop-out rates have significantly decreased as well (to four percent male and five percent female in 2001 compared to 12% male and 10% female in 1996). A final evaluation of the P.L. 480 Title II program in Bolivia will be conducted in early FY 2002.

> A key outcome of this program will be a 32% increase in average annual income of USAID-assisted households.

Continued progress in these areas will result in increased access to financial services by the poor in urban and rural areas; enhanced income opportunities for the rural poor through the production and marketing of agricultural commodities; increased levels of primary school enrollment, especially among girls in poverty stricken areas of the country; and increased trade and enhanced competitiveness.

Principal Contractors, Grantees, or Agencies: Prime contractors and grantees include the World Council of Credit Unions, Chemonics International, and Development Alternatives International. ACCION International is a subcontractor. Local organizations include the Foundation for the Promotion and Development of Microenterprises, Banco Solidario, Agrocapital, Pro-Mujer, and the Superintendency of Banks and Financial Entities. Prime grantees for Title II programs are the Adventist Development and Relief Agency, CARE, Save the Children, Food for the Hungry International, and Project Concern International.

US Financing in Thousands of Dollars

Bolivia

511-002 Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID	DA	ESF
Through September 30, 2000		
Obligations	16,120	5,893
Expenditures	9,795	4,569
Unliquidated	6,325	1,324
Fiscal Year 2001		
Obligations	3,576	0
Expenditures	1,970	1,290
Through September 30, 2001		
Obligations	19,696	5,893
Expenditures	11,765	5,859
Unliquidated	7,931	34
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	3,500	6,000
Total Planned Fiscal Year 2002		
Obligations	3,500	6,000
Proposed Fiscal Year 2003 NOA		
Obligations	4,650	6,000
Future Obligations	3,500	5,000
Est. Total Cost	31,346	22,893

PROGRAM DATA SHEET

PROGRAM: Bolivia
PROGRAM TITLE: Improved Health (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Improved Health of the Bolivian Population, 511-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $19,410,000 CSH; $5,946,000 P.L. 480
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $250,000 CSD
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $18,317,000 DA; $12,915,000 P.L. 480
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID seeks to improve the quality of life among Bolivia's poor through improved health. Technical assistance, commodities and training are provided to:

- strengthen health knowledge and practices;
- *improve coverage and quality of heath services; and*
- encourage a more participatory, decentralized and sustainable health system.

Inputs, Outputs and Activities: *FY 2002 Program*: : USAID proposes to fund an additional activity not notified in the FY 2002 Congressional Budget Justification. USAID plans to use Child Survival and Health (CSH) funds to support child survival activities (including bolstering the national immunization program, promoting the intake of micronutrients, expanding community access to safe water and sanitary facilities, and institutionalizing integrated management of childhood illnesses in medical facilities and communities) and infectious diseases (including epidemiological surveillance) activities. (P.L 480 Title II will complement these child survival activities.) USAID will fund activities to improve quality and coverage of services, strengthen health knowledge and practices, and promote a more participatory and decentralized health care system. CSH will be used for a small grants program and to provide local technical assistance and training in ways that are more relevant and sustainable. USAID also plans to use CSH for the Amazon Malaria Initiative and to undertake analyses to inform a new country strategy.

USAID will also use CSH funds to support Family Planning/Reproductive Health activities including contraception, maternal health, and post-abortion care. Funds will be used for training; service provision; logistics; management systems; and information, education and communication. The purpose is to improve quality and coverage of services, strengthen knowledge of reproductive health and practices, and promote a more participatory and decentralized health care system. Training will emphasize infection prevention, counseling and informed consent, competency-based approaches to teaching, and facilitative supervision.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: USAID intends to use DA funds to continue activities aimed at the prevention and control of malaria. Through innovative collaboration among public and private non-governmental organizations (NGOs), USAID plans to extend coverage for appropriate diagnosis and treatment of tuberculosis throughout Bolivia, particularly in areas where it is most prevalent. USAID will also continue to strengthen coordination between the public sector and private sector NGOs to improve immunization coverage and better integrate management of childhood illnesses at both the clinical and community levels. Using P.L. 480 Title II resources, USAID plans to continue the

integration of its maternal and child health activities with national child survival and management of childhood illnesses programs.

USAID plans to use DA funds to continue support for family planning, maternal health and post-abortion care through client education, services, and health system strengthening. USAID will continue to strengthen coordination between the public and private sector to improve quality and coverage of services, working at the clinical level as well as with communities.

All agreements funded by USAID for Family Planning/Reproductive Health incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

> USAID, in coordination with the Centers for Disease Control and Prevention, provided technical guidance to Bolivia's Ministry of Health and Civil Defense in developing a national biosecurity plan in response to threats of bioterriorism.

Performance and Results: Some 68% of children under age one received the third dose of DPT vaccine (or its equivalent), demonstrating USAID's successful efforts to improve quality and increase coverage of health care by multiple service providers under national norms. Trained birth attendants assisted 58% of all births in Bolivia, meeting the target. Couple-years of protection (CYP) in family planning indicate Bolivians' improved practices and can reflect women's well being. CYP increased to 259,026 for 2001, supporting USAID's efforts to improve health practices by individuals and in the community to help build a healthy environment. At least 95 municipal governments with formal agreements with USAID-assisted partners provided a cash or in-kind contribution, demonstrating USAID's promotion of a decentralized, participatory and equitable Bolivian health system, with civil society exercising control over the system.

By 2004, significant reductions in both infant mortality and maternal mortality will be documented through population-based data. USAID anticipates that this program will raise the quality of life among Bolivia's poor through improved health, as measured by both survival (reduced infant, child, and maternal mortality) and the quality of that survival (child nutrition status, birth intervals, and incidence of disease). This will be achieved by strengthening health knowledge and practices, improving coverage and quality of health services, and encouraging a more participatory and decentralized health system.

Principal Contractors, Grantees or Agencies: USAID partners include the Ministry of Health and the Ministry of Sustainable Development and Planning; ProSalud (prime) and the Center for Education, Investigation and Services (prime), both local NGOs with service delivery networks; Population Services International (prime), for social marketing and client education; a local federation of NGOs that comprise the Coordinated Programs for Integrated Health (prime), through which activities in child survival, reproductive health and infectious diseases are funded in 24 NGOs; a Bolivian NGO – the Center for Communication Programs (prime) for health education activities; Chemonics International (prime), for work to further decentralization; four PVO cooperating sponsors of Title II (Food for the Hungry International, Adventist Development Relief Agency, Cooperative for American Relief Everywhere, and Save the Children); and 10 cooperating agencies that provide technical assistance to partners.

US Financing in Thousands of Dollars

Bolivia

511-003 Improved health of the Bolivian population	CSD	CSH	DA
Through September 30, 2000			
Obligations	41,810	0	109,528
Expenditures	34,479	0	94,975
Unliquidated	7,331	0	14,553
Fiscal Year 2001			
Obligations	6,598	0	13,271
Expenditures	5,484	0	13,624
Through September 30, 2001			
Obligations	48,408	0	122,799
Expenditures	39,963	0	108,599
Unliquidated	8,445	0	14,200
Prior Year Unobligated Funds			
Obligations	0	0	250
Planned Fiscal Year 2002 NOA			
Obligations	0	19,410	0
Total Planned Fiscal Year 2002			
Obligations	0	19,410	250
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	18,317
Future Obligations	0	0	20,400
Est. Total Cost	48,408	19,410	161,766

PROGRAM DATA SHEET

USAID MISSION: Bolivia
PROGRAM TITLE: Natural Resources Sustainably Managed (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Forest, Water and Biodiversity Resources Managed for Sustained Economic Growth, 511-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $6,053,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $5,080,000 DA
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to improve the management of Bolivia's natural resources falls into three areas and includes technical assistance and training to:

- promote sustainable forest management;
- improve park and protected area management; and
- promote cleaner production practices among local industries.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. USAID will provide technical assistance to continue support for forestry programs that have made Bolivia the global leader in certified tropical forestry. USAID will also provide technical assistance and training to initiate programs to conserve three globally important protected areas along the eastern slope of the Andes (Carrasco, Amboró, and Pilón Lajas) and work with the Icozeño Indians to consolidate the management of Bolivia's largest protected area, the Kaa Iya del Gran Chaco National Park. Furthermore, USAID will continue to provide technical assistance to engage the private sector in promoting cost-saving pollution prevention and energy efficiency measures. USAID personnel will also work with the Government of Bolivia (GOB) and local non-governmental organizations (NGOs) to establish a private grant-making foundation (PUMA). USAID will also initiate analyses to inform a new country strategy which will begin in FY 2004.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: USAID will use FY 2003 resources to provide technical assistance and training to consolidate ongoing activities in the areas of sustainable forest management, park and protected areas management, and cleaner production practices among local industries.

Performance and Results: With support from USAID and the Wildlife Conservation Society (WCS), an Icozeño organization has consolidated land titles for the Kaa Iya national park and indigenous territory. Kaa Iya is the largest national park in Bolivia and the largest managed by an indigenous organization in the Americas. These efforts helped earn them a prestigious award from the Spanish government for exceptional contributions to environmental conservation and defense of the cultures of native people. Support to other protected areas has also resulted in the approval of the management plan of the high Andes' most important protected area, Eduardo Avaroa. USAID-supported tourism activities there currently provide some of Bolivia's poorest communities with five times more resources than all GOB programs combined. In addition, The Nature Conservancy and the Protection of Tarija's Environment (both NGOs) have partnered with local residents of Tariquia National Park, which is now well managed and will not require additional USAID resources.

As a result of changes catalyzed with USAID support, Bolivia remains the global leader in commercial tropical forests which are internationally (and voluntarily) certified as well managed, with 983,263 hectares. Over the last year, the sustainable forestry program focussed mainly on community forestry efforts that have resulted in titling of lands for municipal groups in two important forest production areas and land consolidation of indigenous territories and state-owned forest lands. A deforestation study of the Department of Santa Cruz was completed to help direct future policies.

In 2001, USAID's cleaner production program (supporting the Center for the Promotion of Sustainable Technologies, CPTS) demonstrated how public-private partnerships can promote economic development while reducing environmental waste and pollution. CPTS worked with the country's largest smelter to complete an environmental audit, identifying production changes that will significantly reduce production costs and eliminate volatized arsenic and other contaminants from the air near the city of Oruro (and thereby greatly reducing a significant threat to human health). CPTS provided technical assistance to companies that resulted in annual water savings equivalent to two months of consumption of Bolivia's capital city (La Paz) and close to $1 million in cost savings. Finally, CPTS successfully partnered with the Municipality of La Paz to improve the management and extend the life span of the local solid waste facility.

USAID/Bolivia's environmental programs have achieved the following results to date: (a) the area of independently certified forest areas and protected areas with adequate management have reached 2,753,579 hectares; (b) the value of certified forest products exported has increased from $178,689 in 1997 to $17,280,000; and (c) the confirmed number of industrial plants and other pollution sources that have adopted cleaner production practices is 26 as compared to only 17 in 1999. These accomplishments demonstrate the progress being made to improve the management of Bolivia's natural resources.

USAID's continued efforts will improve the management of commercial forests and protected areas and reduce pollution generated by manufacturers and hospitals. In 2001 the total area of forest internationally certified as "well managed" is expected to climb to 1.4 million hectares and certified sales will surpass $15 million. By 2003, 2.5 million hectares of forest will be certified and exports of certified products should surpass $21 million. Progress in these areas will produce local benefits, build upon equitable and participatory governance, foster economic development, and create incentives for resource stewardship.

Principal Contractors, Grantees or Agencies: USAID activities are implemented by Chemonics International (prime), the Forest Management Trust/University of Florida (sub), Wildlife Conservation Society (prime), World Wildlife Fund (prime), Conservation International (prime), The Nature Conservancy (prime), the Center for International Forestry Research (prime), US Forest Service (prime), National Oceanographic and Atmospheric Agency (prime), International Resources Group (prime), and PA Consulting (prime).

US Financing in Thousands of Dollars

Bolivia

511-004 Forest, water and biodiversity resources managed for sustained economic growth	DA
Through September 30, 2000	
Obligations	26,888
Expenditures	19,811
Unliquidated	7,077
Fiscal Year 2001	
Obligations	5,398
Expenditures	6,007
Through September 30, 2001	
Obligations	32,286
Expenditures	25,818
Unliquidated	6,468
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	6,053
Total Planned Fiscal Year 2002	
Obligations	6,053
Proposed Fiscal Year 2003 NOA	
Obligations	5,080
Future Obligations	5,080
Est. Total Cost	48,499

PROGRAM DATA SHEET

USAID MISSION: Bolivia
PROGRAM TITLE: Alternative Development (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Illegal and Excess Coca Eliminated from Bolivia, 511-005
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $29,000,000 ACI
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $38,500,000 ACI
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's program to eliminate illegal and excess coca from Bolivia includes:

- technical assistance and training to develop sustainable farm-level production in the Chapare and market linkages; and
- technical assistance and training to increase licit net household income in the Yungas.

Inputs, Outputs and Activities: *FY 2002 Program*: Using Andean Counterdrug Initiative (ACI) resources, USAID plans to expand alternative development assistance in the Chapare region to reach a larger number of farm families and provide technical and financial assistance to private businesses. Resources will also be used for: technology transfer services and grants to farmer associations and private businesses; consolidation of road improvement and maintenance; forestry; silvopastoral research; and credit and investment support in areas such as energy, tourism and agribusiness. Funds will also be used in the Yungas region to increase support for the Government of Bolivia's (GOB) voluntary coca reduction negotiations by providing technical assistance and training to increase licit net household incomes. Grants will be provided for community self-help initiatives, improved roads and electrification. Other Yungas activities include improving social infrastructure such as water and sanitation, college scholarships, improving the quality of licit crops, developing agricultural and other market linkages, strengthening producer associations and municipalities, reducing risks of infectious disease, and improving community health services. Analyses will also be undertaken to inform a new country strategy which will begin in FY 2004.

Planned FY 2003 Program: USAID/Bolivia will use FY 2003 ACI resources to deepen efforts in the Chapare and Yungas to eliminate and prevent the resurgence of excess and illegal coca cultivation. Efforts will include support for ongoing activities and expansion of private sector involvement to consolidate gains and investments made in alternative development.

Performance and Results: In response to a greater demand for alternative development, the number of Chapare families assisted (with technical assistance, technology exchange services, productive infrastructure, training, electrification, productive inputs and other types of assistance) increased significantly in 2001. This increase was approximately 120%, from 7,332 families at the end of 2000 to 16,167 families in 298 farmer organizations. There are now more than 1,118 agricultural extensionists and village-level community assistants providing services through USAID-funded activities. This represents more than a 200% increase in the number of extension personnel since June of last year. In CY 2001, Chapare families reached by USAID-funded activities have an estimated income of $1,700 per year from the sale of licit products.

> From January through September 2001, 16,167 Chapare farm families received alternative development assistance.

At the end of FY 2001, 126 farmer organizations were paying, partially or fully, for their own technical assistance, and there were 91 agribusinesses purchasing Chapare products or supplying

agricultural inputs/services on a regular basis. At the end of FY 2001, agribusiness private investment in the Chapare reached $49.9 million, up from $33 million at the end of 2000.

> Strong enthusiasm from communities in the Yungas has generated substantial cash contributions and *induced the signing of six regional* coca reduction agreements.

USAID's activities in the Yungas were instrumental in completing coca-free negotiations with several communities living in the region. Communities provided significant cash contributions and directly participated in activity implementation.

As a result of USAID activities, 626 cases of leishmaniasis and tuberculosis were treated in the Yungas—nearly 8,000 people from the region were trained to prevent and treat these diseases. Construction began on four gravity water systems, for use by over 900 persons, and 11 communal sanitary systems, for use by nearly 5,000 persons. USAID activities facilitated a high level of participation in the management of popular participation funds, in compliance with Bolivia's poverty reduction strategy, in eight Yungas municipalities.

Important outcomes over the life of program include: the elimination of illegal and excess coca in Bolivia; an increase from 15 to 85 in the number of agribusinesses purchasing agricultural products from the Chapare or supplying agro-inputs on a regular basis; and an increase from $36,000,000 to $76,000,000 in the wholesale value of licit produce leaving the Chapare.

Principal Contractors, Grantees, or Agencies: In the Chapare, Development Alternatives Inc. (DAI) is the prime contractor. GOB implementing entities include the Bolivian Institute of Agricultural Technology, the Rural Roads Authority, and the Regional Alternative Development Program. Three non-governmental organizations (Winrock and two local NGOs) and North Carolina University (subs) implement extension activities. The United Nations Drug Control Program participates in an agro-forestry, training and environmental monitoring activity implemented by the Food and Agriculture Organization.

In the Yungas, Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (prime) manages the Yungas Community Development Fund, in collaboration with Save the Children (sub). The National Rural Electric Cooperative Association (prime) is also involved with program implementation. The GOB implementing entities are the Rural Roads Authority and the Regional Alternative Development Program. A local NGO (prime) implements health services, and Chemonics International (prime) implements economic opportunity and democracy activities.

US Financing in Thousands of Dollars

Bolivia

511-005 Illegal and Excess Coca Eliminated from Bolivia	ACI	Plan Colombia
Through September 30, 2000		
Obligations	26,643	0
Expenditures	13,298	0
Unliquidated	13,345	0
Fiscal Year 2001		
Obligations	0	78,000
Expenditures	12,832	38,306
Through September 30, 2001		
Obligations	26,643	78,000
Expenditures	26,130	38,306
Unliquidated	513	39,694
Prior Year Unobligated Funds		
Obligations	13,400	0
Planned Fiscal Year 2002 NOA		
Obligations	29,000	0
Total Planned Fiscal Year 2002		
Obligations	42,400	0
Proposed Fiscal Year 2003 NOA		
Obligations	38,500	0
Future Obligations	95,000	0
Est. Total Cost	202,543	78,000

BRAZIL

THE DEVELOPMENT CHALLENGE: Brazil is one of the leading economic and political powers in Latin America and a leader in hemispheric affairs. U.S.-Brazilian economic ties have grown steadily as exporters and investors have responded to Brazil's reform, stabilization, and modernization efforts. Nevertheless, Brazil faces many development challenges including providing increased protection for globally important biodiversity; reducing the green house gases associated with global climate change; and increasing support for HIV/AIDS and tuberculosis prevention. While trying to address these important needs, a deteriorating socioeconomic situation has made the development challenge even greater. For example, Brazil's poor have increased from 35 to 50 million people over the last six years. Income distribution has also become more skewed, with 10% of the population holding 50% of the total income, while the poorest 50% holds only 10% of the wealth. The north and the northeast, with 43% of Brazil's population, constitute the single largest regional concentration of rural poor in Latin America according to the World Bank. In addition, Brazil faces a staggering foreign debt, which totaled $210 billion in August 2001, or 26% of GDP, resulting in $17 billion being spent on debt servicing between January and August 2001.

> Globally important ecosystems in the vast Amazon basin, which are essential to addressing climate change, face extensive biodiversity loss.

Brazil faces challenges that are global in nature, such as the continuing degradation of its rainforests that contributes to climate change and threatens one of the major stocks of the world's biodiversity. Its globally important ecosystems, including the vast Amazon basin, face extensive biodiversity loss from forest conversion and burning. Poorly regulated timber industries and ranching threaten sound land use in the Amazon, Atlantic Coast Rainforest, Cerrado and Wetlands. Therefore, Brazil continues to work with the G-7 Pilot Program to Conserve the Brazilian Rainforest (PPG-7) to improve Amazonian Science Centers of Excellence; strengthen environmental agencies of the Amazonian states; conserve Brazil's cultural and biological heritage; and demonstrate economically and environmentally viable options for sustainable use of Amazonian resources.

The spread of infectious diseases is another global challenge for Brazil where over 50% of reported AIDS cases in Latin America are located. Many of these cases are low-income women who acquired the disease through heterosexual transmission. The rate of infection exceeds the capacity of programs to prevent sexual transmission of HIV in women, adolescents, and low-income populations. Low-income populations are also more susceptible to tuberculosis than the population at large. The GOB does not have the institutional capacity to diagnose, treat, control, and monitor tuberculosis (TB) through Directly Observed Therapy-Short Course (DOTS) or to develop and implement activities related to TB/HIV co-infection.

U.S. national interests in Brazil include protecting the environment; HIV/AIDS prevention; the development of stronger partnerships in open trade throughout the hemisphere; counter-narcotics; and South American regional cooperation. USAID continues to be successful in leveraging resources from NGOs, industry, multilateral banks, cooperatives, universities, and government agencies to address these interests.

THE USAID PROGRAM:
FY 2002 Estimate: $12.630 million *FY 2003 Request: $17.537 million*

The Program Data Sheets provided below cover the four program areas for which USAID is requesting funds. These four program elements concentrate on the global issues of climate change; biodiversity conservation; prevention of HIV/AIDS, tuberculosis and malaria; and assistance to at-risk children and youth. FY 2002 funds will be used to implement the ongoing programs and bring USAID's current strategy to a close. FY 2003 funds will be used to start the implementation of

USAID's new five-year strategy, which will continue to focus on the global issues mentioned above, with particular emphasis on those activities that can contribute to improved living conditions for Brazil's poor. The specific activities to be funded by FY 2002 and FY 2003 appropriations are described in more detail in the following Program Data Sheets.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED: None

OTHER PROGRAM ELEMENTS: Funding under the centrally managed Democracy and Governance Program supports the American Center for International Labor Solidarity's program in Brazil. Its objectives are to improve union institutional capacity, improve enforcement of the Brazilian labor code, and promote internationally recognized labor rights. Complementary to USAID's bilateral energy program, Development Credit Authority funds have been directed to a Clean Technology Fund and an Amazon timber company energy co-generation activity. Also, technical assistance has been provided to the Government of Brazil and local universities and research centers in the area of global climate change. USAID is also carrying out activities in the education sector in Brazil as part of the Program for Educational Reform in the Americas (PREAL). Activities include the dissemination of PREAL documents in Portuguese, the organization of a conference on education reform, and the development and maintenance of a database of innovative facts/experiences relative to Brazilian education.

OTHER DONORS: While Brazil is currently the recipient of numerous foreign donor programs valued in the billions of dollars, USAID's influence in policy dialogue in areas identified within our strategic plan is significantly larger than our relatively smaller proportion of donors funds would tend to indicate. USAID collaborates with other bilateral and multilateral donors, the Government of Brazil, and the country's private sector, for the purpose of leveraging funds and coordinating efforts. In the environment sector, the main bilateral donors that work in close collaboration with USAID are Germany, the United Kingdom, Canada and the Netherlands. Activities under USAID's environment program leverage considerable funds, especially the $331 million World Bank Program to Conserve the Brazilian Rain Forest (PPG-7). USAID also works in close cooperation with the European Union and United Nations Development Program (UNDP) in the area of energy technologies.

On AIDS prevention, the World Bank's AIDS II loan has contributed substantially to Brazil's AIDS programs. Coordination of activities among donors is done through the United Nations (U.N.) AIDS Thematic Group that includes USAID, the Brazilian Ministry of Health, the United Kingdom's Department for International Development, the German GTZ, the Japanese International Cooperation Agency, the Pan-American Health Organization, the U.N. Drug Control Program, the U.N. Educational, Scientific and Cultural Organization, the U.N. Nations Population Fund, the U.N. Children's Fund (UNICEF) and recently, several Brazilian private-sector foundations. In assisting at-risk children and youth, USAID joins efforts with UNICEF, the International Labor Organization, the Brazilian National Social and Economic Development Bank, Save the Children, World Vision, Oxfam, Catholic Relief Services, and a considerable number of private-sector organizations.

Brazil

PROGRAM SUMMARY

(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	4,150	7,883	0	0
Child Survival and Health Programs Fund	0	0	8,700	0
Development Assistance	8,491	7,318	3,930	17,537
Total Program Funds	**12,641**	**15,201**	**12,630**	**17,537**

STRATEGIC OBJECTIVE SUMMARY				
512-001 Environmentally and socio-economically sustainable alternatives for sound land use adopted beyond target areas				
DA	7,341	4,950	2,930	5,680
512-002 Increased adoption by key actors of concepts, methods, and technologies for clean and efficient energy production and use				
DA	1,150	2,368	1,000	1,000
512-003 Increased Effective Programs to Prevent HIV Transmission and Control Turberculosis				
CSD	2,000	6,164	0	0
CSH	0	0	7,700	0
DA	0	0	0	9,957
512-005 Improved Ability of At-Risk and Working Children to become Productive, Healthy Citizens				
CSD	2,150	1,719	0	0
CSH	0	0	1,000	0
DA	0	0	0	900

PROGRAM DATA SHEET

USAID MISSION: Brazil
PROGRAM TITLE: Environment Program (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Environmentally and socioeconomically sustainable alternatives for sound land use adopted beyond target areas, 512-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,930,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $5,680,000 DA
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID/Brazil's Environment Program contributes to USAID's objectives to reduce the threat of global climate change and conserve biological diversity. It includes assistance to:

- identify, promote, and adopt systems for sustainable land use and forest conservation in target areas;
- strengthen target institutions and local human capacity;
- adopt and/or implement target policies to support environmentally sustainable land use and forest management; and
- disseminate sound land use systems beyond target areas.

Inputs, Outputs and Activities: *FY 2002 Program*: USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. Building on successful models developed under earlier stages of this program, USAID will continue outreach of these models to contribute to reducing climate change through conservation and sustainable use of forest resources in select areas of the Brazilian Amazon and in the highly threatened Atlantic Forest. Development Assistance (DA) funds will be used to support the development and improvement of conservation units, private reserve management, and sustainable forest management techniques, such as reduced-impact harvesting alternatives and fire management. DA funds will also be used to strengthen institutional capacity and provide training on sustainable forest management and fire preparedness; support policy-related activities that promote environmental enforcement and compliance; and support the dissemination of successful models for alternatives to deforestation and lessons learned through media, education, policy dialogue and advocacy. The immediate impact will be full protection, or reduced-impact use, of key critical tropical forest resources. USAID continues to fund, for example, the largest rural fire mobilization activity in Brazil, equipping tens of thousands of small farmers and forest dwellers throughout the Amazon to combat accidental fire with simple tools and agricultural practices that diminish use of fire in land preparation.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: FY 2003 DA funds will be used to continue the implementation of those activities that focus on sustainable alternatives for sound land use under a new country Strategic Plan to be approved in FY 2002 and initiated in FY 2003. USAID anticipates using FY 2003 DA funds to restore forest protection in select areas through scheduled dissemination of forest management, agroforestry production, and fire protection practices at the community level and through key actors in the public and private sectors.

Performance and Results: As a result of USAID's environmental program in Brazil, the number of forest holdings independently certified in accordance with environmental and social standards has increased. USAID training and reduced-impact management models, for example, helped four Amazon timber producers respond to market demand by having 280,000 hectares of forest holdings independently certified. USAID continues to capitalize on a growing demand for certified forests by supporting the creation of a permanent forest-management training center which will manage an estimated two million hectares of certified forests in the Brazilian Amazon by 2003. USAID also contributed to increased local understanding of the need for public/private partnerships to conserve public spaces interspersed with private properties in the highly threatened Atlantic Forest. This heightened awareness is responsible for averting harmful beach-front development and attracting sound investments in resort hotel and parkway road development that value the forest for its appeal to upscale eco-tourists. USAID has experienced similar success in its capacity-building efforts to equip local NGOs with the technical skills to meet new environmental challenges. The Brazilian Government made an unprecedented request for assistance to a USAID-funded partner NGO to use its land classification techniques to define options for creating ten million hectares of new parks and reserves in the Brazilian Amazon on formerly disputed lands. Another partner was asked to apply USAID-funded climate and forest modeling methodology to help monitor the impact of a major GOB road-paving project in the Amazon. Yet another partner responded positively to a request by Amazonas state officials to share their expertise on biodiversity mapping and monitoring methodology.

> Certification of sustainable management of 280,000 hectares of privately managed Amazon forest holdings is a direct result of USAID actions, assuring that these forests will continue to be productive into the future.

During the remainder of the current strategy period (FY 1998 - FY 2002), USAID expects to further these accomplishments, resulting in the adoption of systems for sound land use in target areas, strengthened institutions and local human capacity, and implementation of policies that support environmentally sound land use.

Principal Contractors, Grantees, or Agencies: USAID implements its activities through U.S. private voluntary organizations (PVOs), USG agencies such as the United States Department of Agriculture's Forest Service and the Smithsonian Institution, and several U.S. academic institutions (University of Florida and the State University of New York at Albany), in cooperation with local partners. U.S. prime contractors and grantees are World Wildlife Fund (WWF), The Nature Conservancy (TNC), Conservation International (CI), Woods Hole Research Center (WHRC), and the Tropical Forest Foundation. Fundaçao Floresta Tropical (FFT), a Brazilian affiliate to the Tropical Forest Foundation, is a sub-grantee.

US Financing in Thousands of Dollars

Brazil

512-001 Environmentally and socio-economically sustainable alternatives for sound land use adopted beyond target areas	DA
Through September 30, 2000	
Obligations	24,902
Expenditures	19,273
Unliquidated	5,629
Fiscal Year 2001	
Obligations	4,950
Expenditures	3,650
Through September 30, 2001	
Obligations	29,852
Expenditures	22,923
Unliquidated	6,929
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	2,930
Total Planned Fiscal Year 2002	
Obligations	2,930
Proposed Fiscal Year 2003 NOA	
Obligations	5,680
Future Obligations	24,000
Est. Total Cost	62,462

PROGRAM DATA SHEET

USAID MISSION: Brazil
PROGRAM TITLE: Energy Program (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased adoption by key actors of concepts, methods, and technologies for clean and efficient energy production and use, 512-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,000,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $138,600 DCA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $1,000,000 DA
INITIAL OBLIGATION: FY1999 **ESTIMATED COMPLETION DATE:** FY2003

Summary: The energy program is designed to help the Government of Brazil (GOB) and other public and private actors in the energy sector to contribute to reducing global climate change through reduced carbon emissions and includes assistance to:

- develop and implement policies that foster clean and efficient energy production and use;
- improve access of key actors to information on operating and financing clean and efficient energy production and use;
- increase availability and use of financing for clean and efficient energy production and use; and
- expand technology cooperation between U.S. and Brazilian firms for clean and efficient energy production and use.

Inputs, Outputs and Activities: *FY 2002 Program*: Working in close collaboration with the Government of Brazil (GOB) through its energy regulatory agencies and its energy efficiency and rural renewable energy programs, USAID's efforts will build on past successes for further expanding renewable energy applications and energy efficient technologies. The program supports GOB efforts in two major areas. The first aims to improve the performance of the national clean energy program for delivering renewable energy to 20 million consumers situated in 60,000 rural communities at market-determined prices. The second program area emphasizes technical assistance and capacity building to energy-regulatory agencies and the national energy efficiency program. It focuses on identifying, selecting, and proposing policies and regulations that will effectively impact the rational use of energy in the industrial and household sectors. FY 2002 DA funds will be used to provide technical assistance and training through the Brazil Energy Training and Outreach Program (BETOP); continue the activities of the Brazil Clean and Efficient Energy Program (BCEEP); and provide technical assistance for identifying potential Development Credit Authority (DCA) initiatives. These activities will focus on promoting clean energy-related policies; supporting capacity-building efforts; increasing the availability of financing for clean and efficient energy; facilitating technology cooperation, and providing technical oversight and monitoring

Planned FY 2003 Program: It is anticipated that a new country Strategic Plan will be approved in FY 2002. Under this Strategic Plan, USAID plans to use FY 2003 DA funds to continue to provide technical assistance and training to the National Energy Policy Council, the Brazilian Electricity Regulatory Agency (ANEEL), and the National Energy Efficiency Program to expand the program to other key actors. Other partners may include the Brazilian Oil Agency and the National Program for the Rational Use of Natural Gas and Oil, key entities for developing an energy policy which would be committed to efficient energy use, clean energy technologies, and global climate change awareness.

Performance and Results: To date assistance under the Energy Program has resulted in advances in policy and regulation issues, the application of technologies for clean and efficient energy production and use, and climate change mitigation. Key public- and private-sector partners that have received training and technical assistance insist that the program has demonstrated its capacity to add considerable value to focused initiatives in the energy sector. As a result of USAID's assistance, new guidelines for energy efficiency projects annually presented to ANEEL from

utilities companies were more focused in measurement, verification, and evaluation of results, as recommended in the BETOP's training workshops. In addition, USAID has fostered a fruitful partnership between ANEEL and the United States Energy Association, which has encouraged an exchange of experiences in regulation and system operation between American and Brazilian regulatory institutions. In FY 2001, a successful partnership was signed between ANEEL and the Pennsylvania Public Utilities Commission. USAID is also supporting a wider national debate and enhanced awareness in the global climate change arena through a series of workshops with local partners and has been successful in utilizing the Development Credit Authority (DCA) loan guarantee program to support clean energy projects. Four projects were positively evaluated and will be eligible for DCA guarantee. USAID efforts in these areas will result in the consolidation of clean energy markets and improved energy policies, which will positively impact the way Brazil meets its growing energy needs through approaches that are not harmful to the environment and are socially just.

Principal Contractors, Grantees, or Agencies: USAID implements activities through Winrock International (prime). Sub-contractors/grantees include 13 Brazilian partners (NGOs, capital venture companies, energy company associations, and universities), the Institute for International Education (IIE), PA Consulting (formerly Hagler Bailly), and Vibhava Consultoria Empresarial, Ltda.

US Financing in Thousands of Dollars

Brazil

512-002 Increased adoption by key actors of concepts, methods, and technologies for clean and efficient energy production and use	DA	DCA
Through September 30, 2000		
Obligations	2,236	0
Expenditures	1,286	0
Unliquidated	950	0
Fiscal Year 2001		
Obligations	2,368	193
Expenditures	1,170	193
Through September 30, 2001		
Obligations	4,604	193
Expenditures	2,456	193
Unliquidated	2,148	0
Prior Year Unobligated Funds		
Obligations	0	139
Planned Fiscal Year 2002 NOA		
Obligations	1,000	0
Total Planned Fiscal Year 2002		
Obligations	1,000	139
Proposed Fiscal Year 2003 NOA		
Obligations	1,000	0
Future Obligations	8,000	0
Est. Total Cost	14,604	332

PROGRAM DATA SHEET

USAID MISSION: Brazil
PROGRAM TITLE: HIV/AIDS Prevention (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Increased Effective Programs to Prevent HIV Transmission and Control Tuberculosis, 512-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $7,700,000 CSH
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $9,957,000 DA
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The HIV/AIDS prevention and Tuberculosis (TB) control program includes assistance for:

- condom social marketing and a public awareness campaign;
- capacity building to improve management of national, state, and municipal HIV/AIDS programs;
- technical assistance and training for municipal and state public health units to integrate sustainable HIV/AIDS and sexually transmitted infections (STI) health services into an overall reproductive health (RH) program agenda in two Brazilian states;
- operations research to identify and develop effective HIV/AIDS prevention interventions; and
- institutional capacity building to diagnose, treat, control, and monitor tuberculosis (TB) in target areas through Directly Observed Therapy-Short Course (DOTS), the World Health Organization's recommended strategy for TB control, and to develop and implement activities related to TB/HIV co-infection.

Inputs, Outputs, and Activities: *FY 2002 Program*: Beginning in FY 2002, the HIV/AIDS prevention program was expanded to include activities that support national, state, and municipal TB and HIV/AIDS-TB co-infection control programs. The program is, therefore, being renotified as a result of these new activities and the inclusion of TB control as a major component of the program. FY 2002 Child Survival and Health (CSH) funds will be used to expand previous activities both geographically and demographically, with increased interventions through non-governmental organizations (NGOs) that target at-risk groups. Activities will include: increasing condom social marketing initiatives; technical assistance to strengthen the management capacity of Brazilian NGOs that work in STI/HIV prevention; expanding DOTS coverage to other areas beyond the current target areas; improving the Ministry of Health's (MOH) HIV/AIDS and TB surveillance efforts; and support for new research activities, such as implementation of a pilot HIV/AIDS-prevention program in a border region, assessing the utility of a recently developed TB detection method, and/or the effectiveness of TB incentives to improve medication compliance.

> SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: In anticipation of the approval in FY 2002 of a new country Strategic Plan, USAID will use the FY 2003 DA funds to implement assistance activities under a single infectious disease program. Illustrative activities include: expansion of condom social marketing and nationwide implementation of a public awareness campaign; increased partnerships with Brazilian NGOs that currently work with at-risk groups, such as intravenous drug users (IDUs), prostitutes, and vulnerable youth; research to promote sexual behavioral change; management training for local NGOs; and continued DOTS expansion and other TB-related activities, including TB/HIV co-infection.

Performance and Results: The total sales of male condoms increased by 26% in FY 2001 from 50.6 to 63.1 million, demonstrating the effectiveness of USAID's condom social marketing activities. This achievement contributed significantly to expanding accessibility, especially in low-income areas, and increasing the overall growth by 15% in the Brazilian commercial condom market since last year. Support for technical assistance to the National STI/AIDS Program in the development of a nationwide MOH condom social marketing activity, as well as USAID leadership in reducing the national tax on condoms, substantially decreased the average price of condoms throughout Brazil.

USAID also assisted the National STI/AIDS Program to successfully adapt a United Nations Program on HIV/AIDS (UNAIDS) methodology for strategic planning to the state level. In addition, as a result of USAID's technical assistance for the integration of STI/HIV prevention and reproductive health services in 20 municipal and state-run health posts in the northeastern Brazilian states of Bahia and Ceará, the capacity of the primary health care systems to provide quality, integrated services to low-income clients was significantly strengthened in these municipalities. USAID's joint HIV/AIDS prevention and TB control program will support national, state and municipal co-infection control programs and improve interaction between the GOB's TB and HIV/AIDS control programs. This effort will assist Brazil to more rapidly expand Directly Observed Therapy-Short Course (DOTS), particularly focusing on Rio de Janeiro State, which has the highest mortality coefficient due to TB. Institutional capacity building to diagnose, treat, control, and monitor TB and TB/HIV co-infection will be strengthened in target areas.

Principal Contractors, Grantees, and Agencies:

USAID's activities are implemented through U.S. PVOs, in collaboration with 14 Brazilian NGOs. U.S. prime contractors and grantees are Management Sciences for Health; Pathfinder International; and Population Services International (of which DKT is a sub-contractor). The Population Council and BEMFAM, a Brazilian NGO, are currently implementing research activities.

US Financing in Thousands of Dollars

Brazil

512-003 Increased Effective Programs to Prevent HIV Transmission and Control Turberculosis	CSD	CSH	DA
Through September 30, 2000			
Obligations	6,000	0	
Expenditures	6,000	0	
Unliquidated	0	0	
Fiscal Year 2001			
Obligations	6,164	0	
Expenditures	5,986	0	
Through September 30, 2001			
Obligations	12,164	0	
Expenditures	11,986	0	
Unliquidated	178	0	
Prior Year Unobligated Funds			
Obligations	0	0	
Planned Fiscal Year 2002 NOA			
Obligations	0	7,700	
Total Planned Fiscal Year 2002			
Obligations	0	7,700	
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	9,957
Future Obligations	0	0	40,000
Est. Total Cost	12,164	7,700	49,957

PROGRAM DATA SHEET

USAID MISSION: Brazil
PROGRAM TITLE: At-Risk Youth Program (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Ability of At-Risk and Working Children to Become Productive, Healthy Citizens, 512-005
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,000,000 CSH
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $900,000 DA
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's program to improve the living conditions of at-risk children and youth in Brazil includes assistance to:

- engage society to decrease violence against youth;
- increase the educational preparation of program-assisted youth;
- increase the awareness of health-related behavior among program-assisted youth;
- incorporate urban, under-age working children into the educational system; and
- disseminate lessons learned and successful approaches for their adoption by donors and local organizations.

Inputs, Outputs and Activities: *FY 2002 Program*: USAID will use FY 2002 CSH funds to continue to improve the environment and create new opportunities for development efforts carried out by local non-governmental organizations (NGOs). Specific activities will include an expanded program to provide prevention and assistance services to children and youth affected by the AIDS pandemic, including AIDS orphans; increased collaboration with the Government of Brazil (GOB) to combat sexual exploitation of children and adolescents; the provision of scholarships to increase the number of underage working children removed from labor sites and incorporated into the educational system; and increased collaboration with other donors as a bridge to the At-Risk Youth Program's forthcoming phase-out strategy. These efforts will benefit low-income, out-of-school and working children; promote investments in human and institutional capacity building to improve the quality of service provision for at-risk children and youth; and establish strategic partnerships among government, civil society, and the private sector for leveraging critical financial and technical resources and expanding the number of quality service sites available to disadvantaged children and youth.

Planned FY 2003 Program: Under the anticipated new country Strategic Plan to be approved in FY 2002, USAID plans to use FY 2003 DA funds to continue activities that primarily target the well-being of at-risk children and youth. Special emphasis will be placed on strengthening the fund-raising capacity of local organizations currently receiving USAID support and on the documentation and dissemination of successful models, as a starting point to transferring key activities to other donors and organizations.

Performance and Results: USAID's At-Risk Youth Program has made considerable progress in the last year. The program's major strengths are networking, effective leveraging of other sources of funds, its technical leadership, and its capacity to play a catalytic role in the thematic and geographic areas of action. In FY 2001 the program succeeded in achieving school enrollment of 100% of program-assisted youth and a passing rate to the next grade of 95%, surpassing the national enrollment rate of 96% and exceeding by far the Northeast Brazil average grade-pass rate of 68%. The Program's vocational training objective also advanced considerably in terms of placing trained youth in legitimate, income-generating activities. In FY 2001, 63% of USAID-assisted youth that participated in vocational training programs found employment in the formal and informal

sectors, as compared to 34% in the previous year.

USAID's efforts to promote and support social mobilization efforts and public policy implementation to combat sexual exploitation and abuse of children and adolescents have also been successful. Overall, there was a 40% increase in the number of cases reported from FY 2000 to FY 2001, all being followed up by USAID-supported children's rights advocacy institutions. At the policy level, USAID played an important role, assisting federal, state and local governments to develop and implement plans to combat sexual violence, abuse and exploitation in conjunction with civil society and businesses. In addition, USAID supports research to analyze the problems associated with trafficking of human beings, particularly women and children, for sexual exploitation purposes. We expect to use the results of this study to assist the GOB to formulate a national plan to combat trafficking in human beings.

USAID also completed its first year of work in the child labor arena with the development of technological tools, using geographic targeting to map service needs and monitor social interventions and their impact on the lives of working children. This approach has been well-received by local and national authorities and has evolved into greater opportunities for broadened inter-institutional collaboration. To this end, agreements were signed with the municipal governments of three of Brazil's largest cities.

This program continues to make significant progress toward its goal of strengthening prevention and protection efforts targeting at-risk youth. USAID expects to have reached its goal to improve the ability of at-risk and working children to become productive and healthy citizens by the activity's completion date. Successful models will be documented and disseminated, and the fund-raising capacity of local organizations strengthened, as part of an orderly phase-out of this successfully managed activity.

Principal Contractors, Grantees or Agencies: USAID will continue to implement the At-Risk Youth Program through a cooperative agreement with Partners of the Americas (prime) and subgrants to an estimated 25 local NGOs.

US Financing in Thousands of Dollars

Brazil

512-005 Improved Ability of At-Risk and Working Children to become Productive, Healthy Citizens	CSD	CSH	DA
Through September 30, 2000			
Obligations	3,180	0	
Expenditures	1,930	0	
Unliquidated	1,250	0	
Fiscal Year 2001			
Obligations	1,759	0	
Expenditures	1,000	0	
Through September 30, 2001			
Obligations	4,939	0	
Expenditures	2,930	0	
Unliquidated	2,009	0	
Prior Year Unobligated Funds			
Obligations	0	0	
Planned Fiscal Year 2002 NOA			
Obligations	0	1,000	
Total Planned Fiscal Year 2002			
Obligations	0	1,000	
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	900
Future Obligations	0	0	3,400
Est. Total Cost	4,939	1,000	4,300

COLOMBIA

THE DEVELOPMENT CHALLENGE: Democracy is under attack in Colombia. The democratically elected government does not control large portions of its own territory and is challenged by leftist guerilla groups and right-wing paramilitary forces that compete for territory and control of the drug trade. The United States seeks to strengthen Colombia's fragile democracy, stem the production and flow of illicit drugs from Colombia and assist with social dislocations caused by internal conflict. Colombia is the fourth largest economy in South America and the United States' fifth largest export market in Latin America with over $9 billion annually of bilateral trade. It faces grave income disparities, growing poverty, and declining foreign direct investment. With export earnings from oil and coffee in decline, Colombia must still meet fiscal targets negotiated with the International Monetary Fund and allocate funds for additional social investment. Foreign debt, at approximately $35 billion in 2000, is 44% of its Gross Domestic Product. The country is pivotal to stability of the Andean region, but is severely constrained by a deteriorating economy and serious internal security problems as it approaches upcoming presidential elections in May.

A longstanding culture of impunity from prosecution has not only engendered a lack of confidence in the rule of law, but has also focused international attention on Colombia's poor human rights record, which is marred by politically motivated murders, disappearances, and other egregious human rights violations. Government presence is nonexistent in many rural areas and is often limited to uniformed security services elsewhere. Access to justice-sector services, although increasing, is still limited. Local governments, either municipal or departmental, have little capacity to manage the national revenue that is by law shared with them. Corruption and lack of accountability are serious disincentives to more effective local government.

> Drug production has increased dramatically while security conditions and social cohesion have worsened.

Current estimates indicate that 163,290 hectares of coca cultivation fueled the production and export of cocaine, while 6,200 hectares of opium poppy sustained heroin exports, primarily to the U.S. eastern seaboard. The Colombian government (GOC) attacks this illicit industry by fumigation of coca areas and by providing alternative income opportunities for farmers who cultivate drug crops out of poverty. USAID's alternative development program aims to achieve sustainable voluntary elimination of opium poppy and coca on 33,000 hectares of small farmer land. Program activities in southern Colombia were slowed during the past year due to lack of security, GOC institutional weaknesses, and GOC reluctance to mount sustained coca spraying and interdiction programs.

Over one million Colombians have been internally displaced by the protracted conflict between armed groups. These families, many of which are headed by single mothers, flee to squalid urban slums where some receive limited and short-term Government support. Their existence is precarious as they live in competition with the poor for limited economic relief services and are resented by other residents who believe their presence lessens availability of GOC services such as health care, education, and social integration services.

THE USAID PROGRAM:
FY 2002 Estimate: $104.5 million *FY 2003 Request: $151 million*

USAID's program objectives in Colombia address three principal areas of U.S. policy: 1) strengthening democracy; 2) sustainable reduction of drug crop production through alternative development; and 3) assistance to internally displaced persons. While the program must be closely monitored and periodically adjusted to reflect changing security and political conditions, it retains the same general characteristics that were planned and described in the FY 2002 Congressional Budget Justification.

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In democracy, USAID will continue to support the transition of Colombia's judicial system from an inquisitorial to an accusatorial system of justice and increase access to justice for thousands of low income and marginalized Colombians through national coverage of the "Justice Houses" program. USAID will strengthen GOC capabilities to respond to human rights violations through creation of an Early Warning System to thwart massacres, establishment of a protection program for threatened individuals, improvement of case monitoring systems and strengthened coordination procedures with civil society. USAID will also enhance local government management capacity and increase citizen participation to improve municipal government transparency, and will support GOC anti-corruption efforts to increase and improve financial and management controls and proper use of audits.

The alternative development program is being revised to incorporate adjustments needed to adapt the program to the difficult circumstances currently found in Putumayo and Caqueta. USAID will expand the alternative development program's geographic focus beyond southern Colombia to include the western half of the country and will increase the number of USAID partners. Future assistance will focus on more cohesive communities, which are less likely to replant coca. USAID promotes social and economic incentives that cause small farmers to voluntarily eliminate their drug crops and develop sustainable licit income generating alternatives. In more remote coca-producing areas, licit production may include agro-forestry and tree cropping, as well as programs tailored to indigenous populations. Social and productive infrastructure, including schools, health clinics, potable water, sewerage, electricity, roads, and bridges, among others, will generate employment and income, and provide infrastructure needed to support licit productive activities.

USAID will help integrate internally displaced persons into the society and economy where they live, until it becomes feasible for them to return to their places of origin. This assistance includes community development projects, health, education, shelter, employment, income generation and vocational education. USAID collaborates with local leaders to promote participation of the displaced in their new community and to gain access to social services.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: The USAID program in Colombia includes the following objectives for which USAID does not require additional funds:

Number:	Title:	Last Notified:	Planned Completion:
514-003	Illicit Crop Production Reduced	FY02 CBJ, p. 90	FY 2005
514-004	Earthquake Reconstruction	FY02 CBJ, p. 94	FY 2002

OTHER PROGRAM ELEMENTS: Under the bilateral program, USAID also assists the GOC with management of a $45 million environmental fund created under the Enterprise for the Americas Initiative. In addition to the bilateral program, USAID is carrying out activities in Colombia through centrally and regionally managed programs in democracy (anti-corruption, civil society strengthening, decentralization, and local governance), environment, health, education, and microenterprise development.

OTHER DONORS: The Inter-American Development Bank, World Bank, and Andean Development Corporation have committed over $4 billion for social development projects, including employment creation and training. The European Union has pledged $95 million for socio-economic development and humanitarian assistance. United Nations agencies provide approximately $30 million in social and economic development support. Bilateral donors, led by Spain and Japan, have pledged approximately $463 million through a combination of grants and loans for humanitarian relief and economic development.

Colombia

PROGRAM SUMMARY

(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Economic Support Fund	4,000	0	0	0
Andean Counterdrug Initiative *	5,000	0	104,500	151,000
PL 480 Title II	2,306	0	0	0
Plan Colombia Supplemental	119,500	0	0	0
Total Program Funds	**130,806**	**0**	**104,500**	**151,000**

STRATEGIC OBJECTIVE SUMMARY				
514-001 Improve the effectiveness of the Colombian criminal justice system				
ESF	4,000	0	0	0
514-004 Provide earthquake reconstruction assistance				
ACI	5,000	0	0	0
514-007 Promote More Responsive, Participatory, and Accountable Democracy				
ACI	0	0	24,000	24,000
Plan Colombia	47,000	0	0	0
514-008 Provide economic and social alternatives to illicit crop production				
ACI	0	0	56,500	75,000
Plan Colombia	42,500	0	0	0
514-009 Provide economic and social opportunities for vulnerable groups, particularly internally displaced persons				
ACI	0	0	24,000	52,000
Plan Colombia	30,000	0	0	0

* Includes International Narcotics Control (INC) funding.

PROGRAM DATA SHEET

USAID MISSION: *Colombia*
PROGRAM TITLE: Democracy (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Promote More Responsive, Participatory, and Accountable Democracy, 514-007
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $24,000,000 ACI
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: none
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $24,000,000 ACI
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: *USAID's democracy program seeks to fortify Latin America's oldest democracy through* a multi-faceted strategy, which combines technical assistance and training to:

- improve the administration of justice system;
- enhance and broaden respect for human rights;
- strengthen local governance;
- increase government transparency and accountability; and
- support peace initiatives.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will continue to help Colombia's judicial system transition from an inquisitorial to an accusatorial system of justice. To increase access to justice for thousands of low income and marginalized Colombians, USAID will support Ministry of Justice efforts to achieve national coverage of its "Justice Houses" program. To increase the observance of due process guarantees and defense of human rights, USAID will work closely with key GOC entities on human rights abuse detection and prevention and the provision of effective responses to violations. Toward this end, USAID will continue efforts to develop an Early Warning System (EWS) as a means of preventing forced displacement and massacres. To help protect human rights workers, USAID will support the Interior Ministry to improve its human rights protection program. USAID also will assist the Office of the Vice-President (Presidential Program for Human Rights and International Humanitarian Law) to formulate policy, monitor cases, and improve its ability to coordinate critical activities with other GOC agencies and civil society. USAID will continue to work with important non-government organizations (NGOs) dedicated to the protection of human rights in Colombia. To strengthen democratic local governance, USAID will enhance the management and administrative capacities of local governments and increase citizen participation and oversight to improve municipal government ability to respond to citizen concerns in an effective and transparent manner. These activities will be reinforced through small infrastructure projects in target municipalities. USAID will support GOC anti-corruption efforts to increase and improve financial and management controls and audits across relevant GOC entities at the national and local levels. Finally, USAID promotes initiatives designed to engender a culture of non-violence in Colombia through small grants to local and international NGOs.

Planned FY 2003 Program: USAID plans to use FY 2003 resources requested in this Budget Justification to continue the activities stated above. USAID does not anticipate changes to the program in FY 2003 as we continue to implement the five-year strategy.

> 3,400 judges have been trained to conduct oral trials.

Performance and Results: Eighteen justice houses have been established with USAID assistance. As a first step in facilitating Colombia's transition to a modern accusatorial system of justice, USAID has helped to establish 13 oral trial courtrooms. Some 3,400 judges have been trained in how to conduct an oral trial and how to handle physical

evidence. Trials have begun in most of the aforementioned courtrooms, where officials apply concepts they have learned, including the presentation of evidence and cross-examination of witnesses.

USAID established the central office of the EWS in the National Ombudsman's Office and coordination began with all state actors involved. Six regional offices are also being supported. Since June 2001, 90 alerts were issued through the EWS in 122 municipalities; 47 of these 90 alerts were responded to by the military, the police and/or the Social Security Network. USAID provided grants to 10 local human rights NGOs. Approximately 375 municipal human rights officials in 11 departments have been trained in basic concepts of human rights and international humanitarian law. From March to January 28, 2002, 1,518 human rights workers, union leaders, and journalists received protection. Eight state offices, including the National Ombudsman's Office, were bulletproofed, 17 vehicles provided to union leaders and GOC officials under threat, and 500 cellular telephones and 180 closed circuit communications devices distributed to program beneficiaries.

In local governance, six social infrastructure and productive projects have been completed and 56 additional projects are underway in southern Colombia. Thirty-nine citizen oversight committees linked to these projects have been established and trained with USAID support. Land use plans have been completed in 13 municipalities in Putumayo. Three "transparency pacts" – public agreements between elected officials and their constituents to implement programs utilizing transparency and public participation as instruments to combat corruption and promote efficiency – were signed with mayors in Putumayo. Twenty municipal representatives have been trained as trainers to instruct community social auditors. A total of 326 citizens from Putumayo have been trained to utilize constitutional mechanisms to oversee public administration practices.

With USAID support, President Pastrana signed a decree creating a "National System of Internal Control" across all ministries and other national entities. The Accountant General, in turn, issued an executive resolution requiring 3,000 GOC units to follow standardized internal control processes recommended by USAID. Moreover, government and non-government oversight organizations are receiving assistance to develop and promote effective measures to prevent and combat corruption. Over 600 Colombian trainers have been trained to promote transparency and accountability utilizing constitutional mechanisms such as citizen oversight committees and public hearings. As of December 2001, a public awareness campaign providing key information to Colombians on the mechanisms available to combat corruption had reached nearly 33 million Colombians through television spots.

In support of the peace process, USAID has disbursed roughly $1.4 million to 16 Colombian private sector organizations active in carrying out peace related activities, including democratic values, education for youth, community conflict resolution training, institutional strengthening for NGOs, and support for victims of violence.

Principal Contractors, Grantees, or Agencies: USAID implements activities through Checci and Company (prime), Management Sciences for Development (prime), Associates in Rural Development (prime), Casals and Associates (prime), Partners of the Americas (prime), and through the International Organization for Migration (prime and a public International organization). Key Colombian counterparts include: Office of the Vice President, the Ministries of Justice, Interior and Development, the National Ombudsman's Office, Superior Judicial Council, Attorney General's Office, High Commissioner for Peace, National Police, National Ombudsman's Office, human rights units of the Attorney and Prosecutor Generals' Offices, Office of the President, National Planning Department, mayors, governors, municipal officials, associations of municipalities, city councils, Presidential Anti-Corruption Program, Controller General of the Republic, Department of Administration of the Public Function, Accountant and Auditor General's offices, local NGOs and civil society organizations.

US Financing in Thousands of Dollars

Colombia

514-007 Promote More Responsive, Participatory, and Accountable Democracy	ACI	Plan Colombia
Through September 30, 2000		
Obligations	0	47,000
Expenditures	0	0
Unliquidated	0	47,000
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	9,878
Through September 30, 2001		
Obligations	0	47,000
Expenditures	0	9,878
Unliquidated	0	37,122
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	24,000	0
Total Planned Fiscal Year 2002		
Obligations	24,000	0
Proposed Fiscal Year 2003 NOA		
Obligations	24,000	0
Future Obligations	0	48,000
Est. Total Cost	48,000	95,000

PROGRAM DATA SHEET

USAID MISSION: Colombia
PROGRAM TITLE: Alternative Development (Pillars: Democracy, Conflict, and Humanitarian Assistance; Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Provide Economic and Social Alternatives to Illicit Crop Production, 514-008
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $56,500,000 ACI
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: none
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $75,000,000 ACI
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The alternative development (AD) program seeks to create economic and social incentives that encourage small producers of coca and opium poppy to permanently abandon illicit crop cultivation. USAID will provide technical assistance and training to:

- expand licit economic opportunities;
- develop rural social and productive infrastructure;
- improve management of natural resources and the environment; and
- strengthen national and local institutions.

Inputs, Outputs and Activities: *FY 2002 Program:* The AD program is implemented in close coordination with the government of Colombia's (GOC's) drug control program which is supported by several U.S. Government entities. GOC resources provide immediate assistance to 35,000 families that signed GOC coca eradication pacts. USAID complements GOC efforts in several ways. First, USAID provides medium and long-term production, credit, and marketing assistance for larger agro-industrial activities with groups of farmers who want to eradicate coca. USAID seeks to focus these activities in areas with reasonable conditions for success such as road access to regional markets and a reasonable security environment. Second, USAID works with communities that want to voluntarily eradicate coca in exchange for assistance with small-scale social or productive infrastructure projects selected by the community (small roads, bridges, potable water systems, schools, health facilities, etc). These projects generate employment and income while providing infrastructure to support licit productive activities. Third, USAID helps farmers and indigenous families improve small scale, farm-level production of food crops or livestock in exchange for eradication of drug crops. USAID has also carried out a limited number of immediate assistance activities with farmers who signed GOC eradication pacts. As a result of a recent assessment, USAID plans to fund larger labor intensive infrastructure construction to provide temporary employment opportunities in areas to be subjected to extensive aerial fumigation of coca. The program is focused in southern Colombia, but extends to other drug crop production areas in the country.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to further these efforts and gradually expand the scope of activities to the western half of the country.

Performance and Results: USAID's technical assistance team began fieldwork in May 2001. In southern Colombia, the following results were achieved to date: 2,377 families participating in GOC eradication pacts received immediate, short-term USAID assistance (which supplements assistance provided by the GOC); projects to establish 260 hectares (ha) of palm hearts and 2,500 ha of rubber were initiated; six local government infrastructure and productive projects are completed and an additional 56 are underway. Beyond southern Colombia, projects are underway to develop 2,650 ha of agro-forestry products in Bolivar and Norte de Santander Departments. Altogether, communities involved in USAID-financed efforts have agreed to eradicate 14,000 ha of coca. In Tolima, Huila, Cauca and Nariño Departments, 21 voluntary poppy eradication agreements have

been signed with small farmer associations covering 1,740 small farm families. To date 680 hectares of poppy have been eradicated. USAID's five-year goal is to assist 17,000 small farm families establish 72,000 hectares of licit crops (including forestry and livestock). Combined with GOC eradication and interdiction programs, this will encourage small farmers to permanently abandon 3,000 hectares of opium poppy and 30,000 hectares of coca.

While commendable in many respects, these accomplishments fell short in relation to expectations created by GOC eradication pacts and the expansion of aerial fumigation capability. Early signs of implementation difficulties led USAID to conduct an in-depth review that identified four main constraints to more rapid progress:

- Security - The lack of GOC control over southern Colombia significantly delays implementation of the Alternative Development program when mayors and alternative development workers are questioned, harassed or murdered by illegal armed groups.
- High Costs and Low Productivity - Southern Colombia is not competitive in the production of most commercial agricultural products relative to other areas of Colombia or northern Ecuador.
- Limited GOC Implementation - The GOC has limited implementation capacity in relation to the large number of eradication pact participants.
- Limited Social Cohesion - Social cohesion at the community level is weak limiting social constraints to drug cultivation and increasing the likelihood that coca is replanted after aerial eradication.

Based on this analysis, USAID is initiating a number of adjustments that will be phased in over the next year, including:

- continuing support for hearts of palm, rubber and wood products projects in southern Colombia; however, at this time USAID will not promote additional large-scale agro-industrial activities;
- focusing on larger infrastructure construction projects in areas that will be subjected to intensive aerial fumigation to provide farmers with employment and income when their agricultural livelihoods are severely diminished or destroyed by spraying;
- focusing future assistance on community-selected, small-scale social and productive infrastructure activities that provide employment and income while improving local infrastructure needed for both social and economic development;
- tightening the links between alternative development and local government activities and conditioning support for municipal infrastructure projects on coca eradication progress in the surrounding area;
- structuring local government and alternative development programs to create incentives to enhance community cohesion;
- expanding the range of partners involved in the program (private sector entities, NGOs, local churches, communities, and local or regional governments); and
- accelerating the original plan to expand alternative development efforts to selected areas of the country beyond southern Colombia.

Expansion of alternative development activities to the north and west (along with the other adjustments) will allow USAID to focus its efforts on selected areas where: capable partners are already working; security problems are less pronounced; markets are more accessible; and community cohesion or state presence are more pronounced. These adjustments will greatly increase the probability that the alternative development program will be implemented successfully.

Principal Contractors, Grantees, or Agencies: USAID's principal contractor is Chemonics (prime), which works in close coordination with another U.S. firm, Associates in Rural Development (prime), in municipal development. Both contractors are active on the ground in Putumayo. All activities are closely coordinated with the GOC's National Alternative Development Program and INL supported GOC eradication and interdiction efforts.

US Financing in Thousands of Dollars

Colombia

514-008 Provide economic and social alternatives to illicit crop production	ACI	Plan Colombia
Through September 30, 2000		
Obligations	0	42,500
Expenditures	0	0
Unliquidated	0	42,500
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	4,350
Through September 30, 2001		
Obligations	0	42,500
Expenditures	0	4,350
Unliquidated	0	38,150
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	56,500	0
Total Planned Fiscal Year 2002		
Obligations	56,500	0
Proposed Fiscal Year 2003 NOA		
Obligations	75,000	0
Future Obligations	0	138,000
Est. Total Cost	131,500	180,500

PROGRAM DATA SHEET

USAID MISSION: Colombia
PROGRAM TITLE: Internally Displaced Persons (Pillars: Economic Growth, Agriculture, and Trade; Democracy, Conflict and Humanitarian Assistance; Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Provide Economic and Social Opportunities to Vulnerable Groups, Particularly Internally Displaced Persons, 514-009
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $24,000,000 ACI
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: none
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $52,000,000 ACI
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: To incorporate internally displaced persons (IDPs) and other vulnerable populations into mainstream Colombian society, USAID is providing non-emergency support at the municipal level aimed at:

- providing humanitarian and social service assistance;
- increasing economic opportunities; and
- broadening political participation.

The USAID program also supports the rehabilitation of former child combatants.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will use FY 2002 funds to support community development projects and to provide health, education, shelter, employment, income generation and vocational education assistance. The purpose is to assist those displaced to better integrate them into the economic, social and political mainstream and to strengthen communities to be able to absorb IDPs and to continue their own development. USAID works in close collaboration with local leaders to stabilize the communities, promote democratic participation, and support access to state social services such as health, education and justice. The program will increase community stability through strengthened local capacity to provide basic social services to vulnerable groups, and by the increased presence of international organizations to assist in the return or relocation of IDPs.

Planned FY 2003 Program: USAID plans to use FY 2003 resources requested in this Budget Justification to continue the activities stated above. USAID does not anticipate changes to the program in FY 2003 as we continue to implement the five-year strategy.

> 300,000 displaced persons have received assistance.

Performance and Results: In 12 months of implementation since the program was initiated in January 2001, over 300,000 displaced people have received direct assistance in the areas of physical and mental health, community strengthening, income and employment generation, urban assistance (shelter, water and sanitation), and education. IDPs are receiving credit to start or strengthen their businesses. Their children are receiving psychosocial counseling so that they can work through their traumatic experiences. Jobs have been created and, where possible, people have returned to their homes. USAID grantees have involved local non-government organizations (NGOs), regional and municipal governments, and private businesses to leverage funds and other investments to create a program that is many times the sum of its parts. One grantee has leveraged 1.5 dollars for every USAID dollar invested in the program. Over the next five years, the combined efforts of these and similar activities will directly or indirectly benefit a minimum of 698,000 IDPs in Colombia.

Principal Contractors, Grantees, or Agencies: USAID currently implements activities through two U.S. NGOs – the Pan American Development Foundation (prime) and World Vision (prime), two

public international organizations – the International Organization for Migration and UNICEF (both prime), and one Colombian NGO – Profamilia (prime). This mix will likely change as new proposals are received. Activities at the local level are coordinated with regional governmental entities, including government health facilities and the GOC's Social Solidarity Network.

US Financing in Thousands of Dollars

Colombia

514-009 Provide economic and social opportunities for vulnerable groups, particularly internally displaced persons	ACI	Plan Colombia
Through September 30, 2000		
Obligations	0	30,000
Expenditures	0	0
Unliquidated	0	30,000
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	12,690
Through September 30, 2001		
Obligations	0	30,000
Expenditures	0	12,690
Unliquidated	0	17,310
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	24,000	0
Total Planned Fiscal Year 2002		
Obligations	24,000	0
Proposed Fiscal Year 2003 NOA		
Obligations	52,000	0
Future Obligations	0	108,000
Est. Total Cost	76,000	138,000

CUBA

THE DEVELOPMENT CHALLENGE: The Cuban government continues to violate the most fundamental human rights including freedom of assembly, freedom of speech, freedom of religion, freedom to form political parties and trade unions, and free elections. The Cuban government directly controls mass media, the communist party, trade unions, universities, and all formal economic activity. It strives to censor all independent sources of information that may reach the Cuban people by jamming foreign radio broadcasts, controlling internet access, censoring or banning foreign books, newspapers and magazines, and forbidding importation of videocassettes and videocassette recorders.

> More than 300 Cubans are currently in prison for peaceful political dissent.

During 2001, the Cuban government further increased its repression of human rights groups, independent journalists, and other peaceful democratic activists. It recently passed legislation imposing a 10 - 20 year prison sentence for any Cuban receiving or disseminating prohibited information, or printed material or engaging in any activity deemed as aiding U.S. policy towards Cuba. In the economic arena, the government's punitive taxation and harassment of self-employed people reduced their numbers to an estimated 150,000 in 2001 (down from 210,000 in 1997).

The U.S. national interest in Cuba is to promote a peaceful transition to democracy. To that end, U.S. policy is proceeding on a multi-faceted track: pressure on the regime for change through comprehensive economic sanctions; outreach to the Cuban people; promotion and protection of human rights; multilateral efforts to press for democracy; and migration accords to promote safe, orderly and legal migration.

THE USAID PROGRAM:

FY 2002 Estimate: $5.0 million *FY 2003 Request: $6.0 million*

The Program Data Sheet provided below covers the single objective for which USAID is requesting funds. This objective concentrates on information dissemination efforts that will foster democratic progress through the development of civil society. The USAID Cuba Program continues to increase the flow of accurate information on democracy, human rights, and free enterprise to, from, and within Cuba. The program provides support to U.S. non-governmental organizations (NGOs) and individuals engaged in this effort. U.S. partners encourage the development of independent civil society and provide humanitarian assistance to political prisoners, their families, and other victims of repression Authorized assistance also includes: published and informational matter (e.g. books, videos, and cassettes) on democracy, human rights and market economies; support for democratic and human rights groups; and support for visits by and permanent deployment of independent international human rights monitors in Cuba.

In 1996, USAID awarded the first grant aimed at promoting a democratic transition in Cuba. The grant was awarded pursuant to the authority provided in the Cuban Democracy Act of 1992 which authorizes the U.S. government to provide assistance "through appropriate nongovernmental organizations, for the support of individuals and organizations to promote nonviolent democratic change in Cuba." The Cuban Liberty and Solidarity (LIBERTAD) Act of 1996 further elaborates the types of assistance and support the President is authorized to provide for individuals and independent NGOs in order to support democracy-building efforts for Cuba.

U.S. policy encourages U.S. NGOs and individuals to undertake humanitarian, informational and civil society-building activities in Cuba with private funds, subject to applicable Treasury and Commerce Department regulations. Dozens of NGOs have engaged in such activities over the past several years, with licensed humanitarian goods alone amounting to millions of dollars. The intent of USAID funding is to support activities for which adequate private resources are not presently available, and which offer favorable prospects for serving a catalytic role for the promotion of a peaceful transition.

All FY 2002 and FY 2003 funding will go to implement ongoing democracy-building programs. These monies will help build upon initiatives already underway and permit the solicitation of new grant proposals to help achieve stated objectives.

The FY 2002 funds will be used to help build solidarity with Cuba's human rights activists, give voice to Cuba's independent journalists, help develop independent Cuban NGOs, defend the rights of Cuban workers, provide direct outreach to the Cuban people, and support planning for assistance to a future transition government in Cuba. Partnership with U.S. NGOs and their Cuban counterparts is central to program design and implementation. At the start of FY 2002, 12 U.S. NGOs were helping provide assistance to the Cuban people.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: None.

OTHER DONORS: The Roman Catholic Church provides assistance to CARITAS Cubana, one of the few independent Cuban nongovernmental organizations. In 2000, Canada, China, Russia, the European Union, Japan, and the United Nations Development Program delivered more than $90 million in economic and humanitarian aid through Cuban government organizations.

Cuba

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Economic Support Fund	3,500	4,989	5,000	6,000
Total Program Funds	3,500	4,989	5,000	6,000

STRATEGIC OBJECTIVE SUMMARY

516-001 Civil Society Developed Through Information Dissemination				
ESF	3,500	4,763	5,000	6,000
Total Transfers	0	226	0	0

PROGRAM DATA SHEET

USAID BUREAU FOR LATIN AMERICA AND THE CARIBBEAN: Cuba
PROGRAM TITLE: Civil Society Developed (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Civil Society Developed Through Information Dissemination, 516-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,000,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $3,002,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $6,000,000 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's program to develop civil society includes:
- dissemination of information concerning democracy, human rights, and free market economics;
- nonfinancial support for democratic and human rights groups on the island;
- funding visits to Cuba by international human rights monitors;
- assistance with plans for a future transition government in Cuba; and
- transmission of such plans to the Cuban people.

Inputs, Outputs and Activities: *FY 2002 Program*: USAID will use FY 2002 funds to contribute to the achievement of the strategic objective through activities which:

1) Increase solidarity with Cuba's human rights activists by continuing to provide nonfinancial informational support for their use;
2) Give voice to Cuba's independent journalists by supporting CubaNet's web page with reports by Cuba's independent journalists;
3) Foster independent Cuban NGOs by facilitating exchange visits between Cuba, the U.S. and third countries;
4) Defend the rights of Cuban workers by establishing contacts with Cuban rank and file workers, bringing pressure to bear on the Cuban government to respect workers' rights;
5) Reach out to the Cuban people by directly transmitting accurate information on democracy, human rights and free enterprise via newsletters, faxes and e-mails to Cuban citizens; and
6) Provide transition planning by working with U.S. universities, U.S. and Cuban NGOs, and independent Cuban individuals, to develop specific plans for assistance to a future transition government in Cuba. Transmit these plans to the Cuban people via radio, fax, e-mail, and in hard copy.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to expand this objective. USAID will bolster solidarity with Cuba's human rights activists; significantly increase the transmission of information to the Cuban people; improve the skills of Cuba's independent journalists; and increase monitoring of program impact.

From 1996 through FY 2001, USAID provided $12 million to 22 NGOs to promote a peaceful transition to democracy in Cuba.

Performance and Results: The goal of this program is a revitalized Cuban civil society, which will help reconcile conflicts and prepare the population for peaceful democratic change. Additional USAID programming will lead to a better-informed Cuban population, increased reporting of human rights violations, and strengthened civil society. Continued progress will contribute to the U.S. foreign policy goal of peacefully transforming Cuba into a country where civil society plays a key role in shaping and helping smooth the way for a peaceful transition from dictatorship to democracy.

The USAID Cuba Program, working through its grantees, made significant progress during FY 2001 in meeting its special objective of increasing the flow of accurate information on democracy, human

rights and free enterprise to, from, and within Cuba. The Program also provided needed support to democratic and human rights groups in Cuba, and humanitarian assistance to victims of political repression and their families. These efforts, as they are continued and enlarged upon during FY 2002 and FY 2003 should substantially revitalize Cuban civil society, help reconcile conflicts, and prepare the population for peaceful democratic change.

