

PD-ABF-547
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AGENCY FOR INTERNATIONAL DEVELOPMENT

AMERICAN EMBASSY

PASEO DE LA REFORMA No. 305
COL. CUAUHEMOC
05300 MEXICO, D. F.

U.S. Mailing Address:
AMEMB Mexico City
P.O. Box 8087
Laredo, TX 78044

1 of 3

Mr. J. Martin Goebel
Director of Mexico Program
Conservation International
1015 18th Street N.W., Suite 1000
Washington, D.C. 20036

August 20, 1990.

500 *

SUBJECT: Grant No. 598-0784-~~523~~-0037

Dear Mr. Goebel:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby awards Grant Agreement No. 598-0784-523-0037 to CONSERVATION INTERNATIONAL, (hereinafter referred to as "C.I." or "Grantee") for the sum of \$ 47,000.00 U.S. (Forty seven Thousand U.S. dollars). This support is provided under the Mexico component of AID's Global Climate Change Project (598-0784).

This grant agreement supports the implementation of the Chajul Biological Station strengthening component of the Montes Azules Biosphere Reserve Management Program. This program is being implemented by the Mexico Chapter of C.I., as described in the "Schedule" of this grant and in Attachment II. Greater detail is provided in the grant proposal (Attachment IV.), entitled "Chajul Biological Station, Montes Azules Biosphere Reserve".

This Grant Agreement is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending August 31, 1993.

In principle AID and Conservation International jointly agree that a portion of these grant funds may be used to support a debt-for-development transaction. Any such debt transaction will be executed consistent with currently prevailing AID Guidelines (Ref. DGC, John E. Mullen, Information Memorandum for the Acting Administrator, February 9, 1990, 8 pp. and Attachments A (13 pp.) and B (4 pp.)). In this regard, Conservation International should inform AID/M in writing of the steps to be taken in compliance with these guidelines prior to executing agreements with the Government of Mexico.

TELEFONO: 211-00-42 EXTS. 3450/3451/3452/3453/3457

TELEX Nos: 01773091 & 01775685 AEMXME

TELEFAX No.: (905) 511-9980

1

AGENCY FOR INTERNATIONAL DEVELOPMENT

AMERICAN EMBASSY

PASEO DE LA REFORMA No. 305
COL. CUAUHTEMOC
06500 MEXICO, D. F.

U.S. Mailing Address:
AMEMB Mexico City
P.O. Box 3087
Laredo, TX 78044

2 of 3

This grant is made to the Grantee on condition that funding is used in accordance with the terms and conditions set forth in Attachment I, entitled the "Schedule", Attachment II, entitled "Program Description", and Attachment III, entitled "Standard Provisions", which have been agreed to by your organization.

Subject to the availability of funds to AID for this purpose and the mutual agreement of the parties to proceed at the time of such availability, AID's total contribution to the project may be increased in grant years two and three by means of annual increments. Total AID contribution for FY 1990 will be Forty Seven Thousand United States Dollars (\$ 47,000.00).

Please sign the original and three (3) copies of this letter to acknowledge your agreement with and receipt of the grant, and return the original and two (2) copies to the undersigned AID office, Room 212, U.S. Embassy, Mexico City.

Sincerely,


Gerard Powers
AID/Mexico

Representative

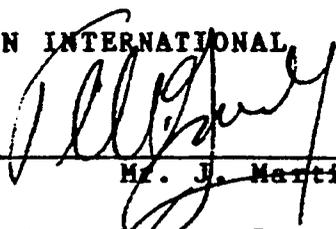
Mexico D.F.

U.S. Embassy,

ACCEPTED:

CONSERVATION INTERNATIONAL

By: _____


Mr. J. Martin Goebel

Title: Director, Mexico Program and Conservation International
Mexico, A.C.

