U.S. Agency for International Development

FISCAL YEAR
2002

Budget Justification to the Congress

Annex IV
Latin America and the Caribbean

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
FY 2002 BUDGET JUSTIFICATION

LATIN AMERICA AND THE CARIBBEAN
ANNEX IV

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BUREAU FOR LATIN AMERICA AND THE CARIBBEAN

Program Summary (In Thousands of Dollars)				
Category	**FY 1999 Actual**	**FY 2000 Actual**	**FY 2001 Estimated**	**FY 2002 Request**
Development Assistance	205,718	201,000	226,542	207,300
Child Survival & Disease Fund	109,928	79,957	98,143	100,200
CACEDRF	613,501	0	0	0
Int'l Narcotics Control	62,388	46,000	42,000	241,500
Int'l Narcotics Control (Plan Colombia)	0	207,500	0	0
Economic Support Funds	119,700	124,877	120,084	170,500
P.L. 480 Title II	194,229	123,508	85,431	108,096
P.L 480 Title III	10,000	0	0	0
Total Program Funds	**1,315,464**	**782,842**	**572,200**	**827,596**

Acting Assistant Administrator
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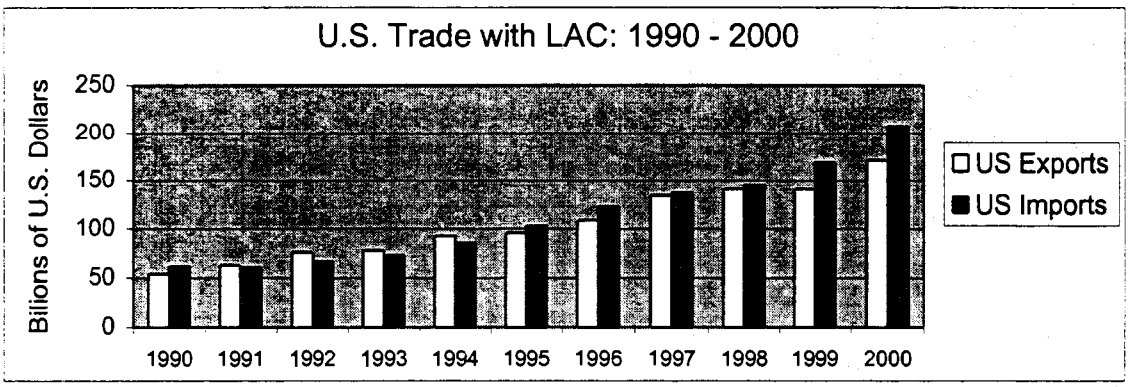
J. Michael Deal

LATIN AMERICA AND THE CARIBBEAN

U.S. National Interests

The economic, social, and political development of our USAID-assisted neighbors in Latin America and the Caribbean (LAC) are closely tied to important opportunities in the U.S. national interest such as expanded trade and deepening democracy. USAID believes the overarching goal of investment in LAC for the U.S. Government and its citizens is the consolidation of democracy in the hemisphere by strengthening still fragile democratic institutions. Other important objectives in our national interest, i.e. reducing poverty, fighting the spread of infectious diseases, and protecting the environment, are made all the more critical by proximity. Therefore, USAID assists democratically elected governments and their citizens to improve governance; expand civil society participation in democratic processes; strengthen decentralized local governments; improve access to justice; address poverty, inadequate health, and environmental degradation; and promote broad-based economic growth. These efforts are aimed at preventing social and political conflict as well as enabling LAC countries to participate in the globalization of the world's economy.

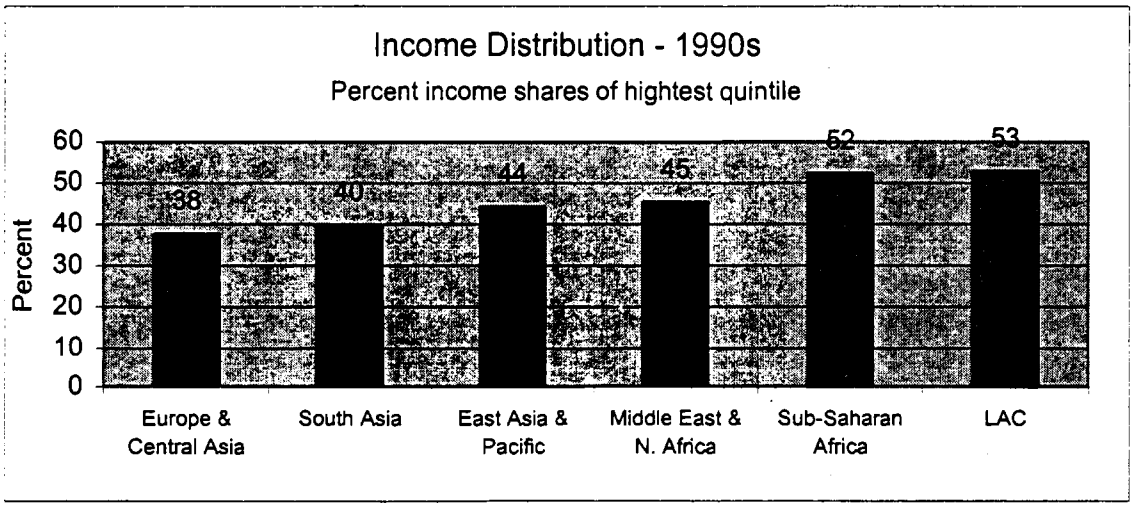
Americans benefit directly when the economies of developing LAC countries expand and their markets open. Since 1990 the number of U.S. jobs supported by U.S. exports to the region has increased by over 2.3 million. U.S. trade with the LAC region is growing faster than trade with any other region in the world and the U.S. continues to be the major source of imports to LAC. President Bush's early and intense foreign policy focus on the LAC region has been strongly evident in speeches, meetings with hemispheric leaders, and active involvement in the Summit of the Americas -- including a renewed effort to promote the Free Trade Area of the Americas (FTAA). The focus is also demonstrated in the Administration's new Andean Regional and Third Border (Caribbean) Initiatives, as well as increased emphasis on Mexico.



Development Challenge

Much progress in LAC has been made in: reducing human rights violations and making peaceful transitions of power; promoting growth and increasing trade; increasing access to basic education; reducing fertility and infant and child mortality rates; and protecting the environment. USAID's programs in LAC have contributed substantially to this progress. Skepticism continues to exist in the region about the promises of democracy and liberalized economic policies to produce tangible improvements in the lives of ordinary citizens. The region's advances in democracy, sustainable growth, and quality of life could be reversed if

democratically elected governments are unable to resolve the threats of drugs and corruption, or to address income inequality and environmental degradation more effectively and substantially. In spite of concerted efforts to address poverty, income distribution in the LAC region remains the worst in the world (becoming even more skewed during the 1990s in certain countries) and nearly 40% of the population lives in dire poverty on less than $2 per day. As a result, citizens' confidence in elected officials is being undermined and surveys report that growing numbers of citizens are beginning to question whether they benefit from their nation's economic and democratic achievements. Investor confidence is just as fragile.



USAID's core program in the LAC region is based on the Agency's leadership role in achieving objectives established in the Summit of the Americas, as agreed upon by President Bush and LAC heads of state, the Inter-American Development Bank (IDB), and other donors. The most important of those objectives is that of reducing poverty in Latin America. USAID's LAC program focuses on second generation reforms: to help eradicate poverty and inequality, to ensure access to justice, and to develop human capacity needed to deepen and sustain the region's competitiveness in the global economy.

USAID's programs in LAC countries support the Agency's "four pillars" of Economic Growth and Agriculture, Global Health, Conflict Prevention and Developmental Relief, and the Global Development Alliance (GDA)--a cross cutting business model to strengthen the other pillars by enhancing cooperation with foundations, U.S. corporations and PVOs. Activities in basic education, agriculture, environment, microcredit, and policy reform contribute to USAID's emphasis on **Economic Growth and Agriculture**. Activities in population, health, HIV/AIDS, and child survival contribute to the agency's focus on **Global Health**. The United States is continuing to help consolidate peace in Central America, strengthening endangered democracies such as Colombia and Ecuador, supporting activities that enhance the likelihood of a peaceful democratic transition in Cuba, and encouraging the emergence of pluralistic democracy in Haiti. Equally critical, the United States must ensure that post-hurricane and post-earthquake reconstruction in Central America not only replaces what was destroyed, but helps to transform these societies in ways that will lay the foundation for growth. Activities in democracy and disaster relief contribute to USAID's work on **Conflict Prevention and Developmental Relief**. USAID efforts in support of the Andean Regional Initiative and the Third Border (Caribbean) Initiative contribute to all three areas of emphasis but are discussed under the last category, since the primary rationale is to strengthen democracies in the Andean and Caribbean sub-regions.

There are, of course, important linkages among the activities in the three broader goal areas. Activities in rule of law and other democracy areas contribute to the investor confidence that are needed for increasing trade, which drive economic and agricultural growth in the region. Similarly, good governance can facilitate disaster preparedness, which, in turn, can minimize economic and environmental damage and set back economic growth. Finally, the failure of government to deliver health, education and social benefits to the citizenry can undermine confidence in democratic institutions.

The Economic Growth and Agriculture Pillar

Cutting poverty in half by 2015 is the key objective of the Summit of the Americas and the Organization for Economic Cooperation and Development. In spite of the recent global economic crisis and a series of devastating natural disasters, evidence now suggests that the renewed growth of the 1990s is contributing to a reduction in the level of poverty in the region. The GDP per capita growth rate has been modest in recent years—in 1998 it was 0.6%, while in 1999 and 2000, respectively, it was -1.3% and 2.4%. There is a clear realization that, to reduce poverty, the United States must help to substantially accelerate growth rates through hemispheric trade and increase participation by the poor in growing economies.

To further reduce poverty, USAID assistance is directed at increasing the income of the almost 40% of households living below the poverty line through targeted activities that increase their productivity. These activities increase access to resources such as financial services (microfinance), education, titled land, appropriate technology, infrastructure, and other assets which the poor need to achieve their full potential. LAC programs also seek to improve the enabling environment within which the poor work to assure that they have access to a level legal and regulatory playing field. USAID programs are assisting countries to prepare for participation in trade-driven growth and to address the shortcomings of government policies that hurt the poor.

Natural resources are abundant in LAC and agricultural growth potential is an important key to economic growth and poverty reduction. The region has roughly 50% of the globe's tropical forests, as well as extensive freshwater and marine resources. With 40% of the world's plant and animal species, the biodiversity in LAC countries is among the richest in the world. Increasing population pressures, continued poverty, unequal access to land, and poor environmental management are severely degrading these resources. This not only undermines the region's comparative advantages for economic growth through agriculture, but intensifies the damage caused by natural disasters which can, in turn, set back many years of economic progress. The poor suffer the most.

USAID's agricultural and environmental efforts seek to reduce poverty and reduce hunger and malnutrition; promote trade as an engine of growth for LAC; and protect the region's environment and natural resources in order to enhance income for the poor and LAC's competitiveness. USAID's agricultural assistance portfolio is currently focused on expanding access and opportunities for the poor with emphasis on the factor markets that include land, capital and improved technologies to assist the poor to link their production to higher value markets. As the FTAA moves forward under the Summit of the Americas process to create a hemispheric free trade area by 2005, USAID is providing support for the integration of smaller economies. For example, assistance has been provided to help LAC countries meet World Trade Organization requirements. A substantial portion of USAID's environmental efforts is focused on protecting and enhancing agriculture as a source of income for the poor. Watershed management and soil conservation activities are good

examples of this. Agricultural and environmental programs will increasingly engage the for-profit private sector as the countries explore participation in the region's expanding free trade regimes.

Considerable progress is being made in education in the LAC region, a primary factor in promoting economic growth. Girls now enroll in school at rates equal to or greater than boys do at all levels of schooling (with the exception of Haiti, Guatemala, and Bolivia). The region's average student-teacher ratio of 24-1 is comparable to the world average. Although, excellent progress has been made in increasing access and enrollment rates, serious challenges remain. LAC schools are the most inefficient in the world in terms of high repetition, dropout rates, and low attendance. Students from ethnic and indigenous groups, rural populations, and poor families receive fewer years of schooling and poorer quality instruction -- ultimately leading to lower educational attainment and income-earning potential.

LAC basic education programs address these challenges and will increasingly emphasize a second generation of reforms to improve the quality, efficiency, equity, and relevance of education. Given the recent commitment of the IDB and the World Bank to double education funding to the region over the next five years, USAID is demonstrating and supporting innovative approaches for subsequent replication, in order to help ensure that international financial institution (IFI) funding is put to the best use. Consistent with the Administration's emphasis on education, in FY 2002 USAID will begin a "Centers of Excellence" activity in teacher training as announced at the Summit, in order to improve the quality of teaching in the region.

The Global Health Pillar

USAID assistance to the region is critical to achieving the strategic goal to protect human health and reduce the spread of infectious disease. Notable progress has been made in many areas over the last several years. The total fertility rate in USAID-presence countries in LAC declined by 16% between 1992 and 2000 (from 3.8% to 3.2%), due in large part to USAID's successful reproductive health programs. Both the infant mortality rate and the under-5 mortality rate declined in all USAID-presence countries between 1990 and 2000. Nonetheless, indigenous peoples, ethnic minorities, and rural populations have much worse health indicators than the majority of people and urban dwellers. The urban poor also suffer adverse health consequences from crowded living conditions and poverty in this highly urbanized region. Meeting the needs of these under-served and marginalized populations is a priority of USAID programs.

USAID health and family planning programs center on child survival and nutrition, maternal health, reproductive health, prevention and response to infectious diseases including HIV/AIDS, and health systems development. In the LAC region, our strategy is to sustain gains in child survival and reproductive health while gradually shifting from subsidizing service delivery to addressing quality of care and institutional sustainability of programs. To improve maternal health, we are working to increase the proportion of births attended by skilled personnel, in order to reduce maternal deaths and peri-natal morbidity and mortality.

Infectious disease programs focus on control of tuberculosis and malaria, and understanding and preventing anti-microbial resistance to drugs used for childhood illnesses and tuberculosis. Our HIV/AIDS strategy responds to the two faces of the epidemic in the region. In the majority of Latin America, prevalence is relatively low, so the most effective programs work to prevent transmission from groups with high-risk behaviors to the general population. In the Caribbean and adjacent areas of Central America, where prevalence is

much higher, prevention programs address the general population as well as such high-risk groups. Infectious diseases programs respond to the proximity and high levels of travel between the United States and the Caribbean and Latin America.

The Conflict Prevention and Developmental Relief Pillar

Investments in the region have paid off handsomely over the past ten years with the successful institutionalization of democratic processes, reductions in human rights violations, and peaceful transitions of power. Today, all governments except Cuba have democratically elected governments. Democracy, however, remains fragile as clearly demonstrated by recent events in Haiti, Ecuador and Paraguay. Two important, upcoming national elections in Peru and Nicaragua require our direct assistance and observation to help ensure that the election processes are free, fair, and transparent. USAID has successfully supported an end to decades of armed conflict in Guatemala, Nicaragua, and El Salvador and the beginning of a "quiet revolution" towards local democratization with elected mayors and local officials that has resulted in a more responsible and responsive two-way relationship between citizens and government. USAID assistance will continue to substantially support the consolidation of democracy in the region, including consolidating peace in Haiti and Guatemala and democratic processes elsewhere in Central America and, as vital components in USG's support for "Plan Colombia," and the Administration's new Andean Regional (ARI) and Third Border initiatives.

Alternative Development: USAID's programs to reduce coca production in Peru and Bolivia are continuing to produce impressive results. Programs promoting alternative licit cash crops and income generating activities, as well as local government strengthening are part of a comprehensive USG-supported approach to counternarcotics that also includes drug interdiction and eradication of coca crops. Since 1995, this comprehensive approach, coupled with strong host country political will to eliminate coca production, has produced a 70% reduction in coca cultivation in Peru and a 50% reduction in Bolivia. USAID's alternative development assistance has substantially increased the production and marketing of licit crops in the coca growing regions of both countries. In Bolivia, for example, the wholesale value of licit produce leaving the Chapare, Bolivia's coca growing region, increased by 35% from $41.0 million in 1998 to $55.7 million in 1999.

Unfortunately, increased Colombian production of coca has offset reductions in Bolivia and Peru. Colombia's internal conflict is in large part financed by drug profits, leading to erosion of civil governance and increasing numbers of internally displaced persons. The FY 2000 Plan Colombia Supplemental provided USAID with $123.4 million for Colombia, $80 million for Bolivia, and $8 million for Ecuador. In Colombia, the funds are financing 10,000 hectares of voluntary coca elimination, high profile judicial reform, stronger grassroots civil government, and assistance to over 100,000 displaced persons. In Bolivia, funds will expand voluntary coca elimination into the Yungas region while consolidating the successful eradication of 100% of coca cultivation in Chapare. In Ecuador, USAID is strengthening municipal governance along the northern border, working with indigenous groups, and increasing financial transparency. The regional nature of Plan Colombia is reflected in the FY 2002 Andean Regional Initiative.

Andean Regional Initiative: Continuing instability in Colombia and the vulnerability of neighboring democracies argue for a regional approach to democratic governance and economic growth as bulwarks against the spread of illicit crop production. In FY 2002, the Andean Regional Initiative (ARI) will provide $388.8 million (all spigots including DA, CSD, ESF, INC--excluding PL-480) for USAID-managed activities in Bolivia, Brazil, Peru, Ecuador, Colombia, Panama, and Venezuela. Starting in FY 2002, the ARI will provide a regional

framework for intensifying Alternative Development, Administration of Justice, and other democracy programs in the Plan Colombia countries and Colombia's neighbors, also seriously affected by the drug trade. Compared to FY 2001, INC and ESF have been respectively increased by $199 million and $50 million, for USAID-managed programs in those countries.

Third Border (Caribbean) Initiative: Under this new initiative, the Administration will strengthen the U.S.-Caribbean relationship by intensifying assistance in important sectors. Thus in FY 2002, the Caribbean Regional Program (CRP) will receive an additional $4.0 in ESF to: augment HIV/AIDS activities ($2.0 million); enable the CRP to begin a scholarship/internship program aimed at fostering leadership in the private sector ($1.0 million); and, support both disaster mitigation and transportation safety related to tourism development ($1.0 million). In addition, the State Department and USAID will seek an additional $3.5 million in FY 2002 ESF for expanded rule of law, environmental and economic competitiveness activities in the Caribbean.

Development Relief (Disaster Reconstruction and Mitigation): Hurricanes Mitch and George struck Central America and the Caribbean in late 1998, causing more than $12.0 billion in damages. They were the worst disasters to strike those sub-regions in over 100 years. In May 1999, Congress appropriated $621 million in Supplemental Funds for hurricane reconstruction, the single largest reconstruction program in the history of USAID. Thirteen USG Agencies were included in the legislation as USAID partners. As of December 31, 2000, $206.9 million or 41% of the Supplemental Funds have been expended. This is an extraordinary achievement, especially in Honduras and Nicaragua, where our missions are managing reconstruction programs that dwarf their core programs. Pursuant to an understanding reached by USAID, OMB, and the Congress, all reconstruction activities should be completed by December 31, 2001.

El Salvador was struck by two devastating earthquakes this year on January 13 and February 13, 2001, with magnitudes of 7.6 and 6.6, respectively, on the Richter Scale. There were approximately 1,150 deaths; nearly 150,000 houses were destroyed; an additional 185,000 houses were damaged; and over 1.5 million people were directly affected by these disasters. Total damage is estimated at over $2.0 billion. USAID deployed resources immediately after the first earthquake, focusing emergency assistance on shelter, water, food, and temporary health centers. To date, USAID has contributed over $14.5 million in emergency response assistance. Based on the Administration's commitment to provide $110.0 million in FY 2001 and 2002, an earthquake reconstruction package has been developed that consists of: housing; water system rehabilitation; economic growth (micro-entrepreneurs & small farmers); disaster mitigation; and rehabilitation of schools, health centers, and essential municipal infrastructure. Reconstruction has begun and will be implemented through FY 2003. Because the initial commitment of $110 million was based on the first earthquake and a second major earthquake caused more damage, USAID will continue to seek additional funds.

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 Commission, Japan, the Netherlands, and Germany. USAID's coordination and collaboration with other donors is a critical and expanding focus of its strategy in the LAC region. Our primary multilateral partners are the 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 a natural partner for USAID. Over the past year, USAID's extensive coordination with the IDB has significantly increased the impact of our foreign assistance program in the region. USAID is using its strong ties to IDB technical staff to ensure that its grant investments enrich the loan investments of the Bank. USAID has applied its established relationships with local NGOs, flexible grant funds, and in-country presence to shape IDB programming and improve execution.

Program and Management Opportunities

USAID will support President Bush's foreign policy focus on the Western Hemisphere, including the Summit of the Americas; the Administration's new Andean Regional and Third Border (Caribbean) Initiatives; consolidating peace in Central America; and, leading other donors in responding to the devastation of natural disasters.

Economic Growth and Agriculture, Global Health, and Conflict Prevention and Developmental Relief represent important categories or "pillars" of the types of assistance USAID is managing in Latin America and the Caribbean. A fourth pillar, the **Global Development Alliance** (GDA), offers a model way of doing business in order to meet the expanding opportunities described above, through greatly increasing cooperation with the private sector in financing development activities. For example, USAID currently funds a Cleaner Production activity in Latin American industries of about $8 million, which has leveraged approximately four times that amount in U.S. private sector and other donor participation and which has resulted in quick payback periods and annual savings several times larger than initial investments. This type of activity will be supported under the GDA. USAID plans to use the GDA mechanism to enhance activities under the three pillars described above, in support of President Bush's foreign policy priorities.

FY 2002 Program

USAID FY 2002 resources for the LAC region total $827.6 million. Of this amount $207.3 million is Development Assistance (DA), $100.2 million is Child Survival and Disease (CSD), $170.5 million is Economic Support Funds (ESF), $241.5 million is International Narcotics Control (INC), and $108.1 million is P.L. 480 Title II. The USAID FY 2002 program for LAC addresses the highest priority goals for the region:

Economic Growth:

- Promoting 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.

Global Health:

- Stabilizing the world's population.
- Protecting human health and reducing the spread of infectious diseases.

Conflict Prevention and Relief:

- 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.
- Preventing or minimizing the human costs of natural conflict and natural disasters.

Global Development Alliance:

- Improving the quality and extent of partnerships with NGOs.
- Increasing and enhancing U.S. corporation and foundation financial support of, and participation in, development goal areas.

LAC BUREAU
FY 2002 PROGRAM SUMMARY
(in thousands of dollars)

Country/ Fund Account	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
BOLIVIA				
- DA	27,161	25,388	26,071	25,080
- CSD	6,515	7,583	6,248	6,400
- CACEDERF	0	0	0	0
- INC	23,588	16,000	17,000	47,000
- INC/P.C.	0	80,000	0	0
- ESF	0	0	1,993	10,000
- P.L. 480/II	18,726	22,059	10,303	19,735
- P.L. 480/III	0	0	0	0
BRAZIL				
- DA	10,512	8,491	7,500	3,380
- CSD	2,932	4,150	7,883	7,800
- CACEDERF	0	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
- P.L. 480/III	0	0	0	0
COLOMBIA				
- DA	0	0	0	0
- CSD	0	0	0	0
- CACEDERF	10,000	0	0	0
- INC	5,000	5,000	0	95,500
- INC/P.C.	0	119,500	0	0
- ESF	3,000	4,000	0	0
- P.L. 480/II	0	2,306	0	0
- P.L. 480/III	0	0	0	0
CUBA				
- DA	0	0	0	0
- CSD	0	0	0	0
- CACEDERF	0	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	3,500	3,500	4,982	5,000
- P.L. 480/II	0	0	0	0
- P.L. 480/III	0	0	0	0
DOMINICAN REP				
- DA	5,998	6,800	9,490	7,282
- CSD	9,085	3,300	6,385	6,500
- CACEDERF	29,000	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	2,300	3,356	3,488	2,000
- P.L. 480/II	10,827	99	1,045	0
- P.L. 480/III	0	0	0	0
ECUADOR				
- DA	11,755	11,720	8,559	6,480
- CSD	1,950	550	0	0
- CACEDERF	0	0	0	0
- INC	0	0	0	20,000
- INC/P.C.	0	8,000	0	0
- ESF	1,200	7,000	8,969	32,500
- P.L. 480/II	642	0	0	0
- P.L. 480/III	0	0	0	0

Country/ Fund Account	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
EL SALVADOR				
- DA	20,050	19,508	24,370	19,403
- CSD	11,378	10,495	9,757	9,700
- CACEDERF	24,800	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	2,000	1,500	4,982	21,000
- P.L. 480/II	3,284	0	926	0
- P.L. 480/III	0	0	0	0
GUATEMALA				
- DA	16,400	13,150	17,297	16,210
- CSD	11,135	7,810	7,755	8,500
- CACEDERF	25,000	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	25,000	20,000	13,951	10,000
- P.L. 480/II	23,990	18,356	15,064	17,988
- P.L. 480/III	0	0	0	0
GUYANA				
- DA	2,300	3,200	3,800	3,200
- CSD	0	200	798	1,000
- CACEDERF	0	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	584	0	0	0
- P.L. 480/III	0	0	0	0
HAITI				
- DA	0	0	0	0
- CSD	0	0	0	0
- CACEDERF	9,800	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	70,000	56,950*	46,835	35,000
- P.L. 480/II	16,981	25,076	25,030	19,938
- P.L. 480/III	10,000	0	0	0
HONDURAS				
- DA	17,545	12,633	16,169	16,530
- CSD	22,840	7,400	8,436	8,800
- CACEDERF	293,100	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	0	0	996	1,000
- P.L. 480/II	42,455	9,340	2,659	5,515
- P.L. 480/III	0	0	0	0
JAMAICA				
- DA	6,120	7,810	7,792	7,482
- CSD	3,926	3,357	4,116	5,000
- CACEDERF	0	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	0	500	1,495	1,000
- P.L. 480/II	0	0	0	0
- P.L. 480/III	0	0	0	0

Country/ Fund Account	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
MEXICO				
- DA	6,882	9,562	8,640	6,165
- CSD	2,050	4,200	5,987	6,000
- CACEDERF	0	0	0	0
- INC	1,000	0	0	0
- INC/P.C.	0	0	0	0
- ESF	1,500	2,736	6,178	10,000
- P.L. 480/II	0	0	0	0
- P.L. 480/III	0	0	0	0
NICARAGUA				
- DA	16,600	14,450	16,690	17,000
- CSD	11,940	7,932	6,858	7,000
- CACEDERF	94,108	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	1,500	500	1,495	1,500
- P.L. 480/II	23,989	6,702	3,057	10,447
- P.L. 480/III	0	0	0	0
PANAMA				
- DA	4,598	3,500	3,700	4,500
- CSD	0	0	0	0
- CACEDERF	0	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	425	1,000	996	4,000
- P.L. 480/II	0	0	0	0
- P.L. 480/III	0	0	0	0
PARAGUAY				
- DA	4,694	5,175	6,345	5,375
- CSD	0	0	0	0
- CACEDERF	0	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	1,300	1,000	3,488	3,500
- P.L. 480/II	0	0	0	0
- P.L. 480/III	0	0	0	0
PERU				
- DA	24,388	27,904	29,071	28,646
- CSD	9,457	7,000	9,230	10,500
- CACEDERF	0	0	0	0
- INC	32,800	25,000	25,000	79,000
- INC/P.C.	0	0	0	0
- ESF	300	5,785	5,688	12,500
- P.L. 480/II	52,753	39,573	27,347	34,473
- P.L. 480/III	0	0	0	0
CARIBBEAN REG				
- DA	800	540	0	0
- CSD	0	0	1,497	3,000
- CACEDERF	9,100	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	700	7,000	6,975	11,000
- P.L. 480/II	0	0	0	0
- P.L. 480/III	0	0	0	0

Country/ Fund Account	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
CENTRAL AMERICA REG				
- DA	9,249	8,200	9,030	8,142
- CSD	2,700	3,150	3,692	3,700
- CACEDERF	8,700	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
- P.L. 480/III	0	0	0	0
LAC REGIONAL				
- DA	20,666	22,969	32,018	32,425
- CSD	14,020	12,830	19,502	16,300
- CACEDERF	103,993	0	0	0
- INC	0	0	0	0
- INC/P.C.	0	0	0	0
- ESF	6,975	7,000	7,573	10,500
- P.L. 480/II	0	0	0	0
- P.L. 480/III	0	0	0	0
TOTAL				
- DA	205,718	201,000	226,542	207,300
- CSD	109,928	79,957	98,143	100,200
- CACEDERF	613,501	0	0	0
- INC	62,388	46,000	42,000	241,500
- INC/P.C.	0	207,500	0	0
- ESF	119,700	124,877	120,084	170,500
- P.L. 480/II	194,229	123,508	85,431	108,096
- P.L. 480/III	10,000	0	0	0
TOTAL	**1,315,464**	**782,842**	**572,200**	**827,596**

* Excludes $3,050,000 which was transferred to State Department

Acting Assistant Administrator
Bureau for Latin America and the Caribbean
J. Michael Deal

LATIN AMERICA AND THE CARIBEAN

Budget Justification Fiscal Year 2002

Notified Levels for FY 2001

Country/Program Obj. No.	Objective Title	OYB FY 2001	Account	Amount Notified FY 2001
BOLIVIA				
511-001	Increased Citizen Support for the Bolivian Democratic System	2,821	DA	2,821
		1,993	ESF	1,993
		2,000	INC	2,000
511-002	Increased Income for Bolivia's Poor with Emphasis on Targeted Communities, Directly or Indirectly Assisted by USAID	3,600	DA	3,600
511-003	Improved Health of the Bolivian Population	13,300	DA	13,300
		6,248	CSD	3,461
511-004	Biodiversity, Forest and Water Resources Conserved	6,350	DA	6,350
511-005	Illegal and Excess Coca Eliminated from Bolivia	84,000	INC	84,000
BRAZIL				
512-001	Environmentally and Socially Sustainable Alternatives for Sound Land Use Adopted Beyond Target Areas	5,000	DA	5,000
512-002	Increased Adoption of Key Actors of Concepts, Methods and Technologies for Clean and Efficient Energy Production and Use	2,500	DA	500
512-003	Increased Sustainability and Effective Programs to Prevent Sexual Transmission of HIV among Major Target Groups	6,486	CSD	0
512-005	Improved Ability of At-Risk and Working Children and Youth to Become Productive, Healthy Citizens	1,397	CSD	898
CUBA*				
516-001	Civil Society Developed through Information Dissemination	6,056	ESF	4,202
DOMINICAN REPUBLIC				
517-002	Increase Use of Sustainable Basis Health Services and Practices	4,490	DA	0
		5,885	CSD	0
		-	ESF	0
517-003	More Participatory, Representative and Better Function Democracy Achieved	3,400	DA	2,400
		3,488	ESF	
517-005	Hurricane Georges Reconstruction	-	DA	0
		-	CSD	0
517-007	Policies Adopted that Promote Good Governance for Sustainable Economic Growth	1,600	DA	0
		500	CSD	200

* Requires separate notification

LATIN AMERICA AND THE CARIBEAN
Budget Justification Fiscal Year 2002
Notified Levels for FY 2001

Country/Program Obj. No.	Objective Title	OYB FY 2001	Account	Amount Notified FY 2001
ECUADOR				
518-001	Biodiversity Conserved in Selected Protected Areas and their Buffer Zones	5,012	DA	0
		-	ESF	0
518-002	Increased Use of Sustainable Family Planning/Maternal Child Health Services	1,250	DA	0
518-003	More Effective and Fair Criminal Justice System	600	DA	
		5,000	ESF	
518-011*	Improved Social and economic Conditions of Inhabitants along the Peru-Ecuador border, thereby Promoting Border Integration (Peru-Ecuador Border Region Development)	3,500	ESF	3,500
518-012	Increased Support for the Democratic System	600	DA	600
		5,000	ESF	
518-013	Ecuador Northern Border Development	-	DA	
		8,000	INC	8,000
518-014	Increased Economic Opportunities for the Poor	1,700	DA	1,700
		1,981	ESF	1,981
EL SALVADOR				
519-001	Expanded Access and Economic Opportunities for El Salvador's Rural Poor Families	6,779	DA	6,779
		-	CSD	0
519-002	More Inclusive and Effective Democratic Processes	4,400	DA	4,400
		1,482	ESF	1,482
519-003	Sustainable Improvements in Health of Women and Children Achieved	3,991	DA	0
		6,014	CSD	0
519-004	Increased Access by Rural Households to Clean Water	3,050	DA	3,050
519-007	Reduced Vulnerability of Rural Poor to Natural Disasters in Target Areas	-	CSD	0
		-	CACEDRF	0
519-008	The Lives of the Rural Poor Bettered in the Aftermath of the Earthquake Disasters	15,245	DA	0
		12,871	ESF	0
GUATEMALA				
520-001	More Inclusive and Responsive Democracy	2,850	DA	0
520-002	Better Educated Rural Society	2,529	CSD	2,529
520-003	Better Health for Rural Women and Children	5,737	DA	0
		5,226	CSD	0
520-004	Increased Rural Household Income and Food Security	4,780	DA	4,780
520-005	Improved Natural Resources Management and Conservation of Biodiversity	3,930	DA	0
520-006	Support the Implementation of the Priority Peace Accords	13,951	ESF	13,951
520-007	Rural Economy Recovers from Mitch and is Less Vulnerable to Disasters	-	CACEDRF	0
GUYANA				
504-001	Expanded Economic Opportunities for the Urban and Rural Poor	2,000	DA	2,000
504-002	More Responsive and Participatory Governance and Rule of Law	1,800	DA	1,800
504-003	Improved HIV/AIDS Knowledge and Prevention Strategies	798	CSD	0

LATIN AMERICA AND THE CARIBEAN
Budget Justification Fiscal Year 2002
Notified Levels for FY 2001

Country/Program Obj. No.	Objective Title	OYB FY 2001	Account	Amount Notified FY 2001
HAITI*				
521-001	Sustainably Increased Income for the Poor	10,809	ESF	4,854
521-002	Environmental Degradation Slowed	3,596	ESF	1,816
521-003	Healthier Families of Desired Size	21,570	ESF	8,650
521-004	Increased Human Capacity	6,920	ESF	2,775
521-005	Genuinely Inclusive Democratic Governance Attained	10,835	ESF	4,335
521-009	Hurricane George Recovery	125	ESF	0
HONDURAS				
522-001	Economic Reactivation Meeting the Needs of the Poor	3,240	DA	3,240
522-002	Sustainable Management of Watersheds, Forests, and Protected Areas	3,691	DA	0
522-003	Sustainable Improvements in Family Health	5,488	DA	0
		5,642	CSD	0
522-004	Strengthened Rule of Law, Accountability, and Respect for Human Rights	1,650	DA	0
		996	ESF	0
522-005	Critical Hurricane Reconstruction Needs Met	-	CACEDRF	0
522-006	Improved Opportunity to Obtain Basic Education and Skills	2,794	CSD	0
522-007	More Responsive and Effective Municipal Government	2,100	DA	2,100
JAMAICA				
532-002	Improved Quality of Key Natural Resources in Selected Areas that are Both Environmentally and Economically Significant (Ridge to Reef Program)	3,096	DA	0
532-003	Improved Reproductive Health of Youth	1,896	DA	0
		1,247	CSD	0
523-004	Increased Numeracy and Literacy among Targeted Jamaican Youth	100	DA	100
		2,869	CSD	169
523-006*	Improved Business Environment for Developing the Small, Medium, and Micro Enterprise Sectors	2,200	DA	0
523-007	Improved Economic and Social Conditions in Targeted Inner City Communities	500	DA	500
		500	ESF	500
MEXICO				
523-002	Enhanced Quality and Sustainability of HIV/AIDS and STI Services in Targeted Areas	1,996	CSD	0
523-003	More Democratic Processes Adopted in Key Government Institutions	700	DA	0
		6,178	ESF	0
523-006	Critical Ecosystems and Biological Resources Conserved	5,519	DA	0
523-007	Carbon Dioxide Emissions and Pollution Reduced	1,421	DA	0
523-008	A Sustainable and Effective Institutional Capacity Developed to Diagnose, Control and Monitor Tuberculosis in Target Areas	3,991	CSD	0
523-009	Strengthen Institutional Base for Sustainable Microenterprise Growth by Supporting Mexican Initiatives	1,067	DA	67

* Requires separate notification

LATIN AMERICA AND THE CARIBBEAN
Budget Justification Fiscal Year 2002
Notified Levels for FY 2001

Country/Program Obj. No.	Objective Title	OYB FY 2001	Account	Amount Notified FY 2001
NICARAGUA				
524-001	More Political Participation, Compromise and Transparency	1,950	DA	0
		2,795	ESF	2,795
524-002	Sustainable Growth in Small Producer Employment and Income	10,749	DA	10,749
	and Employment	-	ESF	0
524-003	Better Educated, Healthier, and Smaller Families	3,991	DA	0
		6,858	CSD	0
524-005	Rapid Reconstruction and Sustainable Recovery in Mitch-Affected Areas	-	CACEDRF	0
PANAMA				
525-004	Panama Sustainably Manages the Canal Watershed and Buffer Areas	3,700	DA	0
525-005	Momentum Toward Fairer and Faster Justice Established	996	ESF	0
PARAGUAY				
526-001	Improved Responsiveness and Accountability of Key Democratic	-	DA	0
	Institutions	-	ESF	0
526-002	Improved Management of an Expanded Protected Area System	-	DA	0
526-003	Increased use of Voluntary Family Planning Services	-	DA	0
526-004	Key Democratic Governance Practices Instituted	2,850	DA	0
		3,488	ESF	0
526-005	Sustainable Management of Globally Important Ecoregions Improved	1,000	DA	0
526-006	Use of Voluntary Reproductive Health Services Increased	2,495	DA	0
526-007	Increased Incomes for the Poor in Selected Economic Regions	-	TDB	0
PERU				
527-001	Broader Citizen Participation in Democratic Processes - Election	3,000	DA	2,146
	Support Program	7,215	ESF	215
527-002	Increased Incomes of the Poor	7,415	DA	4,205
527-003	Improved Health, including Family Planning of High-Risk Populations	14,468	DA	12,342
		8,132	CSD	3,667
527-004	Improved Environmental Management in Targeted Sector	4,188	DA	2,690
527-005	Reduced Illicit Coca Production in Target Areas of Peru	25,750	INC	25,750
527-006	Expanded Opportunities for Girl's Quality Basic Education in Target Areas	1,098	CSD	1,098
527-008*	Improved Quality of Life of Peruvians along the Peru-Ecuador Border Target Area	3,488	ESF	3,488
CARIBBEAN REGIONAL				
538-003	Hurricane Georges Reconstruction and Recovery in the Eastern Caribbean	-	CACEDRF	0
538-004	Increased Employment and Diversification in Select Non-Traditional Activities	2,500	ESF	2,500
538-005	Improved Environmental Management by Public and Private Entities	2,500	ESF	2,500
538-006	Increased Effectiveness and Efficiency of Legal Systems in the Caribbean	1,975	ESF	1,975
538-007	Hurricane Lenny Recovery in the Eastern Caribbean	-		0
538-008	Enhanced Caribbean Response to the HIV/AIDS Crisis in Target Countries	1,497	CSD	0

LATIN AMERICA AND THE CARIBEAN

Budget Justification Fiscal Year 2002

Notified Levels for FY 2001

Country/Program Obj. No.	Objective Title	OYB FY 2001	Account	Amount Notified FY 2001
CENTRAL AMERICA REGIONAL				
596-001	Increased Central American Participation in Global Markets	2,900	DA	2,350
596-002	Increased Effectiveness in Regional Stewardship of the Environment and Natural Resources in Targeted Areas	-	DA	0
596-003	Enhanced Central American Capacity to Respond to the HIV/AIDS Crisis	1,120	CSD	0
596-004	Improved Regional Capacity to Mitigate Transnational Effects of Disasters	-	CACEDRF	0
596-005	Increased Central American Competitiveness in Global Markets	100	DA	100
596-006	Improved Environmental Management in the Mesoamerican Biological Corridor	6,030	DA	6,030
596-007	Strengthened Municipal Finance Systems for Local Governments in Central America	-	DA	0
596-008	Enhanced Central America Capacity to respond to HIV/AIDS Crisis - Phase II	2,572	CSD	0
LAC REGIONAL				
598-002	Improved Human Resources Policies Adopted in Selected Latin American and Caribbean Countries	-	CSD	0
598-003	More Effective Delivery of Selected Health Services and Policy Interventions	698	DA	0
		6,895	CSD	6,895
598-004	Protection of Selected LAC Parks and Reserves Important to Conserve the Hemisphere's Biological Diversity	-	DA	0
598-005	Reinforcement of Regional Trends that Deepen Democracy in LAC	5,889	DA	0
		6,975	ESF	6,275
598-006	A Broad-Base of Leaders and Potential Leaders in LAC Countries equipped with Technical Skills, Training and Academic Education	6,000	DA	5,189
		4,000	CSD	4,000
598-016	Program Development and Learning (PD&L)	2,344	CSD	2,344
		2,000	DA	
598-017	Institutional Infrastructure Improved to Support Access of the Poor to Markets (Property, Financial, and Product)	5,122	DA	250
598-018	Environmental Performance of Targeted LAC Businesses and Communities Improved through the Promotion of Replicable Market-based Models	1,024	DA	0
598-019	Continued Participation of LAC Sub-Regional Trading Blocs in the Free Trade Area of the Americas (FTAA) Process Achieved	1,202	DA	0
598-020	Program Development and Learning (PD&L)	2,344	CSD	2,344
		2,000	DA	0
598-021	Advancing Development Cooperation Opportunities in the Hemisphere (ADCOH)	4,700	DA	4,700
		2,774	CSD	
598-XXX	Improved Conservation of the Region's Biological Resources	5,120	DA	5,120
598-XXX	Enhanced Capacity to Encourage and Implement Education Policy Reform	4,290	CSD	4,290

BOLIVIA

Program Summary (In Thousands of Dollars)				
Category	**FY 1999 Actual**	**FY 2000 Actual**	**FY 2001 Estimated**	**FY 2002 Request**
Development Assistance	27,161	25,388	26,071	25,080
Child Survival & Disease Fund	6,515	7,583	6,248	6,400
CACEDRF	0	0	0	0
Int'l Narcotics Control	23,588	16,000	17,000	47,000
Int'l Narcotics Control (Plan Colombia)	0	80,000	0	0
Economic Support Funds	0	0	1,993	10,000
P.L. 480 Title II	18,726	22,059	10,303	19,735
P.L 480 Title III	0	0	0	0
Total Program Funds	**75,990**	**151,030**	**61,615**	**108,215**

Mission Director, Liliana Ayalde

BOLIVIA

Introduction

Bolivia's commitment to economic stability and growth, democratic political reforms, and increased social welfare make it a strong development partner. Nevertheless, the country is far from ready to graduate from development assistance. The provision of greater economic opportunities for the poor, the strengthening of democratic values, the improved health of poor Bolivians, and the conservation of natural resources still need to be sustainably developed. Additionally, with the remarkable strides in illegal coca eradication over the past year, there is a strong need to continue with significant levels of alternative development assistance. USAID's strategy addresses all of these concerns, and at the same time supports several of the principal U.S. foreign policy goals as well as the Government of Bolivia's (GOB) National Plan of Action, including the GOB's target to eliminate all illegal coca from Bolivia by 2005.

The Development Challenge

Located in the heart of the Andes, landlocked and rugged, Bolivia has only recently emerged from years of political and economic instability. Bolivia remains one of the most impoverished nations in the hemisphere with over five million Bolivians living in poverty. There remains a large income gap between rich and poor that continues to widen. On the positive side, Bolivia has enjoyed macroeconomic stability for over 15 years. The government has implemented profound policy and institutional reforms in areas such as pensions, justice, decentralization, and customs. Nevertheless, Bolivia's economy has grown at only about 4% a year in the 1990s, and has been much lower over the last two years. At this rate, it will take over 40 years for the per capita gross domestic product to double. With a population growth rate of 2.3%, the economy needs to grow significantly faster and distribute benefits more broadly in order to alleviate poverty.

Because of citizen dissatisfaction and impatience with Bolivian democratic development, and the government's inability to reduce poverty significantly despite over 15 years of macroeconomic stabilization efforts led to violent demonstrations in 2000 during April and September. In addition to the loss of lives, there were dozens of road blockades which caused significant commercial hardship as well as widespread destruction of many roads. As a consequence of the general social unrest and economic crisis, living standards of the poor and those dependent on the informal sector have declined in the last two years.

In May 2001, the GOB will submit a Poverty Reduction Strategy Paper (PRSP) to the IMF and the World Bank, which is a pre-requisite for securing approximately $1.3 billion in debt relief over the next 15 years. Bolivia's external debt totals approximately $4.5 billion. The PRSP incorporates recommendations from civil society representatives, collected through nationwide public consultations under a "National Dialogue." As a key member of the core donor advisory group to the GOB, USAID played an active role in the PRSP and Heavily Indebted Poor Countries (HIPC) II process, fully participating in consultations and providing feedback, comments, and recommendations for the development of Bolivia's Poverty Reduction Strategy. The PRSP aims to alleviate poverty through the implementation of a broad-based growth strategy that will promote the efficient and transparent use of resources from HIPC, the GOB, and all donors.

Systemic constraints, such as inadequate governmental, financial and educational institutions; poor technological capability; limited financial services; a shortage of human capital and experience; and poor infrastructure continue to impede economic growth. USAID-supported activities, however, continue to achieve significant measurable successes. Examples include a proven alternative development program; innovative micro-financial services for the poor; highly successful and sustainable primary and reproductive health care services; an effective AIDS awareness and prevention initiative; innovative justice reform and citizen-participation activities; and state-of-the-art

environmental programs. Food assistance reaches out to the poorest of the poor in rural areas, enhancing food security, creating new income opportunities, and improving access to and quality of health services.

While diversifying its economy slowly, Bolivia remains vulnerable to external shocks. It has been negatively affected by a continued deterioration in the terms of trade and climatic phenomena (e.g., El Nino) that impact the agriculture sector, which constitutes close to 18 percent of the economy. Bolivia's development goal is to achieve higher rates of broad-based, sustainable economic growth, which will require assistance in reforming a broad range of policies, strengthening key public sector institutions, expanding and upgrading infrastructure and increasing private investment.

Other Donors

Bolivia has a very active donor community, with the participation of eight multilateral and fifteen bilateral donors whose contributions average $500 million per year. Thirteen of the bilateral donors are DAC members. Japan and the United States are the largest bilateral donors. The donors are organized around four development themes in support of the GOB's newly formulated National Poverty Strategy. In addition, the donors also monitor progress on the HIPC initiative and the PRSP.

FY 2002 Program

USAID's request for $108.2 million in FY 2002 funds includes support to: 1) continue our efforts in counter-narcotics through the development of alternative marketable crops and self-sustaining linkages to regional and international markets in the Chapare and Yungas; 2) strengthen the social base of democracy and governance through the implementation of key reforms and institutional strengthening of the judicial branch, the legislature and local governments; 3) continue increasing income and opportunities for Bolivia's poor through access to financial services and the introduction of high value crops and associated value added processing industries; 4) improve production technology, linking local and international product markets, productive infrastructure, and school feeding through the P.L. 480 Title II program; 5) continue to improve the health of the Bolivian population by supporting knowledge, attitude and behavior changes of mothers and children, and strengthening the quality and coverage of health care options through a more decentralized health care system; and 6) reduce degradation of forest, water, and biodiversity resources by discouraging deforestation and ensuring a reduction in pollution.

BOLIVIA
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
511-001 Increased Citizen Support for the Bolivian Democratic System				
- DA	4,000	3,100	2,821	2,500
- DFA	0	0	0	0
- CSD	0	0	0	0
- INC/Plan Colombia	0	0	0	0
- INC	8,588	2,000	2,000	7,000
- ESF	0	0	1,993	5,000
- P.L. 480/II	0	0	0	0
511-002 Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Supported by USAID				
- DA	3,295	1,997	3,600	3,500
- DFA	0	0	0	0
- CSD	0	0	0	0
- INC/Plan Colombia	0	0	0	0
- INC	0	0	0	0
- ESF	0	0	0	5,000
- P.L. 480/II	7,415	8,828	4,121	7,915
511-003 Improved Health of the Bolivian Population				
- DA	14,865	12,390	13,300	14,000
- DFA	0	0	0	0
- CSD	6,515	7,583	6,248	6,400
- INC/Plan Colombia	0	0	0	0
- INC	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	11,311	13,231	6,182	11,820
511-004 Forest , Water, and Biodiversity Resources Managed for Sustained Economic Growth				
- DA	5,000	7,901	6,350	5,080
- DFA	0	0	0	0
- CSD	0	0	0	0
- INC/Plan Colombia	0	0	0	0
- INC	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
511-005 Illegal and Excess Coca Eliminated from Bolivia				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- INC/Plan Colombia	0	80,000	0	0
- INC	15,000	14,000	15,000	40,000
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
Totals				
- DA	27,160	25,388	26,071	25,080
- DFA	0	0	0	0
- CSD	6,515	7,583	6,248	6,400
- INC/Plan Colombia	0	80,000	0	0
- INC	23,588	16,000	17,000	47,000
- ESF	0	0	1,993	10,000
- P.L. 480/II	18,726	22,059	10,303	19,735

ACTIVITY DATA SHEET

PROGRAM: BOLIVIA
TITLE AND NUMBER: Increased Citizen Support for the Bolivian Democratic System, 511-001
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,821,000 (DA), 1,993,000 (ESF), 2,000,000 (INC)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,500,000 (DA), $5,000,000 (ESF), $7,000,000 (INC)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The Democracy Strategic Objective promotes increased citizen support for the Bolivian democratic system, and helps support a fragile democracy. USAID assistance shapes judicial reform and accelerates decentralization through increased participation, greater transparency, and improved institutional performance in the judiciary, the legislature, and municipalities. This objective is assisting in the implementation of the Code of Criminal Procedures (CCP) and improving the quality of municipal governance in assisted areas. The ultimate customers are Bolivia's poor through increased participation in municipal and community government, improved representation before national-level government bodies, and greater legal security through a fairer and more accessible justice system.

Key Results: USAID's nation-wide Democracy Values Survey (DVS), conducted by the University of Pittsburgh and a Bolivian survey firm, this year revealed no significant change, positive or negative, in Bolivian support for the democratic system. This is not surprising and even encouraging given the social unrest that occurred over the past year. Survey data collected in nine municipalities that participate in USAID's Democratic Development and Citizen Participation (DDCP) activity demonstrated a more positive trend than the national survey, suggesting not only the impact of the program, but also the benefit of strong municipal governance in support of democratic institutions.

The Government of Bolivia's (GOB) strong leadership in implementing the CCP has placed this major reform back on track. However, larger investments in legal infrastructure and personnel are needed, if criminal justice reform is to succeed. Municipal governments, working under a new municipality law, are receiving improved performance and citizen satisfaction ratings. Municipal associations have greatly facilitated the replication of USAID's municipal strengthening program to over 70 of Bolivia's 314 municipalities.

Performance and Prospects: The GOB is firmly committed to the full implementation of the CCP by May 31, 2001. CCP preparations are on track in the key areas of legal and institutional reform, training, case backlog resolution, and public awareness. Successful implementation will require a substantial resource investment by the GOB, especially to create a new Institute of Forensic Investigation. The recent congressional approval of a new Public Ministry Law represents a major step forward in legal reform. This law professionalizes the selection of prosecutors, adapts their roles to the new procedures, and creates a training institute and career path. Also, USAID and the International Criminal Investigation and Training Assistance Program (ICITAP) assisted in drafting a new Police Law, which is under congressional review.

A computerized case-tracking system has been integrated among courts, prosecutors, and police in a major district. The Drug Enforcement Agency will integrate the anti-narcotics police into this system. In 2001, the system will expand to three more districts, followed by a nation-wide expansion. All judicial institutions have incorporated the requirements of the CCP into their operating plans and budgets.

In FY 2000, USAID supported the training of trainers for 120 judicial operators (judges, prosecutors, defenders, and investigators) in new CCP procedures. These operators then trained 3,000 of their colleagues throughout Bolivia. In 2001, they will receive additional CCP training to ensure its effective and full implementation, and will pass on this training to their colleagues.

The public's awareness of CCP has grown. This is reflected by the fact that two million Bolivians were reached in a public education campaign and 400,000 citizens were reached through a network of seven non-governmental organizations. According to the DVS survey, about half of all Bolivians heard of the CCP and a majority are in favor of the concept of citizen judges. However, support for judicial institutions has not shown an increase. Other USAID-funded surveys suggest that the public is supportive but still skeptical of the reform process and perceives judicial corruption as a potential obstacle. The Supreme Court resolved 700 of 1,800 cases, demonstrating steady progress in reducing the case backlog.

Progress toward municipal decentralization has been steady as municipalities take greater leadership in implementing the Popular Participation Law in spite of weak GOB support. USAID facilitated the creation of municipal associations in eight of nine departments. Women council members increased from 128 to over 500 due to stronger provisions in the Electoral Code. In contrast, the percentage of women participating in municipal budget meetings declined. USAID funded the creation of an Association of Women Council Members. The departmental associations and the women council members association have in turn formed a Federation of Municipal Associations, which emerged last year as the recognized representative of the municipalities in national policy discussions.

Bolivian citizens increasingly recognize the importance of the municipality in their political and economic life. This is reflected by civil society leaders active involvement in the National Dialogue, which was conducted as an essential process for securing debt relief. Although GOB and church leaders initially downplayed the importance of municipalities, the participants, who consisted mostly of civil society leaders, concluded that the entire $1.3 billion of debt relief should be channeled through municipalities. In the DVS survey, 46% of respondents declared that the municipality should receive more resources and responsibility, while only 16% identified the central government. In spite of a year of political crises, this endorsement of municipalities was significantly higher than in 1998.

USAID has made a significant impact on decentralization policy. At the GOB's request, USAID funded the development of the methodology and framework for the National Dialogue, assisting all departmental consultations and assuring that input was received from all levels of society. The GOB and Inter-American Development Bank shared with USAID the publishing costs of these participatory methodologies, which will also be utilized by the German Agency for Technical Cooperation (GTZ). Moreover, the GOB is drafting a resolution to make these methodologies public policy for implementing the Popular Participation Law. To date USAID's, DDCP program has applied these methodologies in 76 of Bolivia's 314 municipalities, and plans to reach an additional 100 municipalities over the next two years. USAID also supports the training of nearly 500 women mayors and municipal council-members (more than 80%) in effective municipal management and leadership.

Coupled with the rise in importance of municipal associations, Bolivia has witnessed an explosion of self-initiated "mancomunidades" (partnerships) of municipalities. These partnerships have grown from seven in 1998 to 44 in 2000. USAID contributes directly to support the long-term viability of 16 mancomunidades, while creating a mechanism to provide on-going technical assistance to municipalities to address the frequent turnover in municipal leadership and administration.

Citizen participation and support for municipal government continues to grow in USAID supported municipalities, while at the national level support remains relatively steady. Citizen satisfaction with

municipal services rose from 45% in 1998 to 49% in 2000 in DDCP-assisted municipalities. Citizen participation in municipal government rose from 16% in 1998 to 18% in DDCP municipalities, but dropped from 14% to 12% at the national level. Women participation in municipal budget meetings dropped from 10% to 8% in DDCP municipalities, and from 9% to 6% at the national level. USAID will continue to explore methodologies for increasing and measuring women's participation.

During FY 2001 and FY 2002, USAID justice reform assistance will focus on full implementation of the new Code of Criminal Procedures and complementary legislation using $2,000,000 of INC funds and $1,993,000 of ESF in FY 2001, and $7,000,000 of INC in FY 2002 (of which $500,000 will go to ICITAP). USAID's justice reform efforts will include professionalizing prosecutors, computerization of additional case tracking systems, widespread public awareness and instruction on issues of rights and responsibilities under the Code which touch on ethics and anti-corruption themes. USAID will ensure that citizen demands are effectively channeled and national legislative representatives' ability to respond are strengthened ($500,000 DA in FY 2001 and $500,000 DA in FY 2002). USAID will also continue its decentralization efforts, including the expansion of political skills training and organization-building activities to the growing number of women council members and department representatives; establishment of an internet platform to assist several municipal associations in internal and external communications and private sector partnerships ($2,321,000 DA in FY 2001 and $2,000,000 DA in FY 2002). USAID will use $5,000,000 in ESF in FY 2002 to continue to strengthen the legislature and municipalities, and to strengthen Bolivia's democratic political culture.

Possible Adjustments to Plans: USAID will assist in broadening the participation of civil society in strengthening the rule of law and increasing congressional responsiveness to constituents. An internet platform will assist several municipal associations in internal and external communications and private sector partnerships. Also, municipal-strengthening activities will be expanded to the Yungas area as part of a new alternative development program there.

Other Donor Programs: Donor coordination remains strong, although better communication with the World Bank is needed in the justice sector. The Inter-American Development Bank's (IDB) new civil society program complements USAID efforts in the justice sector. USAID participated in the World Bank's design of a decentralization loan planned for 2001. USAID and he German Agency for Technical Cooperation (GTZ) share a common implementation plan, jointly financing training and technical assistance. The Netherlands provides decentralization assistance. A coordination group for legislative strengthening consists of USAID, the German foundations, the IDB, and Bolivian congressional institutions.

Principal Contractors, Grantees or Agencies: USAID implements its democracy activities primarily through the following U.S. organizations: Management Sciences for Development (for justice reform); Chemonics and International City Managers Association (for decentralization); and the University of Pittsburgh (for the DVS). A Bolivian survey firm is also involved in the DVS.

FY 2002 Performance Table

Bolivia: 511-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Key justice sector institutions adapt their Annual Operative Plans to the new legal reform	0	0	0	0	0	3	4
Indicator 2: Improved quality of contacts between "uninominales" and their constituencies in DDCP electoral districts	NA	0	0	16	50	NA	NA
Indicator 3: Increased female participation in DDCP municipal meetings including Annual Operating Plan preparation.	NA	10	11	8	12	14	16

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of institutions	Annual Operating Plans of institutions involved	Institutional strengthening is one of the key work areas for the successful implementation of the Code of Criminal Procedures. This indicator measures level of GOB commitment, and also contractors' ability to assist judicial institutions to adapt to the new requirements of the reform. Note: Indicators have been changed since the FY 2001 Budget Justification to better measure program performance.
Indicator 2:	IR	Percentage of agreed-upon actions completed by "uninominales" in 15 districts	Contractor's reports	This indicator measures the quality of uninominales - constituents contacts by keeping track of the number of "agendas for action" jointly agreed in the 15 districts, and the percentage of completion of these agendas. The baseline for 1998 is zero, as no actions had been jointly identified yet. Note: Indicators have been changed since the FY 2001 Budget Justification to better measure program performance.
Indicator 3:	IR	Percentage of women participating in municipal budget meetings	Democratic Values Survey (DVS)	This indicator measures the level of participation of Bolivian women in local politics. This is a percentage of women in DDCP municipalities who said they have attended a municipal meeting in the last year. Note: Indicators have been changed since the FY 2001 Budget Justification to better measure program performance.

U.S. Financing (in thousands of dollars)			
Program: Bolivia			
Title and Number: Increased Citizen Support for the Bolivian Democratic System, 511-001			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	13,470 DA	8,897 DA	4,573 DA
	0 CSD	0 CSD	0 CSD
	12,838 INC	10,085 INC	2,753 INC
	0 ESF	0 ESF	0 ESF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,100 DA	1,919 DA	
	0 CSD	0 CSD	
	2,000 INC	1,658 INC	
	0 ESF	0 ESF	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	16,570 DA	10,816 DA	5,754 DA
	0 CSD	0 CSD	0 CSD
	14,838 INC	11,743 INC	3,095 INC
	0 ESF	0 ESF	0 ESF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 INC		
	0 ESF		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	2,821 DA		
	0 CSD		
	2,000 INC		
	1,993 ESF		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	2,821 DA		
	0 CSD		
	2,000 INC		
	1,993 ESF		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	2,500 DA	5,000 DA	26,891 DA
	0 CSD	0 CSD	0 CSD
	7,000 INC	10,000 INC	33,838 INC
	5,000 ESF	4,000 ESF	10,993 ESF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: BOLIVIA
TITLE AND NUMBER: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities, Directly or Indirectly Assisted by USAID, 511-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,600,000 (DA), $4,121,000 (PL 480)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,500,000 (DA), $5,000,000 (ESF), $7,915,000 (PL 480)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The goal of the Economic Opportunities Strategic Objective is to reduce poverty by increasing the income of Bolivia's poor with a particular emphasis on targeted communities directly and indirectly assisted by USAID. The objective is designed to address three key constraints that perpetuate rural and urban poverty: 1) limited access to financial services by the poor in urban and rural areas; 2) the need for enhanced income opportunities for the rural poor through the production and marketing of agricultural commodities; and 3) low levels of primary school enrollment, especially among girls in poverty stricken areas of the country. Ultimate customers are poor rural communities that have a largely indigenous population where women play the central role in the family.

Key Results: Despite a weak economic performance and the adverse impact of a serious and costly civil disturbance, the average annual income of USAID-assisted rural households continued to increase, rising from $950 in 1999 to $1,145 in FY 2000. This significant increase is due to a combination of factors that include expansion in the area under cultivation, excellent growing conditions and high prices for commodities, principally staple crops. The cumulative number of farms and other productive units receiving technological services rose to 9,821 from 6,300 in 1999. This is partly due to the addition of a fourth non-governmental organization (NGO) reporting its data this year. The adoption of new technologies increased significantly, and production and sales of primary (non-livestock) commodities increased by 40%. Outstanding loans (up to 219,184 from 214,687 in 1999) failed to reach the target of 275,000. However, USAID feels the overall performance is excellent given the ongoing micro-finance crisis that continues into a second year. All of the five major private financial funds registered a slight profit. Loan default rates declined from 10% last year to only 8% in 2000 reflecting an improvement in the quality of the overall portfolio. In support of important gender goals, over 65% of the recipients of these loans were women. Despite the economic crisis affecting Bolivia, it is important to note that all Micro Finance Institutions (MFI), while registering a decline in overall profits, nonetheless maintained their profitability. School attendance by girls in primary school slightly exceeded established targets.

Performance and Prospects: Serious factors affecting Bolivia's economic performance coincided with the near saturation of micro credit markets in urban and peri-urban markets. The microcredit Private Financial Funds, in particular, showed their resilience by taking corrective measures to consolidate their portfolios which included stepping up collections, closing problem branches, reducing exposure to individuals and sectors with unsatisfactory repayment. As a result of this, MFI delinquency rates in 2000 were below those of banks and credit unions. During 2000, the number of MFI clients contracted slightly; only one MFI experienced an increase in number of clients. MFI mergers and consolidations are increasingly attractive; four NGOs consolidated in 1999 and others are considering mergers.

Intense competition is beginning to benefit clients as MFIs diversify their products and explore new markets. Solidarity group lending has given way to increased individual lending. MFIs increasingly are using mobile property and mortgages as guarantees. On-lending interest rates have declined in all the MFIs and new savings products have been introduced.

In FY 2000, a total of 9,821 production units (farms, artisans, firms, etc.) received technological services, a major increase over the target of 5,711. The P.L. 480 Title II program, operating in some of Bolivia's poorest communities, resolved productive infrastructure constraints in 357 communities in 2000, an increase of more than 50% from 1999. These significant increases are partially due to an increase in the number of NGOs working in target areas. Community participation in road improvement and micro-irrigation projects in 2000 resulted in placing 683 new hectares under irrigation (22% increase over target) and improving 580 kilometers of farm-to-market roads improved (down 38% from the target primarily due to delay in counterpart funding from participating municipal governments). Title II activities conducted by four U.S. Cooperating Sponsors continues to account for the bulk of these services. It is apparent that Cooperating Sponsors' investment in community training and agriculture extension and marketing is accelerating access and adoption of technological and marketing services. As a result of this, agriculture production of selected crops and net income from agriculture rose an average of almost 40% over target.

The Market Access and Poverty Alleviation (MAPA) activity's work with the newly established Foundation for Transfer of Agriculture Technologies in the Valleys is designed to strengthen institutional capacity to provide agriculture and marketing technologies through a private sector foundation. In December 2000, $3.2 million was apportioned for the Competitive Fund for Innovation and will be available to the Valleys Foundation to finance research, production, and marketing activities designed to increase farm and non-farm income.

The Title II School Breakfast program remains popular at the municipal level. Since female enrollment rates are generally low in many rural areas, a key goal of the Title II School Breakfast program is to increase the proportion of girls enrolled and remaining in school. Although the drop-out rate indicator is not sufficiently sophisticated to determine the impact of out migration, re-enrollment, or self-interested under-reporting by school administrators, data show that the proportion of girls enrolled in target communities in 2000 reached 181,764 versus 180,291 in 1999.

During FY 2001 and FY 2002 USAID will continue to address the root causes of poverty in Bolivia. The MAPA program ($1,800,000 DA in FY 2001 and $1,750,000 DA in FY 2002) will increase the access of small farmers to technology and markets, and assist the joint GOB-Inter-American Development Bank (IDB) initiative to create a private agricultural development foundation for Bolivia's Valleys Region. The Rural Financial Services Program will increase the access of Bolivia's rural poor to credit, savings and other financial services ($1,800,000 DA in FY 2001 and $1,750,000 DA in FY 2002). USAID will use $5,000,000 in ESF in FY 2002 to develop a rural-based policy reform program intended to reduce rural poverty and create additional employment and investment in rural Bolivia. The policy reform program intends to: reduce high internal transportation costs that affect agricultural productivity; increase the use of improved technologies for production, post-harvesting and packaging; increase financial services in the rural areas; and review and rationalize import duties on agricultural inputs. Title II funding of $4,121,000 in FY 2001 and $7,915,000 in FY 2002 will be used for increasing agricultural productivity and improving marketing links.

Possible Adjustments to Plans: Despite the proven institutional strength of regulated lending institutions, a third year of poor economic growth will seriously affect Bolivia's micro-finance program. A diagnostic study of over-indebtedness is planned for March 2001 to enable policy makers and lending institutions to understand the reasons for multiple lending from the demand (borrower's) perspective. A study of microenterprise and the environment will identify ways of increasing borrower and lender awareness of negative environmental impact mitigation. USAID will extend its MAPA activity into the Yungas region, using Plan Colombia supplemental funding. For 2002, USAID will develop a rural-based policy reform program that reduces rural poverty and

creates additional employment and investment in rural Bolivia. The policy reform program will focus on: reducing high internal transportation costs that affect agricultural productivity; increasing the use of improved technologies for production, post-harvesting and packaging; increase financial services in the rural areas; and reviewing and rationalizing import duties on agricultural inputs.

Other Donor Programs: USAID works closely with a donor committee on micro-finance which includes representatives from Germany, Belgium, IDB, Canada, Denmark, Sweden, Switzerland, the Netherlands, Spain, and the European Union. The group meets periodically to coordinate efforts on micro-finance activities and has issued policy papers for GOB consideration. In coordination with the Ministry of Agriculture, USAID also works closely with the IDB, British Development Agency, German Agency for Technical Cooperation, the Dutch Embassy and the Swiss Development Agency in the design and implementation of MAPA and other areas of Bolivian agriculture development strategy. Donor coordination in agriculture marketing as well as financial services continues to be strong, positive and active.

Principal Contractors, Grantees or Agencies: Major U.S. contractors, grantees, and implementers for microenterprise activities include the World Council of Credit Unions, Chemonics International, Development Alternatives International, ACCION International, the Foundation for the Promotion and Development of Microenterprises, and the Center for Economic Initiatives. Four Title II Cooperating Sponsors are: the Adventist Development and Relief Agency, Project Concern International, CARE, and Food for the Hungry International. Four Bolivian organizations are involved in microenterprise activities.

FY 2002 Performance Table

Bolivia: 511-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of outstanding loan clients	163,091	189,055	214,687	219,184	275,000	300,000	325,000
Indicator 2: Average annual income of rural households in USAID assisted communities.	900	665	950	1,145	870	950	998
Indicator 3: Cumulative number of communities with productive infrastructure constraints resolved	297	458	642	999	735	800	870
Indicator 4: Number of production units receiving technological services	5,388	5,541	6,300	9,821	5,711	8,007	9,200

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Persons	USAID supported microfinance institutions	Number of clients with outstanding credit obligations at the end of every calendar year. Note: Indicator has been changed since the FY 2001 Budget Justification to better measure program performance.
Indicator 2:	SO	US Dollars	Title II program, survey data from cooperating sponsors.	The indicator includes sales of all agricultural-related goods, services, inputed value of own consumption and gifts. Off-farm remittance and government payments are not included. Note: Indicator has been changed since the FY 2001 Budget Justification to better measure program performance.
Indicator 3:	IR	Number of communities	Title II (PCI, FHI, ADRA)	Number of communities that benefit from one or more productive infrastructure works that eliminate a critical bottleneck in production and marketing. Infrastructure works include road construction and improvement and micro-irrigation projects.
Indicator 4:	IR	Production Units	BOLINVEST, 3 Title II cooperating sponsors and other USAID supported institutions	"Receiving technological services" is understood as services provided to production units as requested by them or identified as needed by the organization that provides technical assistance. "Production Units" are farms, artisans, firms and other production units of work.

U.S. Financing (In thousands of dollars)			
Program: Bolivia			
Title and Number: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Supported by USAID, 511-002			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	57,941 DA	49,788 DA	8,153 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	1,850 DA	2,444 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	59,791 DA	52,232 DA	7,559 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	3,600 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	3,600 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	3,500 DA	7,000 DA	73,891 DA
	0 CSD	0 CSD	0 CSD
	5,000 ESF	10,000 ESF	15,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: BOLIVIA
TITLE AND NUMBER: Improved Health of the Bolivian Population, 511-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $13,300,000 (DA), $6,248,000 (CSD), $6,182,000 (PL 480)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $14,000,000 (DA), $6,400,000 (CSD), $11,820,000 (PL 480)
STATUS: Continuing
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The Strategic Objective seeks to raise the quality of life among Bolivia's poor through improved health, as measured by both survival (infant, child, and maternal mortality) and the quality of that survival (child nutrition status, birth intervals, and disease). Principal results are strengthened health knowledge and practices; improved coverage and quality of health services; and a more participatory and decentralized health system. Ultimate customers are low-income Bolivians, who are at greatest risk of untimely death and low quality of life. The program impacts about 70% of Bolivia's approximately eight million people.

Child Survival and Disease (CSD) and P.L. 480 Title II funds are used to strengthen immunization; institutionalize integrated prevention and management of childhood illnesses in medical facilities and communities; promote breastfeeding, proper weaning, and intake of micronutrients; improve maternal health services; control such infectious diseases as malaria, tuberculosis, yellow fever, leishmaniasis, dengue, and chagas; and slow HIV/AIDS transmission. Development Assistance (DA) funds are used to strengthen family planning and wider reproductive health (prenatal care, maternity care, and sexually–transmitted diseases) and to fund population research and demographic analysis.

Key Results: Public sector health services gained strength over the year, and new policy directions point to further decentralization of health services. Assistance at childbirth by trained attendants (CSD; DA; Title II) measures service coverage and quality, and serves as a proxy for maternal mortality. Institutional births increased from 52% to 55% of all births in 2000, and are on target. Although assisted births have increased by 72% since 1995, this data maybe underreported. USAID support is key to strengthening obstetrical services with activities in five of Bolivia's nine departments.

Couple-years of protection (CYP), an estimate of protection provided to couples by contraceptive methods, indicate people's improved practices and can reflect women's well being (DA funds). After two years of slow growth, CYP grew by 15% in 2000, to 269,052, or 107% of the target. The three-month injectable contraceptive almost doubled its share, from 6% to 11% of all CYPs. The economic crisis is hurting non-governmental organizations (NGOs), which charge for contraceptives; their portion of CYPs fell from 25% in 1999 to 21% in 2000. In contrast, the public sector, which provides contraceptives free of charge, increased its share from 47% in 1999 to 50% in 2000. Social marketing sales maintained their 29% share of CYPs. USAID supports family planning through contraceptive supply, logistics assistance, and the provision of training and client education.

The extent to which targeted children receive the third dose of DPT vaccine (or its equivalent) (CSD; Title II) measures service coverage and quality annually and is a proxy for infant mortality. In 2000, vaccination coverage in USAID target areas rose from 62% in 1999 to 73%, well above the target of 65%. The measles epidemic of 1998-99 was halted, with USAID playing a significant role in collaboration with other donors and the Government of Bolivia (GOB).

The number of municipalities that provide cost-sharing contributions (CSD; DA; Title II) shows the annual level of local ownership of health activities, reflecting participation and decentralization. In 2000, 114 municipalities (95% of the target) provided this contribution to USAID-funded NGOs, either in currency or in kind. This covers 36% of Bolivia's 314 municipalities.

Performance and Prospects: USAID is the major donor in the areas of: family planning, wider maternal health, immunization and NGO support; while attribution cannot be exclusive, USAID's role is pivotal in all four areas. The Title II program showed reductions in chronic malnutrition this year. In one program area, 36% of children under five years of age are currently malnourished, against 52% in 1996. Malnutrition of children under-five across program areas was decreased from 53% to 50%, still a positive sign, given the negative economic situation.

USAID is undertaking a mid-course program assessment. Full partner participation has provided invaluable customer feedback in evaluating activities and diagnosing areas warranting additional support. Areas that may require additional support include coordination mechanisms within the public sector and between the public sector and NGOs, municipalization of health services, social mobilization for health, as well as more traditional needs in human resources, services and sustainability.

With the caveats of an inauspicious economic climate and the uncertainties that accompany an impending election year, signs are good that performance will continue at least apace and perhaps at an even stronger rate. As illustrated below, work in health is leveraging technical and financial resources by working in close partnership across national and technical lines and is making gains in sustainability.

The infectious disease initiative, launched in 1999, strengthened regional cooperation. Since August 1999, USAID health teams in Bolivia, Brazil and Peru, together with national counterparts, have coordinated 15 regional activities that manifest the dynamic synergies and mutual rewards of cooperation. Examples are an assessment of Bolivia's immunization program; development of regional strategies for malaria, dengue, and yellow fever; measles eradication; cross-border actions to slow HIV transmission; and technical assistance in epidemiological surveillance and vector-borne disease research.

A key GOB commitment emanating from the national dialogue was increased decentralization of the health system. This may imply elimination of the current structure of 96 health districts and the formation of mancomunidades (federations of municipalities) to optimize resources targeted for health. USAID is building synergies within its program. The Democracy team is working with the Health team on a joint effort to support municipalization of health services in targeted municipalities. Likewise, the Health team is working with the Counter-narcotics team to expand health activities in the Yungas as part of an alternative development program to reduce coca cultivation.

There have been three notable advances in achieving sustainability within the health sector. Policy dialog has resulted in the GOB's financing positions in HIV/AIDS, the Social Security Institute and the demographic analysis unit. Second, to reduce future in-service training needs, significant gains have been made in reforming undergraduate curricula in reproductive health, tuberculosis, integrated management of childhood illnesses, and epidemiology. Finally, the NGO ProSalud completed its expansion phase by opening its 34th center, and modernized its by-laws.

USAID will use CSD ($6,248,000 in FY 2001 and $6,400,000 in FY 2002) and P.L. 480 Title II funds ($6,182,000 in FY 2001 and $11,820,000 in FY 2002) to strengthen immunizations; institutionalize integrated prevention and management of childhood illnesses in medical facilities and communities; promote breastfeeding, proper weaning and intake of micronutrients; improve maternal health services; control such infectious diseases as malaria, tuberculosis, yellow fever,

leishmaniasis, dengue, and chagas; and slow HIV/AIDS transmission. DA funds ($13,300,000 in FY 2001 and $14,000,000 in FY 2002) are used to strengthen family planning and wider reproductive health (prenatal care, maternity care and sexually-transmitted diseases) and to fund population research and demographic analysis.

Possible Adjustments to Plans: A workshop with partners identified areas meriting further investment or modification, including a further reduction in the number of cooperating agencies in order to solidify program focus, as well as expanding the scope of work of some in-country partners.

Other Donor Programs: USAID is taking the lead on enhancing coordination among bilateral agencies. Bilateral assistance donors include: Great Britain (reproductive health and infectious diseases); Spain (management training); Belgium (tropical disease research); Canada (health management and water/sanitation); Germany (reproductive and adolescent health and integrated management of childhood diseases); and Japan (infrastructure and equipment, much of it for the Social Security Institute). With respect to multilateral assistance, the Inter-American Development Bank supports the Epidemiological Shield (infectious diseases) program and the World Bank supports the basic health insurance program and nutrition.

Principal Contractors, Grantees or Agencies: U.S. partners include four PVO cooperating sponsors of Title II (Food for the Hungry International, Project Concern International, Adventist Development Relief Agency, and CARE); 11 cooperating agencies that provide technical assistance to partners; and Population Services International for social marketing and client education. Other partners include the Ministry of Health for a multi-faceted activity with national scope and in priority health districts; Bolivian NGOs ProSalud and the Center for Education, Investigation and Services, both with service delivery networks; and the local Federation of Coordinated Programs for Integrated Health, through which activities of 24 NGOs in child survival, reproductive health, and infectious diseases are funded.

FY 2002 Performance Table

Bolivia: 511-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Percent of births attended by trained birth attendants in Bolivia in a given calendar year.	43	47	52	55	55	58	60
Indicator 2: Percent of infants under age 1 who received the third dose of DPT in USAID-assisted activity sites in a given calendar year.	NA	45	62	73	65	68	70
Indicator 3: Total number of couple-years of protection (CYPs) provided by USAID-assisted activities in a given calendar year.	233,562	223,756	232,329	269,052	250,718	259,026	271,977
Indicator 4: Number of municipal governments with formal agreements with USAID-assisted partners that have provided a cash or in-kind counterpart contribution.	65	59	111	114	120	95	90

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percent	National Health Information System (NHIS): no. of births attended; National Statistical Institute (INE) projections: no. of expected births.	Number of births attended by a health worker trained in obstetrics (i.e., physicians, nurses, nurse auxiliaries and midwives)/total number of expected births x 100. Births may be in health facilities or homes. Note: Indicators has been changed since the FY 2001 Budget Justification to better measure program performance.
Indicator 2:	IR	Percent	USAID/Bolivia's Information Monitoring Tool, National Health Information System	Number of infants under age 1 (0-11 months) who received the 3rd dose of DPT vaccine before their first birthday/ Total no. of children under age 1 in USAID-assisted activity sites in rural areas x 100. Note: Indicators have been changed since the FY 2001 Budget Justification to better measure program performance. Note: Indicator has been changed since the FY 2001 Budget Justification to better measure program performance.
Indicator 3:	IR	Number	National Health Information System, Information Monitoring Tool, Commodity Management Tool	The estimated protection provided to couples by contraceptive methods obtained from USAID-assisted family planning services during a one-year period. Methods include condoms, oral contraceptives, IUDs, vaginal tablets, injectables and voluntary surgical contraception. Natural methods will be included as of 2002, with baseline in 2001, after relevant training is completed this year.
Indicator 4:	IR	Municipal government	USAID/Bolivia's Information Monitoring Tool. This indicator is not cumulative.	This indicator demonstrates direct USAID support to local government units, which under the Popular Participation Law (PPL) are responsible for the administration of health care services at the local level. It shows the extent to which municipal governments and USAID-funded NGO health care providers are responding to incentives created by the PPL to establish public and private partnerships in pursuit of improved health. It also shows the willingness of municipal governments to complement USAID resources with counterpart contributions, in efforts to provide better health services to their populations. These joint agreements point to local responsibility for health, shared participation by responsible parties and greater chances for sustainability of the activities in the aftermath of USAID funding. Note: Indicator has been changed since the FY 2001 Budget Justification to better measure program performance.

U.S. Financing (In thousands of dollars)			
Program: Bolivia			
Title and Number: Improved Health of the Bolivian Population, 511-003			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	91,958 DA	77,901 DA	14,057 DA
	45,387 CSD	36,641 CSD	8,746 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	12,390 DA	13,011 DA	
	7,583 CSD	8,541 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	104,348 DA	90,912 DA	13,436 DA
	52,970 CSD	45,182 CSD	7,788 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	13,300 DA		
	6,248 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	13,300 DA		
	6,248 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	14,000 DA	25,000 DA	156,648 DA
	6,400 CSD	12,800 CSD	78,418 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: BOLIVIA
TITLE AND NUMBER: Forest, Water and Biodiversity Resources Managed for Sustained Economic Growth, 511-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $6,350,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $5,080,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Bolivia's 53 million hectares of forest exceed those of Central America and Mexico combined, and its tropical Andes are the "epicenter" of global biodiversity. These natural resources are at risk due to deforestation, poor protected area management and pollution. USAID programs conserve Bolivia's environment through a three-pronged approach: 1) increasing private and public sector capacity to manage natural forests while creating economic incentives for forest conservation; 2) improving the management of protected areas (e.g. Gran Chaco National Park, the largest in the hemisphere managed by an indigenous group); and 3) promoting the adoption of cleaner industrial production processes and the proper disposal of medical waste. Achieving the Strategic Objective depends on strengthening the private sector's role in conserving natural resources and reducing urban pollution, which in turn improve human health and child survival. The people of Bolivia directly benefit from these efforts.