By the end of FY 2001, grantees had reported achievements in the following six areas:

1) Human Rights Activists. Program grantees provided 35,669 books and other informational materials to more than 250 human rights activists in Cuba. Program grantees provided 16,414 pounds of food and medicine to families of political prisoners and other victims of government repression in Cuba.
2) Cuba's Independent Journalists. Program grantees disseminated 2,600 articles by Cuba's independent journalists internationally and within the island.
3) Independent Cuban NGOs. Program grantees facilitated 12 exchange programs that strengthened independent Cuban NGOs.
4) Cuban Workers. Program grantees established contacts with Cuban rank and file workers, and helped bring pressure to bear on the Cuban government to respect workers' rights.
5) Outreach to the Cuban People. Program grantees directly transmitted accurate information on democracy, human rights and free enterprise to 275,000 Cuban citizens.
6) Transition Planning. Program grantees worked with U.S. universities and NGOs, and with independent Cuban individuals and NGOs, to develop specific plans for assistance to a future transition government in Cuba. Program grantees transmitted these plans to the Cuban people via radio, fax, e-mail and in hard copy.

Principal Grantees: Prime grantees are The University of Miami, Center for a Free Cuba, Pan-American Development Foundation, Florida International University, Freedom House, Grupo de Apoyo a la Disidencia, Cuba On-Line, CubaNet, National Policy Association, and Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA). In addition, another principal grantee, International Republican Institute, has a sub-grantee, Directorio Revolucionario.

US Financing in Thousands of Dollars

Cuba

516-001 Civil Society Developed Through Information Dissemination	ESF
Through September 30, 2000	
Obligations	9,190
Expenditures	5,744
Unliquidated	3,446
Fiscal Year 2001	
Obligations	2,829
Expenditures	2,949
Through September 30, 2001	
Obligations	12,019
Expenditures	8,693
Unliquidated	3,326
Prior Year Unobligated Funds	
Obligations	3,002
Planned Fiscal Year 2002 NOA	
Obligations	5,000
Total Planned Fiscal Year 2002	
Obligations	8,002
Proposed Fiscal Year 2003 NOA	
Obligations	6,000
Future Obligations	9,984
Est. Total Cost	36,005

DOMINICAN REPUBLIC

> Approximately 30% of Dominicans live below the poverty line despite a per capita income of $2,326 in 2000.

THE DEVELOPMENT CHALLENGE: The Dominican Republic's geo-strategic location links the United States to the Caribbean and South America. Although its economy is one of the fastest-growing in the region, 30% of its citizens live below the poverty line. The Dominican Republic shares a long border with Haiti, one of the poorest, least developed and least stable countries in the Americas. Large numbers of poor, illegal Haitian immigrants add to the Dominican poverty burden.

The Dominican Republic's greatest development risks stem from the relatively large segment of the population that has not shared in recent economic prosperity; the fragility of its democratic institutions, including unfinished justice sector and electoral reforms; the potential for conflict; the continued abuse of human rights, especially by a corrupt and incompetent police force that also contributes to weak public security; a large social investment gap particularly in education, health, basic services, housing, pensions, and rural productive infrastructure; and the need to quickly learn to compete in the global economy. A growing population, increased economic activity, competition for resources, inadequate environmental protection and natural disasters continue to strain environment resources particularly affecting sectors that traditionally employ the Dominican poor, such as tourism and agriculture.

The current Administration, inaugurated in August 2000, appears committed to addressing the social investment gap that has accumulated over the years and to confronting corruption and environmental concerns while pressing forward with key economic, political, social, and institutional reforms. The country is now considered to be a high contraceptive prevalence country with 65% of married women using a modern contraceptive method. The method mix, however, does not adequately serve adolescents, which results in high pregnancy rates among this population. The HIV seroprevalence rate is stable, but still high, at approximately 2.5% of the adult population. The incidence of HIV/AIDS-related tuberculosis is increasing. Effective treatment is difficult because this strain of tuberculosis has a higher rate of resistance to common medicines. The total fertility rate is 2.6%, below average for the Latin American and Caribbean region, but maternal mortality remains a problem. Despite the fact that 95% of births are attended in hospital settings, the maternal mortality rate is estimated to be between 110 and 160 deaths per hundred thousand births. The infant mortality rate has been steadily decreasing (estimated at 47 per thousand) although the low fully-vaccinated coverage rate (35%) could reverse progress. Only 18% of the population is covered by some type of health insurance. Finally, basic education lags behind countries with similar economic conditions and equity is still a challenge, particularly for children in rural areas.

> Life expectancy is 68 years; Infant mortality is 47 per 1,000; and HIV/AIDS affects 2.5% of the adult population.

Per capita gross domestic product in 2000 was $2,326. External debt as of December 2001 amounted to $4.082 billion. The debt is owed primarily to multilateral institutions. The Dominican Republic, a World Trade Organization member, recently completed Free Trade Agreements with the Caribbean Community (CARICOM) and the Central American Common Market, and is committed to the goal of a Free Trade Area of the Americas by 2005. U.S. national interests in the Dominican Republic focus on strong trade and investment ties, promoting regional security, stability, and democracy, reducing international crime, and encouraging economic development.

THE USAID PROGRAM:
FY 2002 Estimate: $17.982 million *FY 2003 Request: $22.909 million*

The Program Data Sheets provided below cover the six strategic objectives for which USAID is requesting funds. Three strategic objectives relate to ongoing activities under the current Strategic

Plan for FY 1997 through FY 2002 (517-002; 517-003; and 517-007). The other three strategic objectives refer to the new, six-year Strategic Plan for FY 2002 through FY 2007. The three new strategic objectives concentrate on institutional changes and public-private partnerships that expand job creation and income opportunities, expand trade and investment, improve environmental protection, improve educational opportunities, foster continued democratic progress through development of the rule of law, political and electoral reform and anti-corruption measures, and improve the health and welfare of women and children. FY 2002 funds will be used to implement the program as currently planned and previously described in the FY 2002 Congressional Budget Justification. USAID also intends to use FY 2002 funds to carry out certain new activities in response to changing circumstances. The specific activities to be funded by FY 2002 and FY 2003 appropriations are described in more detail in the following Program Data Sheets.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED:

Number	Title	Last Notified	Planned Completion
517-005	Hurricane Georges Reconstruction	FY02 CBJ, p. 138	September 30, 2002*

* Program activities/implementation ended on December 31, 2001. Program close-out will be complete by September 30, 2002.

OTHER PROGRAM ELEMENTS: In addition to the bilateral program, USAID's other program activities in the Dominican Republic include initiatives in the economic, health, education environment, and disaster mitigation areas. A USAID regional anti-corruption program that partners Transparency International with local NGOs is active in the Dominican Republic. USAID's Program Supporting Central American Participation in the Free Trade Area of the Americas (PROALCA) provides specialized technical assistance, inter-ministerial cooperation programs, short-term training, observational trips and support for regional seminars and workshops, and will continue to provide assistance to the Dominican Ministry of Labor. USAID's Energy Partnership Program will continue to increase energy regulatory capability of the Dominican Superintendency of Electricity. Also, USAID will continue to stimulate private sector investment in renewable energy to help address the energy needs of the Dominican rural population through an agreement with Winrock International. USAID's Parks-in-Peril Program will continue to train key government and NGO partners on parks conservation and management, ecotourism, parks-community linkages, and environmental protection. USAID assistance will help Dominicans improve their capability to protect endangered species in 2002 with the launch of Peregrin Fund activities under the Neotropical Raptor Conservation Program.

> Overall development assistance to the Dominican Republic totals about $235 million per year.

OTHER DONORS: Donor coordination is good. USAID is the largest bilateral donor, followed by Spain (justice, education and local government). Other bilateral donors include Germany (local government, environment), Japan (health, environment), Canada (micro-hydro), France (agriculture, rural electrification, rural water) and Taiwan (environment, agriculture). Multilateral donors include the Inter-American Development Bank (the largest donor overall involved in education, health, justice, public administration), the World Bank (HIV/AIDS, energy, education), the European Union (health, environment, education, local government), and the Pan American Health Organization (health).

Dominican Republic
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	3,300	6,385	0	0
Child Survival and Health Programs Fund	0	0	9,532	0
Development Assistance	6,800	8,800	6,450	19,409
Economic Support Fund	3,356	3,492	2,000	3,500
PL 480 Title II	99	1,525	0	0
Total Program Funds	**13,555**	**20,202**	**17,982**	**22,909**

STRATEGIC OBJECTIVE SUMMARY				
517-002 Increased Use of Sustainable Basic Health Care Services and Practices				
CSD	3,300	5,885	0	0
CSH	0	0	2,557	0
DA	2,800	3,800	0	0
517-003 More Participatory, Representative and Better Functioning Democracy Achieved				
DA	2,885	3,400	700	0
ESF	3,356	3,492	0	0
517-007 Policies Adopted that Promote Good Governance and Sustained Economic Growth				
CSD	0	500	0	0
DA	1,115	1,600	175	0
517-XXX Increased Sustainable Economic Opportunities for the Poor				
DA	0	0	2,775	6,000
517-YYY More Participatory, Representative and Accountable Democracy Achieved				
DA	0	0	2,800	2,000
ESF	0	0	2,000	3,500
517-ZZZ Sustained Improvement in the Health of Vulnerable Populations in the Dominican Republic				
CSH	0	0	6,975	0
DA	0	0	0	11,409

PROGRAM DATA SHEET

USAID MISSION: Dominican Republic
PROGRAM TITLE: Health and Population (Pillar: Global Health)
STRATEGY OBJECTIVE AND NUMBER: Increased Use of Sustainable Basic Health Care Services and Practices; 517-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,557,000 (CSH)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $0
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: This program is improving primary and preventive health care services by addressing both structural and systemic weaknesses within the health care system. Through technical assistance and grants to government institutions and public- and private- sector service providers, USAID is:

- improving access to and quality of basic healthcare services;
- increasing access to HIV/AIDS/Sexually Transmitted Infections (STIs) prevention and care services by at-risk and affected populations;
- strengthening public sector capacity to treat and control tuberculosis;
- increasing access to reproductive health services for target populations;
- improving child survival services by increasing vaccination rates and access to potable water;
- increasing community participation in improving the integrated management of childhood illness; and
- improving the efficiency and equity of basic health services at decentralized levels through healthcare policy reform.

Inputs, Outputs and Activities: FY *2002 Program:* FY 2002 is the final year for which USAID requests resources under this program. USAID will use Child Survival and Health (CSH) funds to complete program activities that support the increased use of sustainable basic health services and practices. These funds will enable USAID to complete its technical assistance and training initiatives to public-sector health institutions and service-providing NGOs. Use of CSH Funds will enable Dominican NGOs to help prevent HIV/AIDS/STI transmission through behavior change education strategies, providing counseling services, and assisting with implementation of the HIV/AIDS law. USAID also provides assistance to strengthen the National Program for the Control of Tuberculosis, due to the high prevalence of HIV/AIDS-related incidence of tuberculosis. CSH (population) funds will be used to provide technical assistance and logistical support to increase access to and quality of public sector reproductive health programs, as well as improve NGO sustainability in providing family planning services to vulnerable populations.

Planned FY 2003 Program: USAID does not plan to obligate additional funds under this Strategic Objective in FY 2003.

Performance and Results: With successful completion of this program in 2003, USAID anticipates that a cumulative total of more than 800,000 people will have received HIV/AIDS/STI prevention and care services; and more than 2 million couples will be protected against unwanted pregnancies per year by use of a modern contraceptive method. Impressive progress has been made to date. In FY 2001 alone, more than 210,000 persons received HIV/AIDS/STI services. This figure includes 85,000 pregnant women participating in the vertical transmission program, 4,500 men and women receiving STI treatment through the pre-packaged therapy program, and 113,000 youth, adolescents, and adults reached through information, education and counseling activities. The staff

of the National Program for the Control of Tuberculosis participated in training programs and study tours of successful programs in Latin America that have been implementing the Directly Observed Treatment Short-course strategy. Over 214,000 couple years of protection were achieved through modern contraceptive methods provided by three local NGOs and select public sector hospitals, a 30% increase over planned levels for the period. The three Dominican NGOs providing critical reproductive health services to vulnerable populations made significant progress in increasing their sustainability. This progress is attributed to USAID technical assistance that helped implement new service diversification and cost containment strategies.

> New USAID initiatives in six provincial health directorates and two municipal health areas will improve the delivery and management of primary health care services and serve as models for service delivery under the reformed health care system.

Policy dialogue and debate remain critical to laying the foundation for health sector reform. USAID-funded activities enriched the debates in Congress with participation from civil society and other groups, and helped forge a national consensus that resulted in passage of the Social Security Law. This law substantially changes the health care system and will help ensure that poor Dominicans have access to otherwise unaffordable health care. USAID is now assisting the Ministry of Health as it implements its health service decentralization strategy, promulgated in the recently passed Health Law and the Social Security Law.

Principal Contractors, Grantees, or Agencies: Academy for Educational Development is the prime contractor for HIV/AIDS activities. Family Health International (in HIV prevention), Commercial Management Services (in reproductive health NGO sustainability) and Population Service International (to conduct an orphans and vulnerable children study) are also key partners. USAID's reproductive health partners include three Dominican NGOs (Profamilia, Adoplafam, Mude). Abt Associates, Inc. implements USAID's health sector reform activities.

US Financing in Thousands of Dollars

Dominican Republic

517-002 Increased Use of Sustainable Basic Health Care Services and Practices	CSD	CSH	DA
Through September 30, 2000			
Obligations	8,397	0	44,657
Expenditures	4,355	0	43,436
Unliquidated	4,042	0	1,221
Fiscal Year 2001			
Obligations	5,885	0	4,490
Expenditures	3,651	0	2,052
Through September 30, 2001			
Obligations	14,282	0	49,147
Expenditures	8,006	0	45,488
Unliquidated	6,276	0	3,659
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	2,557	0
Total Planned Fiscal Year 2002			
Obligations	0	2,557	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	0
Future Obligations	0	0	27,409
Est. Total Cost	14,282	2,557	76,556

PROGRAM DATA SHEET

USAID MISSION: Dominican Republic
PROGRAM TITLE: Democracy Consolidation and Better Governance (Pillar: Democracy, Conflict and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: More Participatory, Representative and Better Functioning Democracy Achieved; 517-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $700,000 (DA)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $0
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The Democracy and Governance program is made up of three components:

- creating support for more genuine and competitive electoral processes through civil society;
- strengthening the judicial sector's ability to administer the rule of law and enhanced public sector anti-corruption systems and respect for human rights; and
- strengthening civic participation in democratic processes by developing a better-informed and more active civil society.

Inputs, Outputs and Activities: FY *2002 Program*: FY 2002 is the final year for which USAID requests resources under this program. DA funds are enabling civil society to focus on and participate in election preparation and observation for 2002 congressional and municipal elections. FY 2002 ESF funds will enable USAID to provide technical assistance to help civil society and the Dominican Government begin implementing a national anti-corruption program.

Planned FY 2003 Program: No additional funds will be obligated in FY 2003.

Performance and Results: USAID technical assistance and grants to civil society democracy advocacy partners have been an important breakwater to a recent wave of anti-democratic, counter-reform measures. In 2001, counter-reformists in Congress attempted to pass a constitutional amendment to extend the term of current legislators and municipal authorities beyond the constitutional mandate. Other counter-reform machinations included attempts to forestall implementation of an open-slate election system, as well as implementation of new electoral districts in the 2002 congressional/municipal elections. USAID's primary civil society partner created societal consensus for implementation of these key electoral reforms. In July 2001, the Dominican Central Electoral Board issued a resolution ordering electoral districts to be implemented in the 2002 election. These redistricting reforms will make the Dominican Congress more representative.

> **USAID-assisted civil society organizations are participating on a national level to create more genuine and competitive electoral processes.**

Building on earlier USAID assistance, the Dominican Judiciary extended modern administrative models and procedures to jurisdictions outside the Santo Domingo pilot program area. The Judicial School -- founded with USAID assistance -- is considered one of the leading institutions of its type in Latin America. Access to justice for the poor increased as the state-funded Public Defense system grew from three offices and 14 public defenders in 1999, to 13 offices in ten municipalities and more than 40 public defenders assigned nationwide. The Attorney General's Department for Prevention of Corruption has begun implementing a rigorous anti-corruption strategy and plan developed with USAID technical assistance. USAID has also provided training assistance for Controller General auditors in conducting corruption and fraud audits. The Department for Prevention of Corruption and the Controller General auditors are now increasingly active and

successful in prosecuting major anti-corruption cases of both the former and current administrations.

Principal Contractors, Grantees or Agencies: USAID civil society initiatives are implemented under grants to Participación Ciudadana and the Fundación Institucionalidad y Justicia, each leading the efforts of broader civil society coalitions. Participacion Ciudadana held workshops on electoral matters in collaboration with the International Foundation for Elections Systems, the National Democratic Institute, and the Carter Center. Rule of Law activities are implemented by Management Sciences for Development and Environmental International. Casal's is implementing anti-corruption activities.

US Financing in Thousands of Dollars

Dominican Republic

517-003 More Participatory, Representative and Better Functioning Democracy Achieved	DA	ESF
Through September 30, 2000		
Obligations	18,286	8,711
Expenditures	16,543	2,952
Unliquidated	1,743	5,759
Fiscal Year 2001		
Obligations	3,400	3,488
Expenditures	3,389	1,719
Through September 30, 2001		
Obligations	21,686	12,199
Expenditures	19,932	4,671
Unliquidated	1,754	7,528
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	700	0
Total Planned Fiscal Year 2002		
Obligations	700	0
Proposed Fiscal Year 2003 NOA		
Obligations	0	0
Future Obligations	0	0
Est. Total Cost	22,386	12,199

PROGRAM DATA SHEET

USAID MISSION: Dominican Republic
PROGRAM TITLE: Economic Growth (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Policies Adopted that Promote Good Governance and Sustained Economic Growth; 517-007
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $175,000 (DA)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $0
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID program to increase economic growth includes four components:

- a more competitive Dominican economy;
- rural electrification and energy service management through public-private partnerships;
- policies in place for environmental protection and risk management; and
- improved basic education through community and private sector participation.

Inputs, Outputs and Activities: FY *2002 Program:* FY 2002 is the final year of obligations for this Strategic Objective. Program activities will provide a segue to the new economic growth strategic objective that commences this fiscal year. In order to bring economic opportunities to rural Dominicans that lack electricity service, USAID will utilize DA funds to access the Development Credit Authority (DCA) facility. USAID will provide technical assistance through U.S. and local NGOs to help form DCA-funded partnerships to begin to implement the National Rural Electrification Plan developed with USAID assistance. The Plan builds on previous USAID assistance that helped privatize power generation and distribution systems, established U.S.-Dominican energy regulatory partnerships, and developed viable alternative renewable energy sources.

Planned FY 2003 Program: This Strategic Objective will end on September 30, 2002.

Performance and Results: Program results include seven key economic policy reforms that are leading to sustainable economic growth; eight partnerships established for competitiveness initiatives, rural electrification and educational improvement; and increased civil society and community participation in competitiveness, trade, environment and education reform activities. USAID believes that the benefits of growth in the Dominican Republic's economy are transferred to all Dominicans through improved economic and social policies, and greater participation in the policy dialogue, formulation and implementation processes. These processes have yielded important results in the economic, education, environment and energy sectors.

USAID-supported civil society efforts led to the approval of seven major economic policy reforms in 2001.

As a result of USAID activities and assistance that supported public-private sector partnerships developing and advocating for policy reforms, Dominican lives have tangibly improved. For example, the workforce will, for the first time, have a universal system of health and pension coverage under the recently approved Social Security Law. With USAID assistance, management of internal Dominican debt improved by investigating expropriation claims and proposing a transparent procedure to resolve the claims and fix the quantity of debt. The regulations for the Capital Markets Law, under final review, will provide new sources of investment capital through securities markets that will help spur economic growth. A new Competitiveness Strategy Center was established which will continue to assist in establishing public-private partnerships that increase Dominican competitiveness in a global market. New environmental norms and standards, developed with USAID technical assistance, will give Dominicans greater protection from noise, solid waste, air and water pollution. USAID assistance increased environmental NGO participation and improved

their effectiveness as advocates. As a result of USAID assistance, the country has a new mandate for improving basic education quality through a monitoring and evaluation system. Finally, the recently approved General Electricity law allowed USAID to focus its resources on rural electrification. This assistance is enabling the Dominican government to develop a national rural electrification plan, with implementation to begin through the above-mentioned DCA-funded partnerships. USAID anticipates that other donors, as well as the Dominican private financial sector, will apply and replicate this financial model that will help bring electricity to much of the remaining population that does not have electricity service.

Principal Contractors, Grantees, or Agencies: USAID anticipates the continued involvement of key partners in economic growth activities including Chemonics International (prime for competitiveness/trade activities), the Boston Institute for Developing Economies (prime for economic policy reform), International Resources Group (prime for environment), National Rural Electrification Cooperative Association International, Creative Associates (prime for education) and the U.S. Department of Agriculture. USAID will select new implementing partners for education-related activities involving public-private partnerships to improve educational quality.

US Financing in Thousands of Dollars

Dominican Republic

517-007 Policies Adopted that Promote Good Governance and Sustained Economic Growth	CSD	DA
Through September 30, 2000		
Obligations	310	2,315
Expenditures	214	1,153
Unliquidated	96	1,162
Fiscal Year 2001		
Obligations	500	1,600
Expenditures	137	1,444
Through September 30, 2001		
Obligations	810	3,915
Expenditures	351	2,597
Unliquidated	459	1,318
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	175
Total Planned Fiscal Year 2002		
Obligations	0	175
Proposed Fiscal Year 2003 NOA		
Obligations	0	0
Future Obligations	0	0
Est. Total Cost	810	4,090

PROGRAM DATA SHEET

USAID MISSION: Dominican Republic
PROGRAM TITLE: Economic Opportunities (Pillar: Economic Growth, Agriculture and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Increased Sustainable Economic Opportunities for the Poor, 517-XXX
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,775,000 (DA)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $6,000,000 (DA)
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: This new Strategic Objective will help ensure that poor Dominicans participate in and benefit from future economic growth in the Dominican Republic. USAID will achieve this objective through support for:

- key economic policy reforms, especially those that affect economic opportunities for poor Dominicans, which improve the country's ability to compete in global markets;
- public-private partnerships in strategic economic sectors such as tourism, fruits and vegetables, specialty coffee, and organic cacao that improve the Dominican Republic's international competitiveness;
- better trade policy formulation and implementation of existing trade obligations which will improve economic competitiveness;
- rural electrification for thousands of Dominicans;
- environmental policy reforms, with public and private sector participation, that help protect the environment and safeguard the economic opportunities it produces; and
- higher quality basic education through community and private sector participation.

Inputs, Outputs and Activities: FY *2002 Program:* FY 2002 funds are being notified because this is a new program. DA funds will be used to improve economic policies and strengthen public sector institutions that promote and can sustain economic growth in the Dominican Republic. Through training and technical assistance, USAID will help change public and private sector mindsets in developing and implementing more competitive trade and investment policies and strategies. In addition, USAID assistance will help establish public-private sector partnerships in the tourism, agriculture, agribusiness and rural energy sectors. Funds will also help establish public and private sector collaboration in developing environmental norms and standards that will protect the environment, as well as strengthen public sector institutions responsible for managing environmental assets.

A major constraint to sustained economic growth is the lack of quality education. Dominican education lags behind countries with similar economic conditions, and equity is a challenge, particularly for children in rural areas. USAID will help improve basic education quality through an adopt-a-school concept, by establishing partnerships led by community-based NGOs that links the support of private sector companies and parent-teacher associations to a public school, principally in non-urban areas. DA funds will also help develop and implement education quality indicators (e.g., changes in enrollment, attendance, retention), in selected areas, that can be replicated at the national level. The Global Food for Education Initiative and grants to NGOs will help link communities with schools in education improvement efforts.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: FY 2003 resources will be used to increase support to the Competitiveness Strategy Center. The Center is establishing partnerships to increase competitiveness through regional and product initiatives. USAID will also help develop markets for niche agricultural exports (a sector traditionally served by small and medium businesses that employs the poor); encourage small business development; and strengthen trade institutions. Through technical assistance and training, USAID resources will also help form new partnerships in the environment sector to better manage protected areas, and continue development of environmental norms and standards. USAID will continue assistance to improve internal debt fiscal management, including increased reliance on the secondary market as a means of government financing and capital mobilization. DA resources will continue to be directed to expand and develop new energy partnerships for rural electrification. DA funds will also be utilized to help expand the number of schools and private sector organizations participating in the adopt-a-school program. ESF-funded technical assistance for trade capacity building will assist the country in preparing for FTAA negotiations.

Performance and Results: This program begins in FY 2002. Future results include: key economic policy reforms that lead to sustainable economic growth, especially in sectors that employ the Dominican poor; a better informed and proactive business community more competitively engaged in the global economy; enhanced national export capability and an increase in trade opportunities; electricity in rural areas that is affordable, reliable and community-managed which brings economic opportunities to economically disadvantaged and isolated areas; national parks that are better protected and managed with community participation; national and municipal officials that are better prepared to formulate and implement environmental policy; students in selected schools who are prepared to compete in a global economy and participate in democratic processes; and increased civil society and community participation in competitiveness, trade, environment and education reform activities. USAID anticipates that these efforts will sustain economic growth and reduce poverty by the end of the strategy.

Principal Contractors, Grantees, or Agencies: Chemonics International and the Boston Institute for Developing Economies (for economic policy initiatives), International Resources Group (for environment initiatives), National Rural Electrification Cooperative Association International (NRECA), and Creative Associates (for education initiatives). USAID will select new implementing agencies for activities related to adopt-a-school.

US Financing in Thousands of Dollars

Dominican Republic

517-XXX Increased Sustainable Economic Opportunities for the Poor	DA
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	0
Expenditures	0
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	2,775
Total Planned Fiscal Year 2002	
Obligations	2,775
Proposed Fiscal Year 2003 NOA	
Obligations	6,000
Future Obligations	25,590
Est. Total Cost	34,365

PROGRAM DATA SHEET

USAID MISSION: Dominican Republic
PROGRAM TITLE: Consolidating Democracy and Improving Governance (Pillar Democracy, Conflict and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: More Participatory, Representative and Accountable Democracy Achieved, 517-YYY
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,800,000 (DA); $2,000,000 (ESF)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,000,000 (DA); $3,500,000 (ESF)
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: USAID's new program to strengthen democracy, justice sector institutions, governance and accountability includes:

- support for a more representative and effective electoral system with greater civil society participation;
- support for a more democratic political system with effective civil society involvement;
- strengthened rule of law and respect for human rights; and
- enhanced public sector anti-corruption systems.

Inputs, Outputs and Activities: FY *2002 Program:* FY 2002 funds are being notified because this is a new program. USAID will use FY 2002 DA funds to: (1) provide technical assistance to support credible and respected civil society organizations to promote more ethical and issue-oriented campaigns; (2) assist civil society efforts to achieve greater female participation in the electoral process and in governance; (3) enhance civil society capacity to improve and monitor administration of the 2002 elections; (4) support civil society initiatives to design and implement public information and education programs to enhance voter understanding and participation in the 2002 election; (5) support civil society initiatives to reform political parties, including reform of legal and regulatory frameworks and leadership selection processes. DA and ESF resources will provide technical assistance for justice system institutional strengthening (tribunals, prosecutor offices and public defenders) as well as training for judges, prosecutors and public defense lawyers.

FY 2002 ESF resources will be used to provide: (1) technical assistance to justice sector and civil society NGOs jointly refining plans for implementing the National Anti-Corruption Strategy and Plan; and (2) technical assistance, training and logistical support to the GODR Attorney General's Anti-Corruption Prosecutor Office.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: USAID plans to use FY 2003 resources requested in this Budget Justification to build on FY 2002 efforts. It is anticipated that funds will be utilized to: provide technical assistance to civil society organizations on electoral issues; broaden female participation in electoral processes and governance; implement electoral reforms already enacted and promote those still needed; public information programs to enhance voter participation; and strengthen NGO capacity to monitor the 2004 presidential elections. USAID also plans to continue supporting organized civil society advocacy and public information programs interested in political party reform

To enhance capacity of justice sector officials, judges, prosecutors and public defenders will receive training in their respective functional skills and in specialized, mostly criminal, case areas. Technical assistance will also be provided to continue improving the organizational effectiveness of the

Attorney General and national prosecutor offices, the Public Defense/Legal Assistance systems; as well as the Judiciary. USAID will also provide training and technical assistance to help judicial actors prepare for and implement a major criminal procedure code reform that may be enacted in 2002. FY 2003 funds will enable the courts and public prosecutors to further expand a USAID-funded automated criminal case tracking and management system. Grants to local NGOs will enable civil society to enhance respect for and adherence to Constitutional norms, and democratic and rule of law principals and practices.

ESF resources will be used to provide technical assistance to justice sector institutions and civil society NGOs implementing the National Anti-Corruption Strategy and Plan. This effort will be guided by a recently completed USAID-funded corruption assessment. Grants to local civil society/good governance advocacy organizations will continue to foster anti-corruption initiatives in both the public and private sector. USAID technical assistance for government and grant support for civil society rule of law and anti-corruption, advocacy organization efforts will continue in FY 2003.

Performance and Results: Expected results beginning in FY 2003 include: more democratic, representative and effective electoral and political systems; strengthened rule of law and respect for human rights; and an enhanced public sector anti-corruption system.

Principal Contractors, Grantees or Agencies: Most USAID rule of law activities will be implemented by Management Sciences for Development and anti-corruption activities by Casal's. Civil society advocacy for electoral and political reform and for rule of law and anti-corruption will be implemented under grants to leading democracy NGOs.

US Financing in Thousands of Dollars

Dominican Republic

517-YYY More Participatory, Representative and Accountable Democracy Achieved	DA	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	0
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	2,800	2,000
Total Planned Fiscal Year 2002		
Obligations	2,800	2,000
Proposed Fiscal Year 2003 NOA		
Obligations	2,000	3,500
Future Obligations	27,200	16,500
Est. Total Cost	32,000	22,000

PROGRAM DATA SHEET

USAID MISSION: Dominican Republic
PROGRAM TITLE: Health and Population (Pillar: Global Health)
STRATEGY OBJECTIVE AND NUMBER: Sustained Improvement in the Health of Vulnerable Populations in the Dominican Republic. 517-ZZZ
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOUCE: $6,975,000 (CSH)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $11,409,000 (DA)
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: USAID will build upon previous program achievements that improved primary and preventive health care services. The vulnerable population is defined as those Dominicans living below the poverty line, particularly children, adolescents and women of reproductive age. In the case of HIV/AIDS prevention, the vulnerable population is defined as those most at risk or already infected with the HIV virus. USAID will utilize a combination of technical assistance, training and logistical interventions to achieve this new strategic objective through support to public sector health institutions and non-governmental organizations to:

- increase use of HIV/AIDS prevention and care services;
- increase access to sustainable, effective, reproductive health/family planning services;
- increase use of effective child survival services; and
- increase the efficiency, equity and quality of basic health care services at the local level.

Inputs, Outputs and Activities: FY *2002 Program:* FY 2002 funds are being notified because this is a new program. CSH funds under this new strategic objective will be utilized to begin the transition from the current to the new health and population strategy. These resources will provide technical assistance to the Dominican Government to define and implement a National Condom Policy to increase access to condoms by poor and vulnerable populations; develop a strategy to expand the 100% condom use approach; and define policies and norms in implementing the country's AIDS Law. USAID will provide grant assistance to local NGOs to establish a network of local public-private service providers to improve access to HIV/AIDS prevention services. CSH (population) funds will improve the quality of reproductive health services (pre-natal, at-birth and post-partum care) through intensive training of hospital staff at the largest maternity hospitals. USAID will also provide technical assistance to increase the sustainability of the three leading family planning NGOs whose services are reaching the most vulnerable populations. This assistance will help these NGOs develop cost centers to monitor and manage costs and diversify their menu of services.

USAID child survival initiatives for FY 2002 include technical assistance to the Dominican Government's Primary Health Department, National Water Authority and local NGOs to develop a community-based infant growth monitoring program; improve routine vaccination services; and expand a community-based, rural water management system model nationally. USAID will provide technical assistance and training to support the health sector reform agenda to improve the equity and efficiency of integrated health services by decentralizing management to the provincial and municipal levels and forging model, local public-private provider networks under a reformed health care delivery system.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: In FY 2003, USAID plans to focus on three major areas of health risk in the Dominican population: HIV/AIDS/Sexually Transmitted Infections (STIs) and tuberculosis

prevention and treatment; reproductive health/family planning; and child survival. A fourth area, health sector reform, will help USAID achieve its objectives in the three aforementioned areas.

USAID will utilize FY 2003 funds to continue program initiatives in HIV/AIDS/STI prevention, tuberculosis treatment, and child survival. USAID will provide resources for health policy reform initiatives that support local NGO advocacy efforts to ensure that reproductive health services are included under the new Social Security Law's basic package of services. Ongoing technical assistance will enhance the sustainability of local NGOs that provide reproductive health services, which complement public-sector efforts to meet the demand for quality reproductive health services. USAID will provide technical and training assistance to improve the quality of reproductive health-related logistics, procurement and management systems.

FY 2003 resources will fund technical assistance to the National Commission for Social Security, under the new Social Security Law. USAID-funded technical assistance will help develop the basic package of health services and ensure that all Dominicans, regardless of income, have access to these services. USAID will also advance the national health finance reform agenda by funding pilot programs, at the provincial and local levels, that demonstrate more affordable, public-private sector health care service delivery models. Finally, USAID will strengthen civil society's advocacy capabilities to ensure the reforms directly address the needs of the poor.

Performance and Results: Expected results over the life of this new program include: (1) increased use of HIV/AIDS/STI prevention and care services, including public/private service networks; (2) increased number of at-risk Dominicans seeking health care services; (3) health-seeking behavior by high risk populations; (4) increased public sector resources allocated to HIV prevention and care; (5) more sustainable and effective NGO reproductive health/family planning services; (5) increased quality of reproductive health services in the public sector; (6) increased use of selected, child survival services, including improved access to quality immunization services, increased rural access to potable water, and integrated management of childhood illnesses at the community level; (7) increased efficiency and equity of basic health care services at the local level, including improved capacity of the health system to implement an effective decentralization strategy; and (8) strengthened management capacity of selected health areas and provincial directorates.

***Principal* Contractors, Grantees, or Agencies:** A new contractor will be selected for the HIV/AIDS/STI program. Abt Associates (for health sector reform) and three local NGOs (Profamilia, Adoplafam, Mude) are key counterparts for reproductive health and family planning activities. USAID will contract technical assistance to improve the quality of care and financial sustainability of reproductive health/family planning NGOs and for child survival initiatives.

US Financing in Thousands of Dollars

Dominican Republic

517-ZZZ Sustained Improvement in the Health of Vulnerable Populations in the Dominican Republic	CSH	DA
Through September 30, 2000		
Obligations	0	
Expenditures	0	
Unliquidated	0	
Fiscal Year 2001		
Obligations	0	
Expenditures	0	
Through September 30, 2001		
Obligations	0	
Expenditures	0	
Unliquidated	0	
Prior Year Unobligated Funds		
Obligations	0	
Planned Fiscal Year 2002 NOA		
Obligations	6,975	
Total Planned Fiscal Year 2002		
Obligations	6,975	
Proposed Fiscal Year 2003 NOA		
Obligations	0	11,409
Future Obligations	0	22,866
Est. Total Cost	6,975	34,275

ECUADOR

THE DEVELOPMENT CHALLENGE: Ecuador made several important strides toward greater economic stability during FY 2001. Annual inflation, while still extremely high, dropped from more than 90% in 2000 to approximately 24% in 2001. Economic growth, spurred by the initiation of construction on a new crude oil pipeline, increased from 1.9% to more than 5% during that same time. Unemployment is down from 14.4% to 11% (due in part to a substantial increase in workforce migration out of the country). After seven failed attempts, Ecuador has successfully completed a stand-by agreement with the IMF. Nevertheless, it will take substantial time before the positive effects of these indicators are felt by Ecuador's citizens, 70% of whom live in poverty. This unstable economic system, together with pervasive corruption and rising crime, continues to erode Ecuadorian confidence in a fragile democratic system of government. Preliminary results from a USAID-funded national democratic values survey indicate that in the face of rising corruption and crime a great majority of Ecuadorians are beginning to favor non-democratic forms of government – a deeply disturbing trend. Powerful special interests continue to dominate decision-making, accelerating resource degradation (e.g. uncontrolled clearing of primary tropical forests) and a growing sense of exclusion for many social and economic groups. The security situation in the northern border provinces is becoming more tense, with escalating violence and increasing reports of cross-border incursions by narco-terrorist groups. Planned reductions in subsidies (e.g., for cooking gas, gasoline) also threaten political stability. Fortunately Ecuador's armed forces continue to maintain a low profile (after the January 2000 coup that overthrew President Mahuad). The environment for 2002's national elections remains unsettled and could derail the reform process, taking the country backwards once again. Most recent figures put Ecuador's external debt at $12.6 billion, close to 77% of GDP.

> 70% of Ecuador's population lives in poverty; confidence in democracy is dangerously low; and narco-terrorism from Colombia increasingly threatens the northern border region.

Situated in the heart of Latin America's most conflictive region, Ecuador's importance to U.S. interests far outstrips its size. A democratic, prosperous, and secure Ecuador can play a key role in stabilizing the northern Andes and curbing the spread of narco-terrorism and violence. Actions taken now (in particular through the Andean Regional Initiative) will help prevent far greater (and more costly) problems in the future, both for Ecuador and the United States.

THE USAID PROGRAM:
FY 2002 Estimate: $34.355 million *FY 2003 Request: $45.380 million*

USAID's development plan in Ecuador continues to evolve in response to the myriad challenges that are emerging throughout the region. USAID is requesting funds for five important programs. The democracy program is providing critical help to make key democratic institutions more transparent and accountable and Ecuador's democratic process more inclusive, while at the same time facilitating consensus on critical national policy issues. USAID's poverty reduction program will expand access to microfinance services and provide technical assistance to support macroeconomic policy reform. Targeted efforts are underway through USAID's environment program to reduce resource-based conflicts and support the sustainable use and conservation of Ecuador's globally significant (and economically important) biological resources. In the north, USAID's Northern Border Development program is expanding. This program has helped improve living conditions, enhance stability, and reduces vulnerability to narco-violence from southern Colombia. USAID is currently providing technical assistance to conduct field assessments and identify additional high-priority activities (e.g., development of licit production alternatives to increase income and employment) for this region during 2002 and beyond. USAID's Southern Border Integration program continues to help consolidate the Ecuador-Peru peace process by providing assistance to one of the poorest regions of the country, a region that plays an important role in the illegal movement of drugs and

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precursor chemicals. By targeting assistance toward the country's fragile political system and its most vulnerable regions, USAID's program is uniquely positioned to meet Ecuador's development challenges and enhance the country's economic and social stability.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: USAID's centrally funded Living Landscapes Program provides assistance through the Wildlife Conservation Society to conserve the biodiversity of the Greater Yasuní-Napo Moist Forest Landscape Conservation Area in the Ecuadorian Amazon. This program is working with indigenous groups, public- and private-sector stakeholders (including local oil companies), and NGO partners to develop a strategy to improve management of the protected areas and surrounding biological resources. The Washington-managed Collaborative Research Support Program (CRSP) brings the expertise of several U.S. universities to Ecuador, with three activities: integrated pest management (to reduce the very high levels of pesticides now used on target crops); studies on nitrogen fixation (to improve crop yields) and; an analysis of the impact of the increasing human population on the conversion of forests and the management of integrated livestock systems. The National Endowment for Democracy (NED) is also providing some assistance, e.g. analyzing the importance of civil-military relations in Ecuador. The Pan American Health Organization is using USAID funds to assist municipal government leadership to improve health services decision-making, directly complementing USAID's democratic local governance efforts.

OTHER DONORS: In FY 2000, the United States ranked second (with 19%), after Japan (31%), in non-reimbursable assistance to Ecuador. Total development assistance from all donors reached $723 million of which loans amounted to $603 million. Japanese funding supported social development, transportation, agriculture, fishing, and some production forestry initiatives. German assistance was targeted at agricultural research and development, natural resources management, local government strengthening, and decentralization. Switzerland, Belgium, Holland, and Spain all supported rural development, poverty alleviation, health, education, and social infrastructure. Multilateral development banks contributed more significant resources, with the Corporación Andina de Fomento (CAF) providing 23% of multilateral development bank (MDB) support for macroeconomic stabilization, strengthening of the financial system, tax reform, and infrastructure. The Inter-American Development Bank's (IDB) program (41% of MDB funding) included decentralization and municipal strengthening; administration of justice, fiscal transparency and tax administration; and support for environmental management. Similarly, the Global Environmental Facility/World Bank (GDF/WB) recently committed $18 million to finance a program to support eradication of introduced species in the Galapagos. The World Bank has several important projects in Ecuador focused on rural poverty alleviation; water supply and sanitation; modernization of health services; administration of justice; and public financial management.

The USAID coordinates closely with other donor institutions. For example, the Global Environmental Facility and World Bank approved three proposals to continue environmental activities initiated by USAID on (sustainable forestry, land titling and forest products marketing in Esmeraldas province). USAID is analyzing the efforts of the GEF/WB, IDB, and Spain to better define our support to the Galapagos. More directly, a binational program on water and sanitation in the Southern Border area is being implemented in conjunction with the Swiss development agency (COSUDE). Opportunities for coordination on the new poverty reduction program are excellent, with different donor efforts (albeit small) ongoing and planned in the microfinance and macroeconomic policy reform areas. Coordination will be especially important for the Northern Border Development Program, with the recent Consultative Group meeting in Brussels yielding donor pledges of $266 million over five years.

Ecuador
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	550	0	0	0
Development Assistance	11,720	8,184	6,855	7,130
Economic Support Fund	7,000	8,984	17,500	22,250
Andean Counterdrug Initiative *	0	0	10,000	16,000
PL 480 Title II	0	1,459	0	0
Plan Colombia Supplemental	8,000	0	0	0
Total Program Funds	**27,270**	**18,627**	**34,355**	**45,380**

STRATEGIC OBJECTIVE SUMMARY				
518-001 Biodiversity conserved in selected protected areas and their buffer zones				
DA	3,500	4,637	5,375	5,000
ESF	0	0	2,000	2,000
518-002 Increased use of sustainable family planning/maternal child health services				
CSD	550	0	0	0
DA	6,800	1,247	0	0
518-011 Improved Social and Economic Conditions of Inhabitants along the Peru-Ecuador Border, thereby Promoting Border Integration				
ESF	5,500	3,493	2,500	2,250
518-012 Increased Support for the Democratic System				
DA	1,420	600	100	100
ESF	1,500	3,500	7,500	10,000
518-013 Improved Quality of Life of Population Living Along the Northern Border				
ACI	0	0	10,000	16,000
Plan Colombia	8,000	0	0	0
518-014 Increased Economic Opportunities for the Poor				
DA	0	1,700	1,380	2,030
ESF	0	1,991	5,500	8,000

PROGRAM DATA SHEET

USAID MISSION: Ecuador
PROGRAM TITLE: Biodiversity Conservation (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Biodiversity conserved in selected protected areas and their buffer zones, 518-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,375,000 DA, $2,000,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $5,000,000 DA, $2,000,000 ESF
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's program to conserve Ecuador's rich biological resources includes:

- technical assistance to improve the country's environmental policy and legal framework;
- technical assistance and funding support to develop improved natural resource management practices and training to support their adoption; and
- technical assistance and training to strengthen the capabilities of local groups to carry-out effective conservation action.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will use DA funds to support conservation and sound resource use in critical bio-diverse areas. These funds will provide technical assistance and training to help NGO partners and communities develop and implement participatory natural resource management plans, to protect not only the resources that provide their livelihood, but also up to 70% of Quito's water supply. Additional technical assistance will accelerate development of long-term financing for conservation of Quito's watershed, basic to the region's economic and social development. Land titling for the 300,000 hectare Afro-Ecuadorian Ethnic Reserve will be completed, and training will support broader adoption of low-impact forestry management practices. The Awa Indigenous Federation (bordering one of the most conflictive areas of southern Colombia) will receive a second year of technical assistance and training (e.g. forestry and wildlife management) to improve its capabilities to manage the Chocó biodiversity "hotspot."

A new activity will be initiated, in coordination with the on-going Northern Border program, to provide technical assistance and training for biodiversity conservation and to consolidate land tenure (boundary definition and marking) for indigenous peoples groups along the northern border. This will help stabilize this conflict-prone area and prevent unauthorized colonization and conversion of some of the world's richest habitats. A community-based ecotourism program on Isabela Island (Galapagos) will be further developed, laying the foundation for alternatives to environmentally destructive over-fishing. This should also help reduce conflict, as GOE-enforced catch limits have repeatedly led to violent protests by local fishermen.

USAID will use ESF funds to enhance the Galapagos National Park's capabilities to monitor and protect the Galapagos Marine Reserve through the purchase of specialized equipment. Scientific assessments demonstrate that commercial tuna fishing in the Reserve can negatively affect the Galapagos' biological diversity through heavy bycatch on sea lion, shark, turtle, albatross, and other endangered species. Enhanced GNP response capabilities will help ensure that the Reserve's biological diversity is adequately protected, even as Ecuador increases its tuna exports. Also, these additional assets will greatly enhance Ecuador's abilities to monitor and address the illegal movement of precursor chemicals and drugs in the Galapagos.

Planned FY 2003 Program: In December 2000 USAID carried out an external evaluation of its environment program, which is now being used to guide the revision of the environment strategy. The findings and recommendations of the evaluation have been used to improve program focus by identifying priority program areas for FY 2003 resources. The first area is enhanced protection of

Quito's watershed, which will work with local partners, communities, other donors and the GOE to help consolidate and improve management of the watershed's five protected areas. Adequate water provision is an increasingly high priority for Quito, especially given that this region reportedly has the highest concentration of biological diversity. The second high-priority program area is conservation of the Galapagos Islands, especially the Marine Reserve. Activities will include technical assistance and training to further develop low-impact community-based ecotourism, and conflict reduction with broader engagement of stakeholder groups including the commercial fishing sector. The third program area (to be funded in part with ESF funds) includes expanding work with indigenous groups along the fragile northern border, to build their technical and administrative capabilities to manage rich biological resources and reduce vulnerabilities to the pressures from southern Colombia. Technical assistance to develop endowment funds for these groups for long-term conservation will be a priority, exploring opportunities such as collaboration with local oil companies and the Tropical Forestry Conservation Act.

Performance and Results: Ecuador may have more biological diversity per unit area than any other country on earth and USAID's program is helping to conserve substantial areas of this globally significant habitat. In 2001, 1.4 million hectares were better managed with USAID's support through implementation of participatory natural resource management plans. This number is expected to exceed 3.0 million hectares by the mid-point of the new Strategy period. Capacity-building has played an important role in this success, and by 2001 the program's five local NGO implementing partners considerably improved their administrative and financial capability (e.g., active Board of Directors, accurate financial reporting) and leveraged almost $7 million in non-USAID funds to support their efforts. Improved policies and legal frameworks helped to facilitate better management of the Galapagos Marine Reserve. At the same time, resource-based conflicts in the Galapagos are likely to continue, and USAID will provide expert technical assistance (e.g., through the National Marine Fisheries Service) to strengthen the scientific basis for consensus on fisheries management. During this reporting period, Quito's electric company (an important water user) agreed to provide $45,000 per year to the Quito Water Fund, bringing the Fund's total capital to approximately $500,000.

> In December 2001 the Galapagos Marine Reserve was declared a UNESCO Global Patrimony, a landmark victory for conservation--and USAID.

An important outcome of this program will be to accelerate consolidation of indigenous territories strategically located along the northern border, thereby providing a stronger social and physical barrier to the spread of the coca economy and related violence. Improved policy and legal frameworks will greatly contribute to the protection of this rich bio-diverse region and encourage better conservation and management practices by citizens. Finally, USAID support will contribute to the growth of the Quito Water Fund to assure long-term financing for conservation of the watershed.

Principal Contractors, Grantees or Agencies: USAID works with CARE (through FY 2002), The Nature Conservancy, and the World Wildlife Fund, and their local NGO partners. Activities in the Galapagos are implemented through the Galapagos National Park and the Charles Darwin Foundation, and USAID anticipates their continued involvement in the future. USAID expects to issue a competitive procurement in FY 2002 for its new activity with indigenous groups along the northern border.

US Financing in Thousands of Dollars

Ecuador

518-001 Biodiversity conserved in selected protected areas and their buffer zones	DA	ESF
Through September 30, 2000		
Obligations	11,281	0
Expenditures	7,069	0
Unliquidated	4,212	0
Fiscal Year 2001		
Obligations	4,637	0
Expenditures	5,726	0
Through September 30, 2001		
Obligations	15,918	0
Expenditures	12,795	0
Unliquidated	3,123	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	5,375	2,000
Total Planned Fiscal Year 2002		
Obligations	5,375	2,000
Proposed Fiscal Year 2003 NOA		
Obligations	5,000	2,000
Future Obligations	15,300	0
Est. Total Cost	41,593	4,000

PROGRAM DATA SHEET

USAID MISSION: Ecuador
PROGRAM TITLE: Southern Border Integration (Pillar: Democracy, Conflict, and Humanitarian Assistance; and Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Social and Economic Conditions of Inhabitants along the Peru-Ecuador Border, thereby Promoting Border Integration, 518-011
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,500,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,250,000 ESF
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's multifaceted Southern Border Integration assistance includes:

- increasing stability and mitigating conflict through bi-national (Ecuador-Peru) coordination and cooperation among the national and local governments and USAID-financed NGOs;
- micro-enterprise lending and technical assistance to small- and micro-entrepreneurs;
- construction and/or repair and sustainable maintenance of public health infrastructure, mainly potable water systems, sanitation units, garbage collection, and/or recycling systems;
- technical assistance and training to increase the level of land titling and conservation of the protected area of the Cordillera del Cutucu; and,
- technical and training assistance to local governments in participatory strategic planning and administrative management.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will use FY 2002 funds to expand on-going income generation to benefit an additional 66,000 people; increase access to social services (e.g. potable water, sanitation, and refuse collection); and improve natural resource management practices and promote more effective local government. It is anticipated that 100 self-governing community credit groups will be formed through which 3,500 micro-entrepreneurs (40% women) are expected to receive loans. Twenty-three new or improved potable water systems will be in place, along with 807 new or improved sanitation units, and five new or improved garbage collection or recycling programs. It is expected that 35,000 hectares of land will be under natural resource management plans, and six local government entities will improve their capacity to plan and implement services delivery programs.

Planned FY 2003 Program: Activities in FY 2003 will continue to build on the achievements made during the first two years of implementation and expand the number of beneficiaries. Financing and technical assistance will be ongoing for communal credit group members' small and microenterprises. Technical assistance for water, sanitation, and solid waste management will oversee the construction process for additional systems. Important follow-up work will be done to assure the long-term sustainability of these efforts, providing operational guidance to the democratically formed potable water boards and local government sanitation and garbage collection management units. On-going work in natural resource management will increase the land area with legal titles in or near protected area buffer zones and the number of hectares in select areas that are under natural resource management plans. This will contribute to the conservation of this region's rich biological diversity and complement USAID's environment program interventions. Efforts to improve the capacity of local governments to plan projects and implement service systems using consultative processes with local citizenry and improved service delivery management practices will be expanded. This will complement USAID's work in the democracy sector.

Performance and Results: Through FY 2001, the program has benefited 182,612 persons along the border. This is over 90% of the number planned at this early stage, with the small shortfall due to a shift toward supporting more highly visible municipal and community services systems, which were

182,612 poor people have benefited from support for water, sanitation, solid waste and income generating activities.

somewhat smaller than the ones originally contemplated. There were also some delays in the income generation component caused by a prolonged dry season and design adjustments that, over the life of the program, will allow for a greater number of microfinance intermediaries to participate and a larger number of loans to be made. Plans were made for regular cross-border coordination and planning meetings which began early in FY 2002. These important direct efforts to better integrate commerce and land management among border communities involve the national and local governments, USAID, and USAID-financed NGOs from both Ecuador and Peru.

As a result of USAID activities and committed partnerships with our partner NGOs and the GOE, this program will expand income-generating opportunities for small- and micro-entrepreneurs (particularly women) and increase availability and access to social services (health, water, and sanitation). It will also improve natural resources management in selected areas along the southern border and improve the capacity of several municipalities to deliver services more effectively with greater citizen participation. Particularly important for long-term economic stability, well being, and economic growth along the southern border will be the deepened understanding of, and reliance on, democracy-based good governance. As the region's citizenry work together to build sustainable community service systems and credit groups, their sense of self-reliance and local empowerment should significantly increase. We anticipate that this will lead to increased local participation in fulfilling other community needs and improved democratic local government operations.

Principal Contractors, Grantees, or Agencies: USAID's activities are implemented through a consortium made up of CARE and 10 local and international partners.

US Financing in Thousands of Dollars

Ecuador

518-011 Improved Social and Economic Conditions of Inhabitants along the Peru-Ecuador Border, thereby Promoting Border Integration	ESF
Through September 30, 2000	
Obligations	7,000
Expenditures	1,057
Unliquidated	5,943
Fiscal Year 2001	
Obligations	3,142
Expenditures	2,348
Through September 30, 2001	
Obligations	10,142
Expenditures	3,405
Unliquidated	6,737
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	2,500
Total Planned Fiscal Year 2002	
Obligations	2,500
Proposed Fiscal Year 2003 NOA	
Obligations	2,250
Future Obligations	6,608
Est. Total Cost	21,500

PROGRAM DATA SHEET

USAID MISSION: Ecuador
PROGRAM TITLE: Democracy and Governance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Increased Support for the Democratic System, 518-012
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $100,000 DA, $7,500,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $100,000 DA, $10,000,000 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** 2005

Summary: Ecuador's crisis of democratic legitimacy is demonstrated by the alarmingly low levels of citizen confidence in democracy. These low levels of support signal the real possibility of a return to non-democratic government, which would seriously undermine regional stability. Therefore, to increase support for democracy as a political regime, prevent democratic backsliding, and bolster regional stability, USAID is working to promote greater accountability of democratic institutions, greater inclusiveness in democratic processes, and consensus on policy issues critical to the deepening of democracy. The program's main focus is on improving the justice system and democratic local governance, and key program activities include:

- training and technical assistance to various justice sector actors (judges, defense attorneys, and court administrators) responsible for implementing the new Criminal Procedures Code;
- technical assistance to strengthen the Civic Anti-Corruption Commission and civic education to strengthen accountability and democratic culture;
- training and technical assistance to NGOs and the Public Defense actors to strengthen legal assistance and access to justice for the poor;
- training and technical assistance to selected local governments and their communities to plan and deliver services more effectively and democratically; and
- support for civil-society efforts to promote national consensus, leadership, and citizen education on key national policy and electoral issues.

Inputs, Outputs and Activities: *FY 2002 Program*: USAID proposes to use Development Assistance (DA) funds which were not previously notified in the FY 2002 Congressional Budget Justification. DA funds will be used to finance small community projects for the purpose of strengthening the overall legal system, as well as support the newly implemented Criminal Procedures Code. One example of this assistance is to provide equipment to various legal departments in small communities. In FY 2002, ESF funds will be used to provide technical assistance and training to: 1) assist civil society groups to inform citizens about key national political and economic development issues in the run up to the October 2002 general elections; 2) promote justice reform through civil society coalitions; 3) assist governmental and non-governmental justice sector actors to continue to support implementation of the new Criminal Procedures Code, including increased access to legal defense services; 4) support civic education to strengthen democratic culture, good citizenship, and anti-corruption; 5) strengthen the capacity of select local governments and their communities to engage democratically around effective planning and delivery of services; and 6) support civil society groups to promote coalition and consensus on key national policy issues. These activities should also provide synergies to other USAID program elements including the Environment and the Northern Border program.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: In FY 2003, USAID anticipates that it will continue activities supported in FY 2002, and commence new activities to: strengthen the capacity of Ecuador's public defense system to defend the indigent accused; develop and groom new political leaders through technical assistance for democratizing political parties and training of young leaders; and facilitate the process of decentralizing political power and economic resources to local governments.

Performance and Results: Important outcomes of this program include a more independent and effective justice sector through the reform efforts of a broad civil society coalition and a better understanding of justice sector actors' roles and responsibilities vis-a-vis the effective implementation of the new Criminal Procedures Code. This will lead to more transparent and effective criminal trials, guarantees of due process, and more effective local governance as characterized by greater citizen participation in local democratic processes. This will also encourage greater accountability of local representatives and, ultimately, greater confidence in decentralized government. A continuing concern with achievement of expected results is Ecuador's historically weak political will, leadership, and consensus for justice reform, decentralization, and fighting corruption.

> 97% of total penal court judges have received initial training for their role in implementation of the new Criminal Procedures Code which, when fully implemented, will lead to a more transparent, less corruptible criminal justice system that better guarantees the rights of the accused.

Major Contractors and Grantees: USAID's main democracy and governance partners include the Fundación Esquel (justice reform and anti-corruption efforts); Associates in Rural Development (democratic local governance efforts); and the University of Pittsburgh.

US Financing in Thousands of Dollars

Ecuador

518-012 Increased Support for the Democratic System	DA	ESF
Through September 30, 2000		
Obligations	5,607	1,200
Expenditures	3,891	819
Unliquidated	1,716	381
Fiscal Year 2001		
Obligations	600	4,750
Expenditures	732	248
Through September 30, 2001		
Obligations	6,207	5,950
Expenditures	4,623	1,067
Unliquidated	1,584	4,883
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	100	7,500
Total Planned Fiscal Year 2002		
Obligations	100	7,500
Proposed Fiscal Year 2003 NOA		
Obligations	100	10,000
Future Obligations	0	5,000
Est. Total Cost	6,407	28,450

PROGRAM DATA SHEET

USAID MISSION: Ecuador
PROGRAM TITLE: Ecuador Northern Border Development (Pillars: Democracy, Conflict, and Humanitarian Assistance; and Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Quality of Life of Population Living Along the Northern Border, 518-013
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCES: $10,000,000 ACI
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY2003 OBLIGATION AND FUNDING SOURCES: $16,000,000 ACI
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: USAID's Northern Border Development Program is aimed at improving the quality of life of people living along Ecuador's Northern Border, in order to enhance social and economic stability and reduce vulnerability to narco-violence from southern Colombia. Its principal activities include:

- support for social infrastructure projects, especially rural water and sanitation;
- productive infrastructure, primarily secondary farm-to-market roads and small bridges;
- training and other activities to strengthen civil society organizations in the border region; and
- assistance to receptor communities affected by displaced persons from violence in Colombia.

Inputs, Outputs and Activities: *FY 2002 Program*: In FY 2002, program inputs and activities will be expanded, both geographically and financially, thereby addressing both the immediate need to stabilize the region and provide for long-term licit economic alternatives to the coca/cocaine economy. Initial obligations under this program will be fully expended by the end of the fiscal year, as major activities (e.g., the costly Chical-Maldonado road rehabilitation) are completed. USAID will use Andean Counterdrug Initiative (ACI) funds and Economic Support Funds (ESF) for the construction of water and sanitation systems, roads, bridges, irrigation and small energy projects, and to strengthen local civil society organizations and local governments. Using the conclusions of expert analyses now under way, these activities will be expanded to new areas within the currently supported provinces of Sucumbíos, Carchi, and Esmeraldas and initiated in up to three additional provinces: Napo, Orellana, and Imbabura. This will further increase the capacity to initiate agricultural and related productive projects aimed at increasing licit income and employment opportunities. Opportunities for coordination with USAID's poverty strategy will be pursued. Pilot productive activities will begin in FY 2002, with non-traditional crops that can respond to market niches and provide value-added to existing agricultural activities such as cacao, black pepper, bamboo, and artisanal fishing. Productive infrastructure, as well as technical assistance and training in marketing, access to credit, improved irrigation practices, integrated pest management, and new seed varieties, are anticipated as part of the assistance package.

Planned FY 2003 Program: USAID plans to use FY 2003 ACI resources to substantially increase its support for activities that encourage private sector investment and generate jobs and income, building on earlier investments made in small infrastructure and utilizing results from earlier pilot production/marketing activities. Agricultural activities may include the rehabilitation and expansion of high-value market driven crops such as cacao, hearts of palm, bamboo, and black pepper on small-scale farms and the identification of other high-value crops with promising trade potential. Other productive activities such as aquaculture and small-scale animal husbandry will be assessed to determine their feasibility and market demand. It is anticipated that a significant amount of resources are required to expand productive and social infrastructure development in the six border provinces. This is due to the large deficit of critical public investments in these areas. These investments are important to long-term economic development efforts to increase rural families' access to critical services and markets and to improve their quality of life, and build support for democratic institutions.

Performance and Results: Much has been achieved in the first nine months of program implementation. The GOE's Northern Border Development Unit, UDENOR, has been significantly strengthened and effectively supported critical technical studies that lay the groundwork for the $400 million Northern Border Development Plan presented at the Consultative Group meeting in Brussels in October 2001. The excellent partnership achieved between UDENOR, and our implementing partner, the International Organization for Migration (IOM), has also been transferred into local-level effective partnerships with municipalities, local NGOs, Water Boards, indigenous and Afro-Ecuadorian organizations, and provincial offices of line ministries, contributing to the long-term sustainability of these activities.

With the recent approval of the Andean Regional Initiative, the opportunity exists to meet the dual challenge of instability created by the nearby narco-violence in Colombia, and the long-term socio-economic development needs of this neglected region of the country. To meet this challenge, a much expanded program is under design, with detailed activity planning and initial indicator targets to be completed in March 2002. Two major categories of results will be accomplished. First, stronger performance of government institutions and their communities in planning and delivering social and productive infrastructure serving over 250,000 persons will increase citizen satisfaction with democratic institutions, thereby further complementing the democracy program. Meanwhile, productive infrastructure, micro-credit and targeted technical assistance and training for developing selected crops with strong market demand, should help encourage private sector investment in the region and increase licit jobs and incomes in the rural sector.

> Nearly 16,000 satisfied beneficiaries of new or improved water systems, bridges, and sanitation improvements have given excellent credibility to the program.

As a result of USAID support to this region, improved law enforcement and security efforts will help stabilization efforts and reduce the potential for growth of the coca-cocaine economy into Ecuador. USAID activities will benefit virtually all citizens, particularly the poor, residing in the northern border municipalities and result in greater access to key public services and access to rural markets.

Principal Contractors, Grantees, or Agencies: USAID anticipates the continued involvement of IOM as the prime implementing partner for activities in social and productive infrastructure as well as some civil society and local government strengthening elements of the program. For agricultural development and productive activities, USAID plans to contract with a U.S.-based institutional contractor. USAID may be signing additional grants and/or cooperative agreements with key local and international NGOs to carry out select civil society and/or local government activities. Complementary law enforcement and security activities will be implemented through projects administered by the Narcotics Affairs Section and the Military Group sections of the Embassy.

US Financing in Thousands of Dollars

Ecuador

518-013 Improved Quality of Life of Population Living Along the Northern Border	INC	Plan Colombia
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	8,000
Expenditures	0	2,257
Through September 30, 2001		
Obligations	0	8,000
Expenditures	0	2,257
Unliquidated	0	5,743
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	10,000	0
Total Planned Fiscal Year 2002		
Obligations	10,000	0
Proposed Fiscal Year 2003 NOA		
Obligations	16,000	0
Future Obligations	29,000	0
Est. Total Cost	55,000	8,000

PROGRAM DATA SHEET

USAID MISSION: Ecuador
PROGRAM TITLE: Poverty Reduction (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Economic Opportunities for the Poor, 518-014
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,380,000 DA, $5,500,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,030,000 DA, $8,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The Poverty Reduction program is targeted on reducing both rural and urban poverty. Program support includes:

- technical assistance and training to develop strong, sustainable microfinance institutions;
- financial and technical support to expand debt and equity financing for microfinance institutions;
- technical assistance and training in microfinance policies and regulations;
- technical assistance in income tax and customs administration; and
- technical assistance and training to enhance the transparency of the national budgeting process.

Inputs, Outputs and Activities: *FY 2002 Program:* In the microfinance sector, DA and ESF funds will be used to strengthen an expanded number of select microfinance institutions in the areas of management, organizational development, operations, marketing, and information systems. Furthermore, efforts will be made to assess possible support for the creation of a credit reference system accessible to a broad number of microfinance intermediaries in order to reduce the risk and costs of credit transactions. ESF funds will be used to provide technical assistance and training to enhance the supervisory regulatory policy framework for microcredit and promote its effective implementation. In the macroeconomic fiscal area (plans developed late in FY 2001), USAID will use ESF funds to build on tax administration work previously initiated to consolidate revenue collection capabilities and expand the taxpayer base and compliance in order to generate increased revenues. Efforts will also continue to support the planned merger of income tax and customs collections operations. Technical assistance will be provided to help implement changes in the national budget formulation process. This will help ensure accurate and transparent presentation of national budget information to the public.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to further strengthen the microfinance sector by facilitating the expansion of urban-focussed lending programs to more rural poor areas through the testing and introduction of improved cost-efficient delivery systems. With ESF funds, technical assistance and training will be provided to increase capital for lending and equity of microfinance institutions, as well as encourage commercial banks to explore and expand their microfinance lending. Additional work in the macroeconomic fiscal area will help to further institutionalize improvements in income and customs tax collection and develop a fiscal policy analysis unit within the Ministry of Finance and Economy. Also, resources will be used to strengthen the business investment climate for micro and small businesses, increase firm productivity, and promote and strengthen business competitiveness to foster greater regional trade and employment opportunities for rural and urban poor families. In this manner the poverty reduction program will complement other USAID efforts, in particular the Northern Border program, by helping to improve the macro-economic context for productive activities.

Performance and Results: Poverty and inequity are major threats to national (and potentially regional) stability, challenging the viability of Ecuador's already fragile democratic institutions. In this context a two-pronged USAID approach is called for: (1) a comprehensive program of microfinance sector development and (2) broader macroeconomic fiscal policy reform.

In Ecuador, as a result of the economic and financial crises of the past few years, hundreds of thousands of Ecuadorians have lost their jobs in the formal sector. The informal sector is their only alternative within Ecuador. USAID's experience both in Ecuador and around the world indicates that microentrepreneurs, with access to limited resources, can evolve into a formidable force, contributing to job creation and poverty reduction. Unfortunately, Ecuador's microfinance sector development has lagged behind its Latin American counterparts due to financial instability and lack of leadership. Employing a proven institution building methodology, USAID plans to provide broad sectoral leadership in building a strong, viable, and sustainable microfinance industry. USAID, collaborating with key GOE and donor counterparts, will create a facilitative policy and regulatory environment, and will work only with microfinance institutions demonstrating commitment to and potential for healthy growth. With the collaboration of other donors and the success of this program, efforts will result in a well-established, competitive industry serving increasing numbers of the poor throughout the country with diverse financial services.

The second prong will address macroeconomic fiscal policy reform, contingent on three key factors: 1) the GOE's political will to promote serious and comprehensive policy reform; 2) adequate funding in FY 2002 and beyond to address broader macroeconomic policy issues; and 3) other donors response to the country's rapidly changing economic and political context. Macroeconomic activities will include support to the GOE in tax administration. As a result of USAID support, a major expected outcome is to assure that adequate tax revenues are available to fund critical social services in areas with significant concentrations of poor people. Another key outcome will be the adoption of procedures that provide adequate resources to local governments for the delivery of critical services, thereby strengthening confidence in democratic institutions.

Principal Contractors, Grantees, or Agencies: The prime contractor is Development Alternatives, Inc. (DAI) for the initial phase, through which about two-thirds of its long- and short-term technical assistance will be directed toward microfinance, and the remainder focused on macroeconomic efforts. After the initial fleshing out of key macroeconomic reform areas, USAID will identify other implementing mechanisms for both the microfinance and macroeconomic reform areas.

US Financing in Thousands of Dollars

Ecuador

518-014 Increased Economic Opportunities for the Poor	DA	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	1,700	1,831
Expenditures	63	0
Through September 30, 2001		
Obligations	1,700	1,831
Expenditures	63	0
Unliquidated	1,637	1,831
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	1,380	5,500
Total Planned Fiscal Year 2002		
Obligations	1,380	5,500
Proposed Fiscal Year 2003 NOA		
Obligations	2,030	8,000
Future Obligations	1,890	7,669
Est. Total Cost	7,000	23,000

EL SALVADOR

> The massive earthquakes of January 13 and February 13 of 2001 caused the loss of 1,159 Salvadoran lives, injured another 8,100 people, produced damage in excess of $2 billion, affected more than 1.6 million people, and destroyed or severely damaged 277,000 houses.

THE DEVELOPMENT CHALLENGE: *Ten years ago, El* Salvador embarked on a hard-won process of peace and democratization. Today rural poverty, the impact of natural disasters, high levels of crime and violence, and a justice system in need of repair challenge a democratic and free-market-oriented El Salvador. El Salvador is still recovering from the aftermath of the two massive earthquakes that have greatly weakened the rural economy and produced devastation across a wide swath of the country in early calendar year 2001. Even before the earthquakes, rural poverty was endemic with more than 54% of residents living below the poverty line, three in ten unable to read or write, and only 35% with access to potable water. The agricultural economy remains depressed. From 1993-2000, agricultural output declined in per capita terms and agriculture's share of Gross Domestic Product (GDP) represents only 12% of GDP today. *All these difficulties* are compounded by significant security concerns where violent crime, ranging from kidnapping to murder, has depressed domestic and foreign investment, contributing to low levels of national economic growth that barely keep pace with population increases. According to the most recent data, El Salvador's external debt is slightly more than $2.8 billion, or about 23% of GDP.

Notwithstanding these problems, the process of national healing in the wake of the Peace Accords that brought to an end the country's civil war is well on its way. Elections have been effectively institutionalized and the most recent one, for local authorities and legislators, was deemed free and fair by international observers. Economic liberalization and market reforms are core to the government's growth strategy, and the Government of El Salvador (GOES) is committed to the promotion of free trade.

The United States has multiple national interests in El Salvador. After the civil war, the UNITED STATES invested heavily in securing peace within the country, and the political and economic liberalization that we encouraged and that the country adopted is seen as a model for other developing countries. The United States is El Salvador's most important trading partner, absorbing 60% of its exports and providing more than 50% of its imports. More than 1.5 million Salvadorans reside in the United States, many of them illegally. By promoting growth in El Salvador with the Agency's new Partnership for Prosperity initiative for Central America and Mexico, the United States can stem the flow of economic migrants and reduce the country's vulnerability to narcotics abuse and trafficking.

THE USAID PROGRAM:

FY 2002 Estimate: $84.702 million[1] *FY 2003 Request: $33.724 million*

USAID requests funds for the four Strategic Objective programs within of economic growth and education, democracy and governance, health, and water and environment. In response to the massive earthquakes, USAID recently established a Special Objective program for a comprehensive reconstruction effort. The overall goal of USAID's program remains rural poverty reduction, and the primary focus is on poor women, youth, and children residing in rural areas. USAID is helping to get the rural sector back on its feet through microfinance, marketing, and rural infrastructure programs, in addition to increasing access to quality early childhood education in rural areas. USAID is also fostering continued democratic development by reinforcing the rule of law, and promoting active citizen participation and representation in government. USAID programs contribute to improving

[1] In FY 2002, $100 million will be provided for El Salvador Earthquake Reconstruction: This is comprised of $64 million in FY 2002 resources , $25 million in IDA and $11 million in prior year resources.

primary health care and reducing child mortality, strengthening and expanding reproductive health and family planning, and helping control HIV/AIDS, Tuberculosis (TB) and dengue. USAID is also increasing access of rural residents to safe water via improving watershed management and expanding water distribution systems. Under its earthquake program, USAID will (a) restore community infrastructure, focusing on houses, schools, health facilities, and potable water systems; (b) reactivate economic activity in the earthquake-affected areas, working with micro and small businesses and small farmers; (c) mitigate the adverse effects of future disasters; and (d) restore damaged municipal infrastructure.

FY 2002 funds for core activities will be utilized to implement the planned programs described in the FY 2002 Congressional Budget Justification. USAID will utilize increased funding for its earthquake reconstruction program to respond to earthquake-related needs, especially housing for the rural poor. Specific activities funded by FY 2002 and FY 2003 appropriations are described in the program data sheets for the five programs.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED: None

OTHER PROGRAM ELEMENTS: USAID's Regional Central American Program (G-CAP) will continue to help high-risk populations control and prevent the spread of HIV/AIDS in El Salvador communities. USAID's Global Health Bureau is collaborating with the NGO Salvadoran Demographic Association to achieve financial sustainability of the family planning services. The Office of Women in Development's Strategy for Advancing Girls' Education activity will work in tandem with the Mission's landmark Early Childhood Education program to build within the private sector business community and the country's press, a constituency for girls' education. USAID Central America Regional Program (G-CAP) will continue to work with the Mission under its regional electricity program to put in place a regulatory framework and tariff system for electricity that is conducive to promotion of economic activity in country. USAID Development Credit Authority (DCA)-funded loan guarantees help microfinance institutions revitalize and expand rural economic activity. G-CAP will provide technical assistance to promote private sector participation for improved municipal infrastructure. Finally, USAID's Economic Growth, Agriculture, and Trade Bureau is working with a local NGO to provide for water quality testing in rural areas. The test results contribute to the Mission's potable water activities.