Date: _____

August 27, 1990

TELEFONO: 211-00-42 EXTS. 3450/3451/3452/3453/3457

TELEX Nos: 01773091 & 01775685 AEMXME

TELEFAX No.: (905) 511-9930

02

AGENCY FOR INTERNATIONAL DEVELOPMENT

AMERICAN EMBASSY

PASEO DE LA REFORMA No. 305
COL. CUAUHTEMOC
06500 MEXICO, D. F.

U.S. Mailing Address:
AMEMB Mexico City
P.O. Box 3087
Laredo, TX 78044

3 of 3

Fiscal Data:

AMOUNT: \$47,000.
BUDGET ALLOWANCE: LDNA90-25523-KG12
APPROPRIATION: 72-1101021
PROJECT NUMBER: 598-0784.23-523-0037

Attachments:

- I. Schedule
- II. Project Description
- III. Standard Provisions
- IV. Grant Proposal by CONSERVATION INTERNATIONAL MEXICO, A.C.

TELEFONO: 211-00-42 EXTS. 3450/3451/3452/3453/3457

TELEX Nos: 01773091 & 01775685 AEMXME

TELEFAX No.: (905) 511-9950

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ATTACHMENT I

SCHEDULE**A. Purpose of Grant**

The purpose of this Grant is to provide support for the C.I./MEXICO proposal for "The Chajul Biological Station, Montes Azules Biosphere Reserve, Selva Lacandona, State of Chiapas, Mexico", as more specifically described in Attachment II of this Grant entitled, "Program Description" and the attached C.I./MEXICO grant proposal (Attachment IV.).

B. Period of Grant

1. The effective date of this Grant is August 31, 1990. The expiration date of this Grant is August 31, 1993.
2. Funds obligated hereunder are available for program expenditures for the estimated period of August 31, 1990 to December 31, 1991, as shown in the Financial Plan below.

C. Amount of Grant and Payment

1. AID hereby obligates the amount of \$47,000.00 US for purposes of this grant. Of this, Forty Five Thousand Two Hundred (\$45,200) U.S. Dollars will be available for expenditure during the period set forth in B.2 above and as shown in the Financial Plan below. The remaining One Thousand Eight Hundred (\$1,800) U.S. Dollars are hereby made available for program expenditures in 1991. This is the initial obligation and additional funding is expected to be added to the Grant as it becomes available.
2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment III - "Mandatory Standard Provisions for U.S. Nongovernmental Grantees", Optional Standard Provision No. 3, entitled "Payment-Cost Reimbursement".
3. The Grantee agrees that he shall immediately request approval from the AID Representative when there is reason to believe that within the next thirty calendar days a revision of the approved grant budget will be necessary. Please refer to Attachment III, Mandatory Standard Provisions No. 4, "Revision of Grant Budget".

D. Financial Plan

The following is the Grant Budget for \$47,000 for FY 1990. Revisions to this budget shall be made annually and in accordance with Standard Provisions of the Grant, entitled "Revision of Grant Budget". More detailed estimates of expenditures for each of these activities/line items are provided in the grant proposal.

Knowledge Base Development

1. Scientific Workshop to Set Applied Research and Management Agendas	\$ 5,000.	
2. Socio-economic Baseline Information Resource Management Training	8,000.	<i>John A</i>
3. Conservation Training Fellowships	7,000.	<i>?</i>
<u>Community Conservation-Based Pilot Projects</u>		
4. Preliminary Pilot Assessments for Forest Inventory/Management Planning	5,000.	<i>?</i>
5. Butterfly Management	8,000.	
6. Ecotourism	7,000.	<i>40,000</i>
7. <u>Administrative and Indirect Costs (13%)</u>	5,200.	
8. <u>Contingencies/Follow-on Activities</u>	1,800.	
TOTAL	\$ 47,000	

E. Reporting and Evaluating

1. The Grantee shall submit fiscal and technical reports to AID/Mexico on a quarterly basis. The Grantee shall adhere to the specifications and timetables established by AID for financial reporting requirements. Reports should be addressed to:

AID/Mexico
Paseo de la Reforma 305
Colonia Cuauhtemoc
06500 Mexico, D.F.