Key Results: Overall progress continues to be outstanding. In 2000, Bolivia became the global leader in sustainable tropical forestry with 884,980 hectares of natural forests independently certified as well managed. The value of certified forest product exports surpassed $12 million, up 61% since 1999 (and exceeding the 2000 target by 26%). Moreover, an additional 1.8 million hectares of forests are also being well-managed, i.e., applying twelve key practices. The 3.4 million hectares of land in Kaa Iya del Gran Chaco National Park experienced advances as a result of management plan approval, strengthened financial management, and the completion of three years of applied community-based wildlife research. While not meeting its target, cleaner production activities expanded to include the first environmental audits of medical centers.

Performance and Prospects: Progress continues to be very strong, despite the serious economic downturn that Bolivia has experienced. A weak economy has been an important constraint given that the environment program focuses on improving private sector involvement with environment issues. Nonetheless, the total area of well-managed forests and parks rose slightly to 2,655,296 hectares.

Although Bolivia became the world leader in certified forestry in 2000, actual hectares certified fell slightly behind the target of 1,000,000 hectares because of a slowdown in the forest-based economy and lower exports. This target will be met in the first quarter of 2001. Moreover, because of strong overall progress, targets were increased for certified forests and certified exports by 25% or more for the period 2001-2003.

In 2000, USAID increased its efforts to involve local and indigenous groups in forestry activities. USAID supported six local producer groups and three indigenous groups in the development of forest management plans for over 285,000 hectares. With USAID assistance, six of these groups have entered into strategic alliances with the forestry industry to sell their products. Additionally, USAID assisted six municipalities in the successful consolidation of their forestry units.

Despite continued progress in improving forest management, the major constraint to Bolivian forestry is the efficient and competitive export of wood products. While exports of certified forest products have grown, wood exports as a whole have declined considerably. Causes include limited

entrepreneurial skills of Bolivian companies and high production costs resulting from inefficiencies. To address these concerns, USAID supported the creation of the Amazon Center for Sustainable Forest Enterprise (CADEFOR) to strengthen the link between Bolivian producers and markets. CADEFOR's progress has been weak for several reasons, including the lack of proper management systems and the weak economy, which limited its ability to charge for services. USAID is addressing these constraints by: 1) performing a series of financial reviews of CADEFOR and the Trust; 2) restructuring support to CADEFOR and the Board of Directors to increase oversight (to be provided by the Bolivia office of the World Wildlife Fund); and 3) ensuring that U.S. Forest Service technical assistance is more strategically focussed.

In 2001, USAID will provide 33 communities with technical assistance, ranging from internal organization to marketing. In a major step for community forestry, at least three local and indigenous groups will undertake certification evaluations. USAID will continue to monitor strategic alliances between communities and industry to facilitate the development of greater trust and better agreements. As a result, in 2001 the area of forest internationally certified as "well-managed" is expected to climb to 1.4 million hectares and certified sales are projected to surpass $15 million.

The Wildlife Conservation Society (WCS) and USAID joined the Tacana Indigenous Council's efforts to legally obtain and sustainably manage over 500,000 hectares of their ancestral lands. Properly managing these forests, which are greatly threatened by colonization, is critical to the economic livelihood of the Tacana people and to the conservation of neighboring Madidi National Park. Timely technical, legal, and logistical assistance provided by USAID has allowed the Tacana Indigenous Council to consolidate its legal rights and fully participate in the titling process. This assistance has been particularly important given the conflictive social climate during 2000 in which other actors have attempted to claim these lands as their own. In 2001, the land titling process is expected to come to fruition and USAID will turn its attention to working with the Tacana people to manage sustainably the wildlife on their lands.

In the Chaco, progress continued in the conservation of the Kaa Iya del Gran Chaco National Park. The Government of Bolivia formally approved the management plan for the Kaa Iya National Park. Weak financial management systems within the Izoceño tribe's organization co-managing the park had been the main constraint in previous years. In 2000, the organization carried out a complete restructuring of its financial systems and implemented a new consolidated administrative system to correct problems in its internal financial controls. An independent audit confirmed significant advances in their financial control system.

Progress on this front was the basis for the development of a new three-year agreement to consolidate the conservation of the park. In 2001, the WCS and the Tacana Indigenous Council will implement the management plan and focus on fire monitoring and control, improved local exploitation of forest resources, and the control of illegal hunting. In addition, the Charagua educational district will also become the site for a national pilot program in environmental education.

USAID will also assist in the development of a management plan for the 1.9 million hectares Izoceño indigenous territory, integrating its management with the adjacent national park that will ultimately result in the conservation of an area larger than the country of Costa Rica. This effort will not stop at the border; the WCS will also provide technical support to a Paraguayan non-governmental organization to complete a proposal for a biosphere reserve bordering Bolivia. These activities will lead to the creation and management of a conservation area of millions of hectares.

In Tarija, the local, privately-owned water company and five municipalities have committed to work with the Nature Conservancy and its local partner to conserve Tarija's water source, Sama National Park. If successful, this public-private partnership could serve as a model for watershed

conservation in Bolivia, where conflicts over water rights have been severe. In 2001 these institutions will develop a joint strategy for the maintenance of Tarija's water sources.

In 2000, the USAID-funded Center for the Promotion of Sustainable Technologies: carried out the first-ever environmental audits of medical centers in Bolivia; established technical requirements for managing and/or closing the La Paz municipal land fill; trained technical staff at various factories and supported training for post-graduate students; completed policy analyses with private sector companies regarding pricing policies for energy and water; continued to provide input for legislation affecting competitiveness of the private sector; and supported GOB efforts to establish guidelines for the disposal of hospital waste. In 2001, the Center will: continue to work with industries to implement cleaner production practices, including ground-breaking work with Bolivia' largest smelter; work with the municipalities of Sucre and Tarija to systematically address pollution problems; train more technical staff; and continue to work on medical waste issues.

During FY 2001 and FY 2002, USAID will extend the forestry activities to consolidate gains in the sector and expand participation of indigenous groups and local producer associations ($3,000,000 in FY 2001 and $3,000,000 in FY 2002). USAID will continue to fund the implementation of park management plans, including fire monitoring and control, improved local exploitation of forest resources, controlled illegal hunting, and environmental education ($2,750,000 in FY 2001 and $1,080,000 in FY 2002). USAID will continue to work with industries to implement cleaner production practices, work with municipalities to address systematically pollution problems, and continue to work on medical waste issues ($600,000 in FY 2001 and $1,000,000 in FY 2002).

Possible Adjustments to Plans: Adjustments are in progress they include an extension of the forestry program to consolidate gains in the sector and expand participation of indigenous groups and local producer associations. USAID will continue ongoing efforts to conserve the world's most diverse forests found along the eastern slopes of the Andes. Program adjustments may also take place due to possible changes in regulations and legislation guiding the use of government controlled lands.

Other Donor Programs: While USAID remains the largest donor in the forestry sector, the World Wildlife Fund, International Tropical Timber Organization, Holland, and Switzerland fund complimentary activities. Holland, Germany and the Global Environment Facility/World Bank are funding complementary conservation activities in protected areas. Donors supporting cleaner production include the World Bank, the Danish Development Agency, and the Swedish International Development Agency.

Principal Contractors, Grantees or Agencies: Activities are implemented by U.S. organizations including Chemonics, Wildlife Conservation Society, World Wildlife Fund, Conservation International, the Nature Conservancy, the University of Florida, the Center for International Forestry Research, U.S. Forest Service, International Resources Group, and PA Consultants.

FY 2002 Performance Table

Bolivia: 511-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Area of protected areas with adequate management	1,523,446	1,523,446	1,770,316	1,770,316	1,770,316	5,170,316	5,886,061
Indicator 2: Area of forest independently certified to be well managed	226,098	447,912	834,303	884,980	1,000,000	1,400,000	1,900,000
Indicator 3: Value of certified forest products exported	178,689	826,888	7,885,305	12,594,921	10,000,000	12,000,000	14,400,000
Indicator 4: Number of industrial plants and other sources that have adopted cleaner production practices	NA	NA	17	20	23	29	44

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	hectares	WCS/CABI, WWF, CI, Parks in Peril Program.	"Protected areas" include national parks, faunal reserves, etc. (created by the Government of Bolivia) and conservation areas created by municipalities and communities. Only protected areas that have achieved "adequate management," as defined by the LAC Bureau, will be counted. The criteria are: (a) immediate conservation threats deterred; (b) long-term management plan developed; (c) Bolivian organizations strengthened to implement and/or assist in the management of selected parks and reserves; (d) long-term financial plan in progress and funding ensured for recurrent operation costs; and (e) local constituency actively participating in protected area conservation. The reporting period for this indicator is the calendar year. Note: Indicator has been changed since the FY 2001 Budget Justification to better measure program performance.
Indicator 2:	IR	Number of hectares (cumulative)	Forest Stewardship Council	This indicator only counts forests that have been independently certified to meet the Forest Stewardship Council's strict ecological, social, and economic criteria of forest management. The reporting period for this indicator is the calendar year.
Indicator 3:	IR	US$ (annual total)	BOLFOR with verification from the GOB/Customs Service, Forest Superintendency	Includes only forest products produced using sustainable techniques. Sustainable management is defined according to certification norms, forestry legislation and CITES specifications. Forest products include wood and non - wood products (e.g. plants, animals and/or forest derivatives). For clarity, all information is now reported as annual totals (in prior years this indicator was reported cumulatively). The reporting period for this indicator is the calendar year. Note: Indicator was added since the FY 2001 Budget Justification as an additional measure of program performance.
Indicator 4:	IR	Number of companies	National Chamber of Industry, Center for the Promotion of Sustainable Technologies	The types of companies assisted include: food processing, breweries, meat packing, tannery, and textile industries, among others. Among the prevention practices adopted are: reducing the discharge of chemical solutions in the effluents, fixing water leaks, improving energy efficiency, improving production processes with small investments. The reporting period for this indicator is the calendar year. Note: Indicator has been changed since the FY 2001 Budget Justification to better measure program performance.

U.S. Financing (In thousands of dollars)			
Program: Bolivia			
Title and Number: Forest, Water and Biodiversity Resources Managed for Sustained Economic Growth, 511-004			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	20,822 DA	15,593 DA	5,229 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	7,901 DA	4,413 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	28,723 DA	20,006 DA	8,717 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	6,350 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	6,350 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	5,080 DA	10,160 DA	50,313 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: BOLIVIA
TITLE AND NUMBER: Illegal and Excess Coca Eliminated from Bolivia, 511-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $15,000,000 (INC)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $40,000,000 (INC)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: This Special Objective fully supports a key U.S. policy interest in Bolivia: halting the illicit production of coca and the export of coca-cocaine products. The Objective closely mirrors the Government of Bolivia's (GOB's) Dignity Plan to remove Bolivia from the coca/cocaine circuit by the end of 2002. The U.S. Government Counternarcotics strategy is a multi-faceted strategy including interdiction, eradication, public affairs, and alternative development activities in the Chapare. In 2001, a comprehensive development initiative with Plan Colombia funds will be launched to encourage the reduction of illegal and excess coca in the Yungas region. The current USAID/GOB alternative development program is directed to developing sustainable farm-level production and market linkages in the Chapare, increasing licit net household income in the Yungas, and preventing a resurgence of coca production in the Chapare. The alternative development program includes a Cash Transfer to fund alternative development activities through the conversion of grant resources into local currency. The ultimate customers are farmers in the Chapare and Yungas regions of Bolivia.

Key Results: USAID directly contributed to the annual net coca reduction of 6,900 hectares by "conditioning" assistance to only those farm families complying with the GOB's coca-free policy. Additional agricultural extension agents were contracted to keep up with the increased eradication and direct technical assistance to 7,482 Chapare farm families through USAID's Counter-Narcotics Consolidation of Alternative Development Efforts (CONCADE) activity. The wholesale value of licit produce leaving the Chapare exceeded $49.3 million, and the number of agribusinesses purchasing Chapare agricultural products and/or supplying agro-inputs on a regular basis increased from 64 in 1999 to 67 in 2000.

Performance and Prospects: During CY2000, remarkable progress towards a coca-free economy in the Chapare was made in spite of the national and regional economic crisis and six weeks of road blockades inside and outside the Chapare. These events hindered the marketing of Chapare licit produce and activity implementation. With an annual net reduction of 6,900 hectares, Bolivia exceeded expectations and reduced net coca cultivation in the Chapare to less than 600 hectares. Over 39,279 square meters of seedbeds were destroyed, and 6,119 hectares of new coca plantings eliminated. In contrast, the area under licit production increased 5% from 108,504 hectares in 1999 to 113,984 hectares in 2000.

With virtually all coca eliminated from the Chapare by November 2000, a larger number of Chapare farm communities became eligible for alternative development assistance. USAID rapidly responded by increasing agricultural extension, providing technology transfer services, delivering planting material, and increasing the number of grants provided to Chapare farmer associations and private businesses. From June to December 2000, CONCADE approved grants totaling $2.2 million and assessed the needs of more than 79 producer associations and private businesses requiring additional support for production, processing, and export operations. However, no significant contributions from other international donors became available in 2000, thus affecting planned results. Non-U.S. Government donors had been expected to contribute heavily to the GOB's Dignity Plan. CONCADE remains the single, largest donor activity in the Chapare.

USAID provided assistance to 7,482 Chapare farm families residing in certified coca-free areas, more than double the annual target of 3,000 families. The USAID-funded agro-forestry activity implemented by the United Nations provided assistance to 150 of these families. A USAID-funded dairy activity assisted 606 families.

With supplemental resources provided under the Plan Colombia legislation, USAID expects to provide alternative development assistance to approximately 8,000 Chapare families per year including food crop assistance, co-financing of planting material, productive infrastructure, and fertilizer demonstrations. In addition, supplemental resources will be used to broaden and deepen road maintenance and improvement, agro-forestry, electrification, export promotion, and related marketing activities. Without additional U.S. Government funding and/or other donor contributions, however, it is unclear whether the majority of Chapare farmers will remain coca-free.

More than 67 agribusinesses were operating in the Chapare by the end of CY 2000. The CONCADE emergency plan was essential to preventing businesses from becoming bankrupt and/or leaving the Chapare following several road blockades. By the end of CY 2000, total estimated private sector investment amounted to $33.4 million. This included: 24 producer and agro-processing businesses ($13.1 million); 12 service providers ($0.75 million); 16 producer associations ($14.3 million); and 12 hotel and tourism operations ($5.2 million).

The wholesale value of licit produce leaving the Chapare ($49 million) fell short of the expected target ($64 million). This was primarily due to CY 2000 civil strife and road blockades. Chapare fruits, roots, vegetables, and other crops rotted in the field as production processing and export operations were seriously affected. Processor/exporter delivery agreements and contracts were interrupted by protests. Buyers in the national and international markets terminated contracts with Chapare suppliers. Banks and other credit institutions cancelled previously approved loans and decided not to provide financial services in the Chapare. Estimated losses in volume of alternative development products exceeded 30,000 metric tons with a farmgate value of $1 million. To mitigate the impact of road blockades, USAID launched an emergency plan to reactivate agricultural production, restore and enhance producer market linkages, and provide emergency financial assistance to agribusinesses. Considerable progress was made towards the end of 2000 as more than $1 million in CONCADE emergency grants were approved for farmers and businesses severely affected by the road blockades.

During FY 2001 and FY 2002, USAID will broaden and deepen ongoing efforts to provide support for the GOB's efforts to consolidate the Chapare's agriculture and infrastructure network ($56,000,000 of INC in FY 2001 and $25,000,000 of INC in FY 2002). USAID expects to provide direct assistance to approximately 8,000 Chapare families per year including food crop assistance, co-financing of planting material, productive infrastructure and fertilizer demonstrations. In addition, funds will be used to broaden and deepen road maintenance and improvement, agro-forestry, electrification, export promotion, and related marketing activities. USAID will also fund the Yungas Development Initiative that seeks to increase licit net household income in the area ($28,000,000 of INC in FY 2001 and $15,000,000 of INC in FY 2002).

Possible Adjustments to Plans: USAID and the GOB jointly developed an initiative for the Yungas region using resources provided under Plan Colombia legislation. The Yungas Development Initiative will implement integrated development activities to help obtain a significant reduction of excess and illegal coca in the Yungas. This initiative consists of four main components, three of which are extensions of current USAID programs in health, democracy and economic opportunities. The fourth component is the establishment of a Community Development Fund that will provide grants and co-financing for productive infrastructure development, road maintenance and other investments identified by participating communities that will enhance the quality of life in the

Yungas. In 2001, USAID will finalize its selection of initial grants for the Yungas and select an implementer for the Yungas Community Development Fund.

Other Donor Programs: Alternative development resources are provided by the United Nations Drug Control Program, European Union (EU), Spain and Italy. The EU is scheduled to finance land registry, credit, infrastructure and environmental activities. Spain plans to expand two of its former alternative development activities (a palm heart industrial facility in the Chapare and an irrigation project in the highland valleys) to mitigate migration into the Chapare. Spain also plans to initiate rural roads and tourism activities in the Yungas. The Italian government has agreed to provide a $6 million loan to build a road that will link the Yungas with the Chapare through the city of Trinidad.

Principal Contractors, Grantees or Agencies: Development Alternatives Inc. is the primary U.S. organization involved in the implementation of this objective and oversees the implementation of CONCADE activities by the GOB implementing entities (including the Bolivian Institute of Agricultural Technology, the Rural Roads Authority and the Regional Alternative Development Program). USAID funded a significant portion of the agro-forestry, training and environmental monitoring activities implemented by the United Nations.

FY 2002 Performance Table

Bolivia: 511-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Wholesale value of licit produce leaving the Chapare	36	41	56	49	64	67	76
Indicator 2: Number of agribusinesses	33	45	64	67	65	75	85
Indicator 3: Number of farm families in coca free areas receiving AD assistance	NA	NA	4,070	7,482	3,000	8,000	8,000
Indicator 4: Annual Net Coca Eradication	2,300	10,101	26,100	33,000	20,000	25,500	31,000

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Millions of U.S. Dollars	CONCADE and GOB data bases, transport survey	Wholesale value of licit produce is calculated by multiplying the average wholesale price (obtained in at least four markets by the National Institute of Statistics) by the quantity of licit products contained in trucks and other transports leaving the Chapare. The number of markets where prices are sampled vary by product.
Indicator 2:	IR	Number of businesses	CONCADE and GOB data bases	A sustainable business has a minimum of $25k/yr gross income, has its own capital at risk and is operating consistently for at least 1 year.
Indicator 3:	IR	Number of farm families per year (non-cumulative)	CONCADE and GOB data bases	This indicator tracks the number of farm families in certified coca-free areas that receive direct USAID-funded AD assistance during one year. (It requires at least three years for a Chapare farm family to establish a licit crop before considering graduation from AD assistance.) Note: Indicator has been changed since the FY 2001 Budget Justification to better measure program performance.
Indicator 4:	SO	Hectares	Annual USG satellite monitoring	Cumulative net hectares eradicated annually.

U.S. Financing (In thousands of dollars)			
Program: Bolivia			
Title and Number: Illegal and Excess Coca Eliminated from Bolivia, 511-005			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	16,643 INC	1,428 INC	15,215 INC
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	14,000 INC	16,301 INC	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	30,643 INC	17,729 INC	12,914 INC
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	69,000 INC (P.C.)		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	15,000 INC		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	84,000 INC		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	40,000 INC	80,000 INC	234,643 INC
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

BRAZIL

Program Summary (In Thousands of Dollars)				
Category	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
Development Assistance	10,512	8,491	7,500	3,380
Child Survival & Disease Fund	2,932	4,150	7,883	7,800
CACEDRF	0	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	0	0	0	0
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**13,444**	**12,641**	**15,383**	**11,180**

Mission Director, Janice Weber

BRAZIL

Introduction

Brazil's importance to the United States continues to increase, with the year 2000 witnessing strengthened U.S./Brazil collaboration in such areas as trade and technology, and consolidation of its position as a key strategic partner in Latin America in the political and economic arenas. Brazil's economy grew 4.2%, pushed by a 4.8% expansion in the industrial sector, a remarkable recovery in light of the 1998-99 recession, the devaluation of the Real, and the country's high fiscal deficit. The United States is Brazil's largest trading partner, receiving 24% of Brazil's exports and supplying 23% of Brazil's imports. Foreign direct investment in 2000 totaled $30.6 billion, the U.S. being the second largest investor with $5 billion. Brazil is of critical importance to the United States, because of such issues as the global effects of environmental degradation its rainforests, which house one of the major stocks of the world's biodiversity; and the spread of infectious diseases, such as HIV/AIDS, dengue, malaria and tuberculosis (TB). USAID is prepared to implement a program, which more closely deals with trade, growth and development.

The Development Challenge

In spite of economic progress, severe social problems persist: poor income distribution, social spending inequality, racial discrimination, to name but a few. The economic divide among Brazilian states has increased over the last five years: annual per capita income of the poorest state, Maranhão, is $728 while in São Paulo, the richest state, it is $4,833. The poor North/Northeast provided only 17.5% of the Brazilian GDP in 2000, while the Southern/Southeast accounted for 64%. The year 2000 saw the Government of Brazil (GOB), international donors, foundations and civil society engaged in debate on social spending inadequacy. Brazil has invested about $100 billion/year in the social area over the past five years, but 35 million people live below the poverty line. Of that total, 13% reaches those most in need, while most investments in education, health and social security goes to the middle class and wealthy. The GOB recently launched the $6 billion Alvorada Project to eradicate poverty in the 60 poorest municipalities by providing such services as health care, running water and education. Reducing such inequities tops the GOB's priority list. Supporting this effort through increased participation of civil society, while focussing primarily on global issues, is the core of USAID's development challenge in Brazil. Brazil is current on payments on its $230 billion official foreign debt. In 2000, approximately $50 billion were spent on debt service. Brazil has consistently strong export earnings, and increasingly prudent and responsible fiscal and monetary management. Its debt service requirements will not affect either its USAID program, nor in the foreseeable future, its relationship with the multi-lateral lenders.

USAID's strategy contributes to achievement of Agency goals 4 and 5 – "Stabilize World Population and Protect Human Health" and "The World's Environment Protected for Long-Term Sustainability," respectively. Given the scope of global problems that could potentially be addressed, the Mission has chosen to concentrate on protection of globally important biodiversity and reduction of Green House Gases (GHGs) associated with Global Climate Change (GCC); and on support for HIV/AIDS prevention and services to at-risk children. USAID phased out its reproductive health assistance in 2000, bringing it to a successful conclusion and producing and disseminating a final report on contribution. USAID's program is key to the Embassy's Mission Performance Plan's (MPP) strategic goals of Broad Based Growth, Open Markets, Democracy, Environment, and Population and Health.

Brazil's main challenges in addressing global environmental priorities are reducing biodiversity loss and the GCC threat by reducing GHG emissions in the land use and energy sectors. USAID activities promote sound land use in the Amazon, Atlantic Coast Rainforest, Cerrado and Wetlands. USAID's environment program seeks to leverage resources with those of NGOs, industry, multilateral banks, cooperatives, universities, and government agencies, allowing USAID to play a

catalytic role in Brazil's climate change and biodiversity efforts. Energy industry restructuring has created a welcoming environment for USAID's Clean and Efficient Energy initiatives, and since the sector has moved toward deregulation, energy prices and demand for efficiency and renewable energy have increased. The GOB is interested in concentrating its climate change efforts on energy. In FY 2000, USAID approved a Development Credit Authority (DCA) loan guarantee for the installation of a waste-wood biomass co-generation plant, to demonstrate how renewable energy projects can be economically viable. A proposed federal bill mandates that power distribution utilities include renewable energy sources in their power purchases, which will result in future benefits such as reductions in CO2 emissions.

Another challenge is reducing HIV/AIDS transmission rates. About 52% of reported AIDS cases in LAC are in Brazil. Of these, 220,000 are estimated to be low-income women who acquired the disease through heterosexual transmission. USAID's strategy is designed to increase sustainable programs to prevent sexual transmission of HIV in target groups, including women, adolescents, and low-income populations. Technical assistance targets NGOs working with the Ministry of Health's National AIDS Coordination unit and aims at leveraging resources from the World Bank AIDS II loan. In FY2001, we will also target TB as it relates to HIV/AIDS patients.

Additionally, USAID is assisting at-risk children and youth to improve their lives. USAID's program targets street, impoverished and working children, emphasizing access to basic/vocational education, prevention and eradication of the worst forms of child labor, and awareness of health-related risk behavior. USAID supported the Brazilian government in the development of a five-year National Plan to Prevent Sexual Exploitation of Children and in implementation and monitoring of a Sentinel Surveillance Program, creating services to combat sexual violence against youth.

Other Donors

In FY 2000, the IBRD invested $58 million in environment and energy and $166 million in water and sanitation. Also investing in environment: UNDP, $33 million; EU, $55 million; the United Kingdom (U.K), $6 million; and Canada, $3 million. In the social area, the IBRD invested $160 million in education; Canada $5.5 million in health and education; U.K., $1.2 million in health; and UNICEF, $4 million in education. USAID is currently the major bilateral donor in HIV/AIDS.

FY 2002 Program

FY 2002 funds will continue our engagement through Brazilian and U.S. NGOs and contractors and USAID's continued engagement on foreign policy issues: Summit of the Americas' goals; global issues; and the U.S./Brazil Common Agenda. The environment program will concentrate on establishing a scientific basis for sustainable Amazonian resource use for U.S. and other stakeholder regional concerns; fire prevention will be a top priority. USAID actions will strengthen partnerships with Brazilian energy regulatory agencies to ensure policies and regulations are in place that facilitate access to clean energy sources and efficient use of energy, while also facilitating transfer of technology. Development Credit Authority (DCA) projects will allow increased collaboration with the private sector in renewable energy initiatives that increase access for energy of millions of unserved families.

USAID will address two of Brazil's most pressing public health problems: HIV/AIDS and TB. The AIDS epidemic and the consequent rise of infectious disease rates, including TB, affects the most impoverished. The GOB is addressing the disease through a model program but, due to the country's size, international support is needed to continue implementing this program. FY 2002 funds will fund AIDS prevention activities for women, adolescents and high-risk groups, provide improved responses to cross-border transmission, and support GOB implementation of a national HIV/AIDS surveillance system. USAID's successful At-Risk Youth Program has developed innovative approaches to remove children from the streets, reconstruct family ties, rehabilitate

victims of sexual exploitation and abuse, and increase access to formal, non-formal and vocational education. FY2002 funds will ensure that USAID's efforts to improve the ability of at-risk children and youth to become productive, healthy citizens are documented, disseminated and replicated beyond target areas with other donor and GOB resources.

BRAZIL
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
512-001 Environmentally and Socioeconomically Sustainable Alternatives for Sound Land Use Adopted Beyond Target Areas				
- DA	7,011	7,340	5,000	2,380
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
512-002 Increased Adoption by Key Actors of Concepts, Methods and Technologies for Clean and Efficient Energy Production and Use				
- DA	1,086	1,150	2,500	1,000
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
512-003 Increased Sustainable and Effective Programs to Prevent Sexual Transmission of HIV among Major Target Groups				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	2,000	2,000	6,486	6,750
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
512-004 Increase Access to Contraceptive Methods and Integrated Family Planning Services				
- DA	2,415	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
512-005 Improved Ability of At-Risk Children and Youth to become Healthy, Productive Citizens				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	932	2,150	1,397	1,050
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
Totals				
- DA	10,512	8,490	7,500	3,380
- DFA	0	0	0	0
- CSD	2,932	4,150	7,883	7,800
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0

ACTIVITY DATA SHEET

PROGRAM: Brazil
TITLE AND NUMBER: Environmentally and socioeconomically sustainable alternatives for sound land use adopted beyond target areas, 512-001
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $ 5,000,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $ 2,380,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's environment program impacts two of the Agency's Strategic Objectives: biological diversity conserved and threat of global climate change (GCC) reduced. The program activities serve the dual purposes of conserving biodiversity while reducing forest loss, thereby reducing the threat of climate change. This strategic objective (SO) has a global focus split evenly between biodiversity conservation and climate change. USAID seeks win-win solutions to achieve sustainable management of natural resources and effective conservation in four of Brazil's globally important ecosystems: the Amazon, the Atlantic Coastal forest, the Pantanal wetlands and the Cerrado (savanna). That is, concerns over greenhouse gas emissions aside, it is still crucial to implement actions designed to stem biodiversity loss from forest conversion and burning. The program is increasingly responsive to private sector and local governmental and civil society needs. USAID is taking the lead in informing Brazilian society on reduced-impact forest management, on-farm conservation opportunities and fire mobilization approaches.

The program focuses on: 1) protected area management in two major national parks, one extractive reserve, one national forest, one state-protected area, and the buffer zone surrounding one biological reserve; 2) reduced-impact forest management alternatives in the timber harvesting region in the Eastern Amazon; 3) fire science and management to reduce the effects of uncontrolled burning on local biodiversity and global warming; 4) provision of information and training support for the preparedness and mobilization of rural dwellers to deal effectively with fires; 5) natural resource policy and environmental education with federal, state, and local officials and land managers; 6) capacity building of local organizations and NGOs; and 7) agroforestry alternatives for restoring productivity to degraded, cleared areas, developed through a participatory approach with small landholders. Direct beneficiaries are rural communities, especially poor forest dwellers and recent settlers. USAID-supported actions also benefit Brazilian society at large by assuring that the resource base is maintained for future generations. Benefits will ultimately be felt at the international level from protecting tropical forests and biodiversity, and reducing greenhouse gas emissions.

Key Results: Results continue to be achieved at the SO level in the number of conservation units adopting sustainable management systems. Target policies are meeting planned benchmarks and dissemination efforts continue to reach a much larger audience than anticipated. In addition, the following are some additional key accomplishments resulting from program activities that are not apparent from the performance tables:

- Overwhelming public pressure was brought to bear by the quick actions of USAID grantees and resulted in abandonment of attempts to weaken on-farm forest reserve provisions of Brazil's Forest Code.
- Wide publicity of USAID-funded studies of possible dire ecological impacts of the "Avança Brasil" Amazon road building plan resulted in a commitment by the Brazilian Government to perform a comprehensive "strategic impact" assessment of the $40 billion infrastructure investment program, rather than previously planned piecemeal impact assessments of individual projects.
- A total of 371 managers and practitioners were trained in sustainable forest management techniques in the only training program of its kind in the Brazilian Amazon.

- The State of Mato Grosso do Sul established the first-ever state parks in the Pantanal and Cerrado (savanna) after a USAID grantee committed $1 million in matching funds for land acquisition.

Performance and Prospects: A program impact assessment was conducted in late 2000 to provide a review of the effectiveness of programmatic efforts in the environment in meeting USAID Strategic Objectives and the Mission Program Plan, as well as to conduct an analysis of gaps and opportunities for the next strategic planning period. This impact assessment resulted in the draft report, "A framework for discussing the 2004-2008 strategic plan of the USAID environment program." The assessment team documented significant impacts in the areas of technology transfer, organizational development, training and human resources, information, education, communication, advocacy and networking. The report points out that the program consistently has a much greater impact beyond target areas than planned, and highlights USAID's support for training as having had a vast and traceable impact that continues to grow. The assessment report notes USAID's flexibility, creativity, and speed of reaction to mobilize diverse actors to deal with environmental problems and policy opportunities.

A critical project evaluation of activities under the grant to the World Wildlife Fund (WWF), USAID's largest grantee, was carried out in September 2000. WWF activities supported by USAID were assessed in eight areas: protected area management, biodiversity policy, forest management, environmental education, radio dissemination of conservation lessons, training for conservation professionals, ecotourism, and organizational development. The greatest strengths were found in the first six areas, with weaknesses found in organizational development and commercial aspects of the extractive reserve activity. Based on these lessons learned USAID will continue support to ensure implementation of activities in the extractive reserve to gain knowledge on replicable models of economically sustainable development. The evaluation also documents WWF public policy impacts well beyond the original design of the project, best exemplified by their success in countering attempts to undermine Brazil's Forest Code.

In FY 2001, USAID's $5,000,000 environment program funds will be distributed as follows: $2,075,000 to support development and improvement of conservation units, private reserve management and sustainable forest management techniques, such as reduced-impact harvesting alternatives and fire management; $2,210,000 to strengthen institutional capacity and provide training on sustainable forest management and fire preparedness; $240,000 to support policy-related activities that promote environmental enforcement and compliance; and $475,000 to support dissemination of successful models for alternatives to deforestation and lessons learned through media, education, policy dialogue and advocacy. In FY 2002, activities will continue with the following modifications: forest management, $1,500,000; institutional capacity building, $217,000; support to policy activities, $205,000; and dissemination, $458,000, for a total of $2,380,000.

Possible Adjustments to Plans: The program impact assessment and framework for discussing the FY 2003-2007 Strategic Plan made it clear that several of the options for expanded impact of the environment program are, in fact, already evolving under the current strategy. For example, USAID has expanded efforts in fire mobilization and detection technology and will continue to explore fire preparedness options beyond our current support for fire mobilization carried out by the Amazon Working Group under the auspices of the PPG-7. USAID will explore opportunities and funding options for an additional Pilot Program contribution by the U.S. Government (USG), should Brazilian environmental agencies join forces with civil society and local governments to develop a comprehensive fire and deforestation prevention project.

During the next 12 months, evaluations are planned for The Nature Conservancy/The Wildlife Research and Environmental Education Society (TNC/SPVS) Guaraqueçaba (Paraná) Atlantic Forest project and the Conservation International/Institute for Socio-environmental Studies of Southern

Bahia (CI/IESB) Atlantic Forest project. An exchange of personnel between these two projects will be encouraged so that CI/IESB personnel can learn about forest carbon management while TNC/SPVS personnel can learn about mitigating impacts of road construction in sensitive areas.

Other Donor Programs: The $350 million Pilot Program to Conserve the Brazilian Rain Forest (PPG-7), under a new Government of Brazil (GOB)-World Bank managed partnership instituted in 2000, is funded through contributions from Germany, $150 million; European Union, $79 million; United Kingdom, $28 million; GOB, $51 million; Japan, $7 million; the Netherlands, $10 million; Italy, $4 million; and France, $2 million; as well as the U.S. commitment of $20 million to the multi-year program (1992-2004). USAID represents the USG at regular meetings of the PPG-7 Donor Coordination Committee and the Joint Steering Committee.

USAID consultations with the Dutch Embassy in Brasília resulted in a new Dutch program to train NGO and local government leaders in environmental management at the municipal level. USAID has sponsored discussions with other donors and the GOB for the joint funding of the Permanent Forest Management Training Center, a center for reduced impact harvesting, in the Amazon.

USAID grantees and sub-grantees continue to receive support from a wide range of foundations, grant-making agencies, multilateral donors, and private firms: W. Alton Jones Foundation, Avina Foundation, Ford Foundation, Conservation, Food and Health Foundation, Conservation International's Center for Applied Biodiversity Science, the WWF/US Russell E. Train Education for Nature program, Catholic Committee of France, Brazilian Agricultural Research Enterprise's competitive grants program, Brazilian Ministry of Environment's Conservation and Sustainable Use of Brazilian Biodiversity Project (Probio), Brazilian Fund for Biodiversity, Brazilian Ministry of Science and Technology's National Research Council, the Inter-American Development Bank (Prodetur and Proecotur), PPG-7 demonstration grants project and ecological corridors project, German Government (GTZ and KfW), British DfID, European Community, World Bank Development Research Group, Global Environment Facility mid-size grant program, and M&M Mars company.

Principal Contractors, Grantees or Agencies: USAID implements its activities through U.S. private voluntary organizations such as WWF, TNC, and CI, and U.S. research and vocational training organizations such as Woods Hole Research Center (WHRC) and the Tropical Forest Foundation (TFF) and its Brazilian affiliate Fundação Floresta Tropical; USG agencies such as the U.S. Department of Agriculture 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.

FY 2002 Performance Table

Brazil: 512-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of families outside target area who have adopted improved sustainable management systems	NA	206	524	820	506	656	726
Indicator 2: Number of total persons trained	NA	5,582	8,621	11,885	9,153	11,459	13,765
Indicator 3: National and local policies which support biodiversity conservation and natural resources management implemented and/or policy implementation improved	NA	9	13	20	18	21	21
Indicator 4: Number of conservation units (CUs) in which government or private owners adopt aspects of sustainable management systems in addition to target areas	NA	6	12	15	16	22	27

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Number of families (cumulative)	USAID partners (UF, WHRC, CI)	*The focus of this indicator is on the adoption of sustainable management systems in areas bordering USAID-supported target areas.* FY 1999 Congressional Presentation showed baselines of FY1996-FY1997 (previous SO1 Strategy) because they refer to on-going activities. Baselines have been changed to reflect correct period of current strategy (FY1998-FY2003). Actual figures were revised due to tabulation errors that were detected during the recent audit, which resulted in partners' efforts to perform a data quality assessment. Targets were also revised.
Indicator 2:	IR	Number of persons trained (cumulative)	Partners' reports (CI, UF, WHRC, WWF, TFF, USFS and Smithsonian)	*This indicator measures how many people have been trained under USAID training initiatives.* FY 1999 Congressional Presentation showed baselines of FY1996-FY1997 (previous SO1 Strategy) because they refer to on-going activities. Baselines have been changed to reflect correct period of current strategy (FY1998-FY2003). Actual figures were revised due to tabulation errors that were detected during the recent audit, which resulted in partners' efforts to perform a data quality assessment. Targets were also revised.
Indicator 3:	IR	Number of policy-related activities that have met at least 50% of pre-established steps. (cumulative*)	USAID partners (CI, FS, UF, WHRC, WWF)	This indicator is used to report the progress of selected policy-related initiatives supported by USAID. FY 1999 Congressional Presentation showed baselines of FY1996-FY1997 (previous SO1 Strategy) because they refer to on-going activities. Baselines have been changed to reflect correct period of current strategy (FY1998-FY2003). Actual figures were revised due to tabulation errors that were detected during the recent audit, which resulted in partners' efforts to perform a data quality assessment. Targets were also revised.

Indicator 4:	S	Number of conservation units (cumulative)	USAID partners (CI, FS, TNC, WWF)	This indicator is used to report on the adoption of sustainable management practices in those CUs that do not directly benefit from the USAID program (i.e., potential for replication). FY 1999 Congressional Presentation showed baselines of FY1996-FY1997 (previous SO1 Strategy) because they refer to on-going activities. Baselines have been changed to reflect correct period of current strategy (FY1998-FY2003) . ** Actual figures were revised due to tabulation errors that were detected during the recent audit, which resulted in partners' efforts to perform a data quality assessment. Targets were also revised.

	U.S. Financing (In thousands of dollars)		
Program: Brazil **Title and Number: Environmentally and socioeconomically sustainable alternatives for sound land use adopted beyond target areas, 512-001**			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	17,550 DA	11,453 DA	6,097 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	7,352 DA	7,820 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	24,902 DA	19,273 DA	5,629 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	5,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**5,000 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**2,380 DA**	0 DA	32,282 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Brazil
TITLE AND NUMBER: Increased adoption by key actors of concepts, methods and technologies for clean and efficient energy production and use, 512-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $ 2,500,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $ 1,000,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Brazil is currently the largest emitter of greenhouse gases (GHG) in Latin America. In the 1991-1995 period, industrial carbon dioxide emissions increased by 20%. Further, Brazil is reshaping its existing energy industry and diversifying its energy sources. Given the structural changes in Brazil's economy and the continuing growth in energy demand, it is likely that GHG emissions from energy production will increase at a strong pace. USAID has provided assistance to Brazil to ensure that energy is used efficiently and energy demand is met by a combination of sources having the lowest GHG emitting potential. The purpose of this program is to increase adoption by key Brazilian Government and private sector entities of concepts, methods and technologies, such as biomass, solar energy, and efficient energy use, which have proven successful elsewhere. USAID works in close collaboration with the Government of Brazil (GOB), through its energy regulatory agencies, energy efficiency and rural renewable energy programs. The program supports GOB efforts in two major areas. The first aims to improve the performance of the national clean energy program for delivering energy to 20 million consumers situated in 60,000 rural communities at market determined prices. The energy source is renewable. The bulk of the target population is currently served by traditional non-renewable sources of energy, such as small diesel powered generators. 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. These efforts are expected to result in clean and efficient energy production and use, while also benefiting the environment through significantly lowered GHG emissions.

Key Results: USAID efforts will continue to build on past successes for further expanding renewable energy applications and energy efficient technologies. Specifically, the National Regulatory Agency for the Power Sector (ANEEL) and the Brazilian Congress will provide incentives for tested and proven clean energy production systems. Funds of multilateral banks will be leveraged for project implementation improvements by the National Program for Energy Development in States and Municipalities (PRODEEM), and a $250 million World Bank-financed project for developing energy efficient projects will have begun implementation. Of this amount, $125 million will be released up-front, and $125 million will be released upon achievement of results agreed to in the first project phase.

Performance and Prospects: In FY 2000, USAID supported several of Brazil's key clean and efficient energy-related efforts. In partnership with Advanced Engineering Associates International (AEAI), USAID deployed a Senior Renewable Energy Advisor at PRODEEM to assist with implementing its newly approved Action Plan. PRODEEM was established in 1994 to diffuse and decentralize renewable energy systems to off-grid remote regions of Brazil. The social development model of rural electrification adopted at that time did not result in economically and financially feasible renewable energy projects. As a result, PRODEEM requested USAID's technical assistance to review and redefine PRODEEM's approach and management structure.

USAID and its implementing partner Winrock International identified incentives and the role of advocacy for promoting renewable energy generation under two key policy initiatives being promulgated by the Brazilian Government. They are the Ministry of Mines and Energy (MME) and ANEEL sponsored Bill Amendment No. 2905, and Draft Resolution #6/2000, both intended to advance Brazil's energy restructuring program. USAID-supported technical assistance resulted in proposals by MME and ANEEL to establish mechanisms for advancing clean energy production technologies nationwide. Mechanisms include the creation of a renewable energy development fund, and making available to other renewable energy

providers the same benefits already given to small hydroelectric plants, such as discounted transmission services.

Under USAID's Brazil Energy Training and Outreach Program (BETOP), which is implemented by the Institute of International Education (IIE), eight training workshops were held from February through September 2000. Approximately 400 participants from 230 firms, the public sector, universities, and non-governmental organizations received training. The training activities focused on: improving the capacity of Brazilian energy regulatory bodies (federal and state); promoting greater private sector involvement in the ownership and operation of clean and efficient energy production enterprises; and building the capacity of banking institutions and loan officers to structure proposals for financing clean energy projects.

Also, during FY 2000 USAID's efforts resulted in the approval of a loan guarantee under its Development Credit Authority (DCA) mechanism, which will support the development of a waste-wood biomass co-generation plant. The new power plant will supply electricity and steam for commercial needs and sell surplus power to the grid. The use of funds under DCA resulted in a 1:31 leverage ratio. Based on this success and high applicability potential of DCA in Brazil if program funds are made available, USAID has already identified a number of clean energy projects interested in using the DCA as a partial loan guarantee.

USAID's Technology Cooperation Agreement Pilot Project (TCAPP) has supported initiatives that because of a shortage of funds have not been successful in terms of effectively resulting in the development of clean energy projects. Requested funding is crucial for the technology cooperation activities envisioned by TCAPP, which are not only environmentally friendly but also have the potential to showcase U.S. technologies in the Brazilian renewable energy and energy efficiency markets.

During FY 2001, of a total of $2,500,000, approximately $650,000 will be used to foster policies that promote clean and efficient energy; $450,000 will support capacity building activities for the availability and applicability of clean energy technologies, as well as financing mechanisms for clean energy projects; $650,000 will be used to increase the availability of financing for clean energy projects; $600,000 will promote technology cooperation between U.S. and Brazilian firms; and $150,000 for technical oversight and monitoring. With a reduced budget of $1,000,000 in FY 2002, $150,000 will be used to promote clean energy-related policies; $450,000 to support capacity building activities; $150,000 to increase the availability of financing for clean and efficient energy; $150,000 will fund technology cooperation activities; and $100,000 will be used for technical oversight and monitoring.

Possible Adjustments to plans: None anticipated.

Other Donor Programs: USAID's strategy in Brazil for the energy sector focuses at the decision-making level. Consistent with this, USAID will continue to cooperate with other donors to leverage funds and coordinate overall efforts. USAID played a key role in helping the GOB in the preparation of a $125 million energy efficiency loan request to the World Bank, which includes future benefits of electricity savings of approximately 1% per year and CO2 emission reductions estimated at about 17 million tons over a 10-year period. USAID has cooperated with the United Nations Development Program (UNDP) by supporting the establishment of a Management Unit in PRODEEM, whose mandate is to manage selected activities under PRODEEM's Action Plan. This Unit is responsible for receiving and managing UNDP funds, as well as those of other donors. USAID has discussed with UNDP other possibilities of collaboration on several areas such as capacity building and private sector engagement.

Principal Contractors, Grantees or Agencies: Current cooperating agencies and contractors include: Winrock International, the Institute of International Education (IIE), and PA Consulting, formerly Hagler Bailly.

FY 2002 Performance Table

Brazil: 512-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Cooperation initiatives that facilitated the application of clean and efficient energy technologies and know-how under Brazilian conditions	NA	0	1	3	3	4	5
Indicator 2: Advancement of policies and regulations by key actors that contribute to the adoption of concepts, methods, and technologies for clean and efficient energy production and use	NA	0	3	10	2	3	4
Indicator 3: Incorporation of concepts, methods, and technologies for clean and efficient energy production and use in the operations of key actors	NA	0	2	4	3	5	7
Indicator 4: Clean and efficient energy projects under development, which are funded by mechanisms created, leveraged or supported by USAID	NA	0	1	3	2	4	6

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of cooperation initiatives (cumulative)	Contractors, cooperating agencies, and key actors	Cooperation initiatives are defined as pilot programs, research/development delegations, cooperative agreements between American and Brazilian organizations, U.S.-Brazil industry partnerships, executive exchanges, internships, etc. The cooperation initiatives to be counted are those: (i) directly or indirectly supported by USAID; (ii) targeted to promote "clean and efficient energy production and use." Various generation technologies are available, including small hydro, solar, biomass, wind and others. The feasibility of the implementation of such technologies in Brazil depends not only on technical issues but also on macroeconomic assumptions. The term "clean and efficient energy production and use" is interpreted as "any market-oriented and sustainable generation process or appropriate end-use of energy that implies close-to-zero or less-than-zero emission of green house gases."
Indicator 2:	IR	Number of steps accomplished in policy formation (cumulative)	Contractors, cooperating agencies and key actors	Steps are defined as: identification, analysis, development, validation, promotion, training, adoption, implementation and enforcement. The term "clean and efficient energy production and use" is interpreted as "any market-oriented and sustainable generation process or appropriate end-use of energy that implies close-to-zero or less-than-zero emission of green house gases." Key actors may include the Ministry of Mines and Energy, PRODEEM, PROCEL, ESCOs, ABESCO, Energy Efficiency Agencies or Institutes, MME's Centers of Excellence and related universities, CEPEL, investor and power utilities, rural cooperatives, power permissionaires, NGOs, Renewable Energy Developers, ANEEL and State regulatory agencies, development and commercial banks and financial/investment institutions.

Indicator 3:	SO	Number of key actors who have met 60 percent of their annual benchmarks (cumulative)	Contractors, cooperating agencies and key actors.	Indicator will be the number of key actors who have met in that year 60 percent of their annual benchmarks for adopting clean and efficient energy production and use. Key actors may include the Ministry of Mines and Energy, PRODEEM/MME, PROCEL/MME, Energy Service Companies, Brazilian National Association for Energy Service Companies (ABESCO), Energy Efficiency Agencies or Institutes, MME's Centers of Excellence and related universities, National Research Center for Power Research (CEPEL), investor and public owned power utilities (concessionaires), rural cooperatives, power permissionaires, NGOs, Renewable Energy Developers and their associations, ANEEL and selected State regulatory agencies, selected development and commercial banks and financial/investment institutions. The term "clean and efficient energy production and use" is interpreted as "any market-oriented and sustainable generation process or appropriate end-use of energy that implies close-to-zero or less-than-zero emission of green house gases."
Indicator 4:	IR	Number of projects (cumulative)	Project surveys, contractors, cooperating agencies and key actors.	The indicator shows clean and efficient energy projects that are actually being implemented, which are funded by mechanisms created, leveraged or supported by USAID. Eligible projects will be any clean and efficient energy project funded by mechanisms created, leveraged or supported by USAID. Examples of types of "mechanisms" USAID plans to create/leverage/support to provide funding are: promotion of USAID's Development Credit Authority (DCA), technical assistance to the Brazilian Government on the preparation of loan requests, promotion of the developers' portion of cooperators cost-shares funds, etc.

	U.S. Financing (In thousands of dollars)		
Program: **BRAZIL**			
Title and Number: Increased adoption by key actors of concepts, methods and technologies for clean and efficient energy production and use, 512-002			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	1,086 DA	200 DA	886 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	1,150 DA	1,086 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	2,236 DA	1,286 DA	950 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	2,500 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**2,500 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**1,000 DA**	0 DA	5,736 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Brazil
TITLE AND NUMBER: Increased sustainable and effective programs to prevent sexual transmission of HIV among major target groups, 512-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $6,486,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $6,750,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The majority (52%) of the AIDS cases in Latin America and the Caribbean are found in Brazil, a disproportionate amount of AIDS victims given the fact that Brazilians account for only about one third of the population of this geographic region. The Brazilian Ministry of Health (MOH) reported 196,016 cases of AIDS from 1980 to September 2000, which probably significantly underreports the number of cases. In 1999 alone, it is estimated that 18,000 Brazilians died from AIDS. Approximately 41,000 children under the age of fifteen lost one or both of their parents to AIDS during the last decade. The MOH further estimates that about 540,000 individuals are infected with HIV/AIDS, of whom about 24% are women and 2% are children. HIV/AIDS transmission in Brazil is predominantly sexual (75%), as opposed to drug or transfusion-related. Transmission is increasingly occurring via heterosexual encounters. AIDS patients infected through heterosexual means increased in 2000 to 43% from only 9% in 1990. Infection rates are also increasing among young people and those with the lowest level of education, resulting in the increasing concentration of HIV/AIDS victims among the poorest and most marginalized populations. Since Brazil borders most other South American countries, it is a serious potential epicenter for the spread of the disease. Factors that increase the risk of the epidemic spreading across borders are the flow of tourists and immigrants, plus prostitution and drug trafficking routes in outlying areas where health services are the weakest. The GOB allocates most of its AIDS-related financial resources for the purchase of medicines for universal access to treatment, benefiting some 90,000 HIV/AIDS patients. Less than 20% of the MOH's AIDS budget is directed to AIDS prevention.

USAID's HIV/AIDS strategy is designed to increase sustainable and effective programs to prevent sexual transmission of HIV. This strategy is focussed on low income populations, women, adolescents, prostitutes, and selected male groups within four Brazilian states: two with the highest prevalence rates, Rio de Janeiro and Sao Paulo, and two of the poorer states, Ceará and Bahia. The strategy also integrates AIDS programs with previously USAID-funded reproductive health programs in the two states of Ceará and Bahia, as well as on-going USAID-financed at-risk youth activities in Ceará and Bahia.

Key Results: Although USAID is the second largest donor in Brazil's effort to combat the significant AIDS epidemic, USAID's funding levels for the five-year AIDS prevention strategy (1998-2002) are less than the World Bank's AIDS II loan that covers essentially the same time period. Our two roles are very distinct, yet highly complementary: the World Bank loan and its host country counterpart funds finance the implementation of AIDS prevention programs in Brazil, while USAID provides the technical assistance and training necessary to effectively use these loan resources in a timely fashion for the provision of quality AIDS prevention services as an integral part of Brazil's health systems.

The MOH's National AIDS Coordinating unit (CN) is charged with approving annual AIDS plans and budgets from all 177 state and municipal health agencies requesting annual operating funds for their AIDS programs. This year the CN commended the annual plans submitted from the nine states and municipalities, which received USAID-financed technical assistance and training as very well thought out and superior to others. As a result, the CN has requested USAID's assistance to expand training so that the USAID-assisted model will become the standard for all 177 decentralized agencies. While the results to date show more effective use of financial resources at these nine sites, a significant long term impact will be the replication of USAID efforts at the national level.

Performance and Prospects: FY 2000 was the second full year of program implementation of USAID's five-year strategy to prevent the spread of HIV/AIDS. FY 2000 funds were used to finance a mid-term evaluation undertaken in early FY 2001. Major conclusions of the evaluation point to the need for a

"scaling up" of USAID's successful activities by using the CN, as well as state and municipal resources. It also called for the need to expand access to vulnerable groups (especially adolescents and other "high risk" groups) to current services, where feasible, and, if resources permit, establish several new "pilot" service centers for these groups.

A recent joint CN/USAID strategic planning session resulted in the identification of a number of crucial areas for work with the CN in which the USG and its partners have a comparative advantage over other donors, such as joint research and quality service provision, as a result of USAID's previous work here and elsewhere. The additional HIV/AIDS funding made available in FY 2001 will enable USAID to have an even greater impact at the federal level. The quality of the USAID's policy dialogue with the Government has increased immeasurably, now that the GOB has seen our ability to integrate quality HIV/Sexual Transmitted Infection (STI) services with existing family health programs in the Brazilian public health delivery system. We are hoping that integration with TB will be equally successful. Among other areas, the MOH has requested USAID's assistance in carrying out a national marking campaign that effectively promotes accessibility and affordability of condoms for low-income consumers. We will also seek out additional opportunities to work with the public sector and assist the Government in establishing public-private partnerships, where possible.

USAID has aimed to strengthen local institutional capacity to plan, implement and evaluate STD/HIV programs, USAID, through Family Health International (FHI) and Management Sciences for Health (MSH), provided assistance in management and technical strengthening to the AIDS programs of nine state and municipal health secretariats that have the potential to receive funding under the World Bank AIDS II loan. As a result of USAID-funded management assessments technical assistance was provided in three major areas in FY 2000: team building, strategic planning and development of manuals to define roles and responsibilities. As a result of technical capacity assessments, five technical workshops were conducted in design, implementation and evaluation, supervision and monitoring, harm reduction for injecting drug users, counseling and testing, and condom social marketing. As a result of this technical assistance, the annual work plans for 2000 World Bank funding for the nine programs were well prepared and implementation is on track. Also, USAID-funded technical assistance through Pathfinder Intentional continued with two state (Bahia and Ceara) and two municipal secretariats of health in Salvador and Fortaleza, and 20 selected public health units to integrate quality STD/HIV health services into the larger overall reproductive health programs of these four health departments. As a result, USAID is now in a position to expand technical assistance and training to additional central level health programs which will focus on integration of quality STD/HIV services at the health post level.

USAID continued to sponsor social marketing activities through DKT, Population Services International's (PSI) branch in Brazil. DKT's social marketing activities targeted increased access and use of male and female condoms, making them available at low prices to the general public. In the process, DKT exceeded the planned target of 90% sustainability by the end of FY 2000 by achieving 93% cost recovery. In fact, DKT's market share grew from 13% in FY 1999 to 18% in FY 2000. 52% of its sales of male condoms and 60% of sales of female condoms occurred in USAID's four target states. Also during FY 2000, DKT significantly expanded its association with local AIDS NGOs as an integral part of its social marketing strategy, including a partnership with a local NGO that works in a favela in Rio de Janeiro focussing on the development of alternative activities that creatively occupy pre-teens and adolescents. During this year, these pre-teens and adolescents, in their own words and based on their own experiences with AIDS, developed a drama, performing in the Favela's town square. This success has led to additional new commitments from sports trainers and art, music and drama teachers to donate time to help these youths over the coming year.

In FY 2001, USAID will provide $3,892,000 to strengthen institutional capacity related to sexually transmitted illnesses (STI) and support a sustainable condom-marketing program. Starting in FY 2001, USAID will also provide $2,594,000 to reduce TB incidence in support of decreasing the AIDS epidemic. In FY 2002, USAID will provide $1,660,000 to strengthen state and municipal government's institutional capacity to plan, implement, and evaluate STI programs and $1,020,000 to strengthen institutional capacity to integrate HIV/AIDS prevention programs into existing public reproductive health services in

Bahia and Ceará. In addition, USAID will provide $1,470,000 to support the sustainable condom social marketing program and $2,600,000 to reduce TB.

Possible Adjustments to Plans: USAID is in the process of developing a tuberculosis component to its AIDS SO. The number of cases of TB is the highest in the region, with some 90,000 cases. Similarly, Brazil ranks number one in the region in terms of total number of people infected with HIV. USAID is planning to create synergies in the development of the TB strategy between its ongoing HIV/AIDS activities and any new TB activities, as it appears that about 50% of all AIDS cases also have TB.

In addition, in FY 2000, USAID began funding a study on cross-border transmission of HIV/AIDS to six areas, which will be increased to ten, as a result of GOB, Pan-American Health Organization and UNAIDS requests. The results of this study will form the basis of any follow-on activity in FY 2002, designed to deal with the situation this study uncovers. USAID is also consulting with neighboring USAID Missions on this study and will work closely and collaboratively with all parties on follow-on activities.

Host Country and Other Donors: USAID has been working closely with other international donors to achieve the results under this activity. Coordination with the MOH is done through the United Nations AIDS Program (UNAIDS) Thematic Group that, besides USAID, includes IBRD (U.S.$300 million for 1998-2002), the United Nations Drug Control Program (UNDCP, U.S.$22 million, 1998-1999), the Pan-American Health Organization (PAHO), the United Nations Education, Scientific and Cultural Organization (UNESCO), the United Nations Children's Fund (UNICEF, U.S.$11 million for health activities) and selected bilateral donors and NGOs.

Principal Contractors, Grantees, or Agencies: USAID implements activities through U.S. PVOs: the Population Council, Family Health International, Management Sciences for Health, Population Services International and the Pathfinder Fund local office, in cooperation with Brazilian NGOs.

FY 2002 Performance Table

Brazil: 512-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Percentage of financial sustainability achieved by DKT do Brasil's condom social marketing programs	78	90	86	93	90	95	100
Indicator 2: Percent annual growth of DKT do Brasil's sales of female condom	NA	139,500	29	NA	40	20	10
Indicator 3: Percentage of program health units with capacity to provide quality integrated STI/HIV/AIDS prevention and family planning services	NA	15	NA	50	50	75	100
Indicator 4: Number of programs/organizations demonstrating low, medium or high levels of effectiveness in HIV/AIDS planning and implementation	NA	NA	5 low 4 medium	5 (1 low, 7 medium, 1high)	4 programs increase by one level	6 programs increase by one level	5 programs increase by one level, 4 programs maintained at high level

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	SO	Percentage of financial sustainability	DKT do Brasil	Percentage of total operating costs absorbed by revenues
Indicator 2:	IR	Percent annual increase	DKT do Brasil	growth of sales of female condoms can be defined as the percentage growth of units sold in one year in comparison with the previous year
Indicator 3:	IR	Percentage of health units with high quality services	Pathfinder	Quality of care assessment checklist to be completed by outgoing patients/clients and performance improvement tools will be used to measure quality of integrated service delivery and selected clinical procedures.
Indicator 4:	SO	Number of programs/organizations	FHI	Number of programs scoring at each level (low =<50%; medium = from 51% until 71%; high> 75%) of a composite score that measure key elements of planning and implementation capacity. Instruments are APROGE and FACT.

	U.S. Financing (In thousands of dollars)		
Program: Brazil			
Title and Number: Increased sustainable and effective programs to prevent sexual transmission of HIV among major target groups, 512-003			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	4,000 CSD	4,000 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	2,000 CSD	2,000 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	6,000 CSD	6,000 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	6,486 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	6,486 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	0 DA
	6,750 CSD	0 CSD	19,236 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Brazil
TITLE: Improved Ability of At-Risk and Working Children and Youth to Become Healthy, Productive Citizens, 512-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,397,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $1,050,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: With a population of 169 million, Brazil has 35 million people living below the poverty line on less than $1/day, of whom 21 million are children. In spite of significant progress in education, with 96% of school-age children enrolled in formal schools, repetition and dropout rates continue to be high at 23.4% and 3.9%, respectively. Brazil has infant mortality rates similar to those of Vietnam at 36.1/1000, and the number of low-weight children at birth can be compared to Ghana's rates at 9.2%. The United Nations Children's Fund's (UNICEF) 2000 survey encountered an extremely low Infant Development Index (IDI) for the Northeast states where USAID concentrates its at-risk youth efforts (Bahia at 0.451/1, Ceará at 0.517/1, and Pernambuco at 0.522/1). The IDI measures the living conditions of children based on criteria such as access to day care centers and health services. Child labor figures are also not encouraging. Data published in 1999 show a positive but slow trend towards reduction of the child labor force that dropped from 27% to 26% of the population aged 10-17, relative to 1998. Following two years of discussions involving the GOB, donors, civil society and the private sector, the momentum has finally been created for Brazilians to more seriously address severe social problems. Drawing from its 2000 Poverty Eradication Fund, the Government of Brazil (GOB) launched an offensive on poverty, pledging $6 billion for programs to address years of insufficient attention to the horrific plight of the poor. President Cardoso announced the expansion of a scholarship program to reach 10.7 million children. This locally developed model provides supplemental income to families keeping their children in school and has become a popular poverty eradication tool, though it has undergone deep changes since it was first implemented in Brasília. The original program provided one minimum wage ($75) per month to families keeping all their children in school until completion of the mandatory 8-year elementary cycle. As adopted by the GOB nationwide, the program will provide $8 per child attending school up to a maximum of three children per family, implying a ceiling of $24 per family which is often less than a child would bring home if working or begging. As such, the program may slightly mitigate poverty, but will eradicate neither poverty nor child labor unless a more advanced development perspective is adopted, including teacher training and income generation opportunities for parents. The GOB has other programs in place to address the needs of the most impoverished populations, but lack of coordination between these programs makes it harder for end users to access these benefits.

Street kids, working children and low-income families are among the most vulnerable populations in the country. Illiteracy, disease, delinquency, drug abuse, prostitution, early insertion in the job market, and human rights violations are some of the risks to which children are exposed. USAID's activities in the area of at-risk youth seek to support GOB, NGO, and other donor efforts to develop successful models that can be further refined and adopted as effective public policies.

Key Results: 1) school promotion rates of 88% among children assisted under activities that target improved school performance, compared to 68% among those not assisted; 2) 91% of participating youth completing vocational training courses; 3) 34% of youth ages 16-18 who completed vocational training courses effectively inserted in the labor market; 4) consolidation of a service network reaching 9,500 children and adolescents in 40 communities, 83 schools and 100 NGOs.

Performance and Prospects: The activity continues to make significant progress toward its goal of strengthening prevention and protection efforts that target at-risk youth and working children, non-governmental organizations (NGO), public services, and the public policy environment that impacts upon children and service providers. The program emphasizes education/vocational training, protection against domestic violence and sexual abuse, and child labor prevention and eradication. Crosscutting issues are prevention of early pregnancy and HIV/AIDS, and promotion of youth leadership.

The extension of the At-Risk Youth program through FY 2003 and its programmatic expansion to include child labor prevention and eradication derive from the activity's outstanding performance to date. Particularly noteworthy is USAID's capacity to leverage support from different sectors, including the GOB, private enterprise and other donors. In FY 2000, USAID conducted successful negotiations with the National Social and Economic Development Bank (BNDES) to access microcredit funds for family businesses. Brazil's second largest telecommunications company produced 16,000 promotional materials highlighting USAID-supported projects, a unique opportunity to disseminate USAID's work beyond target areas. Finally, USAID was able to leverage $500,000 from the advertising company Propeg and the telephone company Maxitel to support five projects assisting at-risk children in Bahia.

The activity continues to show considerable progress. The percentage of program-assisted youth finding legal positions in the job market increased from 20% in 1999 to 34% in 2000, in a market plagued by consistently high unemployment rates. Program-assisted youth receiving health-related services, including STI/HIV/AIDS prevention totaled 11,388 in 2000. USAID expects to increase this number with FY 2001 funds from the vulnerable children directive. 1408 new cases of violations of children's rights were identified and monitored by children's advocacy groups, resulting in 897 children referred to legal and rehabilitation services. School promotion rates of assisted youth reached 88%, surpassing the 87% target, and representing a 5% increase over 1999. Completion of vocational training courses increased from 83% in 1999 to 91% in 2000. USAID reached 16,339 youth, family members and educators through 264 events increasing awareness of health-related risk behavior. USAID also supported documentation of four innovative methodologies, and sponsored 43 dissemination events. In FY 2001 USAID will target identification of underage urban children in labor situations and move to incorporate them into the formal educational system.

USAID continues to encourage networks of NGOs and government organizations capable of providing diversified services to at-risk children. In 2000, USAID supported the creation of an Art-Education Network that brings together NGOs and government organizations that use art as their main educational tool. A USAID-designed and supported Vocational Training Network was granted the 2000 Social Entrepreneurs Award by the Ashoka-McKinsey Foundation as the second best and most innovative vocational training program in Brazil, resulting in a $35,000 donation and free technical assistance from McKinsey Associates.

USAID and the Federal University of Ceará established an innovative partnership to bring the university closer to the social environment by providing 80 social educators with a one-year university extension course that will grant them a much-valued certificate. In 2000, USAID took advantage of carnival activities to carry out mobilization efforts against sexual exploitation and abuse of children and adolescents. Information and communication materials produced for the events received broad media coverage.

In Brasília, USAID has been working to address the needs of street children who have broken ties with their families. One particularly important aspect for this population is vocational training and income generating activities, since most of these kids have not acquired the necessary skills to learn a profession. USAID established a workshop using wood residue as the prime material to produce marketable artwork. This cheap, easy-to-learn technique allowed street kids to produce quality pieces in a remarkably short period of time. Only six months after USAID started supporting this activity, assisted youth participated in eight exhibits selling approximately 120 pieces for prices between $10 and $75, representing a concrete income generation alternative for some 60 street adolescents.

Through support to BEMFAM, the local International Planned Parenthood affiliate, USAID provided direct health assistance to 350 street boys and girls in Ceará. In Salvador, the AIDS Prevention and Support Group (GAPA) empowered adolescent leaders to coordinate community-based AIDS prevention activities. In Recife, USAID initiated a partnership with the local institution Papai (Daddy) that targets male adolescents working around issues such as HIV/AIDS prevention, responsible fatherhood, violence in relationships, gender, and reproductive health.

In the area of child labor, USAID began implementation of its strategy by supporting the National Forum for Child Labor Prevention and Eradication in a seminar on regional strategies to fight the sexual exploitation of children and adolescents. In 2001, USAID and UNICEF will develop effective ways to identify underage children working in informal urban settings. USAID expects the results of this research to serve as a parameter for comparison to the International Labor Organization (ILO), GOB, and U.S. Department of Labor (DOL) effort to obtain reliable data on child labor through the national 2000 census.

Of the total $1,397,000 in FY 2001 funding, USAID will apply $414,200 to promote increased access of at-risk children and youth to formal, non-formal and vocational education systems. $200,800 will target decreased violence against children and youth, with emphasis on domestic violence and sexual exploitation and abuse. $499,000 will address the needs of children and youth affected by HIV/AIDS, including AIDS orphans, children living with HIV and HIV/AIDS prevention activities. The remaining $283,000 will be used to support dissemination of successful methodologies and training activities. With a lower budget of $1,050,000 in FY 2002, the program will support $300,000 in AIDS prevention and assistance activities; $300,000 in education; $200,000 to reduce violence rates against youth; and $250,000 in training, documentation, dissemination and replication of successful approaches.

Possible Adjustments to Plans: None anticipated.

Other Donors: In 2000, USAID entered into an agreement with other donors such as OXFAM, Save the Children, World Vision, the C&A Institute and the Catholic Relief Services to establish a donor group to mobilize the private sector around social responsibility issues. USAID's child labor strategy was developed in close coordination with ILO and UNICEF, and is being implemented through strategic alliances with these and other donors at the local level. The termination of IDB's at-risk youth grant program, UNICEF's growing administration of GOB cost-sharing funds, and apportionment of child labor funds to Brazil in FY 2000 turned USAID into one of the largest international donors in the at-risk youth area. USAID increased collaboration with government oganizations at the national level as well as at the state and local levels, thus consolidating partnerships with local education and health departments. Other donor investments were: UNICEF, $3 million; Canada, $1.5 million; and ILO's International Program for Elimination of Child Labor, $1 million. USAID also increased collaboration with the GOB through the Ministries of Justice and Social Welfare, supporting the implementation of national programs and policies to assist children victimized by sexual exploitation and abuse.

Principal Contractors, Grantees or Agencies: USAID will continue to implement activities through a cooperative agreement with the U.S. PVO, National Association of the Partners of the Americas, and local NGOs and public schools.

FY 2002 Performance Table

Brazil: 512-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Percentage of program-assisted youth that find legitimate, income-generating work	NA	26	20	34	30	35	40
Indicator 2: Number of grievance cases lodged and monitored by children advocacy groups	NA	268	359	619	500	500	500
Indicator 3: Percentage of program-assisted youth promoted to the next school grade	87	86	83	88	87	87	90

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	SO	% of youth	Partners of the Americas, local NGOs and GOs	This indicator measures the number of youths aged 16-18 who are actually inserted into the formal and informal job markets with regular, monthly financial compensation of at least half the Brazilian mininum wage of $75.
Indicator 2:	IR	Number of cases	Partners of the Americas, local NGOs and GOs	Grievance cases of violence, sexual abuse and exploitation, and domestic violence.
Indicator 3:	IR	% of youth	Baseline data source: Brazilian Ministry of Education, 1996 Education Census. Actual data source: Partners of the Americas, local NGOs and GOs	This indicator measures the percentage of children and youth assisted by the activity that attend regular school and participate in USAID-funded tutorial programs during off-school hours, who were promoted to the next school grade in the previous calendar year. Data excludes 1,977 children who either participate in activities that do not target improved school performance, such as health activities, or are assisted by institutions that signed agreements with USAID late in the calendar year, therefore their success in school cannot be attributed to USAID's contributions in the first year. In 2000, this latter was the case with three institutions assisting a total of 321 children whose school performance will be reported in next year's R4.

	U.S. Financing (In thousands of dollars)		
Program: Brazil			
Title and Number: Improved ability of at-risk children and youth to become healthy, productive citizens, 512-005			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	1,030 CSD	980 CSD	50 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	2,150 CSD	950 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	3,180 CSD	1,930 CSD	1,250 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	1,397 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	1,397 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	0 DA
	1,050 CSD	0 CSD	5,627 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

COLOMBIA

Program Summary (In Thousands of Dollars)				
Category	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
Development Assistance	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
CACEDRF	10,000	0	0	0
Int'l Narcotics Control	5,000	5,000	0	95,500
Int'l Narcotics Control (Plan Colombia)	0	119,500	0	0
Economic Support Funds	3,000	4,000	0	0
P.L. 480 Title II	0	2,306	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**18,000**	**130,806**	**0**	**95,500**

Note: In FY 1999, USAID transferred an additional $300,000 of ESF to the Dept. of Treasury.

Acting Mission Director, Clifford Brown

COLOMBIA

Introduction

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. Historically, Colombia has been one of the most prosperous countries in the region, with sound economic management and stable political institutions. Since 1993, Colombia has faced a deteriorating economy and has suffered the effects of an increasingly complex and violent civil conflict, exacerbated by the export of illicit drugs. The pivotal role that Colombia plays in the overall stability of the Andean region, coupled with the increased volatility of its neighbors, makes a peaceful and stable Colombia more important than ever to the United States and the Western Hemisphere as a whole.

In September 1999, President Pastrana launched *Plan Colombia*, a $7.5 billion, multi-year strategy designed to tackle some of Colombia's greatest challenges. The Plan's multiple aims include support for the country's anti-narcotics strategy, stronger justice and rule of law, greater democratization, humanitarian assistance and the ongoing peace process. The U.S. Government demonstrated its support of Plan Colombia with the approval of a $1.3 billion assistance package in June 2000.

The Development Challenge

More than mid-way through his four-year term, President Pastrana faces an unpredictable peace process, slowly recovering economic growth, lack of judicial efficacy and a growing drug trade. The challenge for the Colombian government is to gain greater legitimacy by performing the basic functions that all citizens deserve. This includes working to ensure peace and stability, providing greater justice through increased access to key government institutions, protecting human rights, reducing corruption, strengthening local governments, providing economic alternatives for illegal crop production and supporting the needs of Colombia's internally displaced population.

Peace talks begun by President Pastrana in 1998 have produced neither substantive agreements nor a decrease in the levels of violence. Illegal armed groups exert influence in 400 of the country's 1,079 municipalities, where there is little civil governance. Where the provincial government functions, municipal government capacity is often weak and citizen participation limited.

The economy has begun to recover from the 1999 recession, with a currency devaluation in mid-2000 contributing to annual economic growth of 3%. Yet unemployment exceeds 20% and foreign direct investment is stymied by political uncertainty. Colombia faces grave income disparities, growing poverty, and inadequate government social services – a challenge recently highlighted as one of the first priorities of Colombia's finance minister.

The Pastrana Administration has strengthened the judiciary. The government is promoting the transition to an accusatory justice system through the use of oral public trials in an effort to improve transparency, limit corruption and address the high degree of impunity in the country.

To improve human rights performance, the Colombian government adopted a new military penal code in mid-2000 that requires certain human rights abuses to be tried in civilian courts. Further, President Pastrana relieved several senior military officers accused of links to paramilitary groups, and a senior military officer was convicted and sentenced to prison for failing to act quickly to prevent a massacre. However, human rights workers continue to be at significant risk and unable to mount sustainable programs to monitor the human rights situation, report on violations and educate the population on basic rights. Prosecutors and Ombudsman staff lack basic equipment needed to investigate cases and crimes, and human rights violations most often go unprosecuted

due to weaknesses in the of rule of law. Moreover, links between certain elements of the military and paramilitary forces in certain regions of the country have yet to be broken completely.

Finally, successful eradication of coca and heroin--key elements of U.S. policy in Colombia--continue to demand adequate funding for alternative development activities. As the government's eradication and interdiction efforts intensify, tensions will be aggravated in the short term, potentially increasing the number of internally displaced persons (IDPs), which are currently estimated to exceed 1.5 million.

Other Donors

The Inter-American Development Bank (IDB), the World Bank, the Andean Development Corporation and the Latin American Reserve Fund combined have committed $4.2 billion over 2000-2002 to strengthen the Colombian social safety net. The World Bank also contributed $540 million and the IDB $371 million to a fast-dispersing loan to support Plan Colombia. Annually, United Nations agencies provide approximately $15 million, while combined bilateral donors, led by Spain and Japan, have pledged approximately $200 million. The European Union (EU) pledged $90 million.

FY 2002 Program

The United States Agency for International Development's (USAID) program addresses three areas of U.S. policy in Colombia: 1) more resilient democracy, including administration of justice, human rights protection, strengthened local governance, anticorruption, civil society strengthening and support for the peace process; 2) reduction of coca and opium poppy production through alternative development; and 3) assistance to internally displaced populations. As part of the U.S. contribution to Plan Colombia, USAID-managed assistance will focus on the expansion of its ongoing program. USAID's request for funding in FY 2002 will support democracy strengthening activities (including administration of justice, human rights, local governance, anticorruption, civil society strengthening and the peace process); alternative development; and assistance to internally displaced persons and other vulnerable groups.

USAID's alternative development program, begun in 1999, supports social and economic incentives to assist farmers and communities in eliminating coca and poppy production. This is done through community agreements for voluntary eradication of illicit crop production in exchange for improved agricultural and other income-producing opportunities, including product marketing, credit, and productive and social infrastructure. While focused on the southern department of Putumayo, USAID will work with Colombian government counterparts to expand the program throughout the country. USAID anticipates a reduction of 3,000 hectares in small-farmer poppy and 30,000 hectares in small-farmer coca through voluntary eradication agreements by 2005. After five years, USAID will also have provided support to 72,000 hectares of small-farmer licit, productive activities in poppy and coca areas, directly benefiting over 17,000 small farm families who have given up illicit crop production.

USAID strengthens the Colombian state and civil society by promoting a more inclusive and responsive democracy that is accountable to citizens. Programs will strengthen the ability of human rights institutions and organizations to combat abuses, justice system reform, anti-corruption activities, assistance to local governments, and support for the peace process. USAID's human rights program will improve the capacity of governmental and private human rights institutions to make citizens aware of their basic rights, document human rights violations, and monitor individual cases. USAID will also improve the prevention, protection and response capabilities of these groups, including implementation of an early warning system to prevent egregious human rights abuses and forced displacement. In deepening its justice programs, USAID will continue to support an open, accusatorial trial system and expects that 80% of all circuit courts will be implementing revised criminal procedures by 2002. In addressing greater access to justice for citizens through

the Justice Ministry's justice houses (*Casas de Justicia)"* program, USAID will help to establish a total of 40 justice houses.

To assist the government's anti-corruption efforts, USAID will strengthen the Office of the Controller General and other oversight institutions and will conduct a nationwide anticorruption campaign in order to support increased financial and management audits and raise public awareness. Assistance to oversight organizations will further their ability to monitor Colombian Government activity. In local governance, USAID's program will strengthen 100 municipal governments to improve their planning and execution capacity, while fostering citizen participation in local decision-making. These programs have the common goal of increasing the presence and efficacy of the Colombian state and broadening the inclusion of marginalized groups. In an effort to support and further the peace process, USAID will support initiatives that educate and foster further commitment to the establishment of peace in Colombia. Grants will be provided to U.S. and Colombian universities, NGOs and other CSOs to undertake local research, workshops, conferences, training, operational projects and internships.

USAID will assist internally displaced persons (IDPs) with health services, education and shelter. Working through government entities, non-governmental organizations (NGOs) and international public organizations (IPOs), USAID will assist IDPs to better reintegrate into the economic, social and political life of the country, particularly through improved access to employment. USAID will help an estimated 248,000 IDPs gain access to basic services after their access to emergency relief has expired, but prior to resettlement or return to their communities. Through the Office of Transition Initiatives (OTI), USAID supports productive activities, social infrastructure, and scholarships for children as well as the reintegration of former child soldiers into society.

Earthquake reconstruction assistance through CACEDRF (Central America Caribbean Emergency Disaster Relief) will be completed by December 2001. Assistance is constructing 2,600 homes for poor families affected by the January 25, 1999 earthquake, and has completed 24 social infrastructure projects, and stabilized a major landslide that threatened the city of Pereira's principal aqueduct, which supplies water to its 500,000 residents.

USAID continues stewardship over the $42 million Enterprise for the Americas (EAI) Fund, which makes grants to Colombian NGOs for mitigation of the effects of urbanization and the preservation of habitat in the mountains, the Amazon plain, and the Pacific coast.

COLOMBIA
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
514-001 Improve the Effectiveness of the Colombian Criminal Justice System				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- INC	0	0	0	0
- INC/Plan Colombia	0	0	0	0
- ESF	1,000	3,999	0	0
- P.L. 480/II	0	0	0	0
514-003 Illicit Crop Production Reduced in Target Areas				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- INC	5,000	5,000	0	0
- INC/Plan Colombia	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
514-004 Provide Earthquake Reconstruction Assistance				
- DA	0	0	0	0
- CACEDRF	10,000	0	0	0
- CSD	0	0	0	0
- INC	0	0	0	0
- INC/Plan Colombia	0	0	0	0
- ESF	2,000	0	0	0
- P.L. 480/II	0	0	0	0
514-007 Promote More Responsive, Participatory, and Acccountable Democracy				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- INC	0	0	0	20,000
- INC/Plan Colombia	0	47,000	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
514-008 Provide Economic and Social Alternatives to Illicit Crop Production				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- INC	0	0	0	60,500
- INC/Plan Colombia	0	42,500	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
514-009 Provide Economic and Social Opportunities to Vulnerable Groups, Particularly Internally Displaced Persons				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- INC	0	0	0	15,000
- INC/Plan Colombia	0	30,000	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
Totals				
- DA	0	0	0	0
- CACEDRF	10,000	0	0	0
- CSD	0	0	0	0
- INC	5,000	5,000	0	95,500
- INC/Plan Colombia	0	119,500	0	0
- ESF	3,000	3,999	0	0
- P.L. 480/II	0	0	0	0

ACTIVITY DATA SHEET

PROGRAM: Colombia
TITLE AND NUMBER: Improve the Effectiveness of the Colombian Criminal Justice System, 514-001
PLANNED 2001 OBLIGATION AND ACCOUNT: None
PROPOSED 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1991 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: The justice sector program has sought to support Colombia's efforts to consolidate 1991 constitutional changes, to ensure transparency in all phases and levels of the criminal justice system and to help the criminal justice system reduce impunity. USAID's justice sector activities have also sought to increase the capacity of the National Ombudsman's Public Defenders' Office to expand citizen access to the formal justice system and to alternative forms of conflict resolution and community justice.

USAID's human rights program has worked to promote and foster greater respect for human rights in Colombia through a variety of activities and initiatives. By working with both the private and public sectors, USAID has implemented programs to protect human rights workers, prevent abuses, to strengthen governmental entities responsible for enforcing respect for human rights and to fortify Colombian human rights non-governmental organizations (NGOs).