OTHER DONORS: Most of economic development assistance for El Salvador comes from multilateral lending institutions such as the Inter-American Development Bank (IDB), the Central American Bank for Economic Integration (CABEI), and the World Bank. The IDB, by far the largest donor operating in country, is active in economic and social infrastructure as well as earthquake reconstruction. CABEI too is focusing on earthquake reconstruction, as well as roads. The World Bank emphasis is basic health services and emergency hospital reconstruction related to the earthquakes. Other active multilateral donors include the European Union (EU), the World Food Program, UNICEF and the Pan American Health Organization. Besides the United States, key bilateral donors consist of Spain (earthquake reconstruction), Japan (port infrastructure), and Germany. USAID is collaborating with the IDB (micro-finance, earthquake-related schools reconstruction), Germany (local governance, economic reactivation), the International Monetary Fund (tax reform), and the World Bank (earthquake-related hospital reconstruction), in addition to coordinating the donor group for the rule of law in which the IDB and the UNDP also are active.

> Earthquake reconstruction costs are estimated to exceed $2 billion. Last year at the IDB-sponsored Madrid Conference, international donors pledged $1.2 billion and the GOES has since allocated $260 million from its own resources for this purpose.

El Salvador

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	10,495	14,557	0	0
Child Survival and Health Programs Fund	0	0	14,822	0
Development Assistance	19,508	31,807	44,880	33,724
Economic Support Fund	4,950	4,989	25,000	0
Total Program Funds	**34,953**	**51,353**	**84,702**	**33,724**

STRATEGIC OBJECTIVE SUMMARY				
519-001 Expanded Access and Economic Opportunities for Rural Poor Families				
CSD	3,350	700	0	0
DA	8,403	6,779	6,020	15,527
519-002 More Inclusive and Effective Democratic Processes				
DA	3,800	4,400	3,000	4,469
ESF	1,500	1,489	0	0
519-003 Sustainable Improvements in the Health of Women and Children Achieved				
CSD	7,145	6,814	0	0
CSH	0	0	8,522	0
DA	3,972	3,991	0	9,628
519-004 Increased Access by Rural Households to Clean Water				
DA	3,333	3,189	3,200	4,100
519-008 Lives of Targeted Earthquake Victims Improved				
CSD	0	7,043	0	0
CSH	0	0	6,300	0
DA	0	13,448	32,660	0
ESF	3,450	3,500	25,000	0

PROGRAM DATA SHEETS

USAID MISSION: El Salvador
PROGRAM TITLE: Economic Growth, Agriculture, and Education (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Expanded Access and Economic Opportunities for Rural Poor Families, 519-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $6,020,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $15,527,000 DA
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to expand access and economic opportunities for rural poor families includes a mix of technical assistance and training to:

- promote the adoption of policies that will generate new resources and stimulate economic activity;
- expand financial services for micro and small scale businesses;
- help small-scale farmers to access new technology, adopt better practices, and marketing services;
- improve basic education services educating rural residents; and
- small grants to communities and NGOs to improve rural infrastructure.

To strengthen economic activity especially in rural areas, USAID will work within the framework of the Agency's new Partnership for Prosperity initiative for Central America and Mexico for market-led growth in the region to reduce poverty.

Inputs, Outputs and Activities: *FY 2002 Program:* FY 2002 DA funds will be used to improve the environment for business development and stimulate growth of micro and small businesses. The FY 2002 program will help El Salvador to: 1) improve tax and customs compliance and collections through technical assistance to the Ministry of Finance; 2) promote and regulate private energy investments through technical assistance to the Ministry of Economy and the energy regulatory authority, SIGET; 3) modernize the regulatory environment to expand access to financial resources for small and micro-enterprises while improving market access, technology, and financial services for 12,500 new small and microenterprise clients; 4) deliver resources to 3,000 farm families to provide for increases in employment, production, and exports; and 5) develop rural infrastructure in communities to improve access to markets. FY 2002 DA funds also will be utilized to improve El Salvador's human capital base. In cooperation with the Office of the First Lady of El Salvador, USAID will finance a technical assistance program to strengthen the capacity of the Salvadoran Institute for the Protection of Minors (ISPM), the entity responsible for early childhood education, to reach rural families at risk. USAID will also finance a pilot for a national campaign to broaden awareness of the importance of early childhood education for children from ages up to six. USAID will assist the Ministry of Education's (MOE) school directors and teachers in approximately 40 pilot schools to implement basic education reforms in the classroom, leading to improved student performance.

Planned FY 2003 Program: USAID intends to use FY 2003 DA funds to stimulate economic activity among productive sector enterprises and to assist the GOES' ongoing efforts to generate more funds for public investment by promoting improvements in tax and customs administration. USAID intends to 1) help the Ministry of Economy and the energy regulatory authority expand access to rural electrification as well as effectively regulate private energy investments; 2) increase by 11,800 the number of small and microenterprises that have access to credit resources and institutionalize the capacity of microfinance institutions in country to service the credit requirements of micro and

small businesses; 3) promote increases in rural employment and incomes by helping small-scale farmers gain access to regional and global markets; and 4) finance rural infrastructure development (farm-to-market roads, irrigation works, bridges) to set the stage for an expansion of rural enterprises. In addition, with FY 2003 DA funds, USAID will strengthen the ISPM's management capacity, in order to launch a national campaign to promote early childhood education for children up to six years of age for rural families-at-risk. USAID also intends to continue assisting MOE school directors and teachers to work together to implement reforms in the classroom (e.g., related to curriculum, testing, and teacher instruction) that will improve student performance and skills.

Performance and Results: The focus of USAID efforts continues to be rural poverty reduction, where the share of rural citizens living in poverty had declined since 1992 by eleven percentage points to 54% only to rise back by 3% in the wake of the 2001 earthquakes. Under USAID programs, there are now more than 40,600 active micro and small business borrowers and almost 67,000 small-scale farmers had been reached with agricultural, technological, and marketing services. These activities have contributed to higher rural incomes and employment. USAID financed ten community infrastructure projects (rural roads, water systems, bridge and school), benefiting almost 16,000 people and increasing their access to rural markets and public services. Educational reforms were adopted by the Ministry of Education (MOE) based on policy research conducted with USAID support, resulting in a new program for 200 schools to improve quality, relevance, and classroom instruction.

> The Government of El Salvador's share of education expenditures has increased significantly since 1995, reaching 3.1% of GDP. Three out of every 10 tax dollars now go for education.

End products envisaged for USAID work on this SO include a vibrant micro-finance credit system; a significant segment of farmers in our focus areas reached with agricultural, marketing, and technological services; rural households with access to electricity; and a GOES convinced of the need to focus on early childhood education.

Principal Contractors, Grantees, or Agencies: USAID activities are implemented through several prime contractors and grantees DevTech, PA consultants, Barents Group, Development Alternatives Inc, Development Associates, Enterprise Works Worldwide (EWW), Cooperative League of the United States in El Salvador, and Technoserve. USAID also has a university linkage with the Metropolitan Community College of Omaha, Nebraska. GOES counterparts include the Ministries of Finance, Agriculture, Economy, Education, and Public Works and ISPM. Other partners include Catholic Relief Services, Save the Children, National Secretariat for Families, the Managerial Foundation for Educational Development, and the InterAmerican Institute for Cooperation in Agriculture.

US Financing in Thousands of Dollars

El Salvador

519-001 Expanded Access and Economic Opportunities for Rural Poor Families	CSD	DA	ESF
Through September 30, 2000			
Obligations	10,002	41,441	39,162
Expenditures	4,056	27,105	39,065
Unliquidated	5,946	14,336	97
Fiscal Year 2001			
Obligations	700	6,779	0
Expenditures	2,469	7,577	0
Through September 30, 2001			
Obligations	10,702	48,220	39,162
Expenditures	6,525	34,682	39,065
Unliquidated	4,177	13,538	97
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	6,020	0
Total Planned Fiscal Year 2002			
Obligations	0	6,020	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	15,527	0
Future Obligations	0	0	0
Est. Total Cost	10,702	69,767	39,162

USAID MISSION: El Salvador
PROGRAM TITLE: Democratic Consolidation and Governance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: More Inclusive and Effective Democratic Processes, 519-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $3,000,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $4,469,000 DA
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to strengthen democracy and good governance includes a mix of technical assistance and training to:

- increase access to justice and improve court case management;
- improve the effectiveness of community policing activities;
- strengthen local governments;
- support opening access to legislative processes; and
- small grants to promote civil society advocacy

Inputs, Outputs and Activities: *FY 2002 Program:* FY 2002 DA funds will support the strengthening of key democratic institutions and processes. USAID is focusing on the justice sector, which is implementing new criminal codes. Training will be provided to judges, prosecutors, and public defenders to help them improve the effectiveness of the justice system in applying these new codes. Outside of the formal justice system, USAID will support alternative dispute resolution through the establishment of community-based mediation centers. Technical assistance will be provided to develop an evidence code to assure fair and equitable treatment of evidence in the processing of criminal cases. USAID will help strengthen local governments through capacity building, working with at least 28 target municipalities to increase their management abilities and to improve the provision of basic services to clients. Support also will be provided for policy discussions between national and local authorities on fiscal and public service decentralization, to modernize the municipal code. Civil society organizations will be strengthened through a mix of technical assistance and training. Small grants will be provided for specific advocacy activities for qualifying organizations. USAID will help the legislature increase the use of public hearings and other outreach activities in order to process greater citizen participation. With USAID financing, an additional constituent outreach office will be opened by the Legislative Assembly, increasing the total number to four.

As part of the Peace Accord's mandate to develop a new civilian police force, USAID will continue to support the U.S. Department of Justice's efforts to improve the effectiveness of community policing practices to lower crime rates and violence. This Justice Department initiative seeks to better connect police with the local citizenry they serve and consists mostly of purchasing basic equipment, such as radios and bicycles, to help police address crime at the local level. Technical assistance and equipment also will be provided for joint training between police and prosecutors on case management, handling of evidence, and improved coordination to assure the proper management of criminal cases. The FY 2002 ESF funding level is yet to be determined; a separate notification will be submitted once that determination has been made.

Planned FY 2003 Program: USAID plans to use FY 2003 DA funds to support the implementation of an evidence code and train justice sector operators in its appropriate use. USAID also intends to work with selected law schools to train staff in modern legal teaching techniques and to promote curriculum reforms. USAID plans to work with selected municipalities to implement new municipal

services, such as water systems and rural road maintenance, with a focus on increased transparency. Efforts to develop civil society advocacy organizations will also continue.

USAID intends to use the FY 2003 resources to address crime and violence that constrain investment, and to promote ethics and transparency in government. Funds will finance basic equipment to support and expand community-policing activities in many more municipalities, resulting in a reduction in violent crime and enhanced stability at the local level. The remaining funds will be used to provide training and technical assistance to the GOES to help implement the new code of ethics for government employees, and to increase awareness of anticorruption issues.

Performance and Results: Public support for democracy has increased since the 1992 Peace Accords and almost 50% of the country's population now has some confidence in the judicial system. Evidence of this confidence is the 11.4% increase in court cases filed in USAID-assisted municipalities in 2001 compared to 1999. Nationwide, the number of detainees held without sentencing also has been drastically reduced from 6,400 in April 1998 (when the new criminal code became effective) to only 52 by December 2001. A community-based mediation center was recently established in Suchitoto, El Salvador, as a pilot for alternate dispute resolution and is encountering success. Also, the expansion and improved effectiveness of the community policing initiative has assisted in reducing crime and violence. Crime nationally has declined by 10% during the first nine months of 2001. Within those areas served explicitly by the community policing initiative, crime overall is down 46%, including murders (down 57%), while arrests are up by 85%.

With USAID technical assistance, twelve pilot water decentralization programs were implemented, serving as examples for larger national discussions on decentralization. These pilot efforts are testing the principle that local governmental authorities have a better grasp of the needs of their constituents than national-level institutions. Joint municipal-community participatory planning exercises were carried out in eight municipalities to establish medium-term local development priorities and design multi-annual investment plans. Based on this, the GOES is requiring that local governments carry out participatory planning exercises in 2002 to secure access to central government funding.

Ten grants were provided to civil society organizations for activities in areas such as preserving the environment, better regulation of medicine, electoral reform, public transparency, and citizen participation. These have encouraged active citizen participation in all facets of national governance. USAID also has assisted the Legislative Assembly to establish constituent service outreach offices in Chalatenango, San Miguel, and San Salvador, giving elected officials more direct contact with their constituents, facilitating the channeling of citizen concerns and proposals to their elected representatives, and increasing civil society participation in legislative processes. During their second year in operation, these offices experienced a more than 500% increase in use, receiving 4,569 visits by the public during 2001 as compared to 886 in 2000.

By the end of the strategy period, USAID anticipates fully functioning criminal procedures and codes and a credible justice system marked by increased public confidence; the demonstration of successful pilots that will advance citizen participation and enhance provision of services at the municipal government level; the stimulation of a vibrant, active civil society engaged in public policy decision-making; and the institutionalization of the community policing model to assist in decreasing crime and violence nationally.

Principal Contractors, Grantees, or Agencies: The prime contractor within the judicial sector is DPK consulting (prime). Research Triangle Institute (prime) is implementing activities to strengthen local governance, and the National Mayor's Association (COMURES) has a cooperative agreement in this area. Creative Associates (prime) is carrying out the civil society advocacy work, subcontracting the University of Texas (subcontractor) for legislative strengthening activities.

US Financing in Thousands of Dollars

El Salvador

519-002 More Inclusive and Effective Democratic Processes	DA	ESF
Through September 30, 2000		
Obligations	20,576	14,800
Expenditures	12,696	11,577
Unliquidated	7,880	3,223
Fiscal Year 2001		
Obligations	4,400	1,832
Expenditures	5,029	1,875
Through September 30, 2001		
Obligations	24,976	16,632
Expenditures	17,725	13,452
Unliquidated	7,251	3,180
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	3,000	0
Total Planned Fiscal Year 2002		
Obligations	3,000	0
Proposed Fiscal Year 2003 NOA		
Obligations	4,469	0
Future Obligations	0	0
Est. Total Cost	32,445	16,632

PROGRAM DATA SHEETS

USAID MISSION: El Salvador
PROGRAM TITLE: Health for Women and Children (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Sustainable Improvements in the Health of Women and Children Achieved, 519-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $8,522,000 CSH
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $9,628,000 DA
INITIAL OBLIGATION: FY1997 **ESTIMATED COMPLETION DATE:** FY2004

Summary: USAID's Health Program in El Salvador includes a mix of technical assistance and training to:

- improve child survival practices and services including the provision of water supply and sanitation services to rural communities to reduce diarrheal disease;
- prevent and control infectious diseases, including HIV/AIDS, tuberculosis, and dengue;
- strengthen health sector policies and reforms;
- support the Ministry of Health (MOH) efforts to improve the quality of and access to appropriate reproductive health services and practices for couples, especially rural women and adolescents; and
- strengthen and improve the Salvadoran Demographic Association (SDA) to sustain health and social programs, especially the Rural Health Services Program which offers promotion, education and provision of Reproductive Health (RH) and Family Planning (FP) services for rural women.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. CSH funds will support the MOH's program to (a) reduce diarrheal and respiratory diseases; (b) improve the nutritional status of children; (c) train rural health promoters to better manage childhood illnesses and promote breastfeeding; (d) train midwives and rural hospital personnel in prenatal care; and (e) implement health policy reform activities. It will also finance water and sanitation activities including the expansion of these activities into earthquake-affected communities. Funds will be used to better identify the magnitude of HIV/AIDS and tuberculosis infections through improved surveillance and laboratory support so that El Salvador can more effectively target prevention and treatment interventions to reduce the suffering and death caused by these diseases. USAID will also assist in the prevention of dengue transmission through a sustainable and integrated community-based program.

CSH Family Planning/Reproductive Health funds will improve the quality of services offered by the MOH and SDA through (a) programs targeting the special needs of adolescents, (b) training in family planning counseling, and (c) development of a sector-wide contraceptive security strategy to ensure the availability of contraceptive methods and condoms for people who want to plan their families and for HIV prevention. Funds will support MOH efforts to better monitor its new contraceptive logistics management system and ensure the use of high quality data for decision-making. USAID will help identify options to promote the financial sustainability of SDA.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: USAID plans to use FY 2003 DA funds to help the MOH implement a new health promoter monitoring and evaluation system, and to continue working with rural health promoters to better manage childhood diseases and enhance the nutrition of children through an

integrated strategy in rural areas. USAID will also train mothers to increase the duration of exclusive breastfeeding, especially among adolescent mothers. Technical assistance will help the MOH implement the decentralization process with community participation in twelve integrated health systems. USAID will expand water and sanitation activities in several of the poorest departments of the country located in the eastern region that have the lowest potable water coverage. Finally, USAID intends to promote prevention and control of HIV/AIDS, particularly among men, and continue its work to promote HIV/AIDS and tuberculosis surveillance activities.

USAID also expects to use FY 2003 funds for population activities to help strengthen the capacity of the MOH to implement the contraceptive security strategy developed in FY 2002. USAID will finance the 2003 national demographic and health survey with assistance from the Centers for Disease Control and Prevention, improve and expand family planning counseling and services provided by the MOH and SDA, and help SDA to finalize a viable sustainability plan for its operations.

Performance and Results: As a result of the 2001 earthquakes, most health indicators were negatively affected during the first quarter of the year compared to the same period in 2000. The modernization process carried out by the MOH was seriously delayed by the earthquake crisis. The entire health system was severely effected with approximately 25% of all public health facilities suffering damages. However, by the middle of the year, USAID-supported activities advanced significantly the internal reform process of the MOH. During 2001, approximately 1,400 MOH personnel participated in a consultative process to develop the MOH reform agenda. In addition, USAID supported MOH's field personnel to enhance child survival, reproductive health, and tuberculosis programs, training approximately 3,000 health personnel with a focus on improvement of community-based health services. Women of reproductive age and children under five are the key beneficiaries of these programs. To address an increase in the number of HIV/AIDS cases, USAID developed a four-year plan focused on high-risk populations. Under the USAID-supported tuberculosis program, the Ministry of Health increased cure rates by almost 24% from 68% in 1997 to 85% in 2001, meeting the WHO's recommendation. The rapidity with which these results were achieved suggests that the MOH program may be a model for other countries. Assessments carried out in water and sanitation project areas reported a dramatic reduction in the incidence of diarrheal diseases. Continued efforts in these activities will be made to recuperate the losses resulting from the 2001 earthquakes.

> USAID-supported assistance contributed to significant reform of the Ministry of Health in 2001.

End products sought include the delivery of health services in a decentralized mode as a norm using the integrated health system model, full institutionalization of the provision of pre-natal health care by trained professionals in country, widespread use of breastfeeding, and further increases in contraceptive prevalence rates and decreases in diarrheal rates among children under age five.

Principal Contractors, Grantees, or Agencies: USAID's activities are being implemented through Salvadoran public and private agencies such as the Ministry of Health, the SDA, and the U.S. PVO CARE. Activities are supported by U.S. contractors or cooperative agencies as well. Prime grantees and contractors include: Management Sciences for Health, Abt Associates, International Science and Technology Institute, University of North Carolina, Family Health International, Academy for Educational Development, the Centers for Disease Control and Prevention, Tuberculosis Coalition Technical Assistance, John Snow Inc, and The Population Council.

US Financing in Thousands of Dollars

El Salvador

519-003 Sustainable Improvements in the Health of Women and Children Achieved	CSD	CSH	DA	ESF
Through September 30, 2000				
Obligations	23,715	0	144,931	36,610
Expenditures	12,517	0	140,896	36,299
Unliquidated	11,198	0	4,035	311
Fiscal Year 2001				
Obligations	6,814	0	3,991	0
Expenditures	8,821	0	3,554	311
Through September 30, 2001				
Obligations	30,529	0	148,922	36,610
Expenditures	21,338	0	144,450	36,610
Unliquidated	9,191	0	4,472	0
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2002 NOA				
Obligations	0	8,522	0	0
Total Planned Fiscal Year 2002				
Obligations	0	8,522	0	0
Proposed Fiscal Year 2003 NOA				
Obligations	0	0	9,628	0
Future Obligations	0	0	0	0
Est. Total Cost	30,529	8,522	158,550	36,610

PROGRAM DATA SHEETS

USAID MISSION: El Salvador
PROGRAM TITLE: Clean Water Access (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Access by Rural Households to Clean Water, 519-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND ACCOUNT: $3,200,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND ACCOUNT: *$4,100,000 DA*
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: *USAID is providing access to clean water for the rural poor, especially women and children, in 18 municipalities through an integrated and environmentally sustainable approach to improving and conserving water resources. The program has three major components, including (a) institutional coordination and policy, (b) integrated water management in municipalities, and (c) citizen awareness, participation and action. USAID is providing training and technical assistance:*

- *to improve water source quality through environmentally sustainable agricultural practices;*
- *to improve performance of water delivery systems by strengthening infrastructure as well as management capacity;*
- *for more effective citizen actions to address water issues through public education campaigns and training; and*
- *for improved municipal management of water resources through training at the municipal level and promoting a coordinated approach.*

Inputs, Outputs, and Activities: *FY 2002 Program*: The program emphasizes the protection of watersheds. Protected and healthy watersheds provide natural water storage during dry periods and tend to normalize peak flows during heavy rainfalls, reducing flooding. FY 2002 DA funds will provide technical assistance and training to improved agricultural practices that involve farmer groups organized to implement reforestation, soil conservation, and ecologically friendly production methods. The number of water distribution systems that provide rural communities with access to clean water will be expanded. Demonstration projects will be carried out to promote the use of wastewater treatment and solid waste disposal through appropriate technology methods and recycling. In addition, USAID will support educational campaigns to increase citizen understanding of the causes and consequences of unclean water and the solutions for obtaining clean water. Finally, USAID will work to resolve water-related issues through organization and training efforts aimed at small community groups, municipalities, and national water agencies that will improve the ability of these entities to manage water resources. These interventions will reach an estimated 179,000 rural residents providing access to clean water. The number of actions taken to resolve water-related issues will increase to 300 from the current level of 43 demonstrating effective citizen action. Municipal government participation in the management of local water resources will facilitate the development and implementation of at least 18 municipal water resource management plans.

Planned 2003 Program: USAID intends to use FY 2003 DA funds to continue activities in watershed protection, potable water systems development, water education, and related community participation in the resolution of water-related issues. Those activities with measured success will continue to be supported. They may include technology demonstration projects in (a) improved agricultural practices through demonstration farms, (b) solid and liquid waste treatment, and (c) water storage reservoir irrigation. For instance, USAID may test the viability of water storage reservoirs, initially viewed primarily as a mechanism for irrigation, to provide for other uses such as potable water and energy generation.

One of the deficiencies that USAID has uncovered is the inability on the part of local operators to diagnose and repair water systems. USAID will consider support to a regional level, technical support model that will provide services to operators of rural water systems and help guarantee the sustainability of rural systems. User fees are key to this sustainability.

Performance and Results: Substantial gains have been made through activities that emphasize improved extension practices, watershed conservation, and production of high value commodities. A total of 325 demonstration farms have worked with 3,859 neighboring farms to increase the area of land conserved to almost 9,000 hectares, more than double the original end-of-activity target. In all, 50 potable water systems already have been completed, rehabilitated, or improved, serving 50% of the households in the 18 municipalities.

End products of our program include the improvement of three micro-watersheds, 5,000 farms in these watersheds using improved agricultural and environmental conservation practices, 55% of households in areas targeted by USAID with access to clean water, and 18 focus municipalities with water resource management plans.

Principal Contractors, Grantees, or Agencies: The principal prime grantee is CARE in a consortium with three local Salvadoran organizations: SalvaNatura, FUNDAMUNI-PROCAP, and SACDEL, all of which are sub-grantees. Other prime grantees include: World Vision, Catholic Relief Services, IICA Camagro, Project Concern International, and Border Development Services.

US Financing in Thousands of Dollars

El Salvador

519-004 Increased Access by Rural Households to Clean Water	DA
Through September 30, 2000	
Obligations	9,851
Expenditures	3,727
Unliquidated	6,124
Fiscal Year 2001	
Obligations	3,189
Expenditures	5,490
Through September 30, 2001	
Obligations	13,040
Expenditures	9,217
Unliquidated	3,823
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	3,200
Total Planned Fiscal Year 2002	
Obligations	3,200
Proposed Fiscal Year 2003 NOA	
Obligations	4,100
Future Obligations	0
Est. Total Cost	20,340

PROGRAM DATA SHEETS

USAID MISSION: El Salvador
PROGRAM TITLE: Earthquake Recovery Program (Pillars: Economic Growth, Agriculture, and Trade; Global Health; Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Lives of Targeted Earthquake Victims Improved, 519-008
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $32,660,000 DA; $6,300,000 CSH; $25,000,000 ESF; $25,000,000 IDA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $5,000,000 DA; $ 6,040,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $0
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The Earthquake Recovery Program has four major components that provide training, technical assistance and small grants to:

- support community infrastructure restoration, focusing on the reconstruction of houses, schools, health facilities, and potable water and sanitation systems;
- support economic reactivation which focuses on micro and small businesses and small farmers, the reconstruction of rural markets, the replacement of productive assets, credit, agribusiness development, small infrastructure, and expanding export;
- support disaster mitigation, planning, disaster preparedness and land use; and
- support municipal government Infrastructure, focusing on reconstruction and repair of municipal offices.

Inputs, Outputs and Activities: The FY 2002 request represents a major increase over what was notified in the FY 2002 Congressional Budget Justification. Much of the increase will go for housing, allowing USAID to increase housing solutions for the poor to about 18,000 families. The increase will also permit USAID to expand by 45,000 to 110,000 the number of individuals reached with potable water and sanitation services, strengthen the National Disaster Agency (COEN) and increase by 40 the number of municipal centers repaired. It will also provide for an increase in economic reactivation work with micro and small businesses and small-scale farmers.

FY 2002 Program: The bulk of the FY 2002 DA funds requested will go for housing. Over 7,440 houses will be constructed for the rural poor who lost their homes in the earthquakes. The U.S. Army Corps of Engineers will provide construction oversight services. USAID programs will work with more than 5,000 small farmers to increase crop diversification, restore local production and incomes, and replace critical community based infrastructure. Also, in tandem with the Mission's early childhood and basic education program, 20-25 earthquake-damaged child-care centers and rural schools will be reconstructed and re-equipped. USAID will continue to fund the operating costs of the Department of Defense-provided hospital in Santa Tecla, which is treating an estimated 6,500 patients and performing 1,500 surgeries a year. CSH and DA funds, will support potable water, latrines, and community education activities to an estimated 110,000 beneficiaries in affected areas, as well as provide for further development of the country's national disease surveillance system. USAID also plans to use limited DA and CSH funds for program management and audit coverage.

ESF funds will cover the costs of approximately 6,300 houses for the rural poor who lost their homes in the earthquakes. ESF funds will support economic reactivation efforts reaching more than 12,000 micro and small businesses that suffered earthquake-related damages. Also, three rural markets will be reconstructed. USAID will continue to support the GOES' technical assistance fund that provides micro and small businesses with production technology and business practices. This fund will finance programs and technical assistance to increase exports and help local artisans.

USAID will reconstruct up to 85 earthquake-damaged municipal buildings and strengthen the municipalities' ability to provide responsive services.

With FY 2002 International Disaster Assistance (IDA) funds, USAID will provide technical assistance and equipment to improve disaster preparedness at the national and local levels, strengthen early warning systems, and monitor landslide, flooding, and seismic activity. USAID will work with 30 affected municipalities to develop disaster mitigation and land use planning. Funds will be allocated to the United States Geological Survey (USGS) for the development of a seismic observatory, municipal information systems, and disaster monitoring activities with the GOES. IDA funds will also support (a) the country's national disaster agency to strengthen its emergency operations center and linkages with communities and (b) activities that will help El Salvador's new Earth Sciences Agency to better monitor disasters. IDA funds will finance approximately 4,120 housing solutions for the rural poor, as well as assist in the provision of potable water.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: No FY 2003 resources are requested for the earthquake reconstruction program.

Performance and Results: While implementation of the earthquake reconstruction program is in the early stages, a number of concrete results can be reported. Approximately 1,500 permanent houses were completed or are under construction. Over 26 water systems were repaired benefiting 55,500 persons and over 6,800 latrines were repaired or rebuilt. USAID delivered technical assistance to 13,500 small farmers in 23 municipalities, five shrimp cooperatives in the reconstruction of fishing infrastructure, and 60 small-scale maize farmers. US PVO AmeriCares is building a health clinic that will serve 78,000 patients annually in the department of Usulutan, while the Friends of the Americas' mobile health clinic is servicing three affected departments and is expected to serve 22,000 patients per year.

End products sought include the construction of 25,000 homes, the reconstruction of 60 schools and 36 child care centers, 6 health facilities repaired/reconstructed, damaged equipment for 1,657 community health providers replaced, AmeriCares health clinic built, 200,000 potable water beneficiaries, 15,500 micro and small business enterprises assisted, 5 rural markets reconstructed, 140 small agricultural infrastructure facilities repaired benefiting 70,000 small farmers, new agribusiness program working with 4,000 small farmers, disaster mitigation plans and land use ordinances promulgated in 30 municipalities, and 85 municipal offices reconstructed/repaired.

Principal Contractors, Grantees or Agencies: USAID's activities are implemented through the following prime grantees and contractors: (a) the GOES (National Housing Fund, Social Investment Fund, and the Ministries of Health, Education and Economy); (b) USPVOs and local NGOs (AmeriCares/Knights of Malta [sub]), CARE, Cooperative Housing Foundation, Friends of the Americas, Project Concern International, REDES, Samaritan's Purse, Save the Children, and World Vision, (c) USG agencies (NOAA, USACE, USGS); and (d) U.S. contractors (CLUSA of El Salvador, Development Alternatives Inc., DEVTEC, and Technoserve).

US Financing in Thousands of Dollars

El Salvador

519-008 Lives of Targeted Earthquake Victims Improved	CSD	CSH	DA	ESF
Through September 30, 2000				
Obligations	0	0	0	0
Expenditures	0	0	0	0
Unliquidated	0	0	0	0
Fiscal Year 2001				
Obligations	7,043	0	26,106	12,871
Expenditures	103	0	1,203	0
Through September 30, 2001				
Obligations	7,043	0	26,106	12,871
Expenditures	103	0	1,203	0
Unliquidated	6,940	0	24,903	12,871
Prior Year Unobligated Funds				
Obligations	0	0	5,000	6,040
Planned Fiscal Year 2002 NOA				
Obligations	0	6,300	32,660	25,000
Total Planned Fiscal Year 2002				
Obligations	0	6,300	32,660	25,000
Proposed Fiscal Year 2003 NOA				
Obligations	0	0	0	0
Future Obligations	0	0	0	0
Est. Total Cost	7,043	6,300	58,766	37,871

GUATEMALA

58% of the 11.4 million population lives on less than $2 per day.

THE DEVELOPMENT CHALLENGE: Open armed conflict has ended, but many causes of the 36-year civil conflict remain unaddressed. The 1996 Peace Accords offer a framework for addressing these causes and developing a just and prosperous society. Yet, despite the efforts of two successive governments to meet social goals and transform institutions, the country continues to face deep structural problems of poverty, growing inequality, and concomitant ignorance and disease. Guatemala's transition to sustainable peace and democracy is thus still fragile and uncertain.

The percentage of poor people in Guatemala has declined in recent years, but absolute numbers of those living in extreme poverty have increased due to one of the highest population growth rates in the hemisphere (2.9%). The poverty in which some 6.4 million people live reflects profound inequalities in Guatemalan society, and a widening income gap between *ladino*-indigenous societies and rural-urban communities. Rural dwellers in Guatemala suffer the highest infant mortality rates (4.5% of live births in 1999), and high levels of malnutrition. Half of all children under five are stunted; in rural towns the rate can exceed 70%. Limited access to quality basic education leaves the majority under-served (three years average schooling overall, and two years among indigenous populations), especially girls. Adult literacy is low (69% overall and some 48% for rural women). These stark social realities are exacerbated by low public social sector spending—the lowest in the region for education and health. Contaminated water sources, deforestation, and soil depletion threaten biodiversity and agricultural productivity. The Government of Guatemala (GOG) has formulated a Poverty Reduction Strategy and is allocating its scarce budget resources for this priority. Efforts to reduce poverty have been hobbled by falling economic growth rates, (down to 2.5% in 2001 due to the impact of Hurricane Mitch), low coffee prices, and global recession. The most recent published figures indicate that Guatemala's external debt is about $2.6 billion, or a relatively modest 14% of GDP.

Two-fifths of Guatemala's population is indigenous. 57% of indigenous children under five years of age suffer from chronic malnutrition.

As economic opportunities have receded, a parallel rise in violent crime brings increasing numbers of Guatemalans to question the value of democracy versus authoritarian solutions. While rule of law and human rights improvements have occurred, corruption, lack of accountability in state institutions and impunity continue unabated, compounding current governance problems. The potential for conflict remains, given the history of ethnic exclusion, limited economic opportunities, and the prevalence of organized crime and drug trafficking--all of which threaten prospects for "growing" out of poverty and pose increasing concerns for the stability of Central America's most populous nation. The national elections in 2003 make the coming year critical, given Guatemala's need to democratically elect a new president who will address key national issues.

U.S. support to the peace process at this stage, therefore, is crucial to help propel peace and structural reforms, and further key U.S. interests in Guatemala, Central America and the hemisphere. Improved living conditions to address social polarization and strengthen democracy can help stem illegal immigration to the United States, increase physical security and strengthen Guatemala as a trading partner. In addition, continued U.S. support will help enhance regional cooperation on terrorism, money laundering, and drug trafficking. Approximately 66% of cocaine detected departing South America toward the U.S. in 2000 was shipped through the Meso-American Corridor. Money laundering is rampant; Guatemala was declared noncooperative on money laundering last year by the Organization for Economic Cooperation and Development. Cooperation to contain organized crime is important for U.S. homeland security and long-term U.S. interests in the region.

THE USAID PROGRAM:

FY 2002 Estimated: $53.478 million *FY 2003 Requested:* $52.204 million

The Program Data sheets provided below cover the five objectives for which USAID is requesting funds, and one special objective that supports the peace process. DA, CSH, and P.L. 480 resources will support five sectoral programs for: 1) more inclusive and responsive democracy and strengthened local government; 2) increased access to quality basic education for rural children in targeted Peace Zone areas, improved rural educational services, and multicultural educational policies; 3) better health services for rural women and children and improved management of maternal-child health programs; 4) increased rural income and food security through higher value production and marketing by small-scale farmers, microenterprise services, and food aid to reduce chronic malnutrition in small children; and 5) improved sustainable management and increased local participation in protection of natural resources. These programs are described in the FY 2002 Budget Justification. Some programs were recently adjusted to address the increased rates of chronic and acute malnutrition among children in seven departments. This outbreak of child malnutrition stems from the rural economic crisis. Funds provided under the Partnership for Prosperity will address the rural coffee crisis and support the GOG's Rural Development Strategy. ESF resources will continue to support implementation of key Peace Accord commitments under USAID's Special Objective. Priority programs include human rights and rule of law reform, anti-corruption, and modernization of the state. ESF funding under democracy will provide support to promote free and fair elections.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED: On December 31, 2001, USAID completed two years of assistance to help Guatemala recover from the Mitch Hurricane and reduce vulnerability to future disasters.

Number	Title	Last Notified	Planned Completion
520-007	Hurricane Mitch Recovery	FY 2002 CBJ, p. 257	FY 2002

OTHER PROGRAM ELEMENTS: USAID activities not managed directly by USAID/Guatemala include the LAC Bureau's Program for Educational Reform in the Americas (PREAL) which has provided small grants to Guatemalan educational organizations to support policy innovations and system reforms. Other LAC Bureau-sponsored projects promote mechanisms for human rights and the rule of law, support decentralized local governance through assistance to the Guatemalan municipal association, and – through the International Criminal Investigation Training and Assistance Program (ICITAP) – provide training in basic criminal investigation to national police. Under the Parks in Peril program, The Nature Conservancy is partnering with local nongovernmental organizations (NGOs) to improve protection and biodiversity in the Lake Atitlan and the Motagua/Polochic watersheds. The Women in Development office of the Economic Growth, Agriculture, and Trade Bureau is assisting girls' education. Grants from the Private and Voluntary Cooperation Office of the Bureau for Democracy, Conflict, and Humanitarian Assistance assist Guatemalan NGOs in improved crop production/marketing services and support an important child survival initiative.

OTHER DONORS: Donor coordination is structured to reinforce policy dialogue with the GOG supporting reforms called for under the Peace Accords. The United States continues to be among the largest bilateral donors supporting the peace process. Other bilateral donors include Spain, Germany, Norway, Sweden, and Japan. Major multinational donors include the Inter-American Development Bank (the largest donor), the World Bank, the Central American Bank for Economic Integration, United Nations agencies, and the European Union.

Guatemala
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	7,810	6,905	0	0
Child Survival and Health Programs Fund	0	0	15,350	0
Development Assistance	13,150	16,937	12,320	26,691
Economic Support Fund	20,000	13,969	10,000	7,500
PL 480 Title II	18,356	16,036	15,808	18,013
Total Program Funds	59,316	53,847	53,478	52,204

STRATEGIC OBJECTIVE SUMMARY				
520-001 More Inclusive and Responsive Democracy				
DA	2,300	2,850	2,000	2,200
ESF	0	0	1,000	0
520-002 Better Educated Rural Society				
CSD	2,535	2,529	0	0
DA	0	0	2,750	3,750
520-003 Better Health for Women and Children				
CSD	5,275	4,376	0	0
CSH	0	0	15,350	0
DA	4,550	5,737	0	11,731
520-004 Increased Rural Household Income and Food Security				
DA	3,300	4,780	3,500	5,500
PL 480	18,356	16,036	15,808	18,013
520-005 Improved Natural Resources Management and Conservation of Biodiversity				
DA	3,000	3,570	4,070	3,510
520-006 Support the Implementation of the Peace Accords				
ESF	20,000	13,969	9,000	7,500

PROGRAM DATA SHEET

USAID MISSION: Guatemala
PROGRAM TITLE: More Inclusive and Responsive Democracy (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: More Inclusive and Responsive Democracy, 520-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,000,000 DA, $1,000,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,200,000 DA
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's program to promote democracy includes training, technical assistance and operational support to:

- promote and implement judicial reform;
- increase the effectiveness of civil society in promoting policy change and overseeing public institutions;
- strengthen local governments and increase citizen involvement in local decision-making;
- register voters and expand the number of polling places for the 2003 election; and
- help NGOs in increase awareness and respect for human rights.

These activities are integral to overall USG efforts to consolidate Peace Accord advances and democracy. This program is being renotified due to the addition of FY 2002 ESF funds for elections assistance.

Inputs, Outputs and Activities: *FY 2002 Program:* This SO being renotified because USAID proposes to add ESF funds to the FY 2002 DA funding level previously notified in the FY 2002 Congressional Budget Presentation. In FY 2002, based upon successes of the new civil society program launched in FY 2001, DA funds will support the efforts of civil society coalitions to address ethnic discrimination, citizen security, and corruption issues, and to monitor the Guatemalan Congress. ESF funds will support a new activity to provide technical advice to Guatemalan election authorities regarding voter registration efforts and implementation of plans to expand polling places in rural areas for the 2003 national elections. There are credible, growing concerns that efforts may be made to manipulate these elections. Only through concerted international assistance can the elections be declared free and fair and lead to the installation of a democratically-elected government in 2004 with a mandate to address the critical issues facing the country. With the same caveats, local government elections should be free and fair, bringing to power local officials capable of governing effectively and responding to citizen needs.

ESF funding from the Peace Program will finance a team of technical advisors and staff working to: 1) expand and consolidate justice centers in Guatemala that integrate the activities of the different justice sector actors, improve management systems and increase access to the public; 2) promote administrative reforms in the courts and Public Ministry to improve efficiency and transparency; 3) build the capacity of the Public Defenders Office; 4) develop and consolidate mediation centers as an alternative means of resolving disputes; and 5) improve legal education through support for comprehensive reform of the law school curriculum and other training opportunities. Another $400,000 in the Peace Program ESF funds will provide training and technical assistance to build the capacity of local governments in targeted geographic areas, consolidate mechanisms for citizen participation in local decision-making, and build the capacity of local government associations to lobby for policy reforms to promote decentralization.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: USAID plans to use FY 2003 resources requested to continue activities in each of the areas described above.

The justice system's average time to resolve a criminal case has been cut from 14 to 9 months (36%) through introduction of oral procedures and other administrative reforms.

Performance and Results: With the opening of three new justice centers, a total of eleven centers are now in full operation, bringing increased access to justice and improved coordination. Building on earlier reforms to establish an oral adversary system in Guatemala, the use of oral arguments for pretrial motions, combined with other administrative reforms, has reduced the time involved in processing a case in the justice system from 14 months to approximately nine months. A new case intake unit in the Public Ministry has reduced the time involved in presenting a criminal complaint from four to five hours to less than 15 minutes. The Public Defense Institute assisted over 20,000 Guatemalans during 2001, ensuring their access to justice and protection of due process in criminal cases. Victim's Assistance Units – the first established in any country in Central America – were expanded nationwide and provided over 8,000 crime victims and their families this year with medical, psychological, and legal counseling.

An external evaluation found that USAID's civil society program was successful in promoting advocacy as a legitimate tool for civil society participation in the public policy arena. The increased ability of civil society organizations (CSOs) to formulate policy proposals helped move civil society from a reactive to a more proactive stance. CSOs contributed to passage of a Social Development Law (a law that guarantees access to reproductive health services in Ministry of Health facilities), development of a civil service reform proposal, and a comprehensive study of GOG oversight institutions that play a role in fighting corruption. Most (85%) of the 42 municipalities targeted for USAID assistance now hold regular "accountability sessions" among townspeople to report on the use of municipal funds and seek citizen input on future investments, and over half have established citizen forums to institutionalize a process of citizen input into the preparation of municipal development plans. Technical planning offices have been established in 23 municipalities and six have instituted an automated civil registry.

With successful completion of the program in FY 2003, USAID anticipates increased citizen participation in strengthened local governments, an overall improved public policy environment through an improved legislature, and a more responsive and effective criminal justice system.

Principal Contractors, Grantees, or Agencies: Activities are implemented with the Guatemalan judicial branch, the Public Ministry, Public Defense Institute, San Carlos University Law School, selected municipalities, municipal associations, and civil society organizations, including human rights organizations. A mix of U.S. partners (Checchi, Inc., Creative Associates, Inc., Development Alternatives Inc.) and local CSOs, manages activities. USAID will select a new implementing entity for local governance activities during FY 2002.

US Financing in Thousands of Dollars

Guatemala

520-001 More Inclusive and Responsive Democracy	CSH	DA	ESF
Through September 30, 2000			
Obligations	0	9,026	0
Expenditures	0	5,594	0
Unliquidated	0	3,432	0
Fiscal Year 2001			
Obligations	0	2,850	0
Expenditures	0	2,788	0
Through September 30, 2001			
Obligations	0	11,876	0
Expenditures	0	8,382	0
Unliquidated	0	3,494	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	2,000	1,000
Total Planned Fiscal Year 2002			
Obligations	0	2,000	1,000
Proposed Fiscal Year 2003 NOA			
Obligations	0	2,200	0
Future Obligations	0	26,691	0
Est. Total Cost	0	42,767	1,000

PROGRAM DATA SHEET

USAID MISSION: Guatemala
PROGRAM TITLE: Rural Education (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Better Educated Rural Society, 520-002
PLANNED FY 2002 OBLIGATION AND ACCOUNT: $2,750,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND ACCOUNT: $3,750,000 DA
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's rural education program includes:

- teacher training and technical assistance to increase access to and quality of bilingual primary education for Quiché children, develop multicultural methodologies, and increase parent participation;
- technical assistance to implement education policies and strategies that enhance gender equity and cultural pluralism and encourage greater access to educational services for rural communities in the Peace Zone; and
- institutional support such as information technology and multicultural materials for teacher training centers.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID proposes to use DA funds to continue to promote access, quality and equity of primary education in the Department of El Quiché. Over 100,000 Mayan boys and girls will be served by activities that improve intercultural bilingual educational services through the extensive training of over 1,400 teachers; the development and application of innovative instructional materials; the organization of some 750 communities to work on education issues affecting their schools; and increases parental participation, especially mothers' in the education process. Barriers to girls' participation in primary schooling are being addressed systematically and over 2,500 girls are receiving scholarships to encourage their retention in school. Five additional information technology centers will be established in teacher training institutes to help future teachers' preparedness in information technologies for education. FY 2002 funds also will strengthen policy analysis and dialogue capacity among government and private sector institutions to support curricular reform, assure adequate public sector funding for education, and increase support for gender equity and cultural pluralism in Guatemala.

Planned FY 2003 Program: USAID intends to use the requested FY 2003 resources to complete activities as described for FY 2002, and to support education sector policy reform initiatives.

> Primary school enrollment for girls in Quiché has increased from 62% to 94% since 1997.

Performance and Results: Since the 1997 inception of activities in Quiché, the primary school gender equity ratio in there increased from 74.2% in 1997 to 82.8% in 2001. Teachers' mastery of more effective methodologies has almost doubled since 1998, contributing to improved school retention and third grade completion for Quiché children. The educational reform process involved stakeholders from municipal to national levels. As a result of this process, dialogue between stakeholders has improved and analytical tools and data are more readily available. Strategic use of information and communication helped the education sector achieve a modest increment of public funding despite the economic downturn.

With successful completion of the program in FY 2003, USAID anticipates the achievement of nearly full enrollment for both girls and boys in the Department of El Quiché. One thousand four hundred Quiche teachers will have been trained in intercultural bilingual education methods and culturally appropriate materials will be in use in 750 schools that are supported by organized

community participation. By the end of the strategy period, over 60 civil society organizations will have formed a multisector alliance targeting stakeholders and decision-makers to advocate for increased financing and improved resource allocation to implement education reforms, further raising public awareness on the priority status of education on Guatemala's social agenda.

Principal Contractors, Grantees, or Agencies: U.S. partners include: World Learning, Save the Children, Juárez and Associates, Associates in International Research/World Learning, the Academy for Educational Development, and Management Systems International. Guatemalan partners include: Rafael Landívar University, *Asociación Eduquemos a la Niña* ("Let's Educate the Girls" Association), FUNRURAL, *Asociación Guatemalteca de Educación Sexual* (Guatemalan Association for Sex Education), and other local NGOs.

US Financing in Thousands of Dollars

Guatemala

520-002 Better Educated Rural Society	CSD	DA
Through September 30, 2000		
Obligations	9,725	0
Expenditures	2,554	0
Unliquidated	7,171	0
Fiscal Year 2001		
Obligations	2,529	0
Expenditures	4,361	0
Through September 30, 2001		
Obligations	12,254	0
Expenditures	6,915	0
Unliquidated	5,339	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	2,750
Total Planned Fiscal Year 2002		
Obligations	0	2,750
Proposed Fiscal Year 2003 NOA		
Obligations	0	3,750
Future Obligations	0	0
Est. Total Cost	12,254	6,500

PROGRAM DATA SHEET

USAID MISSION: Guatemala
PROGRAM TITLE: Better Health for Women and Children (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Better Health for Women and Children, 520-003
PLANNED FY 2002 OBLIGATION AND ACCOUNT: $15,350,000 CSH
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND ACCOUNT: $11,731,000 DA
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The program will use funds to provide technical assistance, training, and financial resources:

- for public sector improvements to help provide integrated management of childhood illnesses, including the prevention and management of diarrheal diseases and acute respiratory infections;
- to expand private sector efforts to promote optimal breastfeeding and proper weaning, immunizations, micronutrient supplementation, and improve maternal health;
- to strengthen policies on reproduction, maternal-child health and HIV/AIDS;
- and operations research to improve access and quality of family planning programs and related reproductive and maternal health services.
- for policy initiatives in support of reproductive health; and
- for provision of contraceptive commodities.

All relevant contracts and grants have incorporated clauses implementing the reinstated Mexico City Policy.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. CSH funding will be used in FY 2002 to provide training and technical assistance to the Ministry of Health (MOH) and the Guatemalan Social Security Institute (IGSS) to combat childhood illnesses. Training, technical assistance and subgrants will be provided to NGOs and networks to improve child survival. Training, commodities and financial support will help improve nutritional surveillance, growth monitoring, nutrition education and rehabilitation services In response to the rural acute malnutrition crisis, a health care and growth promotion program and treatment protocols for severely malnourished children are being introduced with USAID assistance in MOH hospitals and clinics and in communities. Training and nutrition education materials have been developed. Weight-height censuses have been conducted in six municipalities to identify wasted children and target emergency assistance. USAID will also provide technical assistance and help finance the 2002 Maternal and Child Health Survey and provide support for HIV surveillance and prevention among high-risk populations.

CSH funding for family planning and reproductive Health activities will be used in FY 2002 to procure contraceptive commodities, and provide training, technical assistance and financial support for the MOH's National Reproductive Health Program of the MOH and family planning services provided by NGOs and the Social Security Institute. USAID also will help create policies (consistent with the Mexico City policy) favorable to reproductive health and to help implement the Social Development Law, which guarantees access to reproductive health services in MOH facilities.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: FY 2003 resources will be used to support the continuation of activities as described for FY 2002. One new contract to provide technical assistance, training, and financial support to the public sector in support of child survival and HIV/AIDS prevention may be issued. One new contract to provide technical assistance, training and financial support to the public sector in support of reproductive health may also be issued.

> Since 1995, infant mortality has dropped to 45 per 1,000 live births.

Performance and Results: USAID has achieved significant results towards accomplishment of program goals. The infant mortality rate dropped from 51 per 1,000 live births in 1995 to 45 per 1,000 live births in 1999; and the contraceptive prevalence rate increased among women in union from 31% in 1995 to 38% in 1999. Significant achievements in 2001 in the legal and policy realm include the enactment of a Social Development Law which provides a legal mandate to expand reproductive health services in Guatemala, guaranteeing access to (non-abortion) reproductive health services in MOH facilities and to reproductive health education in public schools. The Integrated Management of Childhood Illnesses model is in use in MOH clinics, and the MOH states that immunization will reach at least 90% coverage for all antigens in 2002. The national health system now offers a full range of family planning services and will grow significantly in 2002 through an expanded program of technical assistance to NGOs for maternal and child health care and family planning. Maternal and neonatal deaths are being prevented through improved delivery practices and referral systems for obstretic emergencies

Continued support from public sector and NGO health programs should enable USAID/Guatemala to achieve its objective of better health for women and children and meet targeted reductions in total fertility rate to 4.8 and the infant mortality rate to 41 per 1,000 live births by the end of the current strategy in 2004. With successful completion of the program in FY 2003, USAID anticipates that at least 77% of MOH clinics and 88% of Social Security Institute clinics will be adequately stocked with contraceptives. The contraceptive prevalence rate will increase to 41% and the met need for essential obstetrical care will reach 68% in USAID's focus areas.

Principal Contractors, Grantees, or Agencies: Local grantees include the Ministry of Health, the Social Security Institute, the Family Welfare Association (APROFAM), and a local social marketing firm (IPROFASA). U.S. grantees and contractors include the University Research Corporation and John Snow Research and Training Institute. Long-term U.S. partners operating under USAID Bureau for Global Health programs include the Johns Hopkins Program for International Education in Reproductive Health, John Snow Incorporated, the Futures Group International, Management Sciences for Health, the Population Council, Abt Associates, and the Centers for Disease Control (CDC).

US Financing in Thousands of Dollars

Guatemala

520-003 Better Health for Women and Children	CSD	CSH	DA
Through September 30, 2000			
Obligations	22,357	0	24,444
Expenditures	11,577	0	15,660
Unliquidated	10,780	0	8,784
Fiscal Year 2001			
Obligations	4,376	0	5,737
Expenditures	8,584	0	8,215
Through September 30, 2001			
Obligations	26,733	0	30,181
Expenditures	20,161	0	23,875
Unliquidated	6,572	0	6,306
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	15,350	0
Total Planned Fiscal Year 2002			
Obligations	0	15,350	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	11,731
Future Obligations	0	0	0
Est. Total Cost	26,733	15,350	41,912

PROGRAM DATA SHEET

USAID MISSION: Guatemala
PROGRAM TITLE: Increased Rural Incomes (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Rural Household Income and Food Security, 520-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND ACCOUNT: $3,500,000 DA, $15,808,000 P.L. 480
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND ACCOUNT: $5,500,000 DA, $18,013,000 P.L. 480
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY2004

Summary: USAID's program for sustainable increases in household income and food security for rural poor in selected geographic areas includes four components:

- targeted maternal and child feeding with technical assistance to improve food production;
- technical assistance and training to diversify and market higher value agricultural products;
- credit and training to assist microentrepreneurs expand their businesses; and
- technical assistance to foster private sector investment and stimulate rural economic activity.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will use DA resources and P.L. 480 Title II food aid to improve food security for rural families by increasing cash incomes and improving family nutrition. The P.L. 480 Title II program is playing a primary role in the U.S. Government's response to an acute child malnutrition crisis caused by low coffee prices, drought, and global recession. Technical support activities will help small-scale coffee farmers to adjust to the coffee price crisis by expanding their access to specialty coffee markets and by diversifying into other high value crops. Technical and financial assistance and commodities will support microentrepreneurs, and will enable microfinance institutions to expand the level of microfinance technology, (including the use of the internet), increase the quality of services provided, and expand service coverage. Food aid will help food insecure families weather the current rural economic crisis by maintaining family nutrition levels, while monetization proceeds will be used to help families increase food production and cash incomes. Agreements with food-aid partners will be amended to respond to the acute rural malnutrition crisis and geographic focus needs, and will emphasize direct distribution of food to affected communities as opposed to monetization.

Planned FY 2003 Program: DA funds will be used to expand activities that are most successful in raising the income levels of poor families in remote, ex-conflictive, and predominantly indigenous departments of the country where severe poverty is pervasive. To overcome the marketing constraints compounded by isolation and lack of infrastructure, efforts will focus on developing small farmer business skills and building links with processors and marketing agents. FY 2003 funds provided under the Partnership for Prosperity initiative will also provide specific assistance to address the rural coffee crisis and support the GOG's rural development strategy. A new productive infrastructure activity will be targeted toward farm-to-market road rehabilitation for communities with high levels of child wasting. This effort will be combined with P.L. 480 Title II Food for Work activities.

> USAID-assisted microfinance clients have more than doubled, from 19,295 to 49,889 active clients.

Performance and Results: The primary objective is to increase the capacity of a significant number of poor rural families, particularly indigenous populations and women, to improve their incomes. The direct beneficiaries are microentrepreneurs, small-scale farmers, and food aid recipients in target areas. Productive activities are focused on high-value, small-scale

crops that have the potential to rapidly increase incomes that will be mainly spent on local goods and services. This will increase dramatically the overall level of rural economic activity in the target areas, especially among microenterprises.

As a result of USAID activities and committed partners, support has been provided to over 55,000 small farmers and nearly 50,000 microentrepreneurs. Four Internet business centers were established in remote communities allowing women microentrepreneurs and others to develop new market opportunities. Eleven new microfinance offices were opened in the Peace Zone during 2001, and a commercial bank receiving technical assistance from USAID created a full service bank division for micro and small business.

The activities implemented by the Title II Cooperating Sponsors (CARE, Catholic Relief Services, SHARE, and Save the Children) continue to form the primary basis for outreach to the rural poor under this program. During FY 2001, over 42,500 mothers and nearly 76,000 children were provided a monthly food ration and education in health and nutrition. In addition, Food for Work rations were provided to nearly 37,000 workers and their dependents. These interventions tend to emphasize sustainable agriculture and microenterprise development, and they all provided a series of income generation and education interventions that enhance food security as a means of improving the families' livelihood.

With successful completion of the program in FY 2004, USAID anticipates that 65,000 farmers will be using sustainable agricultural practices, 60,000 microentrepreneurs will have received technical and financial services, with at least 25,000 jobs created by microenterprises; and $7.0 million will have been invested in market towns.

Principal Contractors, Grantees, or Agencies: The principal contractor is Abt Associates Inc, while the key grantees include the Cooperative Housing Foundation (CHF), the Canadian Center for Studies and International Cooperation (CECI), and the Salesian Missions. Sub grantees/contractors include CARE, Catholic Relief Services (CRS), SHARE, and Save the Children to implement the P.L. 480 Title II food aid portion of the program. Guatemalan partners include the Ministry of Agriculture, the Rural Development Bank (BANRURAL), FAFIDESS (a financial advisory group to development and social service organizations), the GENESIS Business Foundation, the National Coffee Association (ANACAFE), and the Guatemalan Nontraditional Exporters Association (AGEXPRONT).

US Financing in Thousands of Dollars

Guatemala

520-004 Increased Rural Household Income and Food Security	DA
Through September 30, 2000	
Obligations	11,935
Expenditures	3,422
Unliquidated	8,513
Fiscal Year 2001	
Obligations	4,780
Expenditures	5,173
Through September 30, 2001	
Obligations	16,715
Expenditures	8,595
Unliquidated	8,120
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	3,500
Total Planned Fiscal Year 2002	
Obligations	3,500
Proposed Fiscal Year 2003 NOA	
Obligations	5,500
Future Obligations	0
Est. Total Cost	25,715

PROGRAM DATA SHEET

USAID MISSION: Guatemala
PROGRAM TITLE: Improved Natural Resources Management (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Natural Resources Management and Conservation of Biodiversity, 520-005
STATUS: *Continuing*
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $4,070,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $3,510,000 DA
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's natural resources management program has four components:

- training to assist rural families and entrepreneurs adopt environmentally sound practices for sustainable agriculture, timber and nontimber forest products, and ecotourism;
- technical assistance and public awareness campaigns to promote policies to improve environmental management;
- technical assistance and training to strengthen capabilities of local organizations to analyze policy and implement corrective measures in forest management concessions and other areas; and
- technical assistance to foment public-private partnerships and increased local participation (private, municipal, and community) in the decision-making process for natural resources management, including the administration of parks and forest reserves.

Inputs, Outputs and Activities: *FY 2002 Program:* DA funds will be used to improve management and conservation of biodiversity in three selected bioregions. Technical and financial assistance will support community-based forestry management activities in the Maya Biosphere Reserve (MBR), strengthening capacity in business management and marketing to achieve more sustainable use of resources and higher family incomes. Activities will be launched with FY 2002 funds in two new geographic locations under The Nature Conservancy/USAID Parks in Peril Program (Lake Atitlan and Motagua/Polochic watershed). Technical assistance will continue for the design and application of selected environmental policies at the national level, strengthening the newly created Ministry of Environment. A performance monitoring system will be developed and implemented in the three targeted bioregions.

Planned FY 2003 Program: USAID plans to use FY 2003 DA resources to consolidate activities in the three selected bioregions. The program will work with 14 community organizations to strengthen their business capacity for forestry management. The area of focus will continue to be the consolidation of management activities in one protected area in the Maya Biosphere Reserve (Sierra Lacandon National Park). Work will continue toward the institutional strengthening of local organizations and application of key environmental policies for enhanced stewardship.

Performance and Results: As a result of USAID activities, the Master Plan for the Maya Biosphere Reserve was developed and approved in 2001 with the participation of approximately 100 representatives from 34 organizations active in the Petén region. Sustainable practices were adopted in fire control, forest management, and nontimber forest products management, reducing fires to near zero in zones that had been significantly affected the year before. Over 46,000 hectares of forest were protected in 2001 by trained fire brigades. In protected areas, an additional 67,642 hectares of forest were internationally certified this year and 21,000 hectares are in the certification process. Improved policies are allowing greater participation of civil society organizations and delegated stewardship in management of protected areas.

With successful completion of the program in FY 2003, USAID anticipates that 700,000 hectares will have been conserved, the total area certified under sustainable management contracts and concessions will exceed 400,000 hectares, and a biological monitoring system will be operational.

Principal Contractors, Grantees, or Agencies: Key partners include The Nature Conservancy, Academy for Educational Development, Chemonics, Inc., and the International Resources Group. Guatemalan partners include the Ministry of Environment and Natural Resources, National Council for Protected Areas (CONAP), and local NGOs such as the Centro Maya and Defenders of Nature. The Center for Tropical Agriculture Investigations and Studies (CATIE) is a regional institution involved in the program. Collaborating U.S. agencies include the Environmental Protection Agency, U.S. Fish and Wildlife Service, the Department of the Interior National Park Service, and the U.S. Forest Service.

US Financing in Thousands of Dollars

Guatemala

520-005 Improved Natural Resources Management and Conservation of Biodiversity	DA
Through September 30, 2000	
Obligations	15,701
Expenditures	10,346
Unliquidated	5,355
Fiscal Year 2001	
Obligations	3,567
Expenditures	4,035
Through September 30, 2001	
Obligations	19,268
Expenditures	14,381
Unliquidated	4,887
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	4,070
Total Planned Fiscal Year 2002	
Obligations	4,070
Proposed Fiscal Year 2003 NOA	
Obligations	3,510
Future Obligations	0
Est. Total Cost	26,848

PROGRAM DATA SHEET

USAID MISSION: Guatemala
PROGRAM TITLE: Peace Program (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Support the Implementation of the Priority Peace Accords, 520-006
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $9,000,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $7,500,000 ESF
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program supports priority structural reforms agreed upon in the Peace Accords, and includes a mix of technical assistance and training:

- to follow up to the Historical Clarification Commission recommendations, including support for exhumations of clandestine cemeteries, mental health services to victims and family members, and for land conflict resolution services;
- to enhance indigenous leadership skills and broaden indigenous peoples' participation in economic and political arenas;
- to establish a functioning land market, and enable poor rural dwellers to acquire titles to agricultural land;
- and financial support to foster rural productive infrastructure and private investment in priority geographic areas most affected by the civil conflict; and
- to reform key state institutions (e.g., the judicial system, independent tax authority) and policies (e.g., fiscal policy and anti-corruption measures).

Inputs, Outputs and Activities: *FY 2002 Program:* ESF will be used to consolidate advances made on human rights, justice and tax reform; expand land titling, productive infrastructure and training programs to reach more indigenous communities; and launch new activities to strengthen government accountability and transparency. USAID funding will help create a network of local human rights organizations to assume an increasing verification role in preparation for the 2003 departure of the U.N. Monitoring Mission to Guatemala, and will expand mental health services and exhumations of clandestine cemeteries. Technical assistance will continue to the Government of Guatemala's Land Conflict Resolution Commission (CONTIERRA), to help resolve historic land conflicts that can potentially lead to violence. Training for indigenous leaders, in professional and technical fields as well as leadership and organizational skills, will help prepare more than 1,000 individuals of Mayan descent to assume a greater role in the country's development. USAID support for land titling by NGOs and technical assistance to the land bank (FONTIERRA), will increase the number of beneficiaries through introduction of innovative lease/purchase and rental arrangements, as well as help the bank become more effective and financially sustainable. Small-scale productive infrastructure projects such as irrigation, roads, and storage facilities will enhance the productivity of newly titled lands and increase market access via internet centers. Product marketing will help ensure that new landowners can generate sufficient incomes to repay loans and retain land titles. The sustainability of the adopted Peace Accord reforms depends on the increased capacity of the GOG to finance improvements made through external donor funds, as well as changing public perception on the "benefits" of democracy and peace. Thus, the final area of USAID's FY 2002 Peace program will focus on two complementary initiatives: continuing improvements in Guatemala's fiscal policies and accountability, to enable the government to increase social spending and ensure the effectiveness and efficacy of its expenditures; and a concerted effort to improve the business and investment climate to generate more and higher paying job opportunities for Guatemalans. Continued improvements in Guatemala's criminal

investigation and prosecution, carried out in conjunction with USAID's democracy programs, are an essential aspect of efforts to increase private sector investment and public confidence.

Planned FY 2003 Program: Given the planned termination of the Peace program in 2004, FY 2003 will be the final year for USAID obligations. Requested resources will be used to complete ongoing activities and ensure host country institutions can sustain programs and services put in place with prior year funding. At this point, no new activities are envisioned.

Performance and Results: The Peace Accords established an ambitious set of objectives to be accomplished in a short time frame, and progress has been uneven. Whereas demobilization of armed combatants, human rights, justice reform and land titling have advanced significantly, progress has been less stellar on issues such as electoral reform, dismantling of the infamous Presidential Military Guard, and indigenous rights and participation. USAID's program has contributed significantly to many of the accomplishments, including the completion of more than 100 exhumations; provision of mental health services to 2,412 victims of human rights abuses, and the opening of fifteen rural mediation centers, which are resolving 74% of all mediated cases. Resolved cases have a 73% compliance rate within a month of settlement and very low levels (5%) of noncompliance. Dozens of long-standing land conflicts, including a 150-year old conflict in a remote eastern province, have also been resolved. By the end of 2001, over 1,400 indigenous students had received college scholarships, with 769 of these having completed their degree programs. Another 38,000 individuals achieved basic literacy, surpassing the target of 35,000.

Judicial leadership has grown increasingly committed to the modernization and legal reform process required to firmly establish the rule of law and ensure due process of all parties in criminal cases. More than 30 military bases have been closed since 1997, and the military has participated actively along with civil society to develop proposals to create a civilian intelligence agency and a national security structure subordinate to civilians. Efforts to improve government tax collections have progressed, albeit more slowly than had been hoped given delays both in passage of new tax laws, a delayed World Bank project to improve tax administration, and widespread government corruption. These factors have impeded progress on many pending reforms, including an electoral reform law that could not be fully implemented in time for the upcoming 2003 elections. The current Minister of Finance, with strong donor support and backing of the Economic Cabinet, has made a strong commitment to improving both fiscal discipline and governmental accountability in 2002, possibly positioning Guatemala for an International Monetary Fund stand-by agreement and sectoral lending from the International Financial Institutions.

With successful completion of the program in FY 2003, USAID anticipates that the GOG will exceed its 3.8% (of GDP) target for social sector investment and increased overall tax revenue as a percent of GDP, helping to finance pending Peace accords. By 2004, over 150 clandestine cemeteries will have been exhumed and mental health services provided to victims; 15,000 land titles will have been issued in ex-conflictive areas; 14 justice centers will be functioning nationwide; and 20 major longstanding land conflicts will have been resolved as a direct result of USAID support.

Principal Contractors, Grantees, or Agencies: The Peace Program is being carried out by Guatemalan NGOs; GOG agencies, including FONTIERRA and CONTIERRA; and Guatemalan universities and private foundations. Other partners include the United Nations Development Program, the Canadian Center for Studies and International Cooperation, and U.S. PVOs including CARE, Conservation International and the Cooperative Housing Foundation.

US Financing in Thousands of Dollars

Guatemala

520-006 Support the Implementation of the Peace Accords	ESF
Through September 30, 2000	
Obligations	95,011
Expenditures	60,838
Unliquidated	34,173
Fiscal Year 2001	
Obligations	13,969
Expenditures	20,533
Through September 30, 2001	
Obligations	108,980
Expenditures	81,371
Unliquidated	27,609
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	9,000
Total Planned Fiscal Year 2002	
Obligations	9,000
Proposed Fiscal Year 2003 NOA	
Obligations	7,500
Future Obligations	0
Est. Total Cost	125,480

GUYANA

THE DEVELOPMENT CHALLENGE: Since Guyana's first freely and fairly elected post-independence government took office in 1992 (after 28 years of authoritarian rule), the country has made substantial progress in transitioning to a market-oriented democratic society. Between 1992 and 1997, significant steps were taken to reform macroeconomic policy and strengthen systems of democracy and governance. Per capita GDP income grew at an average annual rate of 7.3%, exports increased, and external debt declined. However, controversy surrounding the 1997 presidential election and inter-ethnic tensions raised by the three-year legal challenge to overturn the results have slowed the pace of economic growth and democratic reform.

New elections were held in 2001. It was widely hoped that that the outcome would be a positive turning point in Guyana's troubled political history. However, deep-seated ethnic tensions have led to frequent violent conflict between the Afro-Guyanese and Indo-Guyanese populace before and after the election. In an effort to quell civic unrest, the newly elected President sought to find common ground upon which to engage the opposition in reform-minded dialogue. Inter-party task force committees were established to consider pressing national and international issues. The dialogue continues and while the progress made to date is encouraging, the process of arriving at mutually acceptable outcomes has been slow.

> Thirty-five percent of the population lives below the poverty line, with 19% living in extreme poverty.

Meanwhile, Guyana remains one of the Western Hemisphere's poorest nations: 35% of the population lives below the poverty line (as defined by the Government's recent Living Conditions Survey), with 19% living under conditions of extreme poverty. In 2000, GDP per capita was estimated at $773, while external debt amounted to $1.2 billion and debt servicing absorbed 37% of the Government of Guyana's revenues. The debt is owed primarily to multilateral institutions, and relief will be sought under the enhanced Heavily Indebted Poor Country Initiative (HIPC) in 2002.

Health indicators are similarly discouraging. The infant mortality rate stands at 57 per 1,000 and the maternal mortality at 188 per 100,000 births. In 1999, less than half of Guyana's residents had access to potable water. The incidence of communicable vector-borne diseases, HIV/AIDS, and sexually transmitted infections is high. The situation with regards to HIV/AIDS and sexually transmitted infections is particularly alarming, with HIV prevalence among the sexually active populace estimated at 5% to 6%, the second highest in the Latin American and Caribbean region. Significant out-migration, particularly to the U.S. and Canada, that started in the 1980s continues unabated and has dramatically reduced Guyana's pool of intellectual and technical talent.

Responding in an environment where democratic institutions, private enterprise and civil society organizations are nascent, USAID's modest resources have been targeted at three critical areas of U.S. national interest: fostering economic growth in a transitional economy; encouraging adherence to democratic principles and human rights; and arresting the HIV/AIDS epidemic.

THE USAID PROGRAM:
FY 2002 Estimate: $ 4.1 million *FY 2003 Request: $ 3.180 million*

The Program Data Sheets below discuss the three programs for which USAID is requesting funds. USAID's programs in Guyana address its goal of increasing broad-based participation in the economic and democratic processes. The economic growth program seeks to improve the climate for private investment by increasing the capacity of government to implement economic policy, strengthening the capacity of the private sector to influence economic policy, and increasing the level of support for micro- and small enterprises. The democracy program seeks to encourage more responsive and participatory governance and rule of law through a broad-based approach that is

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expected to lead to strengthened legislative and election processes, more vibrant civil society organizations, and a more responsive civil and criminal justice system.

The HIV/AIDS program seeks to increase prevention efforts and slow the rate of new infections by encouraging local non-governmental organizations (NGOs) to plan and implement youth-focused prevention activities. Additionally, faith-based NGOs that provide basic care and support services to persons infected and affected by HIV/AIDS are being incorporated into the program.

FY 2002 funds will be used to implement ongoing activities in economic growth, democracy and HIV/AIDS prevention. FY 2003 funds are requested to enable continuation of ongoing activities and to serve as a bridge to a new country strategy for FYs 2004-2009.

OTHER PROGRAM ELEMENTS: In addition to its bilateral program, USAID implements activities in Guyana through the centrally-funded activities of the Bureau for Economic Growth, Agriculture and Trade (EGAT) and the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA).

Under EGAT sponsorship, Conservation International is addressing biodiversity issues with Amerindian communities in the Kanuku Mountains. In addition, in a matching grant with the International City Management Association under the Making Cities Work Program, a partnership between Huntsville, Texas, and Guyana's second largest city, New Amsterdam, is being developed to implement a public/private sector participatory planning process.

The local Partners of the Americas chapter (twinned with farmers in Mississippi) is engaged in a Farmer-to-Farmer Program to improve fruit and vegetable husbandry and aquaculture projects. Partners of the Americas is also implementing a dairy development project aimed at improving the nutrition of Guyanese children and expanding dairy production.

Guyana's Institute of Private Enterprise Development is being supported through a microcredit lending facility. Funds from EGAT, along with assistance from the Inter-American Development Bank and the Canadian International Development Agency (CIDA) are helping the Guyana Volunteer Consultancy to develop a program for microenterprise training services.

Under DCHA's University Linkage program, Clark Atlanta University and the University of Guyana have initiated a conflict management program aimed at developing mediation skills among a cadre of promising professionals. DCHA's Denton Program has also been providing free shipping for donated supplies and military excess property for distribution by Food for the Poor.

OTHER DONORS: Donor coordination in Guyana is good. The United States and the United Kingdom (U.K.) are Guyana's first and second largest bilateral partners. The U.K. provides technical assistance mainly in the education, forestry and water sectors and also funds a targeted program aimed at improving the administration of justice and upgrading management skills in the police and prison services. CIDA funding is primarily aimed at strengthening NGOs while the European Union funds infrastructure and economic growth activities. The Inter-American Development Bank (IDB), the largest multilateral donor, provides loans for infrastructure, civil service reform, health reform and telecommunications. The United Nations agencies, including the United Nations Development Program, focus on poverty alleviation and rural development, maternal and child health, constitutional reform, and elections. The UN activities are supported with funds from the U.K., the European Union, and the IDB.