2. An internal mid-term financial review and technical evaluation will be carried out by qualified persons representing C.I.. The results of these evaluations, which may be carried out jointly with other collaborating donor organizations in Montes Azules, will be shared with AID/M.

3. AID/M may opt to assess the project's significance, effectiveness and performance by means of a final external audit and technical evaluation. These factors will need to be assessed prior to consideration of a continuation proposal. If these external evaluations are required, the necessary funding will be provided via future increments to the grant.

Attachment II

PROGRAM DESCRIPTION

Support for the Development of the
Chajul Biological Station, Montes Azules Biosphere Reserve
Selva Lacandona, State of Chiapas, Mexico

CONSERVATION INTERNATIONAL

598-0784-523-0037

Conservation International's work in the Selva Lacandona of Chiapas focuses on the promotion and management of the Montes Azules Biosphere Reserve. An important element of that effort is the development of the Chajul Biological Station. Chajul is intended to serve as a logistical and operational center of the Reserve with its activities spanning research, outreach and park protection.

The Selva Lacandona is Mexico's last large tract of lowland tropical evergreen forest. The 800,000 acre Montes Azules Biosphere Reserve, legally established in 1977, lies in the heart of the Lacandona forest. It constitutes the "core protected area" of the Selva and has come under increasing pressure in recent years from logging, hunting, slash and burn agriculture, road building, oil exploration and land clearing for grazing. C.I. Mexico's program in Montes Azules is designed to reverse this resource degradation, consolidate the protection effort and promote conservation and sustainable development in the buffer zone in and around the Reserve.

In addition to Montes Azules being one of C.I.'s targeted ecosystem conservation programs, its size, state of protection and biodiversity makes it one of the most important remaining wildlands in southern Mexico, and a key component of the GOM's protected areas system. An abundant literature demonstrates both the national and global importance of the Selva Lacandona and its core Montes Azules Reserve.

Conservation International initiated their Mexico-based Selva Lacandona Ecosystem Program in early 1989. In close collaboration with some 17 private, governmental and scientific organizations, a strategy was developed for the implementation of this program. Its four primary elements are:

1. the establishment of a technical task force for the planning and management of the Reserve and buffer zone;
2. the development of an interactive data base and geographic information system;
3. the rehabilitation and development of the Chajul Biological Station; and

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4. the strengthening of local capacity for resource conservation and buffer zone management.

C.I. proposes to use AID/M resources over the next three years to complement the substantial C.I./Mexico Program investment programmed for the Selva Lacandona. AID funds will be used to collect basic scientific, cultural and socio-economic data on the Reserve and its buffer zone; train Chajul station scientists and technicians (ie, short-term fellowships) in environmental planning, management and community outreach; and design and implement community conservation-based pilot projects as part of the buffer zone management effort. Specific buffer zone practices to be promoted include sustained forest management, butterfly farming, and ecotourism.

In principle AID and Conservation International jointly agree that a portion of these grant funds may be used to support a debt-for-development transaction. Any such debt transaction will be executed consistent with currently prevailing AID Guidelines (Ref. DGC, John E. Mullen, Information Memorandum for the Acting Administrator, Feb. 9, 1990, 8 pp. and Attachments A (13 pp.) and B (4 pp.)). In this regard, Conservation International should inform AID/M in writing of the steps to be taken in compliance with these Guidelines prior to executing agreements with the Government of Mexico.

Brief descriptions of the activities, methodologies and expected outputs of each of these components are provided as part of the grant proposal (Attachment IV.). These details will be used as a basis for project monitoring and evaluation.