Key Results: Results under this objective have been positive. With respect to the justice sector program, training for judges was successfully systematized through the Superior Judicial Council and through the strengthening of the *Rodrigo Lara Bonilla* Judicial School. As a result, 3,400 judges have been trained on judicial argumentation, legal evidence gathering and labor procedures. Moreover, with the participation of the Superior Judicial Council and in coordination with the Prosecutor's General Office, Attorney's General Office, and Public Defender's Office, a committee to implement oral trial procedures was created and work to prepare oral trial facilities was initiated. The first two oral trial courtrooms have been established; one in Cartagena and one in Cali. In addition, 67 key figures within Colombia's justice sector participated in oral procedure training programs at the U.S. National Judicial College in Reno, Nevada.

To provide a more effective public defense system, USAID worked with the National Ombudsman's Office to strengthen it both organizationally and operationally. A management system was designed and implemented at the Public Defender's Office (located within the National Ombudsman's Office), and an action plan was developed for strengthening it. The target of having the plan initiated and a personnel system implemented was not achieved because of delays in the selection of a new National Ombudsman. However, it is anticipated that this benchmark will be achieved in FY 2001.

Working with the Ministry of Justice, during FY 2000, four additional justice houses were established and a diagnosis of equity conciliators was performed. As a result of these activities, access to justice has been significantly expanded to marginalized and impoverished communities. To date, 15 justice houses have been established. On average, each justice house handles – free of charge – over 150 cases daily, thereby resolving those that might otherwise have added to the current backlog of three million cases pending resolution in the formal judicial system. Overall, more than 100,000 users were served in justice houses throughout Colombia in the last year, exceeding the target of 80,000.

In the area of human rights, in FY 2000, USAID provided training to 30 investigators of the Human Rights Unit of the Prosecutor General's office and to 861 Public Defenders involved in human rights cases. Moreover, it worked to strengthen the administrative structures of the Human Rights Units of the Prosecutor General's Office and the Attorney General's Office by providing these entities with

needed technical equipment such as computers and communications systems. USAID also supported the design of the communications strategy and the creation of the Human Rights Observatory within the Office of the Vice President. In conjunction with the National Ombudsman's Office, USAID developed a program in which 84 officials from the Ombudsman's Office were trained in human rights promotion techniques. These officials then trained 1,700 community leaders throughout the country. Additionally, in FY 2000, USAID worked closely with key Colombian governmental entities on human rights abuse detection and prevention, protection of human rights workers, and the provision of effective responses to violations. These include the National Ombudsman's Office, the human rights unit of the Prosecutor General's Office, the Attorney General's Office and the Vice President's Office. (The Vice President also serves as the Government of Colombia's (GOC) High Commissioner for Human Rights). For example, USAID initiated efforts with the National Ombudsman's Office to develop a human rights early warning system as a means of preventing massacres and forced displacement. The development of this system is being closely coordinated with the Ministry of Interior, the Ministry of Defense, the Vice President's Office and various civil society organizations.

Although USAID provided significant support to GOC institutions, in FY 2000 USAID also worked with several Colombian NGOs. USAID provided support to a prominent Colombian NGO, allowing it to conduct a thorough study on the evolution of the armed actors in Colombia and also helped key local organizations strengthen their human rights data banks. Moreover, USAID worked with a Colombian non-governmental organization to provide peaceful coexistence training to citizens of the afflicted Magdalena Medio region. Similar training was also undertaken in other areas of the country with women and children. In addition, USAID has worked with a Colombian NGO to disseminate kidnapping prevention methods and techniques to high-risk populations.

Performance and Prospects: It is anticipated that performance in these areas will continue to be strong. By the end of FY 2001, USAID projects that four new justice houses will be established and six new oral trail courtrooms will be created, bringing the total number of justice houses to 18 and of oral facilities to eight. These two activities will greatly enhance citizen access to justice and significantly accelerate legal procedures in Colombia. The additional justice houses will allow over 100,000 impoverished and marginalized Colombians to resolve their disputes legally and the ongoing support for the transition to an accusatory system of law will help reduce the current backlog of approximately three million cases still pending resolution before the Colombian court system. Moreover, by the end of 2001, a modified public defense system that can provide stronger and more opportune service will be designed.

With respect to USAID's human rights activities, the foundations for the establishment of an early warning system administered through the National Ombudsman's Office will be completed and the monitoring and evaluation system for the human rights protection program administered through the Ministry of Interior will also be fully developed. The successful establishment of the early warning system will significantly help reduce massacres and forced displacement in Colombia, while the protection program will enhance the ability of human rights workers, journalists, and others under threat to conduct their duties under more secure conditions. In FY 2001, USAID will also continue to support the activities of several local and regional organizations devoted to conducting human rights activities in Colombia, and it is expected that a statutory law on fundamental rights will be passed by Congress in FY 2001. This statutory law will regulate the application of the fundamental rights established in the 1991 constitution.

Possible Adjustments to Plans: In June 2000, USAID received approval for a new five-year strategic plan (FY 2000-2005). Under the new strategic plan, this current objective was expanded to include new results relating to local governance, anti-corruption, civil society strengthening and support for the peace process and renamed "Promote More Responsive, Participatory, and Accountable Democracy". As a result, in the future, USAID will no longer report on justice and human rights

activities as a separate strategic objective, but rather the results will be included in the new, expanded democracy objective (514-007).

Other Donors: The World Bank is supporting justice activities through programs with the Superior Judicial Council and the Inter-American Development Bank is providing funding to strengthen justice institutions at the local level.

Principle Contractors, Grantees or Agencies: Management Sciences for Development is the primary U.S. contractor under this objective.

FY 2002 Performance Table

Colombia: 514-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Information on key justice issues effectively communicated to the community.	NA	Pilot, human rights, conflict resolution, and civic education courses developed: Y	Courses introduced to communities directly and through Houses of Justice: Y	N	Draft of civic education curriculum approved. This curriculum will be incorporated at pilot municipal secretaries.	Civic education courses integrated into school curricula.	NA
Indicator 2: Increased number of users attended at the Houses of Justice.	NA	164,000	81,000	100,000	80,000	85,000	90,000
Indicator 3: Public Defender Office strengthened organizationally and operatively.	NA	Training unit established in the PDO: N	Training program in operation; design of institutional strengthening plan completed; design of public defense personnel system completed: Y	Y	Actions of institutional strategic plan initiated; personnel system implemented.	Design of modified public defense system providing a more opportune defense service.	Modified public defense service implemented.
Indicator 4: Norms mandating oral procedures at trial stage institutionalized.	NA	Judicial school restructured: Y	Oral regulations developed and approved by the Superior Judicial Council (SJC). Regulations incorporated into judicial school training: N	N	Important aspects of a modified criminal procedure code identified and agreed upon by the SJC and passed by Congress.	Major modifications of the criminal procedure code implemented in 60% of the circuit courts.	Modifications of the criminal procedure code implemented in 80% of circuit courts.

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Introduction of new information program. Steps achieved:Y=yes; N=No	NGOs carrying out civic education programs	This indicator measures the extension of human rights, conflict resolution and civic education programs.
Indicator 2:	IR	Number of users receiving services from the Houses of Justice.	Ministry of Justice and Law – Depart. of Prevention and Conciliation.	This indicator measures the number of users who receive justice services at the Houses of Justice.
Indicator 3:	IR	Steps in the process of reorganizing the Public Defense Office. Step reached: Y=yes; N=no.	Public Defender's Office	To provide a more effective public defense system, a reorganization process will be implemented in order to offer a more stable and broader service. Toward this objective, a training unit will be created in the Public Defender's Office and the system by which the service of public defense is provided will be modified.
Indicator 4:	IR	Steps in the process of institutionalizing modern trial practices. Steps reached: Y=Yes; N=No	Superior Judicial Council	This indicator measures the process of incorporation of effective and proven trial practices into the courts.

	U.S. Financing (In thousands of dollars)		
Program: Colombia			
Title and Number: Improve the Effectiveness of the Colombian Criminal Justice System, 514-001			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	39,801 ESF	34,169 ESF	5,632 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	3,999 ESF	3,851 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	43,800 ESF	38,020 ESF	5,780 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	43,800 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Colombia
TITLE AND NUMBER: Illicit Crop Production Reduced in Target Areas, 514-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: The causes of Colombia's illicit crop production are numerous and complex. At the root, Colombia's poorest and most remote farmers have not had opportunities to participate in the mainstream economy in a gainful manner. Agricultural research, extension, credit and land titling institutions have all failed to incorporate large numbers of Colombian farmers. Isolated farming communities do not have access to basic social services, such as schooling for their children, health systems, and potable water systems, which would enable a sustained rural development effort. Nor has the Colombian State been successful in extending national services or the rule of law in broad areas of Colombia. Security and safety are not assured. Guerrillas, paramilitaries and other criminal elements have all conspired to create organizations in neglected areas to promote the cultivation, processing and transportation of illegal drugs.

Eighty percent of all cocaine and up to one-third of all heroin consumed in the United States comes from Colombia. Over the last five years, illicit crop cultivation and processing has exploded in Colombia. In 1994, the country produced coca leaf on 40,000 hectares for a potential production of 180 metric tons (MT) of cocaine, while in 2000, the figure jumped to 136,200 hectares for a total potential production of 578 MT. Likewise, areas of opium poppy production increased from 6,000 to 7,000 hectares from 1996 to 1999 with a present potential of 7.7 MT of heroin. Two-thirds of the country's coca production is located in the two southern departments of Putumayo and Caquetá. In 1999, there was an estimated total of 79,500 hectares of coca in these two departments: 45,900 hectares in Putumayo and 33,600 hectares in Caquetá.

Under USAID's current $15 million alternative development strategy which preceded Plan Colombia, USAID is working to reduce illicit poppy crop production in targeted areas of Colombia (Tolima, Huila, Cauca, and Narino) through voluntary elimination by small producers (less than one hectare of poppy) of these crops. (Coca elimination is addressed in the expanded program 514-008). Simultaneously, USAID's program is working to provide alternative economic opportunities, social and productive infrastructure, and stronger organizational capacity to small farmer organizations agreeing to voluntary elimination. The goal of Phase I of the program, which began in August of 1999 and is expected to conclude in August 2002, is to voluntarily eliminate 3,000 hectares of small farmer opium poppy, support 3,000 hectares of small farmer licit, productive activities, and directly benefit 4,000 small farm families. Programs implemented at the local level will complement activities with internally displaced persons and in municipal strengthening.

Key Results: This $15 million program has resulted in the elimination of approximately 675 hectares of opium poppy, directly benefiting 770 small farm families, and 600 hectares of licit crops have been supported.

Performance and Prospects: Delays in implementation occurred due to the Colombian public sector entity responsible for channeling USAID funds having to use restrictive Colombian procurement procedures. This constraint was resolved by contracting a U.S. firm in May 2000 to manage USAID's financial resources using more flexible USAID regulations. Considerable effort has been spent analyzing Colombian counterpart (PLANTE) capabilities in information management and computer techniques. An information technology plan has been developed by USAID and PLANTE and by mid-2001 USAID funding will facilitate the installation and operation of an interactive

electronic information management system in PLANTE headquarters and 10 regional offices, which will considerably improve its analysis, communication and reporting capabilities.

Two million dollars were set-aside in late FY 2000 to jumpstart activities in the Putumayo department under the new southern initiative. Implementation began in December 2000. Activities were undertaken in the production and marketing of cold climate fruits and beans as alternatives to opium poppy in the Tolima department, with additional productive activities to be undertaken in cassava and passion fruit in 2001 in the Huila and Cauca departments. All three of these productive activities are/will be linked to private sector product processing that will help to ensure value added and stable markets. By the end of FY 2002, it is expected that 3,000 hectares of illicit crops will be eliminated by small farmers and 3,000 hectares of licit crops will established through regional alternative development projects, benefiting some 4,000 small farm families.

Possible Adjustments to Plans: Alternative development and environmental activities depend on access to the areas where illicit cultivation occurs. The security situation will determine the pace at which activities can proceed. No activities will be carried out in the demilitarized zone. Achievement of results could be seriously impaired by continued violence between guerrilla and paramilitary forces in target illicit crop producing areas. An additional factor is the aerial spraying of small poppy plots by the Colombian National Police where some licit agricultural activities supported by the alternative development program may inadvertently be damaged. This could seriously affect the credibility of the alternative development program and the achievement of outcomes, and it is being carefully monitored by USAID and its contractor for this reason.

Other Donors: The United Nations Drug Control Program (UNDCP) has a $2 million annual budget for policy development, institutional support and productive activities related to alternative development, drug eradication and demand reduction in Colombia. The Government of Colombia (GOC) is implementing a $50 million loan from the Inter-American Development Bank for alternative development.

Principal Contractors, Grantees, or Agencies: The primary U.S. contractor is Chemonics. Other implementing organizations include PLANTE, which coordinates alternative development activities for the GOC with farmer associations, indigenous groups, local governments and other GOC agencies including the counter-narcotics police; and the UNDCP, which supports dual-purpose cattle production in poppy producing areas in Narino.

FY 2002 Performance Table

Colombia: 514-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Area of licit crops established through regional alternative development projects.	NA	NA	NA	600	600	1,500	3,000
Indicator 2: Farm families no longer receiving income from poppy under alternative development projects.	NA	NA	0	770	770	2,000	4,000
Indicator 3: Number of hectares of poppy eliminated by small farmers.	NA	NA	7,000	675	675	1,500	3,000

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of hectares.	PLANTE documentation	Increased hectarage under licit crops indicates the degree of success of AD economic opportunities.
Indicator 2:	IR	Number of families: Poppy	PLANTE documentation	Increase in the number of farm families indicates success and sustainability of alternative development economic and social programs.
Indicator 3:	IR	Number of hectares.	PLANTE documentation	Decrease in the number of hectares of poppy planted indicates success of voluntary eradication with alternative economic opportunities.

	U.S. Financing (In thousands of dollars)		
Program: Colombia			
Title and Number: Illicit Crop Production Reduced in Target Areas, 514-003			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	5,000 INC	93 INC	4,907 INC
	0 SEED	0 SEED	0 SEED
	0 ESF	0 ESF	0 ESF
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	5,000 INC	1,340 INC	
	0 SEED	0 SEED	
	0 ESF	0 ESF	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	10,000 INC	1,433 INC	8,567 INC
	0 SEED	0 SEED	0 SEED
	0 ESF	0 ESF	0 ESF
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 ESF		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 ESF		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 ESF		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	10,000 INC
	0 SEED	0 SEED	0 SEED
	0 ESF	0 ESF	0 ESF
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Colombia
TITLE AND NUMBER: Provide Earthquake Reconstruction Assistance, 514-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: USAID's Special Objective supports Government of Colombia (GOC) efforts to provide relief to the victims of the devastating 6.0 magnitude earthquake that hit the heart of Colombia's coffee region on January 25, 1999. Over 1,000 people were killed, some 8,000 injured and a total of approximately 425,000 people were affected. Hardest hit was Armenia, the capital city of the Quindío Department, with a population of 300,000, where an estimated 37,000 families (approximately 185,000 people) were left homeless. In the neighboring city of Pereira, with a population of 450,000, another 3,000 families lost their homes. Also, a section of mountain adjacent to Pereira's principal aqueduct was weakened, potentially threatening the city's water supply. Were the section of the mountain to collapse, an estimated 3,000 city residents could have been killed and a total of 500,000 would have been without potable water supply for approximately six months.

On January 21st, the day following the earthquake, the U.S. Ambassador to Colombia declared a disaster, setting in motion the U.S. Government response. The primary element of the SpO is the reconstruction of infrastructure, and it aims to: a) provide low-income housing; b) support indigenous, non-governmental institutions in delivering shelter and basic infrastructure services to low-income earthquake victims; and c) leave behind sustainable models of delivery that require public and private sector participation, as well as a sustainable investment finance model.

Key Results: Almost immediately following the disaster, USAID's Office of Foreign Disaster Assistance (OFDA) responded to Colombia's call for help by providing search and rescue teams to the area and emergency relief for immediate needs (food, water, temporary shelter, health). On January 25, the same day of the U.S. Ambassador's disaster declaration, OFDA deployed a 62-person search and rescue team along with 56,000 pounds of search and rescue equipment. That team worked in coordination with the Colombian Red Cross and remained in Armenia through January 30, when the search and rescue phase ended. OFDA also provided funds to the Pan-American Health Organization for earthquake-related health activities. Between January 26 and February 4, 1999, OFDA airlifted 600 rolls of plastic sheeting, 8,000 blankets, 165 cases of ready-to-eat meals, 1,980 gallons of bottled water, and 8,460 pre-packaged daily food rations to the earthquake-affected area. The rolls of plastic sheeting were used to support a variety of initiatives including construction of temporary shelter units for families, community kitchens and temporary facilities for the fire stations destroyed in the earthquake, and for the reconstruction of pre-existing daycare centers. OFDA provided support to The Colombian Association of Seismic Engineers, who prepared an analysis of earthquake reconstruction procedures that became the basis of Armenia's reconstruction plan.

USAID funded a total of 21 local construction seminars and workshops that focused on teaching earthquake resistant construction techniques using local materials and resources to assure that appropriate uses of local materials became part of existing norms in target communities. More than 1,000 citizens affected by the earthquake were in attendance. Two books were published on construction techniques covered in the various seminars and workshops and delivered to participants.

Colombia's Family Well-Being Institute (ICBF) funds a variety of programs aimed at supporting the physical, psychological and social development of children under seven years of age who live in

extreme poverty. These programs work through neighborhood women who provide childcare within their homes, many of who lost their homes in the earthquake, rendering ICBF programs inoperative. Many of the facilities that provided these services were destroyed in the earthquake. In order to reestablish these important programs, USAID funded the reconstruction of Child Community Homes (daycare centers) that provide a clean, dignified and appropriate space, thereby enabling ICBF programs to resume. All four "community homes" planned for reconstruction have been successfully completed benefiting 485 pre-school aged children.

Throughout the affected area, many schools, community centers, and other important community buildings suffered serious damage. To help meet the need for construction materials, USAID supported the creation of a "materials bank." The materials bank provides such basic construction materials as zinc sheets for roofing, wood and cement in exchange for transportation and labor provided by target beneficiaries. All 24 social infrastructure projects in thirteen municipalities in three departments planned for reconstruction have been completed using building materials supplied by the materials bank, benefiting an estimated 300,000 people. The materials bank has also served as a means for keeping the price of local construction materials within the reach of the local population. Community projects completed include two primary school, seven community centers (centers for town meetings, social and minor health events and recreational activities), four hospitals and health clinics, five homes for the elderly, one cultural center, one artisan center, two sports centers and two market places for micro entrepreneurs.

With funding provided by USAID, the U.S. Army Corps of Engineers analyzed the conditions of the landslide in Pereira, made recommendations on a course of remedial actions to prevent loss of the city's water supply, and generated sufficient information to fully execute the project. The mountain has been stabilized and the project was completed in March 2000.

USAID is assisting in the restoration of adequate, permanent shelter to approximately 2,600 of the region's poorest families. These homes are being built using a "sites and services" approach, in which most of the construction is done by the families themselves. Additionally, USAID is funding the reconstruction of a primary school serving street children and a home for the elderly in the city of Armenia. As of September 2000, eleven grants with local NGOs had been signed for the construction of 2,432 homes, as well as the primary school and elderly home.

Performance and Prospects: The construction of low-income housing and the additional infrastructure projects will be completed on or prior to December 31, 2001.

Possible Adjustments to Plans: No substantial adjustments are expected.

Other Donors: Combined loans from the World Bank and IDB totaled approximately $300 million for goods and services necessary for provisional housing and the immediate stabilization of damaged structures, as well as medium and longer-term support to the reconstruction of homes and other physical infrastructure. After the U.S., the next largest bilateral donor was Germany, which invested $1 million in the reconstruction of 280 homes, and Japan with an investment of roughly $600,000. Approximately $100,000 was donated by private U.S. citizens and $950,000 form private, expatriate Colombian citizens. Other countries, including Morocco, China and Jamaica, donated approximately $500,000 in humanitarian aid for earthquake victims.

Principal Contractors, Grantees, or Agencies: U.S. organizations include Planning & Collaborative Inc. and the U.S. Army Corps of Engineers. Various Colombian non-governmental organizations are also involved in implementing the objective.

FY 2002 Performance Table

Colombia: 514-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Low-income housing.	NA	NA	NA	0	200	2,000	400
Indicator 2: Number of steps completed.	NA	NA	3	NA	NA	NA	NA
Indicator 3: Stabilization successful in preventing the collapse of a mountainside in the city of Pereira.	NA	NA	NA	Yes	Yes	NA	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of houses.	Partner Reports/Field visits	NA
Indicator 2:	IR	Number of steps.	Partner Reports/Field Visits	NA
Indicator 3:	IR	Yes/No	Partner Reports/Field Visits	An indicator of yes/no, or whether or not the stabilization was successful in preventing the collapse of a fragile mountainside in the city of Pereira and the subsequent destruction of an aqueduct providing water for 500,000 inhabitants for an estimated time of six months.

	U.S. Financing (in thousands of dollars)		
Program: Colombia			
Title and Number: Provide Earthquake Reconstruction Assistance, 514-004			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	1,996 ESF	0 ESF	1,996 ESF
	9,500 CACEDRF	0 CACEDRF	9,500 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	1,100 ESF	
	500 CACEDRF	719 CACEDRF	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	1,996 ESF	1,100 ESF	896 ESF
	10,000 CACEDRF	719 CACEDRF	9,281 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	1,996 ESF
	0 CACEDRF	0 CACEDRF	10,000 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Colombia
TITLE AND NUMBER: Promote More Responsive, Participatory and Accountable Democracy, 514-007
PLANNED 2001 OBLIGATION AND ACCOUNT: None
PROPOSED 2002 OBLIGATION AND ACCOUNT: $20,000,000 (INC)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID has been tasked with implementing the bulk of the U.S. Government's ambitious development assistance in support to Plan Colombia. Under the new strategy, justice and human rights activities implemented as part of the former justice sector objective (514-001) are broadened and the objective expanded to include activities to strengthen local governance, reduce corruption, increase citizen participation in political decision-making and to support the peace process. The ultimate beneficiaries of this program are all Colombian citizens who will be able to rely on a more accessible and effective judicial system, and benefit from stronger, more transparent government (at the local and national level) that can more effectively respond to their needs, reduce corruption and ensure greater respect for human rights.

USAID will continue to strengthen the criminal justice system by helping to enhance the capacity of the criminal justice sector to plan and establish effective policies. This will be done by strengthening national and local-level justice sector institutions and by promoting the use of alternative dispute resolution mechanisms under initiatives such as the Justice Houses program. To achieve these goals, USAID will work in close collaboration with the Ministry of Justice, the Superior Judicial Council and the National Ombudsman's Office. In cooperation with the U.S. Department of Justice, USAID will continue working with the Public Defender's Office, the Prosecutor General's Office, and the Attorney General's Office in supporting the transition from an inquisitorial criminal justice system to a more efficient and transparent oral system. USAID will also work with NGOs, universities, and other civil society actors to identify bottlenecks to progress, to increase coalition building, and to support needed reforms in the criminal justice system.

USAID's program will address Colombia's human rights crisis and provide state and civil society organizations with the technical assistance and equipment needed to address it. The program's general objective is straightforward: to enhance and broaden respect for human rights in Colombia. The focus is primarily on the first generation of human rights, including civil and political rights (e.g., freedom from torture, coercion, forced disappearance and arbitrary acts of war). Second generation rights -- including economic, social and cultural rights – will also be addressed. The program focuses on the prevention of human rights abuses through activities such as the establishment of an early warning system to prevent massacres and forced displacement and through activities to support the Office of the High Commissioner for Human Rights. It also aims to protect human rights workers by providing security equipment to those individuals, groups and organizations whose claims have been reviewed, validated and approved under the protection program. Moreover, this program will significantly strengthen the ability of the Office of the Vice President to monitor and track abuses nationwide.

USAID will work to ensure that municipal governments will be able to respond to citizen priorities through a collaborative planning process and increased management capacity. In implementing a strategy to increase the responsiveness, effectiveness and, thus, the legitimacy of local governments in the eyes of citizens, USAID is taking an approach centered around the planning and implementation of small, locally-based projects that result from community participation, improve the municipalities' capacity to implement and manage projects, and promote transparency in financial management and decision-making. At least one small project per targeted municipality will be funded in the first year and two small and one large project in each successive year in

approximately 100 communities in eight departments. Programs implemented at the local level will complement internally displaced persons activities and ongoing alternative development activities.

In anti-corruption, USAID will work with each Government of Colombia (GOC) ministry and department to: 1) put an internal control system in place regularly monitored by the Controller General's Office; and 2) train municipalities in all 32 Departments in financial management/internal controls and mechanisms to release municipal budget information to citizens. Concurrently, working with a coalition of non-governmental organizations (NGOs), a national public awareness campaign will educate at least 50% of citizens on their rights and responsibilities in fighting corruption. Additionally, $1.2 million in small-grants will be provided to individual NGOs as well as citizen's groups to identify and combat corruption.

For the peace process, USAID will support initiatives that educate and foster further commitment to the establishment of peace in Colombia. In support of these initiatives, grants will be provided to a variety of U.S. and Colombian institutions, including universities, NGOs and other civil society organizations, to undertake local research, workshops, conferences, training, operational projects and internships. A contract may also be signed to provide institutional support to the GOC's Office of the High Commissioner for Peace.

New activities designed to broadened citizen participation in political decision-making will be developed later in FY 2001.

Key Results: Results of the justice and human rights activities are described in Strategic Objective 514-001. Local governance, anti-corruption and peace process activities are being initiated in FY 2001 and thus no significant results can be reported at this time. Contractors have been selected for the local governance and anti-corruption programs and implementation recently began. In addition, a USAID review committee is analyzing various proposals from local and international NGOs and universities dedicated to undertaking research, conducting training and implementing peace-related projects in Colombia.

Performance and Prospects: USAID anticipates that by the end of FY 2002, a total of 40 Justice Houses will be created and in operation throughout the country. As a result, nearly 300,00 people per year will benefit from the services provided by the Justice Houses, thus significantly expanding access to justice to thousands of impoverished and marginalized Colombians. To help transform the current inquisitorial judicial system to a modern, accusatory system of justice, 12 oral trial courtrooms will be established and functioning by FY 2002. In conjunction with this effort, by the end of FY 2002, 50% of Colombian judicial officials will have received the training necessary to conduct oral trial procedures significantly increasing the number of criminal cases resolved per year through the formal court system. Moreover, it is projected that by 2002, the necessary modifications of the Colombian criminal procedures codes will be implemented in virtually all circuit courts.

Under the human rights program, by the end of FY 2002, the early warning system will have been established in at least five departments in Colombia including, Putumayo and Caquetá. This will help guarantee the ability of the Colombian state to effectively prevent massacres and forced displacement. Moreover, by the end of FY 2002, the protection strategy within the human rights program will have been developed and an effective monitoring and management system will be used to help guarantee the safety of numerous journalists, union leaders, members of NGOs, and other groups and individuals under threat. Finally, USAID's support will permit the Vice-Presidency to implement its human rights action plan, thereby significantly increasing the protection of the fundamental rights of children, women, Afro-Colombians, indigenous groups, and other vulnerable groups.

As of January 2001, the local governance and anti-corruption programs began preliminary implementation activities and contractors under each program are in place. With respect to local governance, USAID anticipates that by the end of 2002, over 40 targeted local governments throughout eight departments will have greater administrative and operational capacity to implement citizen priorities. In conjunction with this goal, targeted municipal governments will have strengthened various participatory decision-making mechanisms to assure that resources and projects are directed at solving the priority concerns of participatory communities in a transparent manner. By the end of FY 2002, at least 50 small infrastructure projects will have been implemented in these 40 municipalities.

In its effort to strengthen GOC internal control systems, by the end of FY2002, the anti-corruption program will have implemented systems of internal control in at least 8 ministries with fully staffed and trained internal control units. Working with the Comptroller General of the Republic, approximately 75% of departmental assemblies and municipal councils will be trained in fiscal control, financial management, and internal audit systems. Additionally, audit systems will be in place for all government entities and standardized through national legislation. Under the citizen participation component of this program, at least 50% of the adult population will have basic knowledge about their rights and duties in exercising citizen oversight and control, through the National Awareness Campaign. Also, by the end of FY 2002, approximately $500,000 in small grants will have been distributed to Colombian NGO's for small projects promoting transparency and citizen oversight.

It is estimated that by FY 2002, USAID's peace grants will have been executed for a total amount of roughly 1.5 million dollars. These grants will have significantly contributed to the inclusion of women's empowerment and gender issues into the peace process and related dialogue, will have served to create sustainable food security mechanisms for populations of impoverished regions, and will have assisted in the training of journalists in improving the quality of coverage performed in support of the peace process. By the end of FY 2002, USAID will have also provided assistance to the Colombian High Commissioner for Peace in order to conduct activities in support of the peace process.

Possible Adjustments to Plans: All of the democracy programs will require political will at the national and local levels to follow through on the technical assistance and training provided through our contractors. A continuing favorable policy environment is expected during the Pastrana administration. Assistance to local governments is based on the assumption that the contractor will have access to the program's target municipalities. The security situation will determine the pace of activity implementation and where the activities may have to be reoriented and georaphic location adjusted.

Other Donors: There is considerable synergy between the work of the USAID program and projects being planned by other donors. The World Bank and the Inter-American Development Bank (IDB) have arranged a $750 million loan for the social safety net, a major source of funds for USAID target municipalities. The United Nations High Commission for Human Rights maintains a very active office in Colombia and the GOC has secured a loan from the IDB to upgrade the Controller General's infrastructure.

Principle Contractors, Grantees or Agencies: U.S. contractors include: Associates for Rural Development (local governance) and Casals & Associates (anti-corruption). Contracts to implement the justice and human rights programs will be awarded in April 2001.

FY 2002 Performance Table

Colombia: 514-007

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: To Be Determined (TBD)	NA	NA	NA	NA	NA	TBD	TBD

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:				The full range of indicators for this SO will be developed by June 2001.

	U.S. Financing (In thousands of dollars)		
Program: Colombia			
Title and Number: Promote More Responsive, Participatory and Accountable Democracy, 514-007			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 INC (P.C.)	0 INC (P.C.)	0 INC (P.C.)
	0 INC	0 INC	0 INC
	0 ESF	0 ESF	0 ESF
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	47,000 INC (P.C.)*	0 INC (P.C.)	
	0 INC	0 INC	
	0 ESF	0 ESF	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	47,000 INC (P.C.)*	0 INC (P.C.)	47,000 INC (P.C.)
	0 INC	0 INC	0 INC
	0 ESF	0 ESF	0 ESF
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 INC (P.C.)		
	0 INC		
	0 ESF		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 INC (P.C.)		
	0 INC		
	0 ESF		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 INC (P.C.)		
	0 INC		
	0 ESF		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 INC (P.C.)	0 INC (P.C.)	47,000 INC (P.C.)
	20,000 INC	59,000 INC	79,000 INC
	0 ESF	0 ESF	0 ESF
	0 DFA	0 DFA	0 DFA

NOTE: P.C. = Plan Colombia

ACTIVITY DATA SHEET

PROGRAM: Colombia
TITLE AND NUMBER: Provide Economic and Social Alternatives to Illicit Crop Production, 514-008
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $60,500,000 (INC)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: Small farmer coca plots account for about 40,000 hectares of Colombia's 136,200 hectares of coca. USAID's expanded alternative development program will focus on small farmers who choose to voluntarily eliminate their coca production in exchange for licit alternatives. The alternative development strategic goal -- in concert with the Government of Colombia (GOC) goal of total elimination of coca by 2006 -- is to eliminate 30,000 hectares of small farmer coca by September 2005 and to support 69,000 hectares of small farmer licit productive activities, directly impacting some 13,000 farmers. Initial funding under Plan Colombia will finance the voluntary elimination of some 5,700 hectares of coca through alternative development activities in 24 municipalities in the departments of Putumayo (approximately 2,600 hectares); Caquetá (approximately 1,200 hectares); Bolivar (approximately 1,000 hectares), and Norte de Santander (approximately 900 hectares).

The departments of Putumayo and Caquetá have been chosen as an initial focus because they contain the largest areas of coca production, have the most accelerated increases, and are part of the USG-assisted Southern Colombia Initiative. The region represents a clear example of the need to integrate alternative development, aerial eradication and interdiction to maximize the immediate and long-run counter-narcotics impact. The two northern departments of Bolivar and Norte de Santander will also be targeted by the program because of their rapid growth of coca production. If additional funding becomes available in out years, the coca elimination effort may be expanded to the eastern departments of Guaviare and Meta. Programs implemented at the local level will complement activities addressing needs of internally displaced persons and municipal strengthening activities.

Key Results: Implementation of this objective began late in FY 2000 with the signing of Strategic Objective Grant Agreement obligating $42.5 million for the total five-year effort.

Performance and Prospects: It is expected that the selected implementation contractor will be in place in Bogota in April 2001. This technical assistance team will help to design sub-activities, contract field implementers, provide financial management and control, monitor and evaluate activities, and provide technical assistance and training to the counterpart organization (National Plan for Alternative Development, PLANTE) and to producer organizations. The program will focus on alternative productive activities to replace coca, principally in the departments of Putumayo and Caqueta where two-thirds of the country's coca, or about 80,000 hectares, is planted. Assistance by PLANTE and USAID will be based on the signing of coca elimination agreements, or pacts, between PLANTE, coca producers and municipal governments that will clearly indicate the willingness of small farmers to voluntarily eliminate their coca over a ten-month period in exchange for licit activities. By mid-FY 2001, some 4,000 small coca producers in the Putumayo department are expected to have signed pacts calling for the elimination of some 9,000 hectares of coca. Initial activities under these pacts will be the provision of inputs (seeds, fertilizers, root stock, etc.) and small animals (chickens, pigs, etc.) to small farmer participants to enable them to produce short-cycle products for on-farm consumption while medium-term productive activities to replace coca, such as hearts of palm, forestry products, dual-purpose cattle (diary and meat products) and fish from farm ponds, mature and provide benefits to these farmers. By the end of FY 2002, it is expected that roughly 11,800 hectares of coca will have been eliminated by small farmers, benefitting some 5,100 families, and some 27,000 hectares of licit crops will have been

established. Moreover, by the end of FY 2002, municipalities targeted by the program will have developed some 12 social infrastructure packages.

Possible Adjustments to Plans: Alternative development and environmental activities depend on access to the areas where illicit cultivation occurs. The security situation will determine the pace at which activities can proceed. No activities will be carried out in the demilitarized zone. Achievement of program outputs could be seriously impaired by continued violence between guerrilla and paramilitary forces, as well as narco-traffickers, in the coca areas targeted for alternative development activities. Additionally, aerial spraying of large, plantation style coca farms by the Colombian National Police could inadvertently damage some existing small farmer licit agricultural and livestock production, which could affect small farmer willingness to continue to participate in the alternative development program. It is imperative that close coordination be developed and maintained between the aerial eradication and alternative development programs to avoid this occurrence.

Other Donors: The United Nations Drug Control Program (UNDCP) has a $2 million annual budget for policy development, institutional support, and productive activities related to alternative development, drug eradication and demand reduction in Colombia. The GOC is implementing a $50 million loan from the Inter-American Development Bank for alternative development.

Principal Contractors, Grantees, or Agencies: A U.S. firm will be contracted to assist in managing the coca reduction program. Other implementing organizations include PLANTE, which coordinates alternative development activities for the GOC with farmer associations, indigenous groups, local governments, and other GOC agencies including the counter-narcotics police; and the UNDCP which implements a cattle program in Caqueta and Narino.

FY 2002 Performance Table

Colombia: 514-008

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of municipalities implementing rural social infrastructure packages.	NA	NA	NA	NA	NA	7	12
Indicator 2: Number of hectares of coca eliminated by small farmers.	NA	NA	NA	NA	NA	5,700	11,800
Indicator 3: Area of licit crops established through regional Alternative Development projects.	NA	NA	NA	NA	NA	13,000	27,000
Indicator 4: Farm families no longer receiving coca under Alternative Development projects.	NA	NA	NA	NA	NA	2,500	5,100

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of packages	Plante documentation	These packages will strengthen local communities and solidify government presence in coca producing areas.
Indicator 2:	IR	Number of hectares.	Plante documentation, NAS	Decrease in the number of hectares of coca planted indicates success of voluntary eradication with alternative economic opportunities.
Indicator 3:	IR	Number of hectares.	Plante documentation	Increased hectarage under licit crops indicates the degree of success of Alternative Development economic opportunities.
Indicator 4:	IR	Number of families.	Plante documentation	Increase in the number of farm families indicates success and sustainability of Alternative Development economic and social programs.

	U.S. Financing (In thousands of dollars)		
Program: Colombia			
Title and Number: Provide Economic and Social Alternatives to Illicit Crop Production, 514-008			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 INC (P.C.)	0 INC (P.C.)	0 INC (P.C.)
	0 INC	0 INC	0 INC
	0 ESF	0 ESF	0 ESF
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	42,500 INC (P.C.)*	0 INC (P.C.)	
	0 INC	0 INC	
	0 ESF	0 ESF	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	42,500 INC (P.C.)*	0 INC (P.C.)	42,500 INC (P.C.)
	0 INC	0 INC	0 INC
	0 ESF	0 ESF	0 ESF
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 INC (P.C.)		
	0 INC		
	0 ESF		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 INC (P.C.)		
	0 INC		
	0 ESF		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 INC (P.C.)		
	0 INC		
	0 ESF		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 INC (P.C.)	0 ESF/INC	42,500 INC (P.C.)
	60,500 INC	120,500 INC	181,000 INC
	0 ESF	0 ESF	0 ESF
	0 DFA	0 DFA	0 DFA

NOTE: P.C. = Plan Colombia

ACTIVITY DATA SHEET

PROGRAM: Colombia
TITLE AND NUMBER: Provide Economic and Social Opportunities for Vulnerable Groups, Particularly Internally Displaced Persons, 514-009
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $15,000,000 (INC)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE**: FY 2005

Summary: Forced displacement of Colombia's population has increased, particularly since 1994, as a result of the intensifying armed conflict. By some estimates 1.8 million Colombians have been forced to abandon their homes and possessions at one time or another over the past 15 years. The Government of Colombia (GOC) estimates that some 300,000 are currently displaced. The majority of these are the result of Colombia's ongoing conflict, where armed groups in Colombia have come to use population expulsions as an integral part of their strategies to position themselves territorially, militarily and politically. Moreover, as the GOC seeks to eradicate coca in the southern region of the country, displacement of the work force, particularly the coca pickers, is projected to increase.

In response to this humanitarian tragedy, USAID will provide non-emergency support to internally displaced persons (IDPs) and will work with municipal and departmental governments to help IDPs meet social service, transitional, and long-term needs. USAID will utilize a municipal and departmental-based approach, emphasizing the social, political, and economic incorporation of IDPs into mainstream Colombian society. Programs implemented at the local level will complement ongoing alternative development and municipal strengthening activities. USAID will also support local peace and community-based efforts to prevent the displacement of populations in vulnerable communities and to stabilize receptor communities. Moreover, USAID will work with IDPs in secondary cities to prevent further dislocation into already over-crowded cities where it is more difficult and more expensive to provide adequate services. Equally important, USAID will assist both IDPs and other vulnerable populations to avoid the creation of a privileged class and in an effort to minimize resentment by existing community residents.

The customers of USAID-funded initiatives will be both municipal and departmental governments. The ability of local governments to respond to this humanitarian crisis will be strengthened without affecting their current ability to meet the needs of other, often equally poor citizens. Thus, USAID will work with local governments to strengthen their ability to provide training and generate viable economic opportunities to improve the social and economic situation of IDPs and other vulnerable groups.

USAID will provide health assistance, register and enroll at-risk IDP children in school, and, as needed and in cooperation with other donors, will provide low-cost shelter options. USAID will also help to improve IDP access to reproductive health services and psycho-social counseling. These activities were already underway at the end of CY 2000. Some supplementary feeding for highly vulnerable populations is also planned.

USAID will provide vocational education and training, as well as support for income generation activities. These activities include small business development and community strengthening projects. The initiatives will be complimented by local infrastructure improvement projects such as health posts, schools, rural water and sanitation, which will help to increase the ability of communities to absorb potentially large numbers of IDPs. This will also positively impact the ability of communities to provide humanitarian and social services. Some food-for-work projects have been approved which will also fortify local infrastructure.

USAID will support increased political participation by IDPs at the local level on matters that affect them and work to ensure that dialogue on issues related to IDPs become more participatory and inclusive. USAID will also improve the ability of stakeholders at the local level to absorb IDPs without undue stress on local infrastructure and society. These activities will be tightly coordinated with USAID municipal development activities.

Key Results: Prior to obligation of funds made available under Plan Colombia, the USAID Bureau for Humanitarian Assistance, Office of Transition Initiatives, undertook similar activities through the International Committee of the Red Cross (ICRC) and the Salesian Missions. These two organizations launched over 68 small community projects in Colombia, benefiting over 148,000 vulnerable people. Upon receipt of Plan Colombia funds, agreements were signed with five grantees and the GOC to implement the IDP program. Implementation of IDP activities has been outstanding and there is every indication that grantees will be able to continue to execute their respective programs successfully over the next several months. Even while establishing themselves legally in-country, USAID's five grantee partners have provided over $1 million in assistance, directly and indirectly benefiting over 100,000 IDPs and other vulnerable groups. Grantee implementing plans are open and flexible and designed to capitalize on targets of opportunity, and thus are self-adjusting as the projects are implemented.

Performance and Prospects: During FY 2001 and FY 2002, USAID will continue to work through U.S., local and international organizations to conduct programs in community strengthening, income generation and urban assistance. Over this two-year period, USAID will also maintain its efforts to provide schooling and psycho-social support to victims of forced displacement, as well as reproductive health programs to vulnerable populations. Equally important, in FY 2001, USAID will initiate child-solider rehabilitation initiatives.

With respect to the community strengthening grants, USAID will continue to work through the Pan American Development Foundation's (PADF) to strengthen credit programs, small business development, health, education, housing and other programs which improve IDP living conditions or enable them to return to their places of origin. Income-generating activities during FY 2001 and FY 2002 will continue to focus on developing small community projects in areas determined to be at risk of future displacement, as well as education programs and services, community stabilization, social communication and local promotion of peace and transitional housing initiatives. Urban assistance activities, implemented through World Vision, seek to provide food for work and long-term economic activities, primary health care and hygiene, shelter, sanitation, potable water, and primary education and will continue through FY 2002. Psycho-social attention will also continue to be provided to children displaced by violence and eradication efforts. Services include donations of school supplies to poor families as well as repair and expansion of schools receiving displaced students. Primary attention to the health needs of small children will also be maintained, including oral rehydration salts and vaccination campaigns. Reproductive health activities over this two-year period focus on providing necessary services to IDPs and receptor communities in 23 departments. This includes reproductive health and family planning consultations, gynecological examinations and prenatal care, cancer screenings, pregnancy tests and incidental treatment of non-sexual diseases.

Implementation will accelerate as grantees achieve economies of scale. By the end of FY 2001, it is expected that 100,000 individuals will receive direct or indirect assistance from USAID. By the end of FY 2002, USAID assistance is expected to benefit 248,000 individuals.

Possible Adjustments to Plans: Colombia's largest guerrilla group has declared recipients of Plan Colombia funding military targets. If it becomes widely known that USAID grantees are receiving Plan Colombia funding, this may adversely affect implementation, especially if guerrilla groups target USAID grantees and/or their projects. In response, grantees would in all likelihood choose to distance themselves from their field projects by conducting fewer site visits. This could slow implementation and negatively affect the achievement of planned results. To lessen the potential

for disruption of this sort, USAID is taking steps now to protect the identity of its partners. Likewise, if the civil conflict were to suddenly intensify, grantees would also need to reduce their field presence, also slowing implementation. On the other hand, in the event of a successful peace program, implementation should accelerate.

Post-emergency assistance to IDPs is complicated by the uncertainty of their status. Many IDPs do not know how long their displacement will last or whether it will be permanent. This determination depends in part on security issues beyond their control. As a result, USAID's response will be flexible enough to accommodate change, sufficiently inclusive to capture the changing opinions of IDPs with regard to their options, and agile enough to recognize and seize feasible opportunities as they present themselves.

Other Donors: Other donor programs provide only emergency assistance to IDPs. The International Committee of the Red Cross is the primary agency providing emergency assistance to IDPs in the field. The GOC's Social Solidarity Network is also providing limited emergency support in some situations. The U.S. Department of State and United Nations High Commission for Refugees plan to provide $10 million of emergency assistance to the displaced and institution-strengthening assistance to the GOC's entity charged with managing and coordinating policies and assistance programs to those displaced by violence. The World Food Programme and the European Union have also stated that they will provide emergency assistance to IDPs, but have not yet pledged specific dollar amounts. European Community Humanitarian Organization assistance for 2000 totaled $6.5 million among 13 grantee partners for emergency assistance.

Principal Contractors, Grantees, or Agencies: Major community development and income-generation activities are being implemented by three grantees, including two U.S. organizations (PADF and World Vision) . Another Colombian NGO is providing psycho-social counseling for youth and support to primary school children; a fifth NGO is providing reproductive health assistance.

FY 2002 Performance Table

Colombia: 514-009

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of vulnerable and IDP individuals receiving USAID assistance.	NA	NA	NA	NA	NA	100,000	248,000

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Individuals receiving direct and indirect assistance from USAID grantees.	Reporting by NGO, PIO implementing partners.	This indicator measures the number of users of services delivered by USAID grantees, assuming only 5 direct beneficiaries per family (which is conservative).

	U.S. Financing (In thousands of dollars)		
Program: Colombia			
Title and Number: Provide Economic and Social Opportunities for Vulnerable Groups, Particularly Internally Displaced Persons, 514-009			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 INC (P.C.)	0 INC (P.C.)	0 INC (P.C.)
	0 INC	0 INC	0 INC
	0 ESF	0 ESF	0 ESF
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	30,000 INC (P.C.)*	0 INC (P.C.)	
	0 INC	0 INC	
	0 ESF	0 ESF	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	30,000 INC (P.C.)*	0 INC (P.C.)	30,000 INC (P.C.)
	0 INC	0 INC	0 INC
	0 ESF	0 ESF	0 ESF
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 INC (P.C.)		
	0 INC		
	0 ESF		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 INC (P.C.)		
	0 INC		
	0 ESF		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 INC (P.C.)		
	0 INC		
	0 ESF		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 INC (P.C.)	0 INC (P.C.)	30,000 INC (P.C.)
	15,000 INC	45,000 INC	60,000 INC
	0 ESF	0 ESF	0 ESF
	0 DFA	0 DFA	0 DFA

NOTE: P.C. = Plan Colombia

CUBA

Program Summary (In Thousands of Dollars)				
Category	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
Development Assistance	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
CACEDRF	0	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	3,500	3,500	4,982	5,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**3,500**	**3,500**	**4,982**	**5,000**

Senior Advisor, David Mutchler

CUBA

Introduction

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

In 1996, USAID awarded the first grant aimed at promoting 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 (USG) to provide assistance "through appropriate non-governmental 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 non-governmental organizations (NGOs) to support democracy-building efforts for Cuba. Such assistance includes: published and informational matter--e.g. books, videos, and cassettes--on democracy, human rights and market economies; humanitarian assistance to victims of political repression, as well as their families; support for democratic and human rights groups in Cuba; and support for visits and permanent deployment of independent international human rights monitors in Cuba. In January and May 1999, the Department of State outlined additional steps to reach out to the Cuban people. These include: expansion of people-to-people contact through two-way exchanges among academics, athletes, scientists and others, while streamlining the approval process for such visits; expansion of remittances by allowing any U.S. resident to send limited funds to individual Cuban families; authorization of the sale of food and agricultural inputs to independent nongovernmental entities, including religious groups, family restaurants and private farmers; an effort to establish direct mail service to Cuba, as provided in the Cuba Democracy Act of 1992; strengthening of Radio and TV Marti; and expansion of U.S. public diplomacy efforts around the world.

The Development Challenge

The Cuban government denounced the January 1999 measures as subversive and passed legislation imposing 10-20 year prison sentences for any Cuban who receives or disseminates prohibited information or printed material and engages in activity the Cuban government deems as aiding U.S. policy toward Cuba. The Cuban government's subsequent arrests of human rights activists, independent journalists and other peaceful democratic voices during 1999 and 2000 have heightened awareness of the human rights struggle in Cuba. However, these Cuban government actions also make it more difficult for U.S. universities, foundations and NGOs to reach out to independent groups on the island. The current Cuban context raises significant challenges to effective implementation, end-use monitoring and evaluation of the USAID Cuba program.

USAID will continue to look for innovative ways to communicate with the Cuban people. The absence of a strong and independent civil society is a major obstacle to democratic change in Cuba. Fidel Castro and the Communist Party of Cuba dominate the political landscape, control the formal economic system, and strive to maintain a monopoly on the flow of information to, from and within the country. U.S. policy recognizes the key importance of civil society in shaping and helping smooth the way for a peaceful transition from dictatorship to democracy in Cuba. The prospects for peaceful transition will hinge on the ability of a revitalized Cuban civil society to help reconcile conflicts and prepare the population for peaceful democratic and economic change.

A peaceful democratic transition in Cuba must stem from the successful initiatives of Cubans on the island who seek to build civil society and promote respect for human rights. This will require that Cubans develop the means to peacefully reconcile social, economic or political conflicts during the transition. USAID supports NGO activities which open new avenues for promoting a peaceful democratic transition in Cuba, as well as those which build capability/knowledge of independent individuals and groups on the island that will contribute to a peaceful transition once the process of political change has begun.

Other Donors

The Roman Catholic Church provides assistance to CARITAS CUBANA, one of the few independent Cuban non-governmental organizations. In 2000, Canada, China, Russia, the European Union, Japan and the United Nations Development Fund delivered more than $90 million in economic and humanitarian aid.

FY 2002 Program

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 been engaging in such activities over the past several years, with licensed humanitarian goods alone amounting to millions of dollars. The intent of the 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 or leverage for the promotion of a peaceful transition.

The FY 2002 requested $5,000,000 in ESF is intended to promote a peaceful transition to democracy in Cuba by building solidarity with Cuba's human rights activists, giving voice to Cuba's independent journalists, helping develop independent Cuban NGOs, defending the rights of Cuban workers, providing direct outreach to the Cuban people, and planning for assistance to a future transition government in Cuba.

CUBA
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
516-001 Civil Society Developed Through Information Dissemination				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	3,500	3,500	4,982	5,000
- P.L. 480/II	0	0	0	0
Totals				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	3,500	3,500	4,982	5,000
- P.L. 480/II	0	0	0	0

ACTIVITY DATA SHEET

PROGRAM: Cuba
TITLE AND NUMBER: Civil Society Developed Through Information Dissemination, 516-001
STATUS: Continuing
PLANNED FY 2001 OBLIGATIONS AND ACCOUNT: FY 2001 : $4,982,000 (ESF)
PROPOSED FY 2002 OBLIGATIONS AND ACCOUNT: FY 2002: $5,000,000 (ESF)
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The goal of U.S. foreign policy toward Cuba is to promote a peaceful transition to democracy. U.S. policy recognizes the key importance of civil society in shaping and helping smooth the way for a peaceful transition from dictatorship to democracy in Cuba. The present state of Cuban civil society is extremely weak. Fidel Castro and the Communist Party of Cuba dominate the political landscape, control the formal economic system, and strive to maintain a monopoly on the flow of information to, from and within the island. The prospects for peaceful transition will hinge on the ability of a revitalized Cuban civil society to help reconcile conflicts and prepare the population for peaceful democratic change.

To support a peaceful transition to democracy, USAID has adopted the special objective of increasing the free flow of accurate information on democracy, human rights and free enterprise to, from, and within Cuba. The Cuban Democracy Act of 1992 authorizes the President to provide assistance "through appropriate non governmental organizations for the support of individuals and organizations to promote nonviolent democratic change in Cuba." The LIBERTAD Act of 1996 further elaborates the types of assistance and support the President is authorized to provide for individuals and independent NGOs to support democracy-building efforts for Cuba. Assistance may include provision of published and informational matter on democracy, human rights and market economies, to be made available to independent groups in Cuba; humanitarian assistance to victims of repression, as well as their families; support for democratic and human rights groups in Cuba and support for and permanent deployment of independent international human rights monitors. The LIBERTAD Act (section 202) also authorizes the President to begin planning now for U.S. assistance to a future transition government in Cuba and to a future democratically elected Cuban Government.

Key Results: Six results are necessary to achieve this objective: (1) Cuba's Human Rights Activists: Books, other information and assistance will be provided to more than 250 human rights activists in Cuba. Nine thousand pounds of food and medicine are needed for families of political prisoners and other victims of government repression in Cuba; (2) Cuba's Independent Journalists: 6,000 articles by Cuba's independent journalists will be disseminated internationally as well as circulated inside Cuba; (3) Independent Cuban NGOs: 12 exchange programs will be completed to strengthen independent NGOs; (4) Cuban Workers: Contacts will be established with Cuban rank and file workers, and international pressure brought to bear on the Cuban government to permit organization of independent labor unions and direct payment of workers by foreign firms; and international businesses in Cuba convinced to adopt a code of best business practices which protect the rights of Cuban workers; (5) Outreach to the Cuban people: transmission of informational exchange programs will inform more than 150,000 Cuban citizens on issues concerning democracy, human rights and free enterprise. USAID will look for innovative ways to promote effective forms of people-to-people contact which truly contribute to development of Cuban civil society. (6) Transition plans must be drafted for U.S. assistance to a future transition government in Cuba. Such plans will be transmitted to the Cuban people via radio, fax, e-mail and in hard copy.

Performance and Prospects: From 1996 through FY 2000, USAID has provided $9.7 million to 22 NGOs to promote a peaceful transition to democracy in Cuba by increasing the free flow of accurate information on democracy and human rights to, from, and within Cuba.

By early FY 2001, USAID grantees reported they had: transmitted informational materials to more than 300 human rights activists in Cuba; provided political prisoners and their families with more than 12,000 pounds of food and medicine; published more than 6000 articles by Cuba's independent journalists; completed twelve exchange programs with Cuban independent NGOs; encouraged international labor confederation pressure on the Cuban government to respect workers' rights; completed a plan for assisting a future transition government with the conduct of free and fair elections; and conducted a survey of U.S. private sector resources and plans to assist the eventual reconstruction of the Cuban economy. Additional USAID programming in FY 2001 and FY 2002 will facilitate a significant expansion of these activities, leading to a better-informed Cuban population and increased international awareness of the Cuban government's human rights abuses. All of this will contribute to a strengthening of civil society on the island.

Possible Adjustments to Plans: USAID is seeking ways to: 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 expand the monitoring of program impact. No changes in this approach are currently envisioned. Formal review and approval of the country strategy is pending, although the elements of the strategy -- the goal, strategic objective, intended results and performance indicators -- are already in place, as here described.

Other Donor Programs: The Roman Catholic Church provides assistance to CARITAS CUBANA, one of the few independent Cuban NGOs. 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 to Cuba.

Principal Grantees: University of Miami, American Center for International Labor Solidarity, Center for a Free Cuba, Cuba Free Press, Institute for Democracy in Cuba, International Republican Institute, Pan American Development Foundation, Rutgers University, Sabre Foundation, Florida International University, U.S.-Cuba Business Council, Freedom House, Grupo de Apoyo a la Disidencia, Cuba On-Line, CubaNet, and National Policy Association.

FY 2002 Performance Table

Cuba: 516-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Exchange programs completed with independent Cuban NGOs	0	0	3	3	12	12	18
Indicator 2: Articles by independent journalists published and disseminated	0	0	2,000	2,000	2,000	3,000	5,000
Indicator 3: Food and medicine provided to political prisoners, their families and other victims of government repression (pounds)	0	0	5,585	5,780	6,000	9,000	18,000
Indicator 4: Cuban general population provided with newsletters and other factual information	1,000	2,000	4,000	75,000	10,000	150,000	175,000
Indicator 5: Human rights activists provided with books and other informational materials	20	100	120	150	NA	250	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of NGOs	Grantee reports	Independent Cuban NGOs completing exchange programs.
Indicator 2:	S	Number of articles	Grantee reports	Number of articles by independent journalists published and disseminated.
Indicator 3:	IR	Number of pounds	Grantee reports	Pounds of food and medicine provided to political prisoners, their families, and other victims of government repression.
Indicator 4:	IR	Number of citizens	Grantee reports	Number of Cuban citizens provided with newsletters and other factual information.
Indicator 5:	S	Number of activists	Grantee reports	Number of human rights activists provided with books and other informational materials.

	U.S. Financing (In thousands of dollars)		
Program: Cuba			
Title and Number: Civil Society Developed Through Information Dissemination, 516-001			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	5,747 ESF	4,357 ESF	1,390 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	3,443 ESF	1,387 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	9,190 ESF	5,744 ESF	3,446 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	1,074 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	4,982 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	0 CSD		
	6,056 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	5,000 ESF	15,758 ESF	36,004 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

DOMINICAN REPUBLIC

Program Summary (In Thousands of Dollars)				
Category	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
Development Assistance	5,998	6,800	9,490	7,282
Child Survival & Disease Fund	9,085	3,300	6,385	6,500
CACEDRF	29,000	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	2,300	3,356	3,488	2,000
P.L. 480 Title II	10,827	99	1,045	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**57,210**	**13,555**	**20,408**	**15,782**

Mission Director, Elena Brineman

Dominican Republic

Introduction

The United States has many reasons for ensuring that the Dominican Republic remains a stable, democratic, prosperous and healthy nation. This country's proximity to the United States -- a two-hour flight to Miami or 70 miles to Puerto Rico -- suggests that its socio-economic challenges are not confined by the Caribbean Sea that surrounds it. The already large Dominican population in the United States is growing, as is travel between the two countries, be it American tourism, business travel, or Dominicans visiting family members.

The Dominican Republic is the United States' seventh largest trade partner in the hemisphere. U.S. interests include strengthening democratic institutions; ensuring that all Dominicans share the benefits of economic growth; improving the environment for U.S. investors and exporters; fighting transnational crimes such as drug trafficking and money laundering; stemming illegal immigration to the U.S.; reducing the spread of disease and ensuring regional stability on the island and in the Caribbean.

The Development Challenge

Increased democratic freedom and economic growth have not yet resulted in improved economic conditions for the majority of Dominicans, causing many to question whether democracy can produce sustainable economic development and tangible improvements in the lives of ordinary citizens. Major impediments remain in areas important to sustained economic growth, such as competitiveness, education, environment, and energy. The Dominican business community is unprepared to compete in global markets. Public and private sector corruption detracts from the Dominican Republic's investment climate. A major constraint to more widespread participation in the nation's economy is the lack of quality education. Protection of the environment is also critical to sustainable economic growth. Growth in tourism, which constitutes a major part of the country's economy, will continue only if the Dominican Republic better protects its environment and natural resources, including national parks. Agricultural production and water resources needed for industry, irrigation, electricity generation, and human consumption can be sustained only if improved watershed management, forestry management, and soil conservation practices are adopted. Finally, electricity service, the basis for any productive enterprise, should be accessible to the 35%of the population who currently live without it.

The Dominican Republic is making notable progress in improving health care services for its most vulnerable populations. During the past three years, the Secretariat of Health has placed greater emphasis on maternal and child health care and HIV/AIDS prevention and has initiated important health sector reforms. Though some progress has been made, health statistics and indicators suggest that the Dominican Republic must invigorate efforts to improve delivery of quality health care services. For example, maternal mortality rates are among the highest in Latin America. Vaccination rates at the provincial level vary between 90% in urban areas to 45% in rural areas. Infectious diseases, particularly since Hurricane Georges, continue to be worrisome given significant opportunities for cross-border transmission with Haiti. Although contraceptive prevalence among married women has reached a record high of 64%, the country continues to struggle with a high adolescent pregnancy rate (30%) and a high incidence of HIV transmission, particularly among youth. The prevalence of HIV/AIDS has become an economic as well as a health issue. Finally, though health sector reform has begun, which will help improve health care access and equity, the 2000 transition of administrations has slowed policy reform implementation.

The Dominican Republic has made steady advances toward democracy, but democratic consolidation continues to be a challenge. This is evidenced by extreme clientelism, which still prevails within political parties, weak electoral, and rule of law institutions; and corruption that limits

public confidence in government and leads to an inequitable distribution of the benefits resulting from economic growth. To strengthen electoral processes for the 2002 Congressional and municipal elections, the Dominican Republic must address several issues in the Electoral Law, e.g., how to institute electoral districts; how to reach consensus on term length for members of Congress and municipal officials; and how to improve voting procedures at poll sites.

The Dominican Republic is still recovering from the economic and social infrastructure damages Hurricane Georges caused in September 1998. Those most affected, largely poor and rural Dominicans, are beginning to restore small-scale, agricultural production, and small businesses to pre-hurricane levels. Access to water and sanitation as well as repaired or newly constructed housing for the many left homeless is also increasing. Widespread community participation in all facets of hurricane reconstruction efforts is helping improve prospects for mitigating damage during future natural disasters.

Other Donors

USAID is the sixth largest donor to the Dominican Republic, after the Inter-American Development Bank, the World Bank, the European Union, Spain, and Japan. Taiwan and Germany are also important donors.

FY2002 Program

In FY2002, USAID's assistance program will contribute to five Agency goals: Democracy, Economic Growth, Environment, Population and Health, and Education.

Principal activities in democracy and governance include strengthening the rule of law and respect for human rights, developing a freer and more active civil society, fighting corruption, and creating civil society support for more genuine and competitive electoral processes. New opportunities exist to assist the Dominican government to strengthen its anti-corruption program as well as its Anti-Corruption Unit under the Attorney General. As in the 2000 presidential election, support to civil society will improve electoral transparency, help create issue-oriented platforms, and provide a forum for public debate. The FY2002 program will help the Dominican Elections Board address Electoral Law implementation issues.

In promoting more sustainable economic growth, key policy reform areas will include economic competitiveness, basic education quality, sustainable management of natural resources and the environment, and rural electrification.

In the health sector, initiatives for FY2002 will include improving access to HIV/AIDS/STI prevention and care services by at-risk and affected populations, reproductive health services for target underserved populations; selected child survival interventions and increasing the efficiency and equity of basic health services at decentralized levels.

The Hurricane Georges reconstruction program is nearing completion (December 31, 2001) and is achieving its health, housing, economic reactivation and disaster mitigation targets.

DOMINICAN REPUBLIC
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
517-002 Increased Use of Sustainable Basic Health Care Services and Practices				
- DA	2,381	2,800	4,490	1,632
- DFA	0	0	0	0
- CSD	2,775	3,300	5,885	5,700
- FSA	0	0	0	0
- CACEDRF	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
517-003 More Participatory, Representative, and Better Functioning Democracy Achieved				
- DA	3,017	2,885	3,400	2,500
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- CACEDRF	0	0	0	0
- ESF	2,300	3,356	3,488	2,000
- P.L. 480/II	0	0	0	0
517-005 Hurricane Georges Recovery and Reconstruction				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	6,000	0	0	0
- FSA	0	0	0	0
- CACEDRF	29,000	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	10,827	99	0	0
517-007 Policies Adopted that Promote Good Governance and Sustained Economic Growth				
- DA	600	1,115	1,600	3,150
- DFA	0	0	0	0
- CSD	310	0	500	800
- FSA	0	0	0	0
- CACEDRF	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	1,045	0
Totals				
- DA	5,998	6,800	9,490	7,282
- DFA	0	0	0	0
- CSD	9,085	3,300	6,385	6,500
- FSA	0	0	0	0
- CACEDRF	29,000	0	0	0
- ESF	2,300	3,356	3,488	2,000
- P.L. 480/II	10,827	99	1,045	0

ACTIVITY DATA SHEET

PROGRAM: Dominican Republic
TITLE AND NUMBER: Increased Use of Sustainable Basic Health Care Services and Practices, 517-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $4,490,000 (DA); $5,885,000 (CSD)
PLANNED FY 2002 OBLIGATION AND ACCOUNT: $1,632,000 (DA); $5,700,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: This activity works to improve preventive and primary health care services by addressing both structural and systemic weaknesses within the health care system. USAID works closely with governmental and non-governmental organizations to improve access to quality basic health services. The Strategic Objective supports activities to increase access to HIV/AIDS/STI prevention and care services by at-risk and affected populations; increase access to reproductive health services for target populations; increase access to selected child survival interventions; and increase efficiency and equity of basic health services at decentralized levels.

Child Survival funds support programs which: reduce HIV/AIDS transmission through behavior change strategies and control of sexually transmitted infections (STIs); reduce the impact of HIV and AIDS in affected populations; improve immunization coverage through long term strategic planning; improve child health through community-based integrated management of childhood illnesses (IMCI); and increase access to rural potable water. DA funds support programs that increase access to and quality of public sector reproductive health programs and improve the sustainability of non-governmental organizations (NGOs) that provide family planning services. Both fund types help advance health policy reforms that increase equity in delivering quality, integrated health services at decentralized levels.

This activity supports the U.S. national interest "global issues" in the environment, health, and population. It also contributes to the strategic goal of economic development and equitable access to basic health services, a key Summit of the Americas initiative.

Key Results: USAID met the target for increased access to HIV/AIDS/STI services (98%) and the objective for Couple Years of Protection, a proxy for Contraceptive Prevalence Rate, reached 98% of the target. USAID-funded public sector services and NGOs provided a full range of preventive and curative care interventions, reaching over 177,000 males and 344,000 females, a total of over 521,000 persons. As a result of HIV/AIDS prevention and control activities, recent studies show an increase in condom use, an important behavior change (46.7% in 1999 vs. 9.1% in 1996 among women of reproductive age). USAID continues to contribute significantly to this important trend through behavior change communication interventions targeted at vulnerable groups, including adolescents and youth.

USAID supported the implementation of a pilot program to reduce mother-to-child HIV/AIDS transmission in four public maternity wards: 90% of HIV-positive women and their babies received treatment. Preliminary results are promising. A pre-packaged therapy pilot project for STI treatment was successfully completed in three public hospitals. Preliminary results indicate high levels of acceptance and satisfaction (88% completed treatment) by both male and female clients. The Government of the Dominican Republic (GODR) is interested in expanding this program to the national level.

Selected child survival interventions also produced important results in 2000. A community-level integrated management of childhood illness (IMCI) program was implemented jointly with the Pan American Health Organization (PAHO), the Secretariat of Health and partner NGOs. Five provinces have incorporated IMCI into their health care delivery systems, one more than the target. According to a 1999 study, only 36% of children 12 to 23 months were fully vaccinated. The recent polio outbreak has demonstrated the need to increase coverage through program efficiency. To contribute to the strengthening of the Expanded Program of Immunization, USAID, jointly with PAHO, helped draft a legal framework and operations manual.

The past year was also important for health sector reform initiatives. The frequently quoted, USAID-funded study, "Equity and Health," enriched the debate and draft of the Social Security Law. The approval of this law by the congress is imminent. USAID's assessment of the advances in decentralization provided key input to the new Secretariat of Health's decentralization policy. USAID-funded NGO certification norms were approved and launched last August and the certification process for nearly 200 NGOs has begun and will be completed by year's end. USAID support to strengthen the management capacity of one municipal and three provincial health directorates was also a key contribution to the decentralization process. Assistance included studies on the feasibility of organizing service networks as a strategy for rationalization and increased efficiency of service supply. To complement the study, a census of public and private providers was conducted in four provincial directorates that will be used to form public-private service provider networks. The Secretariat approved a USAID-supported monitoring and evaluation plan for the reform.

Performance and Prospects: USAID continues to raise GODR awareness regarding the importance of HIV/AIDS as a development problem and not simply a health problem. A presidential-level HIV/AIDS Council was appointed to oversee multi-sector involvement and participation. USAID's support enabled Council members to participate in observational trips and regional forums that were critical in identifying key issues. USAID is also assisting the GODR to develop policies and norms in establishing a national, voluntary HIV/AIDS counseling and testing program. USAID will support the expansion of the vertical transmission program to the country's maternal hospitals. A recent HIV/AIDS mid-term evaluation confirmed that the pro0ram remains on track.

The seven-year Family Planning and Health Project ended in September 2000. Key results include the introduction of injectables and the low dose pill, improved post-partum/post-miscarriage reproductive health services, the integration of HIV/AIDS into reproductive health services provided by NGOs, and the development and dissemination of reproductive health norms. Technical assistance and training bolstered institutional development and sustainability. NGO cost recovery/income generation and funding diversification progressed significantly: cost recovery for one NGO increased from 61% in 1994 to 88% in 1999. The ratio of international/local sources of funding for this NGO went from 64%/36% in 1993 to 38%/62%, respectively.

Based on a favorable national Contraceptive Prevalence Rate report, a activity for reproductive health/family planning will incorporate a five-year phase-out of USAID direct support to family planning through NGOs. This strategy will emphasize the financial sustainability of NGOs that currently receive direct USAID funding and will include: 1) improving the financial sustainability of partner NGOs while maintaining services to target populations; 2) improving the quality of public sector reproductive health/family planning services; and 3) fostering public/private partnerships. A key part of the phase-out strategy is enhancing the public sector's role in reproductive health/family planning services provision. So far, the new GODR administration has not indicated that this is a priority area, which may mean that progress will be slow in achieving sustainable, national coverage, especially for poor women residing in remote rural areas.

Both the president and the congress support the health reform process. USAID's new health sector reform activity, REDSALUD, was launched in August 2000. REDSALUD will strengthen local and Health Secretariat management capacity and improve the policy environment that supports the health reform process. Prospects for continuing progress in program implementation are favorable.

FY 2001 DA funds will improve NGO family planning/reproductive health (FP/RH) sustainability ($.990 million); help develop the 2002 demographic health survey ($.600 million); support health sector reform ($2.1 million); and strengthen the capacity of NGOs and public sector institutions to provide quality FP/RH services ($.800 million). FY 2001 CSD funds support ongoing NGO programs to prevent and control the spread of HIV/AIDS ($3.0 million); assist the Ministry of Health AIDS Directorate and the Presidential Commission for AIDS develop HIV/AIDS reduction policies that include voluntary counseling and testing and treatment of sexually-transmitted diseases ($1.2 million); support a PAHO grant for HIV/AIDS-related tuberculosis treatment ($1.2 million); and provide vaccinations for childhood diseases and maternal and child health programs in select communities ($.400 million).

FY 2002 DA funds will continue support to RH/FP NGOs ($1.2 million) and technical assistance for public sector institutions providing RH/FP services ($.400 million). FY 2002 CSD funds will help NGOs raise awareness on AIDS prevention ($2.3 million); strengthen public and private sector capacity to develop and implement policies that reduce HIV/AIDS transmission ($.700 million). Other FY 2002 CSD funds will support health sector reform ($1.8 million); maternal health services through NGOs ($.800 million); and public sector vaccination programs ($.100 million).

Possible Adjustments to Plan: To improve the family planning method mix (60% sterilization), interventions will focus on postponement of sexual activity and the introduction of child spacing methods among youth, and the promotion of a broader choice of temporary methods for voluntary contraception as a quality issue in public hospitals. USAID will initiate a program to implement direct observance of tuberculosis treatment nationwide and will support a study of children and families affected by HIV/AIDS that will inform strategy design to address these issues.

Other Donor Programs: The Inter-American Development Bank, the World Bank, the European Union, UNAIDS, UNICEF, Germany, and the Pan American Health Organization.

Principal Contractors, Grantees or Agencies: U.S. organizations include: Abt Associates, Academy for Educational Development, Family Health International, Population Services International, John Snow, Inc., University of North Carolina, and Deloitte Touche. Local organizations include: The Dominican Association for Family Well-Being (PROFAMILIA), the Dominican Family Planning Association, Women in Development, the Secretariat of Health, and the Dominican Social Security Institute.

FY 2002 Performance Table

Dominican Republic: 517-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of people receiving HIV/AIDS/STI services	NA	151555	370719	NA	530,000	650,000	800,000
Indicator 2: Key health policies debated in public fora	NA	NA	0	3	2	5	7
Indicator 3: Integrated management of childhood illness (IMCI) adoption	NA	NA	0	NA	4	13	17
Indicator 4: Couple Years Protection (CYP)	NA	NA	NA	1734336	1753969	1950000	2047530

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number (cumulative)	Project data	Number of persons reached through educational activities (direct and indirect beneficiaries), including number of peers multipliers trained, number of consultations provided (STI treatment, Pre/Post-Test Counseling and Emotional Support Services) and condom users. Note: The reproductive health strategy is being revised and new indicators are anticipated for next year's BJ.
Indicator 2:	IR	Number of policies	REDSALUD reports, media	Policy refers to a 'course of action' evidenced by laws, constitutional provisions, implementing rules and regulations, ministerial level decrees and other measures of a regulatory nature (including related regulations and enforcement mechanisms); official goals and program plans; statements and other formally documented directives; standards; guidelines and practices. "Public fora" refer to venues where the public can participate and/or observe health policy debate. This policy may exist on a local, regional or national level. Note: The reproductive health strategy is being revised and new indicators are anticipated for next year's BJ.
Indicator 3:	IR	Number of provinces with an IMCI plan in implementation	MOH/PAHO reports	Number of province or municipal health directorates that have trained the trainers in IMCI, integrated the diffusion of IMCI into their annual health plans and have (at least) begun implementation of service delivery in at least one municipality, and within those operating units, community level IMCI program has been implemented with referral system (community to clinic and vis-a-versa) operational. Note: The reproductive health strategy is being revised and new indicators are anticipated for next year's BJ.
Indicator 4:	S	Number (cumulative). This indicator is a proxy for CYP	NGO and partners hospital reports	Number of couples protected against unwanted pregnancies during a year by use of a modern contraceptive method. Note: The reproductive health strategy is being revised and new indicators are anticipated for next year's BJ.

Indicators have been changed from recent Congressional Notifications to better reflect program results.

	U.S. Financing (In thousands of dollars)		
Program: Dominican Republic			
Title and Number: Increased Use of Sustainable Basic Health Care Services and Practices, 517-002			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	41,857 DA	39,532 DA	2,325 DA
	5,097 CSD	1,755 CSD	3,342 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	2,800 DA	3,904 DA	
	3,300 CSD	2,600 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	44,657 DA	43,436 DA	1,221 DA
	8,397 CSD	4,355 CSD	4,042 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	4,490 DA		
	5,885 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**4,490 DA**		
	5,885 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**1,632 DA**	6,085 DA	56,864 DA
	5,700 CSD	4,100 CSD	24,082 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Dominican Republic
TITLE AND NUMBER: More Participatory, Representative and Better Functioning Democracy Achieved, 517-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,400,000 (DA); $3,488,000 (ESF)
PLANNED FY 2002 OBLIGATION AND ACCOUNT: $2,500,000 (DA); $2,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: This activity is promoting democratic consolidation in the Dominican Republic by strengthening the rule of law and respect for human rights, developing a freer and more active civil society, and creating civil society support for more genuine and competitive electoral processes. Support for more representative, responsive and accountable governance helps foster a functioning system of checks and balances that include effective judicial, prosecutorial, public defense, and good governance/anti-corruption systems. These strengthened systems in turn empower Dominicans to better uphold rule of law and defend political and civil liberties against authoritarian encroachments. Every Dominican benefits from a better functioning democracy.

The program supports the U.S. national interests of democracy, human rights, and international crime by improving electoral processes, strengthening the criminal justice system, combating corruption, strengthening the criminal justice system capacity, and reducing transnational crime and drug trafficking. A strong Dominican democracy and an effective justice system serve thousands of national and international commercial enterprises and investors, including U.S. investors and property owners, by promoting stable, accountable governance with fair, equitable justice, thus fostering a sound business and investment climate.

Key Results: USAID's democracy and governance program achieved several important results indicative of a democracy under consolidation. These results include vastly increased civic participation in political debates and campaign platform development for the presidential election; unparalleled civic representation by official poll monitors on election day; unprecedented student participation in civic education programs; and greater access to the justice system for Dominicans.

During the past year, more Dominicans participated in election-related activities than ever before, suggesting that democracy in the Dominican Republic is becoming more participatory. In preparation for the May 2000 presidential elections, 399 USAID-sponsored non-governmental organizations (NGOs) organized one-day workshops in their communities to foster informed discussion on campaign ethics, political party platforms, women's political initiatives, and elected official accountability. In November, NGOs conducted another round of debates with grassroots leaders on constitutional and electoral reforms and the need for new municipal legislation.

Elections are now freer and fairer in the Dominican Republic. USAID exceeded its election monitoring participation target of 7,000 for the May 2000 presidential elections. A USAID grant to a local NGO, Citizen Participation, enabled the grantee to recruit, train, and field more than 8,600 Dominicans (4,261 men and 4,435 women) as election day monitors, of which the Central Election Board officially certified 7,500. On election day, Citizen Participation conducted a quick count of the election results, which added credibility to the final vote tally (the count results were within 0.11% of the official results). Other important civil society-sponsored pre-election activities included auditing the voter registration process and official registry, monitoring the internal election campaign, convincing the major parties to sign an Electoral Code of Ethics, sponsoring several debates on the parties' campaign platforms, and publishing biographies of national and municipal judges on the web-site. These initiatives helped make the election more transparent, issue-oriented, credible, freer, and fairer.

Young Dominicans are also increasingly interested in learning more about democratic principles. Through USAID's Democratic Initiatives activity, more than 3,100 students participated in civic education programs in 2000, which exceeded the planned target by more than 50%. This initiative is also targeting

teachers and principals. Although civic education is not yet included in the Ministry of Education's official curriculum, the Ministry is now considering including the course material developed under this activity.

Finally, the expansion of a USAID-funded public defenders pilot program brought access to justice much closer for many Dominicans, especially the poor. During the past year, the number of Public Defense offices increased from three to seven and an additional three are expected to open by May 2001. These new offices helped USAID to exceed its target (4,000 planned; 6,585 actual) for the number of criminal cases that receive public defenders' assistance. These successful pilot programs were key in galvanizing support for the National Public Defense System's bill, which was drafted with USAID technical assistance and is now before the congress. Another important accomplishment was the drafting and submission to the congress of a Criminal Procedures Code reform bill that radically streamlines and adds transparency to the Dominican system. Finally, USAID-funded technical assistance helped the Mejia Administration's Anti-Corruption Unit develop a strategic plan. The Anti-Corruption Unit has begun prosecuting high-level public officials of both the current and former administrations.

Performance and Prospects: Given the change in Dominican government and the number of technical staff and USAID counterparts replaced by the incoming Mejia Administration, USAID expects to provide extensive, unanticipated training for Executive Branch judicial sector officials. Despite the replacement of Public Ministry prosecutors and staff, most USAID-supported reforms and improved procedures survived intact. However, many challenges remain, such as establishing a Public Ministry office of professional responsibility (internal investigations) and enacting and implementing a prosecutor career law system. USAID expects that a new automated criminal case tracking and management system for courts and prosecutors will be installed by November 2001. Finally, USAID will continue technical assistance and training interventions to improve court efficiency and effectiveness.

The Dominican Republic is also making progress in fighting corruption. The Public Ministry Anti-Corruption Unit documented and filed six major corruption cases with Dominican courts during the past year. Four of these six cases involved senior public officials of the previous Administration and two others from the current Administration. USAID will continue to assist civil society groups which actively participate in the justice sector reform and anti-corruption agenda, and which respond to special interest groups' counter-reform machinations.

Though the 2000 election exemplified the gains the Dominican Republic has made in democracy, challenges continue to lie ahead. These include creating electoral districts for the 2002 congressional and municipal elections; determining whether or not to change congressional and municipal terms; and simplifying the rules governing polling sites. Some of the debated modifications require changes in Central Election Board regulations, amendments to the Electoral Law, or even amendments to the Constitution. USAID-supported Dominican NGOs have collaborated with the International Foundation for Electoral Systems, the National Democratic Institute, and the Carter Center to examine these issues and are creating consensus on how to proceed.

Civil society continues to play an important role in advancing democratic principles and reforms in the Dominican Republic. In FY 2001, USAID will help civil society explore the dimensions of public and private sector corruption. These analyses and discussions will help develop a plan of action for civil society, the Anti-Corruption Unit, and the private sector to respond to the issues identified.

FY 2001 DA funds support civil society's ability to contribute to the reform of the election, justice, education and environmental management systems ($1,777,000); and technical assistance, training and institutional strengthening for civil society-based, pre-electoral activities ($1,623,000). FY 2001 ESF funds support technical assistance, training for justice institutions and grants to civil society to improve administration of justice ($2,100,000); enhance access to justice for the poor ($700,000); and efforts to combat corruption ($688,000).

FY 2002 DA funds support civil society involvement in electoral reform and monitoring activities ($1,000,000); technical assistance to help civil society make elected officials more accountable ($400,000); improve transparency, efficiency and responsiveness of major political parties and enhance

democratic skills of young political leaders ($400,000); and civil society advocacy and participation in GODR rule of law/anti-corruption initiatives ($700,000). FY 2002 ESF funds will improve administration of justice ($1,200,000), enhance access to justice for the poor ($400,000); and support public sector and civil society anti-corruption initiatives ($400,000).

Possible Adjustments to Plans: Training and organizational strengthening assistance interrupted by the Congressional hold in 2000 will be resumed for judges, prosecutors, and public defenders. Some Rule of Law program resources will be shifted to address new opportunities in the good governance/anti-corruption component.