Guyana
PROGRAM SUMMARY
(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	200	798	0	0
Child Survival and Health Programs Fund	0	0	1,000	0
Development Assistance	3,200	3,800	3,100	3,180
Total Program Funds	3,400	4,598	4,100	3,180

STRATEGIC OBJECTIVE SUMMARY				
504-001 Improved Climate for Private Investment				
DA	1,400	2,000	1,600	836
504-003 Improved HIV/AIDS Awareness, Knowledge and Applied Prevention Strategies				
CSD	200	798	0	0
CSH	0	0	1,000	0
DA	0	0	0	1,000
504-004 More Responsive and Participatory Governance and Rule of Law				
DA	1,800	1,800	1,500	1,344

PROGRAM DATA SHEET

USAID MISSION: Guyana
PROGRAM TITLE: Economic Growth and Opportunity (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Climate for Private Investment, 504-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,600,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 836,000 DA
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The USAID economic growth program, which seeks to improve the climate for private investment, has three components:

- increasing capacity to implement economic policy for growth with equity;
- strengthening the private sector to influence public policy; and
- increasing services available to support small and microenterprises.

Inputs, Outputs and Activities: FY *2002 Program*: In FY 2001 the 504-001 title was changed from "Expanded Economic Opportunities for the Urban and Rural Poor" to "Improved Climate for Private Investment." This change was made to better reflect the activities being pursued under the objective.

In FY 2002, Development Assistance resources will be used to continue support for the policy and administrative reforms being undertaken by the Government of Guyana (GOG) and to continue on-going efforts to strengthen several private sector organizations (PSOs) and microfinance institutions.

Funds will also be provided to facilitate approval and implementation of investment laws that are acceptable to private investors and to strengthen the institutional capacity of the national investment/export promotion agency. In addition, technical assistance and training will be provided to the National Bureau of Standards to establish and enforce standards that are necessary to comply with Guyana's World Trade Organization obligations and future Free Trade Area of the Americas commitments. The goal of these efforts is to improve the enabling environment to attract both foreign and local private investment by making investment laws more transparent and non-discretionary, and to remove existing bureaucratic impediments to investors.

Technical assistance and training will be provided to 10 private sector organizations to help them advocate on behalf of their membership and to help microcredit institutions provide improved services for microenterprises (75% of which are female-owned).

Planned FY 2003 Program: USAID intends to use FY 2003 resources to complete the institutional strengthening of the national investment/export promotion agency, and to serve as a bridge to a new USAID country strategy for FYs 2004-2009.

Performance and Results: As a result of USAID's assistance under this objective, laws to attract investment and promote the small business sector have been drafted, corrective actions are being taken to remove bottlenecks and impediments to investments and exports, and the private sector and GOG are now working together in a more collaborative and non-confrontational manner. In addition, eight regional Chambers of Commerce have formed an Association of Regional Chambers of Commerce to increase their capacity to advocate with the GOG.

Microcredit loans increased from 2,544 in 1998 to 4,610 in 2000.

If progress continues as expected under this program, it is anticipated that more transparent and non-discretionary investment laws will attract increased local and foreign private investment, and that marketing and investment information will be more readily available. In addition, it is anticipated that PSOs will have an enhanced capacity to collaborate with the GOG on economic and business issues, and that microcredit institutions will be able to significantly increase the number of loans to microenterprises.

Principal Contractors, Grantees, or Agencies: The prime contractor for activities being implemented under this strategic objective is Chemonics International Inc. The subcontractor is Management Systems International.

US Financing in Thousands of Dollars

Guyana

504-001 Improved Climate for Private Investment	DA
Through September 30, 2000	
Obligations	3,314
Expenditures	1,270
Unliquidated	2,044
Fiscal Year 2001	
Obligations	2,000
Expenditures	1,416
Through September 30, 2001	
Obligations	5,314
Expenditures	2,686
Unliquidated	2,628
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	1,600
Total Planned Fiscal Year 2002	
Obligations	1,600
Proposed Fiscal Year 2003 NOA	
Obligations	836
Future Obligations	0
Est. Total Cost	7,750

PROGRAM DATA SHEET

USAID MISSION: Guyana
PROGRAM TITLE: HIV/AIDS Prevention (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Improved HIV/AIDS Awareness, Knowledge and Applied Prevention Strategies, 504-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATIONS AND FUNDING SOURCE: $ 1,000,000 CSH
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATIONS AND FUNDING SOURCE: $ 1,000,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's HIV/AIDS program seeks to increase Guyana's prevention efforts and slow the rate of new infections. The overall strategy is to help non-governmental organizations (NGOs) expand their HIV/AIDS prevention activities that target youth. In addition, USAID has begun to work with several faith-based organizations to provide care and support to people living with HIV/AIDS. Program components include:

- training to strengthen the technical and organizational capacity of NGOs to deliver HIV/AIDS programs;
- training of peer educators with indigenous manuals and materials;
- training of peer crisis intervention counselors;
- providing public awareness campaigns targeting youth-oriented media, as well as public outreach efforts and drama events aimed at increasing knowledge of HIV/AIDS and the adoption of safe sex practices; and
- providing technical assistance to the National AIDS Program to improve condom distribution systems.

Inputs, Outputs, and Activities: *FY 2002 Program:* In FY 2002, USAID will use CSH funds to expand its NGO partnership to provide HIV/AIDS awareness and prevention activities to targeted areas in all of Guyana's ten regions. This will begin to bring information and services to the Amerindian populations in the hard-to-reach hinterland regions where open borders and the presence of mining and logging camps increase high-risk behavior. Innovative indigenous communication materials will continue to be developed with particular attention to addressing specific ethnic and religious groups. Additional training of NGO partners will increase their systems management, workplan development, strategic planning, and monitoring and evaluation capacity.

The FY 2002 program will also strengthen NGO relationships with production and media companies to facilitate further development of innovative communication materials. With increasing numbers of youth infected and affected by HIV/AIDS, USAID will continue to integrate several faith-based organizations into the partnership to provide care and support to the people living with HIV/AIDS. Technical assistance will be given to the National AIDS Program Secretariat to improve condom distribution and undertake a feasibility study of condom social marketing.

Planned FY 2003 Program: With the resources requested for FY 2003, activities focusing on prevention, care and support through NGOs will be expanded and deepened geographically and programmatically. New NGO partners will receive extensive assistance to boost their technical and organizational capacity to match the capacity of the original NGO partners. With technical assistance from a local CPA firm, all NGO partners will receive training in financial management and have a computer system installed to track USAID and other donor project funds. Technical support to the Ministry of Health, as well as to the NGOs, will continue. A targeted national behavioral surveillance survey will be undertaken in order to determine program efficacy and guide workplan development.

Performance and Results: The increase in the number of youth reached through the USAID program has been impressive, going from 1,700 in 1999 to almost 34,000 in 2000 and over 40,000 in the first six months of 2001. There have been 179 media appearances promoting HIV/AIDS prevention messages and over 450 media spots.

> Within 18 months there have been 186 outreach events reaching 74,000 youths, and an 88% increase in peer educator corps membership.
>
> The Guyana HIV/AIDS/STI youth program will be highlighted on the "Volunteers' Odyssey" television program. *Details are available at* http://3-1416.org/Odysweb.

NGO partners have been successful in attracting additional resources to support their HIV/AIDS activities, including an award from the U.S. State Department's Kirby Grant Program to cover mounting media costs, and an award from UNAIDS to bolster materials production and counselor training for the program's core group of 160 peer educators. The program is also beginning to see tangible evidence of the success of its outreach and awareness raising efforts. This year's World AIDS performance, produced by USAID's drama group partner, played to a *standing room only* audience of youth and had to be extended for three nights to accommodate the demand. The Peer Educator component has become so popular that partners are continuously adding training sessions and are now training other youth groups to extend the program further. Based on the accomplishments of the first two years, prospects for success of USAID's HIV/AIDS prevention program are high.

End-results of this program will include increased NGO capacity to deliver HIV/AIDS prevention messages to targeted groups; increased knowledge of HIV/AIDS in targeted groups; and increased use of HIV/AIDS prevention strategies in targeted groups. In addition, the availability of condoms will be substantially higher than it is at present.

Principal Contractors, Grantees, or Agencies: The major U.S. contractor for this objective has been Family Health International. However, USAID anticipates that an increasing proportion of program resources will be directed to support the expanding number of NGO partners and for locally-procured technical assistance through a *competitively let contract* with a *local accounting firm.* International technical assistance through Global Health Bureau mechanisms will be used when required expertise is unavailable in country. A Johns Hopkins University Fellow will be funded to assume program management and monitoring.

US Financing in Thousands of Dollars

Guyana

504-003 Improved HIV/AIDS Awareness, Knowledge and Applied Prevention Strategies	CSD	CSH	DA
Through September 30, 2000			
Obligations	200	0	
Expenditures	120	0	
Unliquidated	80	0	
Fiscal Year 2001			
Obligations	798	0	
Expenditures	418	0	
Through September 30, 2001			
Obligations	998	0	
Expenditures	538	0	
Unliquidated	460	0	
Prior Year Unobligated Funds			
Obligations	0	0	
Planned Fiscal Year 2002 NOA			
Obligations	0	1,000	
Total Planned Fiscal Year 2002			
Obligations	0	1,000	
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	1,000
Future Obligations	0	0	0
Est. Total Cost	998	1,000	1,000

PROGRAM DATA SHEET

USAID MISSION: Guyana
PROGRAM TITLE: Governance and Rule of Law (Pillar: Democracy, Conflict and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: More Responsive and Participatory Governance and Rule of Law, 504-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,500,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 1,344,000 DA
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The USAID Governance and Rule of Law program in Guyana will provide training and technical assistance focusing on:

- legislative strengthening;
- administration of justice;
- elections;
- civic advocacy; and
- local government.

Inputs, Outputs and Activities: FY *2002 Program*: In FY 2002, USAID will to continue democracy activities initiated in earlier years. Development Assistance resources will be used to provide technical assistance to establish parliamentary standing committees, index Guyana's laws and make them accessible to lawmakers and citizens, improve research skills in the Parliamentary Secretary's Office, and strengthen the ability of the Attorney General's Office to draft and revise legislation.

Technical assistance will also be provided to the judiciary to help establish its independence from the executive branch, improve case tracking and reporting, and draft an enforceable code of judicial conduct. It is anticipated that these activities will result in greater judicial efficiency and a reduction in the existing case backlog. An assessment will be conducted to determine if it would be feasible to establish an alternative dispute resolution (ADR) mechanism for commercial cases and, if it is found to be feasible, support a pilot ADR program.

Further training and technical assistance will be provided to the Guyana Elections Commission to help it conduct core elections functions such as voter registration, voter education, and poll worker training on a continuous basis. Technical assistance will also be provided to support local government elections, which are expected to be held on or before December 2002.

A broad range of civic advocacy organizations will receive support to engage in public policy activities focused on legislative, judicial, electoral and local governance reform. In addition, a group of civil society organizations working with Guyana's most disadvantaged citizens (i.e., women, youth, and Amerindians) will receive support to improve their ability to participate in poverty reduction activities and national development programming. Technical assistance will also be provided to the inter-party task force responsible for rationalizing the role of local government. This group is expected to draft new legislation in line with constitutional reforms aimed at devolving decision-making authority to the most appropriate local level, thereby increasing citizen inputs and improving overall accountability.

Planned FY 2003 Program: USAID intends to use Development Assistance resources requested for FY 2003 to upgrade the technical research skills of the Parliamentary Secretary's Office, strengthen the capacity of parliamentary standing committees (especially in conducting public hearings), and

help disseminate the laws of Guyana electronically via the recently established parliamentary website.

In the judicial sector, FY 2003 resources will be used to provide additional training to court administrative personnel and possibly to replicate the commercial ADR model discussed above (dependent on the outcome of the assessment). In elections, FY 2003 resources will be used to continue upgrading the core skills of the Guyana Elections Commission, support local government elections, and continue support for civil advocacy organizations in their pursuit of legislative, judicial, local government, and election reform. NGOs working with disadvantaged segments of Guyanese society will receive additional support to strengthen their organizational capacities. In addition, resources will be used to help local citizens' groups to engage their newly elected local government representatives on matters such as local business development, transportation, sanitation, and solid waste management.

Performance and Results: Support in the area of legislative strengthening has helped to foster a climate of increased transparency in public policy making and to provide greater opportunities for citizens to work with policymakers in the areas of poverty reduction and national development. The adoption of a judicial code of conduct and improved case reporting and tracking procedures will eventually help to reduce the current case backlog in the courts and help to keep the level from rising again. Elections support has improved Guyana's capabilities to conduct free and fair elections in a timely manner, while support for civil advocacy organizations has resulted in greater citizen inputs to poverty reduction and national development debates. Support to the local government task force and leadership training for women has laid the groundwork for establishing effective and truly representative local governance.

Continued progress under this objective will mitigate latent interracial and ethnic-based conflict and help to transform Guyana into a country where citizens have expanded opportunities to voice their concerns in policy making discussions and where access to justice is provided for all.

Principal Contractors, Grantees, or Agencies: The National Democratic Institute (NDI) is the prime contractor. Subcontractors include the Carter Center and the International Foundation for Elections Systems (IFES). The implementing partners have organized their respective activities such that NDI is responsible for the areas of law and regulation-making and local governance, IFES is providing leadership in the elections component, and the Carter Center is providing leadership in the justice sector and in strengthening female, youth, and Amerindian groups.

US Financing in Thousands of Dollars

Guyana

504-004 More Responsive and Participatory Governance and Rule of Law	DA
Through September 30, 2000	
Obligations	2,756
Expenditures	1,058
Unliquidated	1,698
Fiscal Year 2001	
Obligations	1,800
Expenditures	2,000
Through September 30, 2001	
Obligations	4,556
Expenditures	3,058
Unliquidated	1,498
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	1,500
Total Planned Fiscal Year 2002	
Obligations	1,500
Proposed Fiscal Year 2003 NOA	
Obligations	1,344
Future Obligations	0
Est. Total Cost	7,400

U.S. national interests in Haiti include limiting the number of illegal immigrants from Haiti, decreasing narcotics trafficking, strengthening democracy, and alleviating poverty.

THE DEVELOPMENT CHALLENGE: With a heavily eroded natural resource base, inadequate infrastructure, and ineffective public institutions, Haiti is the poorest country in the Western Hemisphere. Maternal and infant mortality rates are among the highest in the world, and malnutrition rates are very high. Illiteracy stands at 48%, and 6% of urban dwellers are infected with HIV/AIDS. With unemployment hovering at around 50%, some poorer Haitians take their chances on the high seas, hoping to secure a better life elsewhere.

The country's deteriorating economy is an enormous constraint to progress: both exports and imports dropped around 3% in 2001; inflation is at 16%; and the currency has lost 15% of its value relative to the U.S. dollar in the past year, 32% since 1999. Foreign direct investment was a paltry 0.1% of gross domestic product in 2000 and net international reserves of the Central Bank currently stand at less than $100 million.

Conditions in the country have worsened considerably since May 2000, when flawed local and parliamentary elections left opposition parties outraged and the international community alienated. Tremendous efforts have been expended by the Organization of American States and other international actors over the past 20 months to mediate the conflict, but an accord remains elusive. In the meantime, the executive branch has moved steadily to consolidate power at the expense of the judicial and legislative branches of government. Especially worrisome has been a sharp deterioration in the human rights situation, particularly since the government adopted an official policy of "zero tolerance" for "criminals".

The international community has responded by either sharply reducing assistance programs or eliminating them altogether. In 2000 the World Bank closed its office in Port-au-Prince, principally as a result of the government's failure to adhere to International Monetary Fund targets. The European Union (EU) disbursed about $13 million in FY 2001 but froze another $54 million intended for rural roads and education. The Inter-American Development Bank is delaying the disbursement of up $146 million in outstanding loans to Haiti, largely due to issues surrounding the legitimacy of parliament, which must ratify the loans. U.S. assistance levels have been curtailed since FY 1999 and programmatic changes made in response to deteriorating conditions in the country.

However, USAID programs continue to make a tangible difference:

- 50,000 Haitians, mostly women, have access to microcredit due to USAID assistance;
- child immunization rates in USAID-assisted areas are nearly double the national average;
- childhood malnutrition rates in USAID-assisted areas fell from 32% to 22% between 1995 and 2000;
- the proportion of women nationwide seeking prenatal consultation rose from 68% in 1995 to 79% in 2000;
- interactive radio instruction has improved achievement scores in USAID project schools;
- civil society groups continue to exercise their political rights and participate in the political process, despite systematic attempts to repress them.

On a per capita basis, Haiti is among the least-indebted countries. The amount owed to the United States is approximately $9.8 million as of September 2001, about 0.8% of Haiti's total debt; however, the Government of Haiti has difficulty servicing this debt. At last report, Haiti's total external debt was $1.2 billion, or about 27% of GDP.

THE USAID PROGRAM:
FY 2002 Estimate: $30.0 million *FY 2003 Request: $47.375 million*

The Program Data Sheets that follow cover the four strategic objectives for which USAID is requesting funds in FY 2003: promoting sustainable agricultural practices and increasing economic opportunities for farmers and microentrepreneurs; improving families' health; improving the quality of basic education; and strengthening organizations critical to democracy. These programs will be active in FY 2002 but have had to be modified somewhat in response to changing conditions on the ground. For example, programs that formerly provided direct support to the country's judicial and electoral systems have been replaced by activities aimed at strengthening civil society, independent media, and political parties. Health programs command more than half of the assistance budget, mainly to address HIV/AIDS. Based on the recommendations of an evaluation, PL 480 Title II resources will be focused more directly on nutritional programs directed at segments of the population that are at the highest risk nutritionally (children under five, pregnant and lactating mothers, and groups with special health needs such as tuberculosis and AIDS patients and orphans). Changes to the USAID portfolio stemming from reduced funding and changes in the country's political-economic situation are scheduled for review in May 2002.

With the exception of HIV/AIDS programs, all USAID assistance is provided to indigenous non-governmental organizations through U.S. contractors and private voluntary organizations. No assistance is provided directly to the central government, although there is frequent and substantive interaction in the health and education sectors.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED: The USAID program in Haiti includes the following objectives for which USAID is not requesting new funds, but is continuing to expend funds already appropriated.

Number	Title	Last Notified	Planned Completion
521-002	Environmental Degradation Slowed	FY01 CN #371	FY 2002
521-009	Hurricane Georges Recovery	FY01 CN #227	FY 2002

OTHER PROGRAM ELEMENTS: Under a grant to Partners of the Americas, the Farmer-to-Farmer project brings volunteer farmers from the U.S. to Haiti to provide technical assistance and training to agricultural cooperatives and rural enterprises on crop production, processing, post harvest handling, and marketing to increase both income and productivity of small farmers. About $2.5 million is being provided under Child Survival grants (Project Hope, Focus, and Population Services International) to improve access to and use of child health services and promote social marketing efforts. These grants are managed by the Bureau of Global Health. An estimated $6 million will be provided through the Departments of Health and Human Services, Labor, and Agriculture to finance HIV/AIDS prevention, agriculture, infrastructure repair, and disaster mitigation activities.

OTHER DONORS: Donor grants declined by more than 50% over the last two years, from $357 million in FY 1999 to about $160 million in FY 2001. Gross loan disbursements fell by more than 66% during the same period. With $67 million disbursed in FY 2001, the U.S. was Haiti's largest donor, followed by Canada (health, justice, education, food), Taiwan (roads, education, social housing, agriculture), and the EU (rural roads, education, food). Other key donors include the United Nations agencies, France, and Japan.

Haiti

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Development Assistance	0	0	0	25,000
Economic Support Fund	52,550	46,894	30,000	0
PL 480 Title II	25,076	25,111	0	22,375
Total Program Funds	77,626	72,005	30,000	47,375

STRATEGIC OBJECTIVE SUMMARY				
521-001 Sustainable Increased Income for the Poor				
DA	0	0	0	6,500
ESF	10,153	9,704	7,100	0
PL 480	1,254	0	0	5,370
521-002 Environmental degradation slowed				
ESF	4,677	3,596	0	0
521-003 Healthier families of desired size				
DA	0	0	0	14,000
ESF	19,550	20,300	17,900	0
PL 480	5,015	11,337	0	13,873
521-004 Increased human capacity				
DA	0	0	0	2,500
ESF	5,000	4,275	2,500	0
PL 480	18,807	13,774	0	3,132
521-005 Genuinely Inclusive Democratic Governance Attained				
DA	0	0	0	2,000
ESF	9,570	8,794	2,500	0
521-009 Hurricane Georges Recovery				
ESF	0	125	0	0
Total Transfers	3,600	100	0	0

PROGRAM DATA SHEET

USAID MISSION: Haiti
PROGRAM TITLE AND NUMBER: Economic Growth (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Sustainable Increased Income for the Poor, 521-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $7,100,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $6,500,000 DA; $5,370,000 PL 480
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's program to increase the income of Haiti's urban and rural poor includes:

- provision of private agricultural extension services in natural resource management, quality assurance, and marketing;
- improvement of financial services for microenterprises, and training for microfinance institutions;
- technical assistance to strengthen private sector marketing systems; and
- provision of guarantee loans to promote investment by small and medium entrepreneurs.

Inputs, Outputs, and Activities: *FY 2002 Program*: ESF-financed activities will help to increase farm-level productivity and incomes, promote the adoption of proven natural resource management practices, develop or improve marketing channels for Haitian farmers, conduct applied research on staple foods, cocoa, and planting techniques, and continue ongoing microlending support programs.

The program will develop strong financial institutions to service Haitian microenterprises. Partners include commercial banks, credit cooperatives, private companies, and local and international non-governmental organizations. Financial institutions will benefit from USAID-sponsored training in the application of internationally accepted best practices for microfinance lending, technical assistance in the development of new product lines (e.g., savings, production loans, and health insurance), and operation of branches in under-served, especially rural, areas. USAID will offer loan portfolio guarantees to participating commercial banks to provide direct financial support to micro-, small, and medium enterprises. USAID will continue to finance its microfinance capitalization fund, which has been highly successful in leveraging commercial loans for key microfinance institutions (MFIs). In FY 2002 at least five commercial banks will be actively lending to small and microenterprises.

Through assistance from community-based agricultural field agents, food-for-work, and support to local financial institutions that provide training and small loans, especially to rural women, cooperating sponsors implementing the P.L. 480 Title II program will increase the availability of locally-produced food and access to food overall by increasing the incomes of targeted poor families.

Planned FY 2003 Program: FY 2003 efforts will build on ongoing activities that increase the productivity and incomes of agricultural producers and strengthen microfinance institutions. To maximize impact, USAID will continue concentrating its efforts geographically in the northern and southern regions of the country, creating a concentration of farmers producing quality agricultural commodities for both export and local markets. USAID will also fund technical assistance for grassroots organizations to help them develop direct commercial relationships with large-volume buyers including exporters, thereby opening up new markets, reducing the need for intermediaries, and increasing revenues to small producers. Resources will also be used to support microfinance growth, continuing the activities described above. Activities will emphasize the development of new products and services that build on and further expand credit access for rural microenterprises.

Performance and Results: Principal long-term outcomes of the agriculture program include: sustainable increases in the productivity of staple crops in targeted areas; sustainable increases in

the export of selected cash crops; and establishment of direct commercial relationships between producer organizations and large-volume buyers. Profitable operation of all five USAID-assisted MFIs and financial independence for 19 credit and savings cooperatives constitutes the principal long-term outcomes of the microfinance program.

Haiti's economy rests largely on the shoulders of small and microenterprises (SMEs), which account for more than 80% of total employment. USAID's work building strong financial institutions to meet the credit demands of SMEs continues to surpass expectations. The number of outstanding loans increased by 40% last year, well above the target of 25%. Also within the past year, two of the five key MFIs receiving USAID support covered 100% of their operating expenses, and the other three covered approximately 60%. In FY 2002, USAID's emphasis will shift from training in basic principles to direct business applications.

During FY 2001, the Aid to Artisans program developed long-term marketing opportunities with the San Diego Zoo, Eziba, the Lee Carter Company, Dwellings, Mark Phillips Collections, and Smith & Hawken. In FY 2002, the program seeks to double the number of such market links. Over 60 small firms employing about 1,500 artisans participate in the Aid to Artisans program.

> With assistance from USAID, about 35,000 farmers produced eight crops for export (mango, coffee, pumpkins, cacao, yams, taro, genap, and miniature dried oranges), with sales in excess of $855 million. By linking farmer organizations directly with exporters, farm-gate prices for mangoes have increased 50-100%.

In 2001, USAID provided assistance to nearly 250,000 hillside farmers (roughly one-third of Haiti's farm families and 16% of its total population) through a network of 80 grassroots organizations. Seventy of the farmer organizations have marketing contracts, mostly with exporters, generating nearly 6,500 seasonal jobs. The 30,000-member Federation of Native Coffee Producers, supported by USAID, doubled its coffee exports in FY 2001 and recently negotiated contracts with European and Japanese coffee importers. The quality of cacao has improved greatly, with zero rejections of beans in 2001 compared to over 30% previously.

Major Contractors and Grantees: Prime contractors Development Alternatives, Inc (DAI) and Winrock International and sub-contractors Pan American Development Foundation, University of Florida, and the International Center for Tropical Agriculture will continue to implement the agriculture program. DAI also leads implementation of the microfinance program. The Haitian Society for Financial Development manages the SME guarantee and microfinance capitalization funds, while Aid to Artisans is the key partner promoting Haitian handicrafts.

US Financing in Thousands of Dollars

Haiti

521-001 Sustainable Increased Income for the Poor	DA	ESF
Through September 30, 2000		
Obligations	2,991	58,492
Expenditures	2,977	38,149
Unliquidated	14	20,343
Fiscal Year 2001		
Obligations	0	10,809
Expenditures	2	13,843
Through September 30, 2001		
Obligations	2,991	69,301
Expenditures	2,979	51,992
Unliquidated	12	17,309
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	7,100
Total Planned Fiscal Year 2002		
Obligations	0	7,100
Proposed Fiscal Year 2003 NOA		
Obligations	6,500	0
Future Obligations	6,500	0
Est. Total Cost	15,991	76,401

PROGRAM DATA SHEET

USAID MISSION: Haiti
PROGRAM TITLE: Health Systems 2004 (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Healthier Families of Desired Size, 521-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $17,900,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $14,000,000 DA; $13,873,000 PL 480
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Half of USAID's budget for Haiti is devoted to improving the health and wellbeing of women and children, reducing malnutrition, helping families make informed reproductive decisions, and slowing the spread of tuberculosis, HIV/AIDS, and other sexually transmitted diseases. These objectives are reached by delivering a package of the following services:

- child immunization;
- *detection and treatment of acute respiratory infections;*
- immunizations for pregnant women;
- nutrition, food supplementation, and growth monitoring;
- family planning (both natural and artificial);
- maternal health care;
- prevention and treatment of HIV/AIDS and other sexually-transmitted diseases;
- tuberculosis detection and treatment;
- *reinforcement of policy norms and procedures;*
- health information systems; and
- advocacy and networking.

All relevant contracts and grants have incorporated clauses implementing the reinstated Mexico City Policy.

Inputs, Outputs, and Activities: *FY 2002 Program*: USAID will provide technical assistance to more than 30 local non-governmental organizations (NGOs) to improve provision of a minimum package of child survival, reproductive health, and related primary care services to a population of approximately 2.7 million people. Additional contracts will be negotiated with local NGOs to provide improved supervision and operational support for the tuberculosis program and strengthen the technical capacity, quality, and coverage of HIV/AIDS, reproductive health, tuberculosis, and child health referral services at the department level. A portion of resources will be allocated through centrally-funded grants to reinforce the distribution of essential drugs, contraceptives, health management information systems, emergency obstetrical care, and clinical reproductive health services at department-level referral hospitals.

Special emphasis will be given to reinforcing the capacity of all ten department-level hospitals to carry out voluntary counseling and testing for HIV/AIDS. Community support groups for people living with AIDS and orphans, presently available in just one department, will be extended to all departments. Assistance will also facilitate more effective linkages between specialized groups that target orphans and vulnerable children and service delivery institutions. USAID support will also improve the delivery of basic health services in orphanages and establish community networks through which orphans can be placed with extended family members.

P.L. 480 Title II resources will promote better utilization of food by improving access to quality nutrition and health services. Assistance will be directed at segments of the population that are at the highest risk nutritionally (children under five, pregnant and lactating mothers, and groups with

special health needs such as tuberculosis and AIDS patients and orphans). All partners will work through existing Ministry of Health community-level health units and further expand services to remote locations through community "rally posts" and mobile clinics.

Planned FY 2003 Program: The health program will be financed by DA funds in FY 2003. USAID will fund training and technical assistance activities that: strengthen NGOs providing maternal and child health services; expand the capacity, effectiveness, and use of care and prevention services for selected infectious diseases including HIV/AIDS and tuberculosis; and increase coordination with related public sector programs. Increased emphasis will be placed on responsible sexual behavior and abstinence by adolescents. P.L. 480 Title II funded activities will continue as described above.

Performance and Results: Program impact is measured in terms of: decreased child morbidity, mortality, and malnutrition; decreased maternal mortality; increased immunization coverage; increased use of modern family planning methods; and reduced levels of at-risk behavior among adolescents and other people most likely to transmit HIV/AIDS. Impact will also be measured by the availability of essential drugs at service delivery points and the degree to which a functioning health information system is in place to facilitate decision-making in the health sector.

Despite the recent economic and political deterioration of the condition of the country, progress in the health sector has been steady, due in large part to USAID programs. According to the demographic health survey concluded in 2001, during the 1995 - 2000 period, childhood malnutrition rates fell from 32% to 22%. Child immunization rates in USAID-targeted areas are 63%, nearly double the national average. In FY 2001, USAID provided support for national campaigns to increase coverage for polio and measles while continuing assistance to increase vaccination coverage levels and assure availability of vaccination services at its sites. These efforts were highly successful, with 95% of all children less than 10 years old vaccinated for polio and targets for the number of children receiving measles vaccinations exceeded by 20%.

> Between 1995 and 2000, the proportion of women nationwide seeking prenatal consultation services rose from 68% to 79%; and the proportion delivering with assistance from a trained health professional rose from 46% to 60%.

While high discontinuation rates for artificial methods are a concern, the national contraceptive prevalence rate for modern methods among women 15 - 49 years of age has risen steadily from 5% in 1987 to 9% in 1995 and 15.4% in 2000. Acceptance of natural family planning has been high in areas where it has been offered. Substantial gains among rural and illiterate women – from 10% in 1995 to 22% in 2000 – can be attributed directly to USAID programs. Awareness and support for HIV/AIDS prevention have increased dramatically. A government delegation attended the UN General Assembly Special Session on HIV/AIDS and has launched preparations for a new five-year national strategic plan to address HIV/AIDS in Haiti.

Major Contractors and Grantees: The principal contractor, Management Sciences for Health, channels resources via grants and sub-contracts to a network of 33 local NGOs, many of which (e.g., Haitian Health Foundation, Service and Development Agency of the African Methodist Church, Hospital Albert Schweitzer) are affiliated with U.S.-based philanthropic organizations. CARE, Catholic Relief Services, World Vision, and Save the Children are Title II cooperating sponsors.

US Financing in Thousands of Dollars

Haiti

521-003 Healthier families of desired size	CSD	CSH	DA	ESF
Through September 30, 2000				
Obligations	11,799	0	6,370	83,758
Expenditures	11,799	0	6,335	64,369
Unliquidated	0	0	35	19,389
Fiscal Year 2001				
Obligations	0	0	0	22,570
Expenditures	0	0	0	15,604
Through September 30, 2001				
Obligations	11,799	0	6,370	106,328
Expenditures	11,799	0	6,335	79,973
Unliquidated	0	0	35	26,355
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2002 NOA				
Obligations	0	0	0	17,900
Total Planned Fiscal Year 2002				
Obligations	0	0	0	17,900
Proposed Fiscal Year 2003 NOA				
Obligations	0	0	14,000	0
Future Obligations	0	0	14,000	0
Est. Total Cost	11,799	0	34,370	124,228

PROGRAM DATA SHEET

USAID MISSSION: Haiti
PROGRAM TITLE: Education (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Human Capacity, 521-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,500,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,500,000 DA; $3,132,000 PL 480
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's education program seeks to improve the quality of primary education through the following interventions:

- training for teachers and school directors in school and classroom management;
- distance education by radio in math and Creole reading;
- provision of equipment, supplies, and training for small "clusters" of cooperating primary schools; and
- institutional strengthening for local NGO partners and establishment of parent-teacher associations.

Inputs, Outputs, and Activities: *FY 2002 Program:* The education program funds in-service training for teachers and school directors, radio education programs in math and Creole for primary schools, and provision of school supplies. In 2002, USAID will scale back the training component and focus on the distance education activity. Distance education (programs broadcast by radio) will almost certainly be expanded to include coverage of older students, out-of-school youth, and adults. In order to ensure maximum impact from the use of distance education, USAID will develop training and learning materials that reinforce the broadcast information. These materials will focus on changing behavior in ways that support other USAID programs such as health and governance. To maximize synergy across sectors, activities will be implemented in geographical locations where USAID has ongoing activities.

In line with USAID policy and the recommendations of a final P.L. 480 Title II program evaluation, school feeding as a stand-alone activity will decrease in FY 2002 in favor of food assistance directed at more vulnerable segments of the population -- including children under age five -- which will be implemented under the health program. USAID will initiate a school and household survey in FY 2002 to monitor the impact of this change in strategy, making adjustments along the way as conditions warrant.

Planned FY 2003 Program: The distance education program described above will be implemented in FY 2003. Implementation options, including the cost-benefit ratio of current program methods and activities, will be examined during the mid-term review of USAID's strategic framework for Haiti. The P.L. 480 Title II program will continue at FY 2002 levels, with adjustments as warranted by the FY 2002 survey.

Performance and Results: Impact is measured by: the number of staff trained; the effect of training on school management and students' academic performance; the number of active parent-teacher associations in project areas and the number of projects they carry out; and increased skill levels within NGO organizations (e.g. accounting, fund-raising, and organizational management). Program impact will also be measured by the size of audiences reached and changes in knowledge and/or behavior as a result of newly expanded educational broadcasts.

There has been a marked improvement in academic performance among the roughly 5% of Haitian primary school students attending USAID-assisted schools. During the 1999-2000 school year,

150,000 children have been taught math and Creole reading through interactive radio instruction, resulting in average achievement scores in USAID project schools higher than in schools not receiving USAID assistance.

student scores from radio instruction in math and Creole reading in project schools were about 54% higher in math and 15% higher in Creole reading than student scores in schools not supported by USAID.

Principal Contractors or Agencies: The Academy for Educational Development (AED) is presently USAID's principal partner in the education sector in Haiti; however a contract for the second-phase program will be competed during FY 2002. Ten Haitian NGOs implement USAID-funded education activities, either through cooperative agreements with USAID or under the AED contract. CARE and Catholic Relief Services provide school feeding, health, and educational services through the PL 480 Title II program. Save the Children implements a community school program under a USAID cooperative agreement. Partners also include NGOs working at the local level, both in education and in other areas of direct relevance to USAID programs, including health, family planning, democracy, and economic growth.

US Financing in Thousands of Dollars

Haiti

521-004 Increased human capacity	CSD	DA	ESF
Through September 30, 2000			
Obligations	1,390	1,093	16,350
Expenditures	1,390	1,093	9,505
Unliquidated	0	0	6,845
Fiscal Year 2001			
Obligations	0	0	5,920
Expenditures	0	0	6,544
Through September 30, 2001			
Obligations	1,390	1,093	22,270
Expenditures	1,390	1,093	16,049
Unliquidated	0	0	6,221
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	0	2,500
Total Planned Fiscal Year 2002			
Obligations	0	0	2,500
Proposed Fiscal Year 2003 NOA			
Obligations	0	2,500	0
Future Obligations	0	2,500	0
Est. Total Cost	1,390	6,093	24,770

PROGRAM DATA SHEET

USAID MISSION: Haiti
PROGRAM TITLE: Democracy and Governance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Genuinely Inclusive Democratic Governance Attained, 521-005
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,500,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,000,000 DA
INITIAL OBLIGATION: FY 1991 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The continued deterioration of Haiti's economic, security, and human rights situation can be tied directly to a failure of democratic governance in Haiti. Despite the emergence of a nominally free press and a vibrant civil society, failure to address the gross irregularities of the May 2000 local and parliamentary elections has resulted in severe political tension and a growing culture of impunity. At root is the issue of power sharing, a concept that, despite the best efforts of USAID and other international actors, has not yet taken root in Haiti.

Given the political situation, USAID has shifted away from its previous efforts to strengthen public institutions such as the judiciary and the national elections commission, and launched a new program to strengthen civil society and develop political parties by:

- developing political leadership;
- helping non-governmental organizations resist Haiti's growing trend toward authoritarian rule; and
- strengthening the independent media.

Inputs, Outputs, and Activities: *Planned FY 2002 Program:* USAID will strengthen civil society organizations by funding technical assistance and training for grassroots organizations around the country in order for them to better understand and practice democracy, build coalitions, and advocate for their interests. This type of activity includes assistance for politically active organizations in a number of areas: the academic, legal, business, labor, journalism, and religious communities, and advocates for judicial reform. USAID will also fund technical assistance to domestic election observer organizations and train an elite corps of observers. USAID will foster political leadership by providing technical assistance and training to political organizations at the grassroots level and training leaders in organizational development, leadership, and democratic practices. USAID will also fund nationwide civic education radio campaigns to deepen understanding and practice of citizens' awareness of their rights and responsibilities. USAID will strengthen the independent media by training journalists in the fundamentals of democracy.

USAID also plans to conduct a conflict vulnerability assessment aimed at pinpointing potential crises in Haitian society and -- to the extent that USAID is not already helping to mitigate those sources -- develop appropriate responses.

Planned FY 2003 Program: Assuming program success, the above activities to strengthen civil society, foster political leadership, and strengthen an independent media will be continued at a reduced funding level in FY 2003. Adjustments may need to be made in the event a political accord is reached and the United States is asked to provide assistance for new elections. Up to $2 million will support USAID's conflict prevention initiative.

Performance and Results: Program impact will be measured in terms of advocacy actions by civil society and increased acceptance of election results by political parties.

USAID's impact on the civil society sector has been highly significant and in many ways irreversible. The fact that nearly 1,000 civil society organizations have now been trained to understand and practice democracy cannot be changed. Nor can the fact that the USAID-supported non-governmental observer organization fielded over 22,000 volunteers who monitored and subsequently publicized the gross irregularities of the May 2000 election. Likewise, training for journalists and support to human rights monitors have established the foundation for a more open society once the current political impasse has been resolved.

In 2001, USAID and its partners trained nearly 11,000 people in almost 1,000 organizations with total membership exceeding 200,000 people throughout the country. As a result of this training, civil society organizations made over 500 attempts to engage government and advocate their interests or defend their rights. Well over one-third of these attempts were successful in leveraging assistance, resources, or services from the government.

The civil society program is having a broad, self-sustaining effect. To date, nearly 100 initiative committees representing about a quarter of the population have been formed. These democratically-run entities plan and execute community projects on a routine basis, relying for the most part on state or community resources. They play a potent role on the local scene, confronting issues head-on and directly engaging local and national leaders. In almost all the communities where USAID has been active, local government personnel have received training alongside the members of civil society organizations, so each has a better understanding of the role of civil society in a democracy. The training has significantly reduced the level of suspicion between the groups and local elected leaders, which in turn appears to have greatly reduced the number of incidents and misunderstandings.

With USAID assistance, Haiti's leading non-governmental elections observer organization, the National Observers Council, evolved from a loose coalition of 40 organizations observing elections for the first time in 2000, to a founding member of the legally-constituted Latin American and Caribbean Observation Network in 2001.

Despite systematic attempts to stifle them, civil society organizations are building on the high level of citizen participation and voter turnout in the May 2000 election by continuing to exercise their political rights and participate in the political process. Meetings between civil society organizations and government at the national level quintupled in 2001 (from 57 in 2000 to 270 in 2001), and groups formed 40 regional-level coalitions to advocate positions in public decisions.

Principal Contractors, Grantees, or Agencies: Principal partners are: International Republican Institute, National Democratic Institute for International Affairs, International Foundation for Electoral Systems, Creative Associates International, and America's Development Foundation. There are numerous subcontractors, including Haitian human rights organizations, business associations, media organizations, election observation groups, labor, political parties and other pro-democracy organizations.

US Financing in Thousands of Dollars

Haiti

521-005 Genuinely Inclusive Democratic Governance Attained	DA	ESF
Through September 30, 2000		
Obligations	32,353	58,686
Expenditures	32,353	54,328
Unliquidated	0	4,358
Fiscal Year 2001		
Obligations	0	10,794
Expenditures	0	3,818
Through September 30, 2001		
Obligations	32,353	69,480
Expenditures	32,353	58,146
Unliquidated	0	11,334
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	2,500
Total Planned Fiscal Year 2002		
Obligations	0	2,500
Proposed Fiscal Year 2003 NOA		
Obligations	2,000	0
Future Obligations	2,000	0
Est. Total Cost	36,353	71,980

HONDURAS

THE DEVELOPMENT CHALLENGE: Honduras is one of the poorest countries in Latin America. Economic growth over the last decade only slightly exceeded population growth and had little effect on poverty reduction. Average per capita annual income is less than $600 and approximately two-thirds of Honduran households live in poverty. Along with the rest of Central America, Honduras is suffering from a long-term economic crisis both in its agricultural and manufacturing sectors. The socioeconomic circumstances, i.e. lack of employment, insufficient policing, etc., have lead to increased crime and personal security problems in Honduras. The increasing crime rate also stems from a rising prevalence of gangs in Honduras, as well as organized gangs in Honduran immigrant groups in the United States. This dramatically deteriorating security situation is another serious disincentive to investment. Furthermore, the influence of special interests represents a direct challenge to the application of the rule of law and limits the public's confidence in the democratic system and the notion of equal protection under the law. Combined with chronic shortcomings in the provision of adequate education and health services, these daunting and persistent challenges contribute to the growing disappointment felt by many Hondurans that democracy has failed to deliver on its economic and social expectations.

> More and more Hondurans are migrating to the U.S. for economic reasons. It is estimated that over 600,000 Honduran immigrants live in the U.S., most of whom are illegal.

> Honduras has the largest concentration of HIV/AIDS in Central America.

A new presidential administration, under the Nationalist Party leadership of Ricardo Maduro, entered office on January 27th, 2002. Maduro, a successful businessman and former president of the Central Bank of Honduras, was elected primarily on his promises to transform Honduras into a safer and more prosperous country in which to live, work, invest, and visit. His strategy is based on the following seven pillars: 1) personal security and secure property rights; 2) democratic reform; 3) economic growth with equity; 4) human resource development; 5) combating corruption; 6) environmental sustainability; and 7) a just foreign policy. These pillars are similar to the Stockholm Principles announced by the donor community in responding to Hurricane Mitch devastation in May 1999, and echoed nearly two years later in the white paper on transformation delivered by the U.S. Ambassador on behalf of the highly successful Donors' Follow-up Group (now the G-15).

The incoming government will benefit greatly from the post-Hurricane Mitch reconstruction program of the past three years and successful negotiation with the International Monetary Fund (IMF) of the third-year Poverty Reduction Growth Facility (PRGF) in October 2001. Approximately two-thirds of the $2.7 billion that the international donor community pledged in Stockholm in May 1999 has been disbursed and most of the critical public infrastructure that was destroyed by Hurricane Mitch has not only been replaced, but has been built back better. Along with approving the third year of the PRGF and disbursing $136.5 million in the last quarter of 2001, the International Financial Institutions also approved Honduras's Poverty Reduction Strategy Paper, which entitles Honduras to greater interim debt relief next year and eligibility to receive full Heavily Indebted Poor Country (HIPC) debt relief in October 2002 if it complies with PRGF program conditionality. Honduras's total debt burden is $4.1 billion, the equivalent of 76% of its GDP.

THE USAID PROGRAM:

FY 2002 Estimate: $33.147 million *FY 2003 Request: $40.286 million*

The Program Data Sheets provided below cover the six ongoing objectives for which USAID is requesting FY 2002 and FY 2003 funds. These six objectives concentrate on economic reactivation to meet the needs of the poor, sustainable and integrated management of water resources, improvements in family health, strengthened rule of law and respect for human rights, improved access to basic education and skills, and more responsive and effective municipal governments. USAID is currently preparing its follow-on strategy with strong links to the Honduran Poverty

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Reduction Strategy Paper and a focus on the long-term transformation issues critical to Honduras' social, economic, and political development. The new strategy will be designed to ensure that its programs maximize the combined impact of its initiatives on the pressing needs for economic growth, transparency, and decentralization and fundamental reforms in the judicial, health, and education sectors.

It should also be noted that the activities identified herein complement the areas of emphasis included under the new Partnership for Prosperity initiative, including, but not limited to, efforts to assist small farmers in producing non-traditional crops and improving their competitiveness through improved technologies and marketing; improving trade and investment policies; promoting financial sector reforms; continued strengthening of disaster mitigation capabilities at the national and local levels; improved education and youth employment; and assistance for anti-corruption initiatives.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED: The USAID program in Honduras includes the following objectives for which USAID is not requesting new funds, but is continuing to expend funds already appropriated.

Number	Title	Last Notified	Planned Completion
522-005	Critical Hurricane Reconstruction Needs Met	FY02 CBJ, p.340	FY 2002

OTHER PROGRAM ELEMENTS: With funding from the Central America Regional Program (G-CAP) trade negotiators and administrators are trained in trade, labor, and energy policies in order to prepare for Honduran integration into hemispheric markets. G-CAP's regional environmental program focuses on border areas and supports implementation of the Central America - U.S. Agreement's (CONCAUSA) commitments to biodiversity conservation and environmental legislation. G-CAP's regional HIV/AIDS program increases the capacity of local organizations to deliver HIV/AIDS services and information. Honduras has benefited from programs managed by USAID's Office of Regional Sustainable Development (LAC/RSD) to strengthen regional mechanisms to promote human rights, fortify government accountability, and promote decentralization and local governance.

Through its farmer-to farmer program, the Office of Private and Voluntary Cooperation (DCHA/PVC) funds short-term, U.S. volunteer technical assistance to increase farm and agribusiness productivity and incomes. The Office of Women in Development (EGAT/WID) is funding a study in Honduras to determine the impact of women's integrated literacy programs on social and economic development indicators. In 2000, the Office of American Schools and Hospitals Abroad (DCHA/ASHA) provided funds to the Pan-American Agricultural School (Zamorano) to repair Hurricane Mitch-related damage.

> Overall development assistance to Honduras totaled about $300 million, excluding debt relief, in 2001.

OTHER DONORS: Through the Stockholm follow-up effort, the highly successful G-15 donors group has been working together closely to ensure the full application of the Stockholm Principles of poverty alleviation, environmental protection, accountability and transparency, civil society participation, and democracy. The U.S. has been the largest bilateral donor during the three years following Hurricane Mitch. Other major bilateral donors include: Japan (roads, bridges, agriculture, disaster mitigation); Sweden (bridges, housing, health, statistics); Germany (housing, education, agriculture, forestry); and Spain (municipal infrastructure, justice, education). USAID is coordinating closely with other donors on municipal infrastructure projects, as well as social sector projects such as education, health, justice, transparency, environment, and poverty reduction. The major multilateral lenders in Honduras are the Inter-American Development Bank (public infrastructure, government reform, rural development, education, and health), the World Bank (public infrastructure, government reform, anti-corruption, and education), the IMF (PRGF support), the European Union (municipal and rural infrastructure), and the Central American Bank for Economic Integration (public infrastructure, private sector).

Honduras

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	7,400	8,936	0	0
Child Survival and Health Programs Fund	0	0	13,070	0
Development Assistance	12,633	16,789	15,430	35,096
Economic Support Fund	0	998	1,000	0
PL 480 Title II	9,340	5,270	3,647	5,190
Total Program Funds	**29,373**	**31,993**	**33,147**	**40,286**

STRATEGIC OBJECTIVE SUMMARY				
522-001 Economic reactivation meeting the needs of the poor				
DA	3,900	4,240	3,730	8,830
522-002 Improved Management of Watersheds, Forests, and Protected Areas				
DA	1,200	3,691	2,800	2,600
522-003 Sustainable improvements in family health				
CSD	4,900	5,642	0	0
CSH	0	0	13,070	0
DA	3,533	5,138	0	12,566
PL 480	9,340	5,270	3,647	5,190
522-004 Strengthened Rule of Law and Respect for Human Rights				
DA	1,500	1,900	2,400	3,100
ESF	0	998	1,000	0
522-006 Improved Opportunity to Obtain Basic Education and Vocational Skills				
CSD	2,500	3,294	0	0
DA	0	0	3,500	5,000
522-007 More responsive and effective municipal government				
DA	2,500	1,820	3,000	3,000

PROGRAM DATA SHEET

USAID MISSION: Honduras
PROGRAM TITLE: Economic Policy and Productivity Enhancement Program (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Economic Reactivation Meeting the Needs of the Poor, 522-001
STATUS: *Continuing*
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $3,730,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $8,830,000 DA
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Activities to promote economic growth and reduce poverty are focused in the following areas:

- economic policy analysis and advocacy to support reforms that will foster business development, enhance trade and investment, and reduce poverty;
- technical assistance to microfinance institutions, chambers of commerce, business development services, artisans, and other small and microenterprises in secondary cities;
- technical and/or financial assistance in production, quality control, and marketing of high-value products, including non-traditional agricultural exports; and
- technical assistance to modernize the Honduran dairy sector.

Inputs, Outputs and Activities: *FY 2002 Program:* Based on the recent evaluation of this program, USAID will focus its policy reform work on two or three areas of the Government of Honduras's Poverty Reduction Strategy considered to be cornerstones of the new administration's economic policy reform agenda. Potential areas of technical assistance are: trade and investment policy; fiscal policy and management of the Heavily Indebted Poor Country (HIPC) debt relief funds; financial sector reforms; and the problem of excessive debt in the agricultural sector.

Business development assistance will be directed to private sector firms in two to three secondary cities to address constraints to business development and to facilitate new business formation and growth of existing businesses. In addition, USAID will provide assistance to small farms and businesses that are engaged in production, quality control, transport and marketing of non-traditional agricultural products in domestic and export markets. USAID will continue its successful Dairy Sector Modernization Program, a program that helped facilitate the sector's recovery after Hurricane Mitch, with activities that will continue to make the dairy sector more competitive by improving product quality through farmer training, use of improved technologies, and public marketing campaigns to increase fluid milk consumption.

Planned FY 2003 Program: FY 2003 resources will be used to continue support for policy reforms and business development in secondary cities as well as further development of the non-traditional agricultural export and dairy sectors. In support of the Partnership for Prosperity initiative for Central America and Mexico, FY 2003 funds will be utilized to finance trade and rural development activities designed to build stronger ties within the region in order to reduce poverty. Some funds may also be used to support a new cross-cutting initiative involving the integrated management of water resources, which may contain an agricultural production component.

> The introduction of dollar-denominated Monetary Absorption Certificates and the reduction of banks' reserve requirements helped lower commercial interest rates from 30% to around 20%.

Performance and Results: Major 2001 USAID accomplishments in the policy area included: 1) Development of the Poverty Reduction Strategy Paper (PRSP) prepared by the Ministry of the Presidency National Unit for Technical Support with

assistance from USAID, the IMF, and the World Bank. The PRSP was approved in October 2001 along with interim debt relief under the HIPC initiative; 2) Development of a policy reform agenda with the new government; 3) Comprehensive review of the current monetary policy, exchange and fiscal policy, trade and labor policy, the export incentive framework, and export financing mechanisms; and 4) Establishment of a National Statistics Institute that consolidates and analyzes statistical information from various ministries and produces economic statistics for decision makers.

In support of business development, USAID provided personnel, equipment, and software to the Federation of the Chambers of Commerce in order to establish business information and enterprise development centers in eight secondary cities. These centers, now equipped with business support services, provide marketing information to local businesses.

USAID has also been supporting dairy processors in the development of Honduran cheese and other dairy products for export to specialty markets in the United States. In coordination with assistance from the U.S. Department of Agriculture, the activity helped several dairy processors get their plants certified by the U.S. Food and Drug Administration. The production and marketing assistance in the area of artisan paper manufacturing and decorative accessories helped several groups of women in three cities to develop new products for export to the United States.

> In 2001, USAID-supported microfinance institutions disbursed $52 million, including repeat loans, to over 100,000 clients, of which 79% were women.

At present, about 39% of small and microenterprises are receive USAID-supported financial services. As a result of improved management and oversight, several microfinance institutions (MFIs) reduced repayment delinquency in their loan portfolio.

Long-term efforts from this program will result in a policy environment that fosters business development and enhances trade and investment as well as expands access to markets and services for micro- and small enterprises and producers.

Principal Contractors, Grantees, or Agencies: Policy reform and productivity enhancement assistance is provided through Chemonics and its subcontractors (International Management and Communications Corporation, J.E. Austin Associates, the Investment and Economic Development Foundation, and Management Systems International). Carana Corporation and Action International are providing technical assistance to MFIs. Aid to Artisans develops and markets Honduran artisans' products for export. Two new cooperative agreements made in FY 2002 to Fintrac and Land O' Lakes will implement activities in the non-traditional agricultural export and the dairy sectors, respectively.

US Financing in Thousands of Dollars

Honduras

522-001 Economic reactivation meeting the needs of the poor	DA
Through September 30, 2000	
Obligations	11,085
Expenditures	3,398
Unliquidated	7,687
Fiscal Year 2001	
Obligations	4,239
Expenditures	5,200
Through September 30, 2001	
Obligations	15,324
Expenditures	8,598
Unliquidated	6,726
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	3,730
Total Planned Fiscal Year 2002	
Obligations	3,730
Proposed Fiscal Year 2003 NOA	
Obligations	8,830
Future Obligations	4,000
Est. Total Cost	31,884

PROGRAM DATA SHEET

USAID MISSION: Honduras
PROGRAM TITLE: Effective and Sustainable Water Management (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Management of Watersheds, Forests, and Protected Areas, 522-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,800,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,600,000 DA
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's program to improve natural resource management aims to:

- improve local water and sanitation services;
- reduce flooding and water pollution;
- increase hydroelectric generation and irrigated agriculture;
- increase forest area under sustainable management;
- improve management of environmentally sensitive protected areas;
- strengthen local government capacity for water management, including allocation, regulation, and taxation; and
- increase integration of regional water management functions and decisions.

Inputs, Outputs, and Activities: *FY 2002 Program:* This program is being renotified due to the increasing focus on water services and the addition of new components involving resource management by local governments. USAID will provide training, technical assistance, and supplies to local governments and non-governmental organizations (NGOs) to improve their ability to develop and manage critical water supplies and water services. This direct water management assistance will be complemented by ongoing activities that support sustainable forestry and watershed management through the National Forestry School, as well as by small operational grants to local environmental organizations that manage environmentally sensitive protected areas. The forestry activities will focus on watersheds that are critical to drinking water supplies. The protected areas will serve as models of effective water management in highly sensitive ecological systems. Training will include collection and management of basic hydrological and land use data, analysis of water resource constraints and opportunities, water use planning, and organization and administration of inter-municipal water districts.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: USAID plans to continue the above activities. In addition, USAID's Hurricane Mitch reconstruction program has highlighted new opportunities that USAID will consider implementing in FY 2003, including direct support for improving integrated water management. Technical assistance will help local governments improve the application of user fees, enforcement of regulations governing the protection of water supplies, allocation and use of water resources, and administration of public services related to water use. Additional assistance may include technical input or funding to support the design or installation of water and sanitation systems, development of small-scale hydroelectric generation, development of low-cost micro irrigation, small-scale water harvesting, water quality monitoring, and design of flood and landslide management infrastructure. Grants will be made to local governments and water stakeholder groups that could include materials and supplies to permit improving the management and quality of water systems, irrigation, etc. with a focus on complementing sustainable economic growth while safeguarding one of the most vital of all natural resources, water.

Performance and Results: This program will result in increased access to potable water; improved water quality; better use of water for household, agricultural, and industrial wastes; reduced damage from landslides and flooding caused by seasonal rainfall patterns; less susceptibility of agriculture to seasonal droughts; and a more equitable allocation of limited water resources among competing stakeholders. More land in critical watersheds will be dedicated to sustainable forestry management. There will be an increase in the recreational and educational use of protected areas, and a decrease in illegal poaching, logging, and settlement in these areas.

The aggregate impact of these results will be seen in the improved health of participating communities, increased income through energy and irrigation uses of water, more equitable access to water for domestic and productive uses, and reduced damage and loss of property and life from flooding and drought.

> Through USAID assistance, 17 NGOs have become capable of effectively managing protected areas, and 118,000 hectares of protected area have been brought under effective management.

USAID has a history of successful achievement of natural resource management objectives in Honduras, which have historically been targeted at the individual family or farmer. To date, 32,000 hectares of forest land have been converted to sustainable management, and 6,500 hectares of farmland have adopted land and soil conserving technologies. Under the current program, these results will be broadened through a shift of focus from the family and farm to the community, municipality, and regional management organizations.

Principal Contractors, Grantees, and Agencies: USAID will continue to develop the long-standing and successful relationships in natural resource management that have been developed over many years with Honduras' centers of excellence, including the Honduran Environmental and Development Foundation (Vida), the National Forestry School, the Central American Technological University, and the Pan-American Agricultural School (Zamorano), (all primary partners). Technical assistance will be provided through an existing Integrated Water Resource Management Indefinite Quantity Contract and through limited-scope Participating Agency Service Agreements with U.S. Government agencies that have been successful partners in Hurricane Mitch reconstruction, including the U.S. Geological Survey, U.S. Army Corps of Engineers, and U.S. Department of Agriculture. Grantees under the program will include local and U.S. NGOs, municipalities, and regional water management organizations.

US Financing in Thousands of Dollars

Honduras

522-002 Improved Management of Watersheds, Forests, and Protected Areas	DA
Through September 30, 2000	
Obligations	27,267
Expenditures	24,825
Unliquidated	2,442
Fiscal Year 2001	
Obligations	3,691
Expenditures	1,753
Through September 30, 2001	
Obligations	30,958
Expenditures	26,578
Unliquidated	4,380
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	2,800
Total Planned Fiscal Year 2002	
Obligations	2,800
Proposed Fiscal Year 2003 NOA	
Obligations	2,600
Future Obligations	2,800
Est. Total Cost	39,158

PROGRAM DATA SHEET

USAID MISSION: Honduras
PROGRAM TITLE: Sustainable Improvements in Family Health (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Sustainable Improvements in Family Health, 522-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $13,070,000 CSH; $3,647,000 PL 480
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $12,566,000 DA; $5,190,000 PL 480
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The program to improve family health in Honduras aims to:

- increase reproductive health/family planning through both public and private sector agencies;
- improve child survival through health reform;
- prevent the spread of HIV/AIDS through both public and private agencies;
- expand infectious disease prevention/control with a focus on malaria, dengue, and tuberculosis;
- increase household food security (Title II) through the efforts of CARE.

Inputs, Outputs and Activities: *FY 2002 Program:* This program is being renotified due to the increase in CSH resources, primarily for expanded activities to address HIV/AIDS. FY 2002 CSH resources for family planning and reproductive health will support both private and public sector institutions, including the Honduran Family Planning Association, the largest non-governmental provider of family planning services, to expand quality reproductive health and family planning services. In addition, training, technical assistance, and contraceptives will be provided to strengthen and expand reproductive health and family planning services through the Ministry of Health service network, complementing the private sector program. All relevant contracts and grants have incorporated clauses implementing the reinstated Mexico City Policy.

FY 2002 CSH resources will also support activities in the areas of HIV/AIDS, child survival, and infectious disease. USAID will support an umbrella non-governmental organization (NGO) that will fund 15 Honduran NGOs working closely with the communities most affected by HIV/AIDS to educate at-risk groups and encourage behavior change, HIV testing and counseling, and increased condom use. This will be one component of a nationwide AIDS education campaign. With CSH resources for child survival, USAID will provide technical assistance, training for community and government health workers, and commodities to expand community child growth monitoring, integrated management of childhood diseases, immunization, emergency pediatric care, and strengthened neonatal care. Assistance includes technical support for national and local health reforms to stimulate decentralized, integrated service planning and management. With CSH resources for infectious disease, USAID will support improved case finding, rapid diagnosis through improved laboratories, and prompt treatment for malaria, dengue, and tuberculosis. Specifically, USAID will fund training for 100 community-level first-line workers to identify and treat malaria and dengue cases, a special study to assess linkages between tuberculosis and HIV infections, and wider application of the directly observed treatment system for tuberculosis.

FY 2002 P.L. 480 Title II food resources will be used to support maternal and child health, crop diversification, and community management activities organized by CARE.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: FY 2003 funds for family planning and reproductive health may be used for continued support, including contraceptives, of the Honduran Family Planning Association to

strengthen, expand, and diversify its quality reproductive health and family planning services and further its sustainability. A plan for expanding commercial market availability of moderately-priced contraceptives may be implemented to broaden outlets to respond to demand. Based on reviews of 2002 results, USAID intends to support additional training, technical assistance, and contraceptives to expand coverage of reproductive health and family planning services through the government network. USAID also expects to use FY 2003 funds to continue to support activities identified above that build on its FY 2002 program in the key areas of HIV/AIDS, child survival, and infectious disease.

FY 2003 P.L. 480 Title II food resources may be used to support expansion of CARE and other cooperating agency activities to improve nutritional levels and household food security.

Performance and Results: Principal long-term outcomes of this program include: 1) increased use of reproductive health services, including family planning; 2) increased awareness of HIV/AIDS and increased use of preventive practices, including increased condom use and expanded HIV testing and counseling; 3) national and local health reforms that promote decentralized, integrated health services planning, management, and implementation; 4) increased use of and effectiveness of malaria, dengue, tuberculosis prevention and control services; and 5) improved household food security in target areas of greatest vulnerability.

FY 2001 was a year of exceptional performance outcomes: A self-sustaining national condom social marketing program was launched and two USAID grantees (the Association of People Living with AIDS and the Central American AIDS Action Program) successfully lobbied the Honduran Congress to fund anti-retroviral drugs. Major expansions of integrated community child care and Integrated Management of Childhood Diseases activities, coupled with strengthened reproductive health and family planning services, reached an estimated 150 communities. And the Honduran Family Planning Association, which provides one third of all family planning services in the country, expanded its clinic and community services to 12 new areas.

The USAID-supported 2001 National Epidemiological and Family Health Survey documented some dramatic changes since the 1996 survey. The proportion of couples practicing modern family planning increased 10% over the past five years, from 40% to 50% nationally. As the only major donor in family planning, USAID can directly link its support with better-than-expected achievement in this area. One major part of the increase in family planning was greater use of the injectable contraceptive, Depo-Provera, from near zero in 1996 to 10% of all contraceptive use in 2001. In fact, use of Depo-Provera, which USAID helped introduce and supply to the national health program, jumped from 40,000 to 400,000 doses in a little over one year. USAID also contributed to services that produced improvements in infant mortality, prenatal and delivery care coverage, and malnutrition in children under age five.

> The total fertility rate decreased more than 10%, from 4.9 in 1996 to 4.4 in 2001.

The P.L. 480 Title II program contributed to reduced childhood malnutrition in extremely poor municipalities in western Honduras through a focus on the following key food security variables: 1) Increasing the availability of and access to food through increased local production, creation of market infrastructure, and road construction and improvement; 2) Increasing the biological utilization of food through improved maternal child care and improved access to and use of health services; and 3) Improving communities' capability to manage food security.

Principal Contractors, Grantees or Agencies: Primary partners include the Ministry of Health, the National Water Authority, the Honduran Family Planning Association, the Foundation Fostering Health, CARE, and the Centers for Disease Control and Prevention. In addition, USAID funds 12 Global Health Bureau cooperating agencies providing technical assistance to various activities.

US Financing in Thousands of Dollars

Honduras

522-003 Sustainable improvements in family health	CSD	CSH	DA
Through September 30, 2000			
Obligations	25,512	0	85,317
Expenditures	19,036	0	81,659
Unliquidated	6,476	0	3,658
Fiscal Year 2001			
Obligations	5,642	0	5,488
Expenditures	6,119	0	4,447
Through September 30, 2001			
Obligations	31,154	0	90,805
Expenditures	25,155	0	86,106
Unliquidated	5,999	0	4,699
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	13,070	0
Total Planned Fiscal Year 2002			
Obligations	0	13,070	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	12,566
Future Obligations	0	0	10,300
Est. Total Cost	31,154	13,070	113,671

PROGRAM DATA SHEET

USAID MISSION: Honduras
PROGRAM TITLE: Strengthened Rule of Law and Respect for Human Rights (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Strengthened Rule of Law and Respect for Human Rights, 522-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,400,000 DA; $1,000,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $3,100,000 DA
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The Strengthened Rule of Law and Respect for Human Rights Program is working in five areas:

- assistance to justice sector institutions for the implementation of the new oral/adversarial Criminal Procedures Code, which goes into effect in February 2002;
- support for an independent and effective Judiciary;
- support for an independent and effective Public Ministry (Attorney General's Office);
- broader, more effective civil society participation in and monitoring of judicial reform; and
- a changed mindset regarding the rule of law through participant training and study tours abroad.

Inputs, Outputs and Activities: *FY 2002 Program*: USAID will work to foster commitment and support by the new Honduran government that will take office in January 2002 for the long-awaited full implementation of the revolutionary new criminal justice system introduced by the new Criminal Procedures Code (CPC). USAID will use FY 2002 ESF funds to support the Attorney General's Office in its new protagonist role under this new Code and continue to foster commitment for the reform process from young, academically excelling law school students.

USAID will use FY 2002 DA funds for technical assistance and training to: build leadership and ownership for the new criminal justice system among new justice sector actors who will take oath in January 2002; produce information about CPC implementation results to build and strengthen support for the new system; carry out information campaigns about the new Code through a local umbrella non-governmental organization, the Federation of Private Development Organizations (FOPRIDEH); establish alliances with other potential CPC supporters; and improve the organizational, technical and institutional capacity of the Public Defenders Office.

Planned FY 2003 Program: USAID plans to use FY 2003 DA resources for follow-on activities in the same areas discussed above, with a primary focus on consolidating implementation of what will be the second year of the CPC and assisting the populace in understanding the new procedures. USAID will continue exploring the possibility of expanding assistance to other rule of law and justice sector activities in the medium- to long-term, including electoral reforms, transparency and accountability in government, anticorruption initiatives, civil procedures, and property registry resources. Up to $1.0 million will support USAID's conflict prevention initiative.

Performance and Results: A FOPRIDEH-led coalition of five intersectoral organizations generated public pressure for passage and subsequent ratification of the constitutional amendment for an independent judiciary and secondary legislation, including a law requiring board nomination of Supreme Court magistrates. Civil society pressure was key in obtaining congressional ratification of the amendment, and local organizations have been closely monitoring the crucial nomination process for court magistrates.

USAID-financed activities were critical in fostering new leadership to support the preparatory phase of the new CPC and establishing a key inter-institutional commission of planning for CPC implementation.

USAID has provided support to strengthen the abilities of courts to monitor judicial performance and combat malfeasance through the full implementation of an automated criminal case tracking system in three criminal courts. Transparency of the justice system has also increased through the implementation of a Citizen Information Center to allow individuals access to information on the status of criminal cases.

The Attorney General's Office has continued to play a strong role in the CPC inter-institutional commission. In spite of limited resources, it has been able to move forward with the most critical aspects in the implementation of the CPC transition plan, particularly in using the new plea bargaining mechanism to reduce the backlog of criminal cases. All prosecutors nationwide received intensive, practical training in oral advocacy skills through a long-term advisor under a Department of Justice-USAID interagency agreement.

By program completion, oral adversarial criminal procedures embodied in the CPC will be institutionalized; justice sector interinstitutional coordination relating to CPC implementation will be improved; people will be more knowledgeable of their rights and guarantees; and a critical mass of law school graduates will have a more ethical and professional approach to criminal proceedings and the practice of law. Also, the judiciary system and the Public Ministry will have more effective and efficient operations and judicial delay will be reduced.

Principal Contractors, Grantees, or Agencies: USAID anticipates program activities will continue to be implemented by its primary partners including DPK Consulting, a court-based institutional contractor; the Department of Justice, as it closes out its agreement with USAID on behalf of the Attorney General's Office; FOPRIDEH, the local umbrella NGO; and key Government of Honduras institutions, including the Judiciary and the Attorney General's Office. Selected law schools are subcontractors under the study tours activity.

US Financing in Thousands of Dollars

Honduras

522-004 Strengthened Rule of Law and Respect for Human Rights	DA	ESF
Through September 30, 2000		
Obligations	9,627	17,900
Expenditures	7,017	17,900
Unliquidated	2,610	0
Fiscal Year 2001		
Obligations	2,100	996
Expenditures	2,564	16
Through September 30, 2001		
Obligations	11,727	18,896
Expenditures	9,581	17,916
Unliquidated	2,146	980
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	2,400	1,000
Total Planned Fiscal Year 2002		
Obligations	2,400	1,000
Proposed Fiscal Year 2003 NOA		
Obligations	3,100	0
Future Obligations	3,400	0
Est. Total Cost	20,627	19,896

PROGRAM DATA SHEET

USAID MISSION: Honduras
PROGRAM TITLE: Basic Education and Skills Training (BEST) (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Opportunity to Obtain Basic Education and Vocational Skills, 522-006
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 3,500,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 5,000,000 DA
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Education activities through the provision of technical assistance and training will focused on the following areas:

- the out-of-school education program, Education for All (EDUCATODOS);
- vocational training with basic education; and
- education policy reform and project promotion

Inputs, Outputs and Activities: *FY 2002 Program*: As a new administration takes office in early 2002, USAID expects to provide increased support to the Ministry of Education for education reform activities including curriculum development, teacher training, and managerial reform, as well as materials and program development.

USAID's work in the education sector will focus on continuing to support and expand the out-of-school education program, Education for All (EDUCATODOS). With strong support from Hurricane Reconstruction Program funds, EDUCATODOS has been able to accelerate development of a completely new and very innovative middle school (Grades 7-9) program. USAID will provide support for the completion of the middle school program and expansion of delivery of both the Grades 1-6 and Grades 7-9 programs throughout the country in partnership with municipal governments, non-governmental organizations, and private enterprise. USAID is working to ensure the passage of a law by mid-2002 that will enable EDUCATODOS to become a semi-autonomous agency of the Ministry of Education, thereby allowing it to market materials and services, as well as manage its own funds.

With the assistance of a USAID-funded contractor, the Center for Development of Human Resources (CADERH) will provide required services to 34 vocational centers in its network. USAID proposes to sign a new cooperative agreement to provide limited financial support during the period of government transition and start-up of the new centers in FY 2002 and FY 2003.

USAID will continue to provide technical assistance, training, and limited commodities for the Save First Cycle program in the Department of Comayagua, which will reduce repetition in the early grades by 50% and increase student achievement. Teachers are trained in lesson planning, communicating with parents, testing methods, and providing more help to needy students. USAID will also continue to support the Ricardo Ernesto Maduro Andreu Education Foundation (FEREMA, an educational foundation established in memory of the President-elect's son), which manages the Interactive Radio Instruction (IRI) Grades 1-3 Mathematics program. This program provides support to classroom teachers through the use of half-hour IRI programs broadcast into classrooms.

Planned FY 2003 Program: FY 2003 funds will be used to continue support for EDUCATODOS, CADERH, the Save First Cycle program, and FEREMA. In addition, FY 2003 funds may be used to support activities under a cross-cutting initiative focusing on the integrated development of

intermediate cities and their surrounding areas (an initiative currently being developed for USAID's new strategic plan for Honduras).

Performance and Results: Principal outcomes of this program include: 1) Increased number of Hondurans completing quality primary education; and 2) Increased number of Hondurans acquiring marketable skills for employment.

The EDUCATODOS Grades 1-6 program enrolled approximately 45,000 students per semester in CY 2001 (a student can complete one grade per semester). Over 3,000 students were enrolled in the pilot Grade 7 program (the Grade 7-9 programs are each eight months in length).

With USAID support, nine new vocational centers and additions to five existing centers were constructed and equipped. In addition, new curriculum and training programs were developed and center directors and instructors received intensive training through USAID-assisted programs. The CADERH network of vocational centers certified more than 1,500 young people in various skill areas in 2001, and it is expected that more than 80% will readily find jobs in the areas in which they are certified. As a result of the new up-to-date curricular materials and ongoing training programs, it is expected that in the next two years the vocational centers will be able to increase efficiency and graduate more and better skilled young people at a faster rate.

The Save First Cycle program began in late 2001 and is showing initial improvements in student achievement with potential to reduce repetition rates in CY 2002. The IRI math program managed by FEREMA reached 80% of all first and second grade classrooms and 25% of third grade classrooms in 2001. Test results at the second grade level in IRI and non-IRI classrooms show a difference of 11.9 points favoring the IRI students.

USAID funds 32% of Interactive Radio Instruction's total program costs. These funds have helped leverage private contributions to the program, including free airtime on 26 radio stations nationwide.