BUDGET:

The amount of funding provided by AID for the project in FY 1990 is \$ 47,000.00 U.S. dollars. Of this total, up to \$5,200 U.S. Dollars (ie, an estimated 13%) will be allowed for administrative and indirect costs of the C.I./Mexico program. It is estimated that \$45,200. of this amount will be expended during the FY 1990 period (see Schedule B.2), and \$1,800.00 U.S. dollars will be used for follow-on activities in 1991. Funding for grant years two and three will be determined toward the end of calendar year 1990 and incrementally provided. A summary budget is provided below, indicating the amounts allocated for each of the activities programmed for FY 1990. The estimated costs for each of these line items are presented in the grant proposal and will be used as a basis for accounting and financial control.

Knowledge Base Development

1. Scientific Workshop to Set Applied Research and Management Agendas	\$ 5,000.
2. Socio-economic Baseline Information	8,000.
<u>Resource Management Training</u>	
3. Conservation Training Fellowships	7,000.
<u>Community Conservation-Based Pilot Projects</u>	
4. Forest Inventory/Management Planning	5,000.
5. Butterfly Management	8,000.
6. Ecotourism	7,000.
7. <u>Administrative and Indirect Costs (13%)</u>	5,200.
8. <u>Contingencies/Follow-on Activities</u>	<u>1,800.</u>
TOTAL	\$ 47,000.

C.I.

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**OPTIONAL STANDARD PROVISIONS FOR
U.S., NONGOVERNMENTAL GRANTEES**

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of Handbook 13. Each grant is required to have a payment provision. Check off the optional standard provisions which are included in the grant. Only those standard provisions which have been checked off are included physically within this grant.

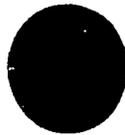
- | | |
|---|------------------|
| 1. Payment - Letter of Credit | _____ |
| 2. Payment - Periodic Advance | _____ |
| 3. Payment - Cost Reimbursement | _____/_____
✓ |
| 4. Air Travel and Transportation | _____/_____
✓ |
| 5. Ocean Shipment of Goods | _____ |
| 6. Procurement of Goods and Services | _____/_____
✓ |
| 7. AID Eligibility Rules for Goods and Services | _____/_____
✓ |
| 8. Subagreements | _____/_____
✓ |
| 9. Local Cost Financing | _____/_____
✓ |
| 10. Patent Rights | _____ |
| 11. Publications | _____/_____
✓ |
| 12. Negotiated Indirect Cost Rates - Predetermined | _____ |
| 13. Negotiated Indirect Cost Rates - Provisional | _____/_____
✓ |
| 14. Regulations Governing Employees | _____/_____
✓ |
| 15. Participant Training | _____ |
| 16. Voluntary Population Planning | _____ |
| 17. Protection of the Individual as a Research Subject | _____ |
| 18. Care of Laboratory Animals | _____ |
| 19. Government Furnished Excess Personal Property | _____/_____
✓ |
| 20. Title to and Use of Property (Grantee Title) | _____/_____
✓ |
| 21. Title to and Care of Property (U.S. Government Title) | _____ |
| 22. Title to and Care of Property (Cooperating Country Title) | _____ |
| 23. Cost Sharing (Matching) | _____ |
| 24. Use of Pouch Facilities | _____ |
| 25. Conversion of United States Dollars to Local Currency | _____/_____
✓ |

(INCLUDE THIS PAGE IN THE GRANT)

AID HANDBOOK

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*(F2) See me 1/24/91.
Key issue to release
to GCC. 83*



CONSERVATION INTERNATIONAL

November 14, 1990

Mr. Gerald Bowers
Representative
U.S. Agency for International Development
American Embassy
Paseo de la Reforma 305
Mexico, D.F. 06500

Dear Mr. Bowers:

Conservation International is pleased to inform you that the Government of Mexico (GOM) has approved our first debt-for-nature swap proposal. We expect to conclude a formal agreement by December or January 1991 and will complete a first debt exchange transaction shortly thereafter.