Other Donor Programs: The Inter-American Development Bank, the World Bank, the United Nations Drug Control Program, the United Nations Children's Fund, Spain, and the U.S. Justice Department.

Principal Contractors Grantees or Agencies: U.S. organizations include: Citizen Participation, Foundation for Institutionality and Justice, and the International Foundation for Electoral Systems. Local organizations include the Pontificate Catholic University Mother and Teacher.

FY 2002 Performance Table

Dominican Republic: 517-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Average time for case disposition in criminal courts - National District	10.0	6.5	5.8	NA	6.0	5.5	5.1
Indicator 2: Citizens involved in monitoring elections at national and local levels	NA	11000	NA	8696	7,000	NA	8000
Indicator 3: Students participating in USAID-funded Democratic Initiative (DI) Project civic education programs	NA	225	1000	3140	2000	4000	NA
Indicator 4: Average time for case disposition in criminal courts - Santiago	NA	NA	NA	10.0 (Baseline)	NA	8	6.5

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Average number of months for cases which have final sentence - National District	Joint data base of Public Ministry and Supreme Court of Justice as validated by National Center for State Courts inventory of 200,000 criminal cases in National District.	Average time from indictment (referral to trial judge) to final disposition (sentence) within National District criminal courts.
Indicator 2:	IR	Number of citizens	Reports from Participación Ciudadana	Citizens recruited and trained by USAID-supported partners that actively monitor the electoral process. * No elections are held in 2001.
Indicator 3:	IR	Number of students	DI Project reports	Public school students taking civic education courses.
Indicator 4:	IR	Average number of months for cases which have final sentence - Santiago	Joint data base of Public Ministry and Supreme Court of Justice as validated by National Center for State Courts inventory of 200,000 criminal cases in National District.	Average time from indictment (referral to trial judge) to final disposition (sentence) within National District criminal courts.

	U.S. Financing (In thousands of dollars)		
Program: Dominican Republic			
Title and Number: More Participatory, Represetative, and Better Functioning Democracy, 517-003			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	14,646 DA	11,608 DA	3,038 DA
	0 CSD	0 CSD	0 CSD
	5,355 ESF	2,012 ESF	3,343 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,640 DA	4,935 DA	
	0 CSD	0 CSD	
	3,356 ESF	940 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	18,286 DA	16,543 DA	1,743 DA
	0 CSD	0 CSD	0 CSD
	8,711 ESF	2,952 ESF	5,759 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	3,400 DA		
	0 CSD		
	3,488 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**3,400 DA**		
	0 CSD		
	3,488 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**2,500 DA**	155 DA	24,341 DA
	0 CSD	0 CSD	0 CSD
	2,000 ESF	1,500 ESF	15,699 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Dominican Republic
TITLE AND NUMBER: Hurricane Georges Reconstruction, 517-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PLANNED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: December 31, 2001

Summary: Hurricane Georges ravaged the Dominican Republic for twelve hours in September 1998, causing more than $2.2 billion in economic damage. Flooding killed more than 280 people and left more than 300,000 homeless. The hurricane destroyed rural water systems, greatly reduced agricultural production capability, interrupted power supplies (some permanently), and caused widespread damage to the environment. Health risks increased dramatically, especially for children, since post-hurricane conditions were ideal to spread air and water-born disease. Government of the Dominican Republic (GODR) institutions were neither equipped nor prepared to provide the necessary humanitarian nor reconstruction assistance that the situation demanded.

The key components of this activity are: 1) mitigate health risks; 2) restore shelter; 3) restore food supplies; 4) reactivate economic activities; and 5) help Dominicans take the necessary preparatory measures to mitigate the effects of future natural disasters. This activity supports U.S. national interests under the humanitarian response and economic development goal areas.

Key Results: Of the $29 million received from the supplemental Central American and Caribbean Emergency Disaster Relief Fund (CACEDRF), 96% has been committed and nearly half of these committed funds have been expended. USAID continues its coordinating role with the nine other U.S. agencies that received supplemental CACEDRF resources.

USAID met its health risks mitigation target by repairing 70 water systems and re-establishing access to sanitation systems for 137,000 Dominicans in communities most severely affected by Hurricane Georges, including those in more than 80 bateys (communities where sugar used to be grown and processed).

Shelter restoration targets for 2000 were exceeded by 390 homes. USAID has repaired, fortified or constructed a cumulative total of 5,390 homes via a U.S. non-governmental organization (NGO) that sub-grants to Dominican NGOs. USAID efforts to ensure that all homes have access to water and sanitation services helped convince the GODR to provide $2.5 million to fund basic infrastructure development at new urbanization sites.

Agricultural rehabilitation assistance surpassed the target by 500 small farmers. More than 10,500 farmers benefited from USAID assistance via ten NGOs that improved livestock quality and agricultural productivity of key cash crops (e.g., coffee, cocoa, and plantains). This figure represents a 100% increase over the number of farmers assisted in 1999. Through a USAID-funded Participating Agency Service Agreement, the U.S. Department of Agriculture's $16 million 416(b) reconstruction initiative is helping more than 60,000 Dominican farmers restore production.

Disaster mitigation activities exceeded expectations in assisting Dominicans restore and safeguard their productive assets against future natural disasters. USAID exceeded its soil stabilization hectare target of 2,700 by 194 hectares. Through a partnership that included a U.S. private voluntary organization and private-sector participation, more than 10,000 Dominicans have restored, reliable and more disaster-resistant electrical service in an area that suffered severe damage. This partnership is helping to restore economic opportunities in this disadvantaged region, as demonstrated by the construction of a cold storage facility that processes $2,500 of fresh fish daily. Finally, USAID trained and assisted more than 2,800 Dominican microentrepreneurs (of which 67% were women) in 44 communities, exceeding the 2000 target by 200%.

Performance and Prospects: The Hurricane Georges Reconstruction Special Objective is meeting expectations and is expected to achieve all results by December 31, 2001.

USAID will continue to collaborate with local and international NGOs to help the Dominican Water Authority (INAPA) adopt a public-private sector partnership model, based on a total community participation (TCP) model, that empowers local communities to manage and operate their own water and sanitation systems. The pilot activity will help demonstrate the feasibility and desirability of this type of partnership. USAID will help INAPA incorporate the community-based Integrated Management of Childhood Illnesses and the TCP models into national policy.

In the housing sector, USAID will focus on four new urbanization sites for hurricane victims who cannot return to their former locations. In San Juan de la Maguana, the area most affected by flooding, approximately 130 new houses (25-square meter starter homes built on donated land) with indoor plumbing and electricity have been completed. The remaining three housing urbanization projects are scheduled to start in April 2001.

USAID is building on lessons learned from Hurricane Georges to address environmental concerns and improve the civil defense system's ability to prevent, mitigate and respond to disasters. The focus is on better coordination and preparation at the national level and on efforts to reduce vulnerabilities at the community level. Improved soil management approaches, including reforestation, are now practiced on 2,894 hectares of vulnerable hillsides and the U.S. Forest Service is assisting the new Ministry of Environment to prepare for forest fires and improve forestry management. The U.S. Army Corps of Engineers (USACE) is working with GODR authorities to produce flood risk maps for several vulnerable areas and to establish a dam safety inspection program. Finally, USAID is helping the Civil Defense Agency and the Secretariat of Health implement a pilot disaster management logistics system in two provinces.

USAID is also coordinating U.S. inter-agency team efforts in helping the GODR develop an improved national disaster management system. At the national level, the Office of Foreign Disaster Assistance (OFDA) and the Federal Emergency Management Agency (FEMA) have assisted the Civil Defense Agency to establish a modern Emergency Operation Center. The National Oceanic and Atmospheric Administration (NOAA) has completed a plan to improve the meteorological component of the early warning system and has prepared a decision-making model for emergency reservoir management. The National Institute of Standards and Technology (NIST) is developing disaster-resistant construction guidelines and training local engineers on assessment of critical buildings. The U.S. Geological Service (USGS) has reprogrammed activities to accommodate an urgent request from the Ministry of Environment in assessing a contaminated mine site that threatens communities and fisheries downstream. On a local level, the Department of Housing and Urban Development (HUD), USACE, and OFDA are providing risk maps, technical assistance, and training to communities in preparation and response, incorporating the private sector. USAID, HUD, and NIST are developing manuals and training in improved techniques for disaster resistant, low-income housing.

There are no planned additional FY 2001 or 2002 funds.

Possible Adjustments to Plans: None at this time.

Other Donor Programs: The Inter-American Development Bank, the World Bank, the European Union, Spain, and the United Nations.

Principal Contractors, Grantee or Agencies: In addition to the U.S. Government Agencies listed above (USACE, FEMA, NOAA, NIST, USGS, and HUD), other U.S. grantees and contractors include: Cooperative Housing Foundation, National Rural Electrification Cooperative Association, Catholic Relief Services, World Vision, Food for the Hungry, Save the Children, and the American Red Cross. Local organizations include: the Dominican Disaster Mitigation Association, the Technology Institute of Santo Domingo, and numerous local NGOs. International organizations include: the Pan American Health Organization, International Resource Group, John Snow International, and the World Food Program.

FY 2002 Performance Table

Dominican Republic: 517-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Repair/fortify and reconstruct houses in impacted areas	NA	NA	3,034	5,390	5,000	6,825	NA
Indicator 2: Water and sanitation facilities rehabilitated in impacted communities	NA	NA	29,500	137,200	136,800	220,000	NA
Indicator 3: Establish soil and watershed management programs	NA	NA	234	2,894	2,700	6,300	NA
Indicator 4: Assist small farmers with rehabilitation	NA	NA	5,100	10,540	10,000	15,000	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of houses (cumulative)	Reports, evaluations, monitoring visits. (CHF)	The total number of houses that have been repaired/fortified or reconstructed.
Indicator 2:	IR	Number of people (cumulative)	Progress Reports, Monitoring Visits, Evaluations from NGOs and ENTRENA, S.A.	The total number of people in impacted communities with access to rebuilt potable water systems and sanitation systems.
Indicator 3:	IR	Number of hectares	Reports and evaluations as provided by NGOs and ENTRENA, S.A.	The total number of hectares of land treated with improved soil conservation and management practices in affected areas, including reforestation.
Indicator 4:	IR	Number of small farmers (cumulative)	Reports and evaluations as provided by NGOs	The total number of small farmers who have received assistance to rehabilitate their farms and improve their livestock and agricultural productivity practices.

	U.S. Financing (In thousands of dollars)		
Program: Dominican Republic			
Title and Number: Hurricane Georges Recovery and Reconstruction, 517-005			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	1,500 DA	186 DA	1,314 DA
	6,000 CSD	813 CSD	5,187 CSD
	0 ESF	0 ESF	0 ESF
	29,000 CACEDRF	17 CACEDRF	28,983 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	558 DA	
	0 CSD	3,286 CSD	
	0 ESF	0 ESF	
	0 CACEDRF	9,283 CACEDRF	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	1,500 DA	744 DA	756 DA
	6,000 CSD	4,099 CSD	1,901 CSD
	0 ESF	0 ESF	0 ESF
	29,000 CACEDRF	9,300 CACEDRF	19,700 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	1,500 DA
	0 CSD	0 CSD	6,000 CSD
	0 ESF	0 ESF	0 ESF
	0 CACEDRF	0 CACEDRF	29,000 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Dominican Republic
TITLE AND NUMBER: Policies Adopted that Promote Good Governance for Sustainable Economic Growth, 517-007*
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,600,000 (DA); $500,000 (CSD)
PLANNED FY 2002 OBLIGATION AND ACCOUNT: $3,150,000 (DA); $800,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: This activity is helping the Government of the Dominican Republic (GODR) adopt policies that will allow the country to compete effectively in the global economy and broaden participation in both economic growth and the democratic process. Specifically, the program promotes policy reform to enhance economic competitiveness, quality basic education, sustainable management of natural resources and the environment, and rural electrification. In all cases, the policies contribute to sustainable economic growth and should increase economic opportunities for all Dominicans over time.

This activity supports the U.S. national interest of economic prosperity by broadening the economic base, improving the environment for investors, opening markets, and expanding U.S. commercial trade opportunities. Broad-based economic growth also discourages illegal immigration and enhances regional stability. USAID's policy reform dialogue supports Summit of the Americas initiatives in education and the environment.

Key Results: During 2000, the GODR fully or partially adopted six key policies or laws that benefited directly from USAID assistance in their development or adoption – two more than the projected target. The country has also advanced other policy initiatives with USAID assistance.

Fiscal Reform, Financial Market Reform and the Social Security Law: USAID provided technical assistance and training to help draft and enact a Bond Law for the payment of internal domestic debt. USAID technical assistance also contributed to the enactment of the Capital Markets Law in early 2000 that allows public offerings of common stock. USAID provided training, observational travel and technical support to the Senate Commission for Social Security to draft a new Social Security Law. The pension reform part of this law, coupled with the Capital Market Law, will increase savings and mobilize capital for economic growth. The Social Security Law is under debate in the congress.

Environment and Natural Resource Law: A new Secretariat of Environment and Natural Resources is now operating under the Environment and Natural Resources Law signed by the President on August 18, 2000. USAID-funded environmental non-governmental organizations (NGOs) played a key role in both the discussion and passage of this law that establishes a far-reaching legal framework for environmental protection and natural resource management.

National Competitiveness Strategy: Beginning in 1998, USAID joined forces with the GODR and the private sector to foster a more competitive Dominican economy. In August 2000, this collaboration yielded a set of business strategies that will produce a better business climate and promote more sustainable and broad-based economic development. USAID helped develop a National Competitiveness Strategy; a regional competitiveness strategy; a cluster pilot project that integrates the production, marketing, and sales of fruits and vegetables; and a small and microenterprise competitiveness strategy. The National Competitiveness Strategy is a comprehensive set of economic reforms to enhance competitiveness and increase economic opportunities for low-income Dominicans. The Mejia Administration included portions of the Strategy in its economic and social agenda. Key Mejia policy formulators also drew on the Strategy in developing recently approved tax and tariff reform legislation to help reduce fiscal deficits while lowering tariffs to fit World Trade Organization requirements and improving Dominican competitiveness in the Caribbean and Central American markets.

* This was notified previously as 517-001.

Education: The new Secretary of Education has begun building consensus for further reforms in basic education. USAID contributed to this process by contracting for an independent evaluation of the reforms completed to date. The evaluation and follow-up workshops helped put the issue of improving education quality at the top of the reform agenda. USAID also helped the new Secretariat develop an information technology (IT) strategy and action plan to make the 300 state-of-the-art IT laboratories that currently exist, but are not used, available to students, faculty, and communities. The strategy is now being implemented using Inter-American Development Bank resources.

Energy: The GODR enacted a Hydrocarbon Law at the end of 2000. The law liberalizes gasoline and other petroleum product prices (market rates) and provides incentives for alternative energy development. USAID-funded study tours, technical advisors, and NGOs helped the Ministry of Industry and Commerce and the congress develop and pass the Law. Interest in wind energy is growing as a result of a USAID-financed Wind Energy Assessment completed by the U.S. National Renewable Energy Laboratory. Many private firms, local banks and government organizations have begun designing wind energy projects building on successful USAID-funded NGO pilot demonstration projects.

Performance and Prospects: The Dominican Republic remains one of the Caribbean's fastest-growing economies and continues to improve its prospects for increased international and domestic investment. The Mejia Administration has embarked on several economic and social policy reforms that will spur economic growth and help ensure that poorer Dominicans also benefit from the economic gains.

USAID will support the country's Competitiveness Group by providing technical assistance to help regional private sector groups develop and implement competitiveness plans beginning with initiatives in environmentally sustainable tourism and high-value vegetables. These private sector initiatives will help achieve significant synergies between USAID's competitiveness, environment, and education initiatives. USAID will also assist the GODR to better manage the large domestic debt it inherited, implement its poverty reduction strategy, and develop a rural electrification strategy using renewable energy sources which will help address the energy needs of nearly 25% of Dominicans living off the energy grid.

USAID will help the newly created Secretariat of Environment and Natural Resources establish an environmental status baseline (the last national assessment was in 1981), create environmental norms and standards, develop sub-sector environmental management strategies and policies, and strengthen the new institution. USAID will also work with NGOs to ensure private sector and civil society participation in the policy development process.

The Vice-President and Secretary of Education is requesting USAID assistance in developing a new reform strategy and more directly involving the private sector and communities in improving educational quality. A recently approved 416(b) program under the Global Food for Education Initiative will complement USAID efforts to incorporate the private sector, NGOs, and Dominican communities in education improvement initiatives.

USAID will engage civil society – the media, NGOs, and the private sector – to mobilize support for economic, energy, environment, and education reforms during FY2001. In FY 2002, USAID will expand this program to promote civil society advocacy of social and economic policy reform issues.

In FY 2001, USAID will utilize $1,100,000 in DA funds to help the ecologically-friendly tourism sector and producers of cacao, coffee and other high-value fruits and vegetables become more competitive; $500,000 will strengthen the new Ministry of Environment and Natural Resources and its ability to develop and implement environmental policies. FY 2001 CSD funds ($500,000) will support community and private sector involvement in educational policy reform to improve basic education.

In FY 2002, USAID will utilize DA funds ($1,350,000) to strengthen national competitiveness and support implementation of a rural electrification plan; $150,000 will help improve national park management; and $650,000 will continue support for environmental policy and standards development. Also, $1,000,000 DA will help civil society participate in national policy dialogues in the competitiveness,

environment, electrification, and education sectors. FY 2002 CSD funds of $800,000 will support community and private sector involvement in educational policy reform.

Possible Adjustments to Plans: The change in Dominican government makes it necessary to revise the strategic framework. Though the activity's thrust will remain the same, the intermediate results and indicators will be revised. For example, the Education Results Package is being adjusted to respond to the Secretariat's desire to improve the quality of basic education. This change will also require additional CSD resources. In responding to the GODR opportunities and specific requests that coincide with USAID and broader U.S. national interests, some resources must be shifted from the democracy program to this policy program in FY 2002.

Other Donor Programs: The Inter-American Development Bank, the World Bank, the European Union, Spain, Germany, Japan, Canada, and the World Food Program.

Principal Contractors, Grantees or Agencies: U.S. organizations include: Boston Institute for Developing Economies, Renewable Energy Growth Assistance Entity, National Rural Electric Cooperative Association, the Nature Conservancy, International Resources Group, Falconbridge Foundation, and Creative Associates. Local organizations include: the Santo Domingo Technological Institute and the Pontificate Catholic University Mother and Teacher.

FY 2002 Performance Table

Dominican Republic: 517-007

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Progress in Policy Agenda	0	6	4	6	4	6	6
Indicator 2: Number of civil society organizations actively advocating for educational policy reforms	NA	NA	1	6	4	6	N/A
Indicator 3: Number of communities participating in education quality improvement	NA	NA	NA	NA	NA	Baseline Year = 0	4

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Number of policy reforms reaching GODR Approval	GODR contacts & statistics; TA reports; newspaper publications; NGO contacts	Policy refers to a course of action evidenced by laws, constitutional provisions, implementing rules and regulations, ministerial level decrees and other measures of a regulatory nature (including related regulations and enforcement mechanisms); official goals and program plans; statements and other formally documented directives; standards; guidelines and practices. Policy may exist on a local or national level. Progress in Policy Agenda includes four steps: a) Establishing Technical Foundations; b) Building Support for Reforms; c) Approval by GODR; and d) Implementation. Planned targets are based on those policy reforms reaching approval by the GODR.
Indicator 2:	IR	Number of organizations	Reports, contacts	NGOs actively engaged in policy reform debate through workshops or seminars or substantive interactions through the media (radio, television, newspapers, professional journals).
Indicator 3:	IR	Number of Schools with active parent-teacher associations	Ministry of Education	This indicator tracks NGO, foundations and the business community that adopt the Falconbridge school sponsorship model.

	U.S. Financing (In thousands of dollars)		
Program: Dominican Republic			
Title and Number: Policies Adopted that Promote Good Governance for Sustained Economic Growth, 517-007 (previously notified as 517-001)			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	1,200 DA	308 DA	892 DA
	310 CSD	0 CSD	310 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	1,115 DA	845 DA	
	0 CSD	214 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	2,315 DA	1,153 DA	1,162 DA
	310 CSD	214 CSD	96 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,600 DA		
	500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**1,600 DA**		
	500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**3,150 DA**	935 DA	8,000 DA
	800 CSD	0 CSD	1,610 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ECUADOR

Program Summary (In Thousands of Dollars)				
Category	**FY 1999 Actual**	**FY 2000 Actual**	**FY 2001 Estimated**	**FY 2002 Request**
Development Assistance	11,755	11,720	8,559	6,480
Child Survival & Disease Fund	1,950	550	0	0
CACEDRF	0	0	0	0
Int'l Narcotics Control	0	0	0	20,000
Int'l Narcotics Control (Plan Colombia)	0	8,000	0	0
Economic Support Funds	1,200	7,000	8,969	32,500
P.L. 480 Title II	642	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**15,547**	**27,270**	**17,528**	**58,980**

Mission Director, Hilda M. Arellano

ECUADOR

Introduction

U.S. assistance to Ecuador is playing a critical role in serving several key areas of U.S. national interest. These include the Andean Regional Initiative to strengthen the country's ability to deal effectively with domestic and regional challenges; the consolidation of the Ecuador-Peru Peace Accords; increased citizen support for key democratic processes to reduce corruption and improve the investment climate; improved management of natural resources to secure a sustainable environment; reduction of poverty through a microfinance program; and reduction of drug trafficking and money laundering resulting from Ecuador's strategic location between Colombia and Peru.

The Development Challenge

Between 1999-2000, Ecuador came dangerously close to becoming a failed state. Rampant corruption almost crippled the country's financial and banking system; economic growth dropped to negative 7%, subsequently pushing up to a mere 1.9% in 2000; and mob violence and an unruly army overthrew the country's fourth president in only five years, and replaced him with the vice-president. This year, that slide has been checked through the stabilizing effects of dollarization; a Stand-by Agreement with the International Monetary Fund (IMF); and new resources from international financial institutions. Higher oil prices, improved tax collection, and remittances from abroad enabled the economy to stage a modest recovery. However, Ecuador is still faced with extreme and growing poverty, with the majority of the people excluded from basic economic and political processes; continued widespread corruption and economic mismanagement; and the growing drug-related violence in Colombia, Ecuador's neighbor to the north.

In 2000, Ecuador's economic growth was once again positive and monthly inflation decelerated from 14.3% in January to 2.5% in December; nevertheless, year-end inflation totaled 91%, more than ten times the average for the Latin America and Caribbean region (LAC). In terms of its external debt, 2000 was a positive year for Ecuador when compared to 1999, the year of the crisis. External debt was $13.1 billion by the end of 2000 and represented 94% of GDP -- still high but an improvement when compared with 124% in 1999. Debt servicing reached 52% of the national budget. The GOE's agreement with the IMF includes a standby credit of $300 million, of which $151 million have been disbursed. Unfortunately, little headway was made in strengthening banking regulations and supervision. The country's remaining viable banks, beset by interest rate ceilings and a tradition of tolerance for non-payment of loans, contracted their total loan portfolio by $640 million from January to November, with 95% of the loans going to just 5% of their clients. The country's investment climate is also one of the region's worst, tarnished by pervasive corruption, a dysfunctional judicial system, and non-enforcement of contractual obligations. The IMF, the Inter-American Development Bank (IDB), the World Bank, and the Andean Development Corporation (CAF) are collaborating to address these important macro-level concerns.

Fortunately, unemployment dropped to 14.4% from 1999's high of 17% (although this in part was due to a high emigration rate) and underemployment declined from 55% to 50%. However, almost eight out of ten rural households are now poor, with four out of ten unable to meet basic nutritional requirements. Only 40% of Ecuadorian households have access to running water; 44% to sewage systems; and almost half of the country's teenagers are not attending school. Per capita income has not increased in the last decade. The country's monthly debt service payments are more than four times the expenditures for basic social services.

Ecuador's extreme poverty is a major threat to internal stability. An unstable Ecuador could threaten regional stability and challenge the viability of the country's already fragile democratic institutions. This situation is exacerbated by the continued exclusion of the rural poor (who are

largely indigenous) from basic economic and political processes by the country's elites. Continued widespread corruption further erodes citizen confidence in national institutions and the growing drug-related violence in the northern border provinces is an increasingly serious threat. Of all the countries in the region, Ecuador is probably most likely to be affected by Plan Colombia – and least likely to be able to deal effectively with those impacts.

Other Donors

USAID is largest donor of grant funds in Ecuador. The bulk of other donor funding (grant and loan) is provided by: the IDB for support to agriculture and industrial production, infrastructure, public health, environment, education, and urban development; the CAF for infrastructure and banking; the World Bank for industry, environment, education, health, potable water, and democracy; Japan for telecommunications, health, infrastructure, and energy; and Spain for modernization, integrated rural development, potable water and sanitation, health, and training. USAID assistance plays a catalytic role by influencing the planning, design, and implementation of other donor programs and by leveraging their significant resources.

FY 2002 Program

USAID intends to play an important role in helping Ecuador to regain a stable footing in the region, and increased emphasis on poverty reduction and democracy programs will be essential for employment generation, political stability, and spurring greater foreign direct investment flows. In FY 2002, the USAID program will continue to promote citizen support for key democratic processes to restore people's eroding confidence in public institutions by improving the performance of key judicial processes; expanding effective anticorruption initiatives, including more client-oriented and transparent local governments; developing consensus-based leadership; and strengthening civil society. A major new program attacking poverty and unemployment will emphasize microfinance assistance to many of the 1.3 million entrepreneurs in need of this service, targeting areas of highest growth in the informal sector and unemployment. USAID will support the Ecuador-Peru Peace Accords through improvement of the social and economic conditions of border area inhabitants. The USAID program will continue to promote biodiversity conservation policies and models in one of the world's richest "megadiversity" nations. USAID support will also help to stabilize some of the country's most vulnerable regions, including the Galapagos Islands. As part of the Andean Regional Initiative, assistance will be provided to Ecuador's northern border provinces to improve social infrastructure, strengthen civil society, and provide enhanced economic opportunities. These efforts are expected to reduce the region's vulnerability to Colombia's coca economy and to possible negative "spill over" effects from implementation of Plan Colombia. USAID is also keeping a close eye on the refugee situation to determine if U.S. assistance will be needed.

ECUADOR
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
518-001 Biodiveristy Conserved in Selected Protected Areas and their Buffer Zones				
- DA	5,250	3,500	5,012	5,100
- DFA	0	0	0	0
- CSD	0	0	0	0
- INC	0	0	0	0
- INC/Plan Colombia	0	0	0	0
- ESF	0	0	0	4,000
- P.L. 480/II	0	0	0	0
518-002 Increased Use of Sustainable Family Planning/Maternal Child Health Services				
- DA	5,505	6,800	1,247	0
- DFA	0	0	0	0
- CSD	1,950	550	0	0
- INC	0	0	0	0
- INC/Plan Colombia	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
518-011 Improved Social and Economic Conditions of Inhabitants along the Peru-Ecuador Border, thereby Promoting Border Integration (Peru-Ecuador Border Region Development)				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- INC	0	0	0	0
- INC/Plan Colombia	0	0	0	0
- ESF	0	5,500	3,488	6,500
- P.L. 480/II	0	0	0	0
518-012 More Effective and Fair Criminal Justice System				
- DA	1,000	1,420	600	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- INC	0	0	0	0
- INC/Plan Colombia	0	0	0	0
- ESF	1,200	1,500	3,500	10,000
- P.L. 480/II	0	0	0	0
518-013 Ecuador Northern Border Development				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- INC	0	0	0	20,000
- INC/Plan Colombia	0	8,000	0	0
- ESF	0	0	0	4,000
- P.L. 480/II	0	0	0	0
518-XXX Increased Economic Opportunities for the Poor				
- DA	0	0	1,700	1,380
- DFA	0	0	0	0
- CSD	0	0	0	0
- INC	0	0	0	0
- INC/Plan Colombia	0	0	0	0
- ESF	0	0	1,981	8,000
- P.L. 480/II	0	0	0	0
Totals				
- DA	11,755	11,720	8,559	6,480
- DFA	0	0	0	0
- CSD	1,950	550	0	0
- INC	0	0	0	20,000
- INC/Plan Colombia	0	8,000	0	0
- ESF	1,200	7,000	8,969	32,500
- P.L. 480/II	0	0	0	0

ACTIVITY DATA SHEET

PROGRAM: Ecuador
TITLE AND NUMBER: Biodiversity conserved in selected protected areas and their buffer zones, 518-001
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $5,012,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $5,100,000 (DA) and $4,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Ecuador is unquestionably one of the world's most biodiverse countries, with 1,600 bird and 3,500 orchid species, both roughly 18% of the word's total; almost 10% of the planet's amphibian species; and 8% of its mammals. With exceptional endemism (species found nowhere else on earth), Ecuador sits in the middle of the Tropical Andes hotspot, "the richest and most diverse biodiversity hotspot on Earth." At the same time Ecuador's high population density, poverty, and widespread corruption place these resources at grave risk. The program goal is to help Ecuador to better manage its natural resources base by improving the policy and legal framework, and strengthening the institutional capacities of local groups and communities for biodiversity conservation. This also benefits poor indigenous and Afro-Ecuadorian communities who depend on these resources for their survival.

Key Results: Program performance milestones are being met or exceeded. Analyses of aerial photography indicated that deforestation was cut in half in areas of project intervention. These results were achieved due to the effective involvement of local partners. In addition to playing increasingly visible roles in conservation, these indigenous partner NGOs attracted almost $2 million in non-USAID funds to support the program, with cumulative indicative funding levels nearly doubling the target ($6 million vs. $3.1 million). Program partners worked with 61 indigenous, Afro-Ecuadorian, and other communities to develop and/or implement improved resource management practices; more than 1,313,000 hectares have been brought under participatory management plans. Development of policies, legal frameworks, and enforcement mechanisms exceeded their targets two-fold. USAID's support to the Charles Darwin Foundation provided the scientific basis for key management tools to protect the Galapagos Marine Reserve. These include the fishing calendar; regulations for catch limits for lobster and sea cucumber; a moratorium on new fishing permits; and a proposal for zoning the Reserve to regulate use.

Performance and Prospects: USAID funded organizations, including CARE, Wildlife Conservation Society (WCS) and Jatun Sacha, broke new ground in 2000 with the development of environmentally sound guidelines for farm-forest management. These guidelines are helping to conserve biological diversity in privately held forestlands adjacent to the Choco hotspot. The approach also offers promise for use in other parts of the country. USAID helped build a strong coalition of local and regional conservation groups dedicated to sound resource management, and the Community Forestry Network had its first timber sales, following approved environmental guidelines for harvesting and treatment. In the Condor Bioreserve area, field research data were used to define adequate habitat size for the endangered Andean spectacled bear. This information is being used to inform decisions on regional planning (e.g. road and water system development). With USAID-funding, the Nature Conservancy's (TNC) efforts also promoted conflict resolution and helped long-settled indigenous communities achieve legal recognition in the Bioreserve through development of environmentally sound resource management plans. USAID's regional Parks in Peril (PiP) program made important progress in consolidating Podocarpus National Park, and encouraging local decision-makers (e.g. mayors, church and army officials, civil society) to form a high-level park management committee to protect the Park's forest cover, thereby ensuring the city of Loja's water supply. PiP also made progress in developing a long-term financial plan and user fees for Machalilla National Park, important steps towards sustainability.

The USAID program continues to encourage inclusion of women on decision-making bodies, such as the Palenque Regional Council (Esmeraldas) and the Board of San Alfonso's (Condor Bioreserve) community development organization. Similarly, the Charles Darwin Foundation is collaborating with women in the Galapagos to develop economic alternatives to fishing. USAID support for ecotourism development and mangrove conservation on Isabela Island in the Galapagos is similarly oriented. To raise national consciousness of the serious challenges of managing this global patrimony, build political will for sound management, and underscore that the more aggressive fishermen are not the Galapagos' only stakeholder group, the program implemented an effective program to better educate the country's mass media. USAID also played a critical role in helping its partners mitigate the impacts of the Galapagos oil spill.

USAID will continue ongoing activities in the protected and buffer zone areas of the Cotacachi-Cayapas (RECC), Antisana (REA), and Cayambe-Coca (RECAY) ecological reserves to develop replicable models. Ecuadorian NGOs will carry out the types of activities currently being developed and tested in and around protected areas in additional communities. Key activities include forest management, land demarcation and titling, and the development of income-producing ventures based on non-timber forest products. Also, efforts will be made to strengthen forest dwellers' (including indigenous and Afro-Ecuadorians) claims to land and resources, and to prepare them to enter into productive partnerships with the commercial sector. Support will continue to the Charles Darwin Foundation in the Galapagos for the conservation and preservation of the Islands' marine reserves and their native and endemic species. Now that the Special Law for Galapagos has been passed, the Ministry of the Environment, in consultation with key groups from the Galapagos, is preparing guidelines for implementing the Special Law. Also, it is expected that stakeholders will implement the Galapagos Marine Reserve Management Plan.

In FY 2001, $5,012,000 in environment program funds will be distributed as follows: $2,760,000 to support sustainable uses of biological resources, including through improved forest management and land titling in Esmeraldas; $875,000 to protect the Galapagos Marine Reserve by relieving pressures from over fishing through development of alternative economic activities and through research to inform better management; $700,000 to improve management and community participation in the Condor Bioreserve, one of Ecuador's most important protected areas and the principal watershed for the city of Quito; $300,000 to support biodiversity conservation with indigenous peoples groups in biologically critical areas; $167,000 for targeted research and assessments building on the recommendations from the recent evaluation, particularly an analysis of the feasibility of using biodiversity prospecting to generate financing for biodiversity conservation; $100,000 for continued technical assistance under USAID's Partnership for Biodiversity Conservation with the U.S. Department of the Interior; and $110,000 to support costs associated with program management.

In FY 2002, the $5,100,000 in DA environment program funds will be used as follows: $2,590,000 to build institutional capability and support development of sustainable financing mechanisms (including market-based) for some of the country's most important parks and protected areas; $1,000,000 for continued support for biodiversity conservation in the Galapagos; $500,000 to support sustainable uses of biological resources, including forest management activities; $500,000 for continued support to the Condor Bioreserve; $300,000 for biodiversity conservation activities with indigenous peoples groups in biologically critical areas; $100,000 for additional technical assistance through the U.S. Department of the Interior; and $110,000 to support costs associated with program management. In coordination with the Ecuador Country Team, the planned $4,000,000 in FY 2002 ESF environment resources would be used as follows: $2,000,000 to strengthen the Galapagos National Park's deficient monitoring and enforcement capabilities to protect the environmentally critical Galapagos Marine Reserve in the face of mounting pressures from illegal commercial and local fishing; $1,000,000 for additional land titling and development of environmentally sound economic activities in Esmeraldas, to help stabilize poor Afro-Ecuadorian and indigenous populations living adjacent to the Choco biodiversity "hotspot" and

border with Colombia; and $1,000,000 for land titling and development of environmentally sound economic activities in portions of Ecuador's isolated Amazon Basin, to help stabilize vulnerable indigenous populations living adjacent to the Yasuni Biological Reserve.

Possible Adjustments to Plans: A mid-term evaluation conducted in December 2000 challenges the program's assumption that buffer zone management is the best way to promote conservation. The evaluation recommended that greater emphasis be placed on increasing the value of protected areas themselves, through initiatives such as biodiversity prospecting, carbon offsets, and the provision of ecological services. To this end, the program will support an assessment of biodiversity prospecting. Ecuador's exceptionally high species endemism suggests the country may have comparative advantage in this area, and one local species of poison dart frog has already produced an analgesic (epidatibine) 200 times more powerful than morphine. Nevertheless, the legal, institutional, and social challenges of biodiversity prospecting are considerable and must be analyzed carefully before investing in this area. Similarly, carbon offsets may offer limited promise in the near-term, pending greater international consensus on the clean energy production mechanism.

However, increased emphasis on the biologically rich Condor Bioreserve and on ecological services could build on past efforts, though progress with Quito's Water Endowment Fund (FONAG) has been disappointing due to the continuing absence of field activities. If funds become available, the USAID program plans to explore further these opportunities in partnership with PiP 2000, working with TNC's Center for Innovative Conservation Finance. Additional emphasis should also be given to the Galapagos, working with communities to strengthen conservation-minded stakeholder associations; and at the local and national levels to generate increased political will to support sustainable management. Given Ecuador's heavy debt-burden, the Tropical Forestry Conservation Act is a possibility, though much would no doubt need to be done (e.g. improvements in the country's macroeconomic and investment climate) to be eligible for this program. Finally, the program is exploring opportunities for cross-border ecosystem conservation. This could include working with the Awa indigenous peoples (Ecuador/Colombia) and/or in the critically endangered coastal dry tropical forests along the border with Peru.

Other factors could compromise the program's ability to produce results, and deforestation for expanded African palm cultivation in USAID's area of field activities is a serious concern. Powerful special interests continue to press poor Afro-Ecuadorians to sell their forested lands, only to hire these landless people as day laborers for expanding the acreage under palm cultivation. Such special interests also lobby strongly against the enforcement of forestry regulations on deforestation activities and against passage of the forestry law. Another serious concern is enforcement of environmental regulations in the Galapagos. The Ministry of Environment attempted to enforce lobster harvest limits for the first time in 2000, and the resulting protests and vandalism attracted international attention. The offenders were denounced by the President of Ecuador, but supported by several local politicians promoting special interests. Similarly, when Galapagos National Park staff seized commercial tuna boats fishing illegally in the Reserve, the Park Director was threatened with reprisals. Enforcement of existing laws and regulations will be a continuing challenge, especially in a country where special interests are used to having their way. This program and the USAID Democracy program will coordinate more closely to stanch corruption, a serious deterrent to effective biodiversity conservation. Also, to assure that program goals are met the Mission will seek approval to extend the completion date of this activity by one year to FY 2004.

Other Donor Programs: The World Bank's Global Environmental Facility continues to implement an important $18 million program to combat invasive species in the Galapagos, and USAID coordinated with the Inter-American Development Bank on development of their $13 million program for the islands. Coordination with Spain's development assistance on regulations to the Galapagos Special Law has also been important, and the World Bank continues to train 160 paralegals in the Cotacachi-Cayapas Ecological Reserve, an initiative that was started by USAID. Collaboration is also good with the Netherlands' development assistance program in Podocarpus, and the Italian Cooperation Service

has taken over PiP's earlier successful efforts on park infrastructure development and maintenance in Machalilla.

Principal Contractors, Grantees or Agencies: USAID funding is provided principally to U.S. and Ecuadorian NGOs. Key partners include CARE, The Nature Conservancy, Galapagos National Park, and the Charles Darwin Foundation. Both CARE and TNC have developed strong working relationships with Ecuadorian partners. They include EcoCiencia, Jatun Sacha, Fundación Antisana, Fundación Ecológica Rumicocha, Fundación Arco Iris, and Fundación Natura, all of which work with community groups and indigenous organizations to carry out planned activities. In addition, specific activities are being undertaken in collaboration with the U.S. Department of the Interior and the Peace Corps.

FY 2002 Performance Table

Ecuador: 518-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Key policies, legal frameworks & enforcement mechanisms prepared, modified & introduced at appropriate government level to improve biodiversity conservation in targeted protected areas/buffer zones	6	20	31	44	23	25	27
Indicator 2: Hectares of land in selected protected areas and buffer zones under participatory NRM plans (thousands)	784	845	938.3	313.4	1,341	1,389	1,596
Indicator 3: Increased financing of local partners by outside (non-USAID) sources ($000).	952	2,775	4,183	6,007	3,162	3,412	3,862

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	SO	Policy documents submitted to executive, legislative, municipality authorities, as appropriate	CARE FY 2000 Report; TNC letter UTR-1833/11-2000 dated 11/01/00; TNC memo No. 259 dated 11/20/00; CDF matrix of achievements for SO 1 indicators FY 00.	Initial steps involve undertaking studies and drafting legislation. Total policy documents by area for FY 2000 are: RECC: 14, REA/RECAY: 4, GMR: 5, PIP: 4. TOTAL 27.
Indicator 2:	IR	Thousands of hectares (CUMULATIVE). Unit measurement purposively aggregates across kinds of areas and types of plans.	CARE FY 00 Report and letter CDI-0250-2000 dated 10/30/00; TNC letter UTR 1833/11-2000 dated 11/01/00, and TNC memo No. 259 dated 11/20/00.	Reserve Plans submitted to GOE entity for approval; Land Use Plans (General/Specific) accepted by the relevant community. Target for FY 2000 is as follows: Conservation Reserve Plans (RECAY/REA/PiP): 0, Community Land Use Plans (RECC/RECAY/REA/PiP) General: 129.9, (RECC) Specific: 8. TOTAL: 137.9.
Indicator 3:	IR	Thousands of dollars provided for conservation activities (CUMULATIVE)	TNC letter UTR-1833/11-2000, dated 11/01/00; TNC memo No. 259, dated 11/20/00; CARE report FY 2000, CARE letter CDI-0250-2000, dated 10/30/00	Expected results for FY 2000 disaggregated by partner are as follows: Jatun Sacha/Ecociencia: 1600, FUNAN/FER: 1542, Arco Iris: 720. TOTAL: 3862.

	U.S. Financing (In thousands of dollars)		
Program: Ecuador			
Title and Number: Biodiversity Conserved In Selected Protected Areas and their Buffer Zones, 518-001			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	7,788 DA	3,149 DA	4,639 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,500 DA	3,927 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	11,288 DA	7,076 DA	4,212 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	5,012 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**5,012 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**5,100 DA**	5,900 DA	27,300 DA
	0 CSD	0 CSD	0 CSD
	4,000 ESF	5,000 ESF	9,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Ecuador
TITLE AND NUMBER: Increased use of sustainable family planning/maternal child health services, 518-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,247,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $0 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: This program was scheduled to phase-out at the end of FY 2000. However, a one-year extension was approved in 1999 in order to continue support to the two largest family planning non-government organizations (NGOs) in Ecuador, Association for Ecuadorian Family Well Being (APROFE) and Medical Center for Orientation and Family Planning (CEMOPLAF). FY 2000 marked the end of USAID's health activities in Ecuador after a half-century of assistance. An extension of the assistance to family planning activities was necessary to help cushion the effects of the nation's financial crisis. These circumstances threatened to erode the sustainability and cost recovery accomplishments that USAID has promoted particularly among NGO family planning clinics. Ironically, these circumstances also served as an additional catalyst to persuade USAID's partners to urgently address sustainability issues.

The program beneficiaries are children ages 0-5 years and fertile-aged women. All activities aim at improving cost recoveries of family planning NGO partners and improving quality and access to family planning services were funded exclusively with Population funds. Activities that focus on improving quality and access to maternal/child services, and on increasing sustainability of health NGOs, were funded by the Child Survival earmark.

Key Results: Sustainability and replication of health reform models, major concerns for USAID during the phase-out of this activity, achieved mixed success. Cost recovery levels of private and private-public clinic models continued to increase even during the economic crisis. However, the national public health sector reform efforts were disappointing, with the Government of Ecuador (GOE) only minimally adopting proven organizational, service delivery, and financing schemes. At the same time the IDB and the World Bank have both made plans to fund continuation of several USAID-initiated models, and are already funding different clinics for program-initiated actions such as the community medicine training program and installation of comprehensive information systems. In 2000 our key local NGO partner in health, the Center for the Studies of Population and Social Development (CEPAR), downsized to its core technical staff and reduced operating expenses, resulting in savings of nearly $800,000 to supplement its fund-raising capacity. This is especially significant, since CEPAR was almost entirely dependent on USAID support for more than two decades. However, their failure thus far to significantly strengthen the capacity of their Board of Directors is a weakness that will hamper future success. This offers a potential "lesson learned" for USAID programs with NGOs, as CEPAR has consistently met or exceeded performance targets. More attention must also be given to sustainability issues, and in particular to the long-term institutional strengths and weaknesses of our NGO partners.

Key results in family planning activities include increased consolidation of local family planning NGOs hard hit by financial constraints in 1999-2000. These local NGOs have recovered significantly in late FY 2000 and early FY 2001 from the harsh effects of devaluation, inflation of costs of imported goods, and the GOE's earlier decision to freeze bank accounts. Additionally, they were still able to attract a growing clientele to their private, fee for service clinics.

Performance and Prospects: With completion of health program activities in FY 2000, the five-year targets were achieved. For example, from a baseline of zero in 1995, women and children (0-5 years) using improved or expanded maternal/child health services increased to over 200,000 per year by FY

2000. In line with the program focus on expanding services through the private sector, most of these beneficiaries received services in NGO or NGO/public partnership service delivery points. Evidence of the strong role played by the private sector is further reflected in the improved cost recovery of 10 health NGOs. From an average of 26% in FY 1996, six of these 10 achieved an average of 94% cost recovery in FY 2000

On the family planning front, cost recovery by two of the program's family planning NGOs, APROFE and CEMOPLAF, averaged 90%. Both organizations also built up sustainability funds of several million dollars to support their efforts once USAID's assistance ends. During FY 2000, APROFE strengthened its social marketing program and extended the Community Network of contraceptives distribution, while CEMOPLAF continued to mount an aggressive campaign to increase demand for reproductive health services. Key results planned for FY 2001 are increased cost recovery of these partners and improved quality and access to family planning services. USAID will also provide oversight to further strengthen their capabilities to manage their resources (including the sustainability funds) in the future.

Significant progress was achieved toward the program goal of improving the quality and access of family planning services, particularly as indicated by couple years of protection (CYP). CYP services provided by CEMOPLAF and APROFE increased from 642,000 to 706,017 during FY 2000 and are expected to reach 750,000 CYP in FY 2001. This illustrates large increases in the supply and demand for family planning services, basic to long-term sustainability. Complementary efforts were also made to increase quality of services delivered. APROFE performed a Quality Survey in 15 cities, and used the data to design the institution's marketing strategy for reproductive health services. Similarly, CEMOPLAF conducted an assessment of each clinic to develop a strategy to improve quality of service and increase the number of users.

To assure adequate use of its sustainability fund beyond USAID's phase-out, the Mission is helping CEMOPLAF to partner with U.S. financial institutions for establishing a trust fund to allow it to receive, on a monthly basis, income to cover its current 10% deficit while maintaining quality service. During FY 2000 the program focused some of its efforts on CEMOPLAF's institutional strengthening to remedy deficiencies in management and leadership of the Board of Directors. This year, USAID will continue to provide oversight and support to the Board and staff to strengthen their management capability.

In FY 2001, DA funds of $1,250,000 will be used for contraceptives and technical assistance in order to increase cost recovery of APROFE and CEMOPLAF while improving quality and access to family planning services.

Possible Adjustments to Plans: The Mission received additional funding for contraceptives and technical assistance for FY 2001. This will leave CEMOPLAF and APROFE with adequate stocks of contraceptives for their programs, as well as with strengthened capabilities to prepare their future projections on consumption.

A trust fund of over $3 million is planned for CEMOPLAF's sustainability fund, subject to that institution's adoption of adequate measures to assure transparency and sound fiscal management. USAID will determine the terms and conditions under which the NGO will be entitled to receive a monthly amount from the trust to cover their operating deficit. This financial mechanism should protect the sustainability fund from misuse (an important issue, with initially troubling signs from the NGO) and assure the institution's stability. During FY 2001, we will concentrate our efforts to have this NGO incorporate new members to its Assembly for more transparent management. If these steps are not executed, USAID will need to adjust its plans with respect to management of the sustainability fund.

Other Donor Programs: USAID continued to be the principal donor through 2000 in population and family planing, providing substantially greater assistance than the second leading donor, UNFPA.

The latter approved a new four-year Plan for Ecuador with roughly a $2 million annual budget. In health, the World Bank is the leading donor. Its $45 million loan for health sector modernization, MODERSA, continued to be the dominant program, but will undergo major review and restructuring of its objectives during CY 2001 in response to the World Bank's growing impatience with the slowness of achieving the health sector reforms planned under this project.

Major Contractors and Grantees: Family planning activities are implemented through two local NGOs, APROFE and CEMOPLAF, and three key U.S. contractors: Johns Hopkins University (JHPIEGO and the Population Communications Services Program, JHU/PCS), and John Snow, Inc., providing technical assistance and logistics, communications and reproductive health services improvement. Health cooperative agreements still active during the past year were the Partnerships for Health Reform, BASICS (Integrated Management of Childhood Illness), and University Research Corporation's Quality Improvement Project. In FY 2001, only about $160,000 in TA will be provided through JHU/PCS and the John Snow DELIVER project to further assist in management of contraceptive procurement and organizational development.

FY 2002 Performance Table

Ecuador: 518-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Couple Years of Protection (CYP) provided by APROFE and CEMOPLAF	326,050	452,884	642,819	706017	700,000	750,000	NA
Indicator 2: Women and children (0-5) using improved or expanded MCH services - children	116	293	735	123	127	NA	NA
Indicator 3: CARE-APOLO supported NGOs achieving specific degree of cost recovery: number of NGOs by percent -- Group A*	4 @ 68% avg	4 @ 66% avg	4 @ 84% avg	4 @ 94% avg	4 @ 80	NA	NA
Indicator 4: Cost recovery level: APROFE	82	84	88	90	89	90	NA
Indicator 5: CARE-APOLO supported NGOs achieving specific degree of cost recovery: number of NGOs by percent -- Group B*	3 @ 39% avg	3 @ 61% avg	3 @ 76% avg	2 @ 94% avg	3 @ 50%	NA	NA
Indicator 6: CARE-APOLO supported NGOs achieving specific degree of cost recovery: number of NGOs by percent -- Group C*	3 @ 0% avg	2 @ 25% avg	3 @ 30% avg	NA	3 @ 30%	NA	NA
Indicator 7: Cost recovery level: CEMOPLAF	67	74	76	84	78	80	NA
Indicator 8: Women and children (0-5) using improved or expanded MCH services – women	107	186	370	80	73	NA	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Estimated protection provided by family planning services for a one year period, based upon volume & type of contraceptives distributed	Calculation from service statistics of APROFE and CEMOPLAF: APROFE Fax dated 10/21/99 and CEMOPLAF Fax dated 10/21/99	This indicator measures quality and access to family planning services. The public sector was not included in this indicator because USAID/Ecuador contribution to their program is small and more importantly there is no reliable data.
Indicator 2:	IR	Number of visits (000) - by children (PER YEAR)	CARE-APOLO Letter No. 21448, dated 10/29/99, QA Letter dated 11/04/99, RPM Letter dated 10/29/99, and BASICS Fax dated 10/29/99	This indicator focuses on efforts to expand access through the private sector and decentralization of services. Service improvement is achieved through: NGOs - CARE: TA or training provided, systems strengthened; MOH - IMCI/BASICS: Integrated treatment of children provided. Quality Assurance/QA: Quality improvement activity implemented, such as reduced waiting time or reduced number of surgical infections. RX use/RPM: Improved use and access to/availability of drugs-medications.
Indicator 3:	IR	Number of NGOs recovering percentage of total budget: number of NGOs by percent -- Group A*	CARE-APOLO Letter No. 21460 dated 11/05/99	The APOLO-supported NGOs cost recovery indicator is the income generated through provision of services by the NGOs, as a percentage of total operating costs (synonymous with "budget" if capital expenditures not included). Pilot projects have been grouped based on sustainability achievements. *Group A: (1) Fundacion Pablo Jaramillo in Cuenca, (2) CEMOPLAF in Otavalo, (3) CEMOPLAF in Lago Agrio, (4) ASME-CX in Santo Domingo. Group B: (1) Cristo Redentor in Santa Elena, (2) Municipality of Chordeleg, (3) Municipality of Bolivar. Group C: (1) Fundacion Salud y Desarrollo in Pedro Vicente Maldonado, (2) Funedesin in Mondana, Oriente, (3) Diocesis de Riobamba.
Indicator 4:	IR	Percentage of total costs covered by NGO generated income: APROFE	Financial Analysis Reports prepared by the USAID Controller's Office, CEMOPLAF dated January 3, 2000 and APROFE dated December 2, 1999.	Cost recovery, along with institutional maturity, is crucial to long term sustainability of the family planning organization. This indicator will be verified by NGO statistics and periodic audited financial information. The target is set without taking into account the sustainability funds, so even though the NGOs do not reach 100% sustainability, they will have these funds to draw upon at the end of the current agreements with USAID/Ecuador. The formula used to calculate the sustainability rate is total income generated divided by all expenditures. The value of the USAID donations in kind (contraceptives) was treated as part of the total USAID donation in dollars.

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 5:	IR	Number of NGOs recovering percentage of total budget: number of NGOs by percent -- Group B*	CARE-APOLO Letter No. 21460 dated 11/05/99	The APOLO-supported NGOs cost recovery indicator is the income generated through provision of services by the NGOs, as a percentage of total operating costs (synonymous with "budget" if capital expenditures not included). Pilot projects have been grouped based on sustainability achievements. Group A: (1) Fundacion Pablo Jaramillo in Cuenca, (2) CEMOPLAF in Otavalo, (3) CEMOPLAF in Lago Agrio, (4) ASME-CX in Santo Domingo. *Group B: (1) Cristo Redentor in Santa Elena, (2) Municipality of Chordeleg, (3) Municipality of Bolivar. Group C: (1) Fundacion Salud y Desarrollo in Pedro Vicente Maldonado, (2) Funedesin in Mondana, Oriente, (3) Diocesis de Riobamba.
Indicator 6:	IR	Number of NGOs recovering percentage of total budget: number of NGOs by percent -- Group C*	CARE-APOLO Letter No. 21460 dated 11/05/99	The APOLO-supported NGOs cost recovery indicator is the income generated through provision of services by the NGOs, as a percentage of total operating costs (synonymous with "budget" if capital expenditures not included). Pilot projects have been grouped based on sustainability achievements. Group A: (1) Fundacion Pablo Jaramillo in Cuenca, (2) CEMOPLAF in Otavalo, (3) CEMOPLAF in Lago Agrio, (4) ASME-CX in Santo Domingo. Group B: (1) Cristo Redentor in Santa Elena, (2) Municipality of Chordeleg, (3) Municipality of Bolivar. *Group C: (1) Fundacion Salud y Desarrollo in Pedro Vicente Maldonado, (2) Funedesin in Mondana, Oriente, (3) Diocesis de Riobamba.
Indicator 7:	IR	Percentage of total costs covered by NGO generated income: CEMOPLAF	Financial Analysis Reports prepared by the USAID Controller's Office, CEMOPLAF dated January 3, 2000 and APROFE dated December 2, 1999.	Cost recovery, along with institutional maturity, is crucial to long term sustainability of the family planning organization. This indicator will be verified by NGO statistics and periodic audited financial information. The target is set without taking into account the sustainability funds, so even though the NGOs do not reach 100% sustainability, they will have these funds to draw upon at the end of the current agreements with USAID/Ecuador. The formula used to calculate the sustainability rate is total income generated divided by all expenditures. The value of the USAID donations in kind (contraceptives) was treated as part of the total USAID donation in dollars.
Indicator 8:	IR	Number of visits (000) - by women (PER YEAR)	CARE-APOLO Letter No. 21448, dated 10/29/99, QA Letter dated 11/04/99, RPM Letter dated 10/29/99, and BASICS Fax dated 10/29/99	This indicator focuses on efforts to expand access through the private sector and decentralization of services. Service improvement is achieved through: NGOs - CARE: TA or training provided, systems strengthened; MOH - IMCI/BASICS: Integrated treatment of children provided. Quality Assurance/QA: Quality improvement activity implemented, such as reduced waiting time or reduced number of surgical infections. RX use/RPM: Improved use and access to/availability of drugs-medications.

	U.S. Financing (In thousands of dollars)		
Program: Ecuador Title and Number: Increased Use of Sustainable Family Planning/Maternal Child Health Services, 518-002			
	Obligations (1)	Expenditures (2)	Unliquidated
Through September 30, 1999	11,922 DA	8,869 DA	3,053 DA
	21,151 CSD	18,798 CSD	2,353 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	6,800 DA	4,912 DA	
	550 CSD	2,223 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	18,722 DA	13,781 DA	4,941 DA
	21,701 CSD	21,021 CSD	680 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	3 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,247 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**1,250 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	19,972 DA
	0 CSD	0 CSD	21,701 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

the respective country section of the Congressional Budget Justification document for reporting purposes.

Key Results: The following key results are required to achieve the program goals: 1) expanded income-generating opportunities for small and micro entrepreneurs; 2) increased availability and access to social services, with emphasis on health, water, and sanitation; and 3) improved natural resources management in selected zones along the border. Two other sub-goal areas are: increased access to major infrastructure which will be funded primarily by international financial institutions, including the Andean Development Corporation (CAF), and increased private investment along the border which is expected to be made by the private sector. Consistent with the priorities of the Bi-national Accord, the largest area of program intervention funded by USAID entails the construction of water, sanitation, and solid waste systems. This constitutes over one-third of USAID's planned program budget, and targets 100 communities and 48,000 beneficiaries. Other program goals aim to create 400 village banks with 17,000 microentrepreneurs receiving loans, 75% of who are expected to be women, and support for trade fairs to promote trade and economic integration along the border. Another sub-goal is to assist the Shuar and Achuar indigenous peoples to strengthen the protected status of the biologically rich Trans-Cutucu region, bringing 100,000 hectares of habitat under natural resources management plans, and to formalize their resource tenure. A cross cutting theme is strengthened local governments. This will improve the capacity of some 26 municipalities to deliver services more effectively and with greater citizen participation.

Program implementation began in February 2000 with the award of a $1.5 million grant to CARE mainly for water, sanitation, and solid waste management activities. The larger Phase II effort was initiated with a bilateral agreement with the Government of Ecuador (GOE) and a five year $19.3 million cooperative agreement signed with CARE in November 2000. Rapid progress has been made with water, sanitation, and solid waste systems. For the second phase of the program activities are already underway and significant "process" results have been achieved. For example, CARE competitively selected to implement the program, organized a consortium of twelve experienced institutions to carry out its four components: social infrastructure, microfinance, environment, and local government strengthening. CARE prepared its startup plan, finance and procurement manuals, and a draft work plan for the next eighteen months of implementation. CARE also identified lessons learned during Phase one on how to optimize on human and financial resources for constructing water systems, latrines, garbage collection, and providing health services.

Performance and Prospects: Not all targets were fully met by September 30, 2000, since the cooperative agreement with CARE for Phase I of the program called for targets to be met by the end of 2000. The activity is meeting expectations. For example, although the number of completed water systems and latrines was less than targeted, the total number of beneficiaries for the improved social infrastructure targets was exceeded. A significant accomplishment was the unification of five communities previously in conflict to build a large regional water system, El Airo. As a result, 13 rather than 11 targeted communities now have new or improved systems.

Under the Phase II of this program, USAID will support a much broader range of activities and geographic areas aimed at improving social and economic conditions to contribute to reducing poverty and lasting peace. Many of the activities will replicate successful programs implemented by USAID and CARE in other parts of Ecuador, so prospects for success are excellent, assuming the continued availability of ESF.

FY 2001 ESF funds of $3,488,000 will be used as follows: $1,738,000 for social infrastructure including potable water, sanitation systems and health education; $1,550,000 for natural resources management activities and a land titling program in Morona-Santiago province; $200,000 to provide technical assistance and training to 26 municipalities on cost accounting, computer systems, and strategic planning.

FY 2002 ESF funds of $6,500,000 will be used to continue the activities of social infrastructure ($2,200,000), environment ($2,000,000), and local government strengthening ($800,000). In addition, $1,500,000 will be used for a credit-program for small and micro entrepreneurs.

Possible Adjustments to Plans: Phase I of this program ended February 2001 and its lessons learned are being applied to Phase II, in particular to "fine-tune" the support strategy for social infrastructure. Similarly, program indicators for Phase I are being expanded to accommodate significantly increased levels of funding and more field efforts planned under Phase II. A comprehensive Environmental Impact Assessment of proposed food production activities in Morona-Santiago province was carried out in February 2001, and once approved, its recommendations will be incorporated into planned program activities. There may also be changes in the local government strengthening component, depending on the final redesign of the Mission's Democracy program. Finally, a microenterprise evaluation leading to the design of a proposed new microfinance program is also expected to provide important lessons learned and recommendations for planning the income-generating component of this program.

Other Donor Programs: The Ecuador-Peru Bi-national Plan solicited $2 billion from the international community over ten years, starting with a Consultative Group meeting in October 1998. To meet the Bi-national Plan target of $3 billion, additional resources are to be provided by the private sector, and the governments of Peru and Ecuador. While many donors (e.g. international financial institutions, U.N. agencies, and various bilateral donors) pledged to support the Ecuador-Peru Border Development Plan, to date the U.S. contribution is the largest and reflects most of the progress made to date. In addition, an initial $25 million loan from CAF should be provided soon to help finance larger-scale water systems, rural electrification and possibly roads, and a planned $38 million grant from the European Economic Community is expected to focus on improving health conditions.

Donor coordination will become more essential as other donor programs are initiated, and the main donors with whom USAID has collaborated under this program are: World Bank, Pan American Health Organization (PAHO), Dutch Government/SNV, Spain, Japan, and Germany's GTZ. A new World Bank Praguas Project is slated to provide a $130 million loan for a water and sanitation program in 40 poor rural municipalities, and promote complementary policy reforms in the sector. PAHO and SNV have been actively working in the Loja border area, the former on local government/community planning for health, the latter on forestry protection. SNV is also fully engaged in environment/local government development in Morona-Santiago province. Spain's planned program in Loja will focus mainly on watershed protection for the Catamayo-Chira River Basin. Finally, GTZ's strong interest in decentralization and municipal government development, especially along the Southern Border, is being closely coordinated with USAID's and CARE's efforts. For example, USAID has convinced GTZ to complete coverage of Morona-Santiago province with support to its two southernmost municipalities, not targeted by USAID's program.

Principal Contractors, Grantees or Agencies: Implementation of this program is through a Cooperative Agreement with CARE and 12 local and international partners, including Catholic Relief Service (CRS), HOPE, SNV, Pan American Health Organization, Plan International, Wildlife Conservation Society, Conservation International, and local NGOs.

FY 2002 Performance Table

Ecuador: 518-011

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of new/improved potable water systems: Number of beneficiaries	NA	NA	0	5,800	5,769	5,769	NA
Indicator 2: Number of health services and facilities improved.	NA	NA	0	4	4	5	NA
Indicator 3: New/improved sanitation units: Number of beneficiaries	NA	NA	0	5,800	5,769	5,769	NA
Indicator 4: Number of persons who benefit from new/improved water, sanitation, solid waste disposal, and health services.	NA	NA	0	168,127	150,000	168,000	NA
Indicator 5: Number of new/improved potable water systems: Number of systems	NA	NA	0	9	11	11	NA
Indicator 6: Number of new/improved sanitation units	NA	NA	0	627	1,000	1,000	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of beneficiaries (CUMULATIVE)	CARE reports	This indicator will not be reported in the next Budget Justification, given new indicators for the cooperative agreement signed with CARE in November 2000. Nevertheless, the Mission will track this indicator.
Indicator 2:	IR	Number of services/facilities (CUMULATIVE)	CARE reports	This indicator will not be reported in the next Budget Justification, given new indicators for the cooperative agreement signed with CARE in November 2000. Nevertheless, the Mission will track this indicator.
Indicator 3:	IR	Number of beneficiaries (CUMULATIVE)	CARE reports	This indicator will not be reported in the next Budget Justification, given new indicators for the cooperative agreement signed with CARE in November 2000. Nevertheless, the Mission will track this indicator.
Indicator 4:	SO	Number of persons (CUMULATIVE)	CARE reports	This SO level indicator will be modified to include other components ot the program, according to the new cooperative agreement signed with CARE in November, 2000. Targets will be set for FY 01-05 in March 2001.
Indicator 5:	IR	Number of systems (CUMULATIVE)	CARE reports	This indicator will not be reported in the next Budget Justification, given new indicators for the cooperative agreement signed with CARE in November 2000. Nevertheless, the Mission will track this indicator.
Indicator 6:	IR	Number of units (CUMULATIVE)	CARE reports	Only 627 units have been built, including 7 school units serving 50 children each. However the number of beneficiaries (5,500) is close to the planned number. This indicator will not be reported in the next Budget Justification, given new indicators for the Cooperative Agreement signed with CARE in November 2000. Nevertheless, the Mission will track this indicator.

	U.S. Financing (In thousands of dollars)		
Program: Ecuador			
Title and Number: Improved Social and Economic Conditions of Inhabitants Along the Peru-Ecuador Border, thereby Promoting Border Integration, 518-011			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	1,500 ESF	20 ESF	1,480 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	5,500 ESF	1,037 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	7,000 ESF	1,057 ESF	5,943 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	3,488 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	0 CSD		
	3,488 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	6,500 ESF	4,512 ESF	21,500 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Ecuador
TITLE AND NUMBER: More Effective and Fair Criminal Justice System 518-012*
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $600,000 (DA) and $3,500,000 (ESF)
PROPOSED FY 2002 OBLIGATION: $0 (DA) and $10,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The FY 1999-2000 the Democracy Strategic Objective (SO) focussed almost exclusively on the criminal justice sector. This included support to key public sector institutions, particularly the Prosecutor General's Office, to combat public and private corruption. It also assisted related actors in the introduction of a new accusatory criminal justice system, and continuing to strengthen coalitions among public and private institutions participating in priority justice reforms. In addition, USAID continued to provide assistance to key justice sector NGOs to enhance their institutional effectiveness and financial sustainability. The reduction of impunity in the criminal justice area, particularly in crimes of corruption, was defined as the most important indicator of program success. Therefore, the primary component of the justice sector strategy was strengthening the capacity of the Prosecutor General's Office to investigate and prosecute crimes of corruption.

Unfortunately, the emphasis on the Prosecutor General's Office turned out to be extremely vulnerable to the quality of leadership in that office. In May 2000, this major component of our Democracy Program was suspended by a joint USAID, Department of Justice (DOJ), and Embassy decision because of allegations that the Prosecutor General herself was blocking prosecution of corrupt bankers. Because of the linkage of this component with the program's other areas of focus, combined with an initially flawed new Criminal Procedures Code and a nearly year-long Congressional hold on USAID funds for the sector, implementation of the entire program was significantly delayed.

USAID is now revising its democracy program for greater flexibility, broader scope, and more responsiveness in order to formulate an interim "transition strategy" for FY 2001-FY 2004, at which time it may be reassessed and/or revised as part of USAID's next five-year Strategic Plan for Ecuador.

Key Results: The planned results at the SO level in 2000 were largely met, as a new Criminal Procedures Code was approved by Ecuador's Congress. Key features of the new Code are the enhanced role of prosecutors in a new accusatory legal system and modern investigative procedures by the judicial police. However, due to several defects in the Code, and more importantly the failure of the Prosecutor General to enforce these procedures, USAID considers the target only partially met. This will require modification under the revised Democracy SO.

The target of training a new task force of investigators in a pilot financial crimes unit in the Prosecutor General's Office, while achieved, was a "hollow" victory. With the Prosecutor General failing to prosecute financial corruption cases, internal dissention in this unit made it non-functional. In addition, the supplementary legal reforms planned to accompany the new Code were not forthcoming. In contrast, targets were clearly met with respect to establishment of a fund to support justice sector civil society organization (CSO) activities. Five projects (three that promote gender considerations) were approved for funding. Similarly, the sustainability programs to assist the Center on Human Rights and Society (CIDES) and the Ecuadorian Center for Women's Promotion and Activities (CEPAM) with external fund-raising far-exceeded targets.

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* This interim "transition strategy" for the democracy efforts for FY 2001-2004 is still in the design and approval stage of program development.

Performance and Prospects: In addition to the results described above, a study on institutional alternatives for public defense, was initiated in May 2000 and completed the first quarter of FY 2001. The study presents alternatives for private sector provision of these services, incorporating a gender approach to analyze the services provided to women and also includes indicators to measure quality of services. Both of these are key aspects to improve the current system. However, an Implementation Law for the Criminal Procedures Code, planned as a preliminary step for the Introduction of an accusatory justice system, was not formulated. On the positive side, a major component of the Plan, the training of judges, judicial police and staff of the Prosecutor General's Office to perform effectively under the new system, was conducted in coordination with State's Narcotics Affairs Section through DOJ-organized seminars. Also, a grant to train judges nationwide on the application of the new Code was competitively contracted.

The Strategic Alliance Justice Fund continued to increase collaboration of CSOs among themselves and/or with the public sector. Five additional alliances were established, including one among two NGOs, to produce a study on compensation rights and formulate a draft law to enforce this constitutional right, particularly for women who have been most affected by arbitrary judicial processes. In addition, a training of trainers program for prosecutors on the implementation of the domestic violence law to improve protection of women victims was expanded in FY 2000 through another public-private alliance.

FY 2001 funding will consist of $3,500,000 of ESF (as well as $1,500,000 of ESF carry-over) and $600,000 of DA. OF this amount, $2,000,000 will be used for justice sector activities that will include support for the implementation of the new Criminal Procedures Code as well as the passage of secondary laws necessary for full implementation of the new accusatorial justice system. Also, these funds will finance access to formal and alternative processes for the resolution of conflicts for vulnerable groups such as indigenous, Afro-Ecuadorians, women, and rural and urban poor; and the creation of strategic alliances to support justice sector reforms. An additional $2,500,000 will be used to support local governments to more effectively respond to community needs. Targeted local governments will receive technical assistance to promote improved public accountability, transparency, and effectiveness in local decision-making and service delivery. Finally, $1,100,000 will be used to increase oversight capacity of CSOs to combat public corruption. Some of these CSOs will receive technical assistance and training to strengthen their institutional capacity, including funds raising, sustainability, and more efficient management. Also, with these funds, USAID will provide training to potential new leaders on strategic thinking, outreach, advocacy, conflict resolution, and negotiation.

FY 2002 funds of $10,000,000 in ESF will be used to continue the activities initiated in FY 2001. This will include $4,000,000 for justice sector activities, $4,000,000 for local governments, and $2,000,000 for CSOs.

Possible Adjustments to Plans: Despite the positive results achieved in certain areas of the program, these accomplishments are not sufficient to continue the democracy program as originally planned. In particular, the critical assumption of support from the Prosecutor General for fighting corruption did not hold up, resulting in the suspension of the major piece of our Criminal Justice Reform Strategy. Moreover, the current crisis situation with respect to Ecuador's democratic system calls for review of USAID's assistance. USAID is coordinating this strategy revision with the Ecuador Country Team, including the Narcotics Affairs Section. Strategy revision will include an analysis of past USAID successes, Ecuador's current development challenges and opportunities, and examine the need for flexibility to better respond to the changing environment. The new focus aims to promote transparency and accountability in government institutions, greater inclusiveness, and promote policy consensus

Other Donor Programs: Implementation of the World Bank's (WB) $10 million program to modernize the justice sector continued during FY 2000. Pilot court management activities in civil and criminal courts were completed and will be expanded to other cities in 2001. The civil society WB Fund was increased by $500,000 to continue operations. The Inter-American Bank (IDB) is providing a $2.5 million Administration of Justice grant with some support to the Prosecutor General's Office, development of secondary legislation including a proposal related to the National Public Defense System, and a fund for implementing civil society projects in the justice sector. USAID coordinates and communicates regularly with these donors and their local implementing organizations (ProJusticia and DPK). USAID also follows-up on World Bank and IDB activities, including infrastructure modifications to penal courts to facilitate oral procedures.

As it revises its democracy strategy, USAID will consult and coordinate closely with local government, civil society, and leadership development activities of other donors and cooperating agencies such as Germany and local organizations.

Principal Contractor, and Grantees or Agencies: Until the end of FY 2000, DOJ was the major implementing partner for assistance to the Prosecutor General's Office. FY 2000 activities for introducing a new accusatory criminal justice system and for strengthening public-private coalitions were subcontracted under the cooperative agreement with Fundacion Esquel through the "Strategic Alliances" Fund.

FY 2002 Performance Table

Ecuador: 518-012

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Fund established to support CSOs activities	NA	NA	Met	Met	Fund designed	Fund fully operative	Fund increased with other sources
Indicator 2: Increased number of corruption cases brought to trial	NA	NA	See comments	(a) Met (b)Unmet	See indicator description	20% increase in corruption cases brought to trial over baseline	150% increase over baseline
Indicator 3: Increased number of convictions in corruption cases	NA	NA	Met	Met	Passage of the Criminal Procedures Code	See indicator description	Initial increase of convictions (baseline) by 100%
Indicator 4: Sustainability programs implemented in 3 major justice sector NGOs.	NA	NA	Met	Met	First phase of program completed	Programs fully operative	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Planned actions completed	Fundacion Esquel	This is a process indicator which will be achieved by accomplishing the specific steps as outlined. (*) = A new title for this SO and an interim "transition strategy" for FY 2001-2004 was proposed and is still under revision. The proposed title for SO 12 is "Increased Support for the Democratic System."
Indicator 2:	IR	Planned actions completed/Number of cases in selected crime area(s) (CUMULATIVE)	Public Ministry	Specific steps need to be accomplished to enhance the capacity to bring cases to trial prior to counting the actual increase in number of cases. FY 2000 - (a) Members of task force trained in team techniques and (b) Supplementary law reform drafted. FY 2001 - (a) Anti-corruption task force members trained and prosecuting cases in Guayaquil and Quito and (b) creation of a new task force. FY 2002 - Creation of a third task force. (*) = A new title for this SO and an interim "transition strategy" for FY 2001-2004 was proposed and is still under revision. The proposed title for SO 12 is "Increased Support for the Democratic System."
Indicator 3:	SO	Planned actions completed/Number of convictions	Public Ministry and Court Records	Prior to reaching the stage of actually continuing the number of convictions specific steps must be accomplished. These are laid out for the first years of indicator progress. FY 1999 – Anticorruption task force established, and joint training of prosecutors, police and judges undertaken. FY 2000 - Passage of the Criminal Procedures Code. FY 2001 - Judges agree with prosecutors on accussatory interpretation of indictment procedures (Note: This distinguishes this SO indicator more sharply from the IR 1 indicator.) (*) = A new title for this SO and an interim "transition strategy" for FY 2001-2004 was proposed and is still under revision. The proposed title for SO 12 is "Increased Support for the Democratic System."
Indicator 4:	IR	Planned actions completed (CUMULATIVE)	Fundacion Esquel	The target will be achieved through accomplishment of the outlined steps. The program will be considered fully operative when the core program has completed a full cycle. (*) = A new title for this SO and an interim "transition strategy" for FY 2001-2004 was proposed and is still under revision. The proposed title for SO 12 is "Increased Support for the Democratic System."

	U.S. Financing (In thousands of dollars)		
Program: Ecuador			
Title and Number: More effective and fair criminal justice system, 518-012			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	1,008 DA	270 DA	738 DA
	0 CSD	0 CSD	0 CSD
	1,200 ESF	5 ESF	1,195 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	1,449 DA	702 DA	
	0 CSD	0 CSD	
	0 ESF	703 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	2,457 DA	972 DA	1,485 DA
	0 CSD	0 CSD	0 CSD
	1,200 ESF	708 ESF	492 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	1,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	600 DA		
	0 CSD		
	3,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	600 DA		
	0 CSD		
	5,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	3,057 DA
	0 CSD	0 CSD	0 CSD
	10,000 ESF	20,000 ESF	36,200 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

initial project designs, and established a fast-track start up plan to immediately begin construction of high profile water and road projects. Working closely with UDENOR to provide assistance to this newly created agency, IOM has procured the essential equipment for UDENOR staff. However, prospects for future success will depend on the security situation in the border provinces, and on the degree of GOE commitment and capability to reinforce its security presence there. Basic development activities are extremely difficult to carry out effectively in an environment of escalating narco-related violence, high-visibility kidnappings, and hundreds of local area residents fleeing their homes for fear of reprisals for collaboration with Ecuadorian security forces.

FY 2001 funds consist of $8,000,000 of INC. Of this amount, $3,000,000 will be used for community infrastructure (road repair, construction of bridges) for Carchi, Sucumbios, and Esmeraldas Provinces; $3,500,000 for the construction of social infrastructure including potable water systems; $600,000 for a land titling program in Sucumbios and to finance environmental assessments; and $900,000 for human rights and drug awareness activities. In the event large scale of migration occurs, assistance to displaced persons will be provided. These activities will mainly benefit indigenous and Afro-Ecuadorian groups.

FY 2002 funds, consisting of $20,000,000 of INC and $4,000,000 of ESF, will be used to finance alternative development activities.

Possible Adjustments to Plans: The current program focus reflects the level of funding received under the Plan Colombia Supplemental. However USAID recognizes that, given the increasing concern for Ecuador's vulnerability on its northern border and its own internal instability, USG support for this effort may increase in the near future. In this context, USAID is also examining a broader strategic approach to Ecuador's role within the Andean Regional Initiative (ARI). This will permit flexibility in the field given the rapidly changing security situation, and the potential for a large influx of refugees or displaced Ecuadorians. IOM and USAID are collaborating closely with UDENOR to incorporate fast-track income earning activities that were not originally envisioned. The extent of this component aimed at creating "economically productive barriers" to the spread of the coca economy will depend on the amount of additional funding that becomes available in FY 2001 and FY 2002 under the ARI. Productive economic activities would be targeted at poor fishermen in Esmeraldes Province; integrated farming systems will impact indigenous populations in Sucumbios Province; and an irrigation/potable water system program will be launched in Carchi Province.

Other Donor Programs: To date there has been only minimal involvement of other donors aimed at development or security issues on the northern border. The Inter-American Development Bank (IDB) has given a $150,000 grant to UDENOR primarily for the development of a Consultative Group meeting during the summer of 2001 in Paris, specifically to generate donor support for their $600 million, five-province, five year Northern Border Development Plan. In addition, the IDB has announced plans to commit immediately up to $500,000 in grant funding for development of project proposals related to environment and production activities in the northern Amazon border regions, with a possible $10 million loan for their execution. USAID coordinates closely with the IDB and other donors in order to maximize the efficiency of resources.

Principal Contractors, Grantees or Agencies: Within the context of the bilateral agreement signed with the GOE with $8 million in Plan Colombia Supplemental funds, IOM is the umbrella implementing entity. IOM maintains offices in Quito and the three northern border provinces. Actual implementation at the community level will be through a number of local NGOs and private contractors, working in close coordination with local and provincial authorities. Key civil society organizations already identified as partners include the Colegio de Ingenieros of Carchi Province; Fundacion Altropico based in Esmeraldas Province; and the FEPP (Fondo Ecuatoriano Populorum Progressio) in Sucumbios.

FY 2002 Performance Table

Ecuador: 518-013

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of beneficiaries receiving land titles	NA	NA	NA	NA	NA	150	450
Indicator 2: Number of miles of roads contructed-repaired	NA	NA	NA	NA	NA	21	54
Indicator 3: Number of village potable water systems constructed/repaired/expanded in target areas	NA	NA	NA	NA	NA	5	10
Indicator 4: Number of beneficiaries in the target region whose lives are improved by participation in access to social and infrastructure services	NA	NA	NA	NA	NA	73,471	163,268

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of beneficiaries (CUMULATIVE)	IOM's reports	NA
Indicator 2:	IR	Number of miles (CUMULATIVE)	IOM's reports	During FY 2001 the following actions will be taken prior to the construction/repair of roads: 1) Technical research on roads conditions; 2) Environmental assessment; 3) Issuance of technical studies, and request for proposals; 4) Construction of drainage systems; 5) Reach agreement with communities for their support; 6) Start up with the construction/repair of roads.
Indicator 3:	IR	Number of potable water systems (CUMULATIVE)	IOM's reports	NA
Indicator 4:	IR	Number of beneficiaries (CUMULATIVE)	IOM's reports	NA

	U.S. Financing (In thousands of dollars)		
Program: Ecuador			
Title and Number: Ecuador Northern Border Development, 518-013			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 INC	0 INC	0 INC
	0 INC (P.C.)	0 INC (P.C.)	0 INC (P.C.)
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 INC	0 INC	
	0 INC (P.C.)	0 INC (P.C.)	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 INC	0 INC	0 INC
	0 INC (P.C.)	0 INC (P.C.)	0 INC (P.C.)
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 INC		
	8,000 INC (P.C.)		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 INC		
	0 INC (P.C.)		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	0 CSD		
	0 ESF		
	0 INC		
	8,000 INC (P.C.)		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	4,000 ESF	5,000 ESF	9,000 ESF
	20,000 INC	0 INC	20,000 INC
	0 INC (P.C.)	0 INC (P.C.)	8,000 INC (P.C.)
	0 DFA	0 DFA	0 DFA

NOTE: P.C. = Plan Colombia Supplemental Appropriation

microfinance institutions; the establishment of at least two funding mechanisms; and a strong and diversified governance structure of selected microfinance institutions.

Performance and Prospects: Economic and financial sector stability are important to healthy microfinance sector development. Despite the difficult economic and financial situation in Ecuador, future prospects in these areas are encouraging. First, the recent financial crisis has resulted in efforts to stabilize the economy and there are signs that future financial policies will restore greater stability. The dollarization of the economy has eliminated the threat of devaluation and could bring down inflation to single figures by the end of 2001. Second, there are diverse institutional types, including NGOs, banks and credit unions, that plan to expand their microfinance services. Third, the potential market of microfinance clients is enormous.