Principal Contractors, Grantees or Agencies: USAID's activities are implemented through its primary partners: the Ministry of Education, Fernández, Fortín, Bográn & Associates, the Center for Development of Human Resources (CADERH), the Ricardo Ernesto Maduro Education Foundation (FEREMA), DevTech Systems Inc., and American Institutes for Research. Oklahoma State University, Stassano & Associates; Education Development Center, Juárez & Associates, Academy for Education Development, and the University of Pittsburgh are all subcontractors.

US Financing in Thousands of Dollars

Honduras

522-006 Improved Opportunity to Obtain Basic Education and Vocational Skills	CSD	DA
Through September 30, 2000		
Obligations	8,425	4,685
Expenditures	4,315	4,670
Unliquidated	4,110	15
Fiscal Year 2001		
Obligations	3,294	0
Expenditures	2,607	13
Through September 30, 2001		
Obligations	11,719	4,685
Expenditures	6,922	4,683
Unliquidated	4,797	2
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	3,500
Total Planned Fiscal Year 2002		
Obligations	0	3,500
Proposed Fiscal Year 2003 NOA		
Obligations	0	5,000
Future Obligations	0	3,500
Est. Total Cost	11,719	16,685

PROGRAM DATA SHEET

USAID MISSION: Honduras
PROGRAM TITLE: Municipal Development Project (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: More Responsive and Effective Municipal Government, 522-007
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 3,000,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $60,000 DCA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 3,000,000 DA
INITIAL OBLIGATION: FY1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Efforts to promote an increased role for local governments in responding to citizen needs focuses on improving and increasing:

- citizen participation in local government decision-making;
- autonomy from the center for municipalities;
- capacity to respond to citizens needs;
- coverage of basic services (water, sewage, and refuse collection); and
- municipal income and greater administrative efficiency by participating municipalities.

Inputs, Outputs and Activities: USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. Municipal governments represent the most direct linkage to people and are best positioned to respond to the specific needs of local citizens. However, municipal officials often lack the experience and background to deal effectively with demands, as well as the managerial and financial resources they require to respond to citizen needs. USAID-supported municipal development activities work at the national level to promote decentralization and greater autonomy for municipalities, transparency, and effectiveness of municipal government with corresponding citizen participation.

FY 2002 Program: USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. USAID will continue working through the Honduran Association of Municipalities to address national policy issues and develop programmatic priorities. Technical assistance to municipalities for planning, financial management, and financing options will be provided through a local non-governmental organization. Training for local government officials will be provided through appropriate study courses offered by a local university. USAID has provided technical assistance to newly resettled populations (people displaced by Hurricane Mitch) to ensure their sustainability as viable communities. Mitigation and disaster preparedness activities will continue to be a component of USAID assistance.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to expand activities to strengthen local governments. Technical assistance will continue to focus on strengthening financial management systems, improving public works units, enhancing citizen participation, and formulating activities for economic growth and emergency disaster preparedness. In addition, USAID plans to utilize the Development Credit Authority program to assist municipalities in financing the demand for urban infrastructure. In addition, FY 2003 funds may be used to support activities under a cross-cutting initiative focusing on the integrated development of intermediate

cities and their surrounding areas (an initiative currently being developed for USAID's new strategic plan for Honduras).

Performance and Results: Principal outcomes of this program include: 1) increased participation in local government decision-making; 2) increased coverage of basic services (water, sewage, refuse collection) by municipalities; and 3) increased municipal income. Decentralization and increased autonomy for municipalities are the long-term goals of this project.

USAID municipal development activities made significant gains in the past year and benefited greatly from synergies derived from the implementation of the Hurricane Mitch reconstruction activities focused on related issues. Training was provided to more than 9,800 people from 305 municipalities to better manage and protect natural resources, plan for and mitigate disasters, collect and manage city revenues, and foster citizen participation. USAID-supported technical assistance helped municipalities formulate ten-year urban development strategies incorporating projects identified by the community as priorities. Assistance was also provided to municipalities to help them to improve administrative, accounting, and public works systems. These efforts have strengthened all municipalities, making them less vulnerable economically and structurally to future natural disasters.

> USAID programs assisted displaced persons relocated after Hurricane Mitch to create social structures capable of managing community issues related to housing, employment, recreation, and basic services.

Between 2000 and 2001, the average annual income for participating municipalities increased 15.4% as a result of USAID assistance. The average proportion of dwellings receiving water, sewage, and refuse collection grew 3% over 2000 levels. USAID's Municipal Credit Program has disbursed more than 1,000 loans averaging $500 each – with a default ratio of only 2% - 3% – benefiting more than 6,000 individuals with improved sanitation and living conditions. USAID is in the final stages of negotiating a Development Credit Authority loan portfolio agreement with a private Honduran bank. This new activity is expected to result in greater availability of private loan funds for fiscally responsible municipalities, thereby allowing them to finance a growing demand for urban infrastructure.

Major Contractors and Grantees: Primary partners include the Honduran Association of Municipalities, the Foundation for Municipal Development, the Central American Technological University, and the Cooperative Housing Foundation.

US Financing in Thousands of Dollars

Honduras

522-007 More responsive and effective municipal government	CSD	DA	DCA
Through September 30, 2000			
Obligations	11,950	17,572	0
Expenditures	3,226	14,575	0
Unliquidated	8,724	2,997	0
Fiscal Year 2001			
Obligations	0	1,820	0
Expenditures	462	2,304	0
Through September 30, 2001			
Obligations	11,950	19,392	0
Expenditures	3,688	16,879	0
Unliquidated	8,262	2,513	0
Prior Year Unobligated Funds			
Obligations	0	0	60
Planned Fiscal Year 2002 NOA			
Obligations	0	3,000	0
Total Planned Fiscal Year 2002			
Obligations	0	3,000	60
Proposed Fiscal Year 2003 NOA			
Obligations	0	3,000	0
Future Obligations	0	3,000	0
Est. Total Cost	11,950	28,392	60

JAMAICA

THE DEVELOPMENT CHALLENGE: During the last decade, the Jamaican economy has been adversely affected by persistently poor performance, registering an average annual growth rate of only 0.2%. The Economic and Social Survey of Jamaica (2000) shows that in 1999 the GDP growth rate was -0.4%. This has had a cumulative effect on major productive sectors of the economy, resulting in a decline in government revenues and, therefore, a shortage of funds to meet the growing needs of essential social services, such as education and health. An additional burden was placed on the fiscal budget by the Government of Jamaica's (GOJ) heavy debt portfolio, which amounted to $3.9 billion or 115.1% of GDP in 1999. Unemployment levels remained high at 15.5% in 2000, with 18.7% of the population living below the poverty line.

In early September 2001, the economy showed signs of possibly attaining a 2% growth rate by the end of 2001. However, the prolonged effects of the global recession, followed by the terrorist attacks in the United States on September 11, and a major flood in the north-eastern part of the island in November threatened to reverse the positive trends. Flood relief and reconstruction efforts are estimated to reach over $22 million. Tourism traditionally contributes a very significant one-sixth of GDP, but is projected to decline precipitously (by up to 18%) in the wake the attacks. The agricultural sector has been negatively impacted by both the floods and the attacks.

Economic growth has been stifled not only by the GOJ's high interest rate policy, but by significant impediments to trade and investment. There is also a growing need to safeguard the country's natural resources in the interior highlands, watersheds, and coastal shoreline, particularly given Jamaica's dependence on tourism. Jamaica's social indicators are disturbing. Poverty has given rise to increased school absenteeism, and deteriorating literacy and numeracy rates, furthering the cycle of unemployment and increased crime. Pressure is intensifying on the nation's ill-equipped security force and heavily backlogged judicial system. The number of AIDS cases has risen, indicating the need to quickly contain the rate of infection, especially among high-risk groups. Given Jamaica's history of violence during pre-election campaigning, an increase in the number of murders is anticipated as Jamaica moves toward general elections, which will be held before March 2003.

> There were approximately 200,000 youths age 15-24 who were neither in school nor employed in 2001.

U.S. national interests in Jamaica focus on strong trade and investment ties, cooperation in regional and international fora, reduction in the production and export of illegal drugs, and enhanced security of U.S. citizens.

THE USAID PROGRAM:

FY 2002 Estimate: $13.292 *FY 2003 Request:* $15.980 million

FY 2002 funds will be used to provide technical assistance and training in natural resource management, reproductive health and related efforts to combat the spread of HIV/AIDS, education, microenterprise, democracy, and inner-city development. FY 2003 funds will be utilized to expand in similar areas, with particular emphasis on environmental policy reform, reducing constraints to business, broader reach of health and HIV/AIDS awareness programs, and greater community involvement in education and reducing violence. The Program Data Sheets provided below cover six objectives for which USAID is requesting funds. These six objectives seek to (1) address deficiencies in the small, medium, and micro-enterprise business sectors; (2) encourage sustainable management practices in Jamaica's key natural resources; (3) improve reproductive health of youth; (4) improve the numeracy and literacy skills of youth; (5) promote good governance as a way of improving citizen security; and (6) bring about a reduction in unemployment and crime in two inner-

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city communities. The specific on-going programs to be funded by the FY 2003 request are described in more detail in the following Program Data Sheets.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 or FY 2003 FUNDING IS REQUESTED: Not applicable.

OTHER PROGRAM ELEMENTS: In addition to the bilateral program, USAID is carrying out regional and centrally-funded activities in Jamaica. Disaster mitigation activities promote sustainable development by reducing risk and mitigating damage of natural disasters, and by establishing an effective framework for disaster management in the region. In the areas of trade and economic growth, USAID activities work to enhance the capacity of the Jamaican trade ministry to analyze, negotiate, and implement regional and worldwide trade agreements and related agricultural import standards and regulations. USAID is also supporting agricultural research initiatives to improve farming technologies as well as the expansion of the Jamaica Rural Agricultural Development Authority, which will enhance the sustainability of Jamaica's remarkable natural resource base. Additionally, USAID supports the efforts of the Jamaican Exporters Association to raise the quality, and reduce pest infestation, of Jamaican tropical crops. In the democracy sector, USAID's regional program is working to increase the effectiveness of the court system through judicial training.

USAID also has an active Denton Amendment program in Jamaica, which facilitates the arrival of approximately 30 to 40 humanitarian freight shipments per year from non-governmental organizations (NGOs) in the United States. These shipments are transported on U.S. military flights to Jamaica and USAID provides programmatic and logistical support to our U.S. NGO partners. Additionally, USAID supports U.S. NGO Food for the Poor's participation in the U.S. Government's excess property program. With USAID approval and assistance, Food for the Poor coordinates the shipment and distribution of humanitarian commodities to Jamaica and other countries in the region.

OTHER DONORS: Major multilateral donors to Jamaica include the Inter-American Development Bank (IDB), the largest contributor, which provides funds for direct budgetary support, agricultural services support, poverty alleviation, security and justice, primary education, parish infrastructure development, and other social infrastructure projects. The World Bank supports education, poverty eradication, public sector and financial reform, export development and financial sector reform. The European Union (EU) mainly supports poverty alleviation and infrastructure development. The Caribbean Development Bank (CDB) focuses on development finance to support fiscal reform, poverty alleviation, institutional strengthening, tourism, infrastructure development, and agricultural development. Major bilateral donors include the United Kingdom, through the Department for International Development (DFID), which provides funds for education, poverty reduction and good governance, along with a debt relief facility. The Canadian International Development Agency (CIDA) contributes funds in the areas of economic competitiveness, environmental management, governance, poverty alleviation, and early childhood education. The Government of Japan also supports infrastructure and cultural projects.

Jamaica

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	3,357	4,116	0	0
Child Survival and Health Programs Fund	0	0	2,821	0
Development Assistance	7,810	7,685	9,471	15,980
Economic Support Fund	500	1,497	1,000	0
Total Program Funds	**11,667**	**13,298**	**13,292**	**15,980**

STRATEGIC OBJECTIVE SUMMARY				
532-002 Improved Quality of Key Natural Resources in Selected Areas that are both Environmentally and Economically Significant				
DA	3,465	2,989	3,203	3,642
532-003 Improved reproductive health of youth				
CSD	875	1,247	0	0
CSH	0	0	2,821	0
DA	1,120	1,896	0	2,270
532-004 Increased Literacy and Numeracy among Targeted Jamaican Youth				
CSD	2,482	2,869	0	0
DA	750	100	3,678	4,678
532-006 Improve Business Environment for Developing the Small, Medium, and Micro Enterprise Sectors				
DA	1,975	2,200	2,090	2,590
532-007 Improved economic and social conditions in targeted inner city communities				
DA	500	500	500	0
ESF	500	500	500	0
532-008 Improved Citizen Security and Participation in Democratic Processes				
DA	0	0	0	2,800
ESF	0	997	500	0

PROGRAM DATA SHEETS

USAID MISSION: Jamaica
PROGRAM TITLE: Sustainable Improvement of Natural Resources (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Quality of Key Natural Resources in Selected Areas that are Both Environmentally and Economically Significant, 532-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 3,203,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 3,642,000 DA
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to improve the quality of key natural resources within selected areas of Jamaica involves:

- a small grants program to local non-governmental organizations (NGOs) to implement community-based environmental management projects;
- technical assistance and training to the government, the private sector, community-based organizations (CBOs), and NGOs to develop and implement environment management systems and policies;
- technical assistance and training to wastewater treatment plant operators; and
- an enhanced public awareness campaign.

Inputs, Outputs and Activities: *FY 2002 Program*: FY 2002 DA funds will be used to improve watershed/hillside management and its effects on coastal water quality by providing technical assistance to local NGOs to help implement community-based environmental projects in the Great River Watershed, in areas such as water and sanitation, disease resistant crops, biological soil conservation, and waste management. Approximately 10 wastewater plant operators will be trained in effective wastewater management and the development of a broad program that will enable certification for wastewater operators will be introduced. In addition, technical assistance will be provided to private sector entities, NGOs, and CBOs to carryout water quality sampling and monitoring exercises. Environmental audits will be conducted on 35 small and medium hotels, and seven small manufacturing companies. Promotional materials will be developed to educate the general public on environmental awareness and suggest environmentally friendly methods that could be used while carrying out day to day activities. Technical assistance will be provided to government organizations to develop, adopt, and implement two additional environmental management policies.

Planned FY 2003 Program: During FY 2003, USAID plans to use DA funds to provide technical assistance and training and other support to the following planned activities: watershed/hillside management in the Portland Watershed with emphasis on improving farming practices; development and implementation of a tourist attraction program in the Great River area; drafting of two additional environmental policies; and additional support for on-going environmental interventions.

Performance and Results: Important outcomes of this program will be improved coastal water quality and enforcement of environmental regulations. As a result of USAID activities, data for 2001 at targeted sites reflected water quality within the standards set by both the Government of Jamaica's National Environment and Planning Agency (NEPA) and the U.S. Environmental Protection Agency (USEPA). The faecal coliform data for Ocho Rios indicate that for 2001, the percentage of samples falling within USEPA standards exceeded the target of 77% by 2.4%. Also, coastal

> Using environmentally friendly production techniques, farmers are now successfully cultivating hot peppers.

water quality continues to improve. Six organizations have demonstrated tangible benefits from adopting environmental awareness and best practices during 2001. These organizations introduced environmentally friendly agricultural practices to farmers, and disseminated environmental information in the target areas. For example, through a grant to an NGO, integrated pest management principles are being applied by farmers in the Walkerswood community. The project is helping to reduce soil erosion and pesticide runoff that affects coastal water quality. The farmers are linked to a processing facility for hot pepper sauce that provides a guaranteed market. Encouraging hotels to "go green", environmental audits were conducted on small and medium hotels, an increasing number of which are eagerly embracing more cost effective "green" management practices. Participating hotels have reported significant financial savings and greater prestige in the eco-tourism marketplace. In the policy area, progress was made in the development of two policies with on-going efforts being made toward their adoption and implementation. The Ocean and Coastal Zone Management Policy was tabled in Cabinet and is now being circulated to the public for national consensus. The Environmental Management Systems (EMS) Policy, which brings the number of policy interventions to the targeted five, is awaiting Cabinet's approval.

Principal Contractors, Grantees, or Agencies: The main partners and stakeholders include the National Environment and Planning Agency (NEPA), National Water Commission, the Jamaica Hotel and Tourist Association, the Jamaica Manufacturers' Association, and various non-governmental (NGO) and community-based organizations. Prime contractors and grantees are the P.A. Consulting Group, The Nature Conservancy, and Associates in Rural Development (ARD). ARD has sub-contracts with Cargill Technical Services and Camp, Dresser, McKee.

US Financing in Thousands of Dollars

Jamaica

532-002 Improved Quality of Key Natural Resources in Selected Areas that are both Environmentally and Economically Significant	DA
Through September 30, 2000	
Obligations	5,870
Expenditures	2,767
Unliquidated	3,103
Fiscal Year 2001	
Obligations	2,989
Expenditures	3,494
Through September 30, 2001	
Obligations	8,859
Expenditures	6,261
Unliquidated	2,598
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	3,203
Total Planned Fiscal Year 2002	
Obligations	3,203
Proposed Fiscal Year 2003 NOA	
Obligations	3,642
Future Obligations	5,574
Est. Total Cost	21,278

PROGRAM DATA SHEET

USAID MISSION: Jamaica
PROGRAM TITLE: Improved Reproductive Health (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Improved Reproductive Health of Youth, 532-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 2,821,000 CSH
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 2,270,000 DA
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Child Survival/Health (CSH) and Development Assistance (DA) funds are being used for adolescent reproductive health and HIV/AIDS/STI prevention and control programs that involve:

- small grants for non-governmental organizations (NGOs) to execute adolescent reproductive health activities;
- technical assistance and training to develop and implement multi-sectoral programs in HIV/AIDS and reproductive health;
- training of reproductive health workers;
- public education awareness initiatives on HIV/AIDS and sexually transmitted infections (STI); and
- technical assistance to develop HIV/AIDS and reproductive health policies and guidelines.

Inputs, Outputs and Activities: *FY 2002 Program*: FY 2002 funds will be used to develop and implement a comprehensive, decentralized, and multi-sectoral approach to improve the reproductive health of young Jamaicans and prevent and control the spread of HIV/AIDS and other sexually transmitted infections. USAID-supported activities will establish youth-friendly services in three additional parishes and help local organizations, such as the YMCA, develop referral systems that link reproductive health information, education, and counseling to their existing programs. Training and materials will be provided to staff members to enable them to more effectively provide reproductive health information to youth and refer clients to specialized care providers. Working with school guidance counselors, USAID will utilize existing peer education programs to promote healthy behaviors and increase the use of reproductive health services. USAID will disseminate an electronic information management system to track training in HIV/AIDS/STIs to the parish health centers. As adolescent reproductive health service providers in inner city and rural areas become more effective, new proposals for similar activities will be funded. USAID will also provide technical assistance for the development, adoption, and implementation of youth-friendly policies for adolescent reproductive health.

FY 2002 CSH funds will be used to support the work of the Ministry of Health's HIV Prevention and Control Program. The mass media campaign on reproductive health and HIV/AIDS prevention begun in 2001 will be expanded during 2002. Establishment of a regional training center will be initiated with the goal of training physicians, nurses, and nurse practitioners in the latest medical technology to manage HIV. Additionally, funds will be utilized to implement a "training of master trainers" program to guide and mentor counselors. Counseling services will be expanded to cover at least one-third of antenatal and STI clinics. Also, activities will focus on strengthening the syndromic management of STIs and improving lab efficiency. The program to prevent mother-to-child HIV/STI transmission will be expanded from four parishes to include all parishes. USAID will also provide technical assistance for adoption and implementation of guidelines for HIV/AIDS care and treatment.

Planned FY 2003 Program: USAID plans to utilize DA funds to expand the program to include the following activities: establishment of youth-friendly clinics in three additional parishes; roll-out of the certification and accreditation program for these sites; and development of collaborative relationships between various agencies and sectors working in youth development. USAID also

plans to support the phase-in of rapid testing for HIV, provide technical support for the development of a national monitoring and evaluation plan for the Ministry of Health's HIV/AIDS prevention and control program, and provide assistance to make the regional training center operational.

Performance and Results: Important outcomes of this program will be: increased access to quality reproductive health and HIV/STI services; significantly increased use of quality reproductive health and HIV/STI services and preventive practices; and approval and implementation of national policies and guidelines in support of reproductive health.

Activities to achieve these results are well underway. Specifically, two youth-friendly clinic sites were opened during FY 2001, one school-linked and the other as part of a wellness center. The clinics are offering peer discussion groups, one-on-one counseling, and family-planning referrals including information on STIs and HIV, condom distribution, and contraceptive services. Methodological research, community youth involvement and staff training were executed prior to the opening of these clinics. Approximately 100 individuals were trained as "master trainers" who will in turn conduct training/facilitation. The master trainers include service providers, parents, the religious community, and peer leaders.

USAID's assistance to the Ministry of Health has resulted in the promotion of safe sex messages during the Jamaican Carnival celebration. Community peer educators conduct regular educational sessions on HIV/AIDS and STIs in high-risk venues and a pilot workplace initiative is sensitizing the Jamaican workforce to issues regarding HIV/AIDS transmission. A media campaign was launched in September 2001 that focused on dispelling myths and encouraging consistent condom use. A pilot project cosponsored by USAID and the United Nations Children's Fund (UNICEF) to prevent mother-to-child viral transmission, was also launched in four parishes. The activity provided expectant mothers the opportunity to be tested for HIV and, if positive, to take the drug Neverapine to prevent transmission of the virus to the infant.

A recent survey confirmed that the awareness component of the program was effective – 52% of out-of-school youths and 60 % of in-school youths knew at least two methods of preventing HIV/AIDS transmission.

The adolescent reproductive health team, in partnership with Dunlop Corbin Communications, designed a mass media campaign to equip adolescents with knowledge related to abstinence, healthy lifestyles, delaying sex and early pregnancy, preventing STI/HIV/AIDS, and promoting safer sex through the correct use of condoms and other contraceptives. The mass media campaign is scheduled to move into high gear in 2002. Public relations and advocacy activities were carried out in partnership with the Ministry of Health through seminars, radio interviews, press releases, information booths, and other presentations. A multi-sectoral Policy Working Group was established to support all of the above activities. This group has been active in examining policy guidelines and making recommendations for new policies or legislation to address issues of adolescent reproductive health.

Principal Contractors, Grantees, or Agencies: The primary grantee is the Ministry of Health. Futures is the primary contractor and its subcontractors are Margaret Sanger Center International, John Hopkins Program in International Education in Gynecology and Obstetrics, and Dunlop Corbin Communications. Other primary partners are Family Health International, Academy for Educational Development, and University Research Cooperation.

US Financing in Thousands of Dollars

Jamaica

532-003 Improved reproductive health of youth	CSD	CSH	DA
Through September 30, 2000			
Obligations	1,750	0	1,331
Expenditures	609	0	974
Unliquidated	1,141	0	357
Fiscal Year 2001			
Obligations	1,247	0	1,896
Expenditures	1,847	0	1,817
Through September 30, 2001			
Obligations	2,997	0	3,227
Expenditures	2,456	0	2,791
Unliquidated	541	0	436
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	2,821	0
Total Planned Fiscal Year 2002			
Obligations	0	2,821	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	2,270
Future Obligations	0	0	7,415
Est. Total Cost	2,997	2,821	12,912

Program Data Sheet

USAID MISSION: Jamaica
PROGRAM TITLE: Improving Education Quality in Jamaica (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Literacy and Numeracy among Targeted Jamaican Youth, 532-004
STATUS: Continuing
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $3,678,000 DA
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 4,678,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to increase literacy and numeracy among targeted Jamaican youth includes technical assistance and training to improve:

- quality of teaching;
- learning materials, including provision of commodities;
- management of schools; and
- remedial education for "at risk" youth.

Inputs, Outputs and Activities: *FY 2002 Program:* In FY 2002, DA funds will be used to improve numeracy and literacy skills of targeted children in 72 schools. USAID will focus on training teachers to use innovative approaches, while creating a youth-friendly environment. Teachers will be trained in the areas of cooperative learning and classroom assessment, and will then train other teachers using the new methodologies. Working with the School Development Teams (SDTs), consisting of parents, teachers, and board members, technical assistance and leadership training will be provided for developing and implementing action plans for each school. The plans will provide a holistic approach to operationalizing innovative management techniques and creative techniques to teaching mathematics and language arts. In an attempt to increase school attendance and the performance of children who need nutritional support, a total of 14 schools will receive technical and financial support for a breakfast program. USAID will fund audio-visual, and other equipment, and train resource teachers in the use of new technology. The Jamaica School Administrative System (JSAS) software, which was designed through USAID assistance to provide principals and teachers with an automated management and records keeping system, will be further refined. Training will also be conducted and technical assistance delivered to improve the technical skills of trainers in 12 non-governmental organizations (NGOs) and create innovative approaches to developing a remedial education program for "at-risk youth."

Planned FY 2003 Program: USAID plans to use FY 2003 resources requested in this Budget Justification: to initiate the transfer of methodologies and technology developed under this program to other schools in Jamaica; to support further training of teachers, parents and school board members; to purchase instructional materials; and to implement innovative child-centered strategies for improving teacher quality. FY 2003 resources may also be used to support planning and development activities to be undertaken by SDTs in support of increased literacy and numeracy among children. USAID plans to continue at-risk youth initiatives, similar to those outlined above, in FY2003 as well.

> In targeted schools by 2001, 42% of girls were proficient in mathematics, compared with 14% in 1998. Some 26% of boys achieved proficiency in 2001, compared with only 6% in 1998.

Performance and Results: The important outcome of this program will be a larger proportion of children mastering math and reading at the sixth grade level. As a result of USAID activities, which also include nutritional support in targeted schools, performance has improved remarkably. For example, for language

arts over the period 1998 to 2001, girls' proficiency rose from 43% to 57%; and boys' proficiency from 17% to 34%. USAID funds have steadily strengthened the capacity of 12 NGOs which deliver remedial, health, and pre-vocational programs for at-risk youth. Work done to improve the management of schools has also yielded positive results, with development plans and JSAS software now being applied in most of the targeted schools. The success of this program indicates USAID's interventions could be applied in other schools. Continuation of this program will result in a notable increase in literacy and numeracy levels among the population. This will result in a more productive workforce, paving the way for an improved Jamaican economy in years to come.

Principal Contractors, Grantees, or Agencies: USAID anticipates the continued involvement of key partners including Juarez and Associates; the Joint Board for Teacher Education at the University of the West Indies; the Ministry of Education, Youth and Culture; the American Institute of Research; and the People's Action for Community Transformation and other local NGOs.

US Financing in Thousands of Dollars

Jamaica

532-004 Increased Literacy and Numeracy among Targeted Jamaican Youth	CSD	DA
Through September 30, 2000		
Obligations	4,513	480
Expenditures	2,443	0
Unliquidated	2,070	480
Fiscal Year 2001		
Obligations	2,929	100
Expenditures	2,046	462
Through September 30, 2001		
Obligations	7,442	580
Expenditures	4,489	462
Unliquidated	2,953	118
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	3,678
Total Planned Fiscal Year 2002		
Obligations	0	3,678
Proposed Fiscal Year 2003 NOA		
Obligations	0	4,678
Future Obligations	0	534
Est. Total Cost	7,442	9,470

PROGRAM DATA SHEET

USAID MISSION: Jamaica
PROGRAM TITLE: Enhancing Business Development in Jamaica (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Business Environment for Developing the Small, Medium and Micro Enterprise Sectors, 532-006
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 2,090,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 2,590,000 DA
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY2004

Summary: USAID's program to improve the business environment includes technical assistance and training to:

- streamline business processes for services, strengthen business skills, and develop financial instruments, including provision of some equipment and materials; and
- address economic impediments and trade reforms in the private and public sectors.

Inputs, Outputs and Activities: *FY 2002 Program:* In FY 2002, DA funds will be used to assist the public and private sectors in eliminating constraints to conducting business. For example, USAID will provide technical assistance and training to the Office of the Registrar of Companies to pioneer a web-based e-governance solution that will ease the burden of business registration, as well as design and build an online E-Land Service to deliver critical information on property such as ownership, location, survey, and title. In addition, technical assistance will be provided to the Bank of Jamaica to help establish an automated check clearing facility that will eliminate the slower manual process. Currently, approximately 80,000-100,000 checks are processed manually each day. With USAID's assistance, the automated clearinghouse will reduce the processing time from 14 days to 3 days. Training will be given to private sector executives to improve their understanding of trade reforms and stimulate their proactive participation in on-going trade negotiations. Additionally, personnel from 500 firms will be trained on how to effectively use computer-based management software solutions and information technology. This training is aimed at improving the business skills of companies. USAID will assist one of Jamaica's leading financial institutions to establish a viable for-profit micro credit institute by providing technical assistance to develop strategic plans and information technology systems. It is estimated that this new institute will be able to make available 7,000 loans through 10 branches in its first year of operation.

Planned FY 2003 Program: USAID plans to use FY 2003 DA resources requested in this Budget Justification to support a variety of activities that will continue to reduce business constraints. Activities include improving the GOJ's ability to collect taxes and other revenue by expanding the network of outlets and upgrading payment systems, and establishing the country's first broad-based credit bureau. USAID may provide training to rural businesses in financial management and information technology, and strengthen the business capacity and computer skills of women in rural areas.

Staff members of over 123 firms were trained in business skills and information technology.

Performance and Results: The Jamaican economy will be transformed through increased computer efficiency in the business sector and expanded micro credit. USAID's assistance to micro credit institutions resulted in notable increases in access to credit for micro enterprises. At the end of October 2001, 1,590 enterprises received micro-loans (73% of the recipients were women) and 291 additional loans were processed for distribution from credit institutions assisted by USAID. USAID's program has also

addressed constraints to doing business. A web-based automated payroll system was created to assist 300 micro firms unable to afford their own systems. Assistance was provided to the Jamaica Central Securities Depository to acquire a commercial "off-the-shelf" software solution for improving the management of the Fixed Income Securities (FIS) market in Jamaica. This initiative will eliminate the need for physical paper transfers, thereby increasing efficiency, and improving the services to relevant government agencies such as the Bank of Jamaica.

Principal Contractors, Grantees, or Agencies: The primary contractor under this program is a U.S. company, CARANA Corporation, with principal sub-contractors Sibley International and Abt Associates. Grantees include Jamaica National Building Society (JNBS), Jamaica Chamber of Commerce (JCC), Jamaica Bankers Association (JBA), and the Inter-American Institute for Cooperation in Agriculture (IICA).

US Financing in Thousands of Dollars

Jamaica

532-006 Improve Business Environment for Developing the Small, Medium, and Micro Enterprise Sectors	DA
Through September 30, 2000	
Obligations	5,003
Expenditures	1,042
Unliquidated	3,961
Fiscal Year 2001	
Obligations	2,200
Expenditures	1,312
Through September 30, 2001	
Obligations	7,203
Expenditures	2,354
Unliquidated	4,849
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	2,090
Total Planned Fiscal Year 2002	
Obligations	2,090
Proposed Fiscal Year 2003 NOA	
Obligations	2,590
Future Obligations	3,645
Est. Total Cost	15,528

PROGRAM DATA SHEET

USAID MISSION: Jamaica
PROGRAM TITLE: Peace and Prosperity in Inner City Communities (Pillars: Economic Growth, Agriculture, and Trade; Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Improved Economic and Social Conditions in Targeted Inner City Communities, 532-007
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 500,000 DA ; $500,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 0
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to improve socio-economic conditions in two inner city Kingston communities, known as Grants Pen and Standpipe, includes training and technical assistance:

- to increase employment and employment opportunities; and
- in conflict resolution.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will use FY 2002 DA funds to improve productive skills of residents of the communities, improve their skills for job interviewing and taking employment entry tests, and assist them in obtaining employment. USAID will fund technical and vocational skills training in areas such as welding and fabrication, carpentry, furniture manufacturing, secretarial support, cosmetology, and entrepreneurship. A Job Bank has been established to link the skills of the residents to needs of the private sector, and encourage hiring of residents from these communities. A business advisor will assist residents with starting micro businesses and cottage industries, marketing products and services, identifying marketing channels, and accessing micro financing.

FY 2002 ESF funds will be used to support conflict resolution activities. Persuading community members to resolve conflict in a non-violent manner and be more tolerant of diverse opinions is a major challenge in these communities. USAID estimates that a minimum of 1,000 residents will receive sensitization and conflict/dispute resolution training over the next year. From this group, 60 will be trained as community mediators and 20 will be upgraded to trainers. Peace Centers will be established in Grants Pen and Standpipe to serve as focal points where community members will be able to resolve disputes through community mediators applying the various techniques from the training programs. Each Center will also be used as a site for counseling parents and family members. USAID will introduce conflict resolution programs, such as a "Peace and Love in Schools" program, in the communities' primary schools. Non-Governmental organizations (NGOs) financed by USAID will engage community members in activities such as Peace Concerts and competitive sporting events. These activities are expected to boost community relations and foster a sense of unity among the different factions, and reduce tensions between residents and police.

Planned FY 2003 Program: USAID does not plan to request FY 2003 resources for this program.

Performance and Results: With successful completion of this program in 2004, USAID anticipates a reduced incidence of violent crime and improved socio-economic conditions, contributing to greater economic opportunity for vulnerable inner city residents. Over the life of the program, some 60 businesses in the inner city communities will benefit from USAID assistance. Despite episodes of violence in the communities, the program has shown progress. Training programs matching labor market demand have been designed and are being implemented. Technical assistance is being provided to small businesses to ensure that products meet manufacturing standards.

Forty-five opinion-leaders in Grants Pen (one of the most volatile communities in Kingston) and Standpipe have been trained in conflict resolution. This is expected to significantly reduce violence during the upcoming general elections.

Training of mediators in communication and conflict resolution skills is progressing, and it is estimated that 24 workshops will be conducted in 2002. A Steering Committee comprised of representatives from the two communities, the private sector, government agencies, civil society, and NGOs has been established to guide the implementation.

Principal Contractors, Grantees, or Agencies: The principal grantee is a Jamaican firm, the Kingston Restoration Company (KRC). KRC's partners include local organizations such as the Jamaica Observer Newspaper, Corner Stone Ministries, the Stella Maris Foundation, the Dispute Resolution Foundation, Shortwood United Church, the New Providence School, and the Providence Methodist Church.

US Financing in Thousands of Dollars

Jamaica

532-007 Improved economic and social conditions in targeted inner city communities	DA	ESF
Through September 30, 2000		
Obligations	500	500
Expenditures	0	0
Unliquidated	500	500
Fiscal Year 2001		
Obligations	500	500
Expenditures	244	135
Through September 30, 2001		
Obligations	1,000	1,000
Expenditures	244	135
Unliquidated	756	865
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	500	500
Total Planned Fiscal Year 2002		
Obligations	500	500
Proposed Fiscal Year 2003 NOA		
Obligations	0	0
Future Obligations	0	0
Est. Total Cost	1,500	1,500

PROGRAM DATA SHEET

USAID MISSION: Jamaica
PROGRAM TITLE: Strengthening Democracy and Governance in Jamaica (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Improved Citizen Security and Participation in Democratic Processes, 532-008
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUTURE FUNDING SOURCE: $ 500,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 2,800,000 DA
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's program to strengthen democracy and the rule of law in Jamaica includes a mix of technical assistance and training:

- to assist civil society organizations (CSOs) to become more actively engaged in issues of crime, violence, and governance as a whole;
- and commodities to establish modernized systems throughout Jamaica's legal structure;
- for a civic education and public awareness campaign; and
- to improve community-police relations.

Inputs, Outputs and Activities: *FY 2002 Program:* FY 2002 ESF will be used to: (1) assist approximately 20 local nongovernmental organizations (NGOs) establish a network addressing improved citizen security issues; (2) strengthen NGO administrative capabilities in areas such as finance/accounting, management, leadership, and advocacy; (3) develop civic education materials on citizen rights and responsibilities; (4) work with civil society, Jamaican residents, and the Jamaican Constabulary Force (JCF) to develop a strategy to reduce violence, increase community safety, and build confidence in the police in targeted communities; (5) provide technical assistance in developing and operating a community-based, model police station in the Grants Pen community, incorporating successful U.S. experiences; (6) improve efficiency of the legal system in Jamaica by modernizing and computerizing the Resident Magistrate courts; and (7) recruit and train international and local election observers, and launch a public awareness campaign on the electoral process, building on a successful previous activity to strengthen a local nonpartisan civic organization. The FY 2002 Foreign Operations, Export Finance, and Related Programs Appropriations Act authorized certain assistance for community-based police programs for Jamaica. The Act stipulates that "Proposed assistance to enhance effectiveness and accountability of civilian police authority in Jamaica will be subject to the regular notification procedures of the committees on appropriations."

Planned FY 2003 Program: USAID intends to use FY 2003 DA resources to expand the program to include additional NGOs in the network. A small grants program may be established to provide technical assistance and training to the NGOs. USAID plans to provide technical assistance, training, and commodities to JCF police administrators and officers to continue to operationalize the model community-police station in Grants Pen. Preliminary initiatives may begin in the development of the second model community police station. USAID may consider improving the efficiency of the Coroners Courts. USAID may also initiate civic education activities for youth in schools and at the community level. Up to $2.8 million will support USAID's conflict prevention initiative.

Performance and Results: With successful completion of the program in 2005, USAID anticipates there will be a more vigilant and active civil society, better able to assess good public policy and effectively advocate for change. This will contribute to strengthened respect for rule of law, a prerequisite for continued democratic and economic development in Jamaica. Important outcomes of this program will be: (1) key issues placed on national reform agendas and considered; (2) improved efficiency of courts in handling/resolving cases; and (3) increased confidence in the police,

US Financing in Thousands of Dollars

Jamaica

532-008 Improved Citizen Security and Participation in Democratic Processes	DA	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	995
Expenditures	0	0
Through September 30, 2001		
Obligations	0	995
Expenditures	0	0
Unliquidated	0	995
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	500
Total Planned Fiscal Year 2002		
Obligations	0	500
Proposed Fiscal Year 2003 NOA		
Obligations	2,800	0
Future Obligations	7,200	1,505
Est. Total Cost	10,000	3,000

> "This is a recognition that the United States has no more important relationship in the world than the one we have with Mexico.... Good neighbors work together and benefit from each other's successes."
>
> President George W. Bush

THE DEVELOPMENT CHALLENGE: Mexico's new President, Vicente Fox, has promised sweeping political and economic reforms. Of greatest interest to the United States will be Fox's efforts to reform government, increase economic growth and equity, improve the quality of education, and reorient foreign policy.

Challenges to the development of Mexico are numerous. Environmental degradation undermines the natural resource base that supports Mexico's growing economy and population. Corruption and insecurity are concerns nationwide, weakening confidence in government and the democratic process as well as inhibiting foreign investment. Mexico has the second highest number of reported HIV/AIDS cases in Latin America. Nationwide, 57% of the population is classified as poor; in the three poorest southwestern states, over 50% of the citizens are extremely poor. These three states are also affected by lower education and health levels, marginalized indigenous populations, limited economic opportunities, and pressure on the local natural resource base, which create a potentially explosive situation. Mexico's external debt at the end of the 1990s was close to $90 million, or about 38% of GDP.

The Fox Administration has requested direct USAID assistance on several policy priorities and program changes, including environment, energy, transparency and accountability at all levels of government, infectious diseases, and economic growth. USAID is responding to this opportunity by playing a significant role in supporting the foreign policy priorities and initiatives emerging from the Bush-Fox partnership.

THE USAID PROGRAM:

FY 2002 Estimate: $ 22.415 million FY 2003 Request: $30.276 million

USAID's six strategic objectives and one special objective focus on the following: helping public and private agencies to combat HIV/AIDS, sexually transmitted infections (STIs), and tuberculosis; developing more responsive government institutions; supporting efforts to use natural resources more sustainably; reducing carbon dioxide emissions and pollution; and supporting microenterprise. FY 2002 funds will be used to implement the program as described in the FY 2002 Congressional Budget Justification. With the requested levels, the microenterprise special objective will require no additional resources. USAID will be participating in the regional Partnership for Prosperity (PfP) initiative and implement the administration's new Training, Internships, Education, and Scholarships (TIES) program. USAID will continue to consolidate and leverage successes in all program areas over the coming year. Ecosystem conservation, pollution prevention, HIV/AIDS, and microenterprise support have been very effective at developing successful policies and practices and generating funding sources for larger scale replication.

The South-South transfer of U.S.-Mexican development experience to Central America will remain a cross-cutting objective in FY 2002. The South-South program covers environment, disaster prevention and mitigation, watershed protection, tuberculosis and HIV/AIDS prevention, women in development, microenterprise and ecotourism, democracy, and training and education. Some of these activities will be merged into the Agency's new Partnership for Prosperity initiative. USAID/Mexico has submitted a coordinated request with USAID/Guatemala for PfP support for disaster prevention and regional trade facilitation. Through lessons learned from its pilot South-South projects, USAID/Mexico is well positioned to respond to additional targets of opportunity that

arise with Fox Administration initiatives such as the Plan Puebla-Panama initiative and governance and conflict resolution program and with USAID's Partnership for Prosperity initiative.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: USAID's Democracy, Conflict, and Humanitarian Assistance Bureau supports ongoing activities in Mexico implemented by U.S. medical and educational institutions, and provides support for activities such as human rights education. The Global Health Bureau funds research to improve health interventions and techniques. The Economic Growth, Agriculture and Trade Bureau supports U.S. technology transfer and microenterprise activities, and funds human capacity development in education and public administration. USAID/Mexico also implements part of the Agency's Global Climate Change program by matching the centrally-funded contributions with bilateral funds. Latin America and Caribbean Bureau regional funding to the Inter-American Democracy network supports the activities of Mexico civil society organizations in areas that complement USAID's program.

OTHER DONORS: The World Bank and the Inter-American Development Bank (IDB) are the two major multilateral lenders, providing support for economic development, social services targeted at Mexico's poor, and critical institution-building. Mexico accounts for the second largest share in the World Bank's disbursed and outstanding portfolio, totaling $11.1 billion. The largest bilateral donor is Japan, followed by Germany, Spain, France, and the United States, in that order. USAID leverages other donor resources, conducting joint activities with Japan in the areas of HIV/AIDS, tuberculosis, forestry, coastal resource management, protected area projects, energy and pollution prevention. The World Bank's Global Environment Fund provided $30 million in FY 2001 to replicate rural renewable energy models developed with USAID funding. In addition, on-going World Bank and IDB support for protected areas builds directly on park management models developed under the USAID-funded Parks in Peril program. The World Bank and IDB are also developing a new program to support judicial branch modernization, based in large part on a USAID-funded needs assessment. The IDB's recent loan to the Mexican National Development Bank includes $500,000 for microenterprise. USAID also cooperates with UNAIDS, the Pan-American Health Organization and the Ford Foundation.

Mexico

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	4,200	5,987	0	0
Child Survival and Health Programs Fund	0	0	5,500	0
Development Assistance	9,562	7,885	6,915	18,276
Economic Support Fund	2,736	6,178	10,000	12,000
Total Program Funds	**16,498**	**20,050**	**22,415**	**30,276**

STRATEGIC OBJECTIVE SUMMARY				
523-002 Enhanced Quality and Sustainability of HIV/AIDS and STI Services in Targeted Areas				
CSD	1,200	1,996	0	0
CSH	0	0	1,500	0
DA	0	0	0	2,111
523-003 More Democratic Processes Adopted in Key Government Institutions				
DA	725	700	700	1,700
ESF	2,736	6,178	9,000	10,000
523-006 Critical ecosystems and biological resources conserved				
DA	6,242	4,764	3,765	5,265
523-007 Carbon dioxide emissions and pollution reduced				
DA	2,125	1,421	1,750	1,500
523-008 Sustainable and Effective Institutional Capacity Developed to Diagnose, Control, and Monitor Tuberculosis in Target Areas				
CSD	3,000	3,991	0	0
CSH	0	0	4,000	0
DA	0	0	0	4,000
523-009 Strengthen the Institutional Base for Sustainable Microenterprise Growth by Supporting Mexican Initiatives				
DA	470	1,000	700	700
523-XXX Increased Opportunities for Mexicans in Further Education and Training				
DA	0	0	0	3,000
ESF	0	0	1,000	2,000

PROGRAM DATA SHEET

USAID MISSION: Mexico
PROGRAM TITLE: HIV/AIDS (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Enhanced Quality and Sustainability of HIV/AIDS/STI Services in Targeted Areas, 523-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,500,000 (CSH)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,111,000 (DA)
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's program to enhance service quality includes the following components:

- improving the policy environment at the national and subnational level;
- capacity building in governmental organizations and NGOs;
- improved attention to sexually transmitted infections (STIs); and
- addressing the stigma and discrimination associated with HIV/AIDS (planned for CY 2002).

Inputs, Outputs, and Activities: Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will provide technical assistance and training for both governmental and nongovernmental organizations to strengthen their technical capacity and to improve the quality of HIV/AIDS/STI services. Activities include targeted training of health service providers, and technical training for nongovernmental organizations. USAID technical assistance will help develop a multisectoral response to HIV/AIDS by improving the policy environment; measuring and addressing the stigma associated with HIV/AIDS and STIs (a new component) as it affects access to and quality of services; and focusing on prevention of HIV/AIDS in mobile populations through regional and cross-border activities. Funds will also be used for evaluation and program management.

Planned FY 2003 Program: USAID will continue to improve the quality of HIV/AIDS and STI services through its capacity-building and health service provider training activities. USAID will also provide technical assistance to government institutions to advance strategic planning and budget allocation in target states. USAID will fund a service provision assessment in targeted states in order to measure the impact of our five-year strategy on HIV/AIDS/STI service quality. USAID will support an evaluation of the study of mobile populations in order to determine which activities are replicable for future programming.

Performance and Results: Progress in developing state-level citizen planning groups is helping to strengthen the democratic process and build a community response to HIV/AIDS. Collaboration between public and private groups in Yucatan, Guerrero, and Mexico City is leading to a multisectoral response to the challenge of HIV/AIDS in these areas. Preparations for the formation of state-level planning groups are advancing in three additional states--Veracruz, Oaxaca, and Chiapas. Advocacy efforts in Mexico City resulted in the establishment of a city-supported clinic for people living with HIV/AIDS, the first of its kind in the country. Local advocacy resulted in more funding for HIV/AIDS in two target states and the development of strategic plans in three others.

Technical assistance provided by USAID was instrumental in the development of the first national guidelines for STI management. For example, as a result of female condom studies conducted with USAID technical assistance, the Secretariat of Health (SSA) is now making female condoms available in its clinics.

Progress toward increasing capacity among governmental and nongovernmental partners to deliver HIV/AIDS/STI services is exceeding expectations. NGOs have improved their internal functioning and developed outreach programs to other NGOs, as well as to the public sector. As a result,

relations are improving among NGOs and between NGOs and the SSA. Strengthening NGOs is crucial in Mexico at this time due to the role they will play in carrying out prevention activities under a projected World Bank loan.

A situation analysis has been completed for each of the Mexican and Central American "hot spots" identified under the south-south "Mobile Populations and HIV" activity. Results of the analysis were disseminated through National Institute of Public Health visits to each country and will serve as the basis for targeted activities in each country in CY 2002. The HIV and Mobile Populations activity has direct benefits for the United States as well as Mexico, and will enhance the effectiveness of USAID's HIV/AIDS programs in Mexico and Central America.

With successful completion of the program in FY 2003, USAID anticipates that there will be eight Mexican states actively collaborating on HIV/AIDS issues, at least 50 NGOs with strengthened institutional capacity and improved technical skills to carry out HIV/AIDS prevention activities, and a critical mass of health service providers trained in the correct management of HIV/AIDS and sexually transmitted infections.

Principal Contractors, Grantees, or Agencies: Current Bureau for Global Health contractors supporting this objective include: the International HIV/AIDS Alliance; the Futures Group International; and Macro International and Family Health International.

US Financing in Thousands of Dollars

Mexico

523-002 Enhanced Quality and Sustainability of HIV/AIDS and STI Services in Targeted Areas	CSD	CSH	DA
Through September 30, 2000			
Obligations	2,660	0	0
Expenditures	2,400	0	0
Unliquidated	260	0	0
Fiscal Year 2001			
Obligations	1,996	0	0
Expenditures	1,730	0	0
Through September 30, 2001			
Obligations	4,656	0	0
Expenditures	4,130	0	0
Unliquidated	526	0	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	1,500	0
Total Planned Fiscal Year 2002			
Obligations	0	1,500	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	2,111
Future Obligations	0	0	2,000
Est. Total Cost	4,656	1,500	4,111

PROGRAM DATA SHEET

USAID MISSION: Mexico
PROGRAM TITLE *Democratic Processes (Pillar: Democracy, Conflict, and Humanitarian Assistance)*
STRATEGIC OBJECTIVE AND NUMBER: More Democratic Processes Adopted in Key Government Institutions, 523-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $700,000 (DA); $9,000,000 (ESF)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $1,700,000 (DA); $10,000,000 (ESF)
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Efforts to strengthen democracy in Mexico include the following components:

- increasing the effectiveness of local governance in targeted areas;
- strengthening permanent structures to enhance Congress' legislative function;
- increasing the efficiency of judicial administration in targeted courts; and
- increasing the transparency and accountability of target government institutions.

Inputs, Outputs, and Activities: *FY 2002 Program:* ESF-funded technical assistance will increase the authority, transparency, and effectiveness of local governments by improving the impact of Mexican local government training. As a result of new reforms by the government of Mexico (GOM), USAID will support technical assistance to implement new credit mechanisms for private sector participation in infrastructure and urban service financing.

To help strengthen the Mexican Congress, USAID will provide training and technical assistance to the professional staff of the federal Chamber of Deputies and Senate as well as three state legislatures. Activities will also support partnerships between the legislatures of Mexican and U.S. border states in order to promote binational state-level policy dialogue. Establishment of an association of Mexican state legislatures to provide technical assistance to member legislatures will also be supported.

To help strengthen the judiciary, USAID will fund training programs for state and federal judges, as well as institutional capacity building support for the Mexican Association of State Superior Courts. In addition, increased access, transparency, and accountability in judicial proceedings will be promoted through a new model court administration project. To increase transparency and accountability, USAID will provide technical assistance to create effective anticorruption programs and increase the impact of the National Anticorruption Plan. USAID will also support programs to improve strategic policymaking skills at the federal level, increase the efficiency of federal and state departments and agencies, and increase citizen participation in the policy-making and implementation process.

Planned FY 2003 Program: Under the local governance component of the democracy program, USAID will consolidate technical assistance to support private sector participation in infrastructure and urban service financing mechanisms. Under the legislative strengthening component, USAID will provide training for federal and state legislatures and political parties and support the establishment of an association of Mexican state legislatures. Under the judicial strengthening component, USAID will complete the development of new models for continuing judicial education, court management, oral advocacy, and mediation programs. In addition, support will also be provided to strengthen the Mexican Association of State Superior Courts. Under the transparency and accountability component, USAID will continue to help build Mexican capacity to develop and administer effective anticorruption programs and help support public administration reform programs.

Performance and Results: Activities undertaken in support of this objective have helped to increase the capacity of local governments to better manage the increased resources and authority that were recently transferred from the federal level. USAID assistance has also increased the capacity of local government to respond more effectively to the growth in informed citizen demand. Training and technical assistance provided to the professional staff of the federal and state legislatures has helped to make them more independent, more capable of writing effective legislation, and more capable of overseeing the executive branch at the federal and state levels. USAID assistance to Mexican state and federal courts has set the standard for continuing judicial education, forged productive and promising working relationships with Mexican justice officials, and paved the way for future USAID support.

> USAID has been the only international donor with any significant presence in the judicial and legislative sectors in Mexico and is also recognized by Mexicans as a key donor to the local governance and election sectors.

By the end of the strategy USAID assistance will have served as a catalyst to promote judicial reform (court management, court-annexed mediation, oral advocacy, and electoral justice) so that Mexico can meaningfully respond to growing public demand for more effective access to justice. Mexico's federal and state legislatures will be more independent, generating more effective and representative legislation, and better able to oversee the executive branches at their respective levels. USAID assistance is expected to increase the effectiveness of GOM audit and anticorruption programs and contribute to more transparent, accountable and effective governance in the executive branch. At the local level, new credit mechanisms like municipal bonds will begin to provide greater access to private sector credit for infrastructure and urban service growth needs.

Principal Contractors, Grantees, or Agencies: Prime contractors include: International City Management Association, Evensen Dodge, National Center for State Courts, Freedom House, American Bar Association, National Democratic Institute, State University of New York, Council of State Governments, University of New Hampshire, Casals & Associates and Management Systems International.

US Financing in Thousands of Dollars

Mexico

523-003 More Democratic Processes Adopted in Key Government Institutions	DA	ESF	INC
Through September 30, 2000			
Obligations	2,050	6,336	1,500
Expenditures	2,000	6,000	1,500
Unliquidated	50	336	0
Fiscal Year 2001			
Obligations	700	6,178	0
Expenditures	550	5,550	0
Through September 30, 2001			
Obligations	2,750	12,514	1,500
Expenditures	2,550	11,550	1,500
Unliquidated	200	964	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	700	9,000	0
Total Planned Fiscal Year 2002			
Obligations	700	9,000	0
Proposed Fiscal Year 2003 NOA			
Obligations	1,700	10,000	0
Future Obligations	700	10,000	0
Est. Total Cost	5,850	41,514	1,500

PROGRAM DATA SHEET

USAID MISSION: Mexico
PROGRAM TITLE: Environmental Conservation (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Critical Ecosystems and Biological Resources Conserved, 523-006
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $3,765,000 (DA)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDOING SOURCE: $5,265,000 (DA)
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's program to conserve critical natural resources in Mexico works to:

- strengthen management and infrastructure in protected areas;
- increase involvement of local people in decisions on resource use and conservation;
- support development and application of alternative uses for forests and other resources;
- identify and work to improve policies that promote conservation of critical resources; and
- build capacity of key institutions and individuals to implement resource management programs in selected regions in Mexico.

Starting in FY 2003 USAID/Mexico, in coordination with USAID/G-CAP (USAID's Central America Regional Office in Guatemala), will carry out Partnership for Prosperity (PfP) activities in coordination with the Government of Mexico in the areas of environmental risk management, disaster preparedness, and forest fire prevention and management.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. In FY 2002, USAID will continue to consolidate basic management capacity in five critical sites. USAID will also encourage those it has already trained to use their new skills to foster ecological planning on a regional and national scale. USAID partners will provide technical assistance and resource information to local and national agencies and organizations to ensure that environmental issues and priorities are incorporated into the large-scale economic development planning, targeted at three biologically sensitive regions of Mexico. This assistance will foster collaboration between stakeholders to help them determine how to mitigate negative impacts from economic plans being developed. USAID will continue to support local capacity-building activities and appropriate technology development so experts and communities can develop improved approaches to monitor resources, damage mitigation, and restoration of degraded habitat. Many of the activities will address global climate change issues, such as developing improved criteria and methods to measure change in forested areas and to calculate emission and retention of carbon dioxide.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: The FY 2003 funds will continue to support USAID's successful programs that build site and regional ecological management capacity, as well as to respond to opportunities to expand support of Mexican institutions and organizations charged with management of forests, water, and protected areas. Improved management of forest and water resources is a top priority of the Fox Administration. Emphasis will be placed on supporting capacity building and participation of local stakeholders in well-coordinated efforts from local, state and federal agencies to decentralize natural resource management decisions. Best practices will be applied to help improve conservation of the Meso-American Reef and the Selva Maya forests of the Yucatan Peninsula in cooperation with Guatemala and Belize. USAID is in a strong position to assist

in addressing these priorities, since it helped develop resource management capacity in support of the northern watersheds shared with the United States, and is working to improve fire management and prevention.

Through the new *Partnership for Prosperity initiative, environmental risk management* and disaster preparedness systems will be strengthened and consolidated by preparing vulnerability assessments and implementing mitigation strategies that improve collaboration. Mexican and Central American capability to detect, control, and prevent forest fires will be enhanced through cooperation with Mexico's improved national fire prevention system and its capacity to integrate and coordinate regional forest fire early warning, prevention, and management systems.

Performance and Results: USAID has strengthened site management, financial planning, and infrastructure in eight areas (11 parks) under Parks in Peril activity to transform these "paper parks" into functioning units within the newly formed Mexican National Protected Areas Commission. The program also assisted local communities in priority conservation areas to find economically viable alternatives to *sustainably develop resources. For example, the two municipalities* that share Santa Maria Bay came together to form a joint strategy for its conservation and development by forming the first community-developed marine park in Mexico.

In Quintana Roo (located in the Yucatan Peninsula), regional funds spurred cooperation across Mexico's southern border to Belize to address pollution in Chetumal Bay, a high-priority threat to the Meso-American Reef. In Chiapas, regional funds are helping to coordinate efforts to protect the Selva Lacondon, the most extensive tropical rainforest north of the Amazon, shared by Guatemala.

Training local communities in ecologically based tourism and sustainable mariculture, is creating new opportunities in the context of newly declared conservation areas and ecological zoning plans. Development of *information on trends and status of resources* will support resource monitoring plans, local policy development, and integrated management of resources.

Based on lessons learned, the Wildfire Prevention and Restoration Program reorganized its priorities in FY 2001 to ensure long-lasting fire management priorities. Accomplishments to date include: 1) developed know-how to address fires and restoration in and around protected areas (with 2,600 local participants trained); 2) established close working relationships between NGOs, communities, and GOM agencies near critical areas; and 3) established an interactive hot-spot information system showing fire activity nationwide on a daily basis, shortening response time from days to hours.

With completion of the environmental conservation program in FY 2003, USAID anticipates that 11 critical ecosystem sites will have the capacity to continue conservation of their resources. In addition, the capacity of communities and government agencies to implement compatible policies and economic activities in and around conservation sites will be consolidated in targeted areas.

Principal Contractors, Grantees, or Agencies: USAID anticipates the continued involvement of prime partners including The Nature Conservancy (particularly through its Parks in Peril program), the University of Rhode Island, World Wildlife Fund, Conservation International, the Mexican Conservation Fund, Pronatura, Winrock International, the U.S. National Fish and Wildlife Foundation, and the USDA Forest Service, with subcontracts to Amigos de Sian Ka'an, the Sonoran Department of Ecology, the Institute of Natural History in Chiapas, and the University of Quintana Roo.

US Financing in Thousands of Dollars

Mexico

523-006 Critical ecosystems and biological resources conserved	DA
Through September 30, 2000	
Obligations	46,349
Expenditures	42,800
Unliquidated	3,549
Fiscal Year 2001	
Obligations	4,761
Expenditures	3,800
Through September 30, 2001	
Obligations	51,110
Expenditures	46,600
Unliquidated	4,510
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	3,765
Total Planned Fiscal Year 2002	
Obligations	3,765
Proposed Fiscal Year 2003 NOA	
Obligations	5,265
Future Obligations	5,000
Est. Total Cost	65,140

PROGRAM DATA SHEET

USAID MISSION: Mexico
PROGRAM TITLE: *Energy Conservation and Pollution Reduction (Pillar: Economic Growth,* Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Carbon Dioxide Emissions and Pollution Reduced, 523-007
STATUS: Continuing
PLANNED FY2002 OBLIGATION AND FUNDING SOURCE: $1,750,000 (DA)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY2003 OBLIGATION AND FUNDING SOURCE: $1,500,000 (DA)
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The USAID energy program in Mexico contributes to reduced carbon dioxide emissions by improving energy conservation via the following set of activities:

- showing the viability of energy efficiency, renewable energy, and pollution prevention technologies through implementation of pilot projects, followed by replication on a larger scale;
- supporting local partners' promotion of policy reforms that foster those technologies;
- strengthening technical and managerial capabilities of Mexican partners for resources management systems and renewable energy development; and
- identifying other funding for broader or nationwide replication of resource management and renewable energy technologies.

Inputs, Outputs and Activities: *FY2002 Program:* USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. USAID-supported technical assistance, working closely with Mexican partners, will continue to support programs designed to demonstrate use of resource management systems and renewable energy technologies that show the viability of energy efficiency, renewable energy, and pollution prevention technologies. This is accomplished through implementation of pilot projects, followed by replication on a larger scale. These activities will provide models for reducing greenhouse gas emissions, and improving estimation of the emissions reductions produced by energy efficiency and renewable energy projects.

USAID has adjusted its energy strategy to focus on replicating the success of an initial pilot program during the remaining two years of the strategy. This replication will: 1) reduce carbon dioxide emissions by providing technical assistance to the large public oil company, PEMEX, to help it substantially slow its growth of such emissions nationally; 2) promote policy reforms for energy and water subsidies that encourage significant resource conservation by using more efficient pumping and irrigation technologies; 3) provide technical assistance for improved renewable energy applications that benefit schools, e.g. televised classroom programs; and 4) promote distribution of electrical power to impoverished, indigenous rural communities in order to improve health services, education, and economic production.

New financing for efficiency projects by energy service companies, using the Development Credit Authority (DCA) in Mexico, will be underway in FY 2002.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: The focus on maximizing the impact of the lessons learned from the pilot phase (FY 1999-2001) will bear its greatest fruit in FY 2003 as it moves towards sustainability through widespread replication of programs. USAID's Mexican partners will be dedicated to

consolidation of capacity building activities and to ensuring that local collaborators can skillfully develop, manage, monitor, and evaluate their ongoing energy programs without the support of USAID. Creation of a $100 million revolving fund exclusively for energy efficiency projects is planned, and GOM re-engineering efforts are expected to be in full swing by FY 2003.

Performance and Results: Significant progress has been made in the achievement of the principal objective. Carbon dioxide emission reductions achieved to date are more than double the initial objective of 232,700 tons. Over 440,000 tons of emissions have been avoided by the pilot projects carried out from FY 1999 to FY 2001. In FY 2001, an additional demonstration project in two sugar mills in Veracruz and Oaxaca avoided 66,604 metric tons of carbon dioxide emissions (measured over the lifetime of the 15-year technologies adopted).

> Over 440,000 tons of emissions have been avoided by the pilot projects carried out from FY 1999 to FY 2001.

USAID established a new relationship with Mexico's largest company, PEMEX, fostering an internal emissions trading market by strengthening its energy efficiency program. A train-the-trainers approach was implemented in each of the four PEMEX subsidiaries to carry out energy and environmental audits.

Significant progress was also made on improving measurement of greenhouse gas reduction as a benefit of energy efficiency and renewable energy projects.

In FY 2001, continued support to Mexico's national Shared Risk Trust Fund and the World Bank's Renewable Energy for Agriculture Program funded the installation of 200 renewable energy systems, with 1,000 more planned for FY 2003. Increased adoption of renewable energy technologies was also promoted in collaboration with the Secretariat of Public Education, with installation of approximately 80 systems and parallel training courses at each installation. The MREP team continued to work with the Secretariat of Environment to install additional renewable energy systems in protected areas, beyond those initially scheduled.

USAID anticipates substantial future savings in energy and carbon dioxide emissions as a result of the replication of activities being implemented on a long-term basis by its Mexican partner institutions. With successful completion of the program in FY 2003, USAID anticipates that there will be 2.5 million of metric tons of carbon dioxide offset annually by energy efficiency and alternative energy use. This will represent about 60% of Mexico's projected annual growth in carbon dioxide emissions (4.16 million cubic tons per year), for 2003. The level of energy and emissions savings will grow substantially as the energy conservation programs continue into the future.

Major Contractors and Grantees: USAID manages two main activities in this program: the RMSI and MREP. PA Consulting Group is the prime contractor on the RMSI program and the U.S. Department of Energy's Sandia National Laboratories leads the MREP program. Ultimate customers are industrial firms and rural communities that receive support from these USAID partners and their Mexican counterparts. Collaborating agencies and subcontractors include the Secretariat of Energy (SENER), the National Energy Savings Commission, the Energy Savings Trust, the Mexican Center for Cleaner Production, the Association of Professionals and Technicians for Energy Applications, the Tlalpan Delegation, Mexico City's Government, Petróleos Mexicanos (PEMEX), the Shared Risk Trust Fund (FIRCO), Secretariat of Environment, and the Secretariat of Public Education.

US Financing in Thousands of Dollars

Mexico

523-007 Carbon dioxide emissions and pollution reduced	DA
Through September 30, 2000	
Obligations	19,485
Expenditures	18,100
Unliquidated	1,385
Fiscal Year 2001	
Obligations	1,421
Expenditures	1,250
Through September 30, 2001	
Obligations	20,906
Expenditures	19,350
Unliquidated	1,556
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	1,750
Total Planned Fiscal Year 2002	
Obligations	1,750
Proposed Fiscal Year 2003 NOA	
Obligations	1,500
Future Obligations	2,500
Est. Total Cost	26,656

PROGRAM DATA SHEET

USAID MISSION: Mexico
PROGRAM TITLE: Tuberculosis Control (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Sustainable and Effective Institutional Capacity Developed to Diagnose, Control, and Monitor Tuberculosis in Target Areas, 523-008
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $4,000,000 (CSH)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $3,991,000 (CSD)
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 4,000,000 (DA)
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to develop institutional capacity to control tuberculosis in target areas includes four components:

- improve national and local commitment to tuberculosis control;
- increase use of laboratory-based diagnosis to identify tuberculosis cases;
- improve treatment through directly observed therapy; and
- improve epidemiological surveillance mechanisms.

Inputs, Outputs, and Activities: FY *2002 Program:* USAID will allocate nearly 40% of FY 2002 CSH funds for training programs for governmental and non-governmental health care providers in directly observed therapy (DOTS) for tuberculosis treatment. Approximately 50% of funds will support technical assistance activities that improve national and local tuberculosis control measures, including laboratory-based diagnosis and epidemiological surveillance. The balance will fund USAID-managed audits and evaluations as well as program management. States selected for initial project implementation include six states on the northern border; Chiapas, on the Mexican border with Central America; and six states in central Mexico. Phase one activities include providing support for strengthening the Secretariat of Health's ability to manage its large grant agreement by hiring project personnel, state-level supervisors, and administrative staff, and training national and state-level personnel.

Planned FY 2003 Program: USAID will use FY 2003 resources to fund continued activities in collaboration with the Secretariat of Health. USAID will focus more intensely on strengthening skills and information among key stakeholders in the public and private sectors, implementing an education campaign to encourage people with symptoms of pulmonary tuberculosis to seek prompt and appropriate medical care, training medical and paramedical personnel in directly observed therapy (DOTS), creating regional training centers; improving DOTS services for special populations, (including migrants, indigenous people, and those with HIV/AIDS, malnutrition, diabetes, and addictions); and researching alternative methods of providing DOTS in remote areas.

Performance and Results: In 2001 the Secretariat of Health increased both the number of tuberculosis cases detected (from 41% to 47.5%) and the proportion of these cases that were cured (from 75% to nearly 84%). In addition, the percentage of laboratories providing tuberculosis services under the national quality control program increased from 80% to90%. With successful completion of the program in FY 2003, USAID anticipates that 85% of all tuberculosis cases in Mexico will be cured.

Principal Contractors, Grantees, or Agencies: Key prime contractor is the Mexican Federal Secretariat of Health (Division of Prevention and Control of Mycobacteriosis and the Epidemiological Surveillance Center) and subcontractors are the secretariats in 13 states, Institute of Epidemiological Diagnosis and Reference, and the social security institutes working on the national tuberculosis program. USAID will also be working closely with the U.S. Centers for Disease Control and Prevention, which provides technical support to the program.

US Financing in Thousands of Dollars

Mexico

523-008 Sustainable and Effective Institutional Capacity Developed to Diagnose, Control, and Monitor Tuberculosis in Target Areas	CSD	CSH	DA
Through September 30, 2000			
Obligations	4,000	0	0
Expenditures	350	0	0
Unliquidated	3,650	0	0
Fiscal Year 2001			
Obligations	0	0	0
Expenditures	150	0	0
Through September 30, 2001			
Obligations	4,000	0	0
Expenditures	500	0	0
Unliquidated	3,500	0	0
Prior Year Unobligated Funds			
Obligations	3,991	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	4,000	0
Total Planned Fiscal Year 2002			
Obligations	3,991	4,000	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	4,000
Future Obligations	0	0	0
Est. Total Cost	7,991	4,000	4,000

PROGRAM DATA SHEET

USAID MISSION: Mexico
PROGRAM TITLE: Microenterprise (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: To Strengthen the Institutional Base for Sustainable Microenterprise Growth by Supporting Mexican Initiatives, 523-009
STATUS: Continuing
PLANNED FY 2002 OB AND FUNDING SOURCE: $700,000 (DA)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $700,000 (DA)
INITIAL OBLIGATION: *FY 2000* ***ESTIMATED COMPLETION DATE:*** FY 2003

Summary: USAID's microenterprise program is designed to achieve four results:

- increase communication and collaboration among microfinance institutions (MFIs) and other service providers in order to define constraints to microenterprise growth;
- strengthen the operational sustainability and management of selected MFIs in order to improve credit and financial services for microenterprises;
- increase the understanding and appreciation of the role of microenterpise in the Mexican economy and evaluate the influence of microenterprises on decision-making; and
- develop models and mechanisms that meet the financial needs of rural microenterprises and advance USAID's environmental and energy goals by reducing urbanization and pollution.

Inputs, Outputs and Activities: *FY 2002 Program*: USAID will use DA resources to hire a long-term technical advisor and short-term specialists. These experts will be tasked with developing operational manuals, helping local organizations to advise the GOM in drafting implementing regulations for the new Popular Savings and Credit Law (SCL), and assisting microfinance institutions (MFIs) in transforming operations to comply with the new law. USAID activities will *strengthen the microfinance institutional base by expanding microenterprise access to credit,* creating microenterprises, and linking them with the mainstream economy. The microfinance long-term advisor will also monitor implementation of the two Development Credit Authority (DCA) agreements and the implementation of a policies and procedures savings manual. He will continue to work with USAID's four MFI partners to strengthen them. The income and new employment generated from the microenterprise sector will relieve some of the economic pressures behind migration.

Planned FY 2003 Program: USAID plans to use FY 2003 DA resources to complete pilot activities under the current program and to plan a follow-on program for FY 2004 through FY 2009. USAID will focus on ensuring Mexican ownership and replication of USAID-supported programs and emphasize assistance to those activities that will lead into the new microenterprise strategy currently under development. In FY 2003, MFIs will be transformed into community financial associations, a supervisory federation will become operational, mechanisms to deliver credit to rural microenterprise will be developed and tested, and technical assistance for strengthening the institutional base of MFI partners will be completed.

> An estimated 57% of Mexico's population live below the poverty line and 25% live in extreme poverty.

Performance and Results: The Board of Directors of the Mexican NGO ProDesarrollo (Pro-Development) is actively involved in training and operationalizing the new Popular Savings and Credit Law. They have organized workshops and observational trips with selected microfinance institutions and key government officers. These trips serve to expose the participants to new legislative practices in other Latin American countries and to microfinance best practices that help them draft and implement SCL regulations. By the end of the program they will have "operationalized" the new law in Mexico.

By the end of the program USAID's four MFI partners will have created a supervisory federation, and at least two MFIs will be transformed into community financial associations. Studies from this program will serve to demonstrate the contribution of microenterprise to the Mexican economy and identify the needs and priorities of microenterprises. The completed survey of microenterprise service providers in rural areas will be used to to identify insitutions with whom to work in order to expand their service outreach to rural microenterprise customers. With successful completion of the program in FY 2003, USAID expects that there will be increased access to credit for job promotion and income to Mexico's poor, which presently constitute 57% of the population.

Principal Contractors, Grantees, or Agencies: The subgrantee, Mexican NGO ProDesarrollo, handles coordination of strategy activities and policy guidance. USAID's contract with Chemonics International, the prime contractor, provides long- and short-term technical assistance and program management. Other subgrantee partners include Fincomún, Unión Progreso, Admic Nacional, and Crédito Familiar. Increased support will be provided to the Secretary of Economy, Came, the National Banking Commission, and the National Savings and Financial Services Development Bank.

US Financing in Thousands of Dollars

Mexico

523-009 Strengthen the Institutional Base for Sustainable Microenterprise Growth by Supporting Mexican Initiatives	DA	DCA
Through September 30, 2000		
Obligations	470	0
Expenditures	350	0
Unliquidated	120	0
Fiscal Year 2001		
Obligations	1,000	67
Expenditures	750	0
Through September 30, 2001		
Obligations	1,470	67
Expenditures	1,100	0
Unliquidated	370	67
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	700	0
Total Planned Fiscal Year 2002		
Obligations	700	0
Proposed Fiscal Year 2003 NOA		
Obligations	700	0
Future Obligations	0	0
Est. Total Cost	2,870	67

PROGRAM DATA SHEET

USAID MISSION: Mexico
PROGRAM TITLE: Training, Internships, Education, and Scholarships (TIES) (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Opportunities for Mexicans in Further Education and Training, 523-XXX
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,000,000 (ESF)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $3,000,000 (DA); $2,000,000 (ESF)
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The overarching goal of the Training, Internships, Education, and Scholarships (TIES) program is to provide training opportunities in the United States for young Mexicans who work in areas that positively impact Mexico's economic growth and social development. This initiative will facilitate the pursuit of a common agenda for development that is emerging in the U.S.--Mexico bilateral relationship, and contribute to Mexico's ability to take advantage of opportunities created by NAFTA (the North American Free Trade Agreement), ultimately narrowing the social and economic gaps between Mexico and the United States. TIES will benefit many segments of U.S. and Mexican society–higher education institutions, civil society and other nongovernmental and community groups, the private sector, and national, state and local governments.