We regard this as a special opportunity for CI and institutions like the Agency for International Development to pool and leverage available financial resources. The swap and the investments to be made with the proceeds have been reviewed by SEDUE and SHCP and represent carefully considered conservation capacity building priorities of the GOM and the beneficiary parties involved. Therefore, we request AID/Mexico to consider making an unsolicited grant to CI or CI Mexico, A.C. of \$200,000 during FY 1991. Under current market/exchange conditions we expect those funds to yield about \$288,000 USD in local currency. CI is prepared to submit all documentation required under current AID debt-for-nature exchange guidelines.

The investments to be made with the proceeds from the debt exchange are designed to further our stated goal to strengthen national and local level capacity to conserve the biological diversity, ecosystems and ecological processes of the country. The specific initiatives to be supported will relate to the four cornerstones we consider to be pivotal to "ecosystem conservation": scientific understanding and technology development, ecosystem management, conservation-based development, and policy reform.

Following is a synopsis of the projects to be funded through this first debt-for-nature swap:

1. **Unidad de Información sobre Recursos Bióticos de México (UNIREMEX), Centro de Ecología, UNAM.**
Initiated three years ago, the UNIRBMEX has designed a prototype biodiversity data base management system and

installed geographic information technology and software. A biodiversity gap analysis methodology has been developed and a first application will be completed and published for the the states of Oaxaca and Guerrero (the first and fourth most diverse states respectively) before mid-1991. Eight biologists, ecologists and information system specialists have been trained.

Swap monies will be invested on the basis of agreed upon annual performance objectives and appraisals. (This will apply to all projects and beneficiary organizations, and will include independent expenditure accounting/audit procedures.) Initially, these will include: completion and publication of the Oaxaca-Guerrero analysis and initiation of a second regional gap analysis of Durango-Chihuahua, design and initiation of a second national biodiversity assessment (a follow-up to the first national overview by Flores and Gerez (1988) designed and supported by CI), organization of a meeting of experts on developing permanent nation-wide biodiversity assessment capability, increasing UNIRBMEX's linkage and information service capacity with SEDUE, other state agencies, and NGOs such as PRONATURA, and continued training of technical personnel and equipment upgrades.

Total local USD budget in year 1: \$141,900

2. **Departamento de Información para la Conservación (DIC), Instituto de Historia Natural (IHN), Chiapas.**
Also initiated three years ago through a cooperative agreement between CI and the IHN, the DIC has established the most complete reference data base available on the natural resources of Chiapas. Computerized data bases on the plants and vertebrate animals are also designed and being loaded with data gathered from the principal national and local collections. In addition, the DIC has played a key role in drafting, at the request of the state government, a first report on recommendations for expansion of the state's protected area system as well as a review of proposed new state environmental legislation.

During the first year of the swap, proceeds will be used to install and train personnel in the use a geographic information hardware and software, digitize and input at least 5 base maps and baseline data for the major biosphere reserve units of the state (Montes Azules and El Triunfo) and complete comprehensive information searches for the on-going planning processes of both (including the acquisition and processing of LANDSAT imagery), design and initiation of a state-wide gap analysis (to be completed in 1992), establish user linkages with state and federal agencies with land management

responsibility, add three project-driven technical support staff, and provide DIC and IHN special training support fellowships.

Total local USD budget in year 1: \$77,283

3. **Estación Científica Chajul, Reserva de la Biosfera de Montes Azules, Selva Lacandona, Chiapas.**

Sustainable ecosystem management and successful conservation-based development of the Selva Lacandona ecosystem depends on the permanent presence of the scientific community and its engagement in long-term basic and applied tropical resource management research and technology development. The Chajul station is the first existing, strategically located facility where problems related to maintenance of biodiversity, ecological processes and sustainable development of rural communities in buffer zones can be studied and where support for reserve protection and technical assistance for remote communities can be permanently based.

Partial infrastructural rehabilitation of the station will be completed in late 1990 and early 1991. So too a first draft management plan for the Montes Azules Biosphere Reserve (MABR) and a draft research program, both for review of federal and state authorities and local communities for their input. Swap proceeds would be utilized for a variety of key activities including: review, completion and publication of the MABR management plan, phase II of Chajul Station rehabilitation and equipment acquisition, training of station-based personnel, partial support for its operations and for the initiation of a MABR/Chajul Consortium (to be made on a matching basis), small grant (catalytic) support for community-based buffer zone resource management projects and technical assistance.