FY 2001 funding is expected to consist of $1,700,000 of DA and $1,981,000 of ESF. Of these, $2,181,000 will be used to promote the efficient expansion of microfinance institution operations, including a facilitative policy and regulatory environment in combination with strengthened qualified microfinance service providers; and $1,500,000 will be used for a loan and guarantee program to provide guarantees for access by microfinance institutions to private sector funds.

FY 2002 funding is expected to consist of $1,380,00 of DA and $8,000,000 of ESF. FY 2002 funds will be used to continue the activities initiated in FY 2001, with $ 1,500,000 for institutional strengthening, and $1,500,000 for the guarantee and equity strengthening program. In addition, activities related to macroeconomic policy will be considered.

Possible Adjustments to Plans: As noted above, based on an analysis of opportunities, needs, and ESF availability, elements such as broader macroeconomic policy reform in addition to microfinance sector development would be integrated into the program.

Other Donor Programs: The World Council of Credit Unions (WOCCU) is indirectly serving the microfinance sector, providing technical assistance of $500,000 annually to 23 credit unions whose members include microentrepreneurs. Other institutions like the IDB, the World Bank, GTZ, and COSUDE are also potentially interested in implementing microenterprise programs. The GOE expects to initiate a pilot microenterprise loan program oriented to the country's poorest women, and USAID and other donors will need to stay engaged in this effort to achieve overall program coherency. USAID's efforts will be critical, as it will likely be the leading donor for both technical expertise and financial resources for microfinance development.

Principal Contractors, Grantees or Agencies: Implementation is expected to be through the mechanism of an Indefinite Quantity Contract (IQC), for example with USAID's Financial Services (FS) component of the Support for Economic Growth and Institutional Reform (SEGIR).

	U.S. Financing (In thousands of dollars)		
Program: Ecuador			
Title and Number: Increased Economic Opportunities for the Poor, 518-XXX			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,700 DA		
	0 CSD		
	1,981 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**1,700 DA**		
	0 CSD		
	1,981 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**1,380 DA**	4,200 DA	7,280 DA
	0 CSD	0 CSD	0 CSD
	8,000 ESF	24,000 ESF	33,981 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Ecuador
TITLE AND NUMBER: Increased Economic Opportunities for the Poor, 518-XXX*
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,700,000 (DA), $1,981,000 (ESF)
PROPOSED FY 2002 OBLIGATION: $1,380,000 (DA) and $8,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: Poverty is becoming an increasingly serious problem in Ecuador. While Ecuador's per capita income in 2000 was approximately the same as it was in 1991, the percentage of Ecuadorians living in poverty has more than doubled between 1995 and 2000. In the past, Ecuador's approach to combating poverty has been through paternalistic government programs that have not been effective. An economy in recession, poor investment environment, and unstable Government institutions do not bode well for general economic improvement in the near term. As a result of the reduction in formal sector employment, tens of thousands of poor Ecuadorians have started microenterprises to earn adequate income for their households. Ecuador's microfinance sector is affected by profound deficiencies in the service providers and poorly developed products and services, small loan portfolios and few clients served. In contrast to other countries in the region, Ecuador's microfinance institutions are far behind. They have not reached similar levels of innovation and creativity, nor have they been able to respond adequately to the significant credit needs of a growing informal microenterprise sector. An in-depth study in 2000 by the German firm IPC International Project Consult GmbH revealed that of an estimated 800,000 urban microenterprise firms in the country, only about 20% had access to formal credit at one time or another, including credit provided by state banks. Even assuming that the 20% still have access to adequate credit services, this leaves approximately 634,000 microenterprises without access to formal credit. Throughout the developing world, microfinance development has been one of USAID's most effective tools to address poverty. USAID's proposed strategic objective "Increased economic opportunities for the poor" will focus on providing microenterprises with market led, sustainable financial services designed to raise incomes and living standards. Customers will be microenterprise owners and operators, with the program having a strong focus on women clientele.

Key Results: It is expected that at the completion of USAID assistance, the number of microentrepreneurs with access to financial services, especially credit, will have increased by 300% and the number of microfinance service points will have increased by 100%. The program will have several sub-goals. The first is the creation of a facilitative financial policy and regulatory environment. Through policy reforms, the Government of Ecuador's (GOE) capability and commitment to develop and solidify a liberalized and more transparent financial policy framework will be strengthened. It is expected that a legal and regulatory framework will be developed for the microfinance sector, supervisory practices developed and implemented for microfinance service providers, and private credit reference systems will be developed. USAID envisions the possibility of a broader engagement in macroeconomic policy, subject to further analyses. This effort would be contingent on: 1) an assessment of the likelihood for effective policy reform; 2) an assessment of the extent to which these issues are not now being effectively addressed by other donors; and 3) ESF availability for supporting the program in FY 2002 and beyond. Given appropriate conditions, the program could play an important role in improving Ecuador's macroeconomic policy environment to better support a reduction in urban and rural poverty and enhance equity. Another sub-goal, the development of strong microfinance institutions, will serve to provide expanded quality services to a greater number of microenterprises. It is expected that these institutions will achieve 80% of financial sustainability, 110% of operational self-sufficiency, and a 30-day portfolio risk level below 5%. A third sub-goal is to expand the availability of debt and equity financing for microfinance institutions. Program assistance is expected to result in equity capital increases by at least 100% in at least three

* This activity is still in the design stage.

microfinance institutions; the establishment of at least two funding mechanisms; and a strong and diversified governance structure of selected microfinance institutions.

Performance and Prospects: Economic and financial sector stability are important to healthy microfinance sector development. Despite the difficult economic and financial situation in Ecuador, future prospects in these areas are encouraging. First, the recent financial crisis has resulted in efforts to stabilize the economy and there are signs that future financial policies will restore greater stability. The dollarization of the economy has eliminated the threat of devaluation and could bring down inflation to single figures by the end of 2001. Second, there are diverse institutional types, including NGOs, banks and credit unions, that plan to expand their microfinance services. Third, the potential market of microfinance clients is enormous.

FY 2001 funding is expected to consist of $1,700,000 of DA and $1,981,000 of ESF. Of these, $2,181,000 will be used to promote the efficient expansion of microfinance institution operations, including a facilitative policy and regulatory environment in combination with strengthened qualified microfinance service providers; and $1,500,000 will be used for a loan and guarantee program to provide guarantees for access by microfinance institutions to private sector funds.

FY 2002 funding is expected to consist of $1,380,00 of DA and $8,000,000 of ESF. FY 2002 funds will be used to continue the activities initiated in FY 2001, with $ 1,500,000 for institutional strengthening, and $1,500,000 for the guarantee and equity strengthening program. In addition, activities related to macroeconomic policy will be considered.

Possible Adjustments to Plans: As noted above, based on an analysis of opportunities, needs, and ESF availability, elements such as broader macroeconomic policy reform in addition to microfinance sector development would be integrated into the program.

Other Donor Programs: The World Council of Credit Unions (WOCCU) is indirectly serving the microfinance sector, providing technical assistance of $500,000 annually to 23 credit unions whose members include microentrepreneurs. Other institutions like the IDB, the World Bank, GTZ, and COSUDE are also potentially interested in implementing microenterprise programs. The GOE expects to initiate a pilot microenterprise loan program oriented to the country's poorest women, and USAID and other donors will need to stay engaged in this effort to achieve overall program coherency. USAID's efforts will be critical, as it will likely be the leading donor for both technical expertise and financial resources for microfinance development.

Principal Contractors, Grantees or Agencies: Implementation is expected to be through the mechanism of an Indefinite Quantity Contract (IQC), for example with USAID's Financial Services (FS) component of the Support for Economic Growth and Institutional Reform (SEGIR).

	U.S. Financing (In thousands of dollars)		
Program: Ecuador			
Title and Number: Increased Economic Opportunities for the Poor, 518-XXX			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,700 DA		
	0 CSD		
	1,981 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**1,700 DA**		
	0 CSD		
	1,981 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**1,380 DA**	4,200 DA	7,280 DA
	0 CSD	0 CSD	0 CSD
	8,000 ESF	24,000 ESF	33,981 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

EL SALVADOR

Program Summary (In Thousands of Dollars)				
Category	**FY 1999 Actual**	**FY 2000 Actual**	**FY 2001 Estimated**	**FY 2002 Request**
Development Assistance	20,050	19,508	24,370	19,403
Child Survival & Disease Fund	11,378	10,495	9,757	9,700
CACEDRF	24,800	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	2,000	1,500	4,982	21,000
P.L. 480 Title II	3,284	0	926	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**61,512**	**31,503**	**40,035**	**50,103**

Mission Director, Kenneth C. Ellis

EL SALVADOR

Introduction

El Salvador's small size (land area equivalent to Massachusetts) belies its political and economic importance to the United States. More than 1.5 million Salvadorans now reside in the United States, many of them illegally, and their remittances to family in El Salvador are an important source of assistance to many households. Better social and economic prospects at home would reduce dependence on this income and help stem the illegal immigration. More prosperous Salvadoran citizens would concurrently make the country a better market for U.S. goods and services, as well as a better site for U.S. investments. The United States already is El Salvador's most important trading partner, absorbing 60 percent of its exports and providing more than 50 percent of its imports. The recently approved Caribbean Basin Trade Partnership Act will bring further trade benefits to the Salvadoran populace. The country's proximity and the mobility of its population exacerbate cross-border issues such as HIV/AIDS, tuberculosis, and greenhouse gas emissions, requiring constant cooperation and consultation. After the civil war in El Salvador, the U.S. Government invested heavily in securing peace within the country. While the 1992 Peace Accords have been very successful overall, with the development of a democratic state and a market economy, these gains are still fragile. In addition, the United States has humanitarian interests within the country, given that, despite improvements, El Salvador still has significant poverty and suffers from frequent natural disasters. Finally, the country is a key regional partner in the fight against the international trafficking of drugs.

The Development Challenge

Still recovering from the effects of Hurricane Mitch that struck in October 1998, El Salvador was jolted by two major earthquakes in January and February 2001, making the development environment much more difficult. The earthquakes killed 1,159 and caused at least $2 billion in damage. This conservative estimate may eventually rise as the full impact of both earthquakes is assessed more completely. More than 1.5 million Salvadorans have been affected by the earthquakes or roughly one quarter of the country's population. Social infrastructure has been especially hard hit, with significant losses of homes, schools, health units, and municipal infrastructure. Almost 335,000 homes were damaged or destroyed. As one of the first organizations on the ground after the earthquake, USAID's Office of Foreign Disaster Assistance provided nearly $13.5 million of support in critical areas, such as temporary housing. The U.S. Government pledge of $110 million, which is requested in the current budget justification, was in response to the damage of the first earthquake. USAID will continue to seek additional funding for reconstruction needs resulting from the second earthquake and to help alleviate the anticipated gap of $600 million between donor pledged funds and reconstruction requirements.

Even before the earthquakes, El Salvador, despite wide-ranging progress across a number of economic and social realms, was not ready to graduate from development assistance. While the gross domestic per capita income of El Salvador has reached $2,000, income distribution is skewed. One-third of urban households is considered poor, and poverty is endemic in rural zones, with 55% of households poor and 28% extremely poor. Access to basic education, health, water, sanitation, and electricity services, especially in rural areas, poses a significant challenge to the nation's ability to improve opportunity for all. One in three heads of poorest households is illiterate. More than 40 percent of El Salvador's agricultural work force is still either landless or land-poor, the latter defined as holdings of less than 0.7 hectares. Most sewer systems discharge raw sewage into streams or valleys, so that 61% of rural families drink water contaminated with fecal coliforms. Ninety-eight percent of the country's original forests have been felled, resulting in depletion of ground

water supplies and serious erosion problems. National level health data are equally sobering for rural residents who are disproportionately affected. Over the past year, national disasters were declared for dengue fever and gastroenteritis epidemics that affected young children especially. Despite all these problems, a recent poll identified crime as the top concern within the country, where despite improvement, the murder rate remains among the highest in the world, and where kidnappings have increased significantly. The end result is a society with a pervasive violence that may be the principal contributing factor to the lackluster foreign investment and economic growth performance over the past several years, despite what economists consider to be a stellar economic policy environment.

The USAID response, working within the framework of the U.S. Embassy's Mission Performance Plan (MPP), is a multi-faceted program that contains components in economic growth, democracy and governance, child survival and reproductive health, potable water provision, and earthquake reconstruction. The principal thrust of the overall USAID program for El Salvador, embodied in the strategy covering the 1997-2002 period, is poverty reduction, and the primary customers are poor women, youth, and children residing in rural areas.

In part owing to this assistance program, El Salvador is making progress across a broad number of areas. USAID is proud of the progress that has been made in increasing access of the rural poor to necessary services. The program is achieving its primary focus: to reduce rural poverty. According to the national household survey, rural poverty has declined from 66 percent in 1992 to 55 percent today, a fall of 11 percentage points. USAID is also tackling the issue of violence under its rule of law program, working with the U.S. Department of Justice (DOJ) on a new community policing initiative which has reduced crime by 46% in target communities, with murders down by 57% and arrests up by 85%. In health, USAID helped stem the summer 2000 outbreak of dengue fever that caused more than 30 infant deaths. On the policy side, it played an important role in the preparation and presentation to President Flores of a health reform proposal submitted by the National Health Council. Due to USAID interventions, municipalities and citizens are playing an increasingly proactive role in assuring supplies of potable water. Ten municipalities have now been added to those that manage their own systems, and more than a hundred citizens' groups are active in water-related activities. The Hurricane Mitch reconstruction program, an outgrowth of extensive consultations with affected communities and their elected leaders and local organizations, is expected to be completed by the end of fiscal year 2001.

Reflecting prudent economic policies, El Salvador has a healthy foreign debt position. The country's total debt stock is a little over $3.6 billion. This amounts to 31% as a share of GNP, and debt service as a share of export earnings is 11%. Both shares are quite modest by developing country standards. Of the country's medium and long-term debt, almost 70 percent is with multilateral institutions, including the Central American Bank for Economic Integration (CABEI), the World Bank, and the Inter-American Development Bank (IDB).

Other Donors

The United States continues to be the largest bilateral donor in El Salvador, followed by Japan, Germany, and Spain. However, the lion's share of the economic development assistance comes from multilateral creditors, including the IDB, the World Bank, and CABEI. These institutions disbursed $255 million in 1998, the latest year for which data are available. Assistance from these banks in recent years had stalled owing to the failure of the Legislative Assembly to ratify programs, a problem that has eased somewhat in the wake of the earthquake disasters. Other multilateral donors consist of the United Nations Development Program (UNDP), the World Food Program (WFP), the Pan American Health Organization (PAHO), and the European Union (EU).

FY 2002 Program

The centerpiece for the FY 2002 program is the Earthquake Reconstruction intervention for which USAID intends to utilize $58 million from a combination of new funds, prior year funds, and funding from other sources yet to be identified. This amount, when combined with the $52 million from FY 2001, will fulfill the $110 million pledge for the first earthquake. As noted above, USAID will also continue to seek additional sources of funding for FYs 2002 and 2003 for additional reconstruction needs caused by the second earthquake. This program will restore community infrastructure for the rural poor, focusing on the repair and reconstruction of homes, schools, health facilities, and potable water systems. It will stimulate economic activity, working in tandem with micro and small entrepreneurs (MSE) and small farmers. It will also mitigate the adverse effects of future disasters, primarily through helping communities put in place land-use ordinances and disaster mitigation plans. Finally, it will help preserve USAID's successful investments in municipal development through assisting in the repair of rural judicial centers and municipal offices.

The ongoing development program with its focus on providing economic opportunities for the rural poor will significantly complement earthquake reconstruction efforts. USAID will work with 11 rural-based financial intermediaries to serve the needs of the earthquake-affected. It will pursue economic dialogue with the Government of El Salvador (GOES), helping it to develop a strategy and action plan for the re-activation of the productive sectors and to pull together its overall earthquake reconstruction program. USAID will participate actively in the reconstruction of rural schools and early childhood centers. Since research demonstrates that investments in early childhood education generate greater returns than any other investment in education, USAID will pursue implementation of its new early childhood education program -- the first of its kind in both El Salvador and the region. It will continue work with rural-based non-governmental organizations (NGOs) to provide environmentally sound agricultural technology. Finally, USAID will maintain its successful small productive infrastructure program providing for roads, bridges, and electrical transmission lines.

An important goal of the program is transformation and consolidation of El Salvador's nascent democracy. Through aggressive implementation of the new criminal and criminal procedures codes, USAID will continue to assist the shift of the country's judicial system to one that is oral and adversarial. Specific initiatives include assistance to the nation's law schools in changing their curricula to reflect the new codes, further development of legal centers in rural areas, and the establishment of a government-wide Office of Ethics, a key anti-corruption initiative. In local governance, USAID will assist the country's mayors' association - Corporation of Municipalities of El Salvador (COMURES) - to move forward a proposal for a new property tax that would be administered by municipalities. These local governments need access to additional resources if they are to meet the growing needs of their poor, rural constituents. USAID will continue work to modernize 28 target municipalities by helping them with their accounting systems, improving their administration, and assisting them to introduce new computer systems. And USAID will enhance citizen participation in government through participatory planning processes, open city council meetings, public budget meetings, and the preparation of financial accounts information.

In the area of health, USAID will continue to reduce child mortality through expanded coverage of primary health facilities, prevention and treatment of respiratory illnesses and diarrhea, improved nutrition, expanded use of integrated management of childhood illnesses (IMCI), and increased access to potable water and sanitation services. It will also strengthen and expand reproductive health and family planning information and services,

reduce reproductive health problems through improved safe motherhood and birth outcomes, and prevent sexually transmitted infections (STIs) and HIV/AIDS. In particular, USAID will enhance the sustainability of the Salvadoran Demographic Association, the most important non-governmental institution providing family planning services in country.

To provide for potable water supplies, USAID will restore micro-watersheds in 18 municipalities. It will assist with the repair of wells and water systems damaged by the earthquakes, as well as fund other small water projects and sewage treatment and solid waste facilities. USAID will work with farmers, especially those affected by the earthquakes, to help them diversify their production and shift from subsistence crops into high-value commodities that can be grown on fewer hectares. This shift would release land for increased tree crop production and reforestation in watersheds. The program will also engage the GOES via the "Red de Agua" (a network of NGOs interested in water issues) to revise the country's draft water law, define institutional responsibilities, and enhance the delivery of potable water supplies within the country.

EL SALVADOR
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
519-001 Expanded Access and Economic Opportunity for Rural Families in Poverty				
- DA	10,313	8,456	6,779	5,431
- DFA	0	0	0	0
- CSD	3,300	3,350	0	2,465
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
519-002 More Inclusive and Effective Democratic Processes				
- DA	4,215	3,773	4,400	4,000
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	1,500	1,482	1,500
- P.L. 480/II	0	0	0	0
519-003 Sustainable Improvements in the Health of Women and Children Achieved				
- DA	2,300	3,972	3,991	4,022
- DFA	0	0	0	0
- CSD	7,578	7,145	6,014	3,307
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
519-004 Increased Access by Rural Households to Clean Water				
- DA	3,222	3,307	3,050	3,100
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
519-007 Reduced Vulnerability of Rural Poor to Natural Disasters in Target Areas				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	500	0	0	0
- CACEDERF	24,800	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	3,284	0	0	0
519-008 The Lives of Targeted Earthquake Victims Improved				
- DA	0	0	6,150	2,850
- DFA	0	0	0	0
- CSD	0	0	3,743	3,928
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	3,500	19,500
- P.L. 480/II	0	0	0	0
Totals				
- DA	20,050	19,508	24,370	19,403
- DFA	0	0	0	0
- CSD	11,378	10,495	9,757	9,700
- CACEDERF	24,800	0	0	0
- SEED	0	0	0	0
- ESF	0	1,500	4,982	21,000
- P.L. 480/II	3,284	0	0	0

ACTIVITY DATA SHEET

PROGRAM: Nicaragua
TITLE AND NUMBER: More Political Participation, Transparency, and Compromise, 524-001
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,950,000 (DA), $2,412,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,500,000 (DA), $1,500,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Nicaragua made measured progress in the political area through the year 2000, most notably in the November 2000 municipal elections which capped its ten-year record of free elections. But a firmly rooted and vibrant democracy requires more than just technically free elections. An agreement made in January 2000 between the two dominant political parties resulted in constitutional reforms that substantially weakened independence of the Supreme Court, Comptroller, and the Election Commission by politicizing them even further. The new election law severely limits political party participation and alliance formation. The justice sector continues to be the weakest link in Nicaragua's democracy; municipal governments have not gained autonomy; and civil society is still struggling to define its role *vis a vis* the government and political parties.

USAID's elections support activity under the good governance component aims to increase transparency and citizen participation in presidential elections through domestic and international monitoring of the elections process, voter education and mobilization activities, and critical technical assistance to the elections administration. Support for national elections, originally not planned as a major activity, has taken on such importance that USAID cut back all other democracy activities to free resources to meet this Mission Performance Plan priority. Other activities under the good governance component also support government efforts to promote accountability and ethics in the management of public finances through establishment of a modern governmental financial management system. The program helps to empower civil society organizations, increase autonomy for local governments, and protect human rights.

USAID's rule of law component continues to strengthen democracy by helping the government to modernize the administration of justice by supporting key reforms to ensure rule of law and due process and by strengthening judicial sector institutions.

Key Results: USAID expects to achieve key results in the democracy area by 2003: 1) increased public support for the political system; 2) passage of new codes essential to reform the judicial system; 3) 75% of households in USAID-assisted municipalities have access to basic services such as garbage collection, sewer and water by the year 2001 compared to 52% in 1996; 4) human rights violations by the State are reduced; and 5) citizen participation in local government decision-making; and 6) increased citizen participation in local government decision-making.

Performance and Prospects: Data to measure public support for the political system is only collected every two years and will be collected in 2001. The level of participation and openness in the national elections scheduled for November 2001 will also serve as an indicator of system support. Advances have been notable in legal reforms assisted by our program as evidenced by the number of new codes approved. The widespread infrastructure damage caused by Hurricane Mitch in late 1998 sharply decreased the number of households with access to basic services, setting back progress in this area. Active participation of citizens in a larger-than-expected number of public meetings at the municipal level indicates increased avenues for citizens to voice their concerns. A decrease in the number and severity of reported human rights violations from 550 in FY 1999 to 452 in

FY 2000 is an encouraging trend. Nevertheless, the lack of political will and transparency in government institutions has hampered progress in other areas.

Election commission decisions have been based on political considerations that favor the two major parties and limit participation by smaller parties. Although observers agreed that the November 2000 municipal elections were generally free and fair from a technical perspective, changes in the electoral law, and the way the law has been interpreted, effectively limited participation of parties and specific candidates.

To encourage more honest and participatory national elections in November 2001, USAID will support international observers which may include the Organization of American States (OAS), the Carter Center, the International Republican Institute (IRI), and the National Democratic Institute (NDI). USAID will support an extensive observation effort by local NGOs, working with experienced organizations, to assure full geographic coverage. USAID plans to fund Nicaraguan NGOs in areas such as voter education and mobilization, public debates and forums on the major issues, civic education, and advocacy with political parties to include key issues in their party platforms. USAID will provide targeted assistance to the Supreme Elections Council (CSE) to address the principal technical difficulties that could threaten the legitimacy of the November national elections.

Progress in judicial reform has continued steadily. A new Organic Law for the Public Ministry was approved in October. This law creates an independent Prosecutor's Office and allows for criminal procedural reform. The National Assembly approved a new Criminal Code in an initial hearing, clearing the way for full review. Both the Sandinistas and Liberals have expressed support for passage of the two codes, and the codes may be passed this year. Thus USAID's target for passage of the code in 2000 was partially achieved.

The Administrative Litigation Code was passed in May 2000 and takes effect in May 2001. Although the target date for passage was 1999, its enactment remains significant as it removes the Executive Branch's *de facto* immunity from civil prosecution. The Public Defender's Office, established last year with technical assistance from USAID, began functioning satisfactorily long before the target date of 2001. Benefiting from lessons learned from reform efforts elsewhere, development and passage of these reformed codes has occurred more rapidly than in other Central American countries.

Another positive result for the democracy program this year was a reduction in the number of human rights violations committed by the government, from 550 in 1999 to 452 in 2000, as reported by the Nicaraguan Association for Human Rights (ANPDH). The number of serious violations reported has also decreased markedly. Nevertheless, strong annual fluctuations in data for this indicator suggest a need to consider replacing this indicator with one more closely linked to USAID-supported activities. Performance of the Office of the Human Rights Ombudsman, established in 1999 with GON and other donor funding, has been notable in reinforcing the rule of law.

The impact of Hurricane Mitch continues to be felt in municipalities' ability to provide basic services. Sixty-two percent of citizens in USAID-assisted municipalities now have access to basic services, below the target of 75% and below the 1998 level of 65%. USAID's municipal project budget system, already in use in its target communities, has been adopted by other donors and by the Nicaraguan Municipal Development Institute (INIFOM) for implementation nationwide, giving municipalities a modern way of managing fiscal resources, and a way of collecting comparable data throughout the country. However, essential legislation on decentralization has not been enacted. Two important laws that would increase municipal autonomy, the Law of Municipal Transfers and a Municipal Tax Code, have been blocked in the Assembly since 1997. Another important law -- the

Municipal Civil Service Law, designed to raise the level of professionalism, sustainability and efficiency within the municipalities -- has not been passed. Without such a law, each election is apt to lead to the loss of experienced professional staff at all levels of government.

USAID, through its grant to the Nicaraguan Development Center (NDC), supported the creation of the Civil Consortium for Electoral Education, Analysis, and Observation, an alliance of civil society organizations, which organized nearly 4,800 observers during the November 2000 municipal elections, providing coverage to 56% of the nation's polling centers. The program has also established a competitive system for awarding subgrants to Nicaraguan NGOs. The program has shown NGOs the need for more professional management, and has motivated them to improve their capabilities and focus. Subgrants in civil society and human rights have strengthened NGOs that serve marginalized groups, including women, children, and the disabled.

Although performance of the SO has been strong in some areas, others had less success. Lack of political commitment led to substantial delays in program areas such as implementation of the integrated financial management system (SIGFA), decentralization, and resolution of property cases. Funding cuts have also affected this objective significantly, contributing to decisions to end USAID activities supporting the National Assembly and the Controller General's Office, and to scale back on rule of law activities.

Prospects for progress in the upcoming year are uncertain. The exclusionary effects of the January 2000 election law reforms, the principal political parties' internal processes for candidate selection, and the difficulty of smaller political parties forming effective alliances have prompted many Nicaraguans to complain about a lack of choices in the upcoming national elections. The outcome of the national elections, still highly uncertain, will affect the prospects for achievement of all USAID objectives.

In FY 2001,ESF including carryover funds will be used to increase transparency and participation in the presidential elections ($1,800,000) and to support legal code reform and strengthen the justice system ($995,000). DA ($1,950,000) will be used to promote good governance through increased accountability of public finance, and to empower civil society organizations, strengthen local governments, and protect human rights.

In FY 2002, USAID will use $1,500,000 ESF and $500,000 DA funds to support adoption of code reforms and strengthening the judicial system. $3,000,000 DA will be used to promote decentralization legislation, increase the autonomy of municipal governments, strengthen civil society NGOs, and protect human rights.

Possible Adjustments to Plans: USAID had to cut back its regular democracy program to support the process leading up to national elections in November, 2001. Specifically, support for modernization of the National Assembly ended in March 2001; support to the Controller General's Office and public awareness surveys has been cut; support to strengthening municipal decentralization was curtailed; and a contract to support code reform will end in January 2002 -- one year earlier than planned. Because of these cuts, USAID may not achieve the expected results associated with those areas.

Other Donor Programs: Spain, Sweden, and the United Nations are supporting improved court administration, training the national police, and strengthening the penal system. The Inter-American Development Bank (IDB) has approved a loan for a significant program in court administration, and the European Union (EU) and IDB continue to support courthouse construction. The World Bank and EU have funded complementary activities in the Public Registry of property. The Danes and Swedes have helped improve municipal administration

in towns not covered by the USAID program, while the World Bank, IDB, and EU have financed construction and rehabilitation projects. The IDB and Taiwan have assisted the National Assembly. The World Bank, IDB, and USAID have been implementing a multi-donor effort to carry out financial management reform. USAID contributes to an IDB initiative aimed at government procurement reform. The Spanish and Japanese are expected to support national elections through material assistance to the Supreme Elections Council. Other bilateral donors have indicated they will support local observers.

Principal Contractors, Grantees, or Agencies: U.S. organizations include: Cassals and Associates, the Planning Associates Development Collaborative (PADCO), Checchi & Company Consulting, Inc., Florida International University, Catholic Relief Service. Nicaraguan organizations include: Supreme Elections Council (CSE), Association of Nicaraguan Municipalities (AMUNIC), Courts, Public Defenders, Attorney General, Ministry of Finance (including the Office of Quantification of Claims and the Property Registry), the Nicaraguan Development Center, the Nicaraguan Association for Human Rights (ANPDH), the Permanent Commission on Human Rights (CPDH) and local NGOs.

FY 2002 Performance Table

El Salvador: 519-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of direct beneficiaries receiving agricultural technical services from secondary-level organization	46,712	50,631	54,336	62,840	56,500	61,500	65,000
Indicator 2: Rural households with electricity	55.7	58.4	61	64	65.0	69.0	73.0
Indicator 3: Rural children aged 7-10 attending school: Total male and female	81.5	80.7	82.4	84	84.7	86.0	87.3
Indicator 4: Rural active borrowers*	32,662	23,600	31,532	39,514	40,075	50,075*	64,576*

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of people, cumulative, at end of fiscal year	Quarterly reports from the Cooperative League of the USA, Technoserve, Chemonics International, and the Fundacion Salvadorena para las Investigaciones del Café	This indicator measures increased access to services by rural inhabitants
Indicator 2:	S	Percent of households	Multipurpose household survey	This indicator has been added due to USAID's role in assisting the Government of El Salvador to promote rural electrification within the newly privatized power market.
Indicator 3:	IR	Percent of rural children: Total male and female	Multipurpose household surveys	Ratio of rural children 7-10 attending school to the total number of rural children aged 7-10 years of age, by gender
Indicator 4:	IR	Number of people	Quarterly reports from Chemonics International, Finca International, Catholic Relief Services, and Development Alternatives Inc.	This indicator measures access to financial services by tallying the number of individuals living in rural areas with outstanding loans from financial institutions supported by USAID. * Planned targets for years 2001 and 2002 include active borrowers of CRECER and Micro 2000 activities, which ended in September and December 2000, respectively.

U.S. Financing (In thousands of dollars)			
Program: El Salvador			
Title and Number: Expanded access and economic opportunities for rural families in poverty 519-001			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	33,040 DA	15,148 DA	17,892 DA
	6,652 CSD	1,834 CSD	4,818 CSD
	39,162 ESF	38,059 ESF	1,103 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	7,361 DA	11,518 DA	
	3,350 CSD	2,222 CSD	
	0 ESF	1,006 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	40,401 DA	26,666 DA	13,735 DA
	10,002 CSD	4,056 CSD	5,946 CSD
	39,162 ESF	39,065 ESF	97 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	6,779 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	6,779 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	5,431 DA	2,370 DA	54,981 DA
	2,465 CSD	3,971 CSD	16,438 CSD
	0 ESF	0 ESF	39,162 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: El Salvador
TITLE AND NUMBER: More Inclusive and Effective Democratic Processes, 519-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $4,400,000 DA and $1,482,000 ESF
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $4,000,000 DA and $1,500,000 ESF
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID/El Salvador's democracy objective directly supports the Mission Program Plan goal of consolidating El Salvador's democratic institutions and practices and institutionalizing respect for human rights. Trustworthy public institutions will greatly assist in attaining support for democratic systems. A stronger, more responsive democracy in turn will encourage Salvadorans not to emigrate to the U.S. in search of better prospects. Additionally, increased respect and rule of law will attract and retain greater levels of national and international investment and thus contribute to regional stability.

USAID has identified five key intermediate results which are essential to fostering more inclusive and effective democratic processes: 1) more politically active advocacy organizations; 2) more effective electoral administration; 3) strengthened local government; 4) increased use of the justice system; and 5) improved court case preparation and management. The fundamental challenge remains to ensure that customers are served equitably by a fair and just legal system, by open and transparent public institutions, and by enhanced opportunities for inclusion in national and local-level decision-making processes. USAID/El Salvador is promoting greater opportunities to access legal services in rural and semi-rural areas. Civil society organizations (CSOs) are learning how to advocate for change and democratic local governments are becoming more responsive to citizen demands. Free and fair elections have now become the standard in El Salvador. Strengthening the effectiveness of key democratic institutions continues to be central to achieving the Mission's democracy objective.

Key Results: The democracy strategy is on-track. Access to justice and confidence in the justice system continues to grow facing the criminality challenge, there has been a substantial increase of cases being filed in target areas. In 2000, about 22% more cases were filed in target areas than in 1999, indicating a greater belief that the judicial system can provide fair trials. As implementation of the criminal code reforms passed in 1998 continues, there has been a substantial increase in the overall number of wrongful detention cases resolved by the court system, a fundamental mechanism in protecting citizen rights. For example, the Supreme Court adjudicated a total number of 586 *habeas corpus* cases in 2000, a 26% increase over last year.

Over the past year, free and fair elections were held for local government authorities and national legislators, with all parties respecting the results. This was the fourth popular election since the 1992 Peace Accords which included the active involvement of the former guerilla group as an official political party, Faramundo Marti National Liberation Front (FMLN). Target municipal governments improved their local revenue generation by eleven percent and increased coverage of basic public services such as water and sanitation and solid waste collection and disposal. Citizen participation in local decision-making processes has continued to deepen in the Mission's 28 target municipalities as well as nationwide, resulting in greater transparency in the management of public funds. Several CSOs initiated advocacy activities for significant policy changes such as an improved water law, the decentralization of water services and domestic violence prevention. At the national level, the Assembly expanded its citizen outreach activities by opening a third constituent outreach office and augmenting the number and breadth of their public hearings.

Performance and Prospects: The 2000 elections for local and legislative representatives were deemed free and fair by both national and international observers. All political participants in this election accepted the results as the will of the people. Significantly, no party achieved a majority in the legislature and the former guerilla force, the FMLN, won the largest congressional representation. One of the basic tenets of any democracy is transparent and fair election processes. El Salvador has proven that their electoral system can now pass that test.

Support for the democratic system in El Salvador is rising. In the latest national democratic values survey (Seligson, et.al., 1999), 57% of those surveyed supported the current democratic system as measured by a set of core support values. By contrast in 1991 only 49% showed such support and 53% in 1995. This is a vital measure of political culture and is directly linked to political stability. This continued upward trend is an indication that democratic institutions are being more responsive to citizens' demands and receiving larger popular support.

Administration of Justice. Over the past year judicial operators have become more versant in the new criminal system. Inter-institutional coordination and the definition of roles and responsibilities have continued to improve. The Assembly passed key amendments to the criminal code and criminal procedure code, further clarifying roles and responsibilities. Fundamental weapons in dealing with organized crime and public security were included in the codes such as the inclusion of conspiracy to commit murder or kidnapping as crimes, authorization to use wire-tapping, amplified and simpler use of warrants by police, and special protection provisions for victims and witnesses. Justice sector operators are now working more closely in task forces, especially to deal with organized crime. As part of the Peace Accord's mandate to develop a new civilian police force, USAID has also supported the DOJ efforts to introduce community policing practices to lower crime rates and to assure more effective coordination between police and prosecutors in bringing cases to conclusion.

The Attorney General's Office and the Public Defenders Office have made substantial investments in their regional offices (14 and 18 respectively) to increase their capacity to provide services in the interior of the country. This has resulted in the Public Defenders Office handling over 36,000 cases during the last year compared to 14,000 during the previous period. The Attorney General's Office has been able to increase its caseload by 300%.

Local Government. The Mission supported several citizen participation activities in its 28 target municipalities. Town planning meetings and public budget hearings were held in all of these municipalities and 14 of them opened up their city council meetings to public scrutiny. These initiatives have served as positive examples for the rest of the country's municipalities, with an estimated 160 of the 262 total municipalities carrying out at least one form of citizen participation. These actions are crucial to improving transparent and efficient public management of resources at the local level.

Service delivery has improved with the opening of a new sanitary landfill and increased solid waste collection plans for several municipalities in the western interior part of the country. Plans are also underway for similar activities for groups of municipalities both in the eastern and northern interior provinces. Important steps towards decentralizing of water and sanitation services to local governments have been taken. Several systems have already been decentralized on a temporary basis and draft legislation to further decentralize these services is under discussion with the government.

Civil Society: A new grants program was begun in 2000 to strengthen the capacity, skills and human resources of civil society organizations for advocacy on public policy issues. Initial activities were carried out for CSO advocacy in the areas of water service decentralization, a new national water management and protection law, violence prevention, and transparency. A virtual journal, "Probidad", was established by a local CSO to use the Internet to combat corruption. Weekly e-

mailings of anti-corruption news and issues in El Salvador are sent out to key government officials, donors and other interested CSOs.

With USAID assistance, the Assembly opened its third constituent outreach office in San Salvador. The offices received 886 visits by the public during the year and are channeling citizens concerns and proposals to their elected representatives. The congressional committees on Budget and Finance, the Environment, and Public Health held public hearings on several different themes.

Election Administration. As mentioned above, successful municipal and legislative elections were held in 2000. This was possible, in part, to USAID's past assistance on electoral management and the Mission's support to the Supreme Electoral Tribunal in becoming Y2K compliant. A new, more accurate electoral registry should be completed by June 2001. The production of the single identity card will begin at that point and continue until all eligible voters have one, estimated at just over three million individuals. The government plans to use the new electoral registry and identity cards in the 2003 municipal and legislative elections as a guarantee of even greater electoral transparency and accuracy.

In FY 2001, $1,482,000 of ESF funds and $4,400,000 in DA is requested, and, for FY 2002, $1,500,000 in ESF and $4,000,000 in DA are sought. The ESF monies in both fiscal years will be used to continue efforts to modernize the Salvadoran Justice System, to deepen GOES efforts in the rule of law, and to provide for equality in citizen access to justice, with the aim of achievement of a more effective, impartial and timely administration of justice system. USAID will continue to assist ICITAP with its successful community policing initiative. As for the DA funds, they will be utilized to (a) provide training to all judicial sector players, (b) enhance local government capacity via improved municipal administration, and (c) increase citizen participation and transparency in government.

Possible Adjustment to Plans: No significant adjustments to the current strategy are planned. However, some resources will be reallocated to assist, within current program mandates, those areas most effected by the country's recent series of devastating earthquakes. This includes providing additional technical assistance, equipment and support to the Mission's target municipalities most damaged by these tragedies as well as similar assistance to judicial sector partners, especially the Attorney General's Office.

Other Donor Programs: Other donors working in the field of judicial reform include the Inter-American Development Bank (IDB), the United Nations Development Program (UNDP) and the Spanish government. The World Bank is evaluating a possible infrastructure loan for the Supreme Court. The IDB, the UNDP and the German Assistance Agency (GTZ) are all engaged in local government strengthening. The IDB has also made a small loan to the Assembly for legislative strengthening.

Principal Contractors, Grantees, or Agencies: The main judicial sector contractor is DPK Consulting. Research Triangle Institute is working in the area of local government strengthening along with DevTech Systems Inc. Creative Associates Inc. (CREA) is strengthening several local CSOs and is managing a grants program. CREA has sub-contracted the University of Texas to take the lead in USAID's legislative strengthening efforts.

FY 2002 Performance Table

El Salvador: 519-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of Assembly-sponsored constituent service offices established by department	NA	NA	2	3	3	4	5
Indicator 2: Municipal funds allocated for investment in services and infrastructure in target municipalities	1,587,892	7,390,044	7,682,483	8,644,291	10,407,000	11,660,000	12,425,000
Indicator 3: Habeas corpus cases adjudicated by Supreme Court	537	468	464	324*	441	419	398
Indicator 4: Criminal court cases filed in family, juvenile and criminal courts in targeted geographic areas	12,781	15,495	13,685	16,667	14,232	14,801	15,393

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Number of offices	Legislative Assembly	A Departmental Constituents Service Office is a new outreach mechanism for Legislative Assembly deputies to have more direct contact with their constituents. A service office is staffed and paid for by the Legislative Assembly and must have at least one scheduled visit per month by deputies. There are a total of 14 departments in El Salvador.
Indicator 2:	IR	Amount, in dollars	Municipal budgets	This indicator monitors total funds derived from two sources, government of El Salvador funds transferred to municipalities and resources generated locally by the target municipalities for these purposes.
Indicator 3:	S	Number of cases	Annual report of the Constitutional Chamber of the Supreme Court	Number of wrongful imprisonment cases heard and settled by the Supreme Court. *The justice system has been implementing the criminal code reforms faster than planned, resulting in a larger than expected number of habeas corpus cases being resolved by lower courts (262 during 2000). Therefore the overall number of habeas corpus settled by the court system was 586.
Indicator 4:	IR	Number	Supreme Court, Administrative Systems Unit yearly report, "Informe Anual de Causas Ingresadas"	The geographic areas targeted for USAID assistance are the departments of Cuscatlan, Sonsonate and Usulutan, and the populous San Salvador suburb of Soyapango. The reported number includes court cases filed in family, juvenile and criminal courts.

U.S. Financing (In thousands of dollars)			
Program: El Salvador			
Title and Number: More inclusive and effective democratic processes 519-002			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	16,776 DA	8,692 DA	8,084 DA
	0 CSD	0 CSD	0 CSD
	13,300 ESF	11,112 ESF	2,188 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,773 DA	3,977 DA	
	0 CSD	0 CSD	
	1,500 ESF	465 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	20,549 DA	12,669 DA	7,880 DA
	0 CSD	0 CSD	0 CSD
	14,800 ESF	11,577 ESF	3,223 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	4,400 DA		
	0 CSD		
	1,482 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	4,400 DA		
	0 CSD		
	1,482 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	4,000 DA	673 DA	29,622 DA
	0 CSD	0 CSD	0 CSD
	1,500 ESF	218 ESF	18,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: El Salvador
TITLE AND NUMBER: Sustainable Improvements in the Health of Women and Children Achieved, 519-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,991,000 DA and $6,014,000 CSD
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $4,022,000 DA and $3,307,000 CSD
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID/El Salvador's health strategic objective is linked to the Agency objective of stabilizing world population and protecting human health. USAID supports the Ministry of Health (MOH) and NGOs to achieve this objective through three key intermediate results: 1) increased use of appropriate child survival practices and services, 2) increased use of appropriate reproductive health practices and services, and 3) enhanced policy environment to support sustainability of child survival and reproductive health programs. Through this strategic objective USAID will improve the health status of the Salvadoran population, especially poor women and children living in rural areas. This assistance should also result in major reforms in the organization, financing and delivery of health services, leading to expanded coverage for the most vulnerable groups, overall improvements in efficiency and quality of care, and sustainability of the health care delivery system.

USAID is reducing child mortality and morbidity through support for expanded coverage of primary health care services, prevention and treatment of respiratory illnesses and diarrhea, improved nutrition, use of the Integrated Management of Childhood Illnesses (IMCI) programs, and increased access to potable water and sanitation services. USAID's activities are also strengthening and expanding reproductive health and family planning information and services, reducing reproductive health problems through improved safe motherhood and birthing practices, and preventing sexually transmitted infections (STIs) and HIV/AIDS. USAID is supporting policy efforts by the Ministry of Health (MOH) and the Social Security Institute (ISSS) to reform the health sector.

Intermediate results indicate positive trends such as increased access to potable water, increased services by rural health promoters, increased family planning, pre-natal and post-partum care, and progress toward health sector modernization. All major activities are being executed as planned without major obstacles or delays, except for the community-based IMCI initiative. The IMCI interagency committee decided that the IMCI clinical training should be condensed from 15 to 6 days so that training of all necessary personnel could be completed in a shorter timeframe. After the committee revised the clinical course, USAID financed the revision of the community-level course materials. These revisions caused a one-year delay in implementation of the initiative.

Key Results: In the area of child survival, five USAID activity sites have achieved at least a 26% reduction in cases of diarrhea among children under five years old. Also, diphtheria, pertussis, and tetanus (DPT3) vaccination coverage increased to 98%, surpassing all targets set through the end of the activity period. The results-level indicator for reproductive health, percent of pregnant women receiving prenatal services, which reported a decrease last year (from 60% in 1998 to 56% in 1999), showed a slight improvement in 2000 with an increase of three percentage points to 59%. There was also a 10% increase in couple-years protection (CYP) and a 7.7% increase in the number of new family planning users. The Salvadoran Demographic Association (SDA) increased the effectiveness of its USAID-supported rural program as demonstrated by a 14% increase in CYPs per promoter.

Policy and reform indicators show a slight increase in the percent of MOH expenditures allocated to primary care and a leveling off in the number of municipalities served by MOH rural health promoters (at 83% for the past two years).

Performance and Prospects: Child Survival (CSD funds): Results achieved in 2000 by the Water Supply, Sanitation, and Health Program (PROSAGUAS) water and sanitation activity exceeded the original life of activity targets in terms of the number of beneficiaries receiving latrines and health education. An external mid-term evaluation of PROSAGUAS concluded that the activity is successfully achieving its expected results. In the area of maternal and child nutrition, USAID supported the training of 90 nutrition counselors in improved management of nutrition deficiencies, and breastfeeding support was supported through the start up of a breastfeeding monitoring system in five departmental level hospitals. In the area of infant health, 200 medical personnel were trained in neonatal resuscitation from 14 different hospitals. Also, the safe motherhood initiative was introduced in 21 rural hospitals and maternity centers. USAID assisted the MOH to implement a revised national strategy for IMCI coverage, and USAID will finance IMCI training for community-level providers early in 2001.

To support MOH efforts to expand rural health services, USAID financed in 1999 the training and deployment of 240 MOH health promoters and the contracting of five NGOs to provide health services to priority areas of the country that have limited access to healthcare. The MOH has now picked up the financing of 160 of these promoters, with plans to cover the financing of all the promoters by the beginning of 2002. In 2000 the MOH experienced a setback in terms of not securing a line item in their budget to finance the five NGOs as planned. However, the World Bank is considering a loan to El Salvador to build upon and expand this model. USAID financing of the five NGOs will end in December 2001.

USAID's tuberculosis control activity with Pan American Health Organization (PAHO) and the MOH continued on track in 2000. USAID supported the Centers for Disease Control and Prevention (CDC) which began work on Post-Hurricane Mitch activities, with a focus on the training of field epidemiologists and support for the MOH's epidemiology division and central laboratory. USAID also assisted the CDC and the MOH during the dengue epidemic by financing the purchase of medical and vector control equipment and an information campaign to help control the epidemic. Beyond these collaborative efforts, USAID also worked with the U.S. Military Group and the U.S. Private Voluntary Organization Food for the Poor through the Excess Property Program to deliver much-needed medical supplies and equipment worth millions of dollars to upgrade health services in rural MOH hospitals and health centers.

USAID financed the MOH's development of guidelines for counseling HIV/AIDS patients and the subsequent training of health professionals using these guidelines. Treatment guidelines for HIV-infected individuals care were also formulated in a combined effort by MOH, the ISSS, and a Salvadoran non government organization working on HIV/AIDS (FUNDASIDA) with technical assistance from the regional USAID AIDS project and the United Nations Organization against AIDS. These guidelines were published in early November. Guidelines for the management of STIs were also developed and published.

Reproductive Health (DA funds). Performance showed great progress, particularly under the SDA agreement. SDA, which serves nearly 20% of all contraceptive users in El Salvador, opened three pharmacies and began to offer a wider range of services in its efforts to generate revenues to subsidize its rural family planning services and adolescent health programs. SDA also provided counseling to 10,000 adolescents and trained 211 new counselors and peer educators. Through USAID support to the MOH, 495 midwives, 200 doctors, and 156 health promoters were trained in reproductive health, family planning, and adolescent-friendly services. The 200 physicians were also trained in the application of the Client Oriented-Efficient Provider (COPE) tool. Three hundred and twenty-five hospital personnel were trained in postpartum care using a training of trainers cascade approach. Also at the MOH, USAID financed the design, installation; training and monitoring associated with implementing a new contraceptive logistics management system.

Policy and Reform (CSD funds). The most significant result in the area of policy and reform is the preparation and presentation to the President of a health reform proposal by the National Health Council, an effort supported by USAID technical assistance. The ISSS received support in the area of developing a new hospital management model for implementation in two new hospitals. The opening of these hospitals under this management model is expected to increase the efficiency and quality of care provided by the ISSS, thus alleviating pressure on the MOH to provide services to people insured under the ISSS.

In FY 2001, $3,991,000 of DA funds will support SDA's and the Ministry of Health's reproductive health/family planning services programs. $6,014,000 in CSD monies also are requested. $5,114,000 will support the Ministry of Health's child health programs, NGO maternal and child health interventions, construction of water and sanitation systems, and the training of health workers in areas of child health, nutrition, and prenatal care; $900,000 will support health policy and reform.

In FY 2002, USAID will allocate a total of $3,307,000 in CSD funds. $2,807,000 in CSD monies will support the MOH's programs to reduce diarrheal and respiratory diseases, improve the nutritional status of children, train rural promoters on IMCI and breastfeeding promotion, train midwives and rural hospital workers on prenatal interventions and support policy and reform activities, as well as CARE's water and sanitation activities. Another $500,000 in CSD funds will be delivered to address HIV/AIDS issues. Also, $4,022,000 in DA funds will be allocated (a) to support the SDA and MOH's reproductive health/family planning services, adolescents reproductive health and clinical services programs, (b) to provide for the training of health personnel in family planning counseling, and (c) to improve the MOH's contraceptives logistic management system.

Possible Adjustment to Plans: MOH implementation problems resulting from multiple epidemics, audit findings, and an imminent reorganization in the year 2000 --all intensified by the recent earthquakes in early 2001--have caused USAID serious concern regarding the MOH's ability to implement planned activities for 2001. USAID will seek measures to shift some of the implementation role to other entities. In addition, one million dollars in FY 2001 funds originally slated for the MOH will be reprogrammed to the Water Supply, Sanitation and Health Activity to expand its scope of work to repair and rehabilitate latrines, wells, and water systems in earthquake-affected areas of the country.

Other Donor Programs: Three other major donors work in the health policy and reform area: Pan Anerican Health Organization (PAHO), the Inter American Development Bank (IDB) and the German Development Agency (GTZ). PAHO and GTZ focus on supporting the MOH's decentralization process in limited geographic regions. PAHO also supports the MOH's implementation of IMCI and other aspects of child health and emerging diseases. After the recent earthquakes, the Legislative Assembly ratified a $21 million, 25-year IDB loan that had been pending since 1998. It was approved with up to seven million dollars refocused to rebuild health units damaged by the quakes. In November, the European Union (EU) completed a $12 million water and sanitation program in the western region of the country; Sweden, Luxembourg and the Japanese International Cooperation Agency(JICA) are also financing improvements in rural water and sanitation services. The United Nations Childrens Fund (UNICEF) supplies essential medicines and is the lead donor on food fortification and micronutrient issues. It also provides adolescents with information on HIV prevention and, with PAHO, educates Salvadorans on domestic violence and women's role in society. The United Nations Fund for Population Activities supported the development and adoption of the National Reproductive Health Plan. JICA, PAHO and the GTZ also support reproductive health programs in El Salvador.

Principal Contractors, Grantees, or Agencies: The two major grantees are CARE International with the Water Supply, Sanitation, and Health Program (PROSAGUAS) activity and the Salvadoran Demographic Association (SDA). Other implementation partners include the Center for Desease

Control and Prevention (CDC), Management Sciences for Health, Booz Allen and Hamilton and its subcontractor Cambridge Consulting Corporation, Family Health International, the Population Council, and John Snow, Inc.

FY 2002 Performance Table

El Salvador: 519-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Percent of deliveries attended by Ministry of Health trained personnel	67	66.55	60	63.4	75	67	70
Indicator 2: Number of Ministry of Health units implementing Integrated Management Childhood Illnesses (IMCI) Protocol	NA	33	50	52	77	122	157
Indicator 3: Percent of townships served by Ministry of Health-supported health promoters	68	70	83	83	72	73	74
Indicator 4: Percent of pregnant women receiving prenatal services	59	60	56	59	77	82	87
Indicator 5: Child Mortality	12	NA	NA	8	8	9	6
Indicator 6: Maternal Mortality	158	NA	NA	120	120	120	90
Indicator 7: Infant Mortality	41	NA	NA	35	35	30	19

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Percent	Ministry of Health annual statistics	This indicator is a proxy for maternal health and includes deliveries attended in Ministry of Health hospitals and health units, but does not include births attended by midwives.
Indicator 2:	IR	Number	Ministry of Health annual statistics	Number of Ministry of Health health units implementing new IMCI protocol
Indicator 3:	IR	Percent	1995 Health Promoter Study and MOH reports	The denominator for this indicator is comprised of 1,336 targeted townships in rural and semi-urban areas from a total of 2,056 townships in El Salvador.
Indicator 4:	IR	Percent	Ministry of Health annual statistics	Percent of pregnant women in a given population who receive at least one prenatal visit according to Ministry of Health maternal care norms.
Indicator 5:	IR	Number of deaths of children under five per 1,000 live births	Demographic health survey (every 5 years)	Number of deaths of children under five per 1,000 live births. Baseline data is from 1993.
Indicator 6:	IR	Number of maternal deaths per 100,000 live births	Demographic health survey (every 5 years)	Number of maternal deaths per 100,000 live births. Baseline data is from 1993.
Indicator 7:	IR	Number of infant deaths per 1,000 live births	Demographic health survey (every 5 years)	Number of infant deaths per 1,000 live births. Baseline data is from 1993.

U.S. Financing (In thousands of dollars)			
Program: El Salvador			
Title and Number: Sustainable improvements in the health of women and children achieved 519-003			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	140,959 DA	136,171 DA	4,788 DA
	16,570 CSD	6,101 CSD	10,469 CSD
	36,610 ESF	36,290 ESF	320 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,972 DA	4,257 DA	
	7,060 CSD	7,299 CSD	
	0 ESF	9 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	144,931 DA	140,428 DA	4,503 DA
	23,630 CSD	13,400 CSD	10,230 CSD
	36,610 ESF	36,299 ESF	311 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	3,991 DA		
	6,014 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	3,991 DA		
	6,014 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	4,022 DA	1,416 DA	154,360 DA
	3,307 CSD	4,178 CSD	37,129 CSD
	0 ESF	0 ESF	36,610 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: El Salvador
TITLE AND NUMBER: Increased Access By Rural Households to Clean Water, 519-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,050,000 DA
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,100,000 DA
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's water strategic objective contributes directly to Agency and MISSION PROGRAM PLAN global issues to preserve tropical forests, protect watersheds, strengthen civil society, increase accountability of government institutions, reduce greenhouse gas emissions and protect maternal and child health by lowering the incidence of diarrhea, cholera and other waterborne diseases

Watershed destruction has lowered water tables and reduced the availability of groundwater throughout El Salvador at the same time that surface water contamination is reaching dangerous levels. A recent survey of rural water sources found that 61% of the families interviewed were drinking water contaminated with fecal coliforms and 52% by E. Coli bacteria. Limited supplies of clean water have a direct effect on both human health and environmental stability. Women and children are the main beneficiaries of new potable water systems which improve their health and increase their economic productivity and quality of life by freeing them from the need to spend time and energy carrying water.

USAID is working to achieve four key intermediate results to increase rural household access to clean water: 1) improved quality of water sources; 2) improved performance of water distribution systems; 3) more effective citizen actions to address water issues; and 4) improved municipal management of water resources. This program integrates assistance under the health, economic growth, and democracy strategic objectives that all support efforts to increase rural household access to clean water. The primary focus of the objective is on local community and municipal-level interventions in three critical watersheds that transcend the boundaries of 18 municipalities. This strategic objective is also working at the national level by assisting with the reform of national policies and by replicating successful interventions and lessons throughout the country.

Key Results: Rural household access to clean water increased from 29.5% to 44% in the target areas during 2000. This 14% increase was the equivalent of two years progress and nearly reached the year 2000 target of 45.5%. With such excellent progress, USAID was on track to achieve the 2002 target of 65% until earthquakes hit El Salvador in January and February and severely damaged water and sanitation systems in the southern half of the country. USAID continued to make major gains this past year in promoting a combination of soil conservation, reforestation, organic cropping and integrated pest management activities which protect watersheds. The number of hectares protected increased by 81% during 2000 to 13,408 hectares, which is 76% above the target level. Civil society remained engaged in water sector activities during 2000, and there have now been 198 water-related changes in rural communities. This is an increase of 4% over last year and is 10% above the 2000 target. Finally, the number of municipalities with water-resource management plans (which made a large jump last year) slowed considerably this year as only one new municipality approved a water-resource management plan. This indicator is now 17% below the year 2000 target. The Mission has noted this slow progress and work is underway to develop water management plans with eight additional municipalities in order to meet the 2002 target for this indicator.

Performance and Prospects: The Mission made excellent progress during the last year in laying a base for sustained development of the potable water and sanitation sectors. CARE, the institutional implementer, built relationships with other organizations to assist in conducting activities under the

objective, and 10 agreements have been signed with local, national and international groups and agencies. These agreements provide a basis for improved coordination and information sharing between the GOES agencies and the donor community regarding water and sanitation plans, methodologies, and priorities.

USAID continues to be the major source of watershed protection, reforestation, potable water, sewage treatment, organic agriculture and agricultural diversification assistance not only in the 18-municipality target area but also throughout the country. There are a few local NGOs providing assistance in these areas, but there are no other significant donor activities and the results observed are largely due to the work of USAID partners. Progress in provision of clean water to rural households outside the target area has been slowed by delays in approval of the Inter-American development Bank's (IDB) new water and sanitation loan and by the fact that many older water systems have not been properly maintained. Additionally, a number of older systems have not been expanded to keep pace with population growth, and many rural water systems were damaged by landslides or floods in 1998, 1999, and now again by earthquakes in 2001.

Quality of Water. USAID is increasing water quality by protecting watersheds, improving agricultural practices and implementing new solid and liquid waste disposal practices. Watershed protection, as measured by the areas devoted to soil conservation and reforestation, increased to 8,286 ha, an increase of 75% which is nearly double the 2000 target. The area covered by improved agricultural practices increased by 91% to 5,122 ha. USAID signed a new cooperative agreement this year for the construction of two new solid waste recycling and disposal facilities and a new sewage treatment plant. The percent of households benefiting from improved solid and liquid waste practices increased by seven percent and 144% respectively during 2000, and the number of industries using pollution prevention practices increased from two to five.

Water Distribution Systems. USAID made excellent progress this year in expanding the number of water distribution systems that provide rural communities with access to clean water. Twenty-one water systems were constructed, expanded or rehabilitated, as USAID's water, health, and disaster recovery objective teams worked with municipalities and local community groups to finalize and inaugurate new water systems. This progress allowed the Mission to exceed its target of 44 rehabilitated, expanded, or new systems in 2000 and to be well positioned to meet or exceed the results projected for 2002.

Citizen Actions. USAID is stimulating increased citizen actions through a combination of education, citizen group actions and participatory assistance for groups in the target area. Particular attention was given to clean water education activities during 2000, because the indicator for this activity (Salvadorans knowing at least one solution for unclean water) had declined during 1999. Consequently, this indicator rebounded from 46% to 86%, which is 53% above the 2000 target. Citizen group actions continued to expand from 190 to 198 during 2000 to finish 10% above the year 2000 target. This progress represents a leveling off of activities in this area, as most of the groups have already been formed and attention is turning to watershed protection and water system expansion activities. The number of organizations working on water-related issues declined from 152 to 132 during 2000, but is still well above the target of 40 organizations. This decline has a very positive aspect, as smaller groups joined together to form fewer, larger groups to deal with water and sanitation issues and priorities.

Municipal Management. Municipal management of clean water systems has proven its utility as a model for delivering clean water and promoting decentralization of water services to rural areas. One additional municipality in the target area developed a water management plan during 2000, and eight additional municipalities are currently managing their own water systems. Other municipal management plans are in various stages of development and USAID expects to see substantial additional progress in this area during 2001.

In FY 2001, $3,050,000 of DA funds will be used as follows: (a) $1,650,000 to continue integrated watershed management and protection activities, such as reforestation, erosion control, soil and water management, and crop diversification; (b) $750,000 to support citizen awareness and participation in potable water activities; (c) $350,000 to assist municipalities to design and/or manage water and sanitation systems, and (d) $300,000 to support the participatory process engaged in the development of a national water policy framework.

In FY 2002, $3,100,000 of DA funds will be used to further (a) policy dialogue on water-related issues, (b) citizen awareness and participation in potable water activities, and (c) integrated watershed management-related activities.

Possible Adjustment to Plans: The most significant adjustment is the need to revise 2001 and 2002 targets that estimate the percent of households in the target area with water that meets quality and time standards. Reports from partners indicate that earthquake damage to water sources and older water systems severely affected access to clean water in many areas of southern El Salvador. About 20% of target municipalities experienced serious earthquake damages, and USAID estimates that access to clean water in these municipalities was reduced from 44% to 37% during the last two months. Clean water targets for 2002 may need to be lowered by an equivalent amount.

Start-up delays and earthquake emergency operations during January and February 2001 have also slowed implementation progress, and two non-government organization (NGO) partners have requested additional time to complete planned activities. The Mission expects that both of these requests will be approved. These modifications are considered important, because they provide flexibility that will help the Mission adjust to changing priorities and support the earthquake recovery plans. USAID also plans to expand the target area to include municipalities that were particularly hard hit by the earthquakes and to increase integration with activities under the health objective to benefit areas that need help most. When this is done, the Mission will need to review targets for several indicators to reflect the fact that the program will be working in a larger number of municipalities in the future.

Other Donor Programs: The Inter-American Development Bank's (IDB) $47.6 million loan for reform of the water sector and the potable water and sanitation sub-sector, ratified by the Legislative Assembly in February 2001, has been reprogrammed for earthquake reconstruction. The EU and the governments of Sweden, Germany, Japan, and Spain work through GOES institutions and NGOs to support the development of water and sewer systems in rural areas.

Principal Contractors, Grantees, or Agencies: The largest grantee is the CARE consortium, composed of CARE and three local NGOs. This consortium has expertise in watershed management and participatory development of local water delivery systems. Other grantees include Project Concern International, World Vision, Catholic Relief Services (CRS), the Inter-American Agricultural Science Institute, the National Agriculture Chamber-Camagro, and Border Development Services. These grantees are implementing watershed protection, reforestation, soil conservation, solid and liquid waste management, sustainable agricultural practices, and crop diversification interventions. Camp Dresser & McKee International is providing support to a draft water law.

FY 2002 Performance Table

El Salvador: 519-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Area covered by improved soil conservation and reforestation practices	4,055	4,423	4,736	8,286	4,500	4,800	5,000
Indicator 2: Water-related changes resulting from citizen-group actions	43	127	127	198	180	240	300
Indicator 3: Rural households in target areas with water that meets quality and time standard	30 (M) 26 (F)	38 (M) 39 (F)	29 (M) 30 (F)	40 (M) 48 (F)	46 (M) 45 (F)	55 (M) 55 (F)	65 (M) 65 (F)
Indicator 4: Municipalities with water-resource management plans	0	0	9	10	12	15	18

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Hectares, cumulative	Contractor and grantee reports	Practices taken into account are soil conservation and reforestation.
Indicator 2:	IR	Number of new changes	Activity No. 519-0388 reports for the 11 municipalities under the municipal-development activity and the CARE annual Diagnostic reports for the 18 municipalities	Changes made as a direct result of citizen group efforts to resolve water issues include, but are not limited to: formation of pro-water groups (NGOs); technical and/or rehabilitation of delivery systems; pollution prevention; conflict resolution; and other pro-clean water actions.
Indicator 3:	S	Percent of households that meet both quality and time standards, per year, by male-and-female-headed households (M/F)	CARE baseline survey. Sample size: 2,850 households	All households in target areas, whether in municipalities or cantons, are considered rural. Households water supplies must meet both quality and time standards to count as progress against this indicator. Quality is defined as water from piped systems provided that the system has a quality control program in operation that includes regular chlorine residual testing at various points in the distribution systems and periodic bacteriological and physical/chemical testing at the water source. Water from piped systems is considered to meet time standards if the household receives water every day of the week. Households with non-piped water are defined as meeting the quality standard if water is treated with chlorine by the household. Households with non-piped water meet the time standard if water source is available every day. Non-piped water includes wells and springs.
Indicator 4:	IR	Number, cumulative	Contractor and grantee reports	A formal plan and a budget with water source protection, contamination prevention, and water prevision activities.

U.S. Financing (In thousands of dollars)			
Program: El Salvador			
Title and Number: Increased access by rural households to clean water 519-004			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	6,518 DA	369 DA	6,149 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,307 DA	3,332 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	9,825 DA	3,701 DA	6,124 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	3,050 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	3,050 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	3,100 DA	1,225 DA	17,200 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: El Salvador
TITLE AND NUMBER: Reduced Vulnerability of Rural Poor to Natural Disasters in Target Areas, 519-007
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $0
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $0
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: This special objective is linked to the MISSION PROGRAM PLAN goal to promote economic development. The objective focuses on reducing the vulnerability of the rural poor to natural disasters in 12 of the municipalities where damage from flooding caused by Hurricane Mitch was most severe. This is one of the poorest regions in the country. This assistance follows on the response by USAID, the U.S. Department of Agriculture (USDA) and the Department of Defense (DOD) to the emergency and initial rehabilitation needs of the affected population. Assistance under this special objective complements and is coordinated with the efforts of six other U.S. Government agencies: U.S. Geological Survey (USGS), National Oceanic and Atmospheric Administration, Environmental Protection Agency, USDA, the Centers for Disease Control and Prevention (CDC), and the Federal Emergency Management Agency.

Under this special objective, USAID aims to stimulate economic activity through the rehabilitation of 113 kilometers of rural roads, the expansion of the electricity distribution grid by 154 kilometers, and the introduction of high-value crops through assistance to 5,000 affected farmers. USAID is also restoring and expanding access to basic community services through: the construction or improvement of 500 houses and 80 schools to flood-resistant standards; construction or rehabilitation of 44 to 54 small infrastructure projects and of approximately eight water systems, 850 wells and 2,200 latrines; and provision of health education to reduce the incidence of diarrheal diseases in children under five years of age. Finally, USAID is mitigating the environmental impact of future natural disasters through attention to environmental management and disaster preparedness planning at the community, municipal and national levels.

Key Results: Progress in the achievement of USAID's objectives for post-Hurricane Mitch reconstruction is exceeding expectations. During the eighteen months of implementation, the targets of this two-year objective have been exceeded for the following components: agriculture, water and latrines, electricity, disaster preparedness, environmental management and roads. The targets for housing, schools, and small infrastructure are on track to be achieved before September 2001.

Performance and Prospects: USAID has been recognized by the affected communities, local NGOs, mayors and the national government for its rapid start up and implementation, and for the participatory approach used in the design and implementation stages. Community participation and transparency have been reinforced during all phases of implementation. USAID organized six major consultations with the communities in the field for Government of El Salvador (GOES) ministers, implementing agencies and other donors to obtain feedback from mayors and community leaders.

Economic Activity Stimulation. Interventions to stimulate economic activity in this economically depressed area increase the incomes and economic opportunities for the rural poor, thereby reducing their vulnerability to future natural disasters. To date, the USPVO (U. S. private voluntary organization) Cooperative League of the United States of America (CLUSA) has assisted 5,499 Mitch affected farmers to plant 2,289 hectares of high-value crops to reactivate agricultural production and encourage a shift away from production of basic grains. The original target of 5,000 farmers has already been exceeded. Under the road rehabilitation component, 121 kilometers of rural roads have been rehabilitated, exceeding the original target of 113 kilomenters.

An additional 15 kilometers of rural roads are under construction. The original target of 80 kilometers of electrical distribution lines was met and another 45 are under construction. The National Confederation of Peasants completed the installation of 420 solar panels for 210 community buildings without access to the electrical grid.

Basic Community Services: In the aftermath of Hurricane Mitch during the emergency relief phase of the disaster, CARE International, with USAID financing, cleaned 4,750 latrines and 4,626 wells, upgraded 980 of the wells to reduce contamination from flooding, and constructed nine water systems for 8,180 people. Under the reconstruction phase, CARE is continuing this effort. By the end of December, 2000, CARE had upgraded 953 more wells, constructed 5,304 latrines, had completed construction of four new water systems for 3,369 beneficiaries and has six water systems under construction for another 12,469 beneficiaries. CARE is raising the target for the number of latrines, wells and water systems as a result of higher than expected cost-sharing contributions obtained from other local and international institutions and a reprogramming of funds away from wastewater systems. In addition, CARE provided health education training to at least one member of each family (5,304 persons) that benefited from a new or rehabilitated latrine.

The Cooperative Housing Foundation (CHF) has completed construction of 38 schools, 18 schools are under construction, 9 are in the bidding process and 17 are under design. The design, bidding and construction stages followed a thorough assessment made by CHF of the 250 schools located in the target area to determine eligibility and priorities. In high risk areas, some of these schools are designed to serve as safe havens in future floods. CHF is also focused on the rebuilding or constructing up to 44 community infrastructure projects of which 25 are finished, 6 are under construction, 5 in the bidding process and 8 are under design.

USAID is financing the construction or upgrading of 500 houses to make them more resistant to flooding. In some cases this involves building new units, while in other cases otherwise sturdy houses may be modified to provide refuge for people and belongings. CHF has completed the construction of 370 houses and another 122 are under construction. Designs are also in process for additional 8 houses.

Natural Disaster Mitigation. CARE planted over 71,000 trees to protect micro-watersheds. Working in partnership with 10 local nongovernment organizations (NGOs), CHF constructed 113,000 meters of hillside ditches and live and dead wood fencing, reforested 490 hectares in 32 micro-watersheds to improve conservation, and planted grasses on 1,000 meters along the Lempa River levees to protect them from erosion. In terms of capacity building, 2008 people received training in solid waste management, reforestation and/or conservation techniques. Partners of the Americas complemented these interventions with disaster preparedness training for 2,732 community leaders--1,311 women and 1,421 men-- in 115 communities, along with the review of eight municipal emergency plans.

To reinforce these efforts, the U.S. Army Corps of Engineers developed a master flood control plan for the target area. The Corps identified several activities that needed immediate action to control flooding in the target area, and CHF is implementing some of those activities under its small infrastructure component. Also, a presentation of the long-term recommendations of the study was made to GOES officials, local governments, NGOs, and other donors for possible financing. The Corps activity was extended to carry out additional work related to the Rio Grande de San Miguel watershed study.

Possible Adjustment to Plans: Under the water and sanitation component, CARE will reprogram funds originally intended for the construction of wastewater systems to provide for additional water systems, wells and latrines according to priority needs of communities.

Other Donor Programs: Spain, Japan, France and Germany are the principal other bilateral donors. The Inter-AmericanDevelopment Bank (IDB), the World Bank, the European Union (EU), the World Food Program (WFP), and the United Nations Development Fund (UNDP) are the major multilateral organizations. The Red Cross, Catholic Relief services (CRS), and other international NGOs are providing additional resources to assist with reconstruction. The donor community is providing reconstruction support to local infrastructure, housing, education, health, and environment.

Principal Contractors, Grantees or Agencies: CHF, with its principal subgrantees, CLUSA and Partners of the Americas, is implementing activities in housing, school reconstruction, agriculture, disaster preparedness, environmental management, and small infrastructure. CARE and its local NGO partner, CALMA (Maternal Lactation Center), are implementing the component on water and sanitation. The GOES Ministry of Plan (MOP) and the Ministry of Foreign Affairs are implementing the rural roads and electrification components, respectively. The local National Confederation of Peasants and the U.S. Army Corps of Engineers are also implementation partners.

FY 2002 Performance Table

El Salvador: 519-007

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of Mitch affected farmers assisted	NA	NA	2,655	2,844	2,500	1,250	NA
Indicator 2: Number of latrines constructed or rehabilitated	NA	NA	1,805	4,049	1,100	550	NA
Indicator 3: Number of community members trained in disaster preparedness	NA	NA	419	2,313	750	375	NA
Indicator 4: Number of water systems constructed, repaired or improved	NA	NA	9	4	4	2	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of people	CHF/MIRA quarterly reports	Number of farmers assisted with land preparation, seeds, fertilizers, and inputs for high-value crops. High-value crops refers to crops with market values commonly higher than the basic grains grown by most farmers such as sesame, cashew, squash, loroco, watermelon, passion fruit, pumpkin, white bean, etc.
Indicator 2:	IR	Latrines constructed or rehabilitated	CARE/MAREAS final report and CARE/MAS quarterly report	Latrines constructed or rehabilitated
Indicator 3:	IR	Community members	CHF quarterly report as of 12/31/99	Community members that have directly participated in disaster preparedness training workshops
Indicator 4:	IR	Water systems	CARE/MAREAS final report and CARE/MAS quarterly report	Communities water systems constructed, repaired or improved, operated and administer by the communities.

U.S. Financing (In thousands of dollars)			
Program: El Salvador			
Title and Number: Reduced vulnerability of the rural poor to natural disaster in target areas 519-007			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	500 CSD	0 CSD	500 CSD
	0 ESF	0 ESF	0 ESF
	22,000 CACEDRF	993 CACEDRF	21,007 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	281 CSD	
	0 ESF	0 ESF	
	2,800 CACEDRF	14,133 CACEDRF	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	500 CSD	281 CSD	219 CSD
	0 ESF	0 ESF	0 ESF
	24,800 CACEDRF	15,126 CACEDRF	9,674 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	500 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	24,800 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: El Salvador
TITLE AND NUMBER: The Lives of Targeted Earthquake Victims Improved. 519-008
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $6,150,000 DA, $3,743,000 CSD and $3,500,000 ESF
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,850,000 DA, $3,928,000 CSD and $19,500,000 ESF
STATUS: New
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Two major earthquakes rocked El Salvador in January and February 2001, killing 1,159 and injuring another 8,122. Landslides, now numbering 645, contributed importantly to the deaths, including more than 500 alone from one landslide in Santa Tecla. According to the Economic Commission for Latin America (CEPAL), losses from the first earthquake are placed at around $1.3 billion; and combined with the second earthquake losses could well exceed $2.0 billion. The earthquakes have affected more than 1.5 million Salvadorans. Social infrastructure has been especially hard hit, with significant losses of homes, schools, health units, and municipal infrastructure. Potable water supplies were disrupted extensively in many municipalities. While productive sector damage was less severe, losses of agricultural revenue could reach $150 million, and damages to private facilities such as coffee plantations and mills and poultry facilities are estimated at around $50 million.

Key Results: Four key intermediate results will contribute to the achievement of this special objective, including (1) Community Infrastructure Restored for the Rural Poor, (2) Economic Activity Reactivated, (3) Adverse Effects of Future Natural Disasters Mitigated, and (4) Municipal Government Infrastructure Refurbished.

Performance and Prospects: This objective will respond to the earthquake-related needs of the rural poor in those geographical areas of the country where damages from the earthquakes were the greatest. It will address needs that are not covered by other donors. In its development, wide consultations with USAID's developmental partners, including the Government of El Salvador (GOES), municipal authorities, U.S. PVOs, local NGOs, the country's private sector, and other members of the international donor community, were undertaken to ensure that activities generate the greatest benefits for the affected population. The program will enlist the support of all implementing partners to ensure that activities are carried out with transparency and reach intended beneficiaries–the earthquake-affected rural poor in El Salvador. In that regard, the country's Court of Accounts, which has received certification from USAID's Regional Inspector General's Office in San Salvador to perform audits on our behalf, has a key role to play.

1. USAID will restore community infrastructure in the rural areas through investments in (a) housing and shelter, (b) schools, (c) public health facilities, and (d) potable water.

(a) Housing reconstruction. Repairing and rebuilding housing is most critical; of all the country's subsectors, housing suffered the greatest earthquake-related damage in dollar value terms. The total housing damage reported by the municipal mayors through the Vice Ministry of Housing and Urban Development is 334,866 units, including 149,528 units destroyed and 185,338 units damaged. CEPAL's replacement cost estimate is almost $800 million. USAID proposes a $59 million housing reconstruction assistance program to benefit up to 18,000 low-income families or close to 15% of the poor with earthquake housing damage. The assistance will not only replace pre-existing housing but also substantially improve its structural and environmental quality. In turn, this will serve to mitigate future loss of both life and property caused by natural disasters. The housing program will be implemented through the Government of El Salvador and USPVOs such as the

Cooperative Housing Foundation (CHF), CARE and Samaritan's Purse. These PVOs participated importantly in our temporary housing programs and have a proven track record for doing good work.

(b) Repair and reconstruction of earthquake-affected rural schools. Over 2,200 schools were damaged in the first earthquake, including 106 totally and another 359 severely. Another 111 schools were affected by the second quake. The subsequent closure of these damaged schools has precluded over 600,000 children from continuing their basic education. If not addressed rapidly, the lack of school facilities will substantially increase drop out rates. USAID will invest $10 million for the reconstruction of 25 destroyed rural schools (about 23% of the total), repair and restoration of 1,250 classrooms (6% of total), and replacement of school equipment and materials damaged or lost in 250 rural schools. In all, 125,000 school age children would regain access to basic education.

(c) Health reconstruction program. According to the Ministry of Health (MOH), damages to the public health sector facilities are estimated at over $40 million, including facilities and medical equipment. USAID plans to provide $6 million to address earthquake-related needs in the public health area. Of the more than 100 damaged facilities, this program would provide for the reconstruction of eight and would cover the operating expenses of the mobile hospital that the DOD is donating in Santa Tecla. More specifically, the USPVO Americares will be working to improve the delivery of health care in the Department of Usulutan, putting in a new community health facility in Santiago de Maria. The health reconstruction program would also provide funds to replace equipment lost by community health providers, including both health promoters and midwives. These individuals are the front line providers of primary health care for the country's most vulnerable populations. Full restoration of health services is needed urgently to deal with possible recurrences of dengue fever and gastroenteritis outbreaks that are sure to occur when the rainy season commences.

(d) Potable Water program. Damage to water systems was most severe along the coastal plains where subsurface water movements affected wells and pump equipment, reduced water levels and left behind a thick layer of silt. Salt-water intrusion has also been widely reported, and there was extensive structural damage to houses that sheltered pumps and other equipment. In the central region, the earthquakes caused many springs to go dry, and landslides damaged pumping, piping and storage facilities. Total water-related damages likely exceed $25 million. USAID will invest $8 million to address potable water needs in rural areas not served by the GOES water authority (ANDA). The intent is to provide access to clean water, sanitation systems, and latrines for 50,000 poor Salvadoran households. USAID will also undertake landslide mitigation training and assessments that will be used to prepare risk maps that show local NGOs the means to mitigate landslide hazards that threaten water and sanitation systems, small towns, and rural roads.

2. USAID will reactivate economic activity, stalled by earthquake devastation. The earthquakes disrupted the income generating capacity of the micro and small enterprise sector in El Salvador and reduced family savings. According to preliminary estimates, approximately 43,000 of the 473,163 micro and small entrepreneurs (MSEs) nationally suffered severe damage to their homes and/or businesses. In addition, the country's agricultural sector, which provides for 30% of total employment within the country, also incurred heavy losses. In all, 40,000 small farmers have been affected, including the loss of 5,000 permanent jobs.

USAID will assist MSEs and small farmers to generate the income they need to get back on their feet. To assist earthquake-affected MSEs, it will provide $5 million to help approximately 2,500 MSE families rebuild or acquire the productive assets they need to re-establish home-based businesses. The focus will be on families in the hardest hit areas. Moreover, these monies also will be utilized to rebuild local market facilities that will benefit another 2,500 MSEs. USAID will also establish a fund to meet MSE financial needs. For small farmers, it will allocate $10 million in local currency generated by PL 480 commodity sales to support the reconstruction and repair of

approximately 200 essential small agricultural infrastructure activities that are expected to benefit as many as 20,000 small farmers. Such infrastructure could include small silos, small irrigation systems, small animal sheds, local farm markets, and rural roads, amongst others.

3. USAID will mitigate the adverse effects of future natural disasters through a four million dollar program. While earthquake-induced landslides were the principal cause for the human fatalities in these two disasters, critics claim that the losses of human lives could have been reduced if proper land-use plans had been in effect. The country also is at risk for further landslide destruction owing to the fact that seismic activity has created slope failures that with the advent of the rainy season could become devastating landslides. The reconstruction program will put in place land-use ordinances in 75 communities. The earthquakes also demonstrated the lack of effective disaster mitigation planning at municipal and community levels. Such planning would have enabled the municipalities to respond more effectively to emergency needs in the aftermath of the earthquake. Consequently, USAID will assist 100 municipalities in the preparation of disaster mitigation plans. USAID will continue to work with the national disaster agency (COEN) to enhance its capacity to manage future disasters, and it will strengthen the country's seismic, landslide, flood, and volcanic monitoring capacity, building on the technical assistance already provided by the USGS.