The initiative (of which USAID will fund 60%) will respond to strategic priorities of USAID and to new opportunities for cooperation arising from the strong Bush-Fox relationship and its resulting U.S.-Mexico development dialogue. It has two components:

- academic training in the United States (primarily master's degree-level training); and
- higher education partnerships (between Mexican and U.S. institutions)

Inputs, Outputs and Activities: *FY 2002 Program:* FY 2002 funds are being notified because this is a new program. USAID will use FY 2002 ESF resources to develop and begin implementation of this new human capital development initiative. Project design will emphasize the importance of higher education's role in supporting social and economic development and growth, and the benefits of joint U.S.-Mexico cooperative approaches. The main component of TIES, a significant investment in academic training in the United States, will rest on a solid foundation of U.S.-Mexico higher education institution partnerships. These partnerships will address Mexican development issues using collaborative research, joint degree programming, faculty and student exchanges, the internet, on-the-ground programs, and other forms of cooperation.

The private sector will be a significant partner as well. Corporations will benefit from internship programs and from research conducted by scholarship students that are relevant to business interests and objectives. Funding leveraged from firms, foundations, and from the higher education partnerships themselves will represent at least 40% of the total project amount. Many programs are expected to leverage several times the amount of USAID's investment, resulting in a greatly expanded program and impact.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: In FY 2003, USAID will use DA and ESF resources to send 100 Mexicans to the United States for academic training in areas relevant to the social and economic

development of Mexico. In addition, USAID will develop and fund a minimum of 20 linkages between U.S. and Mexican universities to work on Mexican development programs through faculty and student research and exchange, targeted development activities in Mexico, use of distance education and the internet to establish new courses, curricula and degree programs in Mexico, and other types of cooperation.

Performance and Results: The program is currently in the design stage.

With successful completion of the program in FY 2006, USAID anticipates that at least 35 U.S.-Mexican higher education institution partnerships will be established and operating, and that approximately 750 Mexican trainees will have received academic training in the United States. This training will be in areas including, but not limited to: basic education, human capital development, natural resources management and environmental science, public health, transparency, decentralization and public policy, microenterprise and small business development, trade promotion, agriculture, and humanitarian assistance.

Principal Contractors, Grantees, or Agencies: Implementing contractors and grantees are not yet determined. Partners will include the Mexican and U.S. higher education community (technical and community colleges, institutes, universities, and research institutions) private sector institutions, and the local, state, and national governments of both countries. The Mission plans to use USAID's and the Embassy's rich higher education partnership, scholarship, and training experience, as well as the experiences of Mexican and U.S. universities, the Government of Mexico, and civil society as it develops, implements, monitors, and evaluates the TIES initiative.

US Financing in Thousands of Dollars

Mexico

523-XXX Increased Opportunities for Mexicans in Further Education and Training	DA	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	0
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	1,000
Total Planned Fiscal Year 2002		
Obligations	0	1,000
Proposed Fiscal Year 2003 NOA		
Obligations	3,000	2,000
Future Obligations	15,000	9,000
Est. Total Cost	18,000	12,000

NICARAGUA

THE DEVELOPMENT CHALLENGE: Despite positive growth rates over the last eight years, poverty in Nicaragua remains pervasive and acute. More Nicaraguans are poor today than in 1993; about half the population lives in poverty (as defined by the World Bank) and an estimated 17% live in extreme poverty, making Nicaragua one of the poorest countries in Latin America. Most of the poor, whether urban or rural, depend heavily on agricultural employment for their livelihood. In addition, Nicaragua is saddled with an enormous foreign debt. The most recent data indicates that Nicaragua has a total foreign debt of $4.8 billion, well over 200% of GDP. Economic momentum has been vanishing as growth declined from 7.3% in 1999, to 5.5% in 2000, to 3.0% in 2001. Poverty rates will not drop unless growth rates above 6% can be achieved and maintained for at least a decade. The Government of Nicaragua (GON) has developed a poverty reduction strategy as part of its participation in the Heavily Indebted Poor Countries debt relief initiative. Along with poverty reduction, creation of an effective democratic system of government is a basic requirement if Nicaragua is to achieve equitable growth and prosperity for its citizens.

As trade barriers among countries in the hemisphere fall and the date for establishing the Free Trade Area of the Americas (FTAA) approaches, it is in the U.S. interest that Nicaragua becomes a more competitive trading partner. Further, Nicaragua must become more resilient in the face of floods, droughts, and other natural disasters. Still recovering from the devastation of Hurricane Mitch that struck in October 1998, Nicaragua has also been hit hard by a severe drought affecting the northwest area of the country, sharply depressed prices in the international coffee market, and a $500 million GON bailout of private banks. Nonetheless, a serious crisis was averted when the United States provided emergency assistance in the form of food, seeds and tools.

In November 2001, Nicaragua conducted national elections that were notable for their high voter turnout, and fair, peaceful election-day operations. Although the new GON administration recently took office in January 2002, early indications are that it is committed to programs to create jobs, increase productivity in the rural areas, reduce social and environmental vulnerabilities, eliminate corruption, and reform the justice sector. The challenges of reducing poverty, increasing economic growth, and strengthening democracy will require a major commitment from Nicaragua and the international donor community.

THE USAID PROGRAM:
FY 2002 Estimate: $ 33.861 million *FY 2003 Request:* $37.621 million

After the 30-month Hurricane Mitch Reconstruction and Recovery Program and an election support program in 2001, USAID is returning to its core sustainable development program and preparing a new strategy to be implemented beginning FY 2003. USAID requests funds for its three ongoing objectives that will complement Nicaragua's poverty reduction strategy, strengthen democratic participation, increase broad-based growth to benefit from membership in the FTAA, and enable Nicaragua to be an effective opponent of international terrorism and narcotrafficking. FY 2002 funds will be used to implement the program as described in the FY 2002 Congressional Budget Justification with small modifications to respond to new priorities. In FY 2003, USAID will continue to work toward a favorable investment climate framed by effective economic policies and resolution of long-standing property issues. A modern, fair and open judicial system and a solid base of human capital are related goals. Specific activities to be funded by the FY 2003 request are described in detail in the following Program Data Sheets.

Most immediately, USAID will help small producers become more competitive by encouraging rational crop diversification, increased agricultural productivity, the sustainable use of natural resources, and the development of systems to mobilize savings and credit, particularly in rural areas. An internationally competitive agricultural sector also leads to cheaper food locally -- and hence greater access to food. In addition, by promoting development in Nicaragua through the Agency's

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new agriculture, trade and disaster mitigation-based Partnership for Prosperity for Central America and Mexico, the U.S. will be able to stem the flow of economic migrants and reduce the country's vulnerability to narcotics abuse and trafficking.

Establishing a credible, equitable, and efficient judicial system based on rule of law is necessary to encourage productive investment in Nicaragua. USAID will therefore continue its efforts in criminal and administrative code reform, including assistance in drafting modern codes, in getting codes enacted and implemented, and in strengthening judicial sector institutions. USAID will also provide technical assistance and training to ensure the new codes are widely understood and fairly applied.

Laying the foundation for a healthy, well-educated workforce is also necessary to increase productivity. USAID continues to support programs promoting healthy children, family planning, and primary education. Fifty percent of the population is under 15 and 45.6% of 19 year old women were pregnant or mothers according to a survey undertaken in 2001. Helping families space births is essential to keep population growth from swamping economic growth. In addition, keeping HIV/AIDS from becoming an epidemic is essential to preserving a healthy workforce.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: The USAID program in Nicaragua includes the following objective for which USAID is not requesting new funds, but for which it is continuing to expend funds already appropriated.

Number	Title	Last Notified	Planned Completion
524-005	Hurricane Mitch Reconstruction and Recovery	FY 2002 CBJ p.439	FY 2002

OTHER PROGRAM ELEMENTS: *In addition to its bilateral program, USAID implements activities in* Nicaragua through the Latin American and Caribbean Bureau (LAC) regional projects including local government strengthening, Parks in Peril, the dairy directive, and education reform. Nicaragua's Human Rights Ombudsman has been assisted through LAC's grant to the Inter-American Institute for Human Rights.

LAC Central American regional programs are managed by the USAID/Guatemala-Central America Program. These activities provide assistance in the areas of child labor rights, HIV/AIDS prevention, and natural resources management in Nicaragua. Three programs in USAID's Bureau for Economic Growth, Agriculture and Trade support USAID/Nicaragua's micro-enterprise activities, including the Program for Innovation in Microenterprise Fund, and the Microenterprise Implementation Grant Program. USAID's centrally-managed matching grant programs also fund child survival and micro-credit activities. The Central American Mitigation Initiative of USAID's Office of Foreign Disaster Assistance funds activities in Nicaragua that reduce the impact of natural disasters.

OTHER DONORS: Major donors include the World Bank, Inter-American Development Bank (IDB), the European Union (EU), Japan, Sweden, Denmark, Germany, Spain, and the United Nations Development Program (UNDP). Total donor support to Nicaragua in grants and loans is estimated at $492 million in 2000, 20% of the GDP. The U.S. was the lead bilateral donor, providing about 13% of bilateral assistance, closely followed by Japan with 12%. USAID works collaboratively with World Bank and IDB on projects that promote transparency in government procurement, financial management reform, municipal strengthening, agricultural technology, health modernization and primary education. The EU supports both primary and secondary education. USAID, the World Food Program, and other donors worked together on emergency programs following both droughts and flooding in 2001. The Swedish International Development Agency and other Nordic donors are implementing a program to improve decentralized delivery of primary health care, a program that complements USAID's Prosalud project. The Danish and German governments support environmental conservation. Japan focuses on infrastructure. USAID has partnered with the EU, Spain and the Konrad Adenauer Foundation on justice sector activities.

Nicaragua

PROGRAM SUMMARY

(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	7,932	7,006	0	0
Child Survival and Health Programs Fund	0	0	8,170	0
Development Assistance	14,450	16,390	16,152	27,258
Economic Support Fund	500	1,499	1,500	0
PL 480 Title II	6,702	7,808	8,039	10,363
Total Program Funds	29,584	32,703	33,861	37,621

STRATEGIC OBJECTIVE SUMMARY				
524-001 More Political Participation, Transparency and Compromise				
DA	3,000	3,350	3,722	4,510
ESF	500	1,499	1,500	0
524-002 Sustainable Growth in Small Producer Employment and Income				
DA	8,150	9,049	9,930	12,520
PL 480	0	2,926	4,204	5,814
524-003 Better Educated, Healthier, Smaller Families				
CSD	7,932	7,006	0	0
CSH	0	0	8,170	0
DA	3,300	3,991	2,500	10,228
PL 480	0	2,700	3,835	4,549
524-005 Rapid reconstruction and sustainable recovery in Mitch-affected areas				
PL 480	6,702	0	0	0

PROGRAM DATA SHEET

USAID MISSION: Nicaragua
PROGRAM TITLE: Strengthening Democracy (Pillar: Democracy, Conflict and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: More Political Participation, Transparency and Compromise, 524-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 3,722,000 (DA), $ 1,500,000 (ESF)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $4,510,000 (DA)
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The USAID democracy strengthening program in Nicaragua includes technical assistance and training to:

- develop the legal framework and strengthen the institutions needed to advance justice reform;
- assist governmental and non-governmental entities in increasing government transparency and accountability, and combating corruption;
- increase political participation and leadership in support of election activities; and
- strengthen civil society and human rights non-governmental organizations (NGOs) and their capacity for participation and advocacy;

Inputs, Outputs and Activities: *FY2002 Program:* In FY 2001 USAID reoriented its democracy funding to provide essential elections support. In FY 2002 USAID will return to full implementation of its original democracy initiatives. USAID will obligate Development Assistance and Economic Support Funds for justice reform, civil society strengthening, greater political participation, and transparency in government.

Using ESF funding, work in the justice sector will focus on passage of the Penal Code and implementation of the Criminal Procedures Code through the provision of technical assistance and training, assuming that the GON fully supports the justice reform. USAID will also assist in implementation of the Administrative Litigation Code assuming that GON funding is made available for institutionalization of the code. USAID will provide training in the new criminal codes for judges, public defenders, prosecutors, and other participants in the justice system. USAID will assist in the establishment of the Prosecutor General's Office, providing training in budget preparation, setting up offices, and internal organization. USAID will offer technical assistance to support the expansion of the Public Defender's Office, assuming that the Supreme Court designs a modest expansion strategy, reflecting the lack of GON resources in this area. In collaboration with other donors, USAID will support initiatives to increase government transparency and accountability through technical assistance and training for governmental and non-governmental entities.

The GON administration that took office in January 2002 has identified justice sector reform as a high priority.

Using DA funds, USAID will continue to provide grants to civil society and human rights organizations to develop their capability to support activities in areas such as human rights and the reform of corrupt democratic institutions. USAID will provide technical assistance and training to build citizens' understanding of their rights and responsibilities, and expectations of transparent, ethical behavior by government. USAID will work to strengthen the internal democratization of political participation through leadership training, technical assistance and other activities.

Planned FY 2003 Program: Justice sector reform is a clear priority for the new GON administration that took office in January 2002. USAID plans to use FY 2003 funds to complete its work in

training members of the justice system in the Criminal Procedures Code and Penal Code early in FY 2003. USAID plans to continue to provide technical assistance and training for expansion of the Public Defender's Office and the Prosecutor General's Office. Given GON support, USAID will provide assistance in reorganization of the courts as part of the implementation of the criminal codes. Working closely with the new GON administration, USAID will be open to activities in FY 2003 to better support government transparency and anti-corruption objectives of both government and non-governmental entities. If demand is present, USAID will also use DA funds to continue training and technical assistance for strengthening democratic processes.

Performance and Results: USAID's support for Nicaragua's elections administration and for NGO observation and voter education activities helped to bring about free and fair presidential elections in November 2001. National and international observers praised the high voter participation and peaceful civic involvement.

USAID's support for justice reform contributed to passage of the new organic law for the judicial branch, the Administrative Litigation Code and a new Criminal Procedures Code. USAID expects passage of the Penal Code in 2002, together with the initiation of implementation of the Criminal Procedures Code, establishment of the Prosecutor General's Office, and expansion of the Public Defender's Office.

USAID expects that activities undertaken in support of this objective will support the establishment of mechanisms to monitor and prosecute acts of corruption. In addition, opportunities will increase for new leaders to emerge with the political parties, as will civil society organizations' voice and influence in public decision making.

Principal Contractors, Grantees, or Agencies: USAID activities in justice reform will be implemented through contracts with Checchi and Company (prime) and Florida International University (prime). Small grants will be provided to Nicaraguan NGOs to strengthen civil society, promote reforms and protect human rights. Assistance to increase government accountability and transparency will be carried out through agencies designated by the new GON administration and through NGOs.

US Financing in Thousands of Dollars

Nicaragua

524-001 More Political Participation, Transparency and Compromise	DA	ESF
Through September 30, 2000		
Obligations	16,370	8,598
Expenditures	13,073	5,961
Unliquidated	3,297	2,637
Fiscal Year 2001		
Obligations	4,950	3,095
Expenditures	3,844	3,362
Through September 30, 2001		
Obligations	21,320	11,693
Expenditures	16,917	9,323
Unliquidated	4,403	2,370
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	3,722	1,500
Total Planned Fiscal Year 2002		
Obligations	3,722	1,500
Proposed Fiscal Year 2003 NOA		
Obligations	4,510	0
Future Obligations	0	0
Est. Total Cost	29,552	13,193

PROGRAM DATA SHEET

USAID MISSION: Nicaragua
PROGRAM TITLE: Sustainable Economic Growth (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Sustainable Growth in Small Producer Employment and Income, 524-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 9,930,000 (DA); $4,204,000 (P.L. 480)
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 12,520,000 (DA); $5,814,000 (P.L. 480)
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's economic growth objective seeks to increase incomes and employment opportunities of small producers by providing technical assistance and training focused on:

- helping small farmers diversify production and increase output in a sustainable way;
- increasing small- and micro-businesses in rural and urban areas;
- fostering the rational use of natural resources; and
- increasing Nicaragua's competitiveness.

In working to strengthen economic activity, especially in rural areas, USAID will work within the framework of the Agency's new Partnership for Prosperity initiative for Central America and Mexico in building stronger ties with the region to reduce poverty.

Inputs, Outputs and Activities: *FY 2002 Program*: FY 2002 economic growth activities will be directed towards increasing incomes and employment opportunities for poor Nicaraguans especially in rural areas. This program will also begin to address problems arising from the sharp decline in international coffee prices, the effects of the drought, and the economic effects of last year's bank failures.

By channeling DA funding to U.S. private voluntary organizations (PVOs) and Nicaraguan non-governmental organizations (NGOs), USAID will help small farmers to adopt environmentally sustainable agricultural practices, as well as increase the use of improved and certified seeds. The USAID microenterprise program will continue to strengthen credit unions in FY 2002, enabling them to provide financial services and mobilize savings in rural areas. The program will also provide DA funds to expand microenterprise lending for value-added activities, including post-harvest processing and storage, food processing, equipment manufacture and repair, and commercial services. USAID's natural resources management activities will help protect important ecosystems by strengthening management of protected areas, introducing environmentally sustainable agricultural practices into the buffer zones surrounding the protected areas.

Nicaragua's P.L. 480 Title II program, implemented by four U.S. PVOs, is an integral component of USAID's economic growth strategy. Approximately half of the annual Title II funding is focused on increasing the income of small agricultural households, directly addressing the cause of rural poverty. The program promotes production of higher-value crops and investment in production, including drip irrigation systems.

Planned FY 2003 Program: USAID plans to use DA funds to implement a modified economic growth strategy in FY 2003, a transition year to a full new country strategy. The change in emphasis will shift activities to those that help Nicaragua become more competitive in international agricultural markets. USAID will build upon successes from prior years and lessons learned from the Hurricane Mitch Reconstruction and Recovery Program. In FY 2003, USAID will focus on increasing the productivity of small farmers by providing technical assistance and training to support improved agricultural techniques, crop diversification, strengthened financial markets in rural areas, and adoption of government policies conducive to private investment in rural areas.

Performance and Results: The Nicaraguan agricultural sector, slowly recovering from Hurricane Mitch, has recently suffered further setbacks. A series of droughts has led to substantial losses in grain production, particularly in the northern departments damaged earlier by Hurricane Mitch. In the past, farmers were able to compensate for crop losses by taking employment in the coffee sector. (Nicaraguan coffee production has traditionally employs nearly 200,000 people, roughly 30% of the agricultural workforce.) This option is no longer available. International coffee prices fell more than 60% in the last 18 months, drying up this source of employment -- as well as Nicaragua's most important source of export earnings. To further exacerbate the problem, bank failures and a $500 million government bailout diverted funds that could have been used for poverty alleviation programs, and led to the evaporation of credit, particularly for the agricultural sector.

Despite these problems, USAID's program has helped to mitigate the effects of these crises in many rural areas. Crop diversification, improved soil and water conservation, adoption of environmentally sound cultivation practices, and improved post-harvest storage, have led to higher incomes for farmers and entrepreneurs and more resilience for agricultural producers. To combat the drought the United States combined a variety of resources from the Office of Foreign Disaster Assistance, Title II and emergency food aid to provide relief assistance to approximately 38,000 families.

USAID's Technical Services to Small Farmers Program provides grants to local agricultural NGOs. The activities carried out under these grants have brought about a 70% increase in production and a 19% increase in annual family income for over 16,650 farm households. Average production has increased substantially for coffee, basic grains, cacao, and vegetables. Similarly, the 1,600 farmers working with the Cooperative League of the USA (CLUSA) have received net incomes that are five times higher than the incomes of neighboring farmers who have not worked with CLUSA. Meanwhile, World Relief's Sustainable Agriculture Project is reaching 3,580 beneficiaries and generating average increases in income of 119% for those households.

The USAID National Seed Improvement Project (PROMESA) reduced tariff and non-tariff barriers to regional trade of seeds and plant materials and persuaded the Ministry of Agriculture to improve efficiency by privatizing seed certification services. PROMESA also increased small farmer access to improved seed and played a key role in expanding black bean exports, leading to the export of 730 metric tons of black beans to Costa Rica and benefiting 1,580 small farmers.

USAID-supported credit unions have continued to increase their membership and levels of both savings deposits and loans with the loan portfolio growing from $73,600 to $4 million today. Credit unions are also introducing new financial services, such as insurance protection for credit union members. USAID's micro-enterprise activities have increased the income-earning and asset-building capacity of over 107,000 entrepreneurs through improved business skills, productivity, and market access. Approximately 85% of the beneficiaries are women.

USAID expects that activities undertaken in support of this objective will result in increased crop diversification, increased access to improved seed, increased use of sound environmental practices and improved post-harvest storage, all leading to increased agricultural production and increased family incomes in rural areas. In addition, the income-earning and asset-building capacity of entrepreneurs is expected to increase.

Principal Contractors, Grantees, and Agencies: Contractors working in support of this objective include Winrock International; Development Alternatives Inc.; Boston Institute for Developing Economies; Associates in Rural Development; World Relief Corporation; the Cooperative League of the USA; the Adventist Development and Relief Agency; Catholic Relief Services; Project Concern International (PCI); Save the Children; the GON P.L. 480 Secretariat; the World Council of Credit Unions; Foundation for Microenterprise Support; International Foundation for Community Assistance; the Chispa/Confia Foundation; Promujer; the Cocibolca Foundation; and Alistar Foundation. All are prime contractors.

US Financing in Thousands of Dollars

Nicaragua

524-002 Sustainable Growth in Small Producer Employment and Income	DA	ESF
Through September 30, 2000		
Obligations	29,102	10,262
Expenditures	19,789	10,207
Unliquidated	9,313	55
Fiscal Year 2001		
Obligations	9,049	0
Expenditures	6,298	37
Through September 30, 2001		
Obligations	38,151	10,262
Expenditures	26,087	10,244
Unliquidated	12,064	18
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	9,930	0
Total Planned Fiscal Year 2002		
Obligations	9,930	0
Proposed Fiscal Year 2003 NOA		
Obligations	12,520	0
Future Obligations	9,930	0
Est. Total Cost	70,531	10,262

PROGRAM DATA SHEET

USAID MISSION: Nicaragua
PROGRAM TITLE: Improved Health and Education (Pillars: Global Health and Economic Growth, Agriculture and Trade)
STRATEGIC OBJECTIVE NAME AND NUMBER: Better Educated, Healthier, Smaller Families, 524-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,500,000 (DA); $8,170,000 (CSH); $3,835,000 (P.L. 480)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $10,228,000 (DA); $4,549,000 (P.L. 480)
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's program to support better educated, healthier, and smaller families includes technical assistance and training focusing on four components:

- upgraded public sector health facilities in selected municipalities;
- improved family planning through integrated family health clinics;
- improved household nutrition practices through effective public/private voluntary organization (PVO) and non-governmental organization (NGO) partnerships; and
- improved access to quality primary education.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use FY 2002 CSH funds to upgrade public sector health facilities into fully functional service delivery points, leading to improved child survival and reduced maternal mortality in selected municipalities in the rural departments of Jinotega, Boaco, and Matagalpa. USAID will use CSH family planning/reproductive health funds to improve provision of family planning services through a network of integrated family health clinics, and provide contraceptives through public and private outlets. USAID will also conduct social marketing campaigns to increase consumer awareness of services provided by these facilities and reduce transmission of HIV/AIDS.

In FY 2002 USAID will obligate Development Assistance funds to improve basic education in model schools throughout Nicaragua. Pre-service and in-service teacher training and development of student-centered materials, including teaching guides, student workbooks, libraries, and resource centers, will increase teacher effectiveness. USAID will also use funds to support education management and policy reform efforts, and to provide small grants to increase community participation in school improvement projects. Bilingual model schoolteachers will be trained in bilingual education methodology, including first and second language teaching, linguistics and culture.

In FY 2002, four P.L. 480 Title II cooperating sponsors (Cooperative for American Remittances Everywhere, Adventist Development and Relief Agency, Save the Children, and Project Concern International) will implement complementary feeding, maternal health and child survival activities in selected high-risk communities. The goal of the program is to change behavior and feeding practices that remain the fundamental cause of chronic malnutrition. This promising approach focuses on children under two years of age and combines growth monitoring with counseling to mothers on feeding practices.

Planned FY 2003 Program: USAID is designing a new, integrated human investment program to address emerging human capital development needs, a pillar of the government's Poverty Reduction Strategy. USAID expects to provide technical assistant and training in a program that will target at-risk and under-served populations, and encourage government policies and reforms to support

decentralization of health and education services. USAID will increase emphasis on the health and education needs of adolescents and youth, Nicaragua's next generation of parents, producers, citizens and voters.

Performance and Results: At the end of 2001 USAID implemented a national Demographic and Health Survey (DHS) to gauge the results of its child survival, nutrition, and reproductive health program, and the health components of the Hurricane Mitch program. At the national level, survey results confirmed that USAID has contributed to major reductions in total fertility rates and increased the use of reproductive health services, including HIV/AIDS prevention. USAID-funded activities have also led to significant reductions in infant mortality in targeted geographic departments, as well as nationwide. The program has helped maintain vaccination coverage rates of 90% and has increased the appropriate use of oral rehydration therapy. USAID has nearly eliminated micronutrient deficiencies and has increased the prevalence of exclusive breast-feeding in the first four months of a baby's life from 30% in 1998 to 46.2% in 2001 for infants under four months. USAID-funded support to the Ministry of Health has improved contraceptive logistic management resulting in increased efficiency and effectiveness in contraceptive distribution.

According to the survey, the infant mortality rate dropped more than 20% between 1998 and 2001. This drop far exceeded USAID targets and moved Nicaragua ahead of neighboring Guatemala, Honduras, and El Salvador, from the highest rates of infant mortality in the region to one of the lowest. Similarly, in the decade from 1990 to 2000, Nicaragua's family planning program emerged as one of the world's success stories. Fertility rates dropped continuously; the most recent data show that from 1998 to 2001, total fertility dropped by 18%. Among USAID-supported programs, only Thailand, Bangladesh, and Egypt have reduced fertility faster than Nicaragua. The DHS-2001 preliminary report indicates that contraceptive prevalence increased from 60% in 1998 to 68% in 2001. Nicaragua has begun a demographic transition that will affect its future profoundly. Its success is all the more remarkable in light of the country's extreme poverty.

Nonetheless, problems remain. According to the 2001 DHS preliminary report, adolescent pregnancy among 15-19 year olds decreased from 27% to 24.7% between 1998 and 2001. Still, the 24.7% rate is very high. This age group remains particularly vulnerable and will become the priority of USAID's future family planning/maternal health program.

The USAID program is increasing access to quality education for students in urban areas, in poor rural areas, and in bilingual schools on the Atlantic Coast. USAID-supported Model School students are completing more years of schooling than students in other schools. Last year, Model School fifth-grade completion rates (52%) were much higher than the national average (39%). USAID expects the rates to continue to increase by 8% annually. Teachers in USAID-assisted Model Schools are providing better quality education in the classroom and are teaching new methods to fellow teachers. Classroom quality doubled between 1998 and 2001. Parents' participating in school activities is increasing by 4% annually.

USAID expects that activities undertaken in support of this objective will result in reduced fertility and infant mortality rates and reduced micronutrient deficiencies. In addition, it is anticipated that use of reproductive health services will increase, and that this increase use will lead to more use of HIV/AIDS prevention services and increased access to primary education.

Principal Contractors, Grantees, or Agencies: USAID activities undertaken in support of this strategic objective are by implemented under contracts with Management Sciences for Health, Academy for Educational Development, CARE, Project HOPE, Project Concern International, Save the Children, Adventist Development and Relief Agency, Pan-American Health Organization. All of these organizations are prime contractors. Subcontractors include Juarez & Associates and Johns Hopkins University Center for Communications Programs. Partners include the Government of Nicaragua Ministry of Health, and the Ministry of Education, Culture and Sports.

US Financing in Thousands of Dollars

Nicaragua

524-003 Better Educated, Healthier, Smaller Families	CSD	CSH	DA	ESF
Through September 30, 2000				
Obligations	24,584	0	10,839	82
Expenditures	16,122	0	8,797	64
Unliquidated	8,462	0	2,042	18
Fiscal Year 2001				
Obligations	7,408	0	3,991	0
Expenditures	8,655	0	3,754	14
Through September 30, 2001				
Obligations	31,992	0	14,830	82
Expenditures	24,777	0	12,551	78
Unliquidated	7,215	0	2,279	4
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2002 NOA				
Obligations	0	8,170	2,500	0
Total Planned Fiscal Year 2002				
Obligations	0	8,170	2,500	0
Proposed Fiscal Year 2003 NOA				
Obligations	0	0	10,228	0
Future Obligations	0	0	0	0
Est. Total Cost	31,992	8,170	27,558	82

PANAMA

THE DEVELOPMENT CHALLENGE: U.S. assistance to Panama contributes to the achievement of U.S. foreign policy objectives in the areas of environment, democracy, and human rights. The assistance program focuses on ensuring effective protection and management of the Panama Canal Watershed (PCW) through which significant amounts of U.S. (13%-14%) and world (4%) ocean-going cargo transit. The protection of the watershed's natural environment is vital to safeguarding the fresh water resources upon which the canal's hydrology and sustainability depends. Increasing rates of population migration into areas near the watershed, with concomitant urbanization and economic activities, threaten the environmental health and stability of the PCW. As a result, the fresh water supply of the watershed is increasingly vulnerable to agricultural and industrial pollution, siltation, and sedimentation with a consequent reduction in the storage capacity of its lakes. This is a serious problem considering that fresh water, provided by rainfall across the 339,649-hectare watershed, powers the Panama Canal. The PCW is the only source of water to meet requirements for Panama Canal operation, as well as the needs of the rapidly growing population in the area.

> Each ship that transits the Panama Canal requires 52 million gallons of fresh water.

USAID's assistance program also seeks to increase the momentum towards improvements in the criminal and commercial justice systems of Panama. A more fair and efficient justice system will help to ensure transparent treatment of U.S. citizens and businesses in Panamanian commercial and criminal courts, strengthen democracy, and enhance the credibility of justice sector institutions. An inherently slow, complex and non-transparent justice system has impeded development in Panama. The system is difficult to understand or access for both Panamanians and non-Panamanians and is highly susceptible to manipulation. The USAID program complements a larger effort by the Inter-American Development Bank (IDB) to consolidate ongoing efforts by the Government of Panama (GOP) to implement critical reforms of both the criminal and civil (commercial) justice systems. The USAID program is selective in that it focuses only on issues not addressed by IDB or other donors. USAID will concentrate on implementing pilot activities that would improve management of the courts and on capacity building for non-governmental organizations (NGOs) to advocate more effectively for justice sector reforms.

Panama's external debt is about $5.6 billion, or close to 60% of GDP.

THE USAID PROGRAM:

FY 2002 Estimate: $8.5 million *FY 2003 Request: $10.5 million*

USAID's program addresses complex issues related to the protection and conservation of the Panama Canal Watershed and critical judicial reforms. In an environmentally friendly manner, the PCW program seeks to increase the capacity of Panamanians of all strata who have a direct impact on the PCW. As such, mechanisms to coordinate activities of central and local government entities as well as those of local residents are being established and strengthened. New sources of cofinancing are being developed to support the increased effort of PCW protection. In addition, technical assistance and training is being provided to increase environmental awareness and develop alternative production methodologies that replace current destructive environmental practices.

The program supporting judicial reforms is gaining support from influential groups in the judiciary and the private sector in an effort to initiate reforms and increase the momentum towards fairer and faster justice in Panama. FY 2002 funds will be used to improve the management of criminal courts by implementing pilot-targeted reforms, foster alliances in civil society to increase their advocacy role and impact for significant reforms, and to promote the use of alternative dispute resolution mechanisms in the civil (commercial) courts.

In the Darien border region with Colombia a new program is anticipated that would mitigate the 'spillover' effects of illicit narcotic trafficking activities and tentatively explore the feasibility of a complementary anticorruption activity. The new program would strengthen democracy and expand good governance in this neglected region, with greater community participation addressing critical needs.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: Other U.S. Government-supported activities include USAID's regional Central American Program (G-CAP) support to provide technical assistance and training to promote policy dialogue/public awareness, strengthen NGO capacity for effective HIV prevention efforts and for the development and implementation of a condom social marketing strategy. Another G-CAP program is providing limited technical assistance and training through its PROALCA program (Program Support to Central American Participation in the Free Trade Area of the Americas [FTAA]), in support of Panamanian efforts to prepare for participation in the FTAA.

OTHER DONORS: USAID is the major donor active in the PCW. Under the Common Agenda Initiative, the Government of Japan is providing assistance to the GOP and the NGO community in activities complementary to the USAID program in the conservation and protection of the watershed. With support from Japan, the GOP has established a training center in the PCW. This center is providing environmental education and awareness training in forestry and agroforestry techniques. Also, the Japan International Cooperation Agency is funding a study to develop for the Municipality of Panama a plan for solid waste management.

An ongoing IDB program is assisting the GOP to strengthen institutional management and implementing mechanisms to support community environmental mitigation. IDB is also supporting a process of conversion from destructive agricultural practices to environmentally friendly productive activities in the PCW. Additionally, IDB is implementing an integrated development program in the Darien province, including environmental issues. As stated earlier, the IDB is the lead donor supporting a major GOP effort in the improvement of its criminal justice system, primarily by constructing infrastructure, which will physically house law enforcement and judicial functions at two locations in Panama. USAID justice reform activities complement this effort.

Panama

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Development Assistance	3,500	3,700	4,500	7,000
Economic Support Fund	1,000	998	4,000	3,500
Total Program Funds	**4,500**	**4,698**	**8,500**	**10,500**

STRATEGIC OBJECTIVE SUMMARY				
525-004 Panama Sustainably Manages the Canal Watershed and Buffer Areas				
DA	0	3,700	4,500	7,000
525-005 Momentum Towards Fairer and Faster Justice System Established				
DA	3,500	0	0	0
ESF	1,000	998	4,000	3,500

PROGRAM DATA SHEET

USAID MISSION: Panama
PROGRAM TITLE: Protection of Panama Canal Watershed (Pillars: Democracy, Conflict, and Humanitarian Assistance; and Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Panama Sustainably Manages the Canal Watershed and Buffer Areas, 525-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $4,500,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $7,000,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The program consists of technical assistance and training to:

- strengthen the capacity of the Inter-Institutional Watershed Commission (CICH) of the Panama Canal Authority to effectively coordinate management of the Panama Canal Watershed (PCW);
- promote the development and implementation of a sound legal and regulatory framework for the PCW;
- establish mechanisms for the financing of watershed management activities;
- support CICH implementation of PCW monitoring;
- strengthen the management of protected areas in the PCW;
- foster income-generating activities that contribute to biodiversity conservation;
- strengthen sustainability and outreach skills of selected NGOs active in the PCW;
- promote local government and NGO involvement in the PCW decision-making process; and
- implement local environmentally sound practices, including liquid and solid waste disposal systems.

Inputs, Outputs and Activities: *FY 2002 Program*: DA resources will support new initiatives and continue activities with the highest prospects for the achievement of program results. Current technical assistance and training efforts to strengthen the management and coordination capability of the CICH will continue. Moreover, new initiatives will seek to expand investments and involvement through in-kind contributions by line ministries, local governments, non-governmental organizations (NGOs), and community-based organizations. New efforts will seek to elevate the status of the CICH and its importance to its member institutions through effective coordination and utility to its members. A new incentive fund to finance four innovative pilot activities that address and help to solve key environmental problems in the PCW will be established. This incentive fund will leverage additional resources from the Panama Canal Authority and other members of the CICH, which at a minimum will more than double USAID annual contributions. Also, earnings of the Ecological Trust Fund (FIDECO) will be increasingly focused on financing activities in the PCW. A water pollution control system in a small PCW town with a population of less than 50,000 is planned with funding from the LAC Bureau under the Environmental Health Program.

Planned FY 2003 Program: DA resources requested in FY 2003 will be used to consolidate capacity building in local governments, NGOS, and the grassroots community-based organizations. The increased financial resources raised by NGOs or generated by incentive ecological trust funds will be marshaled, under the coordination of the CICH, into a consensual and concerted effort to address key issues related to the conservation and protection of the PCW. In addition, DA resources are critical to strengthen its support of ecotourism and co-management for protected areas as means of securing the long-term ecological and financial security of the parks. Technical assistance will be provided to further develop ecotourism opportunities for local communities, create co-management mechanisms for protected area management and increase the involvement of the private sector in conservation programs in the PCW. Specific activities include but are not limited to a co-management arrangement for one protected area, updating and completion of management plans for

all PCW protected areas, completion of signage and interpretation plans for all PCW parks, and drafting of a public relations strategy for the Panama Canal Authority.

Performance and Results: The CICH is fully operational and engaging GOP entities in developing policies for sound environmental management of the PCW. USAID continued to provide technical assistance and training aimed at strengthening management and coordination skills of the CICH. Training of park guards and selected local NGOs was also provided. Significant progress was made towards the creation of an Environmental Information Center in the CICH. The approval of the Strategy for the CICH information center and the subsequent design of a web page to facilitate data dissemination were important milestones towards the establishment of this center. Also completed was an assessment of nature-based microenterprises in the PCW. This assessment provides a useful tool in guiding the promotion of sound, environmentally friendly activities as alternatives to current activities that adversely affect the environment in the PCW. Local authorities have begun to show the political will to make the hard choices in support of sound environmental management. As a result, local communities are playing a proactive role in addressing environmental issues. One community has already organized a waste disposal service paid for by over 1,000 households, while five other communities are heading in the same direction. Strategic plans and environmental action plans are already in place in many of these communities. USAID will initiate technical assistance and training to develop and implement replicable community-based solutions to solid and liquid waste management on the east side of the Panama Canal.

At the end of this program there will be an improved legal and regulatory environment and practices for the PCW with mechanisms established for the financing of watershed management activities supporting increased income-generating opportunities that are friendly to biodiversity. The CICH will have a much better capacity in the management, coordination and monitoring of PCW activities safe-guarding the fresh water resources upon which the canal hydrology depends. Finally local government and communities will be much more involved in the decision-making process and sustaining locally environmentally sound practices.

Principal Contractors, Grantees or Agencies: USAID activities are implemented in partnership with the following prime grantees and contractors: International Resources Group, which provides assistance and training to improve the institutional capacity for the management of the PCW. GreenCom provides assistance in environmental awareness, education and communication. Management Services International, in association with local NGOs (including the National Society for Business and Rural Areas Development and International Center for Environmental Training) is contributing to improvements in the management and financial sustainability of local NGOs active in the PCW, as well as their outreach skills. USAID is also in the process of contracting the Cooperative Housing Foundation to provide specialized technical assistance related to local environmental services.

US Financing in Thousands of Dollars

Panama

525-004 Panama Sustainably Manages the Canal Watershed and Buffer Areas	DA
Through September 30, 2000	
Obligations	3,500
Expenditures	6
Unliquidated	3,494
Fiscal Year 2001	
Obligations	3,699
Expenditures	4,341
Through September 30, 2001	
Obligations	7,199
Expenditures	4,347
Unliquidated	2,852
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	4,500
Total Planned Fiscal Year 2002	
Obligations	4,500
Proposed Fiscal Year 2003 NOA	
Obligations	7,000
Future Obligations	7,000
Est. Total Cost	25,699

PROGRAM DATA SHEET

USAID MISSION: Panama
PROGRAM TITLE: Judicial Reforms (Pillar: Democracy, Conflict, and Humanitarian Assistance)
SPECIAL OBJECTIVE AND NUMBER: Momentum Towards Fairer and Faster Justice Established, 525-005
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $4,000,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $3,500,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program is focused on increasing access to justice in targeted areas and the participation of civil society in justice sector reform efforts through technical assistance and training to:

- reduce pretrial detention;
- introduce the use of alternative dispute resolution (ADR) in commercial disputes;
- disseminate Supreme Court and appellate court judicial opinions; and
- establish a permanent program in ethics training for all judicial personnel.

Inputs, Outputs and Activities: *FY 2002 Program*: ESF resources will be used to support ongoing efforts to establish greater momentum for justice reform. Ongoing activities are supporting the development and testing of mechanisms aimed at reducing the high incidence of lengthy pre-trial detention. New initiatives in the civil (commercial) court system will introduce the use of alternative dispute resolution mechanisms in an effort to expedite resolutions and promote out-of-court settlements, thus reducing the huge backlog of commercial disputes in the civil courts. In order to foster enhanced transparency and integrity in the judicial system; a judicial ethics curriculum will be developed for implementation in the judicial school for all court personnel. The design of a modern judicial registry, which properly organizes, classifies, indexes, and publishes judicial opinions of the Supreme Court and appellate courts, will complement this effort. Funding support will also be provided to continue consolidation of the recently created alliance of local NGOs to collectively advocate for further judicial reform. The alliance's current strategy focuses on the penal system, administrative justice, and ADR mechanisms.

> Approximately 5,400 prisoners, or 57% of the prison population, are held in pre-trial detention for as much as one year.

> The backlog of commercial dispute cases exceeded 72,000 in CY 2001.

In addition, ESF resources will be used to initiate Andean Regional Initiative (ARI) activities. During FY 2002 an assessment of "potential spillover effects" of the Colombian conflict into Panama will be completed, adequate program response designed, and implementation initiated. Investigation by USAID suggests that efforts to address potential adverse effects will be focused principally in the Darien Province along the Colombian border. USAID will also explore the feasibility of anticorruption activities in other parts of Panama.

Planned FY 2003 Program (ESF): ESF resources requested in FY 2003 will be used to continue efforts aimed at reducing the pretrial detainees; implementing ethics training for court personnel, including judges, prosecutors and public defenders; ensuring the effective operation of the Judicial Register; and providing support toward the sustainability of the alliance of NGOs. FY 2003 resources will also be used to implement ARI activities with particular emphasis in the Darien Province along the Colombian border.

Performance and Results: Reforms to the Judicial Procedures Code were approved in June 2001 and became effective on September 5, 2001. Implementation of these reforms will reduce the huge backlog of pre-trial detainees for felonies. Due in part to USAID's efforts, the Supreme Court of Justice has publicly expressed the need to continue and deepen the reform process, and the new Chief Magistrate has expressed the political will to do so. Important elements of civil society have joined efforts to work together with Court officials to undertake reforms and the Court has indicated its intent to work with civil society in this effort. Four courts have been selected by the GOP to implement reforms in both criminal and civil courts. USAID is currently providing technical assistance to identify specific training needs for members of the judiciary and prosecutors for effective implementation of the new legislation. Also with USAID assistance, an assessment and design of a modern judicial registry was completed in April 2001.

> Twelve local NGOs formally constituted an alliance to advocate for and support profound justice sector reforms.

With successful completion of the program in FY 2004, USAID anticipates improvement of the transparency and integrity of judicial opinions by providing an interactive, standard electronic format, functioning within the judicial and court systems. Also, through the implementation of ADR procedures and practices within the judicial/court system, the number of commercial disputes should be greatly reduced, allowing for a more efficient and responsive judicial system. The establishment and incorporation of ethics training and procedures for all judicial personnel will contribute to a more transparent and fairer system, thereby enhancing public support and confidence in the legal system.

Principal Contractors, Grantees or Agencies: The prime contractor providing technical services and training is Management Sciences for Development.

US Financing in Thousands of Dollars

Panama

525-005 Momentum Towards Fairer and Faster Justice System Established	ESF
Through September 30, 2000	
Obligations	1,000
Expenditures	0
Unliquidated	1,000
Fiscal Year 2001	
Obligations	996
Expenditures	472
Through September 30, 2001	
Obligations	1,996
Expenditures	472
Unliquidated	1,524
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	4,000
Total Planned Fiscal Year 2002	
Obligations	4,000
Proposed Fiscal Year 2003 NOA	
Obligations	3,500
Future Obligations	6,000
Est. Total Cost	15,496

PARAGUAY

THE DEVELOPMENT CHALLENGE: Consolidating democracy is the primary U.S. national interest in Paraguay. The past 12 years since the fall of the dictatorship have seen the adoption of a new constitution, the establishment of freedom of expression, the development of a transparent and free electoral process, a considerably improved judicial system that permits public scrutiny of legal cases, and the defense of democratic institutions in the face of coup attempts and the assassination of the vice president.

> Popular dissatisfaction with continuing corruption, lack of economic reform, falling incomes and purchasing power, and the possible return of thousands of workers from Argentina threaten this nascent democracy.

Despite efforts to reduce poverty, advance economic and social reforms, improve the economy, eliminate corruption, address environmental degradation, and provide effective basic services to Paraguay's citizens, problems still persist. During 2001, the country continued its fifth consecutive year in which per capita income declined, leaving more than one-third of the population below the poverty line. The value of Paraguayan currency depreciated more than 30% against the dollar in 2001 and perceptions of corruption in the national government have led to considerable social unrest. Paraguay's external debt is about $1.6 billion, or about 27% of GDP.

Approximately 30% of the population do not have regular access to health services and those services that are available are often of very low quality. A shortage of reproductive health services has contributed to high maternal mortality and one of the highest fertility levels in Latin America. Many citizens lack access to basic services such as education, potable water, sewer systems, solid waste collection, and basic infrastructure.

At a minimum, Paraguayan democracy must be able to demonstrate an ability to improve economic conditions, ensure the provision of basic services to its citizens, and provide jobs for a rapidly expanding population. If democracy does not provide hope for the future, there is a real possibility that the people will lose faith in this fledgling democracy and embrace populist solutions.

THE USAID PROGRAM:
FY 2002 Estimate: $9.625 million *FY 2003 Request: $10.125 million*

USAID/Paraguay began implementing its new Strategic Plan in FY 2001. The new strategy integrates environmental and reproductive health initiatives into the overall democracy program. The two major themes that link these initiatives are: 1) the decentralization of power and authority to local levels strengthens government accountability and accessibility to citizens; and 2) a vibrant, pluralistic civil society is the basis for democratic governance.

The Program Data Sheets provided below cover the four development objectives for which USAID/Paraguay is requesting funds. These four objectives concentrate on: strengthening local government and civil society; protecting the environment through better management of globally important ecoregions; decentralizing and expanding access to quality reproductive health services and reducing maternal mortality; and increasing incomes in rural areas.

In FY 2002, funding will be used for activities being implemented under three ongoing objectives (democracy, environment and reproductive health). In FY 2003, in addition to the ongoing objectives, USAID will use $1 million to initiate a new economic growth program aimed at increasing the incomes of the poor. The new objective will address poverty, encourage economic reforms to expand trade, assist small landholders to obtain titles for their properties, and generate employment by expanding access by the rural poor to financial services. The specific activities to

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be funded by FY 2002 and FY 2003 appropriations are described in more detail in the following Program Data Sheets.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: The USAID program in Paraguay includes the following objectives for which USAID is not requesting new funds, but is continuing to expend funds already appropriated.

Number	Title	Last Notified	Planned Completion
526-001	Improved Key Democratic Institutions	FY 02 CBJ, p. 466	FY 2002
526-002	Improved Management of Protected Areas	FY 02 CBJ, p. 470	FY 2002
526-003	Increased Use of Voluntary Family Planning	FY 02 CBJ, p. 474	FY 2002

OTHER PROGRAM ELEMENTS: USAID's Democracy, Conflict, and Humanitarian Assistance Pillar, Office of U.S. Foreign Disaster Assistance, assists a network of Paraguayan organizations that coordinate efforts in disaster preparedness and emergency training activities.

> USAID/Paraguay has been instrumental in organizing a previously disjointed donor community and has been quite successful in having other donors build upon its pioneering demonstration activities.

OTHER DONORS: Donor coordination in Paraguay is excellent. USAID has organized donor coordination related to decentralization, judicial reform, environment, and health. USAID is the main donor working on the decentralization of power and authority to local governments with a strong civil society focus. USAID has the comparative advantage of developing innovative programs that can be tested through field experience without having to go through a lengthy process of Government of Paraguay approvals. The focus will continue to be on developing pioneer demonstration activities for other donors to replicate. USAID is unique among donors in Paraguay in that it works exclusively through non-governmental organizations.

Japan is Paraguay's largest bilateral donor, followed by the United States, the European Union, Spain, and Germany. The major donors and their interests are: Japan (agriculture, health), European Union (rural development, state reform), Spain (infrastructure), and Germany (state reform). The Inter-American Development Bank, the World Bank, various United Nations agencies, the Global Environmental Facility, and the Pan-American Health Organization are major multilateral contributors.

Paraguay
PROGRAM SUMMARY
(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Health Programs Fund	0	0	2,525	0
Development Assistance	5,175	6,320	3,600	6,625
Economic Support Fund	1,000	3,492	3,500	3,500
Total Program Funds	**6,175**	**9,812**	**9,625**	**10,125**

STRATEGIC OBJECTIVE SUMMARY				
526-001 Improved Responsiveness and Accountability of Key Democratic Institutions				
DA	2,700	0	0	0
ESF	1,000	0	0	0
526-002 Improved Management of an Expanded Protected Areas System				
DA	525	0	0	0
526-003 Increased Use of Voluntary Family Planning Services				
DA	1,950	0	0	0
526-004 Key Democratic Governance Practices Instituted				
DA	0	2,850	2,600	2,600
ESF	0	3,492	3,500	3,500
526-005 Management of Globally Important Ecoregions Improved				
DA	0	1,000	1,000	1,000
526-006 Use of Voluntary Reproductive Health Services Increased				
CSH	0	0	2,525	0
DA	0	2,470	0	2,025
526-007 Increased Incomes for the Poor in Selected Economic Regions				
DA	0	0	0	1,000

PROGRAM DATA SHEET

USAID MISSION: Paraguay
PROGRAM TITLE: Democracy and Governance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Key Democratic Governance Practices Instituted, 526-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,600,000 (DA); $3,500,000 (ESF)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $96,600 (DCA)
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,600,000 (DA); $3,500,000 (ESF)
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: Through a range of technical assistance, training, and small grants, the Democracy and Governance program is working to:

- improve the capacity of local governments to deliver services in response to the needs of citizens;
- improve the capacity of civil society to put pressure on the current political system to become more responsive; and,
- develop a transparent policy dialogue that allows for the inclusion of all groups.

Inputs, Outputs and Activities: *FY 2002 Program:* Development Assistance (DA) will fund training and technical assistance to help local governments clearly define their roles and responsibilities, operate in a more transparent and efficient manner, and improve their capacity to provide better basic services. At the same time, activities will encourage community participation in local decision-making. Through a subgrant program to local organizations and a mediation program that reduces conflict in civil society, USAID will increase the sustainability of civil society organizations. Accelerating decentralization efforts by making local government more responsive and strengthening civil society will support the national reform process.

Economic Support Funds (ESF) will be used to help finance the delivery of expanded local government services, especially through the development of alternative sources of finance. USAID will also use ESF to provide technical assistance to help civil society develop the ability to advocate for important issues and fight against corruption. The national reform program will focus on fiscal reform, transparency issues, and the legal changes necessary to permit the provision of basic services by local governments.

Planned FY 2003 Program: USAID intends to use FY 2003 DA funds to disseminate and adapt successful models of basic service provision that involve high levels of community participation to a large number of municipalities. Communities will learn how to effectively participate in policy decisions on a local and national level. Mediation programs that reduce the number of cases that need to be heard in a formal courtroom setting will advance judicial reform. The overall decentralization process will be expanded through the development of effective local government associations.

ESF-funded technical assistance and training will help local governments become more effective, accountable, and capable of generating a variety of resources to provide expanded services. Further support to civil society organizations and the formation of a system of informational networks will equip civil society to provide oversight of public institutions and permit informed decisions on policy issues. The national reform agenda will be furthered through the development of coherent civil and human rights policies, constitutional reform, and strengthened civilian control over the military.

Performance and Results: Activities under this objective began late in FY 2001, following on USAID's previous democracy program in Paraguay. The overall impact of the program will be a

Under USAID's previous democracy program, judicial system reforms led to a reduction in the backlog of criminal cases in Paraguay's capital, Asuncion, from over 75,000 to approximately 3,500 and reduced the average duration of a criminal case from over three years to less than one year. These changes reduce prison overcrowding, human rights abuses, and the economic and social costs of pre-trial detention.

deepening of the democratic process in this nascent democracy. This will be accomplished through increasing citizen participation and confidence in a better-functioning democratic system capable of increasing and improving the delivery of basic services at the local level. The failure of democracy in Paraguay would likely propel the country back into authoritarian rule and could potentially destabilize the region. By focusing primarily on building effective, responsive, transparent, and accountable local governments and a politically viable civil society, USAID hopes to contribute to a stable Paraguayan democracy. USAID will also promote policy formulation and implementation where opportunities arise. It is through the development of local institutions and political processes that democracy will be strengthened.

Principal Contractors, Grantees, or Agencies: USAID implements activities through U.S. and local organizations. U.S. prime contractors and grantees are the International Foundation for Election Systems, the Urban Institute, Chemonics, Associates in Rural Development, and Management Systems International. Subcontractors include Chemonics and Florida International University. Local grantees (primes) include the Information and Resources Center for Development, the Paraguayan Center for Economic Liberty and Social Justice, and Alternatives for Life.

US Financing in Thousands of Dollars

Paraguay

526-004 Key Democratic Governance Practices Instituted	DA	DCA	ESF
Through September 30, 2000			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Fiscal Year 2001			
Obligations	2,850	0	3,598
Expenditures	1,220	0	1,750
Through September 30, 2001			
Obligations	2,850	0	3,598
Expenditures	1,220	0	1,750
Unliquidated	1,630	0	1,848
Prior Year Unobligated Funds			
Obligations	0	97	0
Planned Fiscal Year 2002 NOA			
Obligations	2,600	0	3,500
Total Planned Fiscal Year 2002			
Obligations	2,600	97	3,500
Proposed Fiscal Year 2003 NOA			
Obligations	2,600	0	3,500
Future Obligations	4,895	0	3,500
Est. Total Cost	12,945	97	14,098

PROGRAM DATA SHEET

USAID MISSION: Paraguay
PROGRAM TITLE: Environment (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Management of Globally Important Ecoregions *Improved, 526-005*
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,000,000 (DA)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $1,000,000 (DA)
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The Environment program consists of:

- technical assistance and training to improve the capacity of Paraguayan leaders and non-governmental organizations (NGOs) to manage three globally important ecoregions (Pantanal wetlands, interior Atlantic rainforest, and the Chaco dry forest); and,
- technical assistance to develop the necessary policy, legal, and financial tools for improved and effective ecological management that are integrated with efforts in Argentina, Bolivia, and Brazil.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. Development Assistance (DA) funds will be used to strengthen the technical capacity and financial self-sufficiency of local NGOs, better coordinate international efforts through improved ties to international organizations, develop environmental leaders at departmental and municipal levels, and continue a policy dialogue on national environmental issues. Through these efforts, Paraguayan organizations will be better equipped to manage three ecologically important regions it shares with its neighbors and coordinate management efforts with those neighbors.

> SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: DA funds will be used to continue activities with local NGOs and local governments with increased emphasis on developing legislation to promote financial and structural incentives for ecological management and forest conservation in the three regions.

Performance and Results: Activities under this objective began in late FY 2001, following the many accomplishments of USAID's previous environment program in Paraguay. The overall impact of this program will be to reduce environmental destruction. Environmental destruction can lead to loss of economic opportunity and increased rural poverty, which are destabilizing factors in Paraguay's still fragile democracy. When Paraguayan leaders are trained, NGOs are strengthened, and the necessary policy, legal, and financial tools are developed, overall sustainable management and protection of the globally important ecoregions that Paraguay shares with its neighbors will be improved. Further development of an active civil society and local government capacity will also serve to advance USAID's democracy goals in Paraguay.

> Paraguayan civil society is forcing the *government to undertake a frontal attack* against corruption by investigating cases of bribery and other illegal actions of public officials and to prosecute people involved in illegal logging and timber trafficking.

Success will be measured by the level of adequate and competent Paraguayan participation in the completion and initial implementation of regionally-coordinated conservation plans. Funding for implementation of these plans will come primarily from non-USAID sources. Successful models, experiences, and lessons learned will be shared at the regional level. The conservation of biodiversity found in the three regions Paraguay shares with Argentina, Bolivia, and Brazil depends upon Paraguay's capacity to coordinate its environmental management activities with those of its neighbors.

Principal Contractors, Grantees, or Agencies: The Nature Conservancy and the World Wildlife Fund are U.S. prime contractors and grantees. Local grantees (primes) are the Foundation for the Sustainable Development of the Chaco Region, the Paraguayan Birding Association, and the Environmental Law Institute. The Natural Land Trust receives a local subgrant.

US Financing in Thousands of Dollars

Paraguay

526-005 Management of Globally Important Ecoregions Improved	DA
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	1,000
Expenditures	613
Through September 30, 2001	
Obligations	1,000
Expenditures	613
Unliquidated	387
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	1,000
Total Planned Fiscal Year 2002	
Obligations	1,000
Proposed Fiscal Year 2003 NOA	
Obligations	1,000
Future Obligations	2,750
Est. Total Cost	5,750

PROGRAM DATA SHEET

USAID MISSION: Paraguay
PROGRAM TITLE: Reproductive Health (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Use of Voluntary Reproductive Health Services Increased, 526-006
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,525,000 (CSH)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,025,000 (DA)
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The Reproductive Health program provides:

- technical assistance to improve the provision of decentralized, community-based health care; and
- technical assistance and training to expand access to quality reproductive health services.

Agreements funded with resources from the Paraguay Reproductive Health program will incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. All CSH funds in this program are designated for reproductive health and family planning activities. In FY 2002, CSH-funded technical assistance and training for non-governmental organizations (NGOs) and other local reproductive health care service providers will expand access to quality, decentralized, community-based reproductive health care in selected departments of Paraguay. USAID will continue efforts to design a maternal and neonatal health model to identify the most significant barriers to provision of maternal health services, devise local solutions to ensure that essential obstetric care is provided to women during pregnancy and childbirth, and organize communities to better respond to obstetric emergencies. USAID will work with other donors to enhance donor coordination in this sector.

> SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: USAID plans to continue to improve decentralized, community-based health care through the implementation of reproductive health policies and through greater community participation in the design, evaluation, and financing of health care. Access to quality reproductive health services will be expanded, especially in regard to the implementation of a demonstration model of a maternal and neonatal health system.

> As a result of a condom social marketing program, the overall market for condoms has grown considerably and commercial brands are now being sold in non-traditional outlets that reach an underserved population.

Performance and Results: Following on the many successes of USAID's Family Planning program, activities under the Reproductive Health program began late in FY 2001. The primary focus is to provide health services through local governments and the private sector and to improve the quality of reproductive health services. The overall goal of the Reproductive Health program is to reduce Paraguay's high fertility and maternal mortality rates. The objective is to reach more people with reproductive health services in

order to improve maternal and infant health, while at the same time expanding the provision of family planning services to marginalized populations in need of these services. The immediate impact will be the more effective delivery of health services with a high level of citizen participation and community involvement. Local participation will ensure that the services demanded are actually provided and that the concerns of local customers are addressed. Cost-effective interventions will be identified, which will assist in planning further services for maximum long-term effectiveness.

In the future, USAID will strengthen community outreach programs and develop a reproductive health promotion campaign. This program is closely linked with the democracy program and activities will be mutually reinforcing. Activities will be conducted in a total of 12 sites in four departments to develop demonstration projects of decentralized health care that can be replicated.

Principal Contractors, Grantees, or Agencies: *This program is implemented through several U.S.* and Paraguayan organizations. U.S. prime contractors are Population Services International, the University of North Carolina, and Deloitte Touche Tohmatsu. U.S. subcontractors are the Program for Appropriate Technology in Health and the Training Resources Group. Local grantees (primes) are the Paraguayan Center for Population Studies, the Information and Resources Center for Development, and Promotion for Health Improvement.

US Financing in Thousands of Dollars

Paraguay

526-006 Use of Voluntary Reproductive Health Services Increased	CSH	DA
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	2,495
Expenditures	0	1,634
Through September 30, 2001		
Obligations	0	2,495
Expenditures	0	1,634
Unliquidated	0	861
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	2,525	0
Total Planned Fiscal Year 2002		
Obligations	2,525	0
Proposed Fiscal Year 2003 NOA		
Obligations	0	2,025
Future Obligations	0	9,975
Est. Total Cost	2,525	14,495

PROGRAM DATA SHEET

USAID MISSION: Paraguay
PROGRAM TITLE: Economic Growth (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Incomes for the Poor in Selected Economic Regions, 526-007
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 0
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $1,000,000 DA
INITIAL OBLIGATION: FY 2003 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The Economic Growth program consists of:

- technical assistance to develop and implement business development strategies to expand trade;
- technical assistance and training to increase financial services in selected rural areas; and,
- technical assistance to improve the business environment for micro and small businesses.

Inputs, Outputs and Activities: *FY 2002 Program:* The program will not begin until FY 2003.

Planned FY 2003 Program: USAID will use Development Assistance funds to establish business development services that will provide marketing assistance for agricultural products, help small landholders obtain titles for their properties, and assist producer associations with feasibility analyses of marketing and processing facilities to expand trade. Financial services in selected rural areas will be expanded by designing credit products tailored to the need of rural clientele and by developing ways to use typical assets owned by rural residents, especially land, as collateral to obtain loans. In addition, agricultural and trade policy will be developed to encourage more efficient business practices relating to agricultural product processing, marketing and exporting. The impact will be to bring economic relief to one of the poorest regions in Latin America.

> Two-thirds of rural farmers own only 5% of the land in Paraguay.

Performance and Results: Approximately one-third of Paraguayans live below the poverty line. The majority of these impoverished people live in rural areas. These rural communities present similar characteristics: numerous small-scale farmers; very rudimentary production techniques; limited access to credit; many people who live on land to which they have no legal title. A lack of rural credit, partially due to the inability to utilize property titles for collateral; the absence of rural infrastructure to increase productivity; and a lack of employment in rural areas has caused increased poverty and a large migration of people to urban areas. An important concern is that these conditions will derail the implementation of democracy in Paraguay.

In the three departments selected for this program, more than one-half of the population lives below the poverty line. The purpose of this program is to address poverty issues in Paraguay's poorest departments through specific strategies that will allow producers to penetrate new markets, support microfinance institutions to expand financial services in targeted rural areas, and encourage economic reforms to expand trade. Economic improvements will help maintain political stability and prevent increased involvement in the production and trafficking of illicit drugs.

Principal Contractors, Grantees, or Agencies: U.S. and local organizations, to be determined, will be involved in program implementation.

US Financing in Thousands of Dollars

Paraguay

526-007 Increased Incomes for the Poor in Selected Economic Regions	DA
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	0
Expenditures	0
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	0
Total Planned Fiscal Year 2002	
Obligations	0
Proposed Fiscal Year 2003 NOA	
Obligations	1,000
Future Obligations	10,500
Est. Total Cost	11,500

PERU

THE DEVELOPMENT CHALLENGE: In order to strengthen Peru's fragile democracy, sustainable social and economic development must lead to improvements in the quality of life for all Peruvians, especially the rural poor. Free trade and more decentralized private and social investment are needed to drive broad-based economic growth as a foundation for democracy. However, Peru's economic growth slowed from 6.7% in 1997 to 3.1% in 2000, and stalled at zero growth in 2001. Income distribution remains extremely uneven. Poverty is skewed along geographic and ethnic lines, and the country continues to have a significant debt burden of more than $19 billion, equivalent to more than 36% of Gross Domestic Product (GDP). Unless the immediate needs of its citizens are met, Peru's nascent democratic advances—as well as the economic reforms of the last decade—are at risk of reversal.

> Having recently emerged from years of authoritarian rule, Peru must strengthen its key democratic institutions and promote a market-based economy.

Throughout the 1990s, Peru made exceptional progress in combating terrorism, reducing the production of coca, and stabilizing the economy. However, the government of President Alberto Fujimori collapsed under the weight of corruption, authoritarian rule, an economic downturn, and increasing public discontent, culminating in a universally acknowledged unfair election and the President's resignation in disgrace in November 2000. An eight-month transitional government oversaw an open and fair electoral process in 2001 and took measures to pave the political road for the newly elected government that took office in July 2001. Since the beginning of its mandate, President Alejandro Toledo's administration has made a commitment to reinvigorate the country's democracy and promote a market-based economy that will provide benefits to all Peruvians. Yet the internal political and economic situation remains precarious, especially in light of the current instabilities in the global economy. This context presents a unique set of opportunities and challenges to furthering U.S. interests in a key country of the Andean Region.

The overriding U.S. national interest in Peru is to promote genuine democracy. Maintaining Peruvian cooperation in combating narcotics trafficking leads a second tier of interests that also includes open markets and expansion of exports; poverty alleviation; improved health; and sound environmental policies and practices. USAID works as an integral member of the Embassy country team to promote these U.S. interests in Peru.

THE USAID PROGRAM:
FY 2002 Estimate: $153.178 million *FY 2003 Request: $146.903 million*

The overarching goal of USAID's program in Peru is the promotion of sustainable opportunities for improved quality of life through strengthened democratic processes and institutions. This democracy-oriented goal is woven throughout all program objectives, primarily by increasing citizen participation and strengthening the capacity of both private- and public-sector institutions to be transparent in their decision-making and accountable for their actions. In FY 2002, USAID begins a new five-year strategy period with seven development objectives, which will build on past successes and efforts to strengthen democratic institutions and practices; reduce poverty in select areas; improve health care for populations at high risk; promote sustainable natural resources management; support the U.S. Government's (USG) efforts to reduce illicit drug production through alternative development in coca-growing regions; improve the quality of basic education, especially for girls; and address quality-of-life issues to promote political and social stability on the border with Ecuador.

These programs represent the next phase in USAID's assistance to Peru, continuing to focus on the same sectors in which USAID has worked in recent years, but in the context of Peru's return to a

more democratic political environment and worsening economic circumstances in the country and region. FY 2002 funds will principally finance activities described in last year's Congressional Budget Justification. However, the following Program Data Sheets include adjustments that reflect lessons learned through the previous strategy period (FY 1997-FY 2001), the current political and economic circumstances in Peru, and shifting USG priorities and approaches in the Andean region.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED:

Number	Title	Last Notified	Planned Completion
527-001	Broader Citizen Participation in Democratic Processes	FY02 CBJ, pg. 498	FY02
527-002	Increased Incomes of the Poor	FY02 CBJ, pg. 504	FY02
527-003	Improved Health, Including Family Planning, of High-Risk Populations	FY02 CBJ, pg. 509	FY02
527-004	Improved Environmental Management in Target Sectors	FY02 CBJ, pg. 512	FY02
527-005	Reduced Illicit Coca Production In Target Areas of Peru	FY02 CBJ, pg. 520	FY02

OTHER PROGRAM ELEMENTS: A variety of USAID centrally-funded activities are being implemented in Peru. Since February 2001, the Office of Transition Initiatives (OTI) has managed a number of important transition activities, which directly complement and are closely coordinated with USAID's's democracy program. OTI's two-year, $10 million program covers decentralization, legislative strengthening, anti-corruption, human rights, and civil-military relations, and will be gradually phased out as new USAID initiatives begin. Also in the democracy area, centrally managed programs support assistance to victims of torture. In the health sector, Washington-based activities support work with street children and orphans, as well as activities in family planning service provision and applied research on drug resistance. Centrally funded small grants from the Women in Development Program support activities in natural resources management and income generation for poor women. Washington-based agriculture activities in Peru focus on applied research and extension. Central funds also support educational reform and the improvement of girls' education. The U.S.-Israeli Development Research Program funds several university research activities. USAID's Office of Foreign Disaster Assistance has a regional representative based in Peru, who is responsible for training in disaster prevention, mitigation, and preparedness.

OTHER DONORS: Official international technical cooperation to Peru for 2000 was $281 million. This amount includes bilateral and multilateral assistance and excludes loans. The United States was the largest bilateral donor with 70% of total international technical cooperation to Peru, followed by Japan (18%), whose programs focus on economic growth, health and social development and infrastructure; and Switzerland (4%), whose programs focus on economic growth, agriculture and pollution control. Other donors include Germany, Canada, Spain, the Netherlands, and Sweden. Major multi-lateral donors include the United Nations, the Inter-American Development Bank, the World Bank, the Andean Development Corporation, and the European Union. Donor coordination is well organized through sectoral donor coordination groups focused on gender, education, counternarcotics, health, the environment, and poverty reduction.

Peru
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	7,000	9,603	0	0
Child Survival and Health Programs Fund	0	0	23,200	0
Development Assistance	27,904	28,488	14,173	40,601
Economic Support Fund	9,785	5,695	17,500	12,250
Andean Counterdrug Initiative *	25,000	25,750	67,500	69,000
PL 480 Title II	39,573	40,036	30,805	25,052
Total Program Funds	**109,262**	**109,572**	**153,178**	**146,903**

STRATEGIC OBJECTIVE SUMMARY				
527-001 Broader citizen participation in democratic processes				
DA	3,100	2,844	0	0
ESF	4,285	2,002	0	0
527-002 Increased incomes of the poor				
DA	7,350	7,345	0	0
PL 480	39,573	40,036	0	0
527-003 Improved health, including family planning, of high-risk populations				
CSD	6,500	8,505	0	0
DA	13,350	14,218	0	0
527-004 Improved environmental management of targeted sectors				
DA	4,104	4,081	0	0
527-005 Reduced illicit coca production in target areas in Peru				
ACI	25,000	25,750	0	0
527-006 Expanded opportunities for girls' quality basic education in target areas				
CSD	500	1,098	0	0
DA	0	0	1,000	2,424
ACI	0	0	500	1,000
527-008 Improved Quality of Life of Peruvians Along the Peru-Ecuador Border Target Areas				
ESF	5,500	3,493	2,500	2,250
527-009 Democratic Processes and Institutions Strengthened in Critical Areas				
DA	0	0	2,526	3,026
ESF	0	0	15,000	10,000
ACI	0	0	0	4,000
527-010 Increased Economic Opportunities for the Poor in Selected Economic Corridors				
DA	0	0	5,920	8,120
ACI	0	0	3,000	3,000
PL 480	0	0	30,805	25,052
527-011 Improved Health for Peruvians at High Risk				
CSH	0	0	23,200	0
DA	0	0	0	21,731
ACI	0	0	5,000	5,000
527-012 Strengthened Environmental Management to Address Priority Problems				
DA	0	0	4,727	4,300
ACI	0	0	3,000	3,000

	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
527-013 Reduced Illicit Coca Production in Targeted Areas of Peru				
ACI	0	0	56,000	53,000
Total Transfers	0	200	0	1,000

* Includes International Narcotics Control (INC) funding

PROGRAM DATA SHEET

PROGRAM: Peru
PROGRAM TITLE: Girls' Education (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Expanded Opportunities for Girls' Quality Basic Education in Target Areas, 527-006
STATUS: *Continuing*
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,000,000 (DA); $500,000 (ACI)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,424,000 (DA); $1,000,000 (ACI)

INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: *USAID's program to expand opportunities for girls' quality basic education includes* technical and training assistance to:

- improve policy, regulatory and institutional frameworks;
- increase girls' access to and retention in quality basic education services in target areas; and
- improve and sustain local capacity to implement policies and programs that support quality education for girls in target areas.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will mount a larger scale effort in basic education in Peru. Having been a USAID pilot program since 1998, the girls' education initiative is being expanded to replicate the successful curriculum development model in target areas. The initiative, which was previously considered a Mission special objective, has now been elevated to full program status. Based on preliminary plans, this expanded program will comprise: 1) technical assistance to support the Ministry of Education's efforts in developing a national policy and regulations for the improvement of the quality of education in rural areas with a focus on girls; 2) development of models for the decentralization of education and support for the adoption of democratic education in all primary schools in target areas; and 3) technical assistance and training to strengthen local capacity for implementing decentralized, quality education programs. If the final design of new education sector initiatives includes work in other areas, USAID will provide appropriate additional information.

FY 2003 Program: USAID plans to use FY 2003 funds to continue specific activities in the areas mentioned above, as well as to strengthen the capacity of the Ministry of Education in the administration of a decentralized education system.

Performance and Results: During the past two years, USAID has supported the National Network for Girls Education (FLORECER) as it launches a national public awareness campaign about girls' education directed toward influential leaders and decision-makers in order to enforce the recently approved Rural Girl's Education Law, which the Network drafted with USAID support. The Law requires that education programs take into account girls' special needs. Another major accomplishment was the completion of the "National Consultation for Education," a citizens' participation process carried out by the Ministry of Education as an initiative of the Transition Government, which produced an agenda and priorities for the education sector. USAID's innovative, cost-effective pilot interventions in support of girls' quality education include bilingual education, distance education, and community/parent involvement in remote rural areas. These efforts have already had a significant impact in target areas, as evidenced by higher girls' school attendance and retention rates, community initiatives to increase literacy, programs for early stimulation of infants and young children, and enhanced institutional coordination and teacher participation. USAID's support for pre-service training institutes also has helped improve teaching skills.