Total local USD budget in year 1: \$566,500

4. **National/local conservation communications/awareness-building program.**

Ecosystem conservation cannot be sustained or multiplied without the support of policy makers, opinion leaders and the public at large. For this reason, it is imperative to effectively and constructively communicate scientific understanding of complex issues and priorities as well as conservation objectives and programs to target audiences using various forums and mediums. To this end, Conservation International has established partnerships with three organizations: PRONATURA, Fundación Miguel Alemán, and FUNDAMAT (Chiapas). Together they can reach out to these audiences to build, over the medium and long terms, national

and local political and social support for key conservation issues, priorities and initiatives.

Swap-generated support will be used to strengthen PRONATURA's basic communications program (publication of quarterly newsletter and membership development materials, a science-based conservation issues monograph series for policy makers and opinion leaders (in collaboration with institutions like UMAM's Center of Ecology), and workshops and conferences designed to provide accurate, credible information to the press and media. In addition, monies will be invested to form a special consultative group of specialists in T.V. and radio to discuss new opportunities and needs for production of broadcasts to build national and local environmental awareness. Finally, monies will be utilized to design and initiate implementation of conservation education programs at the local community level in areas surrounding biosphere reserves in the state of Chiapas.

Total local USD budget in year 1: \$119,380

5. Finally, although this item is not regarded as a project per se, CI has obtained approval, under each project initiative, to include its in-country project management and support costs, through CI México, A.C. These funds will be used primarily for technical and administrative support, project monitoring and reporting, and accounting services and audits. This amounts to approximately 20% of total expenditures.

Our total local currency needs for the above initiatives during year 1 of the debt swap will be \$804,063. We have raised \$250,000 for the specific objectives outlined under the swap (including, we expect, an estimated \$15,000 of unused AID/Mexico FY 1990 grant monies) which will generate approximately \$360,000 USD in local currency. AID/Mexico's support with an additional \$200,000 will generate \$288,000 USD locally and thus bring us much closer to our first year financial goal.

We expect to raise the remainder through traditional sources, including corporate contributions and possibly other bi- and multi-lateral sources. Currently we are in the process of establishing an ad hoc Conservation Mexico Committee of distinguished persons to help us over the three year life of the swap. Undoubtedly, AID's input early on would generate enthusiasm for raising the total amount required over the life of the swap approval.

The above initiatives reflect CI's commitment to the long term goal we share with a variety of partner institutions in Mexico to strengthen the basic building blocks for successful biodiversity

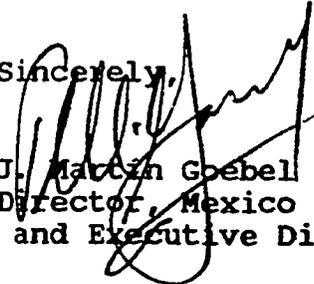
Bowers, page 5

and ecosystem conservation in the country. Proceeding together, over time, the capacities, projects and institutions to be supported will produce increasingly better assessments of national and local conservation priorities, demonstrate ecologically and economically sustainable ecosystem resource management schemes, enhance public understanding of issues and of environmental management alternatives, and improve public policies and public/private commitment and cooperation.

We are confident you will make a special effort to consider this proposal, particularly in this early stage of favorable exchange conditions. Conservation International would be very pleased to receive support from AID/Mexico for this debt-for-nature initiative.

Please do not hesitate to contact me if you should require further information.

Sincerely,



J. Martin Goebel
Director, Mexico Program
and Executive Director CI México, A.C.

cc: Peter A. Seligmann
Russell A. Mittermeier
Spencer B. Beebe
Javier de la Maza
Soledad Gompf
Steven Rubin, Esq.

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