4. USAID will allocate five million dollars to refurbish municipal government infrastructure. USAID has been working successfully for seven years in the area of municipal development on decentralization, transparency, and greater citizen participation and does not want to see these investments compromised due to the destruction of key municipal infrastructure by the earthquakes. This program will refurbish 91 of the 182 rural justice-of-the-peace/judicial centers that were destroyed or damaged and 90 of the 178 municipal offices affected by the earthquakes. Absent the reconstruction of these facilities, the municipalities, which play a key role in local development, will not be able to attend to the needs of their constituents; they also will not be able to take a seat as a key player in the reconstruction effort.

5. USAID is also seeking three million dollars for program management. This will help fund the unit within USAID/El Salvador that will be responsible for program implementation, as well as provide funds for audits, analyses, assessments, and evaluations.

In FY 2001, USAID will obligate $31.9 million which includes carryover funds ($15.3 million DA, $3.7 million CSD and $12.9 ESF). Funds from other sources will complement these allocations to provide for a total reconstruction assistance package of $52.0 million for FY 2001. These sources consist of $10 million in 416b monetized food assistance; $3 million in International Disaster Assistance; $2 million in Office of Transition Initiatives funds; and $5.1 million in Prior Years DA and CSD funds redirected from ongoing activities managed by USAID/El Salvador.

In FY 2002, USAID will obligate $26.3 million ($2.9 million DA, $3.9 million CSD, and $19.5 million ESF). Funds from other sources (yet to be identified) will complement these allocations to provide for a total reconstruction assistance package of at least $58.0 million for FY 2002. Some of these sources consist of $1.6 million in Prior Years DA and CSD and $1.8 million in Deobs/Reobs.

For both years, the funds will (a) support the reconstruction of community infrastructure, including housing, schools, health units, potable water systems, and justice-of-the-peace and municipal offices; (b) provide for economic reactivation, working with micro and small entrepreneurs; (c) prepare the country for future disasters coordinating closely with municipalities and the country's disaster management and seismic monitoring agencies; and (d) finance audits, evaluation, and management costs.

Possible Adjustments to Plans: As USAID moves to the design stage for each of the elements of the earthquake reconstruction program, it may need to make adjustments in both the nature of the proposed interventions as well as the dollar allocations to them. It will need flexibility initially to

ensure priority needs are being met and that there is no overlap with other donors. If USAID discovers that support for an activity is oversubscribed, it will seek to reallocate line items within the budget.

Other Donor Programs: At the Consultative Group meeting in Madrid on March 7, 2001, donors pledged roughly $1.15 billion to meet Salvador's reconstruction needs, including reprogrammed funds in the amount of $300 million, fresh monies of $850 million, and $700 million on loan terms. The GOES will allocate $150 million of its own monies for reconstruction. In sum, in light of reconstruction needs of at least $2.0 billion and more, these data suggest that El Salvador's unmet needs will be considerable, leaving a funding gap of over $600 million.

The greatest sources of funding available to El Salvador for reconstruction are the multilateral development banks (the Inter-American Development Bank--IDB, the World Bank, and Central American Bank for Economic Integration (BCIE)). To date, the IDB has provided a $50,000 grant, a $70 million balance-of-payments/budget support program, and a $20 million emergency reconstruction loan ($15 million allocated for emergency housing and $5 million for slope stabilization to prevent the recurrence of landslides). An additional $20 emergency reconstruction loan also is under consideration. In addition, the IDB will re-program $110 million in previously approved programs for the refurbishment of schools, reconstruction of public works, roads, reconstruction of health facilities and related equipment, and temporary housing. For its part, the World Bank has proposed a $200 million emergency loan, with a significant housing component of about $100 million. It is considering reprogramming between $30 and 50 million, primarily for the reconstruction of schools. The Central American Bank for economic Integration (CABEI) will provide $75 million in fresh loans as well as reprogram $125 million in old loans. In sum, the three entities together will be allocating between $650 and $670 million for reconstruction. In addition, the World Food Program (WFP), United Nations Development Program (UNDP), Japan, and bilateral governments within the European Community are providing assistance for earthquake reconstruction.

Principal Contractors, Grantees or Agencies: To be determined. U.S. PVOS and local NGOs will likely play a major role, as well as selected GOES entities such as FONAVIPO, the national housing fund.

FY 2002 Performance Table

El Salvador: 519-008

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of Schools rebuilt or repaired	NA	NA	NA	NA	NA	0	8
Indicator 2: Number of micro and small enterprises reached by USAID interventions	NA	NA	NA	NA	NA	0	655
Indicator 3: Number of classrooms repaired	NA	NA	NA	NA	NA	0	450
Indicator 4: Number of houses rebuilt or repaired	NA	NA	NA	NA	NA	0	4000
Indicator 5: Number of schools equipped	NA	NA	NA	NA	NA	0	167

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number	*	Number of schools rebuilt or repaired
Indicator 2:	IR	Number	*	Number of micro and small enterprises reached by USAID interventions
Indicator 3:	IR	Number	*	Number of classrooms repaired
Indicator 4:	IR	Number	*	Number of houses rebuilt or repaired
Indicator 5:	IR	Number	*	Number of schools equipped

* This objective was approved on March 22, 2001, and details such as source of data will be determined in the coming months.

U.S. Financing (In thousands of dollars)			
Program: *El Salvador*			
Title and Number: The Lives of Targeted Earthquake Victims Improved 519-008			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	9,095 DA		
	0 CSD		
	9,371 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	6,150 DA		
	3,743 CSD		
	3,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	15,245 DA		
	3,743 CSD		
	12,871 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	2,850 DA	0 DA	18,095 DA
	3,928 CSD	0 CSD	7,671 CSD
	19,500 ESF	0 ESF	32,371 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

GUATEMALA

Program Summary (In Thousands of Dollars)				
Category	**FY 1999 Actual**	**FY 2000 Actual**	**FY 2001 Estimated**	**FY 2002 Request**
Development Assistance	16,400	13,150	17,297	16,210
Child Survival & Disease Fund	11,135	7,810	7,755	8,500
CACEDRF	25,000	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	25,000	20,000	13,951	10,000
P.L. 480 Title II	23,990	18,356	15,064	17,988
P.L 480 Title III	0	0	0	0
Total Program Funds	**101,525**	**59,316**	**54,067**	**52,698**

Mission Director, George Carner

GUATEMALA

Introduction

USAID/Guatemala is beginning the fifth year of a seven-year strategy (FY 1997-2003). This is a crucial year in the Peace Process. Since the signing of the Peace Accords in 1996, the political, economic and social landscape of Guatemala has changed dramatically; most apparent of all is the end of armed warfare. Education and health reforms, begun under the Arzu Administration and continued under President Portillo, have brought primary health care and primary education to hundreds of isolated indigenous communities. Yet, despite these historic changes, the country continues to face a host of developmental challenges, compounded by pervasive racial and economic inequality. For the largely indigenous rural populations most affected by the war, the prosperity and other "dividends" of the peace process have yet to materialize; for other groups, among them entrenched interests and organized crime, their hope is for a return to past practices and an inwardly-focused nation. Illiteracy, malnutrition, and high rates of infant and maternal mortality are surpassed in the hemisphere only by Haiti and Bolivia. Weak Government of Guatemala (GOG) leadership, unclear policies and frequent turnovers in key ministries, confrontation among major sectors over key reforms, increased fragmentation and polarization among major political parties, growing crime, and unmet goals for economic growth and tax collection have created political instability and delayed progress on key reforms mandated by the Accords.

Alongside its special support for the Peace Accords and a more inclusive and responsive democracy, the USAID program in Guatemala focuses on improving people's lives in several key areas. The program seeks to: improve educational access and the quality of primary instruction for rural children; provide better health for women and children, especially in rural areas; increase income and food security for the rural poor through higher-value production practices and expanded financial and technical services for micro-entrepreneurs; and strengthen natural resources management and conserve biodiversity through sound practices and policies, and greater community participation in managing income-generating natural resources.

The United States is interested in promoting Guatemalan peace, democracy, and prosperity because it will make Guatemala a strong neighbor, help maintain regional stability, slow rapid population growth and emigration to the United States, and create a stronger trading partner and ally. USAID's objectives in Guatemala also support the Summit of the Americas Action Plan of strengthening democracy, eradicating poverty and discrimination, and conserving the natural environment.

The Development Challenge

While Guatemala is the most populous Central American country (11 million) and largest economy (2000 Gross Domestic Product (GDP) of $19 billion), its largely rural, Mayan population lives in extremely difficult conditions. Distribution of land, income and other wealth is highly skewed toward a small percentage of Guatemala's Spanish-speaking population. An estimated 57% of Guatemalans live in poverty, and the roughly five million Mayans are isolated socially, economically, and politically due to geographic and language barriers as well as the lack of educational and economic opportunities. Overall, adult literacy is estimated at 65%, but literacy among Mayan women is estimated as low as 30%. Fewer than half of rural Guatemalans have access to running water, electricity reaches only a quarter, and only 16% have access to modern sanitary facilities. Infant, child, and maternal mortality rates are among the highest in Latin America, despite decreases in recent years. These indicators reflect the country's persistent under-investment in social services and basic rural infrastructure, as well as past practices of political and socioeconomic exclusion of the indigenous population.

Over the past four years, the U.S. Government has exceeded its pledge of financial and material assistance to the Peace Process and, as of December 2000, had disbursed more than 76% of the over $280 million in resources which were provided. Carefully targeted use of these resources has

contributed to improved services and living conditions for thousands of rural Guatemalan families in FY 2000. However, USAID has not achieved all that was planned, due especially to the transition from one Guatemalan administration to another. Yet, we have contributed directly to advancement of some key reforms, especially in health and education. In the pioneering income generation and rural infrastructure activities, where USAID works closely with U.S. private voluntary organization (USPVO) and non-government organization (NGO) partners, we have produced significant economic and social gains in communities most affected by the conflict. USAID's Hurricane Mitch Reconstruction program is another area of measurable progress, where we have fostered a productive partnership between the U.S. Army Corps of Engineers and the Ministry of Agriculture and established an agile mechanism for construction projects, leveraging significant GOG counterpart resources. USAID's partnerships with several U.S. Government agencies, USPVO and NGO partners have strengthened disaster preparedness and mitigation capabilities of communities and, at the national level, institutionalized an increased capacity in Guatemala's National Coordinator for the Reduction of Disasters to respond more effectively to future disasters.

Realization of the Peace Accords remains a major challenge for Guatemala. Implementing the modernization plan for the judicial system that lays the foundation for increasing access, fairness, and due process is essential to restore public confidence in the judicial institutions and establish the rule of law. A key element of GOG efforts to address a fundamental source of conflict was the law establishing the Land Fund, providing a market-based mechanism for land purchases and titling. Although slowed by Hurricane Mitch, the GOG's increased budget allocations for social sectors and a comprehensive education reform plan that emphasizes multicultural, multilingual, and multiethnic education are more consistently addressing major disparities in the delivery of social services.

With the fall in international prices for coffee and a 5.2% decline in exports, rural services and employment were adversely affected, adding to the overall economic downturn in 2000. Real GDP growth in 2001 will be less than expected, only 3.0%. If the population grows at a rate of 2.9%, the GDP per capita will grow by only 0.1% net, versus the minimum rate of 3.0% per capita most experts see needed to effectively reduce poverty. In 2000, high interest rates (16% in real terms) further hampered private investment; as the GOG could not improve its fiscal performance, the quality of public expenditure and physical infrastructure deteriorated in 2000. Given an uncertain rule of law, limited transparency in economic dealings, and the rising crime rate and generalized public security concerns, the hoped for growth in local and foreign investment has not materialized.

This next year is critical to reversing these negative trends. The GOG plans to revive the Fiscal Pact, launch an integrated national security policy, and implement a poverty reduction strategy to advance Peace Accords implementation. We expect continued strong performance on key fronts such as land titling, justice reform, improving indigenous access to education, and expanding social services in indigenous areas. The original four-year timeframe for implementing the profound reforms called for in the Accords was overly ambitious; even complying with the extended 2003 calendar will be difficult. The needs for addressing Guatemala's multiple challenges, in addition to financing the costs associated with the Peace agreements, are enormous and far exceed the country's current revenue-generating capacity. In this environment, donor support and continued significant levels of U.S. assistance, in areas such as justice and intelligence/security reform, continue to be crucial.

Other Donors

The United States continues to be among the largest bilateral donors supporting the Peace Process. Other important bilateral donors include Spain ($168 million), Germany ($65 million), Norway, and Sweden, with their programs focused mainly on community development, modernization of the state and the judiciary, and infrastructure. Major multi-national donors include the IDB ($945 million), the World Bank ($400 million), Central American Bank for Economic Integration, United Nations agencies, and the European Union with programs supporting sectoral reforms, e.g., education and health, income generation activities, infrastructure, financial sector reform, justice, and municipal

strengthening. International donors have pledged approximately $182 million to support Hurricane Mitch relief and reconstruction efforts; in addition to the United States, major Mitch donors include the IDB, Spain, the World Bank, the European Union, and the United Nations.

FY 2002 Program

U.S. Government support for the Peace Program, extended through FY 2003, will continue to help the GOG implement its social reform program, modernize the justice sector, implement the land bank and titling programs, and provide opportunities and resources to enable Mayans and war-affected communities to participate more fully in democratic development. The Hurricane Mitch Special Objective, under the Central America and Caribbean Emergency Disaster Recovery Fund and in Child Survival and Disease (CSD) funds over two years, has helped the Guatemalan rural economy recover from Mitch and become less vulnerable to future disasters, is expected to end on December 31, 2001. In addition to the Peace Program, which is supported with Economic Support Funds (ESF), USAID provides a range of development activities to Guatemala in five focus areas: democratic development; improved access and quality of education services; improved health for women and children; increased rural incomes and food security; and sustainable natural resource management. USAID programs continue to target the departments most affected by the civil conflict and highest levels of poverty. The proposed mix of Development Assistance, CSD , ESF, and P.L. 480 Title II funds in FY 2002, will enable the USG to pursue these priority objectives, which are essential to addressing the root causes of Guatemala's longstanding armed conflict, i.e. persistent and widespread poverty and social exclusion, and to establishing the foundation for longer-term economic growth.

GUATEMALA
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
520-001 More Inclusive and Responsive Democracy				
- DA	2,800	2,300	2,850	2,000
- DFA	0	0	0	0
- CSD	0	0	0	0
- CACEDERF	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
520-002 Better Educated Rural Society				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	2,650	2,535	2,529	2,750
- CACEDERF	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
520-003 Better Health for Rural Women and Children				
- DA	5,400	4,550	5,737	7,000
- DFA	0	0	0	0
- CSD	5,485	5,275	5,226	5,750
- CACEDERF	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
520-004 Increased Rural Household Income and Food Security				
- DA	2,800	3,300	4,780	3,500
- DFA	0	0	0	0
- CSD	0	0	0	0
- CACEDERF	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	23,990	18,356	15,064	17,988
520-005 Improved Natural Resources Management and Conservation of Biodiversity				
- DA	5,400	3,000	3,930	3,710
- DFA	0	0	0	0
- CSD	0	0	0	0
- CACEDERF	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
520-006 Support the Implementation of the Priority Peace Accords				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- CACEDERF	0	0	0	0
- SEED	0	0	0	0
- ESF	25,000	20,000	13,951	10,000
- P.L. 480/II	0	0	0	0
520-007 Rural Economy Recovers from Mitch and Is Less Vulnerable to Disasters				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	3,000	0	0	0
- CACEDERF	25,000	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
Totals				
- DA	16,400	13,150	17,297	16,210
- DFA	0	0	0	0
- CSD	11,135	7,810	7,755	8,500
- CACEDERF	25,000	0	0	0
- SEED	0	0	0	0
- ESF	25,000	20,000	13,951	10,000
- P.L. 480/II	23,990	18,356	15,064	17,988

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: More Inclusive and Responsive Democracy, 520-001
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,850,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,000,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: With the signing of the Peace Accords at the end of 1996, Guatemala formally put an end to 36 years of internal conflict. However, despite areas of progress, many Peace Accord commitments remain as yet unfulfilled and the democratic process and institutions have not been fully consolidated. This strategy works to advance the peace process and deepen democracy by strengthening democratic institutions and expanding effective participation in political life, especially among the indigenous population and women. The strategy seeks to support the government and civil society to work together to address key issues. The ultimate beneficiaries will be those individuals and groups that have been excluded from participation.

Key Results: (1) A more effective and responsive criminal justice system through increased functional integration among key actors, streamlined and improved transparency of justice administration, and improved legal education; (2) Broader, more effective citizen participation in political decision-making by helping civil society organizations (CSOs) focus on public policies related to women, the indigenous, the rule of law, and the legal framework for citizen participation; and (3) Increased citizen participation in strengthened local governments by supporting greater citizen involvement in local decision-making and municipal development activities.

Performance and Prospects: USAID's democracy program continues to make progress despite the uncertainty and governance problems accompanying the new government that came to power in January 2000. The USAID justice activity has promoted greater access to justice through: 1) acceptance by all key Government of Guatemala (GOG) justice sector institutions – including the justice sector coordinating body – of the USAID-inspired "justice center" concept that serves to integrate key actors at the local level and promote modern mechanisms of administration of justice; 2) the opening of a new justice center in Santa Cruz del Quiche, with plans for several others; 3) training and other assistance to over 100 public defenders throughout the country and promoting implementation of the new Judicial Career Law; and improving the Public Ministry's (Office of the Attorney General) service to victims of crime and the general public. Nevertheless, the justice system requires major reform and much remains to be done in order to address its inability to provide timely and effective justice, including better coordination at the policy level among key institutions. In particular, the Attorney General's office has not provided the necessary leadership and impetus for significant change, without which reform of the criminal justice system will falter. More positively, the Supreme Court is taking a leadership role in promoting reform, the Court Clerk's Office has been fully established, and in-service judicial training has been institutionalized in the training unit.

As discussed in a recent external evaluation, the USAID civil society program has made advocacy part of the political lexicon and laid the foundation for more active and effective participation by CSOs in the transition to democracy, particularly in the areas of human rights, transparency, and political advocacy. With lessons learned from this groundbreaking program, USAID is designing a follow-on program that seeks to further support the important role of CSOs in developing and strengthening democracy in Guatemala. The "Non-Violence Against Women" activity has shown early impacts through the establishment of some 18 community self-help groups and legal and psychological support to around 100 women victims of violence. A violent attack on one of the activity's Guatemala City offices toward the end of 2000 evidenced the vulnerability of CSOs in Guatemala, especially those working on sensitive matters.

The USAID local governance activity, "Nexus Municipal," moved into full swing in 2000, focusing on the Quiché Department, one of the areas hardest hit during the internal conflict. Major accomplishments include the establishment of 18 municipal planning offices, the creation of institutionalized mechanisms for citizen participation in decision-making, including budget allocation and technical support on analysis and proposals for key decentralization policy. Nexus also expanded its work in citizen participation to 20 municipalities in Quetzaltenango, Sololá and Chimaltenango, and is providing assistance to the national municipal associations, including the indigenous association, particularly regarding political leadership and advocacy skills. Nexus has been able to provide leadership in this sector and is working to transfer its knowledge to national entities, which have, thus far, shown little political will to push reform efforts. The ongoing USAID Special Development Fund (SDF) provides financial assistance to over 50 rural community groups every year. Focusing primarily on ex-conflictive areas, SDF supports small development projects (e.g., bridges, roads, school buildings) while promoting democratic participation.

USAID efforts to strengthen the national legislature were ended early, after it became clear that the newly installed Congress lacked the political will to modernize and institutionalize changes. Nonetheless, the Congress has maintained the three regional outreach offices established under the program, with plans to open others. USAID also delivered to the Congress and other interested organizations a near complete computerized registry of existing laws along with an inventory of many obsolete laws that could be eliminated.

In FY 2001, USAID will obligate a total of $2,850,000 DA funds to finance the activities of: 1) Civil society program to improve CSOs' participation in the formulation, implementation, and oversight of public policies and institutions ($2,750,000); and 2) transparency and program evaluation costs ($100,000). Support to justice and local government will be provided through ESF funds under the Peace Special Objective.

In FY 2002, USAID intends to obligate a total of $2,000,000 DA funds to continue support to civil society support activities, widening and strengthening Guatemalan CSOs' participation in the formulation, implementation, and oversight of public policies and institutions; a limited number of multiyear subgrants will be initiated for advocacy, policy research, and civic education/mobilization activities.

Possible Adjustments to Plans: As a result of its disappointing performance, support to strengthen the Congress has been discontinued. Other significant changes will be made to focus our civil society initiative to further sharpen and target USAID assistance. The new civil society activity, planned to come on line in late FY2001, will include more focused components on organizational development, setting common goals, working with the media, negotiating with the government, and forming alliances with the private sector.

Other Donor Programs: Until recently, USAID was the lead donor in supporting democratic initiatives, particularly in justice sector reform. Other donors have become more involved in supporting Guatemala's justice modernization, with the Inter-American Development Bank (IDB) and the World Bank having signed major programs at the end of 1998. Local government and community development also receive support from several donors, including German Technical Cooperation (GTZ) and the IDB. The European Union (EU), the Organization of American States (OAS), Canada, Sweden, Norway, Spain, and Holland also have investments in the democracy sector. The United Nations Verification Mission for Guatemala (MINUGUA) continues to be engaged in human rights verification, although it role will diminish as it proceeds with its gradual withdrawal from Guatemala.

Principal Contractors, Grantees, or Agencies: USAID activities are implemented with the Guatemalan judicial branch, the Public Ministry, San Carlos University Law School, selected municipalities, municipal associations, CSOs and the National Congress. A mix of U.S. partners – Checchi, Inc.,

Creative Associates, Inc., the University of Texas at Austin and Development Alternatives Inc. – and local CSOs, manages activities.

FY 2002 Performance Table

Guatemala: 520-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Public confidence in key democratic institutions and process	0.4	NA	0.401	NA	NA	46-48%	NA
Indicator 2: Number of preliminary legislative studies prepared by the Congress legislative Technical Assistance Unit *	39	24	46	4	50	NA	NA
Indicator 3: Individual free expression and participation	0.59	NA	60-62%	NA	NA	63-65%	NA
Indicator 4: Increased effectiveness of target CSOs in public policy advocacy	NA	23.8	28.88	30.12	31.29	34.06	TBD
Indicator 5: Strengthened local governance index	NA	NA	0.021	0.366	0.363	0.62	0.818
Indicator 6: Number of Justice Centers opened and operating with the approval of key counterparts and with transparent case management systems implemented in each Center	2	7	7	8	7	11	13

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percentage of positive responses in DIMS on the System Support Index, composed of Courts, Elections Tribunal, Public Offices, Congress, Human Rights, and Political Parties.	Democratic Indicators Monitoring Survey (DIMS) data are collected in odd numbered years and reported in even numbered years by Development Associates.	The DIMS is a bi-annual national survey of adults, which measures changes in democratic values and attitudes over time as a proxy measure for the degree to which a culture of democracy is deepening over time. System support is defined as the legitimacy (not popularity) accorded by the populace to the political system in general and to its component institutions. Since 1993, six of those institutions (Courts, Electoral Tribunal, Public Offices, Congress, Human Rights Ombudsman and Political Parties) in which USAID has programmatic activities, have been grouped as a System Support Index.
Indicator 2*:	IR	The number of preliminary legislative studies prepared by Legislative Technical Assistance Unit which support legislative initiatives.	Coordinator of the Congress' Legislative Technical Assistance Unit.	Legislative studies are a systemic collection of information (normative law, bills decisions, reports, resolutions, judicial and administrative jurisprudence, comparative law, doctrine, media articles, etc.) providing the Congress with the information necessary for the preparation of high quality laws. *This indicator will be discontinued in FY 2001 due to termination of the USAID program with Congress
Indicator 3:	IR	Percentage of positive ratings in DIMS on Democratic liberties Index (Extensive Participation)	Democratic Indicators Monitoring Survey (DIMS) data are collected in odd numbered years and reported in even numbered years by Development Associates.	The DIMS is a bi-annual national survey of adults which measures changes in democratic values and attitudes over time as a proxy measure for the degree to which a culture of democracy is deepening over time. The Democratic Liberties Index is a composite indicator of public support for democratic liberties that is composed of the two other composite measures, extensive participation, and tolerance. This indicator measures public support for extensive participation. Respondents were asked whether they approved, disapproved or were indifferent with respect to public participation in the following: legal demonstrations; working for a party or a candidate during an election campaign; and participating in community groups or associations in order to resolve community problems.

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 4:	IR	An index will rate target CSO capacity for effective advocacy in the following two ways: Preparation and design of policy proposals and strategies, including: 1) strategic analysis of issues, 2) ability to understand the issues and the public policy process, 3) ability to formulate proposals, 4) ability to inform and receive feedback from constituents on policy issues. Demonstrated ability to influence public policy, including: 1) advancing proposals (coalition building, lobbying, etc.), 2) follow-up/monitoring implementation of policy changes, 3) engaging the government in dialogue, 4) drawing support from and mobilizing constituents effectively.	Data collected on an annual basis through several mechanisms: self-assessment surveys, semi-structured interviews based on the project's results framework, information derived from project grants and other activities, and verification of information by project staff.	Each of the two areas noted above are measured on a scale of 20 points each, with 1 to 5 points given for each specific criteria, for a total of 40 points: no effectiveness in public policy advocacy (8-12); very limited effectiveness (13-19); moderate effectiveness (20-26); good level of effectiveness (27-33); excellent effectiveness (34-40). A scale has been developed that includes an objective set of criteria for ranking CSOs in each of the eight areas listed above. This index is disaggregated according to programmatic area (women, indigenous, rule of law, and legal framework for citizen participation).
Indicator 5:	IR	Degree of progress made within selected municipalities in achieving critical local governance benchmarks.	USAID's institutional contractor (and local partners) which will monitor and evaluate the progress in each municipality based on set criteria established in the M&E plan (including assessments, surveys, municipal records, on-going monitoring).	This is an index of critical benchmarks that each municipality (25 municipalities in the original universe of the program) has achieved in promoting citizen participation and strengthening local governance as well as the creation of a policy environment propitious to decentralization and municipal authority. As such it is a good proxy to measure higher level results. Key measures include: institutionalized mechanisms exist for regularized open citizen participation in joint decision-making with municipal officials; citizens are directly involved in municipal plan implementation, including budget hearings and other financial decisions; municipalities have effective technical/planning offices for the execution of plans and proposals generated through an open, participatory process; and national policies supportive of increased authority for local governments are adopted and implemented.
Indicator 6:	IR	Number of Centers operating in Guatemala	The institutional contractor.	The number of Justice Center in which USAID Justice Program is working.

	U.S. Financing (In thousands of dollars)		
Program: Guatemala			
Title and Number: More Inclusive and Responsive Democracy 520-001			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	6,726 DA	2,670 DA	4,056 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	2,300 DA	2,924 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	9,026 DA	5,594 DA	3,432 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	2,850 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**2,850 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**2,000 DA**	3,130 DA	17,006 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: Better Educated Rural Society, 520-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,529,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,750,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Since the 1996 signing of the Peace Accords, universal coverage of primary education has been a top priority. Net primary enrollment increased from 69% in 1996 to an estimated 84% in 2000. In rural areas, though, one of every three children does not attend school and fewer than two of ten girls complete sixth grade. Although half of all Guatemalan school-age children are indigenous language speakers, only 18% attend schools where at least one teacher is a bilingual teacher. Although meeting Peace Accord targets, Government financing for education remains very low, with education representing only 2.46% of GDP in 2000. Mobilized constituencies capable of influencing government education policy and resource allocations decisions are decidedly lacking, although interest and commitment to education reform is growing among civil society organizations and opinion leaders.

The purpose of this objective is to increase educational access and equity, improve educational quality, and enhance the capacity and commitment of the Ministry of Education (MOE) and civil society to carry out strategies that strengthen the cultural and linguistic pluralism of the country, leading to a better educated rural society. Direct beneficiaries of assistance include Mayan school-aged girls and boys in the Quiché Department and indigenous men and women from rural areas. Indirect beneficiaries include teachers who are trained in bilingual education programs and future generations of indigenous children more likely to be educated and equipped to contribute to Guatemala's economic growth.

Key Results: (1) Increased access to intercultural and bilingual primary education for Quiché children through teacher training, development of multicultural materials and methodologies and increased parent participation; (2) Greater access to education services for rural communities in the seven Departments designated the "Peace Zone"; and (3) Implementation of educational policies and strategies that enhance gender and cultural pluralism.

Performance and Prospects: This objective met the 2000 targets established for the gross primary school enrollment ratio for girls and improved primary school rural gender equity ratio. Since the 1996 baseline, gross enrollment ratios in Quiché have increased by 31% for both girls and boys. Girls still lag behind boys, but are nearing full enrollment. Gross enrollment increased from 79.1% in 1999 to 93.3% for girls and from 97.3% to 111.3% for boys. The challenge now is to reduce repetition and increase promotion rates to reduce the number of over-age children in primary school. The university programs for indigenous students continue to operate at greater levels of efficiency than planned, with more recipients enrolled and more graduates (43% women). Six key educational policies/ strategies were implemented in 2000, reflecting a stronger government commitment to gender and ethnic equity.

USAID continues to successfully support increased educational access, quality and equity, especially for the indigenous and rural girls and women at different levels of the educational system. The Girls' and Women's Education Activity (GWEA) worked closely with the MOE and private sector organizations to position girls' education squarely within the plans and priorities of the new administration. In 2000, the MOE initiated more actions in favor of girls' education than were initiated by the MOE in any previous year since the start-up of the GWEA activity in 1997. For 2001 the MOE has committed to fund an additional 75,000 primary school scholarships for girls

the Quiché communities most severely affected by the armed conflict, thus contributing to SO-level impacts in increased girls' enrollment and equity. A total of 2,681 girls received scholarships last year and will continue to receive them through 2003 from ESF-generated local currencies. The third grade completion rate for girls, a measure of improved quality and system efficiency, increased from 22% in 1999 to 28% in 2000, exceeding the 2000 target by over 25%.

The intercultural bilingual education program in Quiché, implemented by World Learning, is strengthening educational delivery through extensive teacher training, developing and applying innovative instructional materials and methodologies, and increasing parents' and especially mothers' participation in educational management and decision-making. Over 600 teachers received specialized training in bilingual education through a university-accredited program. USAID's LearnLink information technology centers set up in teacher-training schools, partly financed by the Summit of the Americas fund, are improving future-teacher preparedness. This assistance is contributing to improve quality of instruction for 96,000 Mayan children in Quiché. With new Summit of the Americas funding, the SO initiated a new activity designed to increase mothers' participation in educational management in targeted areas of Quiché. These on-the-ground activities are complemented by USAID-supported policy reform efforts designed to strengthen the policy environment for cultural pluralism and gender equity as well as develop capacity in the MOE and key CSOs for policy analysis, dialogue, and constituency-building skills for educational reform. The adoption of six intercultural bilingual and girls' education policy strategies can be attributed to USAID's policy dialogue and direct implementation efforts. Their expansion will be possible with World Bank, Inter-American Development Bank and other bilateral donor support.

The Edumaya activity, implemented through the Rafael Landívar University, continues on course to achieve planned results. In 2000, 1,047 scholarship students (49% women) were enrolled in 36 degree programs. Evaluation studies undertaken by a local independent socioeconomic research institute show that scholarship recipients' salaries have increased, while students report that their families enjoy a better quality of life as well as increased school enrollment of younger family members. Employers of the scholarship recipients report increased decision-making and problem-solving skills, teamwork capacity and productivity in individuals; 75% of the students have assumed leadership positions in local or national-level organizations and institutions. The program will soon complete certification of 350 community education promoters as bilingual teachers, and funding for community education centers are both expanding educational access in rural communities and demonstrating models for more effective community involvement.

Severe cuts in GOG support to the National Literacy Committee, combined with implementation delays in the USAID-supported literacy activity, have required USAID to reexamine targets and strategies for supporting literacy in rural areas. An evaluation of the program was conducted and is being used to effect changes to activities in 2001, as well as decisions regarding future USAID support to literacy.

In FY 2001, USAID intends to obligate a total of $2,529,000 CSD to achieve the following results: 1) increase access to intercultural and bilingual primary education for Quiché children ($1,349,324); 2) provide greater access to education services for rural communities in seven "Peace Zone" Departments ($136,273); and 3) implement educational policies and strategies that enhance gender and cultural pluralism ($1,043,403). In addition, ESF-funded university scholarships to support bilingual education are notified under 520-006.

Additional Economic Support Funds (ESF) notified under the Peace Objective also finance university scholarships to support bilingual education.

In FY 2002, USAID intends to obligate a total of $2,750,000 CSD funds to achieve the following results: 1) increase access to bilingual intercultural primary education for Quiché children ($2,089,090); 2) provide greater access to education services for rural communities in seven

"Peace Zone" Departments ($100,000); and, 3) implement educational policies and strategies that enhance gender and cultural pluralism ($560,910).

Possible Adjustments to Plans: Based on performance, USAID has reduced the funding level and will end our support for NGO literacy activities eight months earlier than planned. During the final implementation year (2001), efforts will be focused on finalizing and validating the integrated community literacy methodology, materials, and monitoring and evaluation system; and providing training to selected NGOs in their application. The USAID team will work with the Government of Guatemala (GOG) to examine priorities for USAID additional support for literacy.

Other Donor Programs: The World Bank and the Inter-American Development Bank (IDB) are providing major education sector loans to facilitate the expansion of USAID education sector pilot activities such as the one-room school model and bilingual intercultural education. USAID is joined by German Technical Cooperation (GTZ), United Nations Children's Fund (UNICEF), United Nations Educational, Scientific, and Cultural Organization (UNESCO), United Nations Development Program (UNDP), the European Union (EU) and others focusing on increasing educational opportunities, especially for the rural indigenous. Donor and loan resources directed toward this objective (during the period 2000-2004) approximate $124 million with USAID being the largest single donor and contributing about 25% of the total.

Principal Contractors, Grantees or Agencies: U. S. Grantees and contractors include: Save the Children, World Learning, Juarez and Associates, World Learning, Academy for Educational Development, and Management Systems International. Local grantees include Rafael Landivar University and local non-government organizations.

FY 2002 Performance Table

Guatemala: 520-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of indigenous university graduates to number of indigenous scholarship recipients (cumulative)*	NA	8/806 (P) 0/500	18/1278 (P) 50/1000	240/1,402	200/1,300	750/1,415	850/1,425
Indicator 2: Rural primary school gender equity ratio in Quiché	74.2	75.1	78.1	78.7	78.5	79.5	80.5
Indicator 3: Gross primary school enrollment rate of girls in Quiché	62.1	64.7	79.1	93.3	89	94	97

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1*:	IR	Cumulative number of degrees granted and cumulative number of scholarships awarded per calendar year.	Partner universities' reporting system.	The figures present the cumulative number of indigenous scholarship students who have completed university degree programs in relation to the cumulative number of indigenous students who have been awarded a scholarship. In 2000, 43% of the graduates were women. There is a time lag between initial enrollment and graduation from the degree programs. *These results are supported through the Peace Special Objective. Targets for 2002 and 2003 will be raised due to additional ESF funding for the program.
Indicator 2:	S	The percent of girls enrolled per boys enrolled in primary school per calendar year	Statistical Yearbook of the Ministry of Education (MOE).	This indicator measures the number of girls per 100 boys enrolled in primary school per calendar year.
Indicator 3:	S	Percent of Quiché girls of any age enrolled in primary school divided by the total girl primary school age (7-12) population per calendar year.	Statistical Yearbook of the Ministry of Education (MOE) Population estimates of National Statistics Institute (INE)	The number of Quiché female primary students of any age divided by the total female primary school-age (7-12) population in Quiché. Percents may exceed 100% if there are more girls enrolled in primary school than the total school-age girl population (for example, 13-15 year olds enrolled in primary)

U.S. Financing (In thousands of dollars)			
Program: Guatemala			
Title and Number: Better Educated Rural Society 520-002			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	6,690 CSD	777 CSD	5,913 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	3,035 CSD	1,777 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	9,725 CSD	2,554 CSD	7,171 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	2,529 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	2,529 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	2,750 CSD	3,162 CSD	18,166 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: Better Health for Rural Women and Children, 520-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $5,737,000 (DA); $5,226,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $7,000,000 (DA); $5,750,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Despite a 43% reduction since 1987, Guatemala still has the highest infant mortality rate in Central America and one of the highest in the hemisphere. The high maternal mortality ratio, especially among indigenous groups, reflects women's inadequate access to reproductive health services. This objective seeks to improve the health status of Guatemalan women and children at the national level and to diminish the disparity in health indicators between rural Mayan families and the rest of the country. By targeting assistance in seven predominantly indigenous departments, the purpose of the objective is to reduce the infant mortality rate (IMR) by 20% from 51/1000 to 41/1000 live births and to decrease the total fertility rate (TFR) from 5.1 to 4.8 births during the 1995-2002 period. Since the IMR and TFR are 14% and 24% higher, respectively, among Mayans than the national averages for these indicators, USAID is developing new approaches to improve the quality and accessibility of maternal-child health (MCH) services in indigenous communities. An important element of these new models is the reduction of cultural confrontation between indigenous and western health systems. USAID supports both the Guatemalan Government and local nongovernment organizations (NGOs) in their efforts to improve health practices. The direct beneficiaries of USAID assistance include men and women of reproductive age and children under five years of age who are gaining access to preventive and curative MCH services, including reproductive health.

Key Results: (1) Increased use of MCH services by enhancing demand for health care and improving the quality of care provided at health facilities and by community health workers; (2) Better management of MCH programs of both the public sector and local NGOs by improving logistics systems to guarantee well stocked rural health facilities, and by strengthening financial and administrative systems; and (3) Stronger Guatemalan commitment to integrated women's health by engaging local NGOs in family planning programs and helping policy makers use reliable demographic and health data to define policies that will permit more Guatemalan couples to elect the number and spacing of their children.

Performance and Prospects: The Government of Guatemala's Health Sector Reform Initiative, that began under the former government in 1996, emphasizes coverage of health services in the poorest and most remote regions of Guatemala through public-private partnerships. This initiative continues under the new administration. During 2000, for the first time, the Guatemalan Government made reproductive health a top priority and the Ministry of Health launched a national Reproductive Health Program. As a result, the program accomplishments exceeded expectations in reproductive health, historically the most challenging part of the program. With Development Assistance funds, record growth was achieved in "new family planning users" and "couple years of protection" (CYPs), both of which greatly exceeded targets. Coverage of health services has greatly increased, especially in the poorest and most remote rural areas of Guatemala. Countrywide, about 3 million inhabitants that previously did not have access to health care services are being served by NGOs contracted by the Guatemala's Ministry of Health (MOH). Activities financed under the objective are specifically designed to address the factors that give rise to the urban-rural differentials in terms of use of family planning methods, vaccination coverage, prenatal care, intra- and post-partum care, maternal mortality, and infant mortality. These include increasing the geographic and linguistic accessibility of services; improving health providers' technical competence, interpersonal communication skills and cross-cultural understanding; and strengthening behavior-change efforts and referral systems.

The Pan American Health Organization (PAHO) is providing support to local and central levels of the MOH to increase immunization coverage. With CSD funds, USAID assisted the Government of Guatemala in launching the Integrated Management of Childhood Illnesses (IMCI) program. The results of USAID assistance have been excellent, as demonstrated by comparing the 1995 and 1999 national health survey results: the infant mortality rate dropped from 51 to 45 per 1,000 live births; the contraceptive prevalence rate grew from 31% to 38%; and, the percent of children between 12 and 23 months who were immunized grew from 43% to 60%. As a result, new more ambitious targets have been set for 2002. Survey data will be available again in 2003. The target for "met need for essential obstetric care" was reached in 2000. "Absence of contraceptive stock-outs" an indicator for better management of MCH services had a mixed performance. The Family Welfare Association met the 2000 target, but our two public sector partners fell short. A number of corrective measures are in place to ensure strengthening of public sector management capacity. The integrated women's health advocacy indicators greatly exceeded expectations and contributed to the improved policy environment score (PES) up from 45 in 1997 to 52 in 2000.

In FY 2001, USAID intends to obligate a total of $10,963,000 ($5,737,000 DA/$5,226,000 CSD) in order to reach the following goals: 1) more rural families use quality MCH services ($3,767,210 DA/$3,598,860 CSD); 2) government and NGO-based public health programs are better managed ($1,326,120 DA/$1,561,480 CSD, including $499,000 for HIV/AIDS surveillance); and, 3) better definition of policy and use of data by GOG support integrated women's health ($643,670 DA/$66,660 CSD).

In FY 2002, USAID intends to obligate a total of $12,750,000 ($7,000,000 DA/$5,750,000 CSD) in order to achieve the following results: 1) increased access to better quality MCH services and improved household health practices, especially in rural indigenous areas ($5,152,300 DA/$3,973,460 CSD); 2) better managed public health services ($1,407,700 DA/$1,729,130 CSD, including $500,000 for HIV/AIDS surveillance); and 3) stronger Guatemalan commitment to integrated women's health ($440,000 DA/$47,410 CSD).

Possible Adjustments to Plans: In 2001 USAID will design a new HIV/AIDS activity to establish a national HIV/AIDS surveillance system in order to measure the overall effect on the epidemic of national prevention and mitigation programs.

Other Donor Programs: The Inter-American Development Bank (IDB) is financing a two-phased health sector reform loan to improve access to basic health services in rural areas and to improve hospital efficiency. USAID coordinates closely with the IDB and the Ministry of Health in the design of community health reforms and provides technical assistance for the implementation of reforms at the local level, especially in the predominantly indigenous areas of the western highlands. USAID and the Pan American Health Organization (PAHO) enjoy a productive working relationship, especially in the area of childhood immunization. Plans are underway for a joint USAID-PAHO initiative to continue improving immunization coverage. USAID continues its lead role in the area of reproductive health with other donors such as the European Union and United Nations Population Fund (UNFPA) gradually delivering increased support to reduce maternal mortality and improve reproductive health in the country. USAID is the major donor, providing approximately half of all donor support in the health sector.

Principal Contractors, Grantees or Agencies: Current long-term grantees include the Ministry of Health, the Social Security Institute, the Family Welfare Association (APROFAM) and a local pharmaceutical distributor (IPROFASA). Long-term U.S. grantees include the University Research Corporation, Project Concern International, the Population Council, Management Sciences for Health. Current long-term U.S. partners operating under USAID Global Bureau projects include the Johns Hopkins Program for International Education in Reproductive Health (Maternal Neonatal Health Project), John Snow Incorporated (Family Planning Logistics Management Project), the Futures Group International (Policy Project) and the Population Council (Frontiers Project).

FY 2002 Performance Table

Guatemala: 520-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Percent of Children Under Five Years Treated for Pneumonia	(B - 1995) 41%	NA	37%	NA	NA	NA	0.45
Indicator 2: Percent of Children Under Five Using Oral Rehydration Therapy or Increased Liquid Intake During Diarrheal Disease	(B - 1995) 51%	NA	59%	NA	NA	NA	0.65
Indicator 3: Percent of Children 12-23 Months Fully Immunized	(B - 1995) 43%	NA	60%*	NA	NA	NA	0.7
Indicator 4: Contraceptive Prevalence Rate	(B - 1995) 31%	NA	38%	NA	NA	NA	0.41
Indicator 5: Total Fertility Rate	(B - 1995) 5.1	NA	5	NA	NA	NA	4.8
Indicator 6: Infant Mortality Rate per 1,000 live biths	(B - 1995) 51	NA	45	NA	NA	NA	41
Indicator 7: Couple Years of Protection (CYP)**	376,197	392,430	472,375	566,708	479,163	595,043	624,796

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percent	INE, Macro & CDC Note: All data, except CYPs, are from national family health surveys in 1995 and 1999.	For children under five years of age, the percent of cases of cough and rapid breathing in the two-week period prior to the survey that are treated by a health provider.
Indicator 2:	IR	Percent	INE, Macro & CDC Note: All data, except CYPs, are from national family health surveys in 1995 and 1999.	For children under five years, the percent of diarrheal episodes occurring in the two-week period preceding the survey that are treated with oral rehydration therapy or increased fluid intake
Indicator 3:	IR	Percent	INE, Macro & CDC . Note: All data, except CYPs, are from national family health surveys in 1995 and 1999.	Percent o children aged 12-23 months who have received all of the following vaccinations: DPT3, Polio3, BCG and measles. * Ministry of Health data for 2000 show great progress under this indicator, but because of reliability issues, we will continue to report on survey findings, which as noted above, will be available in 2002. Note: All data, except CYPs, are from national family health surveys in 1995 and 1999.
Indicator 4:	IR	Percent	INE, Macro & CDC Note: All data, except CYPs, are from national family health surveys in 1995 and 1999.	Percent of women aged 15-49 who are using (or whose partner is using) a contraceptive method at a particular point in time. Reported for women who are either married or in sexual union. Note: All data, except CYPs, are from national family health surveys in 1995 and 1999.
Indicator 5:	IR	Average number of births per woman	INE, Macro & CDC Note: All data, except CYPs, are from national family health surveys in 1995 and 1999.	Average number of children that would be born to a woman during her lifetime if she were to past through all her childbearing years conforming to a current schedule of age-specific fertility rates. Note: All data, except CYPs, are from national family health surveys in 1995 and 1999.
Indicator 6:	IR	Infant deaths per 1,000 live births	INE, Macro & CDC .	Number of deaths of infants under 1 year of age per 1,000 live births (direct estimate). Note: All data, except CYPs, are from national family health surveys in 1995 and 1999.
Indicator 7:	S	CYPs per calendar year	Partners' logistics management information systems (APROFAM, Ministry of Health, Social Security Institute, IPROFASA and other USAID-supported NGOs). Note: All data, except CYPs, are from national family health surveys in 1995 and 1999.	This indicator measures the estimated protection (in terms of couples protected for one year) from pregnancy provided by family planning methods based upon the volume of contraceptives sold or distributed. In 2000 CYPs were recalculated for 1997 onwards using standard conversion factors as follows: 1 IUD = 3.5 CYP; sterilization (male or female) = 11 CYP (Guatemala); 15 cycles of oral contraceptives = 1 CYP; 120 condoms/VFTs = 1 CYP; 4 Depo-Provera injections = 1 CYP; 1 trained NFP user = 2 CYP; 4 LAM users = 1 CYP. The 1999 actual figure was revised upward based on final data from partners. As a result, 2001 and 2002 targets were increased. ** In 2000 CYP figures from 1997 onwards were recalculated using standard conversion factors recommended by USAID/Washington. The 2001 and 2002 targets have been revised upwards based on excellent performance in 2000.

	U.S. Financing (In thousands of dollars)		
Program: Guatemala			
Title and Number: Better Health for Rural Women and Children 520-003			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	19,944 DA	9,728 DA	10,216 DA
	17,082 CSD	4,797 CSD	12,285 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	4,500 DA	5,931 DA	
	5,275 CSD	6,779 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	24,444 DA	15,659 DA	8,785 DA
	22,357 CSD	11,576 CSD	10,781 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	5,737 DA		
	5,226 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**5,737 DA**		
	5,226 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**7,000 DA**	7,000 DA	44,181 DA
	5,750 CSD	6,613 CSD	39,946 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: Increased Rural Household Income and Food Security, 520-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $4,780,000 (DA), $15,064,000 (PL 480)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,500,000 (DA), $17,988,000 (PL 480)
STATUS: New/Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Poverty in Guatemala is pervasive and severe. The 1998/99 Demographic Health Survey (DHS) showed that 67% of indigenous children under 5 years of age are chronically malnourished. This is strongly linked with the greater probability of indigenous and rural populations being poor. Access to land and credit is out of reach for those living in rural areas. The lack of adequate economic opportunity to produce sufficient food or to earn enough income to purchase food contributes to malnutrition. The poor in Guatemala spend 70% of their total income to purchase basic foods that are often of low nutritional value.

This objective is to increase the capacity of a significant number of poor rural families, particularly women and indigenous people, in selected areas of the country to improve their income and food security. Many of the target communities were also those most affected by the civil conflict. The direct beneficiaries of actions under this objective will be small farmers, microentrepreneurs, and food aid program participants. The indirect beneficiaries will be rural communities living within the selected geographic areas of intervention.

Key Results: (1) Small farmers engage in higher-value production, secure land titles, use sustainable agricultural production practices, and use market information to increase sales; (2) Microentrepreneurs expand their businesses by accessing financial and technical services; (3) Market towns stimulate economic activity by attracting public and private investments; and (4) Improved family nutrition supported by food aid programs to reduce chronic malnutrition in children under five years of age.

Performance and Prospects: This objective has exceeded anticipated results both in terms of quantifiable targets and other identifiable impacts. Through Food for Work agriculture development and microenterprise programs supported by P. L. 480 Title II, 51,575 families have improved incomes and child nutrition. In Barillas and the Ixcán, income generation activities since 1996 have had a dramatic effect on the local economy. In Barillas, local farmers' exports of organic coffee and local returns to cardamom exports have increased. Small coffee and cardamom farmers obtained organic certification. Coffee growers produced over 287 metric tons of higher-priced organic coffee, which the small farmers association exported to the U.S., helping to insulate producers from the drop in world coffee prices. Over 45 metric tons of organic cardamom was marketed, double the 1999 amount. In the Ixcán, USAID assistance helped improve the farm-to-market road infrastructure and boost local investment. Both towns are now vibrant economic centers with new bank offices opening and a burgeoning microenterprise sector drawing on increased farm incomes and demand for goods and services. Not only did the number of small farmers engaged in higher value production exceed the FY2000 target, planned numbers of microentrepreneurs expanding their businesses were exceeded (73% of those served were Mayan, 34% women). The actual level of new public and private investment in market towns was $4.0 million, double the target.

The programs implemented by P.L. 480 Title II partners (CARE, Catholic Relief Services, the Self-Help Resource Exchange (SHARE), and Save the Children) continue to form the primary basis for outreach to the rural poor. During 2000, USAID provided a monthly food ration and health education to 56,891 mothers and 91,864 children, and responded to an emergency food shortage in Chajul. In addition, Food for Work rations were provided to 51,575 workers and their dependents. All programs provided income generation and education interventions enhancing food security to

improve the family's livelihood, while promoting sustainable agriculture practices and microenterprise development.

Key actions were completed in 2000 to replicate the Barillas/Ixcán experience in nine other market towns, as USAID expands technology, market, and financial services to small farmers and micro-entrepreneurs to these areas. Under the program, subgrants to local NGOs provide expanded technical and financial services, taking advantage of the conditions that are favorable to both rapid growth and to efficient conversion of growth into poverty reduction. These conditions include highly productive soils and climate, high population density, and relatively equal distribution of land and income. Small farmer coffee and horticulture activities form the core of the strategy, increasing incomes of this population who will, in turn, increase their demand for employment-intensive rural goods and services.

The key to success of the SO will be the strategic and catalytic provision of technical, financial, and marketing services. On the technology and marketing side, the National Coffee Association (ANACAFE) and Nontraditional Exporters Guild (AGEXPRONT) are playing key roles, providing technical assistance in production and marketing. The Rural Development Bank (BANRURAL) remains a principal partner for increasing access to financial services. During 2000, USAID also provided direct grants to two Guatemalan NGOs, which together are assisting 19,295 microenterprises, particularly ones owned by women, to respond to increased demand from the small farm sector. Prospects for expanding the impact of the program in 2001 and achieving sustainable increases in rural income by the year 2003 are excellent. Relations continue to be excellent with the Ministry of Agriculture (MAGA), which is committed to land issues and looks toward USAID support as a key means of reestablishing small farmer technology transfer services. MAGA's private extension services will be fully functional during 2001 despite significant personnel turnover in the Ministry, and a major expansion of activities supporting increased small farmer land titling and land conflict resolution are anticipated in the target area.

Some of the major constraints faced by small and microenterprises are: (1) lack of access to credit and savings facilities; (2) weak microfinance intermediaries, and; (3) limited access to technology. USAID's strategy seeks to promote financial intermediation in rural Guatemala by increasing the availability of financial services from private sources. USAID promotes financial intermediation through commercial banks, savings and loan cooperatives and microfinance NGOs through various mechanisms. These include technical assistance for institution-building to promote profitable intermediation; increasing the availability of funds through a market-price delivery system; creating a small incentive fund to promote rapid institution transformation;introducing microfinance technologies in commercial banks and savings and loan cooperatives; and supporting a network of business centers in rural areas. Internet business centers are being established in four market towns, which will provide up-to-date market information to rural based businesses and the possibility of marketing their products and services at reduced costs.

Of the $4,780,000 DA funds for FY2001, $2,868,000 will support higher-value production, secure land titles, and promote use of sustainable agricultural production practices for small farmers; of this amount, $370,000 will directly support activities to improve coffee production among small farmers, including technification and marketing services. The remaining $1,912,000 will be provided to support microenterprise, financial and technical services.

Of planned FY 2002 obligations of $3,500,000 in DA funding, approximately $1,600,000 will go to promote higher-value production and use of sustainable agricultural production practices for small farmers; another $500,000 will be used to assist policy reforms to support agricultural diversification and marketing. Some $1,400,000 will be used to support microenterprises, including both credit and NGO delivery of business services to microenterprises.

Possible Adjustments to Plans: Low world coffee prices and the impact of the GOG's failure to meet increased revenue targets could limit public, private and local investment in the strategy's target geographic areas during the coming year. Large parts of these target areas suffer serious productive infrastructure constraints that limit the marketing of agricultural products. During 2001, USAID plans to address this constraint by providing technical assistance to municipalities to design and implement projects that support economic development and investment, such as farm to market road upgrades.

Other Donor Programs: The Mission coordinates closely with the World Food Programme on food aid issues; the World Bank, Inter-American Development Bank (IDB), GTZ, and the Netherlands on land titling, watershed management issues and activities in the Petén; the IDB on activities in Huehuetenango, the Ixcán and watershed management issues; the IFAD and GTZ on activities in Quiche and Alta Verapaz; and the EU on activities in the Petén. USAID continues to provide approximately 20% of all donor contributions that currently support Guatemala rural household income and food security activities.

Principal Contractors, Grantees or Agencies: Implementing U.S. organizations supporting this objective are: Cooperative Housing Foundation (CHF), CARE, Catholic Relief Services (CRS), the Salesians Missions, Abt Associates, SHARE, Feed the Children, and Save the Children. Guatemalan and other organizations include: National Coffee Association (ANACAFE), Banco de Desarrollo Rural (BANRURAL), the Guatemalan Nontraditional Exporters Association (AGEXPRONT), and the Canadian Center for Studies and International Cooperation (CECI).

FY 2002 Performance Table

Guatemala: 520-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Cumulative number of microenterprises receiving technical and financial services	0	8,500	12,500	19295	17,400	23,400	30,000
Indicator 2: Number of jobs created by program-assisted businesses	500	2,466	5,000	6439	5,800	7,800	10,000
Indicator 3: Number of small farmers using defined sustainable agriculture practices to produce coffee, organic crops, and agroforestry products	3,000	4,000	17,500	21122	18,500	25000	30000
Indicator 4: Public & private investment in market towns	NA	1	1.7	3.99	2.0	5.0*	6

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of active microentrepreneurs clients.	BANRURAL records	This indicator measures the number of microenterprises that received loans and technical assistance for starting or expanding their businesses.
Indicator 2:	IR	Cumulative number of jobs created by program-assisted businesses	Annual reports of partners	Full or part-time jobs created as a result of the microenterprise operation.
Indicator 3:	IR	Cumulative number of farmers using sustainable agricultural practices.	Annual reports of partners.	This indicator measures small farmers adoption of agricultural practices like soil conservation, agroforestry systems, and organic fertilization.
Indicator 4:	IR	Cumulative amount of dollars invested millions.	Reports from FONAPAZ, Social Investment Fund, Municipality, AGEXPRONT.	Public investments include donor (including USAID leveraged funds through DCA) and -in-kind community contributions under the Special Development Fund self-help infrastructure activity. NOTE: * Due to the fact that the target for 2000 was exceeded, a new target for 2001 was established: 2001 = 5.0 (up from 4.0)

U.S. Financing (In thousands of dollars)			
Program: Guatemala			
Title and Number: Increased Rural Household Income and Food Security 520-004			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	8,365 DA	1,490 DA	6,875 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,570 DA	1,932 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	11,935 DA	3,422 DA	8,513 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	4,780 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	4,780 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	3,500 DA	4,742 DA	24,957 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: Improved Natural Resources Management and Conservation of Biodiversity, 520-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,930,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,710,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The Guatemalan Maya Biosphere Reserve (MBR) forms the core of the largest tract of intact tropical forests remaining in Meso-America and is one of the most important regions in the world in terms of biological diversity. The freshwater wetlands located in the Laguna del Tigre National Park are internationally recognized under the Ramsar Convention. In 1992, a Government of Guatemala (GOG) analysis of deforestation found that if existing trends continued unabated, by 2010 the MBR would be destroyed by the advancing agricultural frontier.

The purpose of the strategic objective is to stabilize the agricultural frontier, conserve the MBR, and promote a more sustainable development path for the region focusing on tourism, forestry, and other income alternatives for marginalized populations. USAID supports the consolidation of the National System of Parks and Reserves (SIGAP) as a strategic foundation for long term sustainable development. SIGAP comprises 26% of the nation's territory. The Maya Biosphere alone, established with USAID support, represents 74% of SIGAP. Direct beneficiaries include the population living in and around the MBR (approximately 87,000 in 1998) and national constituencies interested in parks, tourism, conservation, forestry and environmental quality. Indirect beneficiaries are national and international in scope, including future generations.

Key Results: (1) People adopt more sustainable, environmentally sound practices as a result of the dissemination of "best management practices" for sustainable agriculture, timber and nontimber forest products, ecotourism and other enterprises; 2) Policies affecting the environment are improved and applied by defining a policy reform agenda, building environmental constituencies, strengthening the capacity of local stakeholders and organizations to identify and analyze policy constraints, and by implementing corrective measures, such as forest management concessions; and, 3) More responsive institutions and increased local participation in decision-making related to natural resource management through the promotion of greater private, municipal, and community participation in the administration of parks and forest reserves.

Performance and Prospects: Overall performance in 2000 met expectations. Community-based forestry management activities were implemented on 392,056 hectares, generating $500,000 in revenue and 22,000 labor/days benefiting 5,000 people. Export of timber to international markets reached 69% of production. Guatemala ranks number one in the world with the largest number of hectares (100,026) of community-based forest being certified under the certification/green seal process. Eight cooperatives situated in the buffer zone around the Sierra Lacandon National Park were administratively and financially strengthened leading to the creation of an Agroforestry Association to improve marketing, pricing, and export of certified timber products. This association has had a positive impact to improve the livelihoods of their members; the production of new nontimber products under forest cover is helping diversify community income from nonwood products. Based on these gains, illegal activities within Lacandon National Park have been reduced.

USAID assisted the Government of Guatemala (GOG) in its efforts to create a new Ministry of Environment and Natural Resources, established in January 2001. The elevation of the principal GOG environment counterparts to ministerial level will garner support at the highest levels of the GOG to address environmental issues such as the lack of a unified petroleum policy, insufficient funding for parks and forest management, and resolution of land conflicts. On the policy front, the process of

preparing a fire prevention and control strategy for the Peten sparked the development of a national fire strategy that was approved by the President. The Peten fire strategy and 2001 operating plan were developed with USAID assistance and discussed in open forums with all stakeholders, then approved by the Governor of Peten. This first-ever fire strategy identifies human and financial resources, roles, and responsibilities to effectively coordinate government response to combat fires. Guatemala is in a better position, both regionally and nationally, to improve its current fire fighting efforts. The area affected by fires in the MBR was reduced substantially this year, as community groups worked together on common enforcement strategies providing comprehensive coverage. Two co-administration agreements were implemented with local environmental NGOs to assist the National Council for Protected Areas (CONAP) with management of Laguna del Tigre and Sierra Lacandon National Parks-- potential models to assist financially strapped governments to manage protected areas. With support from USAID and local partners, a voluntary program relocated 46 families outside the Sierra Lacandon National Park; no new human settlements were detected in 2000 in this Park.

Based on the MBR assessment findings and recommendations, program interventions in 2001 will focuse on: a) Community-based forestry concessions to improve management and marketing of timber and non-forestry products; b) Specific activities in the Sierra Lacandon and Laguna del Tigre National Parks for conservation of biodiversity identified as important for the Mesoamerica corridor; c) Institutional strengthening of selected environmental non-governmental organizations (NGOs) that will implement program activities; and d) Improved environmental policies for co-administration of protected areas, human settlement, fire prevention/control, and others as identified by the Ministry of Environment. The program will continue to work in the MBR and slowly expand into two new areas of the country rich in biological diversity--the volcanoes of Atitlan and the Sierra de las Minas landscape.

In FY 2001, $3,930,000 in DA funds will be used for the following activities: 1) to promote and develop forestry concessions, sustainable agricultural practices, and environmentally-friendly products ($850,000); 2) Policy reform and implementation ($600,000); 3) Protected areas management and institutional strengthening ($1,600,000); 4) Program extension to geographic areas outside of the MBR ($430,000); 5) Environmental awareness, management, and other sector activities ($450,000).

In FY2002, DA funds totaling $3,710,000 will be used to promote and develop forestry concessions ($550,000); support environmental policy reforms ($600,000); strengthen protected areas and their improved management through institutional strengthening ($1,190,000); extension of the program to geographic areas outside of the MBR ($910,000); and environmental awareness and program management activities ($460,000).

Possible Adjustments to Plans: None.

Other Donor Programs: USAID has coordinated and collaborated with many other donors working in the area, such as: the European Union, German Technical Cooperation, Inter-American Development Bank, Canadian Center for Studies and International Cooperation (CECI), World Bank, Global Environmental Fund (GEF), Government of Japan, MacArthur Foundation, and U.S. agencies (Fish and Wildlife Service and Forest Service). Implementing partners contribute significant matching funds toward program costs. USAID is assisting the new Ministry of Environment and Natural Resources to create an international donor forum on environment to help the Minister forge strategic alliances and to improve donor coordination.

Principal Contractors, Grantees or Agencies include: U.S. implementing organizations include: the Department of the Interior, CARE International, Conservation International, the Nature Conservancy, Rodale, Chemonics International Inc., and International Resources Group. Guatemalan implementing organizations include the Government of Guatemala's National Council for Protected Areas (CONAP), and local NGO partners (Centro Maya, Defensores de la Naturaleza, Kanan Caax, and Naturaleza para

la Vida). The Center for Tropical Agriculture Investigations and Studies (CATIE) is a regional institution. New or additional partners may also be selected to implement activities now under design.

FY 2002 Performance Table

Guatemala: 520-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: People adopt more sustainable practices	48	36*	51	56	56	58	63
Indicator 2: Total area under formal concessions and contracts for sustainable management	87,220	99,440	255,000	392,056***	495,000**	569,000**	NA
Indicator 3: Sustainable productive enterprises established in communities	6	20	23	32	30	NA	NA
Indicator 4: Hectares (millions) officially protected	1.95	2.11	2.15	2.16	2.16	2.17	NA
Indicator 5: Area of natural habitat (primarily forest) saved from conversion to other uses (primarily agriculture) in comparison to historic trends (1970 - 1990) and projections (1991-2010)	600,000	NA	700,000	700,000	NA	NA	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Percent of total population in target areas	Annual inventories by implementers with USAID verification	Percent of total population in target areas that has benefited from the adoption of more sustainable income generating practices promoted by the programs under the S.O. Due to the fact that target or 1999 was exceeded, new targets for 2000 - 2002 were established: 2000 = 495,000 has (up from 150,000 has.); 2001 = 569,000 (up from 200,000 has.)
Indicator 2:	IR	Cumulative area in hectares	Official CONAP contracts	Area within the MBR under concessions and contracts with local community groups that have approved forest management plans designed to assure sustainable levels of productivity without deforestation. ** Over 108,600 additional hectares have been assigned to communities, pending only the signing of the respective contracts. With the signature on the contracts, the total increases to 500,600 hectares against the planned 495,000
Indicator 3:	IR	Number of productive enterprises	Annual inventories by implementers with USAID verification	Number of productive enterprises established in communities
Indicator 4:	IR	Hectares officially protected	Official CONAP records	Number of hectares (millions) designated as protected areas.
Indicator 5:	S	Hectares conserved compared to trend data	Biennial analysis of satellite imagery. Historic trend, projections to year 2010, and 1993 actual data are derived from GOG-SEGEPLAN reports. Other data are from NASA/CI/UMaine research and Mission analyses.	Number of hectares of natural habitat that have been saved from conversion to other uses in the Peten.

	U.S. Financing (In thousands of dollars)		
Program: Guatemala			
Title and Number: Improved Natural Resources Management and Conservation of Biodiversity 520-005			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	12,634 DA	7,094 DA	5,540 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,080 DA	3,252 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	15,714 DA	10,346 DA	5,368 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	3,930 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**3,930 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**3,710 DA**	4,000 DA	27,354 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: Support the Implementation of the Priority Peace Accords, 520-006
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $13,951,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $10,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Guatemala suffered more than 36 years of internal conflict, which formally ended with the signing of the final Peace Accords at the end of 1996. Four years later, despite some progress, many Peace Accord commitments remain unfulfilled. The primary goal of the objective is to provide direct support to the implementation of the Peace Accords signed in December 1996. Over the past four years, the objective has provided support to the Government of Guatemala (GOG), and private nongovernmental and public international organizations to assist in meeting the more than 400 commitments of the Accords. These call for fundamental reforms to the structure of the government, the justice system, tax policy, and social services delivery systems. A lasting peace and more stable democracy benefit the entire population of Guatemala, but especially the indigenous who have been historically excluded from political, economic and social development.

Key Results: USAID's special objective focuses on four critical areas to support the peace process: (1) national reconciliation process advanced through follow-up of the Historical Clarification Commission (HCC); (2) capacity of indigenous communities developed for broader participation in economic, social, and political arenas; (3) Access to factors of production in ex-conflictive areas broadened; and (4) key state institutions and policies reformed to sustain the peace process.

Performance and Prospects: Results in FY 2000 fell short of expectations. While progress has been made on over two-thirds of the Accord commitments, many of the most difficult structural reforms such as demobilization of the Estado Mayor Presidencial remain. Continued USG support over the extended strategy period for the objective will be needed to achieve key remaining commitments. On becoming President, Portillo committed to fulfilling all 119 pending Peace Accord commitments during his tenure, and appointed many strong Peace Accord and human rights advocates to his cabinet and key advisory positions. He also promised follow through on recommendations of the HCC and broad participation of civil society in discussions of fiscal and governance issues. Business, civil society, and government representatives reached agreement in May on principles and commitments to implement a fiscal pact. However, the Executive Branch's resolve to put forth a sound fiscal reform program based on these principles wavered when opposition arose in Congress to a needed increase in the value added tax. The consensus achieved soon unraveled, and the opportunity to effect fiscal reform and bolster 2001 revenues was lost. As a result, the administration failed to meet seminal Peace Accord targets for increased revenue collection and its corollary, social investment. The recent exposure of numerous acts of corruption and financial mismanagement by GOG authorities, coupled with rising crime rates, has seriously diminished citizen confidence in the Peace Accords and key democratic institutions.

While these events threaten the sustainability of the Peace process, there was progress on key Peace Accord commitments, resulting in part from USAID support. The Education and Health Ministries pushed ahead on mandated service expansion, increasing access to bilingual education and rural health services to marginalized, indigenous populations. The Land Fund (FONTIERRA) and the Land Conflict Resolution Commission (CONTIERRA) increased their outreach, helping to resolve dozens of land conflicts and issue an unprecedented number of titles to small landholders. These programs and direct USAID assistance (ranging from university scholarships and literacy to community infrastructure, exhumations, and mental health services), have begun to lay the foundation for increased participation by indigenous peoples in Guatemala's development.

In line with recommendations of the HCC report, during FY 2000, USAID continued to directly assist victims of human rights violations, supporting exhumations in 16 communities. More than 18,000 persons in 158 communities in Chimaltenango and El Quiche have benefited from related mental health services, and from educational scholarships and community level infrastructure projects. Another 8,369 families in 49 of the most conflictive areas benefited from infrastructure projects, requiring communities to overcome internal conflict and work together toward common goals. In March 2000, our final demobilization activity was concluded, assisting 386 demobilized members of the Unidad Revolucionaria Nacional Guatemalteca (URNG) to undertake productive activities. USAID's aid to war victims through demonstration projects, served as a model for the GOG to initiate limited government reparations and assistance to victims in 2001.

USAID continued its professionalization of educational promoters and in-service training of bilingual teacher. In 2000, 72 promoters and 156 teachers in Quiche Department completed training; another 237 promoters will complete their studies in 2001. During FY 2000, 150 indigenous scholarship recipients received university degrees, bringing the total number of university graduates to 240. Another 1,047 persons (49% women) continue in university degree programs, in many newly established rural campus programs. Permanent scholarship funds were also established at two other universities. USAID-supported literacy activities, however, fell short of targets because of drastic cuts in GOG support for USAID's key partner, the National Committee for Literacy; higher than expected costs; and drop out rates in USAID-financed nongovernment organization literacy programs.

Expanded GOG and USAID financial support for FONTIERRA and CONTIERRA led to the resolution of 89 conflicts in 2000, including several long-standing conflicts over land purchased to resettle displaced and returning populations. The pace of land titling has been accelerated (5,949 titles issued to date), with titles increasingly issued in the names of both husband and wife -- a significant legal reform for women's rights. Secure land ownership, while essential, cannot alone assure that small landholders increase incomes. USAID's partnership with the Nontraditional Exporters Guild (AGEXPRONT) is helping to promote private investment in rural areas through investment studies and establishing electronic business centers; in 2000, $900,000 in new investments were made.

USAID also funded a unique public-private initiative to develop specific proposals to reform national State security and intelligence functions, and supported efforts of the Secretariat for Peace to increase dialogue among civil society and governmental actors on unmet Accord mandates related to indigenous and women's rights. Overall, public interest in the peace process waned in 2000, as memories of the war faded, and the economy, crime and governance issues assumed center stage as principal concerns of Guatemalans. Changes in the Peace Monitoring Commission and other issues have left the Peace Process without a strong champion. Against this backdrop, we expect performance to be mixed in 2001. Strong performance should continue on key fronts such as land titling, justice reform, improving indigenous participation and expanding social services in indigenous areas, and weaker performance in areas such as increased revenue collection and the legal reform agenda. Continued donor assistance focussed on the strong performing areas, on key windows of opportunity, and on forestalling efforts to roll back key reforms, will be important to sustain the Peace Process.

USAID plans to obligate $13,951,000 in ESF funds in FY 2001, which will support activities to: promote justice reform and improved prosecution, including expansion of justice centers and implementation of a reformed criminal procedures code ($2,000,000); improve economic and fiscal policies, including activities to enhance transparency and accountability in the budget and expenditure process ($2,600,000); promote human rights, reconciliation and conflict prevention, including HCC follow-up and military reform ($3,000,000); support access to land and secure title for rural families, including ex-combatants, and productivity-enhancing infrastructure investments ($4,300,000); and promote literacy, indigenous leadership and participation, including continuation of the EDUMAYA scholarship program ($2,050,000).

In FY 2002, if funded at the $10 million control level in ESF, USAID will finance activities to: support justice reform, improved prosecution, and implementation of a reformed criminal procedures code ($2,000,000); improve economic and fiscal policies and reduce corruption ($2,100,000); promote human rights and reconciliation, including HCC follow-up and military reform ($2,200,000); support access to land and secure title, and productivity-enhancing infrastructure investments ($2,800,000); and promote educational reform and indigenous leadership and participation ($900,000).

Possible Adjustments to Plans: The absence of an adequate fiscal reform program combined with declining investor confidence and economic slow-down will force the GOG to make tough choices to meet social spending targets and address problems of crime and citizen security. The objective will renew its efforts in support of improved fiscal and economic policies with the Ministry of Finance, as well as to support efforts to improve the efficiency of public sector spending. In the near term, the budget pressures felt by ministries will continue to grow. Against this backdrop, the assistance of foreign experts to aid in complex reform processes (such as human rights, justice, intelligence/security reform, settlement of land conflicts, and land access) will continue to be crucial. United States Government support in FYs 2001-2003 will be on these few key areas, although at a reduced level of funding due to significant reduction in ESF. Other activities previously supported with ESF will be phased out.

Other Donor Programs: The GOG's estimate of the subscribed contributions of donors for the Peace Accord commitments through 2000 is approximately $2.2 billion. The Inter-American Development Bank (IDB), the World Bank, the European Union, Japan, Spain, and the Nordic countries pledged just over $1.6 billion toward the process. These funds are supporting infrastructure projects, the establishment of a new civilian police force, justice sector reform, strengthening of civil society organizations, and direct assistance to war-affected communities. A donor dialogue group has been formed to engage the President and cabinet in frank discussions to implement Peace commitments and key reforms.

Principal Contractors, Grantees or Agencies: USAID's program supports reform and service delivery programs being carried out by Guatemalan NGOs, two branches of the Government, the Land Fund (FONTIERRA), and Guatemalan universities and private foundations. Other implementing partners include the United Nations Development Program, U.S. NGOs (e.g., CARE, Conservation International and the Cooperative Housing Foundation), the Canadian Center for Studies and International Cooperation, and the University of Texas.

FY 2002 Performance Table

Guatemala: 520-006

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Tax revenues increased	8.6	9.5	9.5	9.7 (est.)	11.4	11.7	12
Indicator 2: Cummulative number of recommendations from Peace Commissions supported *	0	4	5	8	6-12	NA	NA
Indicator 3: Cummulative number of individual land titles issued	0	1,436	3,300	5,949	NA	8,000	10,000
Indicator 4: Social sector investments increase *	2.7	3.28	3.48	3.53 (est.)	3.78	NA	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Tax revenue as a percent of GDP	Ministry of Public Finance and Bank o Guatemala.	Tax revenue, defined as central government revenue accruing from tax collections (including special taxes but excluding capital revenue), as percent of GDP. * The Peace Accords were signed 12/96.
Indicator 2*:	IR	Cumulative number of recommendations from priority Peace Commissions implemented.	Secretaría de la Paz (SEPAZ)	Priority commissions are: Peace Accords Monitoring, Officialization of Languages, Education Reform, Justice Sector Reform, Land Commission, Historical Clarification Commission Land Related Rights for Indigenous People and CONTIERRA. Notes * Indicator will be discontinued in FY 2001.
Indicator 3:	IR	Number of Land titles	Land Fund/MAGA	Land titles are issued to individuals (in the name of both the male and female heads of households), although the individual may be part of an incorporated group or cooperative.
Indicator 4*:	S	Social sector investment as % of GDP	Ministry of Public Finance (National Budget (Presupuesto de Ingresos y Egresos del Estado), MINUGUA, Ministry of Health, and Ministry of Education.	Social sector investments are defined as government expenditures in education and health. Figures are based on actual '95 expenditures as baseline. * Indicator will be discontinued in FY 2001.

U.S. Financing (In thousands of dollars)			
Program: Guatemala			
Title and Number: Support the Implementation of the Priorty Peace Accords (520-006)			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	75,011 ESF	42,412 ESF	32,599 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	20,000 ESF	18,427 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	95,011 ESF	60,839 ESF	34,172 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	13,951 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	13,951 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	10,000 ESF	10,000 ESF	128,962 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE: Rural Economy Recovers from Mitch and is Less Vulnerable to Disasters, 520-007
PLANNED FY 2001 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: none
STATUS: continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: Hurricane Mitch was one of the most destructive storms to affect Central America. Torrential rainfall over an already rain soaked isthmus caused devastating floods and mudslides. In Guatemala, nearly 400 people were killed or reported missing, 105,000 were evacuated, and 750,000 were affected. Property damage exceeded $66.6 million including damages to over 21,000 homes and to 121 bridges. Economic activity in 1999 dropped by one percent as a result of the storm. Especially affected were small farmers and communities in the five departments of Alta Verapaz, Izabal, Zacapa, Chiquimula and northern Quiche. In these departments small farmer productive capacity suffered setbacks as a result of destroyed small-scale irrigation systems, landslides, destruction of farm to market roads, and direct loss of crops such as corn, coffee and cardamom, and animals due to the floods.

The rehabilitation of rural areas affected by Hurricane Mitch is the main focus of the Mitch Objective. U.S. grant assistance under the objective is helping Guatemala's rural economy recover from the devastation brought on by the hurricane. This targeted two-year assistance effort is strengthening national and community level disaster preparedness, helping recover sustainable agricultural productivity, and improving disease prevention and control programs. Activities are concentrated in and around three river valleys: the Motagua, Polochic and Chixoy. Beneficiaries include communities, small farmers, and microentrepreneurs most directly affected by Hurricane Mitch. All Guatemalans will benefit from improved national, municipal, and community emergency disaster plans.

Key Results: (1) Disaster preparedness enhanced through risk mapping and data collection, strengthened community organizations, and a strengthened network of the National Disaster Coordinating Committee (CONRED); (2) Agricultural productivity recovered on more sustainable basis through rehabilitation of small irrigation systems, improved watershed management, seed recovery and multiplication, microenterprise recovery, and rural road repair; and (3) Community disease prevention and control systems strengthened through enhanced malaria and disease prevention and control programs, and construction of water and sanitation programs accompanied by health education activities.

Performance and Prospects: The objective is exceeding anticipated results in disaster preparedness and recovered agricultural productivity, and meeting expectations in community disease prevention. In the area of enhanced disaster preparedness, CARE and Catholic Relief Services (CRS) have successfully formed effective community and municipal level disaster committees. The targeted total of 130 units planned has been met and work is on track to exceed this number by as much as 25%. Working to recover agricultural productivity on a more sustainable basis, USAID's partners (the U.S. Army Corps of Engineers (USACE), the National Coffee Association (ANACAFE), and CRS) have more than quadrupled the combined target for assisting small farmers to rehabilitate their lands. The Fixed Amount Reimbursable (FAR) mechanism for payment of construction projects has also worked exceedingly well. Under the supervision of USACE and the Ministry of Agriculture, the construction of seven USACE project designs were started during the year in the Motagua valley, and three have been completed to date. Other partners have also been performing well. ANACAFE has already met its objective targets for coffee plantation and processing plant rehabilitation, and Catholic Relief Services' (CRS) watershed rehabilitation targets are on track or ahead of schedule.

After experiencing some initial delays, activities to strengthen community disease prevention and control systems are meeting expectations.

With only ten months of planned assistance remaining under the two-year Mitch program in Guatemala, full success in meeting impact targets is anticipated. Spending toward the two-year program has reached 75% of that planned. USG agencies, including the National Oceanic and Atmospheric Administration (NOAA), the United States Geologic Survey (USGS), and the Federal Emergency Agency (FEMA), along with NGOs CARE and CRS, are providing technical assistance, training and equipment to strengthen disaster preparedness and mitigation capabilities of communities as well as national level institutions. FEMA and the Office of Foreign Disaster Assistance (OFDA) have been cooperating to improve the internal operations and management of the National Coordinator for the Reduction of Disasters (CONRED). OFDA, through its normal disaster assistance budget, is implementing a project to restructure the management of CONRED's Emergency Operations Center. Further institutionalizing this capacity, FEMA is assisting CONRED to finalize the regulations to the 1996 law that created this national body by providing a model for CONRED's functional areas of responsibility based on the U.S. Federal Response Plan, and by providing technical assistance to help complete the physical layout and equipment needs for the Emergency Operations Center. CARE and CRS are conducting community-level capacity building to enable communities to plan for and respond to future disasters through local volunteer committees.

Small farmers in the areas severely affected by Hurricane Mitch are being helped to recover lost agricultural production capacity, at the same time making production more sustainable and resistant to future climatic events. Activities encompass river channel modification and/or protection infrastructure, rehabilitation of small irrigation systems, land stabilization activities, rehabilitation of farm-to-market roads, and improved natural resource management, including reforestation in the upper watershed areas of the Polochic and Motagua rivers. The USDA Forestry Service under its Inter-Agency Agreement advanced forest fire management and watershed restoration efforts, supporting hydrological data collection related to watershed management on the south side of the degraded Sierra de Las Minas mountain range.

Community disease prevention activities under the objective have supported the distribution of insecticide-treated bed nets in high risk malaria villages; improved malaria case detection and treatment by laboratory workers; and improved epidemiological surveillance. In order to reduce the prevalence of diarrheal diseases in children under five years of age, CARE and CRS are making available community water systems and latrines, distributing water receptacles with chlorine disinfectant, and promoting adequate hygiene practices. A plan for a "National Offensive for the Prevention and Control of Dengue" was prepared in cooperation with the Ministry of Health. Adoption of the plan will take place in early 2001.

Possible Adjustments to Plans: None anticipated.

Other Donor Programs: International donors pledged approximately $182 million to support Hurricane Mitch relief and reconstruction efforts. Major donors include Inter-American Development Bank ($61 million), Spain ($29 million), the World Bank ($13.5 million), the European Union, and the United Nations. At a dialogue level, donor coordination has been effective and the GOG encourages donors to meet together to discuss actions related to the national reconstruction plan as projected in the Stockholm Consultative Group Meeting in 1999. There is interest among expanded team partners for exchanging information, which was one of the common strong points of USAID's United States Government Agency and Partners meeting held in Guatemala City in January and September 2000. There is similar interest among partners to share information and to work with other donors.