With USAID support, the Peruvian Congress and Ministry of Education have established a new policy to "strengthen public schools to educate in democracy and citizenship." USAID and the Ministry of Education's priorities intersect in the emphasis they place on education in rural areas, extension of pre-school education, and decentralization of the education system. Teacher training and supervision are essential priorities interwoven throughout these themes. Given that the present climate is propitious for collaboration, especially in the areas of rural education and decentralization, USAID's expanded education program will concentrate on achieving results in these areas. By FY 2007, the quality of rural education will be improved and the percent of rural girls and boys completing primary education will increase.

Principal Contractors, Grantees or Agencies: Major partners are the Ministry of Education and CARE. Sub-grants have been provided to Peruvian non-governmental organizations, including the National Network for the Advancement of Women and the Center for Education Research and Development. Other prime grantees include international organizations, the United Nations Children's Fund, and the private voluntary organization Salesian Missions.

US Financing in Thousands of Dollars

Peru

527-006 Expanded opportunities for girls' quality basic education in target areas	CSD	DA	ACI
Through September 30, 2000			
Obligations	2,510	0	0
Expenditures	1,023	0	0
Unliquidated	1,487	0	0
Fiscal Year 2001			
Obligations	1,098	0	0
Expenditures	948	0	0
Through September 30, 2001			
Obligations	3,608	0	0
Expenditures	1,971	0	0
Unliquidated	1,637	0	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	1,000	500
Total Planned Fiscal Year 2002			
Obligations	0	1,000	500
Proposed Fiscal Year 2003 NOA			
Obligations	0	2,424	1,000
Future Obligations	0	7,000	3,000
Est. Total Cost	3,608	10,424	4,500

PROGRAM DATA SHEET

USAID MISSION: Peru
PROGRAM TITLE: Peru-Ecuador Border Region Development (Pillars: Democracy, Conflict, and Humanitarian Assistance; Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Improved Quality of Life of Peruvians Along the Peru-Ecuador Border Target Areas, 527-008
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 2,500,000 (ESF)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 2,250,000 (ESF)
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: USAID's program in the Peru-Ecuador border areas includes technical and training assistance to:

- improve basic capacities for a healthy and productive life;
- increase respect and protection of rights of the border population, particularly those of women and indigenous people; and
- increase support to the Peace Accords.

The program will benefit 300,000 people in targeted border areas, one-third of them indigenous.

Inputs, Outputs and Activities: *FY 2002 Program:* Using FY 2002 funds, USAID will continue to support integrated activities to improve the quality of life of border populations, while strengthening organizations to take control of their own development processes. These activities will include: 1) technical assistance for curriculum development and teacher training to expand quality education to rural indigenous communities, focusing on such skills as education in health, nutrition, production practices, environment, democratic principles and bilingual education for girls and women; 2) training of health workers and communities in basic health interventions to reduce maternal and post-natal mortality, infectious diseases and child malnutrition; 3) technical assistance to strengthen local governments' ability to plan, target and manage resources in a responsible and accountable manner; 4) training of municipal officials, civil society organizations and the population in general to assume new levels of involvement and responsibility; 5) support for development of small, community-based projects (e.g., health surveillance systems, potable water, etc.) and area development plans (e.g., community ecological reserves); 6) training of human rights promoters with a focus on indigenous women's and children's rights; and 7) information campaigns and cross-border exchanges.

FY 2003 Program: USAID intends to use FY 2003 resources to continue to expand the interventions described above in the rural areas of the highlands and the eastern and upper jungle, incorporating new communities to participate in the activities. Additionally, in selected border districts, USAID plans to expand market-led production activities, through increased market information and production services. As part of the community-based projects, USAID intends to increase emphasis on the management of natural resources.

Performance and Results: Program implementation started in FY 2001 in both the highlands and the eastern jungle areas. Main actions were centered in establishing linkages with communities, networks of local organizations, and coordination mechanisms with the regional public sector. Developing these links and mechanisms has been a fundamental step toward full program implementation, including the establishment of beneficiaries' participatory mechanisms. Assessments were completed in 70 communities in the eastern jungle, followed with organizational training for leaders and local authorities. In the highland area, workshops to initiate or update strategic development plans in each of the eight districts were held. Fieldwork in 21 native communities is facilitating their official registration and thus their access to land ownership.

Nineteen communities initiated small infrastructure projects (sanitation, school rehabilitation, and health post rehabilitation) with co-financing from the municipality. The program also leveraged funds from Swiss Cooperation to co-finance sanitation projects in two highland districts.

> USAID provided organizational training to leaders and local authorities of 28 native communities and three indigenous federations.

The Ministry of Education signed an agreement to develop a bilingual basic education curriculum for the Kichwua population of the Napo river basin. Two regional radio networks will disseminate information on the Peace Accords and on the implementation of the Bi-national Plan over the next three years. These networks are already linked to an additional Peruvian radio station as well as three Ecuadorian radio stations through a project financed by the Spanish cooperation agency.

The USAID border program will improve the natural resource management capability, augment income-generation opportunities and promote participation in decision-making of target border populations. This program seeks to achieve: a 25% increase in the access to and use of basic services; a 20% decrease in children malnutrition rates; a substantial increase in the number of targeted border local governments who will have improved their management capacity; and a 20% increase in people's knowledge of their basic rights, particularly among women and the indigenous population.

Principal Contractors, Grantees or Agencies: USAID activities in the jungle border area are implemented through a consortium led by CARE, with the International Resources Group Inc. and the local nongovernmental organizations: the Peruvian Institute of Education, Human Rights and Peace (IPEDEHP) and Agricultural Service for Investigation and Economic Promotion (SAIPE). Sub-grantees include the Peru Ombudsman Office and the Inter-ethnic Association for Development in the Peruvian Jungle (AIDESEP-FORMABIAP). Activities in the highlands are implemented through CARE. In both regions sub-agreements have been made with Radio Cutivalu and Radio Marañon. Close coordination is maintained with the Peruvian Chapter of the Peru-Ecuador Binational Development Plan for the Border Region.

US Financing in Thousands of Dollars

Peru

527-008 Improved Quality of Life of Peruvians Along the Peru-Ecuador Border Target Areas	ESF
Through September 30, 2000	
Obligations	6,000
Expenditures	500
Unliquidated	5,500
Fiscal Year 2001	
Obligations	3,143
Expenditures	986
Through September 30, 2001	
Obligations	9,143
Expenditures	1,486
Unliquidated	7,657
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	2,500
Total Planned Fiscal Year 2002	
Obligations	2,500
Proposed Fiscal Year 2003 NOA	
Obligations	2,250
Future Obligations	11,107
Est. Total Cost	25,000

PROGRAM DATA SHEET

USAID MISSION: Peru
PROGRAM TITLE: Democratic Strengthening (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Democratic Processes and Institutions Strengthened in Critical Areas, 527-009
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 2,526,000 (DA), $15,000,000 (ESF),
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $350,000 (DA)
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 3,026,000 (DA), $ 10,000,000 (ESF), $ 4,000,000 (ACI)
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: USAID's program to strengthen democratic processes and institutions in critical areas, through the provision of technical and training assistance, will help to:

- promote key policy reforms and increase oversight of local governments, Congress, and the justice sector;
- strengthen local governance in select regions;
- enhance Congressional oversight and legislative capacity;
- improve the performance of select justice-sector institutions; and
- support the Truth and Reconciliation Commission in investigating past human rights abuses.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID proposes to fund an additional activity not notified in the FY 2002 Congressional Budget Justification. In FY 2002, Development Assistance (DA) funding will support coalitions of civil society organizations in promoting key democratic policy reforms, increasing access to information on these reforms, and building local capacity to oversee and monitor the performance of local and regionally-elected governments, the Congress, and justice sector institutions. Resources will also be used to provide technical input for electoral, constitutional, congressional and justice sector reforms; decentralization; and anti-corruption initiatives and freedom of information. This assistance will be critical to increasing the participatory nature of the debate on issues that will help establish the basis for Peru's successful transition toward a more balanced and inclusive governing system. Counseling support for victims of torture will also be provided. Also with DA funds, USAID will continue its successful past support for the network of local human rights organizations, which will provide information and other administrative assistance to complement activities of the Economic Support (ESF) funded Truth and Conciliation Commission. Also with FY 2002 ESF, USAID will provide urgently needed technical assistance to select components of the court system to enable more efficient case processing, funding to strengthen newly elected local and regional governments, and assistance to facilitate the development of legislative and oversight capacity within the newly-elected Congress. Limited financial and technical support for voter education campaigns and related assistance for regional and local elections is also planned. While many aspects of USAID's democracy program are relevant to the USG's counternarcotics objectives in Peru, these objectives will be directly addressed through USAID's support for justice sector reform and local government strengthening in coca-growing areas.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

FY 2003 Program: FY 2003 DA, ESF and ACI funding will be used to continue the activities described above. In addition, FY 2003 ESF funding will be used to provide financial support to a multi-donor fund for the Truth Commission's operations as it finishes its mandate. USAID will expand its training and technical support for local and regional governments as the Ministry of the Presidency is dismantled and more resources and responsibilities are transferred to regional and local governments. USAID plans to begin providing assistance for the development of regional and national municipal associations, and will provide training to local organizations to increase their ability to participate in decisions made by their local government. In the justice sector, through the provision of technical assistance and training, USAID plans to support the implementation of reforms related to the structure and operation of the courts and the judicial personnel system. USAID will continue efforts with the Congress to support increased citizen awareness of Congress' role and function, as well as assist in the establishment of more and better mechanisms for citizen interaction with their elected representatives. As key policy reforms are adopted and citizen awareness increases, civil society coalitions supported by USAID will increasingly focus on the monitoring and oversight of governmental performance.

Performance and Results: The results outlined below were achieved under USAID's former Strategic Objective 527-001, Broader Citizen Participation in Democratic Processes. USAID will continue to build on these results under Strategic Objective 527-009 of the current Strategic Plan for FY 2002 – FY 2006.

> Seventy-one percent of registered voters cast valid votes in the 2001 elections, with 500,000 poll workers trained and 25,000 domestic observers mobilized.

USAID support for the free and fair 2001 presidential and congressional elections was critical for the current democratic transition in Peru. Working through ten organizations, USAID provided technical assistance to newly named electoral bodies, supported international and domestic observation missions, and carried out voter education programs—particularly focused on women, youth, and those living in rural areas. USAID also supported human rights organizations, resulting in the pardon of ninety people unjustly accused of terrorism. Through a network of free legal clinics, USAID partners provided reconciliation services in 150,000 civil cases in three regions of the country.

Building on these accomplishments at a critical juncture in Peru's history, new programs will support the adoption of key reforms that will help combat the deliberate institutional weakening that took place under the prior regime, and rebuild a more participative and balanced governing system. As past human rights abuses and prior public-sector corruption scandals are investigated, USAID assistance to institutions such as local and regionally elected governments, the Congress and the justice sector will focus on putting measures in place that increase transparency, accountability, and citizen participation in, and oversight of, their government to help rebuild public trust and confidence.

Principal Contractors, Grantees, or Agencies: USAID's Democracy program is implemented through an agreement with the Government of Peru to provide support to the Congress, select justice sector institutions, the Ombudsman, and local governments in select geographic areas. USAID will also implement direct agreements with coalitions of civil society organizations and contractors, as well as international organizations (e.g., the United Nations Development Program).

US Financing in Thousands of Dollars

Peru

527-009 Democratic Processes and Institutions Strengthened in Critical Areas	DA	ESF	ACI
Through September 30, 2000			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Fiscal Year 2001			
Obligations	0	0	0
Expenditures	0	0	0
Through September 30, 2001			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Prior Year Unobligated Funds			
Obligations	350	0	0
Planned Fiscal Year 2002 NOA			
Obligations	2,526	15,000	0
Total Planned Fiscal Year 2002			
Obligations	2,876	15,000	0
Proposed Fiscal Year 2003 NOA			
Obligations	3,026	10,000	4,000
Future Obligations	9,948	15,000	12,000
Est. Total Cost	15,850	40,000	16,000

PROGRAM DATA SHEET

USAID MISSION: Peru
PROGRAM TITLE: Poverty Reduction (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Economic Opportunities for the Poor in Selected Economic Corridors, 527-010
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 5,920,000 (DA), $ 30,805,000 (PL 480), $ 3,000,000 (ACI)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 8,120,000 (DA), $ 25,052,000 (PL 480), $ 3,000,000 (ACI)
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: USAID's program to increase economic opportunities for the poor includes technical and training assistance to:

- improve access to and participation in markets;
- increase availability of microfinance services for small producers and micro-entrepreneurs;
- improve nutrition, and the productive and social capacity of the extremely poor; and
- improve the policy environment to promote economic growth, trade and efficient social investments.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will use FY 2002 DA funds for: 1) technical assistance and training activities to increase small farmers' productivity; 2) assistance to microentrepreneurs and small farmers to increase their access to financial services; 3) technical assistance to provide business and production services and market information to increase access to markets for microentrepreneurs and small farmers; and 4) interventions for improving policies for broad-based growth, including agricultural university collaboration and other discrete trade development promotion activities. The focus is on providing greater opportunities for the poorest Peruvians, particularly those who have the potential to increase economic production and improve the quality of life for themselves, their families, and their communities. Development Credit Authority will be sought to expand the outreach of financial services for microentrepreneurs. USAID also plans to use funds for policy dialogue activities, studies, and technical assistance to the Government of Peru on trade and economic promotion, as well as interventions to improve the efficiency of social policies and increase public investments. P.L. 480 resources will be used to provide microfinance and business production services to poor farmers as well as food assistance to vulnerable women and children. ACI funding will also be used in FY 2002 to increase support in coca-growing areas for adequate promotion of licit economic activities, including marketing services and credit for products such as coffee, cacao, corn, rice, and fruit.

FY 2003 Program: USAID plans to use FY 2003 DA, ACI, and P.L. 480 funds to continue assisting small farmers to improve their harvest quality and to access new markets. Business support and production services as well as micro-credit expansion are also planned in addition to continued work on improving the policy climate for economic growth. USAID may also provide technical assistance related to Free Trade Area of the Americas (FTAA) preparation and land titling.

Performance and Results: Note: The results outlined below were achieved under USAID's former Strategic Objective 527-002, Increased Incomes of the Poor. USAID will continue to build on these results under Strategic Objective 527-010 of the current Strategic Plan for FY 2002 – FY 2006.

As a result of USAID's efforts, market access opportunities for the poor have increased. During 2001, even with the ongoing recession limiting prospects for economic growth, USAID-assisted microentrepreneurs and small farmers generated $17.5 million worth of new sales and the

equivalent of over 6,800 full-time jobs, through new or expanded market opportunities. USAID-supported microfinance institutions experienced an annual net increase of 25% to their loan portfolios. Progress to improve social investments has also been made. USAID sponsored the development of a proposal for a national strategy for reducing chronic malnutrition, which has been enthusiastically received by Government of Peru policy makers. The strategy will be used for in-service orientation and training of personnel at the Ministry of Health.

> In 2001 at least 75,000 micro-entrepreneurs and small farmers, the majority women, accessed USAID-funded microfinance services.

Thousands of families benefit from USAID's activities under the P.L. 480 Title II Food for Peace Program. In 2001, P.L. 480 Title II microfinance services reached 75,000 poor people, most of them women. Nutritional and health activities improved the food security of nearly 58,000 families. Over 100,000 children were enrolled in feeding programs; approximately 90,000 children completed their immunization regimen and their mothers received training in preventive health practices. In addition, 19,500 families increased their access to sanitary health infrastructure services. USAID also received Development Credit Authority funding to develop two guarantee programs for Peruvian commercial banks, which will increase the supply of commercial funds to approximately 20,000 microentrepreneurs by $12 million over the next two years.

Continued progress during the strategic planning period, along with the steady recuperation of the Peruvian economy will provide sustainable economic growth opportunities for the poor in select economic corridors that link poor districts with growing economic markets in intermediate cities. USAID takes a dual approach to attacking poverty: increasing incomes and employment of the poor through productive investment, financial services, and increased market access opportunities; and alleviating some of the consequences of extreme poverty, such as malnutrition, through well-targeted food assistance interventions for the most vulnerable of Peru's poor. USAID expects that facilitating greater access to these essential goods and services will reduce the levels and incidence of poverty in target areas. USAID also promotes the development and implementation of policies that will increase trade and productive investments, and promote a more targeted and efficient use of Government of Peru resources in social investment programs. USAID estimates that its efforts can reduce poverty, and also malnutrition, by 10% in selected areas over the life of the strategy.

Principal Contractors, Grantees or Agencies: USAID implements its activities through U.S. organizations: Chemonics, CARE, Catholic Relief Services (CRS), Technoserve (TNS), and the Adventist Development and Relief Agency International (ADRA); and Peruvian institutions and nongovernmental organizations: Caritas, Exporters' Association (ADEX), Projects in Health, Medicine and Agriculture (PRISMA), and the Consortium of Organizations that Support Small and Micro Enterprises (COPEME). Sub-grantees include a number of Peruvian private sector organizations. USAID activities complement the GOP's anti-poverty programs within the Ministries of Economy and Finance, Presidency, Promotion of Women and Human Development, and Industry and Commerce.

US Financing in Thousands of Dollars

Peru

527-010 Increased Economic Opportunities for the Poor in Selected Economic Corridors	DA	ACI
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	0
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	5,920	3,000
Total Planned Fiscal Year 2002		
Obligations	5,920	3,000
Proposed Fiscal Year 2003 NOA		
Obligations	8,120	3,000
Future Obligations	20,210	9,000
Est. Total Cost	34,250	15,000

PROGRAM DATA SHEET

USAID MISSION: Peru
PROGRAM TITLE: Improved Health for Peruvians (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Improved Health for Peruvians at High Risk, 527-011
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 23,200,000 (CSH), $ 5,000,000 (ACI)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 21,731,000 (DA); $5,000,000 (ACI)
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: USAID's program to improve the health of Peruvians at risk includes technical and training assistance to:

- improve the quality, accessibility, and utilization of basic health services;
- encourage Peruvians to practice healthy behaviors; and
- develop policies and programs that are more responsive to health needs.

All relevant contracts and grants have incorporated clauses implementing the reinstated Mexico City Policy.

Inputs, Outputs and Activities: *FY 2002 program:* USAID Child Survival Health funded (CSH) activities are designed to upgrade the quality of health services, improve the accessibility and affordability of health care, and promote healthy behaviors and lifestyles. USAID will assist universities that train health professionals in developing and implementing strategic plans, new programs, and improved teaching methodologies and materials. Technical assistance will be provided to set standards, modernize curricula, and create institutional mechanisms for accreditation of health professional training institutions. Educational activities and public information campaigns will also be implemented to influence individual and community behaviors to reduce health risks and promote well being. USAID will support economic studies and analyses of key health policy, health financing, and management functions to assist Government of Peru officials in defining and implementing broad sector reform priorities and improvements in health management systems. Epidemiological surveillance, education, and treatment will be supported for different infectious diseases that affect Peru, including tuberculosis, malaria, and HIV/AIDS. ACI funding will also supplement the implementation of the new health strategy in areas of coca cultivation.

Family Planning and Reproductive Health activities will focus on increasing clients' awareness of quality reproductive health services, creating channels for family planning clients to better control the services they receive and supporting monitoring of compliance with U.S. and Peruvian standards of care and respect for human rights. Education and outreach will address the continuing challenges of preventing early and unwanted pregnancy, promoting safe childbirth, reducing maternal mortality, and increasing the involvement of men in reproductive health care. The existing contraceptive logistics system will be expanded to support the distribution of other medical commodities to clients. Efforts will begin to expand the sources of supplies and services available to Peruvian families though commercial providers. Family planning services will be strengthened, including the implementation of newly developed materials supporting "natural" family planning.

FY 2003 Program: In addition to continuing the activities cited above, in a limited geographic focus area, a number of health facilities will receive physical upgrading and medical equipment in order to help meet the requirements of accreditation. Similarly, universities that train health professionals will receive faculty training and new instructional materials in order to qualify for accreditation. Ministry of Health administrative systems dealing with human resources and management information will be strengthened at local levels as part of a larger Government of Peru decentralization program. Local community control of health services will be promoted by

expanding the Peruvian Local Health Administration Committee model. Health education activities in public schools will teach children and youth about behaviors that help prevent infectious diseases (HIV/AIDS, tuberculosis, and malaria) and contribute to healthy lifestyles (good nutrition, personal hygiene, etc.). USAID will also continue its ACI-funded programs in coca cultivation areas.

USAID will also fund activities to support increased public awareness of reproductive health and will continue to monitor Peru's compliance with U.S. and Peruvian requirements for quality of care and respect for the human rights of family planning clients. Commercial marketing of family planning methods will continue to expand to complement public-sector services.

Performance and Results: The results outlined below were achieved under USAID's previous Strategic Objective 527-003, Improved Health, Including Family Planning, of High-Risk Populations. USAID will continue to build on these results under Strategic Objective 527-011 of the current Strategic Plan for FY 2002 – FY 2006.

Overall performance of the Peruvian health sector has been positive, in spite of the country's recent political and administrative instability. Critical indicators continue to improve: there was a decline in the maternal mortality ratio from 265 maternal deaths per 100,000 live births in 1996 to 185 per 100,000 in 2000, and the total fertility rate declined from 3.5 to 2.9 children per woman in the same period. The number of women receiving prenatal care increased by 24% between 1996 and 2000. USAID-supported activities have influenced official Ministry of Health policies. For example, in July 2001 the Government adopted a cost analysis system that was developed with USAID support. A USAID-supported non-governmental organization officially transferred thirteen high school-based reproductive health education programs to school authorities for replication. With USAID assistance, the Ministry of Health developed a basic package for monitoring child growth and development, which is now being implemented in health facilities throughout the country. Under USAID's infectious disease activity, a study on rice irrigation showed that productivity levels could be maintained while reducing the number of malaria-transmitting mosquitoes. Between 1996 and 2000, as a result of USAID assistance, immunization coverage of recommended vaccines increased from 63% to 66%, the prevalence of diarrheal diseases in children under five decreased from 18% to 15%, and the proportion of unwanted pregnancies declined from 34.8% to 30.7%.

> Infant mortality decreased from 43 to 33 per 1,000 live births between 1996 and 2000.

Over the FY 2002-2006 strategy period, the percentage of births attended by a trained health professional will increase, resulting in a further reduction of Peru's maternal mortality rate. Provision of family planning services and supplies from private sector sources will increase. In selected areas of intensive intervention, infant and child mortality will decrease and immunization rates will increase. Health-risk behaviors such as drug use, casual sex, and poor sanitation will be reduced.

Principal Contractors, Grantees, or Agencies: USAID's activities will be implemented through the Peruvian Ministries of Health and Education, Peruvian non-governmental organizations, select Peruvian universities, pharmaceutical companies, a consortium of U.S. non-governmental organizations, UNICEF, and U.S. contractors (to be selected).

US Financing in Thousands of Dollars

Peru

527-011 Improved Health for Peruvians at High Risk	CSH	ACI	DA
Through September 30, 2000			
Obligations	0	0	
Expenditures	0	0	
Unliquidated	0	0	
Fiscal Year 2001			
Obligations	0	0	
Expenditures	0	0	
Through September 30, 2001			
Obligations	0	0	
Expenditures	0	0	
Unliquidated	0	0	
Prior Year Unobligated Funds			
Obligations	0	0	
Planned Fiscal Year 2002 NOA			
Obligations	23,200	5,000	
Total Planned Fiscal Year 2002			
Obligations	23,200	5,000	
Proposed Fiscal Year 2003 NOA			
Obligations	0	5,000	21,731
Future Obligations	0	15,000	82,569
Est. Total Cost	23,200	25,000	104,300

PROGRAM DATA SHEET

USAID MISSION: Peru
PROGRAM TITLE: Environment and Natural Resources (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Strengthened Environmental Management to Address Priority Problems, 527-012
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $4,727,000 (DA), $ 3,000,000 (ACI)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 4,300,00(DA), $ 3,000,000 (ACI)
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: The USAID Environment and Natural Resources program in Peru includes technical and training assistance to:

- improve the national environmental policy and institutional framework;
- increase local environmental management capacity; and
- increase environmental awareness, understanding, and demand.

Inputs, Outputs and Activities: *FY 2002 Program:* In FY 2002, USAID will complete several on-going activities and begin new activities in a broad range of environment and natural resource areas as part of its transition to its new strategy. DA funding will support the newly opened Industrial Clean Production Center, a Development Credit Authority loan guarantee mechanism to facilitate financing to industrial plants assisted by the Center for implementing clean production technologies, and the Ministries of Fisheries and Industry in implementing environmental regulations. USAID will use DA funds to continue to provide institutional support to the three major environmental agencies of the Government of Peru: the National Environment Advisory Commission (CONAM); the Natural Resources Institute (INRENA); and the Ministry of Health's Directorate for Environmental Health (DIGESA). Activities focused on improved national protected area management, environmental law, and policy development and implementation, along with activities in biodiversity protection and management, will continue. An environmental education and information activity will be implemented, to focus on key decision-makers in the public and private sectors as well as the general public. Technical assistance will be provided for community-based environmental health pilot activities in the poorest areas of provincial cities, using DA and CSH funding. ACI funding will support new activities in tropical forest management, forest product certification, and monitoring of the implementation of environmental guidelines with a focus on forests and national protected areas in coca growing regions.

FY 2003 Program: USAID plans to continue the activities described in the 2002 program and expand the program in biodiversity and forestry management to include additional protected areas and forested regions, using DA and ACI funding. USAID also plans to implement a DA-funded program that would support locally based environmental management systems, focused on the priority environmental problems of biodiversity loss, natural forest management, pollution prevention and improved environmental health.

Performance and Results: The results outlined below were achieved under USAID's previous Strategic Objective 527-004, Improved Environmental Management in Targeted Sectors. USAID will continue to build on these results under Strategic Objective 527-012 of the current Strategic Plan for FY 2002 – FY 2006.

Assistance for strengthening environmental policy resulted in the approval of a National Environmental Assessment System, a strategy on biological diversity and regulations for the Forestry Law. USAID institutional support led to improved administration and oversight functions in

CONAM, INRENA, and the Regional Environmental Commissions. Seventeen natural protected areas now have achieved management improvements over the last five years. Six additional industrial plants reduced pollution by more than 10% in 2001. A formal program in park ranger training was established by INRENA with USAID support. Over the last five years, nine USAID-funded pilot environmental technologies or practices were replicated in other areas of Peru. In environmental health, a lead contamination study and prevention activity was successfully completed in Lima Callao.

> USAID support has improved the management of 29% of Peru's natural protected areas.

Over the next five years, environmental awareness by key decision-makers and the general public will increase. Major gaps in environmental law and regulations will be addressed, and the environmental management system—both nationally and in select local areas—will improve. Management of national protected areas will be enhanced and forest management—including a forest product certification system—will be developed.

Principal Contractors, Grantees and Agencies: USAID's activities are implemented through a number of Government of Peru agencies, including: the National Environment Advisory Commission (CONAM), the Natural Resources Institute (INRENA), and the Ministry of Health's Directorate for Environmental Health (DIGESA). Prime non-governmental implementing organizations include International Resources Group (IRG), World Wildlife Fund (WWF), The Nature Conservancy (TNC), Peruvian Environmental Law Society, CARE, PA Consulting, and Camp, Dresser and McKee (CDM). Sub-implementers include the Office of Environmental Assessment and Consulting (OACA), Pronaturaleza, the Cuanto Institute, the Center for Data Conservation (CDC), the U.S. Centers for Disease Control (CDC), and the Peruvian Center for Social Studies (CEPIS).

US Financing in Thousands of Dollars

Peru

527-012 Strengthened Environmental Management to Address Priority Problems	DA	ACI
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	0
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	4,727	3,000
Total Planned Fiscal Year 2002		
Obligations	4,727	3,000
Proposed Fiscal Year 2003 NOA		
Obligations	4,300	3,000
Future Obligations	15,973	9,000
Est. Total Cost	25,000	15,000

PROGRAM DATA SHEET

USAID MISSION: Peru
PROGRAM TITLE: Alternative Development Program (Pillars: Democracy, Conflict, and Humanitarian Assistance; Economic Growth, Agriculture, and Trade)
SPECIAL OBJECTIVE AND NUMBER: Reduced Illicit Coca Production in Target Areas of Peru, 527-013
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $56,000,000 (ACI)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $53,000,000 (ACI)
INITIAL OBLIGATION DATE: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: To promote alternative development in areas affected by illicit drug production, USAID provides technical and training assistance to:

- increase household income from licit economic activities;
- improve social conditions; and
- improve the policy and institutional framework for alternative development.

Inputs, Outputs and Activities: *FY 2002 Program:* In this new strategic objective, USAID will use FY 2002 funds to expand current program interventions in select areas affected by the illicit drug economy and narco-terrorism. The aim is to increase household income earning potential from licit economic activities and ensure sustainability through improving the production, productivity, and quality of agricultural products. USAID will support the expansion of financial services and the improvement of market access through road rehabilitation. The latter will leverage significant resources through the Inter-American Development Bank's loan for road rehabilitation and maintenance in coca growing areas. Funds will also be used to encourage effective community- and family-based natural resource management to preserve the environment and develop a permanent source of income to improve the living conditions of participating communities and farmers. USAID assistance will strengthen local government, increase citizen participation, and provide quality basic services such as health, education, potable water and sanitation. It will also improve basic infrastructure and increase public recognition and knowledge of the environmental and social damage caused by drug production, trafficking, and use. Assistance will offset the negative effects of forced coca eradication on women and children by providing services and immediate supplemental food to prevent and relieve malnutrition among children, and to generate immediate cash income and employment through labor-intensive activities. Finally, USAID will promote improved public policy, budget decisions, and institutional strengthening to support decentralization and licit economic growth in target areas.

FY 2003 Program: USAID plans to use FY 2003 resources to expand on-going interventions, consolidate program achievements, and ensure their sustainability. Priorities will include the development of policy and legislation to improve the legal and institutional framework to support counter-narcotics efforts; and the strengthening of local governments and other community-based institutions in programming. In addition, USAID expects to expand interventions to address forest management and environmental concerns, as well as those addressing the potentially negative socio-economic effects of coca eradication activities—including social marketing activities to increase public support for alternative development.

Performance and Results: The results outlined below were achieved under USAID's previous alternative development program, 527-005, Reduced Illicit Coca Production in Target Areas of Peru. It is anticipated that USAID will continue to build on these results under Strategic Objective 527-013 of the current Strategic Plan for FY 2002 – FY 2006.

The Association of Municipalities of San Martín (AMRESAM), comprising 77 municipalities in the San Martín Department, has provided outstanding support to its members, improving their capacity for planning and executing social and economic infrastructure projects with local participation. It has also taken advantage of the situation afforded by the new democratic regime in Peru to assume an active role in debates over legislative and budgetary issues affecting the region. It developed and is implementing a training program for mayors, officials, and staff to improve their management, accountability and participatory skills. This training is now being extended to other regions of Peru. A similar organization of municipalities in the Apurimac-Ene Valley began operations this year.

During 2001, USAID financed the rehabilitation of 290 kilometers of rural roads, constructed 15 bridges and one irrigation channel, developed 98 engineering design studies, and completed rural electrification systems in eleven towns in the Apurimac-Ene Valley, benefiting 2,423 families. In addition, 13,000 farm families received technical assistance to improve agricultural productivity of crops including coffee, cacao, hearts of palm, pineapple, bananas and rice, resulting in increased incomes through additional sales in response to market demand. Furthermore, the United States Geological Survey (USGS), USAID and the Specialty Coffee Association of America (SCAA) combined efforts to launch a "quality coffee" program pilot activity. Eight hundred quintals of coffee were purchased directly by exporters from 38 small growers with a premium of 45% above the market price. An emergency program was established to offset effects of forced coca eradication in "vulnerable" populations. USAID-supported organizations distributed 98 metric tons of food during a 12-month period to 3,185 children and 1,263 women.

> From 1995-2000, USAID assistance rehabilitated 1,000 kilometers of roads in coca growing areas.

As an integral part of the U.S. Government's counter-narcotics strategy, USAID's alternative development efforts will encourage the development of a licit economy that offers overall benefits that far outweigh those of the coca economy. Over the next five years, planned achievements will include: 1) social, political, and economic problems caused by narco-trafficking will have been addressed and sustained licit economic development will be underway; 2) the share of the population dependent on coca for livelihood will be reduced by 80%; 3) the areas of coca planted for illicit purposes will have been significantly reduced, as will those areas devoted to opium poppy cultivation; 4) the availability of semi-processed coca products for purchase by drug trafficking organizations will decline; and 5) improved social conditions within a strengthened policy and institutional framework will exist and provide the basis for sustained social and economic development.

Principal Contractors, Grantees or Agencies: The USAID program is implemented by the Government of Peru's coordinating organization, CONTRADROGAS; four Regional Special Projects of the National Development Institute (INADE); the Ministry of Transport and Communications; the Ministry of Energy and Mines; the San Martín Region Local Governments Association (AMRESAM); the Apurimac-Ene Valley Local Governments Association (AMUVRAE); CARE and its partners Chemonics and Planning Assistance (prime consortium), with Peruvian sub-grantees New Land, Agrarian Action, and the Consortium for Sustainable Development in Ucayali (CODESU); the Peruvian nongovernmental organizations Center for Drug Education and Information (CEDRO) and Projects in Health, Medicine and Agriculture (PRISMA); a Peruvian private bank; the Regional Administration Transitory Council of Ucayali, USGS, and SCAA.

US Financing in Thousands of Dollars

Peru

527-013 Reduced Illicit Coca Production in Targeted Areas of Peru	ACI
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	0
Expenditures	0
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	56,000
Total Planned Fiscal Year 2002	
Obligations	56,000
Proposed Fiscal Year 2003 NOA	
Obligations	53,000
Future Obligations	159,000
Est. Total Cost	268,000

CARIBBEAN REGIONAL

THE DEVELOPMENT CHALLENGE: The small island nations of the Caribbean face special developmental challenges due to their small economies, their dependence on export revenues and tourism as the foundation for growth, their vulnerability to natural disasters, and the growing incidence of HIV/AIDS in the region.

For many years, most Caribbean countries depended on preferential trade arrangements for key commodity exports such as sugar and bananas. With the removal of trade preferences and other trends related to globalization, countries are facing declining export earnings and severe economic hardships. For example, a 2001 World Bank report indicates that Dominica's exports fell by over 30% between 1997 and 2000 due to a sharp retrenchment in the banana industry. The Caribbean region faces significant challenges in gearing up to compete effectively in the world economy, due to its lack of capacity to meet the Free Trade Area of the Americas and World Trade Organization standards and requirements.

> Preliminary figures from the World Tourism Organization and the Caribbean Tourism Organization indicate that, as a result of September 11, tourism arrivals in Caribbean Community countries are 9% lower than 2000 levels.

The national interests of the United States in the Caribbean region are guided by the 1997 Bridgetown, Barbados Summit accords, which committed the United States and signatory Caribbean nations to implement plans of action that promote free trade and economic development, safeguard the natural environment, and enhance justice and security. For the United States, the Caribbean constitutes our "third border." The U.S. Government has developed a Third Border Initiative (TBI) which is an interagency coordinated package of measures centering around five themes: social and education matters, security and law enforcement, economic and commercial matters, environment, and diplomacy. The goal of TBI is to better align U.S. and Caribbean priorities, to improve the focus of USG assistance and engagement, and to encourage U.S. partners to assume ownership and leadership on common interests. The large number of U.S. citizens of Caribbean origin, the region's proximity to the United States, and its importance as a U.S. tourist destination mean that joblessness, the HIV/AIDS epidemic, drug trafficking, environmental degradation and recurrent natural disasters in the Caribbean directly affect the United States' well-being.

The natural environment, on which the Caribbean relies heavily for economic growth and tourism, is in jeopardy due to poor environmental management practices. There is a growing need to overcome the negative effects of the events of September 11 in the region by improving the viability, visibility, and competitiveness of small tourism enterprises. The high cost of telecommunications constitutes a major barrier to developing electronic commerce in the region. Competitiveness can be increased by expanding knowledge about information technology, and increasing access to financial markets in the region. Small- and medium-sized enterprises have been plagued with numerous problems across industries that severely inhibit their ability to deliver products and services that meet international standards. In virtually all of the Caribbean countries, the judiciary is weak and unable to tackle a growing backlog of civil and commercial legal actions.

The region is further hampered by a labor force that is inadequately trained to meet today's global challenges. Many countries in the region are losing their best and brightest workers through a combination of emigration and the effects of the HIV/AIDS epidemic. HIV seroprevalence in the region is second only to sub-Saharan Africa. The World Health Organization and the Joint United Nations Program on HIV/AIDS (UNAIDS) estimate that more than 500,000 out of approximately 25 million people in the region are infected with HIV.

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THE USAID PROGRAM:
FY 2002 Estimate: $ 15.0 million *FY 2003 Request: $ 18.75 million*

The Caribbean Regional Mission, located in Kingston, Jamaica, focuses its program on the island nations of Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines. However, the Mission also covers the Bahamas, Barbados, Belize, Trinidad and Tobago, and Surinam. This entire group of countries, plus Haiti, Jamaica and Guyana constitute the Caribbean Community (CARICOM).

The Program Data Sheets below discuss the four programs for which USAID's Caribbean Regional Mission is requesting funds. The programs seek to improve the region's economic competitiveness, strengthen environmental management by private entities, increase the effectiveness and efficiency of legal systems, and enhance the region's ability to respond to the HIV/AIDS crisis. FY 2002 funds will help to implement the economic growth, trade capacity assistance, disaster mitigation, and HIV/AIDS components of the Administration's Third Border Initiative. Ongoing programs addressing economic competitiveness, environmental management, rule of law, and HIV/AIDS will also be implemented.

OTHER PROGRAM ELEMENTS: USAID's Office of Foreign Disaster Assistance is implementing disaster mitigation activities that seek to reduce risks and losses from natural hazards, educate the public, and establish an effective framework for disaster management. The Regional Sustainable Development Office of the Latin America and Caribbean Bureau (LAC/RSD) is funding capacity-building efforts targeted at Eastern Caribbean governments and regional organizations to strengthen their capacity to implement regional and worldwide trade agreements and related agricultural import customs requirements. LAC/RSD is also funding activities in the Eastern Caribbean that promote human rights education and protection, especially for women and marginalized populations. USAID's Economic Growth, Agriculture, and Trade Bureau is supporting loan programs targeted at micro- and small enterprises. USAID has also transferred funds to the Peace Corps for a small grant activity which develops collaborative programs with community groups to promote local development.

OTHER DONORS: Donor coordination under the Caribbean Regional program is excellent. The International Monetary Fund, the United Nations Development Program, the Canadian International Development Agency (CIDA), the European Union (EU), the Inter-American Development Bank (IDB), and the United Kingdom's Division for International Development (DFID) have pooled resources to address the urgent and demanding needs of the region to reform fiscal and monetary policies and systems by establishing the Caribbean Regional Technical Assistance Center. In the area of HIV/AIDS, USAID, CIDA, Germany, EU, DFID, and the Pan American Health Organization are in partnership to support the Caribbean Epidemiology Center as it implements its HIV/AIDS strategic plan. Major donors complementing other USAID work in the Caribbean include the World Bank, the IDB (telecommunications) and CIDA (judicial reform). The Organization of American States and CIDA support small hotel programs. CIDA and the IDB have programs in trade reform and integration.

Caribbean Regional Program

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	0	1,497	0	0
Child Survival and Health Programs Fund	0	0	4,000	0
Development Assistance	540	0	0	15,750
Economic Support Fund	7,000	6,985	11,000	3,000
Total Program Funds	7,540	8,482	15,000	18,750

STRATEGIC OBJECTIVE SUMMARY				
538-004 Increased employment and diversification in select non-traditional activities				
DA	150	0	0	5,500
ESF	2,500	2,500	4,500	1,000
538-005 Improved environmental management by public and private entities				
DA	270	0	0	2,500
ESF	2,500	2,500	3,100	0
538-006 Increased Efficiency and Fairness of Legal Systems in the Caribbean				
DA	120	0	0	1,000
ESF	2,000	1,985	1,000	0
538-008 Enhanced Caribbean Response to the HIV/AIDS Crisis in Target Countries				
CSD	0	1,497	0	0
CSH	0	0	4,000	0
DA	0	0	0	5,750
ESF	0	0	2,000	2,000
Total Transfers	0	0	400	1,000

PROGRAM DATA SHEET

USAID MISSION: Caribbean Regional
PROGRAM TITLE: Competitiveness in the Caribbean (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Employment and Diversification in Select Non-Traditional Activities, 538-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 4,500,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 5,500,000 DA; $ 1,000,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's economic growth program includes technical assistance and training in:

- competitive production and services;
- information services and technology; and
- developing and drafting legislation and policies for countries in the Caribbean Community (CARICOM).

Inputs, Outputs and Activities: *FY 2002 Program:* In FY 2002, ESF will be used to help modernize the Eastern Caribbean's telecommunications sector and strengthen the ability of the private sector to compete in the international marketplace. Technical assistance and training will be provided to targeted small- and medium-sized companies in areas such as product and quality assurance, computerization, productivity tooling, marketing information and research, and gaining access to new markets. Technical assistance and training will also be provided to a newly established regulatory authority, Eastern Caribbean Telecommunications (ECTEL), to help staff draft model licenses and regulations that will promote competition in this sector. To promote the use of information technology applications, new "telecenters" will be created in the Organization of Eastern Caribbean States (OECS) countries in FY 2002. To enhance competitiveness in the region, international best business practice standards will be promoted by adopting international standards of product quality, intellectual property rights, financial management, professional and business services, and investment policies. Efforts will also be undertaken to help educational institutions build human capacity in key areas, such as information technology and business management. USAID will also work closely with CARICOM countries in achieving a consensus on regional integration of policies required to meet Free Trade Area of the Americas (FTAA) and World Trade Organization (WTO) standards and requirements. Through the newly established Caribbean Regional Technical Assistance Center (CARTAC), USAID and other donors will provide technical assistance and training to Caribbean governments on fiscal and monetary policies and regulations.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to fund technical assistance and training to: 1) improve capacity and upgrade competitiveness for delivery of non-traditional products and services internationally, including new, unique products such as sea island cotton; 2) draft legislation in OECS countries to advance sanitary and phytosanitary standards and regulations to assure compliance with WTO food processing and animal/plant health and quarantine requirements; and 3) support the financial sector in areas such as risk reduction.

Performance and Results: As a result of USAID activities, substantial progress has been made in establishing the Eastern Caribbean Telecommunications authority's regulatory framework, and movement has been made in interconnections, setting tariffs, licensing, pricing, numbering, and spectrum allocation and license fees.

ECTEL has more than 25% of the new telecommunications legislation, rules, and procedures in place.

Business advisors are assisting the Export Development Unit of the OECS Secretariat in providing these information technologies and other services throughout the region.

With successful completion of the program in 2004, employment and diversification in selected non-traditional activities will have increased, and trade in selected non-traditional products and services will have grown, contributing to enhanced broad-based and sustainable development. USAID expects that by 2004, approximately 100 businesses will have adopted international standards of best business practices (20 firms by the end of 2002). It is anticipated that Caribbean private enterprises will improve productivity and profitability applying a modernized package of services. In addition, these companies will enhance their capability to compete in the global market. The number of new businesses in the region will increase by the end of the strategy period, assuming the telecommunications regulatory structure is operational.

Principal Contractors, Grantees, or Agencies: CARANA Corporation is assisting ECTEL in establishing telecommunications regulations. The OECS Export Development Unit is providing support to implement the small- and medium-sized business activity in the Eastern Caribbean. The Pan American Health Organization is assisting with the sanitary and phytosanitary standards legislation. USAID will contract with a U.S.-based company to implement activities related to upgrading competitiveness in non-traditional and unique products.

US Financing in Thousands of Dollars

Caribbean Regional Program

538-004 Increased employment and diversification in select non-traditional activities	DA	ESF
Through September 30, 2000		
Obligations	457	2,500
Expenditures	197	0
Unliquidated	260	2,500
Fiscal Year 2001		
Obligations	0	2,500
Expenditures	160	422
Through September 30, 2001		
Obligations	457	5,000
Expenditures	357	422
Unliquidated	100	4,578
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	4,500
Total Planned Fiscal Year 2002		
Obligations	0	4,500
Proposed Fiscal Year 2003 NOA		
Obligations	5,500	1,000
Future Obligations	3,000	2,000
Est. Total Cost	8,957	12,500

PROGRAM DATA SHEET

USAID MISSION: Caribbean Regional
PROGRAM TITLE: Improved Environmental Management (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Environmental Management by Public and Private Entities, 538-005
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 3,100,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 2,500,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to improve environmental management within the Eastern Caribbean involves technical assistance and training to facilitate:

- adoption of best environmental management practices, policies, and standards in small hotels;
- environmental marketing and education awareness; and
- access to financing for environmental improvements.

Inputs, Outputs and Activities: *FY 2002 Program*: Building upon successful environmental activities that have shown results under USAID's program in Jamaica, FY 2002 funds will be used to provide technical assistance to develop protocols for approximately 100 environmental "walkthroughs" (audits) for small hoteliers. These walkthroughs identify ways for small hoteliers to save water, energy, and materials, thereby reducing operating costs. Instructional coaching toolkits, training materials (including videos and software), and training programs featuring best environmental management practices will be developed. Technical assistance will help establish at least 11 resource centers throughout the Caribbean region that will make environmental management information available to the small tourism sector. A marketing system focusing on the "Caribbean experience" will be developed to market a Caribbean brand that promotes small hotels using sound environmental practices. USAID will also develop a community-based risk reduction activity that demonstrates the linkages between sound environmental practices and natural hazard management. It will also help Caribbean countries implement their national disaster mitigation and prevention strategies.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to: 1) implement environmental audits to meet policies and standards for possible green property certification; 2) develop an eco-destination certification for Dominica; 3) provide technical assistance for the development of an investment fund for environmental improvements; 4) provide technical assistance to develop environmental public awareness programs; and 5) provide technical assistance to develop renewable energy sources and technologies to reduce environmental damage and enhance economic growth.

> Twenty-one small hotels are adopting best environmental practices associated largely with energy conservation.

Performance and Results: USAID has made great strides in exposing organizations to environmental information. Approximately 25 environmental walkthroughs were conducted at small hotels, and volunteers provided technical assistance to about 15 small hoteliers to implement environmental improvements identified by the walkthroughs. Environmental information has been disseminated by the new USAID-established environmental Resource Center in Dominica, and organizations helped review brands and standards for small hotels. Some 61 diverse organizations received environmental information, including hotels that are adopting best practices in areas such as electricity use, equipment selection and maintenance, and implementation of policies related to energy conservation.

With the successful completion of the program in 2004, ecosystems that are vital to tourism and economic diversification will be better protected. In addition, land-based sources of coastal and marine pollution will be reduced. The goal is to help improve economic wellbeing through better-protected critical ecosystems, and the income generating activities tied to them.

Principal Contractors, Grantees, or Agencies: Major implementing partners under this program include the CARICOM Secretariat, the Organization of Eastern Caribbean States and its member countries, and the Organization of American States. The prime contractor is P.A. Consulting Group, with Caribbean Alliance for Sustainable Tourism as its subcontractor. Another prime contractor is Oak Ridge National Laboratories.

US Financing in Thousands of Dollars

Caribbean Regional Program

538-005 Improved environmental management by public and private entities	DA	ESF
Through September 30, 2000		
Obligations	653	2,500
Expenditures	317	0
Unliquidated	336	2,500
Fiscal Year 2001		
Obligations	0	2,500
Expenditures	67	711
Through September 30, 2001		
Obligations	653	5,000
Expenditures	384	711
Unliquidated	269	4,289
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	3,100
Total Planned Fiscal Year 2002		
Obligations	0	3,100
Proposed Fiscal Year 2003 NOA		
Obligations	2,500	0
Future Obligations	0	1,625
Est. Total Cost	3,153	9,725

PROGRAM DATA SHEET

USAID MISSION: Caribbean Regional
PROGRAM TITLE: Rule of Law (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Increased Efficiency and Fairness of Legal Systems in the Caribbean, 538-006
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 1,000,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 1,000,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The Rule of Law program in the Caribbean region has two primary components:

- providing technical assistance, training, and commodities to the Eastern Caribbean Supreme Courts; and
- training judiciary staff.

Inputs, Outputs and Activities: *FY 2002 Program:* In FY 2002 Economic Support Funds will be used to strengthen the Supreme Court system of the Organization of Eastern Caribbean States (OECS), which includes six national High Courts and a Court of Appeal. Funds will be used to complete the second phase of an initiative to establish a comprehensive case flow management system. USAID funds will also be used to enhance efficiency of the High Courts and the Court Registries by procuring the services of data entry clerks who will transcribe case information from approximately 10,000 cases into a computerized system. This system is designed to track the progress of all civil cases from initial filing to final disposition. Building on recent success establishing a pilot automated court reporting system in Dominica, USAID will replicate the model in three additional High Courts in the Eastern Caribbean. Technical assistance and training will be provided to court staff and court reporters, and automated court reporter equipment will be procured. When the case-flow management and court reporting systems are fully operational at the end of FY 2002, USAID projects that 900 of the backlog cases will be cleared from the system.

Further efforts to reduce the large number of backlogged cases in the system will be addressed by the introduction of an alternative dispute resolution program in the Eastern Caribbean. A pilot mediation system in St. Lucia will provide a court-connected mechanism for resolving civil disputes outside of the court system. If successful, this program will be replicated in other Eastern Caribbean countries. Under the judicial training program, courses will be conducted in areas such as telecommunications law for Organization of Eastern Caribbean States (OECS) judges. In addition, USAID will help the Caribbean Community (CARICOM) Secretariat establish a new Caribbean Court of Justice by providing technical assistance to develop a public education program to build recognition and support for the Court.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to: 1) replicate positive features of a court-sanctioned alternative dispute resolution system in selected countries; 2) establish two automated court reporting systems in the Eastern Caribbean; 3) continue implementation of the regional judicial training program by conducting four courses using distance education methods; 4) provide technical assistance to support establishment of the new Caribbean Court of Justice; and 5) provide technical assistance on revisions and reforms for civil and criminal laws in the region.

Performance and Results: As a result of USAID activities, the first phase of the comprehensive caseflow management system has been completed. In addition, USAID instituted a pilot court reporting system in Dominica this past year, significantly reducing the time it takes for judges in Dominica to provide written judgments on cases, and increasing the availability of transcripts of court proceedings.

USAID established the first automated court reporting system in Dominica. For the first time in history, an Eastern Caribbean court can produce a 221-page transcript within 24 hours of the completion of court proceedings.

Remarkable progress has also been made in expanding and enhancing the Faculty of Law Library at the University of the West Indies campus in Barbados (the repository of all legal materials for the Caribbean Commonwealth). Automation of the regional case reporting system will allow approximately 10,000 decided cases dating back to the 1950s to be accessed by judges, lawyers, and clients throughout the region.

With successful completion of this program in 2004, the ability to adhere to democratic principles of governance and the rule of law will be strengthened. This will support a more open democratic system, and benefit not only members of the legal profession, but also private entrepreneurs, investors, average citizens, and other members of the wider public.

Principle Contractors, Grantees, or Agencies: USAID activities are implemented through the OECS Supreme Court, the OECS Secretariat (prime), the CARICOM Secretariat, the University of the West Indies, and various short-term contractors from the United States.

US Financing in Thousands of Dollars

Caribbean Regional Program

538-006 Increased Efficiency and Fairness of Legal Systems in the Caribbean	DA	ESF
Through September 30, 2000		
Obligations	120	2,000
Expenditures	120	30
Unliquidated	0	1,970
Fiscal Year 2001		
Obligations	0	1,975
Expenditures	0	393
Through September 30, 2001		
Obligations	120	3,975
Expenditures	120	423
Unliquidated	0	3,552
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	1,000
Total Planned Fiscal Year 2002		
Obligations	0	1,000
Proposed Fiscal Year 2003 NOA		
Obligations	1,000	0
Future Obligations	0	0
Est. Total Cost	1,120	4,975

PROGRAM DATA SHEET

USAID MISSION: Caribbean Regional
PROGRAM TITLE: HIV/AIDS (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Enhanced Caribbean Response to the HIV/AIDS Crisis in Target Countries, 538-008
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $4,000,000 CSH; $ 2,000,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $5,750,000 DA; $ 2,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's program on HIV/AIDS includes technical assistance and training to build:

- the managerial, technical, and administrative capacity of non-government organizations (NGOs);
- a public awareness and education campaign to reach youth;
- development and implementation of National AIDS strategic plans; and
- the capacity of Caribbean Epidemiology Centre (CAREC) member countries to deliver clinical and diagnostic management services.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID proposes to increase planned DA funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. Since this is a regional activity, the ESF funded activities will be notified separately for Congress. In FY 2002, USAID will use CSH funds to establish and provide assistance to NGO networks supporting programs to combat HIV/AIDS. Emphasis will be placed on "south-to-south" technical assistance, i.e., assistance to and from NGOs in the region. As participating Caribbean countries are phased in over the strategy period, in-country coordinators will be funded for St. Lucia, St. Kitts and Nevis, and St. Vincent and the Grenadines. USAID will also conduct an assessment in Surinam this year for its possible inclusion in the NGO strengthening program.

Technical assistance will also be provided in HIV/AIDS-related areas such as peer counseling, media outreach, and people living with HIV/AIDS. USAID will coordinate its activities with a new Peace Corps small grants program. USAID will also continue to support the work of the Caribbean Epidemiology Center by providing technical assistance for drafting National Strategic Plans for HIV/AIDS in Eastern Caribbean countries. USAID will support the Caribbean Community (CARICOM) Secretariat in drafting an ethical, legal, and human rights brief on HIV/AIDS in the Caribbean.

FY 2002 ESF funds will be used to provide technical assistance to help establish a Regional Training Center. This is part of a Caribbean regional initiative to develop a network of training centers that will help upgrade the region's ability to care for HIV/AIDS patients. This Center will also house a new USAID-funded initiative to train and mentor "master trainers" in voluntary counseling, testing, and referral for HIV/AIDS cases.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: USAID expects to provide FY 2003 funds to support: 1) phase-in of two new countries into the NGO strengthening program; 2) implementation of National Strategic Plans for HIV/AIDS in targeted countries; 3) initiation of behavior change and communication initiatives in targeted countries; and 4) implementation of "Edutainment" workshops with youths in targeted countries.

Performance and Results: As a result of USAID activities, steady progress has been made in training and start-up workshops held in St. Kitts, Nevis, the Bahamas, Jamaica, and Trinidad and Tobago. Nearly 100 health professionals were trained in the psychosocial and clinical management of the HIV-infected patient. In addition, the Ashe Caribbean Arts Ensemble conducted a five-day workshop in the Bahamas aimed at training secondary school guidance counselors on how to teach reproductive health and sexuality to youth.

> Eight of 21 Caribbean countries have drafted or finalized a National Strategic Plan to combat HIV/AIDS.

With successful completion of this program in 2005, regional and local NGOs will have expanded their capacity to create awareness of HIV/AIDS, increase prevention efforts, and deliver health care programs to HIV/AIDS patients. Another important outcome of this program will be greater capacity among the governments of target Caribbean countries to implement an effective response to HIV/AIDS. These results support USAID's goal of protecting human health and reducing the spread of infectious diseases.

Principal Contractors, Grantees, or Agencies: The Pan American Health Organization (primary grantee) and the Caribbean Epidemiology Center (subcontractor) work with USAID to increase the capacity of national governments to implement responses to HIV/AIDS. Family Health International (primary contractor) and Management Sciences for Health (subcontractor) work with the Peace Corps to implement the NGO strengthening program.

US Financing in Thousands of Dollars

Caribbean Regional Program

538-008 Enhanced Caribbean Response to the HIV/AIDS Crisis in Target Countries	CSD	CSH	ESF	DA
Through September 30, 2000				
Obligations	0	0	0	0
Expenditures	0	0	0	0
Unliquidated	0	0	0	0
Fiscal Year 2001				
Obligations	1,497	0	0	0
Expenditures	980	0	0	0
Through September 30, 2001				
Obligations	1,497	0	0	0
Expenditures	980	0	0	0
Unliquidated	517	0	0	0
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2002 NOA				
Obligations	0	4,000	2,000	0
Total Planned Fiscal Year 2002				
Obligations	0	4,000	2,000	0
Proposed Fiscal Year 2003 NOA				
Obligations	0	0	2,000	5,750
Future Obligations	0	0	2,000	753
Est. Total Cost	1,497	4,000	6,000	6,503

CENTRAL AMERICA REGIONAL PROGRAM

> Over half of Central America's population lives in rural areas, and two-thirds survive on less than $2 per day.

THE DEVELOPMENT CHALLENGE: The Central American region is consists of seven countries: Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama, with a population of 37 million growing at a rate of 2.6% annually. In addition to the challenge of addressing poverty and improving the living conditions of its people, Central American countries remain ill-equipped to confront the globalization of trade and labor markets, the frequent natural disasters that befall them, the cross-border spread of HIV/AIDS and other infectious diseases, and continuing deforestation and environmental degradation. These challenges are compounded by new and ongoing threats to the region's stability, including transnational crime and drug-trafficking, corruption, poor governance, and periodic border tensions which persist despite growing regional integration.

In March 2001 at the Regional Consultative Group meeting, Central American leaders, the United States and other donors identified challenges and opportunities for regional integration. Alongside commitment to reinforce disaster preparedness, the Central American countries presented a regional strategy for economic integration, infrastructure modernization, trade competitiveness, environmental management, and social development. The regional plan for economic growth emphasizes freer trade, increased competitiveness, and cooperation with Mexico to build on its experience in the North American Free Trade Agreement (NAFTA) and a recent free trade agreement between Guatemala, Honduras and El Salvador. Central American and Mexican representatives have endorsed trade and development initiatives in eight sectors for joint investments of $2 billion under Mexico's Puebla-Panama Plan (PPP). The PPP, the U.S. partnership with Central America under the Alliance for Sustainable Development (ALIDES), and the Central America-USA Agreement (CONCAUSA) offer opportunities to increase trade and improve environmental management, while advancing wider Central America-Mexico cooperation toward these common objectives. In June 2001, the USG and Central America formally extended CONCAUSA to address sustainable development, biodiversity, environmental policy, and energy, and to integrate disaster mitigation and global climate change as new areas of cooperation.

U.S. interests in the stability and growth of Central America as a major regional trading partner are considerable. Regional economic integration advances the U.S. foreign policy objective of establishing the Free Trade Area of the Americas (FTAA) by 2005 and President Bush's announced objective of a Free Trade Agreement (FTA) with Central America. The increased economic prosperity promoted by the FTAA and FTA should further other U.S. Government (USG) interests in the region, such as stemming the tide of illegal immigration from the region into the United States, and lessening incentives for involvement in narcotics trafficking. USAID's Central America program supports Mexico-Central America coordination and collaboration under the USG's recently announced initiative, the Partnership for Prosperity (PfP), particularly in the areas of poverty reduction, disaster mitigation, expanded trade, environmental protection, and agricultural diversification. The Regional Program directly advances U.S. foreign policy and development objectives at a pivotal point in relations as we promote closer cooperation and freer trade with Central America and Mexico.

THE USAID PROGRAM:

FY 2002 Estimate: $12.892 million *FY 2003 Request: $26.927 million*

The Program Data Sheets provided below cover the four objectives for which USAID is requesting funds. These programs will: 1) promote open trade and investment policies, support regional economic integration, trade and competitiveness, and improve the functioning of regional labor markets and protection of labor rights; 2) improve protected area management in the Meso-American Biological Corridor, expand markets for environmentally sound products and services, and

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promote local capacity and private sector participation in natural resource management; 3) strengthen Central American organizations to deliver HIV/AIDS services and information; and 4) support development of credit quality standards for local governments, increase their access to capital markets, and promote private sector participation in local services and infrastructure. The first three of these programs are ongoing efforts that build on the first phases of the regional trade and investment, environmental, and HIV-AIDS programs and USAID's extensive experience in each area. The municipal finance activity, a new program, begins in FY 2003. These programs are managed by USAID's regional Central America and Program (G/CAP) located in Guatemala whose regional programs will soon include Mexico.

Areas for expanded cooperation under the PfP initiative build on key U.S. interests identified above. FY 2003 PfP funds will allow G-CAP's regional program, in close coordination with USAID/Mexico, to initiate additional activities in the areas of accelerated trade facilitation and regional economic competitiveness and activities to mitigate disasters and environmental degradation. This initiative is also taking place in other Central American countries and through LAC Regional mechanisms. Additional details are provided in Program Data Sheets.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED: On December 31, 2001, USAID completed two-year assistance provided in the wake of Hurricane Mitch. The following summarizes this and other terminating regional programs:

Number	Title	Last Notified	Planned Completion
596-001	Regional Trade and Investment Phase I	FY 2002 CN #369	FY 2002
596-002	Regional Environment (PROARCA) Phase I	FY 2002 CBJ, p. 579	FY 2002
596-003	Regional HIV/AIDS Program Phase I	FY 2002 CBJ, p. 584	FY 2001
596-004	Regional Disaster Mitigation	FY 2002 CBJ, p. 589	FY 2002

OTHER PROGRAM ELEMENTS: USAID activities in Central America managed outside G-CAP include: the USAID and UNAIDS-supported HIV-AIDS activity for mobile populations; the Program for Educational Reform in the Americas (PREAL), which provides small grants to educational organizations in at least four Central American countries; human rights projects with the Inter-American Institute for Human Rights and other groups; rule of law projects to strengthen national police institutions with the International Criminal Investigation Training and Assistance Program (ICITAP); the Decentralization and Democratic Local Governance project, which assists local authorities and the Central American Federation of Municipalities (FEMICA) in four countries; sustainable forestry projects implemented by the World Wildlife Fund; and Parks in Peril, implemented by The Nature Conservancy, which partners with local NGOs to improve protection of national parks and biodiversity in at least two Central American countries.

OTHER DONORS: Donor coordination at the regional level is very active in all sectors. The March 2001 Regional Consultative Group meeting allowed donors to meet with Central American leaders and review plans for disaster mitigation, regional integration and modernization. Other major donors providing support on a regional basis to Central America are the United Nations agencies, the Pan-American Health Organization, Canada, the European Union, the Nordic countries, and the Inter-American Development Bank. Spain has pledged to join the Central American Bank for Economic Integration as the first nonregional member, and will contribute to its financial and institutional strengthening in coming years.

Central America Regional Program

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	3,150	3,692	0	0
Child Survival and Health Programs Fund	0	0	4,750	0
Development Assistance	8,200	9,030	8,142	26,927
Total Program Funds	11,350	12,722	12,892	26,927

STRATEGIC OBJECTIVE SUMMARY				
596-001 Increased Central American Participation in Global Markets				
DA	3,200	2,400	0	0
596-002 Increased Effectiveness in Regional Stewardship of the Environment and Key Natural Resources in Targeted Areas				
DA	5,000	0	0	0
596-003 Enhanced Central American capacity to respond to the HIV/AIDS crisis				
CSD	3,150	1,120	0	0
596-005 Increased Central American Competitiveness in Global Markets				
DA	0	600	2,800	7,300
596-006 Improved Environmental Management in the Mesoamerican Biological Corridor				
DA	0	6,030	5,342	10,742
596-007 Strengthened Municipal Finance Systems for Local Governments in Central America				
DA	0	0	0	1,100
596-008 Enhanced Central America Capacity to Respond to HIV/AIDS Crisis - Phase II				
CSD	0	2,572	0	0
CSH	0	0	4,750	0
DA	0	0	0	6,785
Total Transfers	0	0	0	1,000

PROGRAM DATA SHEET

USAID MISSION: Central America Region
PROGRAM TITLE: Regional Trade and Investment (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Central American Competitiveness in Global Markets, Phase II, 596-005
STATUS: Ongoing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,800,000 (DA)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $7,300,000 (DA)
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: The USAID Regional Trade and Investment Program for Central America, known as PROALCA Phase II, provides technical assistance to:

- promote more open trade and investment policies and capacities, which will permit Central America to take fuller advantage of greater trading opportunities presented by an increasingly integrated world economy and FTAA and Central America Free Trade Area negotiations;
- accelerate Central America's process of regional integration which is consistent with World Trade Organization (WTO) standards and makes the region more efficient and competitive; and
- improve the functioning of regional labor markets, while strengthening the protection of core labor standards.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will use FY 2002 DA resources to provide technical assistance to increase public support for open trade and investment policies, meet WTO commitments, monitor and enforce Intellectual Property Rights (IPR) agreements, reduce intraregional trade and investment barriers, and consolidate a customs union. Public and private sector customs officials and IPR personnel will be trained in implementation of IPR agreements, customs procedures and valuation, and competition policy. Also, the program will support the building of a strong regional energy sharing system by restructuring energy sectors in each of the Central American countries. Technical assistance will improve legislation, support stronger regional and national regulating bodies, develop plans for energy rate setting, and help open the sector to private initiatives. PROALCA II will help harmonize regional road standards by financing the development and distribution of three road manuals. In the labor component, the program will assist Labor Ministries in economic policy-making related to labor; support the establishment of one or more alternative labor dispute resolution systems; and help harmonize labor laws and regulations, skills standards and standards for certification methods.

Planned FY 2003 Program: USAID will use FY 2003 DA resources to continue the above activities. Expanded cooperation with Central American partners to advance U.S. interests will draw on the additional resources made available in FY 2003 under the Partnership for Prosperity initiative. In the first year of a five-year effort for accelerated trade facilitation, activities will build on Mexico's experience in NAFTA, providing assistance to: train Central American trade officials in Mexico; simplify customs and control in a pilot Guatemalan-Mexican border area; harmonize regional economic competitiveness and productivity policies and standards, including those for labor markets; promote intellectual property protection and cooperation between the Secretariat for Central American Economic Integration (SIECA) and the Mexican Industrial Property Institute; and promote regional power sharing.

Performance and Results: This program will begin in 2002, building on the achievements under PROALCA's first phase (1997-2001). Progress in this objective will not only promote Central American trade and investment, it will also reinforce the region's adoption of outward-looking, export-led strategies to achieve rapid, sustained, and equitable economic growth. As USAID's only regional trade promotion activity in Central America, PROALCA II will help maintain regional trade

growth and continued increases in private investment in key sectors such as energy. Over the life of this objective, this strategy will have a positive impact on trade liberalization by: assuring that priority WTO commitments are met; harmonizing IPR laws and provisions for trademarks; enforcing industrial designs and copyrights: putting into place new trade dispute resolution mechanisms; and establishing one or more labor dispute resolutions systems.

By the end of the strategy period, we anticipate substantial movement toward a unified Central American Customs Union and a regional energy market and power-sharing arrangements, further accelerating the economic growth impacts of Central American integration and expanded regional and international trade.

Principal Contractors, Grantees, or Agencies: The Secretariat for Central American Economic Integration (SIECA) (prime) and PA Consulting, Inc (prime).

US Financing in Thousands of Dollars

Central America Regional Program

596-005 Increased Central American Competitiveness in Global Markets	DA
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	600
Expenditures	0
Through September 30, 2001	
Obligations	600
Expenditures	0
Unliquidated	600
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	2,800
Total Planned Fiscal Year 2002	
Obligations	2,800
Proposed Fiscal Year 2003 NOA	
Obligations	7,300
Future Obligations	9,950
Est. Total Cost	20,650

PROGRAM DATA SHEET

USAID MISSION: Central America Region
PROGRAM TITLE: Regional Environment (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Environmental Management in the Meso-American Biological Corridor (MBC), 596-006
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,342,000 (DA)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $10,742,000 (DA)
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: The USAID Regional Environmental Program for Central America, known by its Spanish acronym, PROARCA (Phase II), supports sound environmental management, including disaster mitigation, working in the following areas:

- technical assistance, training and program support to improve protected area management in the Meso-American Biological Corridor (MBC);
- information dissemination and capacity building to access financial resources and expand markets for environmentally sound products and services;
- technical assistance and training to harmonize environmental standards and regulations;
- development of local capacity and promotion of private sector participation and alliances for increased use of less-polluting technologies by municipalities and the private sector; and
- TA and training activities to prevent forest fires, reinforce early warning systems and disaster preparedness, and manage key watersheds to mitigate disasters and environmental degradation.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will use FY 2002 DA funds to improve environmental management in the MBC. Technical assistance and financial support will be provided for conservation policies, development and implementation of business plans, design of a small grants fund, and establishment of a biodiversity monitoring database. To widen market access for environmentally sound products and services, USAID will expand information on certification options and benefits to producer and service groups. Demand for these products will be fomented through the creation of internet databases and web linkages. USAID will help to identify credit programs and opportunities to finance certification. Sustainable tourism practices will be promoted through alliances, accreditation, and mapping of tourism operations in targeted sites. Technical assistance will help identify target markets and develop marketing strategies for "green" products and ecotourism. In conjunction with the System for Central American Integration (SICA), USAID will support the harmonization of regional environmental norms and support the implementation of international environmental agreements and conventions. To increase the use of less-polluting technologies, USAID will finance an assessment of opportunities for addressing pollution problems and potential sources of financing for pollution reduction projects.

Planned FY 2003 Program: USAID will use FY 2003 DA resources to continue the above activities. A subgrants program, complementing these activities, will move into full implementation and build capacity among Central American NGOs to promote environmentally sound practices. Expanded cooperation to advance U.S. interests will draw on resources made available in FY 2003 under the Partnership for Prosperity (PfP) initiative. In the first year of a five-year regional effort for mitigation of disasters and environmental degradation, the program will build on USAID's experience under the post-Mitch Hurricane Disaster Mitigation program and on Mexico's experience of cooperation with the U.S. Department of Agriculture's Forest Service and the National Oceanic and Atmospheric Agency (NOAA). Activities under PfP will strengthen forest fire prevention, reinforce early warning systems and data management, assist consolidated vulnerability mapping and preparedness, and support continued watershed management activities to mitigate disasters and environmental degradation. In addition to upgrading the Regional Center for Prevention of Natural Disasters in

Central America (CEPREDENAC) by developing a regional fire prevention plan and enhanced regional response capacity, work will support Central American countries' efforts to monitor and protect key watersheds, among these the Usumacinta border area watershed between Guatemala and Mexico.

Performance and Results: This program will begin in 2002, building on the achievements under PROARCA's Phase I (1997-2001). Upon completion of the strategy, this objective will have improved the management of protected areas in the Meso-American Biological Corridor and built capacity among Central American organizations and businesses to promote environmentally sound practices and products. Specific targets are being developed by partners recently awarded contracts under the program.

Over the life of this program, this activity will have an impact on improving natural resource management and reporting, pollution reduction, strengthening community management of local resources, expanding market access for environment-friendly products and services, and harmonizing norms for environmental impact assessments and wastewater. Many of these activities will also help Central America contribute to longer-term reduction of greenhouse gas emissions and mitigation of global climate change.

Principal Contractors, Grantees, or Agencies: Key partners include: a consortium formed by The Nature Conservancy (prime), the World Wildlife Foundation (sub), and Rainforest Alliance (sub), for activities to improve management of protected areas and to promote market access for environmentally sound products and services; Associates in Rural Development, Inc., for promotion of less polluting technologies to municipalities and private sector industries; and a grant to SICA and the Central American Council for Environmental Development (CCAD) to strengthen environmental management in the region. The U.S. Environmental Protection Agency (EPA) is a collaborating agency that supports work on the legal and regulatory frameworks. A planned cooperative agreement will provide subgrants to Central American organizations collaborating under PROARCA.

US Financing in Thousands of Dollars

Central America Regional Program

596-006 Improved Environmental Management in the Mesoamerican Biological Corridor	DA
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	6,030
Expenditures	0
Through September 30, 2001	
Obligations	6,030
Expenditures	0
Unliquidated	6,030
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	5,342
Total Planned Fiscal Year 2002	
Obligations	5,342
Proposed Fiscal Year 2003 NOA	
Obligations	10,742
Future Obligations	13,086
Est. Total Cost	35,200

PROGRAM DATA SHEET

USAID MISSION: Central America Region
PROGRAM TITLE: Regional Municipal Finance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Strengthened Municipal Finance Systems for Local Governments in Central America, 596-007
STATUS: New
PLANNED FY 2002 OBLIGATION AND ACCOUNT: $0
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND ACCOUNT: $1,100,000 (DA)
INITIAL OBLIGATION: FY 2003 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The USAID/G-CAP Regional Municipal Finance program will provide technical assistance and training to:

- promote credit quality standards for local governments;
- increase local government access to capital markets; and
- promote private sector participation in local services and infrastructure.

Inputs, Outputs, and Activities: *FY 2002 Program:* This program will begin in FY 2003.

Planned FY 2003 Program: USAID will use FY 2003 DA funds to initiate activities and foster partnerships for a credit quality standards program for local governments. USAID will select key interventions based on its approved five-year strategy for strengthened municipal finance systems in Central America, capitalizing on the Regional Urban Development Office's (RUDO) experience in finance and credit programs for municipal infrastructure projects and efforts underway and financed in FY 2002 within USAID/Mexico's municipal development program. The FY 2003 program will build on nascent public-private sector alliances and establish specific partnerships between Central American, Mexican, and U.S. institutional players, to set standards for carrying out training in these areas. USAID will award a grant or contract to a U.S. private sector partner to provide comprehensive curriculum and consulting services, beginning in Mexico. El Salvador has been identified as a potential second target country for assistance.

USAID will use FY 2003 DA resources to complement USAID/Mexico's work with Mexican counterpart organizations and to develop a comprehensive municipal finance practitioner curriculum that begins at the basic level and graduates students through intermediate and advanced levels. In addition to designing the curriculum, USAID's grantee/contractor will work with Mexican counterparts to develop course materials and identify and train potential course leaders from Mexico and Central America. Planning will be undertaken to address a second priority area--increasing local government access to capital markets. Assistance for this second priority will include support for a policy reform component focused on the establishment of credit evaluation and financial disclosure standards. These activities will work in tandem with other donors in Mexico and El Salvador addressing municipal financial reform issues.

Based upon USAID priorities in FY 2003 to advance U.S. interests in Central America, focus will also be placed on expanded private sector participation in local services and infrastructure. Potential cooperation with Central American bilateral programs would work to increase private sector investment at the local level and activities would: engage southern Mexico and Central American municipalities in shared infrastructure planning and investment; promote municipal credit-worthiness through a global model to evaluate new lending and establish independent credit ratings; and introduce municipal concessions and other credit models which can service projects engaging small and medium enterprises and help attract new private vendor financing.

Performance and Results: Progress in this objective will not only assist in the modernization and capitalization of Central American and Mexican municipal governments, but will also create an improved partnership between local governments and the private sector.

Over the life of this program, this activity will have an impact on improving financial management at the local level, strengthening the management of local government revenue bases, improving local level debt management, and improving capital planning methods. Based upon contract awards to be made with implementing partners and in tandem with USAID/Mexico, specific targets will be established to measure increased local government access to capital markets and, potentially, movement toward policy reforms for common credit evaluation and financial disclosure standards.

Other Donor Programs: The World Bank, the Inter-American Development Bank (IDB), and other multilateral donors are actively involved with Mexican state institutions, and the IDB in particular is developing a municipal infrastructure program through the National Bank for Public Works and Services (BANOBRAS, the government-owned infrastructure bank), that will require greater credit analysis on the part of BANOBRAS. Among the bilateral donors, France is providing support for the development of a professional civil service at the local and state levels. It is expected that local government finance staff training will complement both the IDB and the French activities. Multilateral and regional institutions support other key development partners in the region, including the Central American Bank for Economic Integration, the Federation of Municipalities of the Central American Isthmus, and national organizations such as the Municipal Association of Honduras.

Principal Contractors, Grantees or Agencies: USAID will award a grant or contract to a U.S. private sector organization for primary technical assistance.

US Financing in Thousands of Dollars

Central America Regional Program

596-007 Strengthened Municipal Finance Systems for Local Governments in Central America	DA
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	0
Expenditures	0
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	0
Total Planned Fiscal Year 2002	
Obligations	0
Proposed Fiscal Year 2003 NOA	
Obligations	1,100
Future Obligations	400
Est. Total Cost	1,500

PROGRAM DATA SHEET

USAID MISSION: Central America Region
PROGRAM TITLE: Regional HIV-AIDS (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Enhanced Central America Capacity to Respond to the HIV/AIDS Crisis – Phase II, 596-008
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $4,750,000 (CSH)
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $0
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $6,785,000 (DA)
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: The USAID Regional HIV-AIDS Program for Central America focuses on three components:

- technical assistance for the implementation of appropriate HIV/AIDS policies and strategic plans at the regional and national levels;
- technical and material support for the implementation of improved prevention, support systems for consistent condom use, and other services to reach high-risk populations and expand nontraditional distribution; and
- support for an effective regional condom social marketing effort to increase overall awareness and condom use in the Central American region.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. USAID will use FY 2002 CSH (child survival and health) resources for technical and financial assistance for strategic alliance building and proactive information dissemination for advocacy and policy dialogue. The program will also support community-based planning in municipalities with rapidly growing HIV/AIDS epidemics and where mobile populations converge. It will strengthen local capacity through training, targeted technical assistance, and by facilitating the exchange of experiences, information, skills, and resources across countries. The program will continue to support the regional Condom Social Marketing (CSM) effort currently being implemented. In the period FY 2002-2006, funding will be obligated through AIDSMark, a project within USAID's Global Health Bureau that uses social marketing to prevent the spread of HIV/AIDS and other sexually transmitted infections.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: FY 2003 DA resources will continue to strengthen strategic alliances, information dissemination for advocacy and policy dialogue, and community-based program planning activities. Funds will also support the continuation of the CSM activity. Several new activities are being designed to start implementation in late FY2003. (1) HIV/AIDS Care and Support: USAID plans to use FY 2003 funds for care and support, based on analysis of Agency lessons learned identifying this as an important emerging challenge that needs to be addressed. As the large pool of HIV-infected Central Americans progress to the AIDS disease stage, there will be an increasing need for effective care and support of AIDS patients and impact mitigation on the people close to them. The regional program will contribute through training, technical assistance, networking and information dissemination of best practices. (2) Surveillance/Data for Decision Making: USAID plans to use FY 2003 funds to support this activity, which is being designed in FY2002 with assistance from the Centers for Disease Control and Prevention (CDC). More emphasis will be placed on analysis and proactive dissemination of surveillance data. (3) Stepped-up regional assistance to

address country needs: USAID plans to use FY 2003 funds to implement high-impact programs for basic countries and to address "hot-spots" and high priority populations across the region, so as to contain expansion of the epidemic.

Performance and Results: This program will begin in 2002 and assist Central American organizations in delivering HIV/AIDS services and information, supporting the adoption of HIV/AIDS legislation in countries in the region, and fostering strategic alliances to promote policy, access to treatment, surveillance, and the incorporation of the private sector in this effort.

Over the life of this program, depending on funding levels, this activity will improve HIV/AIDS health policies, strengthen local organizations and expand the exchange of appropriate methodologies and information. Specific targets are being established with partners. By completion of the strategy, USAID anticipates that the program will contain the dissemination of the virus within the region.

Principal Contractors, Grantees, or Agencies: The Academy for Educational Development implements the strategic alliance building, information dissemination for advocacy and policy dialogue, and the community-based program planning activities, under the acronym of PASCA (*Proyecto Acción SIDA de Centroamérica*—AIDS Action Program in Central America). The contraceptive social marketing component is known as PASMO (Pan-American Social Marketing Organization, also the name of the Central American nonprofit association that was created) and is being assisted by Population Services International (PSI). The CSM component will be continued after April 2002 through a USAID field support mechanism, the AIDSMark project, implemented by PSI. The U.S. Department of Health and Human Services' Centers for Disease Control and Prevention (CDC) is a collaborating federal agency.

US Financing in Thousands of Dollars

Central America Regional Program

596-008 Enhanced Central America Capacity to Respond to HIV/AIDS Crisis - Phase II	CSD	CSH	DA
Through September 30, 2000			
Obligations	0	0	
Expenditures	0	0	
Unliquidated	0	0	
Fiscal Year 2001			
Obligations	2,572	0	
Expenditures	64	0	
Through September 30, 2001			
Obligations	2,572	0	
Expenditures	64	0	
Unliquidated	2,508	0	
Prior Year Unobligated Funds			
Obligations	0	0	
Planned Fiscal Year 2002 NOA			
Obligations	0	4,750	
Total Planned Fiscal Year 2002			
Obligations	0	4,750	
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	6,785
Future Obligations	0	0	715
Est. Total Cost	2,572	4,750	7,500

LAC REGIONAL

THE DEVELOPMENT CHALLENGE: Despite improvements in the economic and social well-being of people living in Latin America and the Caribbean (LAC), the region continues to face serious development challenges which threaten the United States' national security. Inadequate economic growth rates, growing unemployment, extensive poverty, and skewed income distribution increasingly undermine the political and economic stability of the region. Problems associated with narcotics trafficking in Colombia; the coffee crisis and drought in Central America; natural disasters, and a major drop in tourism in the Caribbean region have had a serious impact on long-term prosperity and peace.

> The economic growth rate for the LAC region is projected to be only 0.5% - 1.5% for 2002 (IDB).

Overall economic growth for the LAC region, which was expected to be low prior to September 11, is projected to be 0% to 0.7% for 2001. Annual rates of growth in regional trade have been 10% to 12% over the past decade. In 2001 the rate of trade growth was zero. Concern about Argentina's economic and political stability and default on its foreign debt, reduced foreign investment in LAC economies such as Brazil and Mexico, and a persistent drought in Central America and plummeting world market coffee prices have further retarded economic growth. The economic situation for many LAC countries was further devastated by the slowing of the U.S. economy and the global recession. After September 11, the Caribbean, with its heavy dependence on tourism, has been the most affected sub-region.

The trend toward consolidating democracy in LAC remains generally positive. Institution-building efforts to strengthen judicial systems and local governments are paying off, most notably in Bolivia and Honduras. Free and fair elections in Nicaragua and Honduras demonstrated the benefits of the democratic process. Citizens also are continuing to organize into civil society and business organizations to work for reform within the system. But various problems threaten the stability of fragile democratic states. High levels of violence and narcotics trafficking in Colombia are affecting neighboring Andean countries, and continuing instability in Haiti and Venezuela remains unchecked. While more citizens continue to support democracy over other forms of government, disillusionment is high with governments that are unable to reduce poverty, corruption, crime, and violence.

Access to primary education is generally adequate throughout the region; however, the quality and relevance of basic and secondary education remain a major problem. Public expenditures on basic education or per child is extremely low compared to other developed countries outside of LAC. On average, it takes 11.8 years for a student to complete primary school, and the number of students who complete secondary school is low. A large percentage of children who complete primary school do not have access to secondary or technical schools, leaving many children with inadequate opportunities to succeed in the workplace. A significant number of high-school graduates lack adequate workforce skills, which is a drag on the region's economies and global competitiveness.

The health sector has achieved many successes in vaccination coverage and eliminating or reducing major childhood illnesses. At the same time, the Caribbean has the second highest rate of HIV/AIDS in the world, maternal mortality rates have not been significantly reduced, and malaria and other infectious diseases are increasingly resistant to treatment therapies. Further, the environment in LAC continues to suffer from severe degradation and the rates of degradation are accelerating. The negative effects of this environmental crisis include increased vulnerability to disasters, rising conflict over natural resources, and reduced economic opportunities and growth.

The Summit of the Americas continues to influence the U.S. foreign policy agenda in LAC and the LAC Regional program. The Summit has served as a catalyst in forging a vision for regional development among the countries in the hemisphere. Through technical cooperation and donor

coordination, significant resources have been directed to the region to support specific development initiatives. USAID has taken a lead role for initiatives related to local government and property registration and has been active in shaping the agenda across other sectors. Since the April 2001 Quebec Summit, USAID has participated in the inter-agency coordination process and has pursued initiatives in trade and investment, anti-corruption, education, health and telecommunications.

U.S. national interests in the LAC region include strengthening democratic processes, promoting equitable economic growth and free trade, and reducing poverty.

THE USAID PROGRAM:

FY 2002 Estimate: $89.731 million *FY 2003 Request: $72.774 million*

The Program Data Sheets provided below cover the ten programs for which USAID is requesting funds. These programs concentrate on deepening democracy, assisting sub-regional trading blocs in the Free Trade Area of the Americas (FTAA) process, improving the institutional infrastructure to help the poor access markets, promoting educational reform, training potential leaders, improving regional health policies and services, improving the environmental performance of targeted LAC businesses and communities, conserving the region's biological resources, and advancing development cooperation opportunities in the hemisphere. FY 2002 funds will be used to implement the program as currently planned and described in the FY 2002 Congressional Budget Justification; however, the existing health and trade objectives are being extended. Resources will also be used to launch new regional activities under the Partnership for Prosperity and to support forest management, coral reef management, and educational partnerships with LAC universities.

USAID is undergoing a reorganization to reduce the number of activities managed in Washington and, correspondingly, transfer more resources to programs managed overseas. As a result, the LAC Bureau's Office of Regional Sustainable Development (LAC/RSD) will reduce the number of activities that it manages over the FY 2002-2003 timeframe. Some will be transferred to overseas programs in LAC, in the Agency's pillar bureaus, and some will be phased out. LAC/RSD will develop a new strategy once the reorganization and transfer process is complete.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED:

Number	Title	Last Notified	Planned Completion
598-002	Improved Human Resource Policies	FY02 CBJ, p. 621	FY 2002
598-004	Protection of Selected LAC Parks	FY02 CBJ, p. 631	FY 2002
598-016	Hurricane Reconstruction	FY02 CBJ, p. 645	FY 2002

OTHER DONORS: Consultations with the Inter-American Development Bank (IDB), World Bank, Organization of American States (OAS), Pan American Health Organization (PAHO), and other regional and international institutions allow USAID to promote U.S. foreign policy interests in the region, influence development policy, and shape the direction of other donors' programs. In health, USAID collaborates with PAHO, the World Bank and the IDB on a shared agenda focusing on national health accounts, pharmaceuticals, disease surveillance and environmental health. In the environment, USAID worked with the World Bank to secure over $55 million for Ecuador, Peru, Bolivia, Colombia and Mexico. In democracy, USAID collaborated with other donors (World Bank, IDB, OAS, PAHO and United Nations) to launch the Inter-American Coalition for the Prevention of Violence in the Americas to promote implementation of national strategies to combat crime and violence. In education, USAID is developing a partnership with private companies to support the Presidential Summit initiative, the Centers for Excellence in Teacher Training. In the economic growth area, USAID and the IDB are collaborating on a new rural economic strategy, an assessment of the coffee crisis, and exploring ways to improve the flow of remittances to the region.

LAC Regional

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	12,830	14,780	0	0
Child Survival and Health Programs Fund	0	0	11,765	0
Development Assistance	22,970	27,284	60,466	60,274
Economic Support Fund	7,000	7,584	17,500	12,500
Total Program Funds	**42,800**	**49,648**	**89,731**	**72,774**

STRATEGIC OBJECTIVE SUMMARY				
598-002 Improved human resource policies adopted in selected LAC countries				
CSD	3,050	0	0	0
598-003 More effective delivery of selected health services and policy interventions				
CSD	5,029	8,467	0	0
CSH	0	0	9,029	0
DA	0	698	0	7,166
598-004 Protection of selected LAC parks and reserves important to conserve the Hemisphere's biological diversity				
DA	4,500	0	0	0
598-005 Reinforcement of regional trends that deepen democracy				
DA	4,900	5,000	4,500	5,100
ESF	7,000	6,985	10,500	11,500
598-006 A broad base of leaders and potential leaders in LAC countries equipped with technical skills, training and academic education				
CSD	4,000	4,000	0	0
CSH	0	0	1,000	0
DA	6,000	6,000	9,000	0
598-017 Institutional infrastructure improved to support access of the poor to markets (property, financial, and product)				
DA	4,500	5,000	2,700	2,200
598-018 Environmental performance of LAC businesses and communities improved through the promotion of replicable market-based				
DA	1,000	949	730	500
598-019 Continued participation of LAC sub-regional trading blocs in the FTAA process achieved				
DA	1,000	1,000	1,550	1,100
598-020 Program Development and Learning				
CSD	251	23	0	0
CSH	0	0	355	0
DA	1,070	116	4,196	2,192
ESF	0	216	0	0
598-021 Advancing Development Cooperation Opportunities in the Hemisphere				
CSH	0	0	1,381	0
DA	0	5,689	14,200	18,261
ESF	0	0	0	1,000
598-022 Improved Conservation of the Region's Biological Resources				
DA	0	2,832	7,235	4,500
598-023 Strengthened Regional Initiatives to Improve Equity and Quality of Education and Training				
CSD	0	2,290	0	0
DA	0	0	8,355	11,255
ESF	0	0	7,000	0

	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
598-XXX Support to Programs Throughout the LAC Region (via other USAID Bureaus)				
CSD	500	0	0	0
DA	0	0	8,000	8,000
Total Transfers	0	383	0	0

PROGRAM DATA SHEETS

USAID OPERATING UNIT: *LAC Regional*
PROGRAM TITLE: Health (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: More Effective Delivery of Selected Health Services and Policy Interventions, 598-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 9,029,000 CSH
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $600,000 CSD; $117,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 7,166,000 DA
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The Latin America and the Caribbean (LAC) Regional Health program includes initiatives in: a) child survival, including vaccination, integrated management of childhood illnesses (IMCI), and nutrition; b) maternal mortality, c) HIV/AIDS; d) family planning; and e) anti-microbial resistance (AMR), malaria, and health sector reform.

Inputs, Outputs, and Activities: *FY 2002 Program:* This program is being renotified because it is being extended to continue activities aimed at improving the delivery of health services and policy interventions in the Latin America and Caribbean (LAC) region. Although no funds were planned to be obligated beyond FY 2001, USAID will use Child Survival and Health (CSH) funds to implement the health program. USAID plans to provide technical assistance to Ministries of Health (MOHs) and non-governmental organizations (NGOs) to increase multi-sectoral approaches to child health; strengthen surveillance systems; and assess needs to reduce persistent Central America nutrition problems. A fifteen-year Regional Plan will be prepared which makes maternal mortality reduction a public health priority, and technical assistance will be provided to incorporate essential obstetric care into national health strategies. Case studies of successful maternal mortality reduction will be developed.

The HIV/AIDS initiative will work towards establishing harmonious surveillance systems in the region; supporting regional dialogue among countries on the most effective AIDS prevention programs; electronically disseminating epidemiological and program information; and adapting global tools for HIV/AIDS prevention programs. Technical assistance will be provided to countries to strengthen surveillance for drug-resistant pathogens, adapt regional treatment guidelines for local use, improve national strategies for disease control, and strengthen the role of pharmacy and therapeutics committees to manage antimicrobial drugs.

The Amazon Malaria Initiative (AMI) will assist countries to analyze drug resistance, study findings, and implement new treatment guidelines; train program managers; begin adaptation of vector control interventions to the Amazon; and continue to carry out malaria surveillance activities. Methods and approaches will be adapted to strengthen health reform outcomes; collect, synthesize, and disseminate country experiences and best practices; monitor the outcomes and processes of health sector reform; and conduct South-South (intra-regional) exchanges. Population and family planning activities will use CSH funds to acquire a technical advisor and support program implementation.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: Using Development Assistance (DA), child survival programs plan to improve the delivery of child health services in response to diarrheal disease, acute respiratory infection and malnutrition; support measles eradication; strengthen surveillance systems for vaccine

preventable diseases; provide technical assistance to MOHs to assess program problems; and develop responses to mitigate persistent malnutrition problems in Central America.

Technical assistance under the maternal mortality initiative will link advances in policy reform to clinical and community practices, disseminate best practices from demonstration projects, promote cross-country learning, and keep essential obstetric care on national health agendas. Under the HIV/AIDS initiative, USAID plans to conduct workshops to disseminate best practices and develop program plans on care and support; share country experiences among MOHs; and develop LAC-specific training packages, guidelines and other tools. USAID plans to adapt and disseminate best practices for hospital infection control; analyze and disseminate data on anti-microbial resistance (AMR); and advocate for and support programs that address AMR at the country level. In addition, USAID plans to continue Amazon Malaria surveillance and vector-control activities, treatment policy reform, and carry out applied research to improve program performance. Finally, USAID plans to continue monitoring outcomes and processes of health reform; collect, synthesize, and disseminate country experiences and best practices; conduct South-South (intra-regional) exchanges; and adapt methods and approaches. Population activities will use funds for a technical advisor and support for program implementation. Agreements using funds for population activities will incorporate clauses that implement the President's recent directive reinstating the Mexico City Policy.

Performance and Results: Child survival activities have resulted in the coordination of integrated management of childhood illnesses (IMCI) plans of action with other international agencies and the NGO community. In seven of eight target countries, the IMCI clinical course materials were adapted to national norms, and a new IMCI costing tool and short program review were field-tested and are now available for use in all target countries. The vaccine program provided strategies for self-financing basic vaccination services, resulting in eight of 11 target countries financing at least 77% of vaccine and syringe budgets with national resources. Maternal mortality activities have resulted in demonstration projects that contributed to reduced maternal mortality. The AMR initiative trained laboratory personnel from seven countries in bacteria identification and testing. Six of these countries were fully integrated into the regional surveillance network and a supranational quality control system. Efforts begun late in FY 2001, under the Amazon Malaria initiative will strengthen surveillance capacity to monitor drug resistance; support the adoption and implementation of evidence-based treatment regimens; and increase the use of better malaria control practices, thereby contributing to reducing malaria in the six target countries.

Also started late in FY 2001, the HIV/AIDS initiative will lead to improved skills for policymakers and program managers and increased prevention among at-risk groups through capacity building of regional organizations for vulnerable people. HIV/AIDS surveillance systems will be more consistent across countries in the region. Methodologies and tools (including a provider payment policy primer, comparative analysis of social insurance mechanisms in LAC, institutionalization of national health accounting and hospital reform) were disseminated to over 500 professionals included in the health sector reform network. Through policy dialogue, South-South exchanges, and synthesis/adaptation/training/dissemination of tools and approaches, the health sector reform initiative will improve the capacity of health professionals in LAC to design, implement and evaluate reform efforts. As a result of the LAC Regional health program, delivery of selected health services will be improved and access to services will be more equitable throughout the LAC region.

Contractors, Grantees or Agencies: Pan American Health Organization (prime); The Partnership for Child Health Care, Inc. (prime); JHPIEGO (prime); Jorge Scientific Corporation (prime); Academy for Educational Development (prime); Management Sciences for Health (prime); Centers for Disease Control and Prevention (prime); TvT Incorporated (prime); Alliance for HIV/AIDS (prime); Abt Associates Incorporated (prime); Harvard University School of Public Health (sub).

US Financing in Thousands of Dollars

LAC Regional

598-003 More effective delivery of selected health services and policy interventions	CSD	CSH	DA
Through September 30, 2000			
Obligations	23,653	0	703
Expenditures	18,144	0	703
Unliquidated	5,509	0	0
Fiscal Year 2001			
Obligations	8,277	0	698
Expenditures	4,462	0	0
Through September 30, 2001			
Obligations	31,930	0	1,401
Expenditures	22,606	0	703
Unliquidated	9,324	0	698
Prior Year Unobligated Funds			
Obligations	600	0	117
Planned Fiscal Year 2002 NOA			
Obligations	0	9,029	0
Total Planned Fiscal Year 2002			
Obligations	600	9,029	117
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	7,166
Future Obligations	0	0	0
Est. Total Cost	32,530	9,029	8,684

PROGRAM DATA SHEETS

USAID OPERATING UNIT: LAC Regional
PROGRAM TITLE: Democracy and Governance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Reinforcement of Regional Trends that Deepen Democracy, 598-005
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 4,500,000 DA; $ 10,500,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 6,285,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 5,100,000 DA; $ 11,500,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** Continuing

Summary: The Latin America and Caribbean (LAC) Regional democracy and governance program supports the deepening of democracy in LAC countries by designing and implementing regional programs to:

- reduce violent conflict and crime;
- strengthen human rights protection;
- advance justice sector modernization and reform;
- improve public sector legitimacy, through support for good governance; and
- improve civil society capacity to facilitate citizen oversight of government.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will use Development Assistance (DA) funds to facilitate the expansion of regional networks of human rights experts and programs to institutionalize human rights protection and develop strategies and programs that address crime and violence in the hemisphere. Working with the Inter-American Coalition for the Prevention of Violence (a coalition of major donors), DA funds will be used to develop technical modules and alternative mechanisms to address crime and violence. USAID will continue efforts to improve public sector legitimacy by assembling and disseminating best governance practices and by assisting civil society organizations to become more effective in representing citizens' interests and overseeing government institutions. DA funds will be used to develop technical-assistance modules for helping non-governmental organizations (NGOs), business and professional associations to organize support for specific reforms aimed at improving accountability and transparency of national and local governments. These modules will be distributed to USAID overseas programs, countries and other donors. Local governance initiatives will complement this effort by supporting municipal associations to assist local governments employ best practices and models through a collaborative planning process. To promote pluralism and greater citizen participation, USAID will continue to strengthen the capacity of NGOs to facilitate citizen participation. DA will be used to assist the Inter-American Democracy Network (IADN) implement "international partnerships" in 13 countries. These partnerships are joint initiatives, often across borders, which address local needs and ensure better government service delivery and stronger civil-society participation. The IADN will also expand its role to help set civil society agendas for Summit of the Americas follow-up.

In FY 2002, in cooperation with the U.S. State Department, Economic Support Funds (ESF) will be used to work with the Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP) to further modernize police organizations in five LAC countries. ESF funds will also be used to assist the new Justice Center of the Americas, a Summit initiative, and test its methodology for assisting countries to identify areas of reform within their legal systems.

Planned FY 2003 Program: FY 2003 DA funds will be used to continue efforts to reduce crime and violence and to strengthen the role of human rights Ombudsmen and regional networks to develop and support country-specific plans for human rights protection. USAID will expand its support to the Inter-American Coalition for the Prevention of Violence to develop comprehensive country-specific and regional strategies for reducing crime and violence. USAID will further expand the use of technical assistance modules to enable governments, business and civil society organizations to address local problems of accountability and transparency. DA funds will be used to transfer management of the program's successful website, ResponDanet, to a regional organization and further support the IADN. Effective management planning and participation tools will be provided to further improve the responsiveness and efficiency of local governments.

FY 2003 ESF will be used to expand coverage of ICITAP to additional countries including the development of community-based policing activities. It is expected that the Justice Center of the Americas will also expand its advisory services to cover a greater number of countries.

Performance and Results: The Justice Studies Center of the Americas developed a methodology to assess countries' progress in justice sector reform and established an electronic clearinghouse to link advocates and experts on justice reform. As a result of USAID's continuing support for regional networks of human rights experts, electoral organizations and human rights education programs, human rights ombudsmen have been able to report on and redress violations of citizens' rights. Another key result was the Inter-American Institute of Human Rights' (IIDH's) demonstrated credibility as a neutral source of electoral expertise in the Nicaraguan elections. The Institute also gained support of prominent Latin American countries for the Organization of American States' (OAS) Democracy Charter. Signed in September 2001 by Secretary Powell and all OAS Member States, this Charter commits members of the OAS to mutual action should there be a failure of democracy in the region. USAID also supported an OAS assessment on the impact of the Inter-American Convention on the Prevention of Violence Against Women. The findings could lead to a better understanding of the extent of trafficking of women and children for sexual exploitation in the Americas and will inform national plans of action to end trafficking.

USAID expanded its efforts to improve democratic governance in the public sector, particularly in the areas of anti-corruption and local government. ResponDanet continued as the most frequently visited anti-corruption website on the Internet. Responding to the demand by mayors for better communication with citizens, USAID supported the development of electronic modules to communicate with citizens and disseminated them through networks of national municipal associations. Also, six national associations of municipalities in South America introduced or upgraded their internet-based communication capacities for policy dialogue and information exchange. In Central America, the Federation of Municipal Associations is using its enhanced capacity to document and disseminate best practices for small and medium-sized local governments to improve governance and citizen participation.

The IADN, which grew to include over 200 civil society organizations throughout the hemisphere, initiated an international partnerships program that strengthened networks particularly in local government decision-making and oversight. This has led to better government service delivery and stronger civil society organizations. IADN's increased capacity enabled it to influence the setting of the civil society agenda at the Quebec Summit and in gaining OAS approval for a formal role for civil society organizations within the OAS. The IADN is now earning the confidence of other donors, particularly the World Bank and Inter-American Development Bank, which consulted with it on the design of civil society activities.

Principal Contractors, Grantees or Agencies: USAID's activities are implemented through the IIDH (prime), Casals & Associates (prime), Partners of the Americas (prime), the International City/County Management Association (prime), the International Union of Local Authorities (prime) and the Federation of Municipalities of Central America (prime).

US Financing in Thousands of Dollars

LAC Regional

598-005 Reinforcement of regional trends that deepen democracy	DA	ESF
Through September 30, 2000		
Obligations	56,405	109,394
Expenditures	53,412	91,552
Unliquidated	2,993	17,842
Fiscal Year 2001		
Obligations	5,913	700
Expenditures	4,820	13,500
Through September 30, 2001		
Obligations	62,318	110,094
Expenditures	58,232	105,052
Unliquidated	4,086	5,042
Prior Year Unobligated Funds		
Obligations	0	6,285
Planned Fiscal Year 2002 NOA		
Obligations	4,500	10,500
Total Planned Fiscal Year 2002		
Obligations	4,500	16,785
Proposed Fiscal Year 2003 NOA		
Obligations	5,100	11,500
Future Obligations	0	0
Est. Total Cost	71,918	138,379

PROGRAM DATA SHEETS

USAID OPERATING UNIT: LAC Regional
PROGRAM TITLE: Cooperative Association of States for Scholarships (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: *A Broad-Base of Leaders and Potential Leaders in LAC Countries Equipped with Technical Skills, Training and Academic Education, 598-006*
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 1,000,000 CSH; $ 9,000,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 0
INITIAL OBLIGATION: FY 1990 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The Cooperative Association of States for Scholarships (CASS) program includes:

- one- and two-year training at community colleges and universities across the United States for approximately 250 socio-economically disadvantaged Latin American scholars per year who have demonstrated leadership potential in both their communities and at their places of employment;
- provision of technical and academic education, plus a strong focus on understanding the dynamics of a free-enterprise economy in a democratic society;
- outreach to women, disadvantaged populations and other previously excluded groups in Latin America and the Caribbean. Most CASS students are the first member of their families to attend a post-secondary institution;
- training that meets the human resource development needs of LAC countries, primarily in Central America, as well as USAID development objectives; and
- a comprehensive orientation and cross-cultural support package that includes pre-departure programs on life in the United States and re-entry programs to help CASS trainees re-adjust to life in their countries and find professional jobs in their fields of study.

Inputs, Outputs and Activities: *FY 2002 Program:* The total amount to be obligated in FY 2002 remains unchanged at $10 million. USAID will provide funds to support scholarships for approximately 250 students from Central America, Haiti, Jamaica, and the Dominican Republic, who will come to the United States to participate in one- or two-year academic programs that have been tailored specifically to meet the development needs of their respective countries, as well as to their languages and cultural backgrounds. U.S. communities, colleges, host-country businesses and alumni associations will provide CASS with in-kind support.

USAID plans to use Child Survival and Health funds to train disadvantaged young people to work in fields that support the prevention, diagnosis, and treatment of communicable diseases. CSH funds will also be used to upgrade skills for technicians and administrators to develop the region's human resources in the fight against infectious diseases. USAID plans to use Development Assistance funds to prepare and train disadvantaged young people, especially women and minorities, for entry-level jobs in fields that support broad-based economic development and environmental protection; and upgrading skills of rural primary school teachers and administrators in areas that enhance their performance and make their schools more effective.

FY 2003 Program: Continued funding for the CASS program is included as part of the recently approved LAC Regional Education and Training Improvement program (598-023); therefore, no resources are requested in FY 2003 for this objective.

Since 1989, CASS has trained over 3,850 low-income and rural participants from Central America and the Caribbean.

Performance and Results: The U.S.-based CASS training program has proven to be a particularly effective vehicle for strengthening the technical and managerial resource base of Latin American countries, and increasing societal commitment to the understanding of free enterprise and democratic pluralism. Implemented by Georgetown University, CASS focuses its training on meeting the human resource development needs of LAC countries for technical and managerial expertise. Moreover, CASS training instills attitudes and beliefs of responsibility and initiative in participating scholars, while simultaneously nurturing long-standing relationships between the students from disadvantaged communities in Latin America and the Caribbean and their academic communities and colleges in the United States. The long-term CASS students' average grade point average of 3.34 reflects their dedication and leadership potential. Further, CASS has successfully incorporated women, rural, indigenous, and disabled people into training programs. For example, 95% of participants completed their training programs since the inception of CASS. While CASS male alumni have consistently maintained an average 75% employment in their field of study, CASS female alumni are closing the gap in employment, having increased from 59% employment in their field of study in 1985 to 71% in 1999. Moreover, CASS supported the reconstruction needs of the region following Hurricane Mitch in 1998 and trained construction crew leaders from hurricane-affected countries--once again, demonstrating the program's ability to respond quickly by designing tailored programs to meet the training needs of LAC communities.

By the end of the CASS program, a large cadre of leaders and potential leaders will have been equipped with technical skills, training and academic education to enable them to better manage and implement programs and policies within their own countries. Participants also will have gained a greater appreciation for, and understanding of, the dynamics of a free enterprise economy in a democratic society.

Principal Contractors, Grantees or Agencies: Georgetown University's Center for Intercultural Education and Development (prime).

US Financing in Thousands of Dollars

LAC Regional

598-006 A broad base of leaders and potential leaders in LAC countries equipped with technical skills, training and academic education	CSD	CSH	DA
Through September 30, 2000			
Obligations	13,500	0	150,888
Expenditures	13,054	0	147,108
Unliquidated	446	0	3,780
Fiscal Year 2001			
Obligations	4,000	0	6,000
Expenditures	2,990	0	5,950
Through September 30, 2001			
Obligations	17,500	0	156,888
Expenditures	16,044	0	153,058
Unliquidated	1,456	0	3,830
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	1,000	9,000
Total Planned Fiscal Year 2002			
Obligations	0	1,000	9,000
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	17,500	1,000	165,888

PROGRAM DATA SHEET

USAID OPERATING UNIT: LAC Regional
PROGRAM TITLE: LAC Market Access Development (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Institutional Infrastructure Improved to Support Access of the Poor to Markets (Property, Financial, and Product), 598-017
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 2,700,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 552,643 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 2,200,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The Latin America and Caribbean (LAC) Market Access Development program contributes to poverty reduction by facilitating the access of the poor to property, financial, and product markets. The program aims to:

- improve governance of property and expand access to market-based property;
- strengthen micro-finance institutions and other important financial systems for the poor; and
- provide market-access information and assistance to small farmers and entrepreneurs.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will continue to coordinate and implement vital elements of the Summit of the Americas property systems initiative by providing technical assistance aimed at improving property registration systems that enhance security of land rights. To contribute to the reduction of poverty, hunger, and conflict in LAC, USAID is leading the effort by providing technical assistance to develop a rural prosperity strategy in conjunction with host countries and other donors such as the Inter-American Development Bank (IDB) and the World Bank. The program is also providing technical assistance and training to promote the adoption of new technologies and best practices, such as installing certification systems for higher-value products and the use of information and communications technologies, to provide greater market access to small farmers and entrepreneurs. USAID plans to provide technical assistance to expand the reach of financial markets for the working poor in LAC in three ways: 1) developing innovative products, technologies and services; 2) expanding outreach and access to commercial capital of microfinance institutions (MFIs); and 3) improving the policy environment for microfinance. Regional microenterprise institutions will conduct research, convene workshops, undertake pilot projects and disseminate the lessons learned to affiliated institutions.

Planned FY 2003 Program: USAID plans to facilitate expansion and replication of successful activities to catalyze rural economic growth in congruence with the LAC rural prosperity strategy being developed in FY 2002. In the area of financial market access, USAID intends to provide technical assistance to focus on developing improved technologies for offering credit and other financial services. USAID will continue providing technical assistance to improve the access of the poor to income-generating market opportunities and property, and develop a specific strategy and program for improving the economic position and competitiveness of LAC coffee producers. Finally, USAID will be working with the IDB's Multilateral Investment Fund to develop approaches for facilitating the overall flow of remittances to LAC countries and for effectively channeling a portion of remittances to support mutual development objectives.

Performance and Results: USAID's program successfully coordinated interest and action in property registration and land markets, resulting in the inclusion of a new mandate on property registration in the 2001 Quebec Summit of the Americas. Efforts by USAID also led to a donor-consultative meeting at which lessons learned in land policy and land administration generated consensus on several key issues and identified topics for further debate. USAID supported an initiative to focus attention on, and develop a framework for, addressing tensions over land as a cause of potentially

bitter conflict. A capacity-building network was established for the quality and sustainability of land administration in Central America that will have public and private participation and will be jointly sponsored by national governments and several donors.

In the micro-finance area, a pilot activity supported by USAID introduced the use of hand-held computers to automate operations, reduce costs, and increase efficiency of LAC MFIs. In 2001, this pilot activity was expanded to three countries. Two other innovations currently being tested are credit scoring and new products (e.g., establishing lines of credit for micro-customers). USAID also supported the expansion of an institutional rating service for MFIs, which will, for the first time, enable investors to have an independent, accurate assessment of MFIs as a basis for lending or investment decisions. This service should significantly increase the flow of commercial funds for microenterprise. Finally, to achieve improved supervision and regulation of lending institutions, especially those that offer savings services, USAID supported a series of regional workshops that brought together bank supervisors from all over South America to compare and contrast their respective policies and regulatory frameworks. The program will now be conducted in Central America and could lead to improvements in the policy environment and, ultimately, to an increase in access to savings.

By the end of the LAC Market Access Development program, access of the poor to property, financial, and product markets will have been strengthened. This will contribute to the eradication of poverty in LAC by facilitating improved access of the poor to income-earning market opportunities.

Principal Contractors, Grantees, or Agencies: Accion International (prime), World Council of Credit Unions (prime), Microrate, Inc. (prime), U.S. Department of Agriculture (prime), Institute for Liberty and Democracy (prime), the World Bank (prime), the U.S. Geological Survey (prime), Chemonics International (prime), University of Florida at Gainesville (prime), University of California at Berkeley (prime), University of Wisconsin at Madison (prime) , and others to be determined.

US Financing in Thousands of Dollars

LAC Regional

598-017 Institutional infrastructure improved to support access of the poor to markets (property, financial, and product)	DA
Through September 30, 2000	
Obligations	3,941
Expenditures	1,187
Unliquidated	2,754
Fiscal Year 2001	
Obligations	4,569
Expenditures	3,106
Through September 30, 2001	
Obligations	8,510
Expenditures	4,293
Unliquidated	4,217
Prior Year Unobligated Funds	
Obligations	553
Planned Fiscal Year 2002 NOA	
Obligations	2,700
Total Planned Fiscal Year 2002	
Obligations	3,253
Proposed Fiscal Year 2003 NOA	
Obligations	2,200
Future Obligations	0
Est. Total Cost	13,963

PROGRAM DATA SHEET

USAID OPERATING UNIT: LAC Regional
PROGRAM TITLE: U.S.-LAC Environmental Partnership (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Environmental Performance of Targeted LAC Businesses and Communities Improved Through the Promotion of Replicable Market-based Models, 598-018
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 730,000 DA
PRIOR YEAR UNOBLIGATD AND FUNDING SOURCE: $130,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 500,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The U.S.-Latin America and Caribbean Environmental Partnership (U.S.-LACEP) program seeks to improve the environmental performance of targeted Latin American and Caribbean (LAC) businesses and communities by advancing replicable policy, technology, and finance mechanisms pertaining to:

- key trade-related environment issues within the context of the Free Trade Area of the Americas;
- sustainable forestry;
- industrial cleaner production; and
- sound water resources management.

Inputs, Outputs and Activities: *FY 2002 Program*: In FY 2002, USAID will continue to support activities that promote replicable market-based models for improved natural resource management. The trade-environmental dialogue will be advanced through a program established with the Organization of American States (OAS), domestic and international environmental non-governmental organizations (NGOs), and key South American institutions. This activity addresses environmental issues that will arise in the proposed Free Trade Area of the Americas (FTAA), emphasizing substantive research and technical dialogue. It aims to address, in part, the asymmetry that exists in the hemisphere regarding the ability to conduct meaningful environmental impact assessments of the proposed FTAA. The activity has three major components: (1) a small grants program to NGOs from the region for domestic analyses and dialogue on trade-environment issues; (2) development of several country reports to assess the magnitude of environmental impacts associated with the FTAA; and (3) dissemination of findings through in-country workshops and publications for wider distribution.

The U.S.-LACEP program will continue to support the adoption of cleaner production technologies in LAC. Planned activities include: a regional lessons learned workshop in the Dominican Republic to catalyze North-South partnerships in support of cleaner production in the Caribbean; establish a working group and facilitate a workshop to develop options for a self-sustaining cleaner production fund in Mexico that draws on resources from the North and South; finalize the development, testing and application of financial models for the establishment of revolving loan funds, loan portfolios, and/or loan guarantee (e.g., Development Credit Authority) funds to support cleaner production in Peru, Bolivia, and Ecuador; and conduct an assessment of financing constraints to cleaner production in Central America and recommend appropriate financial models, integrating the lessons learned from Andean cleaner production and Caribbean hotel environmental management systems programs.

To advance sound policies, technologies and practices in natural forest management, USAID will continue support for the development of technical guidelines, investment analyses, and stakeholder dialogue. Guidelines for sustainably harvesting non-timber forest products (NTFP) will be disseminated to the Brazilian personal care industry, NGOs and other interested parties. NTFP guidelines will also be made available on the internet. This activity will result in refined

management guidelines for up to four NTFP products, a plan for private/public partnerships, and a plan for developing market linkages between community NTFP suppliers and industry buyers. The U.S.-LACEP program also will assist Meso-American forestry operations to prepare for and seek certification of their operations and products.

U.S.-LACEP will identify suitable and replicable management models for water supply and sanitation services in smaller towns and rural areas to complement and support the tremendous regional movement towards decentralization. In FY 2002, the program will focus on identifying sustainable sanitation options for small towns. A general methodology that incorporates technical, institutional and financing concerns will be field tested through three pilot studies, one in each of LAC's sub-regions.

Planned FY 2003 Program: In FY 2003, USAID will provide technical assistance to: 1) enhance understanding of, and commitment by, LAC governments to address critical trade-related environmental issues by continuing the program with the OAS; 2) disseminate the results of the seven-country forest sector review; 3) continue support for sanitation interventions in small towns that follow-up on water and sanitation decentralization activities; 4) develop regulatory frameworks, addressing financing constraints, and promote the transfer of U.S. environmental technologies and expertise for cleaner production; 5) promote best management practices and demonstrate the economic benefits of hotel environmental management systems, cleaner production and water use efficiency in industry in targeted countries; and 6) identify market opportunities for eco-certified products and for the provision of environmental technologies/services.

Performance and Results: In Central America, USAID launched a program with the World Wildlife Fund to develop a network of producers to enhance the linkages between international markets and producers of certified forest products. Further, the preliminary findings and recommendations of an assessment of USAID-supported natural forest management programs in seven LAC countries were presented at a workshop in Bolivia attended by over 70 participants from 12 LAC countries, including representatives from host country governments, industry, NGOs, and USAID officers. U.S.-LACEP has demonstrated the business/trade benefits of industrial cleaner production, introduced cleaner production policy frameworks, increased industry demand for cleaner production technologies, and enhanced government commitment to cleaner production. As examples, the program: 1) leveraged $1.4 million from the Inter-American Development Bank (IDB) to support a Clean Production Policy Framework in Panama; and 2) secured commitment from the World Bank to support Bolivia's Clean Production Center for $600,000 in 2002, and the Swedish and Swiss donor agencies to contribute more funding to Bolivia's Center. A field methodology was developed for providing sanitation to small towns.

By the end of the program, the environmental performance of targeted LAC businesses and communities will be improved through the introduction of replicable market-based models, some of which are described above. The adoption of improved policies, technologies and practices, and financing mechanisms will support environmentally-sound economic and social development.

Principal Contractors, Grantees or Agencies: USAID activities are implemented by: PA Consultants (prime), Environmental Law Institute (sub), World Environment Center (sub), Camp Dresser & McKee International (prime), Training Resources Group (sub), Development Associates, Inc. (prime), International Resources Group (prime), U.S. Department of Agriculture (prime), Rainforest Alliance (prime), World Wildlife Fund (sub), OAS (prime), and the University of Miami: North-South Center (prime).

US Financing in Thousands of Dollars

LAC Regional

598-016 Environmental performance of LAC businesses and communities improved through the promotion of replicable market-based models	DA
Through September 30, 2000	
Obligations	976
Expenditures	300
Unliquidated	676
Fiscal Year 2001	
Obligations	973
Expenditures	929
Through September 30, 2001	
Obligations	1,949
Expenditures	1,229
Unliquidated	720
Prior Year Unobligated Funds	
Obligations	130
Planned Fiscal Year 2002 NOA	
Obligations	730
Total Planned Fiscal Year 2002	
Obligations	860
Proposed Fiscal Year 2003 NOA	
Obligations	500
Future Obligations	1,000
Est. Total Cost	4,309

PROGRAM DATA SHEET

PROGRAM: LAC Regional
PROGRAM TITLE: Trade Capacity Building for FTAA (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Continued Participation of LAC Sub-Regional Trading Blocs in the FTAA Process Achieved, 598-019
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 1,550,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 1,100,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID is building the capacity of Latin America and Caribbean (LAC) countries to meet World Trade Organization (WTO) trade obligations and participate effectively in the planned Free Trade Area of the Americas (FTAA). This program provides technical assistance and training to increase LAC country capacity to compete effectively in global and regional trading systems as well as undertake needed reforms in such critical areas as:

- sanitary/phyto-sanitary and food safety measures;
- competition policy;
- customs;
- intellectual property rights; and
- government procurement.

Inputs, Outputs and Activities: *FY 2002 Program:* This program is being renotified because it is in the process of being extended to focus assistance on the Andean countries and Mercosur, which have only recently begun to identify and define their specific FTAA technical assistance and training needs. The program focuses on deepening the local capacity of relevant LAC trade policy agencies and ministries to support FTAA negotiations, make necessary reforms, and implement trade obligations. It mobilizes trade-area specific U.S. expertise to assist LAC countries and engages sub-regional trading organizations, e.g. Secretariat for the Economic Integration of Central America, the Andean Community and Mercosur, to promote inter- and intra-regional integration, and the sharing of information and experiences. Although no obligations were planned beyond FY 2001, USAID plans to use FY 2002 Development Assistance (DA) for regional workshops and technical assistance to help Andean countries become WTO-compliant and FTAA-prepared in sanitary/phyto-sanitary requirements and to improve country frameworks for competition policy. USAID also is supporting Andean countries trade priorities in customs reform, government procurement and civil society participation. Further, FY 2002 DA will sponsor inter-regional exchange of experience and information, e.g. through orientation of Andean Community trade officials to Central American trade and economic integration activities.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: Technical assistance, training, regional information sharing and exchange will be directed to assistance priorities identified by South American country officials, sub-regional trading organizations, e.g. Andean Community and Mercosur, and the Office of the U.S. Trade Representative (USTR). Assistance will focus on meeting host country needs on such principal FTAA trade areas as agriculture and intellectual property rights.

Performance and Results:. LAC country needs for trade capacity building became magnified in 2001 with the advancement of the FTAA process. Agreement was reached at the Quebec Summit to establish the FTAA by 2005. There was also agreement in Doha to launch a new round of world trade talks. FTAA negotiations intensified with several key negotiating groups, e.g. Market Access, scheduled for completion during 2002-2003. With other USAID programs addressing the technical assistance needs of the Central American and Caribbean countries, this program began to focus more in 2001 on meeting the needs of the smaller economy countries in South America that have expressed high interest during FTAA negotiations in trade capacity assistance.

USAID worked with the Andean Community, USTR, and State Department in 2001 to define priority FTAA technical assistance and training requirements, and launched two new activities to assist Andean countries conform with agricultural health standards (food safety and plant and animal health) and competition policy. The agricultural health program was initiated and training in food safety risk assessment/management was completed for agricultural officials in Bolivia and Colombia. The competition policy activity, initially including just the Mercosur countries, was expanded to include Andean Community countries. The competition policy activity, implemented by the Federal Trade Commission/Department of Justice (FTC/DOJ), completed a series of workshops for the Mercosur countries on specific issues such as abuse of dominance and anti-monopoly policy. The strong demand for this assistance in 2001 was illustrated by the Government of Bolivia self-funding the extra participation of Bolivian officials to attend the workshop. USAID support and coordination also helped the Organization of American States, USTR, and other United States Government entities agree on an approach to assess and meet LAC country technical assistance needs in government procurement regulation and policy. Additionally, USAID assistance to a Chilean non-governmental organization resulted in the systematic assimilation of civil society input to the FTAA process. USAID worked with Andean countries, USTR and the State Department to reach agreement on implementing a civil society activity specifically for the Andean region.

Progress toward this objective is an essential, visible element of the U.S. Government's commitment to provide trade capacity building assistance to countries. This program will both help ensure wide support for, and realization of, an FTAA and enable the smaller LAC economies to take full advantage of the opportunities and benefits of open markets and freer trade.

Principal Contractors, Grantees, or Agencies: Activities are implemented with the FTC/DOJ (prime), U.S. Department of Agriculture (prime), the Andean Community and others to be determined.

US Financing in Thousands of Dollars

LAC Regional

598-019 Continued participation of LAC sub-regional trading blocs in the FTAA process achieved	DA
Through September 30, 2000	
Obligations	798
Expenditures	320
Unliquidated	478
Fiscal Year 2001	
Obligations	1,202
Expenditures	522
Through September 30, 2001	
Obligations	2,000
Expenditures	842
Unliquidated	1,158
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	1,550
Total Planned Fiscal Year 2002	
Obligations	1,550
Proposed Fiscal Year 2003 NOA	
Obligations	1,100
Future Obligations	0
Est. Total Cost	4,650

PROGRAM DATA SHEET

USAID OPERATING UNIT: LAC Regional
PROGRAM TITLE: Program Support (Pillars: Economic Growth, Agriculture, and Trade; Global Health; Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Program Development and Learning, 598-020
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $4,196,000 DA; $355,000 CSH
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $434,000 DA; $23,000 CSD; $53,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,192,000 DA
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

Summary: Program Development and Learning (PD&L) funded activities include:

- technical advice and recommendations on sectoral issues;
- development of new strategies or the refinement of existing strategies;
- improved quality of USAID country strategic plans;
- identification and integration of cross-cutting themes into Operating Units' programs for enhancing complementarities among programs and overall program synergy;
- identification of more effective ways to implement programs;
- analysis of performance, problems, and lessons-learned;
- assessments to inform decisions regarding emergency responses;
- compliance with Agency and U.S. Government regulations;
- identification of trends that have regional implications;
- analysis of regional, sub-regional, and cross-border issues; and
- increased integration of U.S. Government assistance provided bilaterally or regionally.

Inputs, Outputs, and Activities: *FY 2002 Program*: USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. Resources will be used to support a wide variety of activities which include studies, analyses, assessments and evaluations; program design and development; and learning efforts for proposed activities and/or programs that are under consideration but do not yet fall within an existing strategic plan or objective. Examples include the studies and analyses needed to develop a new country strategy, to establish a new program that does not yet exist or the evaluation of a completed program. In other cases, it is too cumbersome and inefficient to include a particular activity within the construct of a single program. For example, an Operating Unit might need to access technical assistance for work covering multiple programs, cross-border or regional analyses, design work, or evaluations.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

FY 2003 Program: FY 2003 resources will be used to continue to support mission PD&L activities to fund studies, analyses, assessments, and evaluations; program design and development; and learning efforts. During FY 2003, many LAC field missions will be using PD&L funds to facilitate new strategy designs and supporting analyses.

Performance and Results: In FY 2001, five countries benefited from the use of PD&L resources to design and develop new programs critical to the achievement of USG development objectives. For example, resources were used to support the development of a Northern Border program in Ecuador designed to increase opportunities for the poor. Funds were also used for the design of an earthquake recovery program for El Salvador's victims. PD&L funds were used to carry out social and economic assessments and other LAC analyses and to address program issues, such as the

spillover effects of Plan Colombia on neighboring countries. With respect to basic education, PD&L funds were used to identify key policy reforms for LAC field missions, which were then shared with host country Ministries of Education. Over 20 higher educational scholarships were provided to selected LAC recipients to study in Chile as part of the US-Chile program.

PD&L activities will support programs in both presence and non-presence countries, as well as facilitate cross-border and regional analyses, studies, and evaluative work. At the end of the program, LAC Bureau PD&L activities will contribute to the achievement of Agency goals and objectives.

Principal Contractors, Grantees or Agencies: The grantees, contractors, and/or implementing agencies are determined after specific tasks are identified.

US Financing in Thousands of Dollars

LAC Regional

598-020 Program Development and Learning	CSD	CSH	DA	ESF
Through September 30, 2000				
Obligations	0	0	0	0
Expenditures	0	0	0	0
Unliquidated	0	0	0	0
Fiscal Year 2001				
Obligations	423	0	633	0
Expenditures	0	0	325	0
Through September 30, 2001				
Obligations	423	0	633	0
Expenditures	0	0	325	0
Unliquidated	423	0	308	0
Prior Year Unobligated Funds				
Obligations	23	0	434	53
Planned Fiscal Year 2002 NOA				
Obligations	0	355	4,196	0
Total Planned Fiscal Year 2002				
Obligations	23	355	4,630	53
Proposed Fiscal Year 2003 NOA				
Obligations	0	0	2,192	0
Future Obligations	0	0	0	0
Est. Total Cost	446	355	7,455	53

PROGRAM DATA SHEET

USAID OPERATING UNIT: LAC Regional
PROGRAM TITLE : Special Development Opportunities (Pillars: Economic Growth, Agriculture, and Trade; Global Health; Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Advancing Development Cooperation Opportunities in the Hemisphere, 598-021
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $14,200,000 DA; $1,381,000 CSH
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 5,839,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $18,261,000 DA; $1,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

Summary: Advancing Development Cooperation Opportunities in the Hemisphere (ADCOH) provides the Bureau for Latin America and the Caribbean (LAC) with the necessary flexibility to respond to special development opportunities, foreign policy issues, and initiatives not covered by LAC Bureau strategic objectives. Technical and training assistance will support: a) innovative approaches to promoting cooperation among regional partners; b) organizational strengthening efforts designed to improve the regional capacity to carry out development efforts; c) special initiatives that respond to foreign policy issues but do not fall under an approved strategic plan; and d) organizations with the objective of expanding the USAID network of partners working on development problems in LAC.

Inputs, Outputs, and Activities: *FY 2002 Program*: This program is being renotified to reflect the inclusion of new activities and increased funding levels. Development Assistance (DA) resources will be used to launch new regional activities under the Partnership for Prosperity (PfP), an initiative to catalyze economic growth and reduce poverty in Central America and Mexico. Resources will also be used to support forest management, coral reef management, and educational partnerships with LAC universities. The PfP is intended to spark trade-led growth in LAC countries where poverty is most acute. Funds will initially support PfP activities to address the depressed coffee economy in Central America through public-private alliances and coordinated action, and other areas such as forestry management, trade development, education and productive youth employment, and fostering the flow of remittances to LAC countries to support local development.

Under the PfP initiative, USAID will undertake a coordinated regional coffee program to engage industry, government, the Inter-American Development Bank, and the World Bank in a program and joint action plan to assist coffee producers to become more competitive through accessing new specialty/niche markets and diversify into other exports and economic areas. USAID funding will be directed to provide improved business development and marketing services, quality management and standards assistance, and to assist countries with workforce development and competitiveness strategies. USAID will work with the Inter-American Development Bank and other partners to explore ways in which the flow of remittances to the region, which are over $20 billion with an annual growth rate of seven to 10% can be facilitated. USAID will examine ways to work collaboratively with emerging "hometown associations" in the United States that are interested in channeling resources for local development, emergency relief, and investment purposes.

In Latin America, unsustainable forestry practices threaten the natural resource base, but many community and industry forest managers lack the technical and capital resources to better manage their resources, certify their operations, and access the growing market for certified products. USAID is planning to use resources to support the Certified Forests Alliance, which works with governments, industry, community groups, and non-governmental organizations (NGOs) to improve resource management while closing the gap in current market demand for certified forest products by increasing supply. This will be accomplished through activities such as training producers in more sustainable techniques, strengthening forest policy reform, developing producer associations,

and linking producers to global and local markets. USAID resources are planned to support the Meso-American Reef Alliance to foster the conservation and sustainable use of this important resource. This alliance will support the U.S. commitment under the Tulum Declaration, signed by Mexico, Belize, Guatemala, and Honduras to cooperatively manage the entire Meso-American Reef as a single ecosystem.

USAID resources will also be used for the International Development Partnerships (IDP) program. The IDP program provides continued support to the Historically Black Colleges and Universities, linking them with higher education institutions overseas. In the LAC region there are three such partnerships: the University of the West Indies with Coppin State College (Maryland); University of Guyana with Clark Atlanta University; and the University of Amazonas (Brazil) with Tennessee State University.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

FY 2003 Program: USAID will build on initial FY 2002 activities to help coffee producers and small farmers in the region become more competitive, access new specialty/niche markets such as eco-friendly coffees, and diversify into other exports and/or services. USAID will also support the expansion of successful pilot activities to strengthen "hometown associations." USAID will endeavor to form an alliance with U.S. and regional financial institutions that could expand the outreach, quality of services, and range of financial products available to immigrants that send remittances and local development organizations that receive them from the formal financial sector.

Building on program activities initiated in FY 2002, requested resources will also be used to further develop and strengthen community and industry forest managers to better manage fragile timber resources, implement policy reforms, certify commercial operations, and increase access to the growing market for certified products in countries such as Bolivia, Brazil, and Mexico. Additionally, resources will be used to continue supporting earlier alliance activities that support the conservation and sustainable use of the Meso-American Coral Reef.

Performance and Results: Results achieved from the Third Country Training and Technical Cooperation (TTCP) program in Mexico contributed to strengthening Mexico's capacity to offer quality training and technical cooperation to third countries (primarily in Central America). TTCP cooperation programs were successfully carried out in reproductive health, pension system reform, environmental disaster mitigation and preparedness, and efficient and renewable energy. The International Development Partnerships (IDP) program provided assistance to Historically Black Colleges and Universities and supported a series of workshops concerning renewable energy; strengthened the University of Guyana's capacity to function as an active and effective agent in conflict resolution and management; and strengthened the capacity of the University of Amazonas to deliver culturally acceptable HIV/AIDS prevention education.

At the end of this program, the LAC Bureau will have assisted field missions and other development partners to create innovative approaches that respond to regional social and economic issues that are critical to the U.S. national interest. These efforts will strengthen hemispheric coordination and dialogue and expand the network of public- and private-sector partners working throughout the region to enhance economic growth and promote prosperity.

Principal Contractors, Grantees, and Agencies: Prime contractors include IDP, Coppin State, Clark Atlanta University, Tennessee State University, United Negro College Fund (UNCF), and others to be determined.

US Financing in Thousands of Dollars

LAC Regional

598-021 Advancing Development Cooperation Opportunities in the Hemisphere	CSH	DA	ESF
Through September 30, 2000			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Fiscal Year 2001			
Obligations	0	500	0
Expenditures	0	0	0
Through September 30, 2001			
Obligations	0	500	0
Expenditures	0	0	0
Unliquidated	0	500	0
Prior Year Unobligated Funds			
Obligations	0	5,839	0
Planned Fiscal Year 2002 NOA			
Obligations	1,381	14,200	0
Total Planned Fiscal Year 2002			
Obligations	1,381	20,039	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	18,261	1,000
Future Obligations	0	0	0
Est. Total Cost	1,381	38,800	1,000

PROGRAM DATA SHEET

USAID OPERATING UNIT: LAC Regional
PROGRAM TITLE: Conservation of Biological Resources (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Conservation of the Region's Biological Resources, 598-022
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 7,235,000 DA
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $ 47,753 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 4,500,000 DA
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: This regional program consists primarily of a mix of training and technical assistance to support:

- Parks in Peril 2000: A Conservation Partnership for the Americas (PiP 2000);
- the Neotropical Raptor Conservation Program; and
- studies and pilot activities.

In addition to site-based work, PiP 2000 will leverage the application of sound conservation across multiple sites, help in the development of national park systems, and develop national, international, and regional alliances for conservation.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID plans to increase the funds to be obligated during FY 2002 by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. In FY 2002, funds will be used to expand the highly successful site-based PiP model to include seven additional threatened parks and reserves in the Latin America and Caribbean (LAC) region and to utilize the extensive network of sites and partners to leverage conservation activities across the region. Technical assistance will be provided for: 1) strengthening and expanding the network of conservation partners; 2) promoting national and regional systems of conservation areas, including protected areas, private reserves, and indigenous territories; and 3) promoting strategic alliances among host countries, donors, multilateral development banks, and local and international non-governmental organizations (NGOs) to focus and consolidate efforts on critical regional conservation needs, such as trans-border ecosystem management. In addition, funds will be used to support technical advisors and to help develop an improved understanding of the region's most critical conservation needs through regional conservation initiatives such as workshops and special studies.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: In FY 2003, in addition to continuing the activities begun in FY 2002, technical assistance will be provided to expand the PiP model to include an additional four threatened parks and reserves in the region, with an emphasis on trans-border ecosystems and marine ecosystems. Funds will also be used for workshops, special studies, and technical assistance.

Performance and Results: Started late in FY 2001, activities under this objective are proceeding smoothly. Progress will lead to: (1) increased conservation capacity at selected sites; (2) strengthened local and national partners for improved conservation; (3) targeted regional

conservation initiatives being strengthened; and (4) innovative conservation financing mechanisms being tested and adopted. In addition, this objective will leverage significant and diverse funding sources for biodiversity conservation in the LAC region through international conservation organizations (e.g., The Nature Conservancy); universities; in-country NGOs; national and local governments; local communities; the Global Environment Facility; World Bank; Inter-American Development Bank; United Nations Environment Program; U.S. government agencies (e.g., the Department of Labor); other bilateral donor organization; U.S. philanthropic organizations; and the private sector.

Principal Contractors, Grantees or Agencies: The Nature Conservancy (prime), World Resources Institute (prime), The Peregrine Fund (prime) and in-country NGOs (e.g. The Friends of Nature Foundation, Bolivia; Defenders of Nature, Guatemala; ProNaturaleza, Peru; Pronatura, Mexico) (subs).

US Financing in Thousands of Dollars

LAC Regional

598-022 Improved Conservation of the Region's Biological Resources	DA
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	2,859
Expenditures	0
Through September 30, 2001	
Obligations	2,859
Expenditures	0
Unliquidated	2,859
Prior Year Unobligated Funds	
Obligations	48
Planned Fiscal Year 2002 NOA	
Obligations	7,235
Total Planned Fiscal Year 2002	
Obligations	7,283
Proposed Fiscal Year 2003 NOA	
Obligations	4,500
Future Obligations	12,358
Est. Total Cost	27,000

PROGRAM DATA SHEET

USAID OPERATING UNIT: LAC Regional
PROGRAM TITLE: Education and Training Improvement (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Strengthened Regional Initiatives to Improve Equity and Quality of Education and Training, 598-023
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $8,355,000 DA; $7,000,000 ESF
PRIOR YEAR UNOBLIGATD AND FUNDING SOURCE: $657,744 CSD
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $11,255,000 DA
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The Latin America and the Caribbean (LAC) Regional education program includes:

- establishment and/or strengthening of regional constituencies for education reform;
- development of three teacher training and resource centers in the Caribbean, Central America and the Andean region of South America, as announced by President Bush at the Quebec Summit of the Americas;
- creation of a regional forum on secondary education to promote quality and workplace-relevant secondary education throughout the region;
- support for development of comparable national education indicators for the region; and
- support for a scholarship program to equip a broad-based cadre of leaders and potential leaders in LAC countries with technical skills, training and education, and an understanding of the dynamics of a market-based economy in a democratic society.

Inputs, Outputs and Activities: *FY 2002 Program*: USAID proposes to increase planned funding by more than 10% of the amount notified in the FY 2002 Congressional Budget Justification. Activities to be funded under this program reflect the Agency's continuing commitment to the Summit of the Americas education goal of achieving universal access to primary education and 75% access to quality secondary education by the year 2010. Although not included in the FY 2002 Congressional Budget Justification, USAID plans to establish three centers of excellence for teacher training for the Caribbean, Central America and the Andean region. The centers will be housed in existing institutions in the region with the purpose of raising the quality of reading instruction at the primary school level. USAID funding will be matched dollar for dollar by contributions from the private sector. FY 2002 Economic Support Funds (ESF) will be used to provide technical assistance to assess teacher training needs and the institutional capacities of potential host institutions; initiate pilot teacher training, materials development, distance learning, and computer technology initiatives; and establish benchmarks and indicators for monitoring and evaluation. Development Assistance (DA) funds will provide technical assistance to finalize the selection of host institutions and to establish a private fund to manage and disburse private sector contributions. USAID will use funding for program management support of this high-profile Presidential initiative.

USAID will also use DA funds to expand education reform efforts with a greater focus on Central America, the region with the most serious education problems. The regional dialogue on education reform will be expanded beyond high-level policy circles by reaching out to the various stakeholders of education and larger civil society, including parents, students, teachers, unions, school administrators, and local/regional government. A new regional forum will be launched to promote the quality and workplace-relevance of secondary education throughout the region.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Planned FY 2003 Program: USAID expects to support the same activities in FY 2003 as it does in FY 2002. However, by then all activity design should be completed and USAID will be more focused on program implementation. FY 2003 ESF funds will be used for the three regional teacher training and resource centers that will equip up to 15,000 of the region's primary school teachers with training, teaching materials and distance education methodologies designed to raise the quality of reading instruction. Using DA funds, USAID will continue implementation of education policy reform efforts, particularly in Central America, continue to expand the regional dialogue on education reform, and continue to promote the quality and workplace-relevance of secondary education.

In addition, USAID will support a scholarship program to equip a broad base of leaders and potential leaders in LAC countries with skills, training and education needed for effective participation in market-based economies and democratic societies. DA funds will be used to prepare and train disadvantaged young people, especially women and minorities, for entry-level jobs in fields that support broad-based economic development and environmental protection. DA funds will be used to train disadvantaged people to work in fields that support the prevention, diagnosis, and treatment of communicable diseases; and to upgrade skills for technicians and administrators to develop the region's human resources in the fight against infectious diseases.

Performance and Results: Implementation of this program began late in FY 2001. Past support to regional policy reform activities have propelled education to the top of the Summit of the Americas hemispheric reform agenda, built a regional consensus on reform priorities with emphasis on primary and secondary education, and bolstered the efforts of national reformers. Continued progress on the policy reform front and new efforts to raise the quality and relevance of instruction at the primary and secondary levels will raise the equity and quality of primary and secondary education accessible to the poor majority. These initiatives will help reduce inequalities in income distribution; raise the quality and relevance of skills of the region's workforce, thereby increasing the region's ability to compete in the global economy; and will equip citizens with the skills necessary to participate in the institutions of democracy.

Principal Contractors, Grantees or Agencies: USAID expects to work with a number of organizations to implement this program, including the Inter-American Dialogue (prime), Creative Associates (prime), UNESCO (prime), Aguirre International (prime), the Academy for Educational Development (prime), Management Systems International (sub), and Georgetown University's Center for Intercultural Education and Development (prime). Contractors and/or grantees to implement the Centers of Excellence in Teacher Training have yet to be identified.

US Financing in Thousands of Dollars

LAC Regional

598-023 Strengthened Regional Initiatives to Improve Equity and Quality of Education and Training	CSD	DA	ESF
Through September 30, 2000			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Fiscal Year 2001			
Obligations	1,632	0	0
Expenditures	30	0	0
Through September 30, 2001			
Obligations	1,632	0	0
Expenditures	30	0	0
Unliquidated	1,602	0	0
Prior Year Unobligated Funds			
Obligations	658	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	8,355	7,000
Total Planned Fiscal Year 2002			
Obligations	658	8,355	7,000
Proposed Fiscal Year 2003 NOA			
Obligations	0	11,255	0
Future Obligations	0	26,586	0
Est. Total Cost	2,290	46,196	7,000

ACRONYMS

AACD	Activity Assistance Completion Date
AAD	Activity Approval Document
ACI	Andean Counterdrug Initiative
ADEX	Exporters' Association (Peru)
AG	Attorney General
AGEXPRONT	Nontraditional Exporters' Guild (Guatemala)
AIDS	Acquired Immune Deficiency Syndrome
ANACAFE	Guatemala' National Coffee Association
ANDA	El Salvador Water Authority
ARI	Acute Respiratory Infection
CABEI	Central American Bank for Economic Integration
CACEDERF	Central America and Caribbean Emergency Disaster Relief Fund
CAIC	Caribbean Association of Industry and Commerce
CAPAS	Central American Protected Areas System
CARE	Cooperative for Assistance and Relief Everywhere
CAREC	Caribbean Epidemiology Center
CARICOM	Caribbean Community
CATIE	Center for Tropical Agriculture Investigations and Studies
CBO	Community-Based Organization
CCAD	Central American Commission for Environment and Development
CCP	Code of Criminal Procedures
CEPAL	Economic Commission for Latin America
CDC	Center for Disease Control
CHF	Cooperative Housing Foundation
CIDA	Canadian International Development Agency
CIT	Communities In Transition
CLUSA	Cooperative League of the USA
CMR	Child Mortality Rate
COEN	El Salvador Disaster Preparedness Organization
COMURES	Corporation of Municipalities in El Salvador
CONRED	National Disaster Coordinating Committee (Guatemala)
CONTIERRA	Land Conflict Resolution Commission (Guatemala)
CRS	Catholic Relief Services
CSH	Child Survival and Health Fund
CSO	Civil Society Organization
CY	Calendar Year
CYP	Couple Years Protection
DA	Development Assistance
DAP	Development Activity Proposal
DCHA	Development Credit and Humanitarian Authority
DHS	Demographic Health Survey
DFID	United Kingdom's Division for International Development
DIMS	Democratic Indicators Monitoring Survey
DOD	United States Department of Defense
DOJ	United States Department of Justice
DOTS	Directly Observed Therapy Short Course
DPT3	Diptheria, Pertussis, Tetanus Immunization Series
DVS	Democratic Values Survey
EA	Environmental Assessment
EAI	Enterprise for the Americas Initiative
ECHO	European Community Humanitarian Organization
ECLAC	Economic Commission for Latin America and the Caribbean

ESF	Economic Support Fund
EU	European Union
FAR	Fixed Amount Reimbursable
FEMA	Federal Emergency Management Agency
FFP	Food for Peace
FTAA	Free Trade Area of the Americas
FY	Fiscal Year
GCC	Global Climate Change
GDP	Gross Domestic Product
GTZ	German Agency for Technical Cooperation
HCC	Historical Clarification Commission
HIPC	Heavily Indebted Poor Countries
HIV/AIDS	Human Immunodeficiency Virus
IADN	Inter-American Democracy Network
ICITAP	International Criminal Investigation and Training Assistance Program
ICRC	International Committee of the Red Cross
IDB	Inter-American Development Bank
IDP	Internally Displaced Person
IFES	International Foundation for Election Systems
IG	Inspector General
IIDH	Inter-American Institute of Human Rights
IMCI	Integrated Management of Childhood Illnesses
IMF	International Monetary Fund
IMR	Infant Mortality Rate
INC	International Narcotics Control (State Department)
INL	International Narcotics and Law Enforcement (State Department)
IOM	International Organization for Migration
IPO	International Public Organization
IQC	Indefinite Quantity Contract
IR	Intermediate Result
IRDP	Integrated Rural Development Program
JICA	Japanese International Cooperating Agency
LAC	Latin America and the Caribbean
LAC/RSD	Latin America and the Caribbean/Office for Regional Sustainable Dev.
MCH	Maternal and Child Health
MFI	Microfinance Institution
MINUGUA	United Nations Verification Mission for Guatemala
MILGP	Military Group
MOH	Ministry of Health
MMR	Maternal Mortality Rate
MPP	Mission Performance Plan
MSE	Micro and Small Enterprises
NAS	Narcotic Affairs Section (State Department)
NASA	National Aeronautics and Space Administration
NDI	National Democratic Institude
NGO	Non-Governmental Organization
NOAA	National Oceanic and Atmospheric Administration
NRM	Natural Resource Management
NTFP	Non-traditional Forest Products
OAS	Organization of American States
OECS	Organization of Eastern Caribbean States
OFDA	Office of Foreign Disaster Assistance (USAID)
OHCHR	Office of the High commissioner for Human Rights (United Nations)
ORT	Oral Rehydration Therapy
OTI	Office of Transition Initiatives
PACD	Project Assistance Completion Date

PAHO	Pan American Health Organization
PASA	Participating Agency Service Agreement
PES	Policy Environment Score
PIP	Parks in Peril
PL	Public Law
PLANTE	National Alternative Development Plan (Colombia)
PPG7	G7 Pilot Program to Conserve the Brazilian Rainforest
PREAL	Program for Education Reform in the Americas
PRM	Population, Refugees, and Migration
PRSP	Poverty Reduction Strategy Paper
PSO	Private Sector Organization
PVO	Private Voluntary Organization
RSD	Office of Regional Sustainable Development (USAID)
SDF	Special Development Fund
SO	Strategic Objective
SOW	Scope of Work
SpO	Special Objective
STD	Sexually Transmitted Disease
STI	Sexually Transmitted Infection
TB	Tuberculosis
TBD	To be Determined
TFR	Total Fertility Rate
TNC	The Nature Conservancy
UN	United Nations
UNAIDS	United Nations AIDS Program
UNDCP	United Nations Drug Control Program
UNDP	United Nation Development Program
UNESCO	Untied Nations Educational, Scientific, and Cultural Organization
UNFCCC	Untied Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNHCR	Untied Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
URC	University Research Corporation
USACE	United States Army Corps of Engineers
USDA	United States Department of Agriculture
USG	United States Government
WB	World Bank
WFP	World Food Program
WID	Women in Development
WHO	World Health Organization
WTO	World Trade Organization
WWF	World Wildlife Fund