Principal Contractors, Grantees or Agencies: United States Government agencies and U.S. PVOs involved in the direct implementation include: the United States Army Corps of Engineers, the United States Geological Survey, the National Oceanic and Atmospheric Administration, the United

States Department of Agriculture, the Centers for Disease Control and Prevention, CARE, the Self-Help Resource Exchange, Catholic Relief Services, and the Cooperative Housing Foundation. Guatemalan grantees include the Ministry of Agriculture, the National Coffee Association (ANACAFE), Del Valle University, Defensores de la Naturaleza, and Fundacion Solar.

FY 2002 Performance Table

Guatemala: 520-007

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Local prevention and control programs strengthened	NA	NA	0	50	50	75	NA
Indicator 2: Polochic watershed management	NA	NA	0	428	450	952	NA
Indicator 3: CONRED network strengthened - municipal emergency action plans	NA	NA	0	5	3	5	NA
Indicator 4: River, Land and Small Scale Irrigation System Rehabiliation	NA	NA	0	22,221	3,000	22,327	NA
Indicator 5: CONRED network strengthened - community-level emergency action plans	NA	NA	0	74	75	125	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percent of households in target communities that use impregnated bednets	CDC reports	Of houses visited and recruited by the project into the bednet activity, the percentage of them that consistently use the bednets as instructed by CDC.
Indicator 2:	IR	Number of hectares of land reforested	PVO/NGO reports	This indicator reports the number of hectares of land reforested by CARE, SHARE and Defensores de la Naturaleza (DFN) in the Polochic Valley.
Indicator 3:	IR	The number of organizational emergency action plans completed	PVO reports	This indicator reports the number of municipal/community-level emergency action plans developed as a result of the interventions of CARE and CRS working in collaboration with CONRED. A total of 5 municipal/125 local community actions plans are expected to be achieved.
Indicator 4:	IR	Number of small farmers rehabilitate their land	PVO/NGO/PASAreports	This indicator reports the number of farmers who rehabilitate their land through USACE, ANACAE & CRS activities.
Indicator 5:	IR	The number of organizational emergency action plans completed	PVO Reports	This indicator reports the number of municipal/community-level emergency action plans developed as a result of the interventions of CARE and CRS working in collaboration with CONRED. A total of 5 municipal/125 local community actions plans are expected to be achieved.

U.S. Financing (In thousands of dollars)			
Program: Guatemala			
Title and Number: Rural Economy Recovers from Mitch and is Less Vulnerable to Disasters 520-007			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	3,000 CSD	2 CSD	2,998 CSD
	0 ESF	0 ESF	0 ESF
	25,000 CACEDRF	93 CACEDRF	24,907 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	1,023 CSD	
	0 ESF	0 ESF	
	500 CACEDRF	11,186 CACEDRF	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	3,000 CSD	1,025 CSD	1,975 CSD
	0 ESF	0 ESF	0 ESF
	25,500 CACEDRF	11,279 CACEDRF	14,221 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	3,000 CSD
	0 ESF	0 ESF	0 ESF
	0 CACEDRF	0 CACEDRF	25,500 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

GUYANA

Program Summary (In Thousands of Dollars)				
Category	**FY 1999 Actual**	**FY 2000 Actual**	**FY 2001 Estimated**	**FY 2002 Request**
Development Assistance	2,300	3,200	3,800	3,200
Child Survival & Disease Fund	0	200	798	1,000
CACEDRF	0	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	0	0	0	0
P.L. 480 Title II	584	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**2,884**	**3,400**	**4,598**	**4,200**

Mission Director, Carol Becker

GUYANA

Introduction

Between 1992 and 1997, Guyana's first freely and fairly elected post-Independence government made significant progress in macroeconomic and democracy building activities. However, the contentiousness surrounding the country's 1997 election, and the inter-ethnic tensions raised by the three-year legal challenge to overturn the results, slowed the pace of economic growth and democratic reform.

Guyana ranks as the third poorest country in the Latin American and Caribbean region, and has qualified for debt relief of US$329 million (in Net Present Value (NPV) terms) under the Enhanced Heavily Indebted Poor Country (HIPC) initiative. Despite such debt relief, however, the virtual absence of new investment and the continued reliance upon traditional agricultural exports (sugar and rice) have resulted in a pattern of negative growth for two of the past three years.

The recently concluded national election confirmed the 1997 results, returning the People's Progressive Party/Civic (PPP/C) to office for its third consecutive term. Unfortunately, the election campaign tended to exacerbate ethnic tension rather than seek to forge new inter-ethnic alliances, and as in 1997, votes were cast primarily along racial lines. To a large extent, the latent political uncertainties that characterized most of 2000, causing investors to adopt a cautious wait-and-see approach, have remained. While both parties have recently issued conciliatory statements that are cause for some level of optimism, there remain core elements in both groups whose orientation is steadfastly partisan and uncompromising.

In the wake of the economic downturn and enhanced ethnic tension, Guyanese continue to seek avenues of escape, to neighboring countries or to the United States. While out-migration has had obvious consequences on the ever-dwindling pool of skilled labor, the emergence of HIV/AIDS presents an even greater threat. In 1999, Guyana's HIV prevalence rate was estimated at 3-5%, the second highest in the Latin American Caribbean region after Haiti. However, in the absence of a reliable surveillance and detection system, it is believed that the actual rate is much higher.

In response to these problems, USAID's modest resources have been targeted at three critical areas of US national interest: fostering economic growth in a transitional economy, adherence to democratic principles and human rights, and arresting the HIV/AIDS epidemic. Recognizing that Guyana is part of the U.S. "third border," the country's advances in these areas will result in greater internal and regional stability, thus fostering progress toward the Free Trade Area of the Americas (FTAA) and helping to counter the growing narcotics transshipment problem.

The Development Challenge

Although Guyana is a small country with a population of only 780,000, it faces sizeable problems in terms of poverty, racial insecurity, continuing out-migration of skilled labor, border disputes and over-reliance upon exportation of primary products. Nevertheless, the country has tremendous potential. There are abundant natural resources, climatic conditions allowing for agricultural diversification, an English-speaking labor force with a competitive wage structure, and the virtual absence of natural disasters. Inasmuch as Guyana's problems are mostly man-made, there would appear to be ample opportunity to resolve these problems by means of traditional development interventions.

For example, recognizing that Guyana's two major agricultural exports, sugar and rice, depend upon preferential prices from the European Union (EU) and are expected to be severely affected by the EU's "Everything but Arms" proposal, the country needs to diversify its economy as quickly as

possible. The Government will need to encourage the expansion of value added industries in agriculture, mining and forestry related products, where it has some competitive advantage. Although there can be no short-term substitute for agricultural employment, the probability of job loss in the sugar and rice industry makes it imperative that Guyana create an investment climate which attracts capital, draws upon relevant technology, creates new jobs, and opens access to new markets. While the country needs to provide an investor friendly environment by enacting the draft investment code and removing the unnecessarily bureaucratic measures that deter investors, it must, once and for all, set about resolving its political problems.

Unfortunately, the recently concluded election did not go very far in providing a basis for building upon and further solidifying the country's transition to democracy. On the contrary, the campaign's heated rhetoric often served to underscore and reinforce the fundamental conflict latent in Guyanese society. The immediate challenge, therefore, is for the newly elected Parliament to act swiftly to enact outstanding constitutional reforms aimed at resolving deep-seated inter-ethnic conflict, and then embrace these in a constructive and operational manner. Unless substantial progress can be achieved in building broad-based public confidence in governmental institutions, and engendering a climate in which political dialogue can take place without intimidation or provocation, the prospects for advancing beyond the current divisive politics of race are uncertain.

At the same time, the remorseless spread of the HIV/AIDS epidemic in Guyana poses a challenge to the limited human and financial resources of the health care system and indigenous NGO capacity. An infusion of donor funding, technical assistance, and coordination to assist in implementing prevention, care, and support strategies to arrest the disease, will be essential to ensure that Guyana's future development investments, particularly those directed toward its youth, are sustained.

Other donors

Donor assistance to Guyana amounts to approximately $200 million annually. In FY 2000, the U.S. was once again the largest bilateral donor with combined disbursements of USAID assistance, Section 416 (b) and P.L. 480 Title I (Food for Progress program). The Inter-American Development Bank, IMF, and World Bank provide macroeconomic assistance focusing on balance of payments support and public sector investments. Local currency generated by USDA's commodity import program leverages the funding of multilateral banks by assisting the GOG to meet counterpart funding requirements. Bilateral donors are supportive of the multilateral banks' policy agenda and provide sector assistance in health, education, water, microenterprise, private sector, and environment, complementing multilateral programs. Bilateral donors are also increasingly funding private sector and NGO activities and jointly funding efforts such as elections and constitutional reform. While the UN system provides modest assistance for HIV/AIDS activities, USAID was the only bilateral donor with a Guyana-specific program in FY 2000. However, the European Union and Canadian International Development Agency both plan to fund Guyana-specific HIV/AIDS activities in FY 2002.

The 2002 Program

Under the Economic Growth strategic objective, USAID intends to build upon its previous activities, deepening the results previously achieved. Joint government/business participation allows for inclusiveness of all stakeholders, promotes collaboration on economic issues and increases awareness of each groups' problems and constraints. Such collaboration has already resulted in the completion of a draft investment code, Small Business Act, and investor roadmap. Building on these successes, USAID will focus on deepening organizational and advocacy capacity of private sector organizations, enhancing compliance with FTAA/WTO obligations, continuing to expand microcredit loans, and strengthening the government's ability to facilitate trade and attract investment. USAID will also be working with other donors and the government to ensure that the

Poverty Reduction Strategy is a highly participatory exercise, reflecting a sound approach to poverty alleviation. USAID will continue to maintain a flexible approach allowing it to adapt to changing post-election constraints and opportunities.

In the Democracy strategic objective, USAID will concentrate its efforts upon increasing citizen participation in Guyana's public policy-making processes. The ruling party has professed its desire to increase civil society's involvement in policy-making, and USAID will assist this effort through the institutionalization of Parliamentary Committee public hearings. The program will also assist the GOG in its efforts to decentralize public decision-making by revitalizing the long dormant elements of local governance. In this regard, the Local Government Act and the Municipal and District Council Act will need to be revised to devolve authority to the grassroots level. The program will build upon its recent elections support experience by strengthening the now permanent Guyana Elections Commission (GECOM) Secretariat to plan and conduct timely, efficient elections.

While USAID's democracy activities aim to provide broad based assistance to enable Guyana to develop sound participatory democratic institutions, the achievement of some measure of success will require Guyana's political leaders to demonstrate their political will to move forward together on needed, but sometimes unpopular, reform measures. The major political parties will need to initiate constructive engagement to set up mechanisms that allow all racial groups to feel they are stakeholders in the nation's political system. They will also need to become more open and responsive to the viewpoints of their party members, upon whom they rely for support.

USAID's HIV/AIDS special objective will focus on expanding the Youth Program, initiated in FY 2000, to further develop the capacity of participating NGOs to work collaboratively in planning and implementing high profile and focused youth HIV/AIDS prevention activities. The program will continue to energize these NGOs by providing a framework for action and a means of measuring results. In response to the epidemic, the program will enlist additional NGO partners and expand geographically into high-prevalence mining and logging areas. The program will develop a cadre of peer educators to ensure that increasing numbers of young people have appropriate HIV/AIDS information and access to skilled lay counselors. USAID will also strengthen the GOG's capacity in condom forecasting, logistics, and distribution to ensure availability and access to condoms for HIV/AIDS prevention. Additionally, USAID will promote youth friendly HIV/AIDS/STI services.

GUYANA
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
504-001 Expanded Economic Opportunities for the Urban and Rural Poor				
- DA	1,140	1,400	2,000	1,600
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
504-003 Improved HIV/AIDS Awareness, Knowledge and Applied Prevention Strategies				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	200	798	1,000
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
504-004 More Responsive and Participatory Governance and Rule of Law				
- DA	1,160	1,800	1,800	1,600
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
Totals				
- DA	2,300	3,200	3,800	3,200
- DFA	0	0	0	0
- CSD	0	200	798	1,000
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0

ACTIVITY DATA SHEET

PROGRAM: Guyana
TITLE AND NUMBER: Expanded Economic Opportunities for the Urban and Rural Poor, 504-001
PLANNED FY2001 OBLIGATIONS AND ACCOUNT: $2,000,000 (DA)
PLANNED FY2002 OBLIGATIONS AND ACCOUNT: $1,600,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The purpose of this strategic objective (SO) is to continue to strengthen the business environment to bring about more equitable growth. Implementation of strategic objective activities will lead to improved dialogue and a more participatory approach among the major stakeholders as they work together to improve the private investment climate and remove the legal and regulatory barriers to investment. The SO recognizes that both the public and private sectors have critical roles to play if Guyana is to achieve economic growth with equity. There will be increased job opportunities as investment grows, and the microenterprise sector is encouraged and supported by incentives and the elimination of bureaucratic impediments. The underlying premise is that a streamlined and transparent regulatory and policy environment coupled with a strengthened and more dynamic private sector will lead to increased private investment, foreign and local, and greater economic opportunities for all Guyanese.

Key Results: Four key intermediate results are necessary to achieve this objective: (1) increased capacity to implement economic policy for more equitable growth; (2) an improved climate for private investment; (3) strengthened capacity of the private sector to influence public policy; and (4) increased services available to support small and microenterprises.

Performance and Prospects: The year leading up to the March 19, 2001 election was characterized by continued economic stagnation and increased ethnic polarization. In response to these conditions, USAID's economic growth activities focused on laying the groundwork for future investment, strengthening the strategic and advocacy capacity of private sector organizations and the leading microcredit institution, and advancing the participatory dialogue between the government and the private sector. Significant progress was made in implementing these activities.

USAID's assistance was instrumental in drafting an investment code aimed at clearly defining the rights and obligations of potential investors. A Small Business Act was also drafted which will increase the Government of Guyana's (GOG) focus on the problems and needs of small businesses, the largest component of Guyana's private sector. The recently completed "investor roadmap" will lay the groundwork for the removal of bureaucratic requirements and facilitate new investments. The investment code, Small Business Act, and the investor roadmap were developed through a series of public consultations with the full participation of the GOG, the private sector, including regional Chambers of Commerce, and other key stakeholders. These efforts are also fostering democracy objectives by increasing dialogue on policy issues and creating greater transparency between the GOG and the private sector.

USAID continued institutional strengthening activities with the Institute of Private Enterprise Development (IPED), Guyana's leading microcredit institution, bringing best practice standards to its loan structuring, pricing methodology, delinquency management, and cash flow analysis. Due to USAID's continued technical assistance to IPED, loans to microenterprises have increased from 2,500 in 1998 to 4,554 in 2000, with over 77% of these loans provided to women, most of whom are single heads of households.

USAID assisted in developing the first strategic plan for the Guyana National Bureau of Standards, a key institution for helping Guyana meet sanitary and phyto-sanitary requirements under the World

Trade Organization (WTO) and the Free Trade Area of the Americas (FTAA). USAID continued to promote a more dynamic investment strategy by conducting a study tour to two successful regional investment promotion agencies for officials of the private sector and the Guyana Office for Investment (GO-INVEST), the country's investment promotion agency, and by providing advocacy training for five regional chambers of commerce and three product-based private sector organizations.

In addition to the investment code and the concerns of the small business sector, policy issues addressed by USAID included Guyana's obligations under the WTO, competition policy, and reform of the consumption tax. USAID also provided advocacy training for eight private sector organizations based on a learn-by-doing model using issues of concern articulated by each local chamber. In FY 2000, USAID facilitated the creation of an association of the five regional Chambers of Commerce. In the Ministry of Finance, assistance was focused on developing a draft management information system which aims to improve both the quality and timeliness of project monitoring and reporting, and drafting a procedures manual for the Project Cycle Division. The purpose of the procedures manual is to facilitate the monitoring functions by clearly laying out the reporting, monitoring and operational procedures of GOG and donor-funded projects. USAID also provided assistance to the Ministry of Trade, Tourism and Industry (MTTI) and the Private Sector Commission. A seminar on competition policy was presented to members of the public and private sectors (attended by over 175 persons), and a training plan for the MTTI was developed to improve trade policy implementation and a trade data information system to improve trade policy analysis.

Guyana is one on the countries selected to participate in the Internet for Economic Development Initiative, and USAID is assisting the GOG to begin the process of developing an information technology strategy. Assistance is also being provided to the Private Sector Commission, the umbrella association for private sector organizations, to develop its website, and to GO-INVEST to improve its website to better promote exports and attract investment. USAID is continuing to work with other donors and the GOG in the preparation of its Poverty Reduction Strategy Paper, which is required to reach the completion point for debt relief under the Expanded Heavily Indebted Poor Countries program. USAID is also advocating for increased participation of the intended beneficiaries in the consultative process.

Helping Guyana improve the climate for private investment is a critical component of USAID's program. Both domestic and foreign investors have taken a wait-and-see attitude over the past several years before making new investments. The willingness to invest will depend in large part on the legal and regulatory environment necessary for investors to protect their economic interests. Thus, the enactment of the investment code within the next year will be critical to attracting investments, especially foreign investment. USAID will continue to assist the MTTI to improve trade policy and meet FTAA and WTO obligations and commitments. It is expected that GO-INVEST will be re-organized to become a one-stop investment and export promotion agency, and USAID will continue to provide the necessary technical assistance to ensure that the reorganization meets the needs of potential investors and exporters. The future expansion of a market-oriented economy and the enhancement of the environment for business and investment will depend on an effective, proactive advocacy for change on the part of the private sector, and by individual associations for specific productive sectors and regions. USAID will assist the public and private sectors to place key information from the investor roadmap on to several governmental internet sites, as well as conduct awareness seminars and internet training. USAID activities with private sector organizations will also focus on institutional strengthening and building their advocacy skills. Technical assistance to IPED will include study tours to successful regional microcredit institutions, and staff training to assist the institution to adopt generally accepted best practices in micro-finance.

Of the $2,000,000 in FY 2001 funds, $200,000 will be used to increase the capacity to implement economic policy for more equitable growth; $900,000 will be used to improve the climate for

private investment; $ 500,000 will be used to strengthen the capacity of the private sector to influence public policy; and $400,000 to increase services to support small and microenterprises. Of the $1,600,000 in FY 2002 funds, it is anticipated that $300,000 will be used to deepen organizational and advocacy capacity of private sector organizations; $360,000 to enhance FTAA/WTO compliance; $300,000 to expand microcredit loans; and $640,000 to strengthen the Government's ability to facilitate trade and investment.

Possible Adjustment to Plans: None at this time.

Other Donor Programs: The USAID program is implemented in coordination with the programs of the World Bank, International Monetary Fund and the Inter-American Development Bank (IDB) which provide the macro framework for economic and policy reform, especially for HIPC debt relief. Other key donors providing assistance in economic growth and reform include the European Union, Canada and the United Kingdom, each of which participates with USAID on a private sector donor working group. Their focus is private sector workforce training, budget reform and microenterprise development. USAID serves as a catalyst for the multi-donor funded support to strengthen the analytical capabilities of the Private Sector Commission which continues to play a critical role in the private sector/GOG economic dialogue, and an increasingly important role as brokers in the political arena.

The GOG's planned voluntary reduction of the civil service, supported by the World Bank and IMF, could result in over 2,000 persons becoming unemployed late in 2001 with a further 2,000 person reduction in the following year. Because of the lack of detailed information available on this reduction, it is difficult to predict the extent of negative effects on poverty reduction or to work with other donors to formulate plans to help ameliorate these effects. In the long-term, the IDB will take the lead on civil service reform.

Principal Contractors, Grantees or Agencies: USAID implements its activities through the U.S. contractors Chemonics International Inc., in association with Management Systems International.

FY 2002 Performance Table

Guyana: 504-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Improved application of commercial/investment regulations and policies.	NA	NA	NA	Step 1,2,3,4	Steps 1, 2, 3, 4	Step 5	Steps 6, 7
Indicator 2: Membership in local Chambers of Commerce and private sector associations	NA	NA	413	448	413	465	480
Indicator 3: Percentage of WTO obligations met	NA	NA	NA	NA	NA	NA	NA
Indicator 4: Total numbers of loans disbursed	NA	NA	3,879 (M) 837 (F) 3042	4554 (M) 1,047 (F) 3,507	4,600	4,400	5,600

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Scale. Steps taken toward the implementation of an investment code.	Institutional Contractor	(Stage I) Investment Code is in place. Steps: 1. Code is developed. 2. Draft Investment Code is Vetted. 3. Code is revised. 4. Code is Finalized. (Stage II) Investment code is implemented and enforced. Steps: 5. Applicable laws are revised (these will be defined). 6. Key Laws are Passed by Parliament (these laws must be defined). 7. Information regarding laws is disseminated (knowledge and awareness increased). 8. Laws are enforced (laws are generally applied through court cases or other mechanisms)
Indicator 2:	IR	Numbers of firms who are members of Local Chambers of Commerce and business associations	Institutional Contractor and Private Sector Organizations	This covers local chambers and business associations which are assisted by GEO. This does not cover the Private Sector Commission because the overall membership numbers will not provide an accurate picture of institutional strength.
Indicator 3:	IR	Percentage	Study by Institutional Contractor (Chemonics Inc.)	GEO is planning a study in which a consultant will prepare a matrix of policies which must be met to comply with WTO obligations. The study will provide current status (baseline) and appropriate targets for the next three years.
Indicator 4:	IR	Number	Institute of Private Enterprise Development	loans disbursed, disaggregated by gender.

U.S. Financing (In thousands of dollars)			
Guyana			
Title and Number: Expanded Economic Opportunities for the Urban and Rural Poor 504-001			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	1,915 DA	358 DA	1,557 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	1,399 DA	1,164 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	3,314 DA	1,522 DA	1,792 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	2,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	2,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	1,600 DA	336 DA	7,250 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Guyana
TITLE: Improved HIV/AIDS Awareness, Knowledge And Applied Prevention Strategies, 504-003
PLANNED FY 2001 OBLIGATIONS AND ACCOUNT: $798,000 (CSD)
PROPOSED FY 2002 OBLIGATIONS AND ACCOUNT: $1,000,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: With the second highest HIV prevalence rate in Latin American and the Caribbean, USAID's HIV/AIDS Special Objective seeks to increase Guyana's prevention efforts and slow the rate of new infections. While segments of the Guyanese population have a general awareness about HIV/AIDS and sexually transmitted infections, the seriousness of the problem, the accuracy of information about transmission, and the recognition of personal risk are low, particularly among youth. There does not appear to be a sense of urgency in tackling the increasing HIV/AIDS problem among most government and religious leaders due in part to the paucity of country-wide surveillance data on the extent of the problem and underreporting. Bilateral donors have also been slow to recognize the extent of the problem and its potential impact on Guyana's development prospects. With the nascent state of Guyana's NGOs, USAID's overall strategy is to develop and catalyze six NGOs to expand HIV/AIDS prevention activities targeted to youth in three of the largest urban areas. The initiation of this new collaborative process in which NGOs are working together, for the first time, using a common strategy and shared responsibilities for implementation of HIV/AIDS activities, has already resulted in increased NGO technical capacity and more extensive and effective outreach to targeted youth.

Key Results: Three key intermediate results are necessary to reach this objective: (1) strengthened NGO capacity to deliver HIV/AIDS programs to targeted groups; (2) increased knowledge of HIV/AIDS in targeted groups; and (3) increased use of HIV/AIDS prevention strategies in targeted groups.

Performance and Prospects: In the spring of 2000, a coalition of six Guyanese NGOs was formed to expand HIV/AIDS prevention to targeted youth outside the formal school setting. The program got off to a rapid start, focusing on three urban areas and three groups: youth in organized groups, "limers" or youth "hanging out", and mini-bus drivers and conductors. The program is centered on behavior change interventions using a series of mini-campaigns after which sessions on lessons learned are used to formulate future activities. A steering committee makes policy and implementation decisions using a highly participative model and includes representatives from each NGO, the United Nations Acquired Immunodeficiency Syndrome (UNAIDS) Theme Group, Guyana's primary STI (sexually transmitted infections) clinic, Pan American Health Organization/World Health Organization, the National AIDS Program Secretariat, and the Peace Corps. Family Health International is providing technical assistance with a Peace Corps Volunteer serving as program coordinator for the first year. High profile events and early recognition of the groups' efforts has kept commitment and enthusiasm high.

The first phase of the HIV/AIDS program focussed on promoting self-risk assessment activities and a rapid assessment of the knowledge, attitudes and behavior of 750 youth in the three urban areas. The data collected provided baseline information and is helping to shape media materials and messages and future prevention campaigns. Through a series of workshops, NGOs' technical capacity in activity design, materials development, and peer education has been strengthened. Throughout the first year, the NGOs carried out a series of structured "mini campaigns" addressing the issues surrounding HIV/AIDS/STI. The theme they developed ("Ready Body! Is It Really Ready?") to promote a healthy lifestyle and safe sexual behavior has proven to be immensely

popular among youth and forms the basis for development of numerous written and media materials. The program implemented awareness and prevention activities such as street fairs, walkathons, World AIDS Day rallies, a performance at the National Cultural Center, and many peer education outreach programs and workshops. The increase in the number of youth reached through these combined efforts is astounding, going from 1,700 in 1999 to almost 34,000 in 2000. There have been 80 media appearances promoting HIV/AIDS prevention and over 450 media ads. In addition, condom distribution by the six NGOs increased from 205,000 to 370,000. With USAID's assistance, the NGOs submitted a proposal to the Japanese for communications and office equipment and furniture through the Grass Roots Grant Mechanism and received a $45,000 grant. This grant increased the NGOs' capacity in office and program management and materials production.

Based on the first year's accomplishments, prospects for success of USAID's HIV/AIDS prevention program are high. As the program enters its second full year, it will expand prevention activities to two additional geographic sites and incorporate two additional NGOs. These efforts will enable the program to reach targeted hinterland areas where Amerindians working in logging and mining camps are at high risk for infection. An indigenous peer education manual developed by the program will be tested. It will serve as a model to be used in all Guyanese HIV/AIDS/STI peer education programs, thereby unifying the messages and assuring that accurate and culturally appropriate methods are integrated into existing and burgeoning programs. A monitoring and evaluation plan created in tandem with the Steering Committee will be fully implemented after an organizational capacity assessment is conducted for each of the NGOs involved. A recently completed assessment of current procurement, logistics, and distribution of condoms will form the basis of a two-year plan to address weaknesses in the current system to ensure that an adequate number of condoms are available at appropriate distribution sites throughout the country. USAID will continue its successful collaboration with the Peace Corps, using volunteers in rural and hinterland communities to further the reach of HIV/AIDS prevention activities, conduct an assessment of HIV/STI related services, and initiate an outreach program to Guyana's diverse religious community.

Of the $798,000 in FY 2001 funds, $600,000 will be used to increase the capacity and outreach activities of indigenous NGOs; $175,000 will be used to strengthen the National AIDS Program Secretariat's condom distribution logistics and forecasting system; and $23,000 will be used to conduct a condom social marketing assessment. Of the $1,000,000 in FY 2002 proposed funds, it is anticipated that $740,000 will be used to continue to strengthen NGO program based management and technical abilities while supporting their outreach activities; $110,000 to continue to the technical support of the National AIDS Program Secretariat's condom distribution and demand forecasting systems; and $150,000 to begin a condom social marketing pilot program.

Possible Adjustments to Plans: In light of additional financial resources made available in FY 2001 and FY 2002, a review of options for expanding the scope, activities and targets of the Special Objective will be conducted in mid-2001. With additional FY 2001 resources, USAID is already expanding the program to strengthen the capacity of the GOG in developing condom forecasting, logistics, and distribution systems. These funds will also strengthen the capacity of NGOs in appropriate condom storage and condom distribution data collection.

Other Donors: While awareness of the serious nature of the HIV/AIDS epidemic is rising, concerted bilateral donor efforts have been slow in materializing. PAHO/WHO initially took the lead in working with the GOG and indigenous NGOs to develop the National AIDS Program Strategic Plan, providing the framework for the government program and donor assistance. The UN agencies are providing coordination and modest assistance through the UN Theme Group. To date, bilateral donors (European Union, DFID, and CIDA) have funded HIV/AIDS activities for Guyana as part of their overall regional effort. However, CIDA is currently designing a program to strengthen the Ministry of Health's capacity to manage communicable diseases including HIV/AIDS and TB and to develop a

communicable disease database. In addition, the European Union recently developed a new regional HIV/AIDS program with Guyana as a special emphasis country. In FY 2000, the Japanese provided funding through their grass roots funding mechanism to NGOs supported by USAID's HIV/AIDS program. However, greater bilateral donor funding and collaboration will be needed to address and arrest the growing HIV/AIDS epidemic.

Principal Contractors, Grantees or Agencies: USAID will implement its HIV/AIDS activities through the Global Bureau's Cooperative Agreement with Family Health International (IMPACT Project), and U.S. contractors John Snow Inc. (DELIVER Project) and TvT Associates Inc. (Synergy Project).

FY 2002 Performance Table

Guyana: 504-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of Youth Reached	N/A	N/A	1,733	33,730	N/A	40,000	50,000
Indicator 2: Increased Condom Use	N/A	N/A	205,392	Baseline 372,000	N/A	410,000	450,000
Indicator 3: Knowledge: Self Risk Perception (SRP) Transmission Misconceptions (T)	NA	NA	NA	Baseline 14% (SRP) 33% (T)	 N/A N/A	 20% (SRP) 28% (T)	 25% (SRP) 23% (T)
Indicator 4: HIV/AIDS Technical Capacity of targeted NGOs	N/A	N/A	N/A	NA	NA	NA	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of participants	NGO partners reporting	Number in target population participating in public events, peer education, counseling, and call-ins.
Indicator 2:	IR	Number of Condoms distributed by partners	Self-Reporting (NGO) Government Data (NAPS)	Baselines are figures from the two NGOs working on HIV/AIDS
Indicator 3:	IR	NA	Rapid Approach Right Assessment Survey (CESRA 2000)	Baseline rapid assessment of 750 youth in the target areas done through interviews, surveys, and group discussions. Percentage of youth holding misconceptions about HIV transmission (T), and whose self risk perception (SRP) is that they are at high risk of contracting HIV, based on answers to questions during risk assessment activities, surveys, and group discussions.
Indicator 4:	IR	NA	NA	A baseline capacity assessment, institutional strengthening plan and a scaled capacity index for each of the program's eight NGO partners will be finalized in 2001.

U.S. Financing (In thousands of dollars)			
Guyana			
Title and Number: Improved HIV/AIDS Awareness, Knowledge and Applied Prevention Strategies 504-003			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	200 CSD	120 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	200 CSD	120 CSD	80 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	DA		
	798 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	DA		
	798 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	1,000 CSD	2,400 CSD	4,398 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Guyana
TITLE: More Responsive and Participatory Governance and Rule of Law, 504-004*
PLANNED FY 2001 OBLIGATIONS AND ACCOUNT: $1,800,000 (DA)
PROPOSED FY 2002 OBLIGATIONS AND ACCOUNT: $1,600,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999; **ESTIMATED COMPLETION DATE:** FY 2003

Summary: With USAID assistance, Guyana has made important strides in re-establishing democracy. However, the institutions and processes necessary to achieve this objective remain in a nascent state. An overarching concern is the continuing lack of constructive engagement between the dominant political parties, a necessary step for improving ethnic security and creating a climate of political stability. To a large extent, Guyanese politics have been, and continue to be, a matter of race.

Each of the program's five intermediate results is directed at reducing ethnic tension by strengthening those key institutions and processes necessary for building a vibrant, responsive, and participatory democracy. These include: the Parliament, the Judiciary, the Elections Commission, local government, and civic advocacy groups (women, youth and Amerindian) within a broader civil society context.

Key Results: Five intermediate results are necessary to achieve the program's objective: (a) improved and more informed law-making and regulatory processes; (b) increased capacity to adjudicate cases in a just and timely manner; (c) sustained institutional capacity to conduct free and fair elections; (d) increased influence of target civic advocacy groups (women, youth and Amerindian) on public policy; and (e) strengthened local governance.

Performance and Prospects: The program experienced some very difficult challenges during its first year. The result of the 1997 general election and the subsequent court challenge define the negative political engagement between the country's two major political parties (i.e., the People's Progressive Party (PPP) and the People's National Congress (PNC) to this day. The PNC's rejection of the PPP's 1997 victory, based on unfounded claims of "massive rigging", exacerbated already tense ethnic relations between the Afro-Guyanese and Indo-Guyanese populace and dampen the climate for new investment, both foreign and local. To reduce the level of tension, both parties agreed that: 1) the PPP would reduce by two years its term of office; 2) the country's constitution would be re-written; and 3) new elections would be held.

On March 19, 2001, the agreed-upon early elections were held and the PPP was returned to power for a third consecutive term. The results, however, do not necessarily provide any tangible basis for building upon and further solidifying the country's transition to democracy. Indeed, unless outstanding constitutional reforms aimed at resolving fundamental and deep-seated ethnic conflict are enacted by the new Parliament, the election, irrespective of its freeness or fairness in the eyes of the international community, will continue to be challenged by the losers in the local court of public opinion.

Within the very challenging political context described above, USAID's democracy program has been able to achieve some initial and noteworthy progress. First, the program played a critical role in helping to build Guyana's institutional capacity to conduct free and fair elections. Prior to this year, Guyanese elections were executed by temporary commissions composed of part-time employees who normally left office once results had been announced. As a consequence, institutional memory was lost and mistakes were often repeated. In planning for this year's

* previously notified as 504-002

election, however, donors joined USAID in requiring that the Elections Commission be made permanent, in law, as a prerequisite for receiving funding. Now that Guyana has an enduring elections body, composed of full-time career employees, the conduct of elections is likely to become increasingly proficient and, predictably, costs will decline. USAID is looking forward to continuing its work with the Elections Commission to strengthen its capacity to conduct local government elections, scheduled for December 2001.

Second, the program supported women's and youth organizations by opening up new channels for consultation and innovative dialogue. Indeed, apart from the program's role in supporting the recent elections, its most significant achievement to date has been the increased participation of civil society organizations in the democratic process.

The constitutional reform process initiated last year presented an ideal opportunity for civil society participation, and with 50% representation from civil society, the process helped citizens work and interact more effectively across traditional political and ethnic lines. USAID's assistance to the Constitutional Reform Commission helped in achieving consensus on a number of issues, particularly those related to fundamental human rights. During the election campaign, USAID provided support to a number of women's and youth fora aimed at discussing constitutional reforms affecting the status of these target groups.

USAID support was also helpful in facilitating cross-race and cross-party civil society dialogue through the publication of the National Development Strategy and in the activities of the Women's Millennium Caucus. During the election campaign, the National Development Strategy became a reference point for many of the competing political parties' manifestos. Indeed, the Guyana Democratic Party (a small, but vocal, opposition party) adopted the National Development Strategy, without modification, as its party manifesto.

Despite these successes, continuing inter-party and ethnic conflict has underscored the need to expand USAID support to Guyanese civil society organizations, which remain for the most part fragile, characterized by weak networks and limited cross-cutting coalitions. Considerable effort will be needed in the coming year to ensure continuing civil society contributions to outstanding constitutional revisions aimed at reducing racial insecurity, devolving authority to appropriate decision-making levels, and empowering citizens to participate in development processes.

Over the next year, the bulk of USAID's program will be aimed at strengthening civil society organizations' capacity to increase and broaden membership, develop sound positions on issues of importance to their members, and conduct advocacy activities. Guyanese women appear to be especially well-positioned to solve problems by bridging ethnic and political divides, and the program will be targeting a variety of women's organizations in an effort to give them a more active voice in public policy arenas. Youth and Amerindian groups have also been targeted as beneficiaries under the program.

While USAID's program activities will be providing broad-based assistance to enable Guyana to develop sound democratic institutions, success will require Guyana's political leaders to demonstrate their political will to move forward together on needed, but sometimes unpopular, reform measures in judicial and legislative areas. At a minimum, the major political parties will need to initiate constructive engagement to set up mechanisms that allow all racial groups to feel they are stakeholders in the nation's political system, rather than losers in a winner-take-all system of governance.

Unless substantial progress can be achieved in building broad-based public confidence in governmental institutions, and engendering a climate in which political dialogue can take place without intimidation or provocation, the prospects for advancing beyond the current divisive politics of race are uncertain.

With $1,800,000 of FY 2001 DA funds, $270,000 is funding improved law-making and regulatory processes; $270,000 will go toward efforts to expand capacity to adjudicate cases more efficiently and justly; $450,000 supports institutionalization of the process of free and fair elections; $540,000 helps target civic advocacy groups lobby responsibly on public policy; and $270,000 supports strengthened local governance. With $1,600,000 of FY 2002 DA funds, $240,000 will fund improved law-making and regulatory processes; $240,000 will support assistance to the judiciary; $400,000 will go toward elections assistance; $480,000 will strengthen civil society; and $240,000 will support decentralization and local governance.

Possible Adjustments to Plans: Legislative strengthening activities, originally designed to be implemented within the Office of the Chief Parliamentary Counsel, will be re-directed to the Parliamentary Secretary's Office to develop technical capacity among Parliamentarians themselves.

Other Donor Programs: Strong commitment and cooperation were demonstrated among the bilateral donors during the recent election, especially in the areas of technical assistance, monitoring and observation. As mentioned earlier, all of the donors who expressed interest in funding aspects of the elections joined with USAID in requiring that the GOG establish an enduring Elections Commission Secretariat, in law, prior to the release of any financial support. These donors included the British Department for International Development (DFID), the Organization of the American States (OAS), the European Community (EC), the Canadian International Development Agency (CIDA), and the Inter- American Development Bank (IDB). While USAID continues to be the only donor in Guyana with a broad-based democracy program, the recent elections experience has stimulated wider interest among several donors, e.g. United Nations Development Program (UNDP), DFID and CIDA, whose various democracy activities have been much more limited to date. USAID looks forward to working with these donors as mutual opportunities arise.

Principal Contractors, Grantees or Agencies: The program is being implemented through a Cooperative Agreement with a consortia of U.S. partners that includes the National Democratic Institute for International Affairs (NDI), The Carter Center (TCC), and the International Foundation for Election Systems (IFES). The implementing partners have organized their respective activities under five areas. NDI is responsible for the areas of law and regulation-making, local governance, and strengthening women's groups. IFES is providing leadership in the elections component, while TCC is providing leadership in the area of justice/rule of law and strengthening youth and Amerindian groups.

FY 2002 Performance Table

Guyana: 504-004*

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Participation of females in national, regional/local government	NA	NA	NA	(N) 17 (R/L) 24	Baseline (N) 17 (R/L) 24	(N) 33 (R/L) 33	(N) 35 (R/L) 35
Indicator 2: Level of support for permanent elections commission	NA	NA	NA	NA	Baseline 60	65	70
Indicator 3: Judicial settlement of civil and criminal cases	NA	NA	NA	NA	TBD	TBD	TBD

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Percentage of females holding elected positions or political appointments at National level (N) and regional/local levels (R/L)	Parliamentary records, Ministry of Local Government	This indicator tracks the empowerment of previously disenfranchised groups in national and regional/local Government.
Indicator 2:	IR	The percentage of the annual "core" PEC Secretariat budget which is funded by the GOG.	PEC, Ministry of Finance	This indicator measures institutional capacity and sustainability by tracking, on an annual basis, the amount of financial resources allocated to the operations/activities of the "core" PEC Secretariat. The proportion of "core" costs borne by the GOG (as opposed to funded by donors) will be used to indicate institutional sustainability.
Indicator 3:	S	Ratio of cases filed and cases disposed of annually	Registrar of Courts, Courts Manager	This indicator measures the responsiveness of the judiciary to civil and criminal matters placed before them.

* previously notified as 504-002

U.S. Financing (In thousands of dollars)			
Guyana			
Title and Number: More Responsive and Participatory Governance and Rule of Law 504-004*			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	956 DA	358 DA	598 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	1,800 DA	700 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	2,756 DA	1,058 DA	1,698 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,800 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	1,800 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	1,600 DA	1,094 DA	7,250 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

*previously notified as 504-002

HAITI

Program Summary (In Thousands of Dollars)				
Category	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
Development Assistance	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
CACEDRF	9,800	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	70,000	56,950	46,835	35,000
P.L. 480 Title II	16,981	25,076	25,030	19,938
P.L 480 Title III	10,000	0	0	0
Total Program Funds	**106,781**	**82,026**	**71,865**	**54,938**

NOTE: In FY 2000, USAID transferred an additional $3.050 million to the Dept. of State.

Mission Director, Lewis Lucke

HAITI

Introduction

U.S. interests in Haiti are to promote democracy, decrease narcotics trafficking to the United States, and reduce the number of illegal migrants reaching U.S. shores. USAID supports these foreign policy objectives through programs that help reduce poverty and promote economic growth, while reinforcing the foundations for a democratic society. Specifically, USAID seeks to increase incomes of the poor; slow environmental degradation; improve educational performance; reduce fertility, infant and child mortality, and malnutrition; and strengthen civil society as the foundation for building democracy in Haiti.

Flawed parliamentary elections in May 2000, followed by a boycotted presidential election in November 2001, have led to a political impasse that has thwarted the Haitian people's hopes for material improvements and social harmony. Haitians continue to suffer from falling living standards, rising crime, political violence, and a lack of serious progress on economic reform. The government's promises of reconciliation and economic progress will be hard to keep until the current political impasse is resolved and support from the international community has been reestablished.

The Development Challenge

Haiti is one of the poorest countries in the world. Sixty-five percent of its citizens live in absolute poverty. Despite high attendance rates at primary schools, illiteracy stands at 48%. The fertility rate remains high, as does malnutrition among children under age five. The country has the highest infant, child, and maternal mortality rates in the hemisphere and the lowest life expectancy. While growth is officially estimated at 1.2% per year, the economy is essentially stagnant, private foreign investment is negligible, and the banking sector is close to insolvency. A worrisome loosening of fiscal controls, due in part to the needs of the recent presidential election, has spurred inflation, which now hovers at about 15% per year. Haitians have the lowest per capita income in the Western Hemisphere.

With a per capita debt load of $149, Haiti is among the least indebted countries on a per capita basis and thus did not qualify for debt relief last year. Haiti's debt to the U.S. Government -- $13.7 million as of September 2000 -- accounts for only 1.2% of its total external debt of $1.17 billion, which was virtually unchanged from FY 1999.

The current political impasse makes it extremely difficult for the Government of Haiti (GOH) to provide basic services to its citizens and bring about meaningful reform. Civil society, while growing in influence, remains too weak to be an influential advocate for an independent judiciary, a professional police force, privatization, and other badly needed reforms.

Despite the unfavorable political environment, USAID investments continue to deliver positive results. The provision of financial services to micro-enterprises has expanded significantly, and the micro-credit program has been highly successful. For example, the value of loans increased 47% this year, and micro-credit programs have been adopted by three Haitian private financial institutions. Targets for increased crop production and artisan sales were surpassed in FY 2000. Over 30,000 farmers are now directly involved in marketing mangoes, coffee, and cacao for export. Nearly a quarter of a million farmers are planting trees and using other conservation structures to preserve the environment and regain the use of unproductive land. In USAID project areas, health conditions among rural and other less-educated populations have improved substantially. The steady decline of both infant mortality and under-five mortality has continued its five-year trend. Reliance on modern contraceptive methods continues to increase at a rate of about 1% per year. Students in USAID-supported primary schools continue to outperform other students. Results from

USAID's distance (radio) education program have also been impressive. Despite disappointing results in democratic governance, dramatic strides have been made in civil society. In a first for the country, over 22,000 Haitians observed the May 2000 parliamentary election as members of an indigenous monitoring organization. Despite initial delays, progress under the Hurricane Georges Recovery Program has been highly encouraging. All activities -- including natural resource management, irrigation, potable water systems, roads, and community preparedness -- will be completed by December 2001. The unusually strong involvement of beneficiaries bodes well for the long-term sustainability of activities carried out under this program.

Given the magnitude of the problems in Haiti, coupled with uncertainties surrounding the current political crisis, no specific time frame can be established for graduation from development assistance.

Other Donors

As a result of the unfavorable political climate in Haiti, donor grants have declined from $293 million in FY 1996 to $256.8 million in FY 1999 and $209 million in FY 2000. Gross loan disbursements tapered off from $121.5 million in FY 1996 to $103 million in FY 1999 and $50.9 million in FY 2000. As a result, net funds disbursed by the GOH through public channels declined by more than 46% between FY 1996 and FY 2000. During FY 2000, the United States was by far Haiti's largest donor, contributing $79.8 million in aid. The second largest donor was the Inter-American Development Bank with $44 million in grants, followed by the World Bank with $25.6 million. Canada and the European Union gave $16.4 million and $14.9 million, respectively. Other major donors include the United Nations agencies, France, and Japan. The International Monetary Fund has a Staff Monitored Program in place to improve fiscal control and reduce inflation but did not disburse funds in FY 2000.

FY 2002 Program

USAID will continue focusing on the basic needs of rural Haiti, where 65% of the population lives. To ensure the achievement of results across the portfolio, USAID will reorient the program slightly to build on successes and promote cost-effective programs such as micro-financing; integrate food assistance into its health and education programs; and refocus the education program.

USAID health programs will benefit about 4.7 million people. With activities devoted to HIV/AIDS and tuberculosis, the program will help reduce infectious and sexually transmitted diseases significantly. In light of past migration patterns, this investment is likely to have a positive impact on the United States as well. Funds will also be used to enhance agricultural productivity and empower small and micro-entrepreneurs, thereby expanding economic growth and private sector job creation. USAID activities will strengthen civil society advocacy ability to resolve local problems and help forge a constituency for judicial reform. USAID activities will additionally support efforts to improve the quality of primary school instruction and administrative efficiency. P.L. 480 Title II food commodities, a portion of which will be monetized, will help achieve greater food security. Food-supported activities (e.g., in education) will also be used to buttress strategic objectives elsewhere in the USAID portfolio.

HAITI
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
521-001 Sustainably Increased Income for the Poor				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	22,320	12,853	9,704	8,100
- P.L. 480/II	849	1,254	0	4,938
- P.L. 480/III	7,487	0	0	0
521-002 Environmental Degradation Slowed				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	2,230	4,677	3,596	0
- P.L. 480/II	0	0	0	0
- P.L. 480/III	883	0	0	0
521-003 Healthier Families of Desired Size				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	22,370	19,550	19,300	17,200
- P.L. 480/II	3,396	5,015	11,300	5,000
- P.L. 480/III	0	0	0	0
521-004 Increased Human Capacity				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	6,340	5,000	5,275	4,000
- P.L. 480/II	12,736	18,807	13,730	10,000
- P.L. 480/III	0	0	0	0
521-005 Genuinely Inclusive Democratic Governance Attained				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	12,240	8,870	8,835	5,700
- P.L. 480/II	0	0	0	0
- P.L. 480/III	0	0	0	0

HAITI

FY 2002 STRATEGIC OBJECTIVE SUMMARY

(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
521-007 Strengthened Haitian National Police				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
* - ESF	4,500	6,000	0	0
- P.L. 480/II	0	0	0	0
- P.L. 480/III	0	0	0	0
521-009 Hurricane Georges Recovery				
- DA	0	0	0	0
- CACEDRF	9,800	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	125	0
- P.L. 480/II	0	0	0	0
- P.L. 480/III	1,630	0	0	0
Totals				
- DA	0	0	0	0
- CACEDRF	9,800	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	70,000	56,950	46,835	35,000
- P.L. 480/II	16,981	25,076	25,030	19,938
- P.L. 480/III	10,000	0	0	0

* FY 2000 ESF originally budgeted under 521-007 for the International Criminal Investigative Training Assistance Program (ICITAP) will be reprogrammed to other activities in the LAC region in FY 2001.

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Sustainably Increased Income for the Poor, 521-001
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $9,704,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $8,100,000 (ESF) and $4,938,000 (PL 480)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: This strategic objective aims to induce growth in the Haitian economy, especially at the farm and micro-enterprise levels. It targets the rural and urban populations who fall below the poverty line -- the majority of Haitians -- and addresses the root causes of poverty through four intermediate results: 1) Increased environmentally sustainable agricultural productivity; 2) Small and micro-entrepreneurs economically empowered; 3) Investment climate improved; and 4) Strengthened zones of high potential growth. Specific activities are reinforced by the Mission's P.L. 480 Title II Program.

USAID programs are helping to build the foundation for long-term, environmentally sustainable growth in Haiti. During FY 2000, agricultural production and marketing of high-value crops, as well as increased delivery of microfinance services to small and micro-entrepreneurs, exceeded expectations. While a number of USAID-sponsored activities were successful, especially those in microfinance, the overall investment climate remains highly unfavorable. Improvement in the investment climate and economic growth will require political stability, government commitment to economic reform, and a reliable judicial system that protects property rights and due process. Given these constraints and the limitations on USAID's support for the Government of Haiti (GOH), USAID activities will focus on helping small farming communities in ways that promote domestic and export markets and improve access to microfinance opportunities.

Key Results: Increased Environmentally Sustainable Agricultural Productivity: Increases in the value of selected export crops exceeded the target by almost 20%. Since 1993, more than 246,000 farmers have received assistance from USAID-financed agricultural programs. Of this total, more than 30,000 farmers are directly involved in the export marketing of coffee, cacao, or mangoes. The other 200,000-plus farmers are increasing their productivity in subsistence crops. Efforts begun in FY 2000 to preserve and enhance the Haitian Bleu coffee trademark have paid off -- quality has improved and export volume, though still small, has doubled. Mango exports reached a record high in FY 2000, making mangoes Haiti's number one agricultural export crop. The Hillside Agriculture Program is establishing successful linkages between local producers and regional buyers for future sales, while institutional development of community-based farmer organizations is resulting in many farmers making informed, market-based decisions on crop selection. P.L. 480 Title II-funded irrigation rehabilitation has resulted in irrigation of over 1,300 hectares of agricultural land.

Small and Micro-Entrepreneurs Economically Empowered: The number of outstanding loans totaled 12,983 at the end of FY 2000, a 19% increase over FY 1999. This increase exceeded the FY 2000 target of 12%, despite the cessation of lending activities of two partners, the restructuring of a third, and increased caution on the part of micro-credit lenders as a result of the slowing economy. The value of outstanding loans this fiscal year increased by 47%, compared to a 28% increase in FY 1999, a reflection of the higher average size of repeat loans.

Significant advances were made during FY 2000 in developing sustainable micro-finance institutions (MFIs) and the infrastructure to support them. As a precursor to a national credit bureau, eight MFIs formed a credit information exchange that publishes a monthly bad-debtors list that now has more than 3,000 names. A national census of nearly 100 MFIs with 58,000 borrowers and 122,000 savers has been compiled. For the first time, this type of microfinance information will be

included in the annual reports of the Central Bank of Haiti. A resource center with permanent access to the library and the Internet is available to the public.

Investment Climate Improved: During FY 2001, the Consortium of the Haitian Center for Free Enterprise and Democracy and the Peru-based Institute for Liberty and Democracy (CLED/ILD) vetted draft real estate formalization legislation with the legal community, private and public financial institutions, civil society organizations, and the Haitian Government. The draft legislation is being revised to reflect their recommendations. In order to dialogue on numerous business development challenges, USAID's "FORUM 2000" Program organized a number of conferences on a broad range of critical economic reforms. The exchange of opinions was intense and press coverage was highly favorable.

Strengthened Zones of High Potential Growth: The value of export sales by Haitian artisans through the USAID-financed Aid to Artisans program exceeded its target by about 40%, generating over $95,900 in sales (FOB Haiti). In addition, 58 new product lines (encompassing more than 379 individual designs) were created along with approximately 1,100 temporary jobs. The program works with 60 artisan enterprises employing 888 artisans, of whom almost 50% are women. Marketing activities over the past 12 months have included placing Haitian products in well-known U.S. catalogs such as Garnet Hill, Sundance, and Home Décor.

Under the P.L. 480 Title II Program, construction of the Jacmel port infrastructure is almost complete. This port can handle import/export trade movement as well as cruise ships. Encouraged by the port's potential, investors are developing plans for the construction of an industrial park in the Jacmel region. In addition, over 81 kilometers of roads have been constructed in the region, linking its rich agricultural production with Jacmel and Port-au-Prince markets. Due to political instability, insecurity, and reduced funding levels, the Secondary Cities Program has been restructured into a lower-cost regional initiative.

Performance and Prospects: Preliminary estimates indicate that revenues of beneficiaries in target rural areas rose by 20%, confirming the importance of sustainable management of natural resources, improved crop germplasm, access to rural credit, and the development of marketing linkages. With increased sales of coffee, cocoa, pumpkins, mangoes, and other commodities, farmers' incomes should increase further in FY 2001.

In response to the current political and economic situation and the resulting reductions in USAID's overall budget in Haiti, the mission recently conducted an assessment to determine the approach and mix of activities most likely to achieve the U.S. Government's overall economic growth objectives in Haiti. The assessment concluded that USAID's work in developing micro-finance and village banking had been its primary success and should thus be expanded. The success of these initiatives has clearly surpassed expectations. Large, for-profit, non-USAID assisted financial institutions are now active in microfinance. Three of the four leading commercial banks have established microfinance subsidiaries on their own initiatives, and a fourth bank is now setting up a microfinance division. During FY 2001, USAID will help to strengthen the institutional sustainability of the non-bank MFIs. A key challenge will be managing the transition of each organization from "start-up and implementation" to the "growth and consolidation" phase effectively. Many MFIs are at the point of failure or stagnation as a result of the current economic downturn. The task will be to identify and provide appropriate technical assistance to those with high potential. Over the next year, USAID will establish performance standards, seek to improve MFI staff competence, and assist in identifying capital to finance the growth of the promising institutions.

The recent assessment also noted that efforts to improve the investment climate and strengthen zones of high- potential growth have had limited success. New legislation related to informal real property, streamlined business registration, and financial institutions would all improve the investment climate. However, given the current political context and restrictions on assistance to

the central government, the prospects for the passage of new legislation and the potential effect of such laws are reduced. FORUM 2000 will continue to organize public discussion and debate around economic and structural reform issues, and encourage specific policy reforms. In FY 2001, the mission will also continue to promote handicrafts through technical support to handicraft organizations, creation of new product lines, and development of new markets.

During FY 2001, approximately $6.8 million will be used to increase environmentally sustainable agricultural productivity; $2.55 million will be used for financial services and regional initiatives to support small and micro-entrepreneurs; and $350,000 will be used to improve the investment climate.

During FY 2002, approximately $6 million will be used to increase environmentally sustainable agricultural productivity and $2.1 million will be used for financial services and regional initiatives to support small and micro-entrepreneurs.

Possible Adjustments to Plans: Due to a reallocation of resources to more productive areas for FY 2001, the Secondary Cities Program activity (which contributes to Strengthened Zones of High Potential Growth) was restructured into a regional initiative to support small and micro enterprises and help build synergies among programs. Due to another strategic reallocation of resources for FY 2002, USAID will be considering the possibility of merging this strategic objective and Strategic Objective 2 (Environmental Degradation Slowed) into a single strategic objective. Because of the GOH's failure thus far to support needed economic reforms, no new activities are planned for Investment Climate Improved. Future ESF obligations through the end of the strategy period in September 2004 will be adjusted to reflect current budget levels and revised activities.

Other Donor Programs: The United Nations Development Program (UNDP), the European Union, and Canada continue to provide support to hillside farmers through the GOH or through NGOs, building on past USAID successes. USAID remains the major hillside donor, while other donors such as Germany, France, and the Inter-American Development Bank (IDB) support lowland agriculture. Following USAID's lead over the last few years, other donors in the micro-finance field now include UNDP, the World Bank's International Finance Corporation, and IDB.

Principal Contractors, Grantees, or Agencies: Principal contractors implementing activities under this objective include the South–East Consortium for International Development (SECID), Pan American Development Foundation (PADF), CARE, Development Alternatives Inc. (DAI), Nathan Associates, Haitian Development Financing Society (SOFIHDES), Foundation for International Community Assistance (FINCA), Aid to Artisans (ATA), Center for Free Enterprise and Democracy (CLED), and CLED/Institute for Liberty and Democracy (CLED/ILD).

FY 2002 Performance Table

Haiti: 521-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Percent increase in income in project targeted areas	NA	NA	30	NA	20	NA	NA
Indicator 2: Gross domestic private investment as percentage of GDP	NA	5.7	5.7	5.4	5.4	NA	NA
Indicator 3: Value of production of selected crops	NA	480	1,007	859	720	720	720

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Percent	Random sampling by SECID, PADF and DAI of customers within project-impacted areas.	This indicator measures revenue increases reported by sampled farmers. It compares revenue increases of farmers using USAID-promoted improved practices with income changes of those in the same area that do not use the practices. Targets are therefore neither cumulative nor year-to-year comparisons. For FY 2001, this indicator will be redefined to better measure the impact of the new Hillside Agriculture Program (HAP)
Indicator 2:	IR	Percent	Combined BRH, IMF, IBRD and USAID	Percentage increase in real GDP. Note: This performance measure has been dropped because it is too broad to be affected directly by activities under this objective. It is replaced by "value of production of selected crops".
Indicator 3:	IR	US dollars (000)	USAID contractors, SECID, PADF and DAI	Value of production is obtained by computing the volume of crops exported multiplied by the export price per unit.

	U.S. Financing (In thousands of dollars)		
Program: Haiti			
Title and Number: Sustainably Increased Income for the Poor, 521-001			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	2,991 DA	2,977 DA	14 DA
	0 CSD	0 CSD	0 CSD
	45,639 ESF	23,304 ESF	22,335 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 0	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	12,853 ESF	14,846 ESF	
	0 SEED	0 SEED	
	0 CACEDRF	0 CACEDRF	
	0 DFA	0 DFA	
Through September 30, 2000	2,991 DA	2,977 DA	14 DA
	0 CSD	0 CSD	0 CSD
	58,492 ESF	38,150 ESF	20,342 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 DFA	DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	1,105 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	9,704 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	10,809 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	2,991 DA
	0 CSD	0 CSD	0 CSD
	8,100 ESF	16,200 ESF	93,601 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Environmental Degradation Slowed, 521-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,596,000 ESF
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The environmental challenges confronting Haiti are among the most severe in the world. This strategic objective seeks to slow the rapid pace of environmental degradation by improving natural resource management through three intermediate results: 1) Increased adoption of sustainable natural resource management practices, 2) Replication of successful models of watershed/catchment rehabilitation, and 3) Civil society organizations implementing environmental solutions. Principal customers include small agricultural producers, urban charcoal users, and residents in several strategic watersheds. Some of the activities, particularly soil and water conservation structures, are supported by the Mission's P.L. 480 Title II Program.

Key Results: Increased Adoption of Sustainable Natural Resource Management Practices: The number of farmers benefiting from the USAID environmental program increased from 204,000 to 246,000, exceeding the target by 20%. The introduction of new marketing channels, distribution of improved germplasm, construction of water-harvesting structures, and launching of other income-generating activities attracted more farmers than expected. The number of trees planted or grafted also surpassed the target by 30%, for a total of 4 million. As a result, soil erosion, loss of soil fertility, and other damage that traditionally accompanies tropical downpours have been visibly and dramatically reduced in all areas of USAID interventions.

The second phase of the Improved Stoves and Fuel Substitution Project was initiated in FY 2000. Its goal is to decrease the rate of deforestation in Haiti by promoting the use of energy-efficient technologies such as wood and gas stoves, kilns, and ovens. Within a three-month period, over 3,500 wood stoves and 380 kerosene stoves and ovens were produced and sold.

Replication of Successful Models of Watershed Rehabilitation: During FY 2000, USAID's environmental program continued to focus on the establishment of a community-based watershed management program on the upper watershed of the Rivière Grise/Blanche. The project has grown from successful interventions in one sub-watershed to successful activities in a total of six watersheds covering an area of more than 50 square kilometers. Soil and water conservation structures on the hills above the Miragoâne Lake were completed under the P.L. 480 Title II Program, thus protecting several micro-watersheds above the lake. USAID's programs also provide assistance to farmers to improve land use in other major watersheds such as Marigot, Peredo, Grande-Rivière du Nord, and Mirebalais-Lascahobas.

Civil Society Organizations Implementing Environmental Solutions: To ensure effective management of Haiti's natural resources and watersheds, the Citizen Environmental Network Program successfully helped establish 54 civil society organizations and community groups. These groups have demonstrated a tremendous amount of energy and interest, taking the lead in rehabilitating their natural resource base by planting trees and carrying out other biomass re-vegetation activities, for example, sowing hedgerows and cover crops. Due to funding interruptions, the environmental education and public awareness programs have been put on hold until the next fiscal year. The Haitian Environmental Foundation (HEF), funded in 2000, has begun to put its operating structure in place and recruit staff. Draft HEF operation and administrative procedure manuals have been completed. In recognition of the strength and dynamism of the group, the Hemispheric Network of Environmental Foundations (REDLAC) has asked HEF to act as their coordinator for the Caribbean.

Performance and Prospects: The land recuperation and rehabilitation techniques promoted by USAID represent excellent models for how appropriate farming technologies in the upper portions of a watershed can have a positive impact on severely-degraded hillsides and reduce flooding and sedimentation downstream. Despite the funding suspensions and the difficulties of working in largely inaccessible watershed areas, a remarkable amount of basic community organizational and mobilization work was achieved, including the development of best agricultural and natural resource practices for the management of the upstream portions of the watersheds. Continued strengthening of civil society organizations will foster transparent, participatory decision-making processes. The development of land use management plans to promote natural resources management practices will continue. Environmental education programs using various media will be developed to encourage adoption of these practices. USAID will promote better synergies between this strategic objective and Strategic Objective 1 (Sustainably Increased Income for the Poor) by creating linkages between agricultural production, processing, and marketing.

During FY 2001, Phase Two of the Lake Miragoâne watershed rehabilitation project will expand protection activities to surrounding micro-watersheds. Additional P.L. 480 Title II funds will be leveraged to pay for conservation works in the Rouyonne River watershed. Completion of these activities will protect the city of Léogâne, a frequent victim of rainy season flood damage. Technical assistance will also continue to flow to HEF for the establishment of financial and administrative management systems to facilitate linkages between HEF and local organizations implementing environmental activities. The improved stoves and fuel substitution program will continue demonstrating that improved and appropriate energy-efficient technologies at the household and small enterprise level are economically and environmentally beneficial.

During FY 2001, approximately $3.6 million will be used to reduce environmental degradation through community work in key watersheds. This will cover remaining environmental activities under the Winrock contract through September 2002.

Possible Adjustments to Plans: USAID had originally planned to develop a Phase II Rivière Grise/Blanche watershed project to include a middle watershed and a lower watershed component, thus creating a constituency for holistic river basin management. After a strategic evaluation, however, the mission has dropped these plans and will terminate the project upon completion of work in 2002 on the upper watershed.

Other Donors Program: The Inter-American Development Bank (IDB), the World Bank, Canada, and the European Union are prepared to support environmental activities, including the water and energy sectors. However, because of the current political impasse, funds have not been released to the Government of Haiti. These investments would include support to activities identified in the National Environmental Action Plan (NEAP). The Dutch Government provides $250,000 as co-funding to the CARE Energy-Environmental Project.

Principal Contractors, Grantees, or Agencies: Winrock International, Pan American Development Foundation, CARE, and South-East Consortium for International Development. These institutions work in partnership with many non-governmental organizations.

FY 2002 Performance Table

Haiti: 521-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Annual number of tree seedlings planted or grafted	NA	6.8	7.1	4	3	0.5	0.5
Indicator 2: Number of farmers using at least one improved agricultural practice	NA	166	204	246	210	250	250

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of trees (millions)	CARE, PADF, WINROCK reports	This indicator is the sum of the number of tree seedlings (fruit or timber) distributed through program activities, the number of existing trees grafted with project-distributed improved genetic materials, and the number of trees planted by direct seedling within the FY. Comments: With the phase out of the PLUS program, planned targets for years 2001 and beyond have been reduced.
Indicator 2:	IR	Number of farmers (thousands)	CARE, PADF, WINROCK reports	Cumulative numbers of farmers employing at least one improved natural resource management practice on their plots during the life of the project. These practices include: rockwalls, gully plugs, intercropping, hedgerows, tree planting and contour ridging.

	U.S. Financing (In thousands of dollars)		
Program: Haiti **Title and Number: Environmental Degradation Slowed, 521-002**			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	7,439 ESF	5,612 ESF	1,827 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 0	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	4,677 ESF	3,058 ESF	
	0 SEED	0 SEED	
	0 CACEDRF	0 CACEDRF	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	12,116 ESF	8,670 ESF	3,446 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 DFA	DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	3,596 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	3,596 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	15,712 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Healthier Families of Desired Size, 521-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $19,300,000 (ESF) and $11,300,000 (PL 480)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $17,200,000 (ESF) and $5,000,000 (PL 480)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: This strategic objective seeks to improve the health and well-being of Haiti's children, reduce malnutrition rates, address rapid population growth, and slow the spread of HIV/AIDS. Haiti has the highest child mortality rate in the Western Hemisphere. One in eight children dies by age five, and a third are chronically malnourished. Maternal mortality is estimated at 1,000 per 100,000 live births. About 10% of Haiti's urban population are infected with HIV, and almost half the women of reproductive age currently have an untreated sexually transmitted infection (STI).

USAID's health programs in Haiti cover a population of 4.7 million people and contribute to over half of the country's new modern method family planning acceptors. Activities target 183,000 vulnerable mothers and malnourished children and include food supplementation, growth monitoring, health/nutrition education, and community outreach. Technical assistance focuses on HIV/AIDS prevention, population policy and advocacy support, clinical family planning (FP) training, operations research, contraceptive commodity procurement, social marketing of contraceptive products, and selected child survival and maternal health services.

Key Results: Results anticipated under this objective include increased use of quality child survival and nutrition services to reduce infant and child mortality rates; increased use of quality reproductive health services to increase contraceptive prevalence; women empowered so that more girls complete primary school and more women have access to economic opportunities; and youth better prepared for and men more engaged in responsible family life by modifying sexual behavior. A crosscutting factor is the need for an improved public policy environment for child survival and reproductive health, including greater and more effective involvement of civil advocacy groups in public health issues.

With only 34% fully immunized, Haiti's children continue to be plagued by limited protection against the most common childhood diseases. Coverage rates are much higher in departments served by USAID-funded partner organizations (North, North-East, and Grand'Anse), where an estimated 63% of children are fully immunized -- nearly twice the national average.

Considerable progress has been made to increase the use of quality reproductive health (RH) services. Data reveal a growing reliance on safe, effective family planning methods, from a contraceptive prevalence rate (CPR) of only 5% in 1987 to 15.4% in 2000. In departments where USAID-funded partner organizations are the principal source of services, rates are 26.9% to 28.7%, well exceeding the 2000 target. Findings from the third Haiti Demographic and Health Survey (DHS 2000) indicate that the program has met or exceeded maternal health targets as well, as measured by use of prenatal care services (three or more visits) and births assisted by trained personnel. The percentage of women nation-wide who sought prenatal consultation services rose from 68% in 1994/95 to 79% in 2000. Over the same period, the percentage of women delivering with the assistance of trained health personnel rose from 46% to 60%.

Performance and Prospects: USAID programs target the major causes of infant mortality in Haiti (diarrhea, fever, acute respiratory infections, malaria, measles, and malnutrition); maternal health (prenatal, delivery, and postnatal care); and reproductive health care (family-planning information and services; HIV/AIDS prevention; and STI prevention, detection, and treatment). Despite constraints at many levels, USAID's 34 non-governmental organization (NGO) partners have succeeded in expanding access by 4.7 million beneficiaries to quality services nationwide. In 1998, the modern method

contraceptive prevalence rate (CPR) in USAID program areas was fully twice the national average (25.2% vs. 13%). In FY 2001, the CPR for all methods is expected to increase further to 31% in USAID-financed sites.

Program performance was disturbed somewhat during the reporting period as political events delayed startup of planned support to the Ministry of Health (MSPP) to strengthen national health systems and extend support for integrated management of childhood illnesses and vaccination programs. Vaccination coverage rates in USAID-funded program areas are almost double the national average but have remained fairly constant and are still unacceptably low. Confronted with periodic measles outbreaks, and recently one of the first confirmed cases of paralytic polio in the Western Hemisphere since 1991, MSPP announced plans for a national vaccination campaign. Strategies to improve national-level vaccination rates will include support for a reliable supply system for vaccines, better department-level public-private collaboration in campaign efforts, and greater engagement with Government of Haiti and PAHO counterparts in the on-going dialogue surrounding this issue.

Begun in 2000, Phase II of this program focuses on improved quality and increased access to the child and reproductive health services currently being provided by a network of local NGOs and private service delivery organizations. Support for improved services will be complemented with strengthening of national systems critical to informed decision-making, judicious planning, and optimal utilization of scarce resources. The Phase II program envisions support for institutional strengthening and service delivery to a network of NGOs and commercial health institutions that provide child and reproductive health services. The program will help local institutions expand access and improve efficiency to achieve a greater level of financial autonomy by 2004. The program will also help slow the transmission of STIs. HIV/AIDS prevention-to-care strategies will be reviewed and redefined for both AIDS and TB activities. Integration of FP/STI services will enable USAID to capitalize upon its existing service delivery infrastructure. Risk-reduction interventions will emphasize sustained behavior change among key at-risk populations.

FY 2001 ESF funds will support HIV/AIDS prevention ($3.0 million), child survival and infectious diseases activities ($860,000) and family planning ($1.74 million). Working through a network of private sector health institutions to support institutional strengthening and service delivery, $1.35 million will help combat HIV/AIDS, $4.11 million will be used for child survival and infectious diseases, and $4.47 million will go toward family planning. An additional $3.77 million will be used to support the large P.L. 480 Title II program.

FY 2002 ESF funds will be used to support HIV/AIDS prevention ($1.5 million), infectious diseases activities ($200,000), and family planning ($800,000). Working through a network of private sector health institutions, funds will support institutional strengthening and service delivery, including $2.25 million for HIV/AIDS support; $3.25 million for child survival and infectious diseases; and $5.2 million for family planning. An additional $4 million will be used to support the large P.L. 480 Title II program.

Possible Adjustments to Plans: The conceptual framework and related strategies and indicators for this objective remain unchanged. However, given budget reallocations and the anticipated continuation of earmarks for HIV/AIDS and TB, USAID will likely reduce its support for ongoing fertility reduction activities. The performance indicators will also be revised. During FY 2000, USAID and other donors provided support for completion of the third Haiti Demographic and Health Survey (DHS), which enables us to report on national health trends. However, USAID has instructed the contractor to discontinue annual population-based surveys. Partner organizations will instead receive increased support to improve the quality and availability of service statistics in order to track program results and impact.

Other Donor Programs: USAID is the leading bilateral donor in the health sector, followed by Japan, France, and Canada. The Pan-American Health Organization (infectious disease and essential drugs, improved maternal and child health, and sanitation), UNICEF (micro-nutrients, child health and STI/HIV), and the World Bank (condoms, TB drugs and other medical supplies, obstetrical emergency care, midwife training) also provide significant levels of assistance.

Principal Contractors, Grantees or Agencies: U.S. partners include Management Sciences for Health (MSH), CARE, Catholic Relief Services, and World Vision. Non-U.S. partners include the local Haitian firm International Maritime Transport and several Haitian NGOs.

FY 2002 Performance Table

Haiti: 521-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Total Fertility Rate	NA	NA	NA	4.6	4.6	4.5	N/A
Indicator 2: Infant Mortality Rate	NA	NA	NA	69/1000	69/1000	56/1000	N/A
Indicator 3: Child Mortality Rate	NA	NA	NA	126/1000	126/1000	121/1000	N/A
Indicator 4: Prevalence of chronic malnutrition in children under age 5	NA	29.4	27	21.9	26	25	23

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Number	Semographic and Health Survey (DHS) carried out by Macro International and Institut Haitien de l'Enfance (IHE)	Mean number of live births per woman at the end of her reproductive years. Data is collected every five years.
Indicator 2:	S	Number of deaths per 1,000 live births	DHS, as above	Annual number of deaths in children under 12 months old per 1,000 population of same age. Data is collected every five years.
Indicator 3:	S	Number	DHS, as above	Annual number of deaths among children of 59 months old and under per 1,000 population of same age. Data is collected every five years.
Indicator 4:	S	% Height-for-age <-2 SD	IHE Impact Survey, Demographic Health Survey (DHS)	Percentage of children 6-59 months of age with height-for-age less than 2 standard deviations (i.e. prevalence of stunting).

	U.S. Financing (In thousands of dollars)		
Program: Haiti Title and Number: Healthier Families of Desired Size, 521-003			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	6,400 DA	6,345 DA	55 DA
	11,842 CSD	11,842 CSD	0 CSD
	64,208 ESF	49,580 ESF	14,628 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 0	0 DFA	0 DFA
Fiscal Year 2000	0 DA	1 DA	
	0 CSD	-43 CSD	
	19,550 ESF	14,789 ESF	
	0 SEED	0 SEED	
	0 CACEDRF	0 CACEDRF	
	0 DFA	0 DFA	
Through September 30, 2000	6,400 DA	6,346 DA	54 DA
	11,842 CSD	11,799 CSD	43 CSD
	83,758 ESF	64,369 ESF	19,389 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 DFA	DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	2,270 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	19,300 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	21,570 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	6,400 DA
	0 CSD	0 CSD	11,842 CSD
	17,200 ESF	34,400 ESF	156,928 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Increased Human Capacity, 521-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $5,275,000 (ESF) and $13,730,000 (PL 480)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $4,000,000 (ESF) and $10,000,000 (PL 480)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE: FY** 2004

Summary: This strategic objective addresses one of Haiti's most fundamental obstacles to economic and political development: lack of quality primary education. While Haitians place a high value on learning, and even though schooling is more available today than ever before, the educational system is inefficient and unable to provide quality educational services. Primary school enrollment is 65%, but over 70% of those enrolled are over-aged for their grade. The majority of enrolled children drop out of school, sometimes several times.

Though primary schooling is compulsory, the Government of Haiti (GOH) has neither the financial resources nor the institutional capacity to support universal primary education. As a result, 90% of primary schools are private Catholic, Protestant, or nondenominational institutions, and they account for 75% of enrolled children. The costs of schooling are high for both the GOH and private individuals. The Ministry of National Education employs 30% of all civil servants and accounts for 16% of the GOH 2001 budget. Schooling is expensive for individual families as well, accounting for as much as 15% of family income per child. Despite this huge investment, the quality of services in both public and private sectors is far below that of other countries in the Western Hemisphere.

Through this program USAID seeks to improve the quality of educational services provided to school children and young adults; and address the physical, social, and educational needs of orphans and other at-risk children. Specific objectives include 1) improved quality of primary education; 2) improved services for orphans and at-risk children; and 3) improved access to information and communication technology. The program is also supported by P.L. 480 Title II resources.

Key Results: This objective will be achieved through two intermediate results. "Improved quality of primary education" will enhance the quality of instruction in 450 schools, principally through the provision of in-service training for 4,000 teachers and school directors under the "ED 2004" program; radio education in math and Creole; and the provision of school supplies (books, teaching aides, and curricula guides). Currently 106,000 school children are being reached. In addition, school lunches for 500,000 children are provided through the P.L. 480 Title II Program. "Improved quality of services for orphans and at-risk children" provides support to the Home for Needy Haitian Children, an umbrella group of non-governmental organizations that helps coordinate donor assistance to institutions serving the needs of orphans and other at-risk children. Currently support is being provided to 167 orphanages serving 14,000 children.

Performance and Prospects: Students in ED 2004 schools continue to perform better than their peers in other schools and pass the national primary school completion exam at a higher rate than the national average. The same applies to other USAID-supported schools assisted through CARE and Catholic Relief Services (CRS). Third grade students in ED 2004 schools (who are specifically targeted for assistance) continue to perform better in math and Creole reading than their counterparts in non-ED 2004 schools.

The level of community support continues to be high, as shown by the 11% increase in the number of schools with active parent-teacher associations (PTAs). CARE schools show a particularly high level of community involvement: 89% have PTA organizations that meet USAID's criteria for "active" PTAs. In addition, there continues to be a high level of community support for small

projects, e.g., construction or rehabilitation of latrines and water reservoirs. While we do not have an accurate count of small projects for prior years, the number for this past year (251) is an indication of the significant energy and time which cooperating sponsors spend on facilitating community involvement in local schools.

On the policy front, USAID and the Ministry of National Education (MENJS) are beginning work under a 1999 agreement to renovate and equip the newly established office of the Partnership Commission, a public-private joint venture with the MENJS to reform national education policy.

During FY 2001, approximately $6.92 million (including $5.28 million of FY 2001 funds and $1.64 million of prior year funds) will be used to improve the quality of primary education; $250,000 will improve services to orphans and at-risk children; and $150,000 will be used to improve access to information and communication technology.

During FY 2002, approximately $3.75 million will be used to improve the quality of primary education and $250,000 to improve services to orphans and at-risk children.

Possible Adjustments to Plans: Recent evaluations indicate 1) that the impact of educational radio could be greatly enhanced through programs aimed at older students and adults and on social and economic issues (e.g., health, environment and civil society issues); 2) that poorer schools should be included in existing ED 2004 clusters (groups of five to six neighboring schools, organized to maximize project resources); and 3) that there is a need for closer collaboration between USAID and the MENJS in the implementation of policy and ED 2004 activities. If expanded trials with distance education during the coming year are positive, educational radio could become the centerpiece of ED 2010.

Other Donor Programs: External donors contributed about 40% of public spending for primary education in 1998. Paradoxically, at a time when total external aid to Haiti has been declining, contributions to the education sector rose from $12.2 million in 1995 (2% of total external aid) to $28.4 million in 1999 (7% of total external aid). In 1998, bilateral aid represented $14.2 million (57% of total external aid) and multilateral aid represented $10.5 million (43% of total external aid). The major donors were the Inter-American Development Bank, France, and the United States.

Principal Contractors or Agencies: The principal U.S. contractor under this activity is the Academy for Educational Development. Management Sciences for Health manages USAID-funded activities for at-risk children under a subcontract. CARE and CRS provide school feeding, health, and educational services through the P.L. 480 Title II program. USAID has also negotiated a grant to the Haitian Private Education Foundation, the major national organization representing private education institutions.

FY 2002 Performance Table

Haiti: 521-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Percentage of school children completing primary school (passed primary school leaving exam)	NA	64	45	45	73	70	70
Indicator 2: Pass rates for Grade 3	NA	71	76	73	73	75	76
Indicator 3: Number of orphanages receiving support through USAID-supported organizations	NA	100	114	167	120	167	167

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Percent	Ministry of National Education (MENJS)	Percentage of Grade 6 students that pass the national CEP (Primary School Completion) Exams. Note: The decline in the 1999 and 2000 actual pass rate reflects a teachers' strike, changes in test format, changes in the numbers of students permitted to take the CEP exam and the 5 month period of Education 2004 "demobilization" between February and June 2000.
Indicator 2:	IR	Percent	AED	Percentage of students in Education 2004 schools that complete Grade 3, disaggregated by gender.
Indicator 3:	IR	Number of orphanages	CRS/CENH	Number of orphanages receiving support through USAID-supported organizations.

	U.S. Financing (In thousands of dollars)		
Program: Haiti Title and Number: Increased Human Capacity, 521-004			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	1,093 DA	1,093 DA	0 DA
	1,390 CSD	1,390 CSD	0 CSD
	11,350 ESF	2,677 ESF	8,673 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	5,000 ESF	6,828 ESF	
	0 SEED	0 SEED	
	0 CACEDRF	0 CACEDRF	
	0 DFA	0 DFA	
Through September 30, 2000	1,093 DA	1,093 DA	0 DA
	1,390 CSD	1,390 CSD	0 CSD
	16,350 ESF	9,505 ESF	6,845 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 DFA	DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	1,645 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	5,275 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	6,920 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	1,093 DA
	0 CSD	0 CSD	1,390 CSD
	4,000 ESF	8,000 ESF *	35,270 ESF
	SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Genuinely Inclusive Democratic Governance Attained, 521-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $8,835,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $5,700,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1991 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Haiti has reached a critical juncture in its democratic development. Donor efforts to strengthen Haiti's democratic institutions suffered a major setback as a result of the manipulation by the Government of Haiti's electoral council of the May 21, 2000 parliamentary and local government elections. These elections should have resolved the political impasse that has immobilized the country since April 1997, when an earlier electoral dispute seriously polarized Haiti's political climate. Executive branch influence over the election vote tabulation shed doubt on the validity of the entire process and, therefore, the legitimacy of the institutions to which officials were elected.

As a consequence, USAID will no longer pursue this strategic objective through Government of Haiti (GOH) institutions but will concentrate on strengthening grassroots civil society organizations (CSOs) that address elections, government/ civil society relations, and the rule of law. Civil society's growing engagement with local government and its strong advocacy for reform, including active support for negotiation to resolve the political crisis, warrant continued encouragement and assistance.

Key Results: Four key results are necessary to lay the foundation for genuinely inclusive democratic governance: 1) Civil society organizations must be better able to positively influence policies; 2) Domestic observer organizations must become better able to monitor Haitian elections to make them more credible; 3) There must be more responsive governance by elected officials, with citizens increasingly treated according to the rule of law; and 4) Viable, representative political parties must be better able to develop platforms and offer electoral alternatives.

Performance and Prospects: Past USAID support has resulted in civil society organizations surmounting formidable obstacles to gain respect for democracy in Haiti. Individual CSOs prevailed in voicing diverse opposition to the 1999 dissolution of parliament, successfully negotiating with the executive to name a Provisional Electoral Council, and mustering a large voter registration, election-day turnout, and volunteer election monitoring effort in May 2000. CSOs improved their ability to clearly articulate objectives, raise funds, take action to influence policy decisions, and follow up on policy implementation. USAID training of CSOs resulted in 22,000 volunteers participating in the first ever independent, national monitoring effort by Haitians in May 2000. Forty-five domestic observer organizations from a range of political parties registered and received USAID training in electoral observation. Nearly all published written reports containing their observations. After gross irregularities were detected in the vote tabulation, these organizations demonstrated strong independence by collectively denouncing the first round elections and refusing to observe the second. For the first time, many polling stations were relocated to public locations from the private homes of political activists.

Although the new parliament is not considered legitimate, soon it will take up legislation on decentralization, judicial reform, and the legal parameters within which NGOs may function -- elements considered crucial to the future of democratic governance in Haiti. Through organizational strengthening and improved advocacy skills, USAID will help CSOs participate in the formulation of this legislation and future GOH policies essential to inclusive democratic governance. USAID will increase modestly its investment in civil society modestly, with an emphasis on building trust between segments of society, improving citizen engagement with government, and integrating

regional and national policy reforms. USAID will specifically promote the formation of coalitions and alliances among CSOs that pursue judicial reform.

For FY 2001, $8.84 million in ESF funds will be used to: support civic education programs to inform citizens of their rights and responsibilities in a democracy and help them exercise those rights ($1.56 million); support policy reforms across sectors ($4.3 million); strengthen the National Observer Commission's (CNO) interests in policy reform ($210,000); strengthen the CNO's capacity to monitor Haitian elections ($210,000); and build constituencies for judicial reform ($2.56 million).

For FY 2002, $5.7 million in ESF funds will be used to continue these same programs to: support civic education programs to inform citizens of their rights and responsibilities in a democracy and help them exercise those rights ($1.6 million); support policy reforms across sectors ($2.2 million); strengthen the National Observer Commission's (CNO) interests toward policy reforms ($200.000); strengthen the CNO's capacity to monitor Haitian elections ($300,000); and build constituencies for judicial reform ($1.4 million).

Possible Adjustments to Plans: No adjustments planned.

Other Donor Programs: USAID collaborates closely with other donors in the democracy arena, including the United Nations Development Program, Canada, France, the European Union, Japan, the Netherlands, and the Inter-American Development Bank.

Principal Contractors, Grantees or Agencies: U.S. partners in this sector include the National Democratic Institute, Management Services International, the International Foundation for Electoral Systems, and America's Development Foundation. Non-U.S. partners include numerous local Haitian NGOs.

FY 2002 Performance Table

Haiti: 521-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of policy issues on which civil society organizations and national public institutions carry on an organized dialogue	NA	14	44	56	20	60	65
Indicator 2: Targeted Haitian Civil Society Organizations progress in developing their capacity to advocate for policy change.	NA	NA	36.7	33.9	38.5	39.3	40.3

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Number of cases	Project records	"Organized dialogue" is defined civil society organizations and national public institutions (ministries, agencies, parliament, President, or executive or legislative commissions) meeting in situations in which both sides have been given timely notice and information about meetings and issues.
Indicator 2:	IR	Average score of CSOs on index	Independent contractor survey	Measure of the capacity of civil society organizations to advocate effectively and constructively on behalf of members and the broader public. Targeted organizations are those organizations receiving assistance from USAID under various programs, not exclusively the civil society program. The maximum possible score is 84.

	U.S. Financing (In thousands of dollars)		
Program: Haiti			
Title and Number: Genuinely Inclusive Democratic Governance Attained, 521-005			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	32,418 DA	32,309 DA	109 DA
	0 CSD	0 CSD	0 CSD
	52,441 ESF	41,557 ESF	10,884 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 0	0 DFA	0 DFA
Fiscal Year 2000	0 DA	44 DA	
	0 CSD	0 CSD	
	8,281 ESF	14,807 ESF	
	0 SEED	0 SEED	
	0 CACEDRF	0 CACEDRF	
	0 DFA	0 DFA	
Through September 30, 2000	32,418 DA	32,353 DA	65 DA
	0 CSD	0 CSD	0 CSD
	60,722 ESF	56,364 ESF	4,358 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 DFA	DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	2,000 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	8,835 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	10,835 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	32,418 DA
	0 CSD	0 CSD	0 CSD
	5,700 ESF	11,400 ESF	88,657 ESF
	SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	0 CACEDRF
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Hurricane George Recovery 521-009
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $125,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: On the night of September 22, 1998, Hurricane Georges swept across Haiti damaging millions of dollars worth of crops, infrastructure, and housing. The hurricane and subsequent flooding left approximately 400 casualties and an estimated $180 million in damage, including indirect and secondary losses.

The combination of overwhelming poverty, a degraded environment, and a lack of infrastructure makes Haiti disaster prone. Nearly every year, large segments of the population suffer from prolonged drought, frequent floods, or mudslides. As economic conditions deteriorate, weakening the government's capacity to deliver public services, and as environmental degradation persists, larger and larger segments of Haitian society are losing the capacity to cope with natural disasters.

USAID is implementing an ambitious program aimed at enhancing the capacity of communities to recover economically from the impact of Hurricane Georges and mitigating the impact of future natural disasters. Activities have focused on southern Haiti, where the greatest damage occurred and where USAID has ongoing programs in coffee production, hillside agriculture, and artisan support. The principal beneficiaries are local farmers and their families and community development associations. Activities emphasize consultation and participation between civil society and local government to strengthen communities' abilities to work together to solve problems. Experience from similar programs in the past tells us that community participation in the identification, design, and implementation of recovery activities is essential to their success and sustainability.

Key Results: Life threatening conditions are being mitigated. The Hurricane Georges Recovery Program's main contractor, Pan American Development Foundation (PADF), worked closely with the Haitian Civil Protection Office and other donors to prepare for potential impacts from Hurricane Debby in August 2000. PADF responded rapidly to the needs of 3,000 persons displaced by flooding in Cap Haitien on the northern coast in November 2000. The capacity for agricultural production is being enhanced through the promotion of improved, commercial quality seeds and better agricultural technologies. Basic seeds, unlike commercial seeds, are produced under strict control in irrigated fields, and are used for subsequent commercial seed production. The Organization for the Rehabilitation of the Environment (ORE) produces both commercial and basic seeds in Haiti. While drought conditions have limited ORE's commercial seed production, production of basic seeds was above target, and seed storage capacity was increased.

Damaged infrastructure is being restored. Eight community-level infrastructure and seven school repair activities were implemented in FY 2000. In addition, two irrigation rehabilitation activities were completed, expanding land available for irrigation. This fiscal year, one road activity has been completed, rehabilitating secondary farm-to-market access, and another potable water project is underway.

The environmental impact of future natural disasters will be reduced as a result of seven soil and water conservation activities currently underway. Local capacity to mitigate and prepare for natural disasters is being enhanced. Community level disaster mitigation and preparedness committees are being formed in 20 communities. Thirty-two seminars have been held, and a video, brochure, and song in Creole were produced for public awareness campaigns on hurricane preparedness.

Performance and Prospects: Activities have succeeded despite the difficulty in reaching remote areas on nearly impassable roads and the high level of insecurity due to political uncertainty and an elevated crime rate. With over ten partners and three U.S. Government agencies implementing hurricane recovery activities, the focus of the Hurricane Georges Recovery Program is community self-reliance. The 21 target communities select projects important to them, and then implement the projects through community-based organizations (CBOs) to ensure local initiative and project sustainability. For example, the local Citizen Union for Gaya Develpment CBO, working on the Cajeun Irrigation Rehabilitation project, successfully repaired and even expanded the canal, and then used community funds to develop a training center.

Program implementation is almost complete. Production of basic seeds greatly exceeded the 2000 target of 10 metric tons, reaching 18 metric tons. Three sub-agreements to restore agricultural production have been signed. By the middle of FY 2001, 21 cooperative activities with local CBOs for infrastructure repair and soil and water conservation will be completed or underway. By the end of the program, well over the targeted 1,650 hectares of land will be covered by these rehabilitated irrigation systems, with approximately 10,000 people benefiting from their repair. Seven soil and water conservation projects are also underway to bring 900 hectares under improved management. The remaining 17 schools to be repaired will be completed in FY 2001. At the end of FY 2001, 20 communities will have disaster preparedness and mitigation committees and preparedness plans in place. Other activities to enhance preparedness and reduce impacts of disasters will include studies of critical watersheds, an analysis of shelter needs, and the purchase of relief supplies.

FY 2001 ESF funds will be used for the concurrent audit of the Pan American Development Foundation (PADF) requested by USAID's Regional Inspector General, and for monitoring and evaluation.

Possible Adjustments to Plans: A careful review of the performance monitoring plan in September 2000 led to a change in the definition of "community" and the number of communities targeted. A community is now defined as a group of localities in targeted areas that have formed an association to address potential natural disasters.

Other Donor Programs: USAID is coordinating with the United Nations Development Program and the European Union on assistance to enhance disaster management in Haiti.

Principal Contractors, Grantees or Agencies: U.S. contractors and grantees include PADF, the Center for Tropical Agriculture, Organization for the Rehabilitation of the Environment, Catholic Relief Services, Winrock International, Plan International, Cooperative Housing Foundation, the Florida International Volunteer Corps, the Southeast Consortium for International Development, the U.S. Army Corps of Engineers, the Federal Emergency Management Agency, and the U.S. Department of Agriculture. Non-U.S. partners include the Canadian Center of International Studies and Cooperation, the Center for Human Resource Development, and Mérové-Pierre (a local KPMG-affiliated certified public accounting firm).

FY 2002 Performance Table

Haiti: 521-009

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Volume of basic seeds in reserve.	N/A	N/A	6	18	10	25	N/A
Indicator 2: Number of hectares of land under rehabilitated irrigation systems	N/A	N/A	0	200	50	1650	N/A
Indicator 3: Number of schools repaired	N/A	N/A	0	7	7	17	N/A
Indicator 4: Number of Communities more resilient to natural disasters	N/A	N/A	0	0	0	21	N/A
Indicator 5: Number of hectares of land under improved soil and water conservation practices	N/A	N/A	0	0	0	900	N/A

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Metric tons (cumulative)	PADF through project records	Volume of seeds of major staple crops (maize, beans, sorghum) stored in ORE-managed facilities available to produce commercial seeds.
Indicator 2:	IR	Number	PADF through project records	Number of hectares served by the rehabilitated irrigation systems. This indicator measures the number of hectares served by the system. It does not measure the potential increased capacity due to the Hurricane Georges Recovery -funded repairs.
Indicator 3:	IR	Number	PADF through project records	A school is defined as being 'repaired' when at least one of the following types of structural repairs have been completed: repairs to roofs, walls, flooring, doors, windows or latrines.
Indicator 4:	S	Number	PADF through project records	Communities in HGRP-targeted areas that have formed an association to address potential natural disasters.
Indicator 5:	IR	Number	PADF through project records	Number of hectares of land under soil and water conservation practices with local level community based organizations.

	U.S. Financing (In thousands of dollars)		
Program: Haiti Title and Number: Hurricane Georges Recovery, 521- 009			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	9,800 CACEDRF	81 CACEDRF	9,719 CACEDRF
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 CACEDRF	3,375 CACEDRF	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	9,800 CACEDRF	3,456 CACEDRF	6,344 CACEDRF
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	125 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	125 ESF		
	0 SEED		
	0 CACEDRF		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	125 ESF
	0 SEED	0 SEED	0 SEED
	0 CACEDRF	0 CACEDRF	9,800 CACEDRF
	0 DFA	0 DFA	0 DFA

HONDURAS

Program Summary (In Thousands of Dollars)				
Category	**FY 1999 Actual**	**FY 2000 Actual**	**FY 2001 Estimated**	**FY 2002 Request**
Development Assistance	17,545	12,633	16,169	16,530
Child Survival & Disease Fund	22,840	7,400	8,436	8,800
CACEDRF	293,100	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	0	0	996	1,000
P.L. 480 Title II	42,455	9,340	2,659	5,515
P.L 480 Title III	0	0	0	0
Total Program Funds	**375,940**	**29,373**	**28,260**	**31,845**

Mission Director, Timothy Mahoney

HONDURAS

Introduction

U.S. assistance to Honduras is still heavily focused on helping the country recover from the devastation of Hurricane Mitch. However, even as the bulk of the U.S. Hurricane Reconstruction Program is expected to be completed December 31, 2001, more intense focus is being placed on critical transformation issues emerging from the reconstruction: economic growth, transparency, decentralization, and fundamental reforms in the judicial, health, and education sectors. Coordinated donor efforts in the aftermath of Hurricane Mitch emphasizes these issues, which continue to form part of the central dialogue on debt relief under the Heavily Indebted Poor Country (HIPC) initiative. USAID assistance will be oriented toward support of the Honduran Poverty Reduction Strategy, and will be focused on these long-term transformation issues. USAID's objective is to assist in the reduction of poverty and support Honduras' transformation. USAID-financed reconstruction and development assistance programs are laying the groundwork for such a transformation.

The Development Challenge

Hurricane Mitch's staggering levels of destruction and dislocation throughout the country represented the most pressing development challenge for Honduras in the fall of 1998. Before Hurricane Mitch, Honduras was making significant progress in addressing its daunting development challenges: severe poverty, protectionist economic tendencies, archaic judicial practices, inadequate education and health care systems, and widespread environmental degradation. Unfortunately, the damage and losses caused by the hurricane set the country back years in its development efforts, making U.S. assistance to Honduras a priority. Two years after Hurricane Mitch and the subsequent economic recession that lasted until early 2000, the Honduran economy is stabilizing and slowly showing signs of recovery. Reconstruction activities have allowed thousands of displaced families to obtain permanent shelter. Basic infrastructure (water and sanitation, roads, and bridges) along with critical social infrastructure (schools and health clinics) lost or damaged during the storm are being rebuilt. Honduras continues to strengthen its institutions in charge of disaster preparedness and emergency response systems at the local and national levels. Despite these advances, Honduras continues to struggle with the overwhelming reconstruction effort and the serious development and transformation issues facing it.

Economic growth over the last decade only slightly exceeded population growth and had little effect on poverty reduction. Approximately two-thirds of Honduran households still live in poverty. Honduras continues to suffer from insufficient employment generation, especially for the poor. Private investment is constrained by an unfavorable investment climate, including an overvalued currency, lack of credit, high commercial interest rates, deficient infrastructure (electricity, communications, and roads), weak legal institutions, a low level of education and workforce productivity, corruption, and burdensome bureaucratic obstacles. Progress in many of these areas has been stymied by the political dynamics associated with elections scheduled for November 2001.

Poor water resources management continues to be a problem. Failure to manage water resources contributes to inadequate water supplies, low quality of drinking water, inefficient use of irrigation in high value agriculture, sub-optimal energy generation, sewage-related health problems, annual flood damage and losses, and damage to important marine and freshwater wildlife habitats. These problems negatively impact economic growth, undermine health, and lead to environmental degradation.

Another factor impacting Honduras' transformation is the poor quality of primary education and the limited access to education beyond primary school, especially in rural areas. These factors keep education attainment low, thereby affecting access to productive employment, income, and full participation in democratic processes. Less than 50% of the adult workforce has completed primary school. Repetition rates in the primary system are high at 8.3% and only one-third of primary school graduates can find middle school (grades 7-9) placement.

Healthcare is another critical component to transformation. The health systems in Honduras remain weak, with centralized decision-making and poor management and administration. The health challenges Honduras faces are serious, e.g. high fertility rates, rapid population growth (2.7%), a large number of high-risk births, high rates of malnutrition, substantial neonatal and child mortality, an elevated maternal mortality rate, and continuing high rates of infections with HIV (1.2%), malaria, dengue, and tuberculosis. Moreover, Honduras remains the epicenter of the HIV/AIDS epidemic in Central America.

Honduran democratic institutions must be strengthened to assure protection of human rights and to allow for greater citizen participation in decision-making. Past decentralization efforts created some capable local governments that can play a major role in meeting the needs of their constituents and the reconstruction. In the aftermath of Hurricane Mitch, municipal governments demonstrated their abilities to respond to critical needs, to provide basic services, and to involve citizens in decision-making. Municipalities have taken on increased responsibilities but often lack the financial and human resources to implement critical actions effectively.

The major challenge facing the criminal justice system at this juncture is the successful implementation of the new Criminal Procedures Code (CPC). Passage of the new CPC and a constitutional amendment to reduce politicization in appointments to the Supreme Court are significant steps forward in transforming the current archaic, corrupt, and inefficient system. The implementation of the CPC and the constitutional amendment will require significant financial resources, political will, and civil society support. These reforms have the potential to increase greatly the public's belief in democratic government, and will require intensive training for and technical assistance to the five justice sector institutions that play critical roles in implementing the CPC.

Other Donors and Debt

The major multilateral lenders in Honduras are the Inter-American Development Bank (IDB) (public infrastructure, government reform, and education); the World Bank (balance of payment support, public infrastructure, government reform, and education); the International Monetary Fund (IMF) (balance of payment support); the European Union; and the Central American Bank for Economic Integration (CABEI). The U.S. is the largest bilateral donor, ahead of the other major donors (Japan, Spain and Sweden), which are primarily financing infrastructure, health, education, municipal, and agriculture projects. USAID is coordinating closely with other donors (including the World Bank, IDB, Japan, and Sweden) on reconstruction efforts such as transportation infrastructure projects (highways, roads, and bridges) and social infrastructure (water, sewage, schools, and clinics). Through the G-12 follow-up effort, donors have been working together to ensure the implementation of the Stockholm principles: accountability/transparency, decentralization, civil society participation, environment, democracy, and poverty alleviation in each sector. In April 1999, nine Paris Club countries, holding the majority of Honduran bilateral debt, agreed to forgive approximately $150 million and restructure another $154 million. Honduras, which became eligible for HIPC debt relief in June 2000, expects to receive $556 million in additional debt relief, if it successfully meets all HIPC conditions by June 2002. The G-12 is active in the HIPC process.

FY 2002 Program

USAID programs will support the GOH Poverty Reduction Plan that was developed in consultation with civil society, communities, and other donors. USAID also will help spur economic reactivation of small and medium entrepreneurs and agricultural producers by improving access to financial and technical assistance and encouraging a healthy investment climate. Policymakers continue to receive expert advice on complex post-Mitch economic recovery and poverty reduction issues.

USAID will focus on cross-cutting water management issues by working with local governments and water-user groups to identify pressing water resource needs. Technical assistance will support the creation of appropriate public policies and problem resolution. The activities will contain technology transfer and increased public and private awareness of the benefits of improved water resource management.

USAID will support municipal development in Honduras that focuses on developing financial sources for infrastructure investments to expand basic services, build capacity to maintain existing infrastructure, and address community development and post-reconstruction disaster mitigation needs.

USAID also will focus on the poorest areas of the country that have the greatest health needs. The activities are designed to improve the quality and efficiency of public sector primary healthcare services, increase equitable access to primary healthcare and family planning services, increase public and private sector resources for primary healthcare, and address critical reform in the sector.

Additionally, USAID will focus on educational policy reforms to improve the quality of basic education, with special emphasis on reducing repetition rates and decentralizing education. USAID also will continue to support the expansion of alternative basic education programs.

USAID will support the Honduran transition plan for the new Criminal Procedures Code that creates an oral, adversarial system that is more transparent and fair. This effort will focus on providing extensive training and assistance to the key parties in the judicial system including the courts, prosecutors, bar associations. USAID also will continue to work with the GOH to promote accountability and the transparent use of public-sector resources.

HONDURAS
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
522-001 Economic Reactivation Meeting the Needs of the Poor				
- DA	5,910	3,900	3,240	3,730
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
522-002 Sustainable Management of Watersheds, Forests, and Protected Areas				
- DA	2,600	1,200	3,691	2,800
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
522-003 Sustainable Improvements in Family Health				
- DA	4,436	3,533	5,488	5,000
- CACEDRF	0	0	0	0
- CSD	12,815	4,900	5,642	5,300
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	42,455	9,340	2,659	5,515
522-004 Strengthened Rule of Law, Accountability, and Respect for Human Rights				
- DA	4,600	1,500	1,650	2,400
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	996	1,000
- P.L. 480/II	0	0	0	0
522-005 Critical Hurricane Reconstruction Needs Met				
- DA	0	0	0	0
- CACEDRF	293,100	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
522-006 Improved Opportunity to Obtain Basic Education and Skills				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	2,500	2,500	2,794	3,500
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
522-007 More Responsive and Effective Municipal Government				
- DA	0	2,500	2,100	2,600
- CACEDRF	0	0	0	0
- CSD	7,525	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
Totals				
- DA	17,546	12,633	16,169	16,530
- CACEDRF	293,100	0	0	0
- CSD	22,840	7,400	8,436	8,800
- CACEDERF	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	996	1,000
- P.L. 480/II	42,455	9,340	2,659	5,515

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: Economic Reactivation Meeting the Needs of the Poor, 522-001
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,240,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,730,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: Poverty, especially in rural areas, is the foremost long-term economic problem facing Honduras today. The economy grew slowly over the past decade (at a rate only slightly exceeding population growth), resulting in an overall poverty rate of 66% in 1997. Although the country was moving toward vigorous growth rates and making some progress in addressing poverty, Hurricane Mitch wreaked widespread devastation, dealing a significant setback to economic growth and poverty reduction efforts. With economic reactivation efforts underway, Honduras continues to suffer from insufficient employment generation, especially for the poor. Private investment is constrained by an unfavorable investment climate, including an overvalued currency, lack of credit, high commercial interest rates, deficient infrastructure (electricity, communications, and roads), weak legal institutions, a low level of education and workforce productivity, corruption, and burdensome bureaucratic obstacles. Key policy reforms have been slowed by the political power of those who benefit from current policies and lack a broad understanding of the potential benefits of reform. Small and micro entrepreneurs and producers often do not have equitable or sufficient access to markets and information to respond adequately to market forces.

Key Results: Economic reactivation to meet the needs of the poor is a critical objective in USAID's overall strategy. Activities are targeted to achieve the following key results: 1) an improved policy environment conducive to poverty reduction through economic recovery and growth, and 2) expanded business and financial services to micro and small businesses.

Performance and Prospects: Important progress is being made in post-Hurricane Mitch economic recovery and reactivation. Agricultural and forestry product exports increased to $730 million, a 25% increase over 1999. The economy grew by an estimated 4.8% in 2000, inflation remained at 10.1%, and net international reserves increased to approximately $1.02 billion, or $21 million higher than in 1999. Total Honduran exports of $1.14 billion relative to $2.4 billion in imports resulted in a trade balance of minus $1.3 billion, about the same as 1999. Generally satisfactory economic performance is attributed to recovery in all productive sectors, particularly to increases in agricultural production and growth of the small and medium manufacturing sector. On the other hand, private investment fell short of the CY 2000 target, and the financial sector showed lackluster performance. Although the Central Bank decreased reserve requirements, interest rates remained high (18-34%). The rate of growth of credit to businesses declined from about 70% in 1996-97 to about 18%. The Government of Honduras (GOH) must take concrete steps to improve the financial sector, such as passing a deposit insurance law and taking appropriate actions against weak financial institutions. It is imperative to reduce perceived risks in the financial sector and to reduce commercial interest rates, which are a key condition to accelerated economic recovery. Although key policy changes – privatization, decentralization, justice sector and financial sector reforms – are not expected in this election year, the challenge will be to maintain fiscal prudence so as not to jeopardize prospects of sustaining economic growth in 2002 and beyond.

Despite political posturing associated with this year's national elections, some important progress toward policy reform was achieved. The GOH developed its Poverty Reduction Strategy Program, a key requirement for qualifying for the Heavily Indebted Poor Countries (HIPC) initiative and securing debt relief of up to $556 million (net present value). After over three years of deliberations, the GOH finally passed the law allowing microfinance institutions (MFIs) to accept deposits and develop new financial products. Commercial interest rates declined in 2000, and further declines are

expected in 2001, provided the GOH adheres to the International Monetary Fund (IMF) conditionality outlined in the Poverty Reduction Growth Facility. The government's policy focus for this year will be to comply with agreed targets and reforms in the Poverty Reduction Growth Facility, a commitment that is becoming increasingly difficult to fulfill. The key areas for policy action include privatization of the Honduran telephone company and enforcement of capital adequacy rules. The presidential candidates of the two major parties have demonstrated interest in the reform agenda and USAID will provide information and seminars related to key reform issues to the major candidates.

Over 48% of small and micro enterprises in Honduras are now receiving USAID-supported financial services. During 2000, USAID-supported MFIs disbursed $28.6 million to 93,544 active clients (79% women). Despite efforts to restructure portfolios, the delinquency rate of USAID-assisted MFIs increased during 2000. To address this issue, USAID is providing technical assistance to selected organizations to improve loan approval and collection procedures. USAID also provided business development services to women's groups in three cities to develop decorative accessories and artesanal products for exports to major U.S. department stores. A total of 16,041 farmers received land titles under the mass land-titling program supported by USAID. Preliminary findings from an ongoing impact study indicate that farmers have begun using these titles to secure bank financing.

FY 2001 funds will be used to support an improved policy environment conducive to poverty reduction through economic growth ($1,340,000) and improved market access and competitiveness by the poor ($1,900,000). FY 2002 funds will increase financing for policy-related activities to $1,930,000 and continue financing market access and competitiveness activities at $1,800,000.

Possible Adjustments to Plans: USAID is developing business development services in key secondary cities with significant potential for rapid economic growth. The secondary city focus is expected to continue and the range of activities to support these potential high-growth areas may expand. A recent external review of economic reactivation activities suggested that USAID should complement continued policy work with specific concrete activities in the private sector to help develop a productive response to policy changes. These new activities may be similar to those funded with hurricane reconstruction funds that are helping to raise the productivity and income of thousands of Honduran farmers and rural enterprises. Property registration and the formalization of Honduran businesses are major challenges to growth and development of the small and microenterprise sector. USAID is planning to undertake a study of property registration in three secondary cities. Based on the outcome of this study, USAID may work with local institutions and other donors to finance modernization of property registration in Honduras.

Other Donor Programs: USAID is working closely with the World Bank, the Inter-American Development Bank (IDB), and the IMF in macroeconomic, trade policy, and financial sector reforms. Many of the indicators in USAID's policy results framework are the same or similar to those contained in the IMF Poverty Reduction Growth Facility. USAID is collaborating with the IDB to strengthen the Trade Policy Unit in the Ministry of Industry and Commerce and with the U.S. Department of Agriculture to strengthen the Ministry of Agriculture's Planning Unit. USAID has joined the German Development Agency, the IDB, the Central American Bank for Economic Integration, the Honduran Foundation for the Development of Investment and Exports, the United Nations Development Program, and selected Honduran MFIs to develop proposals and programs for small and micro businesses.

Principal Contractors, Grantees and Agencies: U.S. contractors Chemonics and Barents Group implement economic policy activities and the major share of microenterprise activities. Honduran microenterprise NGOs and the formal banking and credit union system provide microenterprise and small business credit services. The National Unit for Technical Support and the Economic Cabinet, as well as its respective ministries or agencies, are the primary GOH counterparts.

FY 2002 Performance Table

Honduras: 522-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Portfolio at risk >30 Days	NA	8.4	6.4	8.3	5.8	7	5.5
Indicator 2: Increased private investment	1185	1423	1469	1378	1748	2063	2434
Indicator 3: Increased percentage of micro and small enterprises receiving financial services from USAID-assisted entities	0.279	0.351	0.431	0.48	0.472	0.39	0.42

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Weighted average portfolio at risk	Covelo Foundation semiannual reports	Weighted average delinquency rate of USAID-assisted microfinance institutions. The weighted average portfolio at risk is the ratio of loan balances with late payments of more than 30 days to total loan portfolio balances.
Indicator 2:	S	Annual value of private sector investment	Central Bank of Honduras	Real value of private sector investment in the Honduran economy. Indicator is reported in millions of 1978 Lempiras
Indicator 3:	IR	Percent	Covelo Foundation annual report	The percentage of micro and small enterprises (MSEs) receiving financial services from USAID-assisted institutions is the result of the number of active clients as of 12/31 of a given year, divided by the baseline number of micro and small entrepreneurs that resulted from the 1995-1996 microenterprise survey (194,700). In 2000 48% (93,544) of the 194,700 MSEs received financial services, of which 79% (73,400) were for women.

	U.S. Financing (In thousands of dollars)		
Program: Honduras			
Title and Number: Economic Reactivation Meeting the Needs of the Poor, 522-001			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	7,825 DA	3,463 DA	4,362 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,900 DA	(64) DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	11,725 DA	3,399 DA	8,326 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	3,240 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**3,240 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**3,730 DA**	12,000 DA	30,695 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: Sustainable Management of Watersheds, Forests, and Protected Areas, 522-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,691,000 (DA)
PROPOSED FY 2002 OBLIGATION and ACCOUNT: $2,800,000 (DA)
STATUS: Continuing (enhanced to respond to Hurricane Mitch and mitigate against future disasters)
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's environmental management activities are focused on improving sustainable management of the natural environment and protecting biodiversity. Poor management of protected areas and watersheds contributed to the high level of damage and destruction caused by Hurricane Mitch. Deforested hillsides became landslides or failed to hold water, thereby contributing to flash floods and heavy siltation of rivers. Experience with sustainable environmental management is limited and Honduras has few trained professionals in this field. Many hillside farmers and even some foresters operating in key watersheds are not familiar with soil and water conservation methods. Municipal governments and community organizations have limited technical and financial capacity to properly address their natural resource management problems. Though growing in number and strength, environmental groups are few and relatively weak. While the Government of Honduras (GOH) is taking some positive steps, e.g., declaring numerous "protected areas," the budget to actually "protect" them is lacking because environmental protection is still a low priority. Primary beneficiaries are both the current and next generation of Hondurans who must depend upon the country's natural resource base for their future economic well being, as well as those who might be subject to future disasters.

Key Results: Activities in this area will focus on: 1) increasing the number of non-governmental organizations (NGOs) working directly in watersheds and protected areas, and 2) improved forestry and watershed management in targeted areas, including a greater number of communities and municipalities collaborating on forestry/watershed management.

Performance and Prospects: USAID provides support to strengthen Honduran institutions and finances sub-grants for environmental protection through the Honduran Environmental and Development Foundation (Fundacion VIDA). Several sub-grants link U.S. environmental NGOs, such as the Wildlife Conservation Society and the Center for Tropical Conservation, with local organizations to improve protected areas and watershed management. These organizations are developing improved management plans for selected areas within the Honduran National System of Protected Areas. Improved management of these areas includes definition of area limits, legal declaration of the park or reserve, demarcation of boundaries, assignment of institutional responsibilities, preparation of management plans, and infrastructure development. Sustained implementation involves mobilizing public and private resources and economic incentives for wise resource use. With USAID assistance, protected areas under improved environmental management have increased from one area, covering 5,000 hectares, in 1993 to eighteen areas, covering 193,873 hectares, in 2000.

During the past decade, USAID's forestry development activity had a major impact on Honduras' forestry sector by helping to move it from a state of unmanaged exploitation to a managed system of public and private harvesting practices and open standing timber sales. This activity has now been oriented toward improved watershed management that complements hurricane reconstruction activities carried out through NGOs and municipalities. It is implemented through the National School of Forestry Science (ESNACIFOR), which teaches forestry practices that directly contribute to proper management of Honduras' watersheds. The training courses emphasize the use of practical, hands-on exercises that allow municipal officials, community members, and forest technicians to identify factors that negatively affect the watersheds under their jurisdiction.

ESNACIFOR also instructs participants on how to request and/or enforce legal and technical actions regarding protection of the watersheds.

With USAID assistance, ESNACIFOR has established a unit responsible for providing technical assistance and support to municipalities and regional municipal associations. ESNACIFOR's assistance to municipalities includes: 1) in-the-field direct technical assistance to municipal staff responsible for environmental matters; 2) analysis of specific environmental issues as requested by the municipalities or as identified by ESNACIFOR technicians; and 3) water quality analysis. ESNACIFOR has ongoing field activities in Guanaja Island, the Río Calán watershed in Siguatepeque, and ESNACIFOR's pine forest. This fieldwork not only contributes to effective watershed management in these selected areas, but also functions as on-the-ground models for training purposes. Additionally, because uncontrolled fires expose mineral-rich soil and increase vulnerability to both water and wind erosion, USAID is supporting ESNACIFOR's fire prevention and fire control activities, including the use of prescribed burns.

FY 2001 funds will be used to: improve environmental management of protected areas ($1,255,000); increase technical capacity in watershed management ($325,000); improve municipal environmental units ($167,840); and increase the area covered by improved watershed management practices ($125,000). In addition, $1,818,160 in FY 2001 funds and $2,800,000 in FY 2002 funds will be used to finance a new water resources and watershed protection activity.

Possible Adjustments to Plans: Hurricane Mitch supplemental funds have been used to initiate a comprehensive approach to watershed management in targeted watersheds damaged by Mitch. USAID is putting in place important partnerships between NGOs, municipalities, and communities that will be critical to promoting improved watershed management practices such as use of hillside agriculture technologies, reforestation, and protection of designated forest areas and water sources. In order to have full and lasting impact, however, these partnerships will require support for a longer period than what is possible under supplemental funding. The first (supplemental-funded) phase focuses on emergency rehabilitation, planning, and development of watershed management plans and provides training for key actors involved in watershed management. Follow-up activities will implement the plans developed in the first phase (although supplemental funds will be used to help implement existing municipal watershed plans developed under previous USAID and other donor initiatives). USAID will focus on crosscutting water management issues by working with local governments and water-user groups to identify pressing water resource needs. Technical assistance will support the creation of appropriate public policies and problem resolution. Technology transfer and a focus on increased awareness will contribute to improved water resource management. Building on a productive partnership with NGOs and municipalities to carry out these activities will help address the complex relationships between agricultural production, rural migration pressures, and land use, bringing about a real and sustained impact.

Central America, including Honduras, is experiencing an alarming increase in the incidence of Pine Bark Beetle, a very destructive insect when populations reach epidemic proportions. Belize has reported a loss of 30,000 hectares – more damage than was caused by Hurricane Mitch. USAID is providing technical assistance in assessing the population growth and level of threat to Honduran pine forests, and is coordinating possible response strategies with the Food and Agriculture Organization (FAO) and other donors. If the threat becomes an epidemic in Honduras, USAID will need to consider providing additional funds for a control program.

Other Donor Programs: Close technical cooperation between USAID, the World Bank, the United Nations Development Program, German Agency for Technical Cooperation, FAO, other donors, and environmental NGOs, is helping the GOH to fulfill its role as guardian of the country's environment.

Principal Contractors, Grantees, or Agencies: U.S. organizations include the Biodiversity Support Program Consortium. Honduran organizations include Fundacion VIDA and ESNACIFOR.

FY 2002 Performance Table

Honduras: 522-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of protected areas under effective environmental management	15	17	18	20	21	22	23
Indicator 2: Hectares of protected areas under effective environmental management	192,274	187,767	196,701	193,873	200,000	205,000	215,000
Indicator 3: Increased number of hectares with improved watershed management practices	NA	NA	NA	NA	1,200	2,900	TBD
Indicator 4: Municipalities with environmental units working in watershed management	NA	NA	NA	TBD	17	33	TBD

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number parks/reserves	Honduran Environmental Protection Fund; National System of Protected Areas of Honduras	Cumulative number of protected parks and reserves placed under approved management plans.
Indicator 2:	IR	Hectares	Honduran Environmental Protection Fund; Honduran forest authority	Cumulative area in hectares of protected parks and reserves with approved management plans (pertains to indicator above).
Indicator 3:	IR	Number of municipal governments and rural communities	National School of Forestry Science	Number of municipal governments and rural communities with key personnel trained. The training package consists of a set of watershed management courses. A municipal employee must complete 3 courses and a community leader must complete 4 courses to be considered trained.
Indicator 4:	IR	*Number of municipal environmental units*	*National School of Forestry Science*	*Number of municipal environmental units improved. Criteria for* "improved environmental unit" are: managed by a trained individual, has an approved annual operating plan, and has a municipal watershed analysis.

	U.S. Financing (In thousands of dollars)		
Program: Honduras			
Title and Number: Sustainable Management of Watersheds, Forests, and Protected Areas, 522-002			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	26,067 DA	23,663 DA	2,404 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	1,200 DA	1,162 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	27,267 DA	24,825 DA	2,442 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	3,691 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**3,691 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**2,800 DA**	6,000 DA	39,758 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: Sustainable Improvements in Family Health, 522-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $5,642,000 (CSD); $5,488,000 (DA)*; $2,659,000 (PL 480)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $5,300,000 (CSD); $5,000,000 (DA); $5,515,000 (PL 480)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: Honduras faces major challenges to family health associated with rapid population growth (2.7% per year), widespread poverty, and limited access to health information and care, especially in rural areas. Honduras also has the largest concentration of HIV/AIDS in Central America. Hurricane Mitch exacerbated these challenges, particularly in the area of sustainable improvements in family health. Improved child survival -- achieved in part by USAID's 20-year support for expansion of access to safe water supply and sanitation systems -- has been undermined by Hurricane Mitch. Access to safe water/sanitation has declined by 42% in rural areas, presenting a threat already demonstrated by high levels of reported diarrheal disease in the post-Mitch period. Public health efforts focused on accelerating and expanding detection, treatment, and community education to control infectious diseases (e.g., malaria and dengue) are receiving additional support in the aftermath of the hurricane. This effort is complemented by plans to strengthen disease surveillance systems and expand rural access to reproductive health services. Primary beneficiaries of this objective are the over two million women and children in low-income Honduran families who currently lack access to quality reproductive health, child survival, and family planning services, and those without a secure source of water and adequate sanitation. Beneficiaries also include approximately 128,000 children and adults who receive supplemental food rations and the beneficiaries of the AIDS prevention program (for which high-risk groups include young adults in major cities).

USAID is a leader in the health sector, engaging in policy dialogue and providing technical assistance, training, and capital assistance that support a variety of interventions, including vaccination programs, oral rehydration therapy, maternal health care, family planning, and targeted nutrition programs. Particular attention is given to achieving sustainable delivery of services. Activities include technical assistance, training and limited commodity support to the Ministry of Health (MOH), a rural water and sanitation activity, assistance to private- and public-sector family planning programs, and a P.L. 480 Title II food security activity.

Key Results: Efforts to improve the responsiveness of Honduran health systems to contribute to sustainable family health are focused on achieving a number of critical results. Specifically, USAID activities are: 1) increasing use of malaria, dengue, and tuberculosis prevention and control services to reduce current infection levels and prevent epidemics; 2) sustaining use of child survival services via health reform and rehabilitation of facilities; 3) promoting increased use of HIV and sexually transmitted disease prevention practices; 4) increasing use of and access to reproductive health services, particularly in rural areas; 5) improving the sustainability and outreach of the Honduran Family Planning Association (ASHONPLAFA); and 6) improving household food security in target areas. A current policy focus is to facilitate health reforms that improve transparency and efficiency in the public-sector health system.
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Performance and Prospects: With vaccination rates for children under one year exceeding 94%, Honduras has the best record in Latin America. Infant mortality and the proportion of children (age 12 to 23 months) who are seriously malnourished continue to decline with higher rates persisting in

* This excludes $350,000 NOA swapped for like amount of FY 2001 carryover funds

the country's poorest regions. Changes in these and other key indicators will be measured this year in the third National Epidemiological and Family Health Survey. Recent data indicate that the spread of HIV/AIDS has started to slow, although growth is still substantial. The national AIDS program, funded by USAID, promotes preventive practices, including early detection and treatment of sexually transmitted diseases and condom use. USAID supports AIDS prevention activities through Honduran NGOs and the MOH.

The total fertility rate declined from 5.1 children per woman (1991) to 4.9 (1993-95), while couple-years of contraception protection increased from 311,724 (1996) to 405,303 (1999). The use of modern methods of contraception increased from 35% (1991-92) to 41% (1996). Total contraceptive prevalence in women increased from 47% (1991) to 50% (1996). USAID's family planning activities through the MOH and ASHONPLAFA are expanding access to quality services, with the goals of increased use of modern family planning methods and greater financial self-sufficiency of ASHONPLAFA. Family planning has been a major factor in reducing infant and maternal mortality; however, efforts are constrained by weak rural promotion of reproductive health and family planning services. USAID is expanding support to greatly strengthen and extend reproductive health and family planning services in rural areas in regions with the highest poverty rates. This effort is being reinforced by health reforms that emphasize local decentralization and community participation.

The Government of Honduras (GOH) is committed to a series of measures to improve quality and efficiency in a decentralized health care system. A key challenge remaining is to greatly increase families' access to effective family planning methods in the rural areas where the average number of children per family is over six and modern contraceptive use is only 35%.

The P.L. 480 Title II program focuses on improving nutritional status and food security in the neediest regions of the country. Related USAID activities, which increase incomes and educational levels of the poor, contribute directly to improved family health.

In FY 2001 Child Survival (CSD) funds will finance the following activities: child survival services ($2,500,000); STI/AIDS prevention practices ($2,566,000); and prevention and control of malaria, dengue, and tuberculosis ($576,000). In FY 2001, Development Assistance (DA) funds will be used to finance reproductive health services including family planning ($5,488,000).

FY 2002 CSD funds will be split between child survival services ($2,867,000), STI/AIDS prevention practices ($1,993,000), and prevention and control of malaria, dengue, and tuberculosis ($440,000). FY 2002 DA funds will be used to finance reproductive health services including family planning ($5,000,000).

Possible Adjustments to Plans: Under a new health reform initiative, USAID will assist the GOH to: 1) improve the quality and efficiency of its public sector primary health services; 2) establish and implement health policies to increase equitable access to primary health care; 3) increase public and private sector resources for primary health care; and 4) address transparency and accountability issues in the public health system.

Other Donor Programs: USAID coordinates with the United Nations on HIV/AIDS prevention assistance, and with Japan, Sweden, the United Nations Children's Fund, the Pan American Health Organization (PAHO), the European Union, and Spanish Technical Cooperation on child survival interventions. USAID coordinates closely with PAHO on health reconstruction plans. USAID participates in regular meetings of a food aid coordinating committee with the World Food Program, CARE, and Catholic Relief Services.

Principal Contractors, Grantees, or Agencies: U.S organizations: CARE, Management Sciences for Health, Family Health International, Population Council, University Research Corporation and Center for Human Services, Abt Associates, The Futures Group, Johns Hopkins University, Centers for Disease Control and Prevention, Partnership for Child Health, World Relief, and Save the Children. Honduran organizations: ASHONPLAFA, Health Promotion Foundation, and the Program for the Development of Women and Children.

FY 2002 Performance Table

Honduras: 522-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Severe malnutrition among children (12-23 months)	NA	NA	NA	NA	0.226	0.19	0.19
Indicator 2: Total fertility rate (average number of live births per women)	NA	NA	NA	NA	4.5 (1997-99)	4.1 (2002-04)	4.1 (2002-04)
Indicator 3: Percentage of rural residents with access to potable water at "A" level returned to at least pre-Mitch levels	0.087	0.076	0.117	NA	0.15	0.2	0.3
Indicator 4: Confirmed malaria cases	NA	44,337	49,950	56,274	70,000	70,000	65,000
Indicator 5: Infant mortality per 1,000 live births	NA	NA	NA	NA	33 (1996-2000)	33	32
Indicator 6: Maternal mortality/100,000 live births	NA	108	108	NA	108	105 (2001-04)	105 (2001-04)

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Percent	National Epidemiology and Family Health Survey	Percentage of children age 12-23 months more than moderately malnourished.
Indicator 2:	S	Average number of live births per woman	National Epidemiology and Family Health Survey	Average number of live births per woman of reproductive age (age 13-43).
Indicator 3:	IR	Percent	National Water and Sanitation Authority and maintenance technicians' data	Percentage of rural water systems operating at the "A" level. "A" level is defined as having all of the following characteristics: a) water is disinfected, b) there is a water board that meets periodically (at least every three months), c) there is a water fee that is paid by users, d) there is a maintenance employee, and e) water is available from the system on a daily basis.
Indicator 4:	IR	Number confirmed cases	Ministry of Health	Number of positive malaria slides (confirmed cases) in given year. Data increases are due to improved case finding, which leads to a higher level of treatment.
Indicator 5:	S	Infant mortality per 1,000 live births	National Epidemiology and Family Health Survey	Infant mortality is defined as the number of deaths of infants less than one-year old per 1,000 live births.
Indicator 6:	S	Maternal mortality per 100,000 live births	National Epidemiology and Family Health Survey	Maternal mortality is defined as the number of maternal deaths related to child bearing per 100,000 live births.

	U.S. Financing (In thousands of dollars)		
Program: Honduras			
Title and Number: Sustainable Improvements in Family Health, 522-003			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	81,784 DA	76,108 DA	5,676 DA
	20,612 CSD	9,564 CSD	11,048 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,533 DA	5,550 DA	
	4,900 CSD	9,473 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	85,317 DA	81,658 DA	3,659 DA
	25,512 CSD	19,037 CSD	6,475 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	350 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	5,138 DA*		
	5,642 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**5,488 DA***		
	5,642 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NO	**5,000 DA**	13,500 DA	109,305 DA
	5,300 CSD	13,500 CSD	49,954 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

* This excludes $350,000 NOA swapped for like amount of FY 2000 carryover funds

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: Strengthened Rule of Law, Accountability, and Respect for Human Rights, 522-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,650,000 (DA); $996,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,400,000 (DA); $1,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETED DATE:** FY 2005

Summary: Corruption and inefficiency weaken Honduras's judicial system and reduce citizen confidence in the rule of law. Archaic judicial laws and bottlenecks also deprive Hondurans of their human rights; over 90% of prisoners have never been sentenced and many serve more than their sentence before their cases are adjudicated. The justice sector as a whole remains weak, and justice is rarely delivered in a timely and equitable manner. Merit is now a factor in choosing judges, but the judiciary is still politicized and subject to outside influences. There is little career stability among judges, and nearly all judges, as well as support personnel, need additional training in order to carry out their duties competently. Although a number of improvements in court administration are underway, the court system remains inefficient. The Honduran attorney general's office has established itself as a positive influence on the justice system, challenging previously untouchable sectors of society and establishing its worth and necessity to the society at large. But as an institution, it is still fairly young and needs support to consolidate its role. The Honduran congress took a major step towards improving the administration of justice in passing the new Criminal Procedures Code (CPC) in December 1999. The CPC creates the legislative framework for the approved two-year transition from a written, inquisitorial system to an oral, adversarial system with greater transparency. Last year both the court system and the attorney general's office began intense preparations to implement the CPC; they continue to require support to make this transition.

All Hondurans benefit from strengthened rule of law and respect for human rights, especially the politically, socially, and economically disadvantaged and those who historically have suffered from a corrupt and ineffective justice system.

Key Results: Efforts to strengthen rule of law and respect for human rights are focused on: 1) increased transparency and efficiency in the judicial system; 2) increased adjudication of criminal cases; and 3) increased civil society, citizen, and elite support for judicial reform and transparency.

Performance and Prospects: Rule of law activities support the Public Ministry, justice sector reforms, strengthening of the Supreme Court and lower courts, and public participation in the justice system. USAID support has helped move forward the major reform of the Criminal Procedures Code that will modernize the judicial system through an oral advocacy process. Now that it has been passed by the Congress and signed into law, USAID is financing training and technical assistance to put the CPC into practice and implement it effectively. The challenge will be to overcome the resistance of justice sector personnel who have become used to and benefited from the existing system; and to train key personnel in the new functions they must fulfill to make the new system work.

Another breakthrough occurred in 2000 with initial passage of the constitutional amendment on judicial appointments. Once fully ratified, this amendment will greatly contribute to depoliticization of the judicial branch. USAID continues to support administrative reforms and case tracking systems to improve the speed and efficiency of judicial processes in both the Public Ministry and the courts.

FY 2001 funds will be used as follows: Development Assistance (DA) ($1,650,000) and ESF funds ($377,255) will be used to support implementation of the new Criminal Procedures Code. Other FY 2001 ESF funds will finance technical assistance and support to the Public Ministry ($400,000) and activities that promote broader and more effective civil society participation in judicial reforms ($218,745).

FY 2002 funds will be used to support: further implementation of the new Criminal Procedures Code ($1,000,000 ESF and $850,000 DA); Public Ministry strengthening activities ($700,000 DA); and activities geared toward expanding civil society influence of judicial reform ($850,000 DA).

Possible Adjustments to Plans: Preparations for CPC implementation will be constantly monitored to determine where additional effort is required. While CPC implementation and the constitutional amendment on judicial appointments are the current priorities, USAID is exploring ways to incorporate other legal reforms that are critical to the achievement of other objectives into its rule of law program.

Other Donor Programs: USAID continues to be the major donor supporting justice sector reform in Honduras. USAID has co-chaired an important donor/GOH/civil society coordination effort within the Stockholm monitoring process. Participating members of the international community with justice-related programs include: Spain (CPC training for sentencing judges, constitutional amendment-related activities), Sweden (support for human rights non-governmental organizations), the Inter-American Development Bank (infrastructure development for the judicial branch), the United Nations Development Programme (training and technical assistance for children's rights), and Japan (to be determined). USAID also coordinates administration of justice activities with Honduran agencies such as the Judiciary and Public Ministry, which provide more than 25% of counterpart financing for those activities.

Principal Contractors, Grantees or Agencies: U.S. organizations: DPK Consulting and the U.S. Department of Justice. Honduran organizations: the Honduran national court system, the Public Ministry, the National Autonomous University of Honduras, and the University of San Pedro Sula. USAID also works with the Honduran Congress, the Bar Association, law schools, and the Public Defenders on judicial reform issues.

FY 2002 Performance Table

Honduras: 522-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Reform of Criminal Procedures Code to institute oral adversarial system	NA	New code drafted	Congress passed reform	Prepare for implementation	Prepare for implementation	Fully implemented	NA
Indicator 2: Criminal cases adjudicated by the courts*	2676	3856	4218	2965**	1505	*	*
Indicator 3: Percentage of cases prosecuted by the Public Ministry adjudicated by pilot courts***	NA	NA	NA	48% (baseline)	NA	***	***
Indicator 4: Compliance with criminal case-resolution timeframes for cases in pilot courts***	NA	NA	NA	3.4 (baseline)	NA	***	***

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Descriptive statements	Supreme Court, Public Ministry, and USAID contractor records	Court and Public Ministry preparations for CPC implementation in February 2002; comprehensive transition plan developed with CY 01 budget; case-tracking system module operational in pilot courts in two major cities; staff training plan developed and initially implemented; public information campaign underway.
Indicator 2:	IR	Number of cases	Public Ministry and court records	Measures case volume and the court system's effectiveness in resolving cases prosecuted by the Public Ministry. It includes all resolved cases (guilty, not guilty, and dismissals).
Indicator 3:	IR	Number of cases adjudicated divided by the number of cases prosecuted.	Public Ministry and court records	Will measure the percentage of cases prosecuted by the Public Ministry that are resolved as guilty, not guilty, or dismissed. Baseline 2000 data is for the nation; pilot court data is pending.
Indicator 4:	IR	Average length of case resolution divided by maximum legal length of case resolution.	Public Ministry and court records	Measures compliance with legal case-resolution timeframes for new cases at selected pilot courts beginning in 2002. The goal for this indicator is a ratio of 1 or less. One indicates that the average length of case resolution and the maximum legal length of case resolution are the same. When this ratio is less than 1, cases are being resolved more quickly than required by law; when this ratio is more than 1, cases are exceeding the legal timeframe for resolution.

*The new Crimnial Procedures Code (CPC) allows prosecutors new powers of discretion and alternative case resolution. Therefor, fewer cases may go to trial after the CPC goes into effect. Thus, this indicator will be replaced next year with "Percentage of cases prosecuted by the Public Ministry and adjudicated by the pilot courts."

**Represents data from first three quarters of CY 2000; final figures are pending.

***New indicators based on new CPC; baseline data has been established and appropriate targets are being determined.

	U.S. Financing (In thousands of dollars)		
Program: Honduras			
Title and Number: Strengthened Rule of Law, Accountability, and Respect for Human Rights, 522-004			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	26,027 DA	21,722 DA	4,305 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	1,500 DA	3,000 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	27,527 DA	24,722 DA	2,805 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,650 DA		
	0 CSD		
	996 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**1,650 DA**		
	0 CSD		
	996 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	***Est. Total Cost***
Proposed Fiscal Year 2002 NOA	**2,400 DA**	6,600 DA	38,177 DA
	0 CSD	0 CSD	0 CSD
	1,000 ESF	0 ESF	1,996 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: Critical Hurricane Reconstruction Needs Met, 522-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: U.S. assistance to Honduras is still heavily focused on helping the country recover from the devastation of Hurricane Mitch. This activity focuses on meeting the key reconstruction challenges. Hurricane Mitch destroyed the homes, farms, and businesses of thousands of Hondurans. Credit and technical assistance is being provided to small and microentrepreneurs and small and medium farmers to rebuild productive infrastructure and increase production. Damaged or destroyed rural roads and bridges are being rebuilt so they can bring in the inputs they need and transport their production to markets. Flooded land is being reclaimed and protected and devastated watersheds are being rehabilitated and effectively managed to prevent future erosion. Geographic information critical for reconstructing infrastructure and preventing future disasters is being gathered and shared. Municipal governments are being strengthened to play a critical role in reconstruction and to recover from the financial problems caused by responding to Mitch. Water and sanitation infrastructure is being rebuilt. Critical primary health services needed in areas affected by the hurricane have been provided. Permanent housing, together with basic infrastructure, is under construction so that thousands of dislocated families can leave the transitional or temporary housing provided in the immediate aftermath of the hurricane. School facilities have been repaired or constructed for relocated families. Alternative basic education and vocational programs have been rapidly expanded to help dislocated students and develop skills. Disaster mitigation infrastructure, including storm drains and levees, is being built, and disaster preparedness systems are being put into place to prevent future disasters on the scale of Hurricane Mitch. To prevent corruption associated with major flows of foreign assistance, mechanisms for accountability and transparency have been developed and are being implemented. The activity is at the height of implementation, with most of the remaining 52% of supplemental funds expected to be expended by the end of calendar year 2001.

Key Results: Hurricane reconstruction activities are focused on a series of key components: 1) economic activity reactivated, 2) public health protected, 3) permanent housing developed for dislocated families, 4) educational opportunities improved for hurricane-affected students, 5) environmental and disaster mitigation needs addressed, 6) improved local government response to citizen needs, and 7) improved Government of Honduras (GOH) reconstruction accountability and transparency.

Performance and Prospects: To promote economic reactivation, USAID is financing technical assistance to strengthen microfinance institutions and is financing the recapitalization of these institutions so they can provide short- and medium-term credit to micro and small businesses with increased needs in the post-Mitch economy. Over 57,000 microenterprise loans have been made in Mitch-affected areas, almost twice the original target. USAID is also providing resources for medium-term credit through commercial banks and cooperatives to help small farmers and businesses reactivate and to support the work of various NGOs providing technical assistance to small and medium agricultural producers and businesses. A program to protect vulnerable agricultural land is helping farmers reclaim damaged land, providing early warning for future floods, and constructing priority infrastructure to protect productive agricultural systems. Over 480 kilometers of unpaved farm-to-market roads, over 650 linear meters of two-lane concrete bridges, and fords in the six departments most affected by the hurricane (Atlántida, Choluteca, Colón, Olancho, Valle, and Yoro) have been built or repaired.

A large portion of USAID's reconstruction assistance has focused on protecting public health and repairing water and sanitation systems. Over 5,000 latrines have been built and 320 rural water systems repaired. USAID-financed repairs of hurricane-affected health centers and the replacement of equipment in these centers are complete. Ongoing field support and Ministry of Health training activities focus on maternal-child health and improved disease prevention, surveillance, and control. Some water and sanitation reconstruction activities may require an additional dry season in early 2002 to complete all planned work. All of the other activities are on target, improving health conditions in Mitch-affected areas.

To meet the educational needs of displaced students, USAID has financed the rapid expansion of distance learning centers as well as technical assistance for development of the curriculum for 7th through 9th grade of the Ministry of Education's "Education for All" program. USAID continues to support the accelerated development of vocational centers and is building or rehabilitating over 700 classrooms to help meet the educational needs of Mitch-affected families.

Despite the real limitations presented by a structurally deficient housing market in Honduras, USAID's transitional and permanent housing efforts to date have been very effective. As of March 15, 2001, 4,097 families have benefited from transitional shelters throughout the country and 2,073 families have been provided with permanent housing. Another 2,825 permanent units are under construction, indicating that by the end of 2001, the housing portfolio will likely surpass its original target of 5,000 permanent houses. All of the permanent housing solutions are providing foundations for rebuilding over 55 communities throughout Honduras.

In the area of environment and disaster mitigation, USAID is financing watershed rehabilitation and creation of information systems for natural resource management and disaster preparedness. USAID is funding training and technical assistance on land use control and improved forestry management in upper watersheds. The U.S. Geological Survey (USGS) has installed 18 streamflow monitoring gauges and is developing a Geographic Information System of base maps, aerial photography, river topography, hydrologic data, and risk maps. Training for local officials and communities in evacuation warning systems, risk management, and construction of storm drains is also being provided to improve disaster preparedness and mitigation.

USAID works closely with various partners to promote municipal development through the implementation of infrastructure projects focused on water, sewer, and storm drainage systems. USAID has already helped more than 30 municipalities to design development strategies that will help address issues related to reconstruction, restored financial health and increased revenue, risk management and disaster mitigation, municipal administration, and internal controls.

USAID assists in the transparent and accountable use of reconstruction funds by supporting the establishment of independent oversight mechanisms for the GOH implementing agencies and strengthening the capacity of the Honduran controller general. Activities also strengthen the monitoring capability of civil society and support accountability and transparency activities at the municipal level. USAID also finances external Regional Inspector General audits, strengthening internal USAID oversight capacity.

Emergency food-for-work activities, managed by CARE and Catholic Relief Services (CRS), will be winding down in coming months. The Title II food aid program is being refocused on those areas that demonstrate exceedingly high rates of malnutrition. In the final stages of its Title II transitional program, CRS is putting the final touches on 2,740 new homes in 18 municipalities. CARE's program, which ended last November, provided food-for-work opportunities for families in more than 67 municipalities.

Possible Adjustments to Plans: The Hurricane Mitch reconstruction program, which was developed to meet Honduras's most pressing reconstruction needs, is scheduled to end December 2001. Most

activities are projected to accomplish their results prior to that date; however some water and sanitation reconstruction activities may require an additional dry season in early 2002 to complete all planned work.

Some activities initiated with supplemental funds will require follow-on funding to assure their sustainability and long-term impact. In particular, the work with small farmers and businesses, watershed management, disaster preparedness and mitigation, and accountability will require additional funding.

Other Donor Programs: USAID has worked closely with bilateral and multilateral donors, the GOH, and private sector partners in carrying out sectoral needs assessments and developing a reconstruction strategy. USAID's operational and technical support has been instrumental in helping the GOH to establish priorities and facilitate effective donor coordination. A donor coordination mechanism that grew out of the Stockholm Consultative Group has been meeting regularly and is organized by sector at the working level.

The Inter-American Development Bank (IDB) and the World Bank are planning major infrastructure programs, including repairs to the principal transportation network and major levees. Key bilateral donors, especially Sweden and Japan, are also replacing primary bridges. The World Bank has developed a credit program to finance recovery of key export crops. The IDB has made available funds for municipal development and reconstruction activities in the primary cities of Tegucigalpa and San Pedro Sula. Various other donors (e.g., Spain, Sweden, and the United Nations Development Program) have become involved in municipal development activities in secondary and smaller cities. The Pan-American Health Organization is carrying out a collaborative program with the U.S. Centers for Disease Control (CDC) focused on disease surveillance.

Various other U.S. Government agencies are also using supplemental funds provided through USAID for complementary reconstruction programs. The USGS is working closely with the National Oceanic and Atmospheric Administration and the U.S. Army Corps of Engineers (USACE) to develop geographic information, risk assessments, and early warning systems. USACE is also providing technical assistance on infrastructure design and is helping oversee construction of priority river basin infrastructure. The Department of Transportation is carrying out a port assessment and the Federal Emergency Management Agency is working with USAID's Office of Foreign Disaster Assistance to focus on disaster preparedness and mitigation efforts. The U.S. Department of Agriculture is working closely with USAID in watershed management and land reclamation activities as well as food and water safety issues. The Department of Housing and Urban Development is focused on municipal planning and housing issues in Tegucigalpa and San Pedro Sula, along with assistance to NGOs related to housing finance. The Environmental Protection Agency is providing assistance on water quality issues and the CDC is providing assistance in developing disease surveillance and information systems. The State Department's International Narcotics and Law Enforcement Bureau is implementing anti-corruption activities and the Organization of American States is carrying out demining efforts. The Peace Corps is using supplemental funds to focus on key reconstruction areas such as water and sanitation, municipal development, agricultural development, housing, and small business recovery.

Principal Contractors, Grantees and Agencies: U.S. contractors and grantees include the American Institute for Research, DevTech, and various NGOs. Honduran agencies include community-based and national NGOs, the National Autonomous Water and Sanitation Service (SANAA), and the Honduran Social Investment Fund, which is using host country contracting for infrastructure repairs carried out U.S. or local private sector firms. International organizations include the International Organization for Migration, which is implementing transitional housing programs, as well as international audit firms involved in accountability/transparency efforts.

FY 2002 Performance Table

Honduras: 522-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Hectares under sustainable ag/forest management in key watersheds	NA	NA	0	392 (A) 32 (F)	700 (A) 10,000 (F)	2,700 (A) 27,000 (F)	NA
Indicator 2: Municipal storm drainage systems completed	NA	NA	0	0	1	12	NA
Indicator 3: Urban development strategies developed	NA	NA	0	30	30	40	NA
Indicator 4: Streamflow gauges installed or upgraded	NA	NA	0	18	15	23	NA
Indicator 5: Construction of new vocational centers	NA	NA	0	1	2	9	NA
Indicator 6: Classrooms repaired/constructed	NA	NA	0	267	400	500	NA
Indicator 7: Municipal disaster preparedness plans developed	NA	NA	0	16	30	40	NA
Indicator 8: Permanent housing units constructed	NA	NA	0	1602	1800	2800	NA
Indicator 9: Health centers re-equipped	NA	NA	0	26	0	41	NA
Indicator 10: Urban water systems rehabilitated, expanded, or constructed	NA	NA	0	2	18	106	NA
Indicator 11: Rural water systems repaired	NA	NA	0	320	439	919	NA
Indicator 12: Microenterprise loans in Mitch-affected areas	NA	NA	0	57,637	10,418	31,050	NA
Indicator 13: Farm-to-market roads reconstructed	NA	NA	0	480	300	2,000	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	hectares	NA	Number of hectares under sustainable management in key watersheds. (A) is agricultural land and (F) is forests.
Indicator 2:	IR	units	NA	Number of municipal storm drainage systems completed
Indicator 3:	IR	units	NA	Number of urban development strategies developed
Indicator 4:	IR	units	NA	Number of streamflow gauges installed or upgraded
Indicator 5:	IR	units	NA	Number of new vocational centers constructed
Indicator 6:	IR	units	NA	Number of classrooms repaired/constructed
Indicator 7:	IR	units	NA	Number of municipal disaster preparedness plans developed
Indicator 8:	IR	units	NA	Number of permanent housing units constructed
Indicator 9:	IR	units	NA	Number of health centers re-equipped
Indicator 10:	IR	units	NA	Number of urban water systems rehabilitated, expanded, or constructed
Indicator 11:	IR	Units	NA	Number of rural water systems repaired
Indicator 12:	IR	Units	NA	Number of microenterprise loans in Mitch-affected areas
Indicator 13:	IR	units	NA	Number of farm-to-market roads reconstructed

	U.S. Financing (In thousands of dollars)		
Program: Honduras			
Title and Number: Critical Hurricane Reconstruction Needs Met, 522-005			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	251,950 CACEDRF	177 CACEDRF	251,773 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	41,150 CACEDRF	59,845 CACEDRF	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	293,100 CACEDRF	60,022 CACEDRF	233,078 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 CACEDRF	0 CACEDRF	293,100 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: Improved Opportunity to Obtain Basic Education and Skills, 522-006
STATUS: Continuing
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,794,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,500,000 (CSD)
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: Improving the educational level of Hondurans is critical to achieving all USAID objectives in Honduras. A skilled and educated workforce helps spur economic development and can improve Honduras' competitive position in global markets. Higher levels of education lead to increased incomes and reduced poverty, improved health practices, increased family planning, effective participation in decision-making and citizen oversight, and improved environmental practices.

The perennial shortcomings of the Honduran education system are well-documented: 1) a lack of equitable access to quality educational opportunities; 2) poor quality of instruction; 3) high drop-out and repetition rates; 4) poor quality, outdated curricula, and teaching materials; 5) inadequate evaluation and supervision due to a lack of national standards for both teachers and students; and 6) systemic management weaknesses. A lack of sustained educational and political leadership has frustrated attempts to address these deficiencies. With the creation in early 1998 of a national reform coalition (*Foro Nacional de Convergencia*, FONAC), a consensus in support of meaningful education reform has emerged among the major political parties, the general populace, and key private sector leaders. With the momentum created by this consensus -- and given the opportunities presented by the upcoming national elections and the highly indebted poor countries (HIPC) initiative -- USAID faces an unparalleled opportunity to assist the education reform effort.

Key Results: Interventions in this sector will focus on achieving the following results: 1) policy reform to improve the quality of basic education, especially through a reduction in repetition rates and decentralization of education efforts; and 2) expansion of alternative basic education programs.

Performance and Prospects: The Ministry of Education (MOE) has indicated a strong desire to begin implementing concrete interventions in response to the FONAC education reform proposal. A key USAID intervention will be the provision of targeted support to the education sector reform effort. This support will be provided through assistance to a new education policy reform unit and to selected private/public sector partners involved in education reform. The reform unit will provide technical assistance and training in support of reform efforts and coordinate, monitor, and evaluate Government of Honduras (GOH), donor, and civil society education sector plans and activities. Examples of key policy reform initiatives include: 1) the development of national education standards as well as curriculum, teacher training, and evaluation systems based upon these standards; 2) decentralization of education sector management; 3) expansion of secondary school opportunities; 4) expansion and improved quality of pre-school for all children; and 5) expansion and improvement of vocational education opportunities for disadvantaged youth. In addition, USAID will promote the engagement of Honduran teacher unions in support of education reform through consensus-building efforts and the promotion of positive ties between U.S. and Honduran teacher unions. Through assistance to the reform effort, USAID can maximize its leveraging of donor funds in support of significant education policy reform, while at the same time helping the MOE to avoid conflicting or duplicative donor interventions.

USAID will also continue to provide support for the MOE's "Education-For-All" (EDUCATODOS) program which allows out-of-school youth and adults access to alternative forums for primary education (1st through 9th grades). Currently, the EDUCATODOS curriculum is being updated to reflect a modern, participatory, and active learning approach. With USAID assistance, EDUCATODOS has developed the curriculum master plan for 7th through 9th grades for both the traditional (school-

based) and nontraditional (out-of-school or interactive radio- and text-based) basic education systems. The group is piloting the 7th grade curriculum in 30 "out-of-school" centers and will begin piloting the 8th grade curriculum in 2001. Over 4,500 centers in 11 departments are implementing the EDUCATODOS 1st through 6th grade curriculum. EDUCATODOS initiatives are expected to assist in guiding curriculum reform efforts in the elementary grades of the formal education system. EDUCATODOS and USAID also supported the successful development and testing of experimental strategies and interventions for reducing school grade repetition rates and pilot tested an interactive television program for 7th through 9th grade. As USAID focuses more on policy reform, operational support to EDUCATODOS is expected to be phased out. USAID will continue to aggressively research alternative sources to finance this successful and much-needed initiative.

USAID has supported the development of 34 vocational training centers that will graduate an estimated 4,000 students per year (compared to 1,085 in 1996). Vocational education is key to providing unemployed and underemployed youth with skills that improve their competitiveness in the labor market. EDUCATODOS materials are used in the vocational centers to help school dropouts obtain a level of basic education needed to succeed in a vocational program. Graduates from the USAID-assisted vocational centers earn average income increases of approximately $1,000 per year.

FY 2001 funds will be used to finance the following key basic education interventions: alternative basic education ($2,094,000); an interactive radio mathematics program ($190,000); education reform initiatives sponsored by the Ministry of Education, the private sector, and donors ($100,000); and technical assistance and project management ($410,000).

FY 2002 funds are expected to be allocated among: alternative basic education ($1,750,000); an interactive radio mathematics program ($180,000); public and private sector education reform initiatives ($1,100,000); and technical assistance and project management ($470,000).

Possible Adjustments to Plan: USAID's program, in coordination with other donors, is responding to the needs of the MOE in the aftermath of Hurricane Mitch. The World Bank basic education project has not fulfilled expectations and has been closed, while the Inter-American Development Bank (IDB) education project has not disbursed as planned. In order to continue the education momentum, it is important that other donors fund key education efforts. USAID could also consider continuing assistance to ongoing experimental efforts to reduce school grade repetition rates and improve teaching strategies and student achievement.

Other Donor Programs: The World Bank and the IDB will implement new loan projects in 2001. The World Bank will target teacher training, curriculum development, and community participation at the pre-school and primary levels. The IDB project will target expansion of middle school programs, training for teachers and administrators, community participation, and development of a plan for secondary (10th through 12th grade) education reform. The current IDB project will continue to finance decentralization activities as well as the installation of a human resource/payroll program in the MOE. Germany will provide computer equipment, software, and technical assistance to enable the MOE to establish a reliable management information system. Spain supports a literacy program in four departments and is developing an in-service teacher-training program targeted to the same departments. The European Union will provide funds for training vocational teachers as well as for school construction and repairs. The GOH is expected to finance significant investments in the education sector with debt repayment savings from the HIPC initiative. Japan, Germany, and the Organization of Iberoamerican States will provide technical assistance for the UTEN, which will, with USAID support, play a key role in coordinating donor assistance.

Principal Contractor, Grantees, or Agencies: U.S. organizations: DevTech Systems and American Institutes of Research. Honduran organizations: Advisory Council for Human Resource Development, Ricardo Ernesto Maduro Education Foundation, and the Ministry of Education.

FY 2002 Performance Table

Honduras: 522-006

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Graduates from private volunatry organization and municipal training centers employed	1082	878	904	1,043	1,100	1,500	1,900
Indicator 2: Key policy reform interventions achieved	N/A	National reform coalition established	Donor support group established	Reform proposal developed	Reform proposal developed	Policy reform unit established in MOE	Key reforms submitted to Honduran Congress
Indicator 3: Number of grade levels passed by students in alternative basic education delivery systems	53,000	41,242	65,481	72,916	70,000	75,000	80,000

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of graduates employed	USAID Basic Education and Skills Training activity	Number of graduates from private voluntary organization and municipal training centers employed annually.
Indicator 2:	IR	Steps achieved	USAID Basic Education and Skills Training activity	Key steps required for education policy reforms to be developed and promoted by public and/or private sector entities, and submitted for final approval.
Indicator 3:	IR	Number of grade levels passed	Ministry of Education (statistics available every February/March). Education for All (data available every January).	Number of grade levels students pass each year in the alternative basic education programs (equivalent to grades 1-9 of the formal basic education system). The indicator does not represent the number of students because some may pass two or more levels in one year while others may take two or more years to pass a level. The indicator provides a measure of the level of education attainment; i.e., cumulative grade levels passed rather than the actual number of individuals enrolled in the programs.

	U.S. Financing (In thousands of dollars)		
Program: Honduras			
Title and Number: Improved Opportunity to Obtain Basic Education and Skills, 522-006			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	4,685 DA	4,248 DA	437 DA
	6,525 CSD	1,662 CSD	4,863 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	422 DA	
	2,500 CSD	3,253 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	4,685 DA	4,670 DA	15 DA
	9,025 CSD	4,915 CSD	4,110 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	2,794 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	2,794 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	4,685 DA
	3,500 CSD	7,500 CSD	22,819 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: More Responsive and Effective Municipal Government, 522-007
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,100,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,600,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETED DATE:** FY 2003

Summary: Municipal governments continue to perform a central role in the Honduran reconstruction effort as these governments represent the most direct linkage to people, and are best equipped to acknowledge specific needs of citizens in their locale. However, municipal officials often lack the experience and background to deal effectively with the demands placed on them, especially in a disaster situation, and they often lack the managerial and financial resources they need to respond to citizen needs. A strong role for municipal governments also serves as a check on the growth of centralized power at the national level and reduces the potential for the kind of authoritarian governments seen in Honduras in the recent past. Intensive USAID assistance to 35 to 40 secondary cities benefits approximately 50% of all Hondurans (approximately three million); other efforts reach all 298 Honduran municipalities. The whole country will benefit from greater efficiency and reduced potential for corruption inherent in public investment for reconstruction at the municipal level, reduced risk to public health, and increased participation by citizens in decisions that affect their lives.

Key Results: Efforts to promote an increased role for local governments in responding to citizen needs focus on the following results: 1) improved capacity to respond to citizen needs; 2) increased coverage of basic services (water, sewer, refuse collection) by municipalities; 3) restored (post-Hurricane Mitch) municipal financial health and increased income; 4) improved citizen participation in local government decision-making; and 5) improved disaster preparedness and disaster mitigation infrastructure.

Performance and Prospects: USAID's municipal development activities work at the national level to promote decentralization and greater autonomy for municipalities, and at the municipal level to increase the responsiveness, transparency, and effectiveness of municipal governments with corresponding increases in citizen participation. USAID works through the Honduran Municipal Association to address national policy issues and develop programmatic priorities. Technical assistance to municipalities for planning, financial management, and financing options is provided through a local non-governmental organization (NGO) specializing in local government issues. Training for local government officials is provided through a specialized course of study offered through a local university. Funds for water, sanitation, and solid waste infrastructure activities are provided in support of overall programmatic objectives; support for a much larger program of water and sanitation infrastructure repair and reconstruction is funded with Hurricane Mitch supplemental resources.

USAID municipal development activities made impressive gains in the past year and benefited greatly from the synergies derived from implementation of the Hurricane Mitch reconstruction activities focused on similar issues. Through local counterparts, participating municipalities continued to focus on strengthening financial management systems, improving public works units, supporting relocation of people displaced by Hurricane Mitch, formulating integrated urban plans, increasing citizen participation in municipal decision making, and formulating new initiatives for economic growth and emergency and disaster preparedness. While the economic slowdown is impacting municipal incomes nationwide, participating municipalities exceeded USAID municipal income targets. Reconstruction of municipal infrastructure destroyed by Hurricane Mitch is ongoing, particularly water and sanitation systems and local road networks.

The focus of municipal development activities on technical assistance, training, and policy reform is significantly augmented by the hurricane reconstruction activities oriented toward land-use planning, disaster preparedness, municipal economic recovery initiatives, and building of new communities for displaced populations. Disaster mitigation efforts focus on technical assistance, training for municipal leaders and community members in risk management, and construction of storm drainage systems to reduce flooding after major rains. USAID provides technical assistance to public works departments in order to develop and strengthen their capacity to manage and maintain the new or newly rebuilt water and sanitation infrastructure and new storm drainage systems. Technical assistance also supports municipal employment generation programs designed to repair rural roads and urban housing.

USAID activities that improve income, education, and health, enable citizens to participate more effectively in democratic processes. Average participation at open town meetings grew from 20 individuals per meeting in 1991 to 222 in 2000. Local government is becoming more responsive to citizens' needs; the proportion of municipal budgets going to capital projects increased from 14% in 1991 to 47% in 2000. As a result, municipal populations simultaneously provided with water, sewage, and refuse collection increased from 13% in 1991 to 33% in 2000.

FY 2001 funds will be used to finance activities that: strengthen municipal governments ($1,800,000); and improve citizen participation in local government ($300,000). FY 2002 funds will also be allocated between strengthening municipal governments ($2,200,000) and improving citizen participation in local government ($400,000).

Possible Adjustments to Plans: The scope of USAID's municipal development program expanded significantly with supplemental Hurricane Mitch reconstruction funds. More than 15 municipalities were added to the program to expand services, demonstrate the strength of local governments, and accelerate decentralization. USAID is clearly the leading donor in this area, with the highest impact in decentralization. As the reconstruction program concludes, some activities previously financed with supplemental funds (or follow-up activities to support the original initiatives) may continue with Development Assistance (DA) funds. For example, USAID may provide additional technical assistance to newly resettled populations (of people displaced by Hurricane Mitch) so as to ensure their sustainability as viable communities, and mitigation and disaster preparedness may become integral components of USAID assistance. Additionally, USAID is looking for new financing mechanisms in areas such as municipal infrastructure construction (e.g., new and/or expanded water and sewage systems). USAID is proposing a Development Credit Authority (DCA) initiative to promote financing for a select number of municipalities eligible for market financing.

Other Donor Programs: Other donor efforts will complement USAID's primary focus on secondary cities by focusing similar efforts on the two largest cities and smaller rural municipalities that are not part of USAID's primary target group. The Inter-American Development Bank and the World Bank have reprogrammed planned lending for the largest cities and smaller donors, while NGOs are targeting rural municipalities. Various bilateral donors, especially Spain and Sweden, have become involved in municipal development activities since Hurricane Mitch. The Government of Honduras has supported USAID activities through loan funds for infrastructure improvements obtained through the Central American Bank for Economic Integration and, in the past, through passage of major decentralization legislation.

Principal Contractors, Grantees, or Agencies: U.S. agencies include the U.S. Geological Survey, Army Corps of Engineers, and the Department of Housing and Urban Development. Honduran partners include the Honduran Association of Municipalities, the Foundation for Municipal Development, Central American Technological University, and the Honduran Social Investment Fund.

FY 2002 Performance Table

Honduras: 522-007

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Average annual percentage increase in municipal income in participating municipalities	5.2% (A) 14.8% (B)	-10.2% (A) 5.9% (B)	33.2% (A) 24.3% (B)	8.9% (A) 28.9% (B)	5.0% (A) 3.0% (B)	5.0% (A) 3.0% (B)	3.0% (A) 2.0% (B)
Indicator 2: Increased number of small municipalities being strengthened	0	10	2	5	3	3	3
Indicator 3: Increased average number of participants in open town meetings in participating municipalities	174 (A) 114 (B)	217 (A) 210 (B)	145 (A) 129 (B)	222 (A) 209 (B)	220 (A) 140 (B)	225 (A) 145 (B)	230 (A) 150 (B)
Indicator 4: Increased coverage of public services (water, sewage, refuse collection) by municipalities	30 (A) 6 (B)	28 (A) 15 (B)	31 (A) 16 (B)	33 (A) 16 (B)	32 (A) 12 (B)	32 (A) 12 (B)	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percent increase/decrease	Municipal records	Percentage increase/decrease in average municipal revenues compared to the prior year. All indicators have been adjusted for inflation. The "A" category represents the medium and large municipalities; the "B" category represents the smaller municipalities.
Indicator 2:	IR	Number	Municipal records	Number of municipalities receiving technical assistance.
Indicator 3:	IR	Number attendants	Municipal data, town meeting minutes	Average number of persons attending open town meetings in participating municipalities. The "A" category represents the medium and large municipalities; the "B" category represents the smaller municipalities.
Indicator 4:	IR	Percent	Municipal records	Percent of urban inhabitants receiving water, sewage and trash collection services. The "A" category represents the medium and large municipalities; the "B" category represents the smaller municipalities.

	U.S. Financing (In thousands of dollars)		
Program: Honduras			
Title and Number: More Responsive and Effective Municipal Government, 522-007			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	15,072 DA	12,558 DA	2,514 DA
	11,950 CSD	1,347 CSD	10,603 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	2,500 DA	2,017 DA	
	0 CSD	1,879 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	17,572 DA	14,575 DA	2,997 DA
	11,950 CSD	3,226 CSD	8,724 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	2,100 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**2,100 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**2,600 DA**	6,900 DA	29,172 DA
	0 CSD	0 CSD	11,950 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

JAMAICA

Program Summary (In Thousands of Dollars)				
Category	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
Development Assistance	6,120	7,810	7,792	7,482
Child Survival & Disease Fund	3,926	3,357	4,116	5,000
CACEDRF	0	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	0	500	1,495	1,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**10,046**	**11,667**	**13,403**	**13,482**

Mission Director, Mosina Jordan

Jamaica

Introduction

The United States strategic interest in Jamaica's development originates from the need to maintain strong trade and investment ties; retain Jamaica's cooperation in regional and international fora on a broad array of issues; protect the Caribbean's unique natural environment; reduce the production and transshipment of illegal drugs; and ensure the security of U.S. citizens.

U.S. assistance contributes to the U.S. strategic goals of: fostering and supporting representative democracy and good governance, expanding trade and creating a better investment climate for U.S. businesses, reducing the entry of illegal drugs into the United States, protecting and improving the quality of Jamaica's unique natural resource base, and safeguarding the public health and safety of Americans.

The Development Challenge

Jamaica's key development challenges include reversing a decade of poor economic performance (only two countries in Latin America and the Caribbean region have done worse than Jamaica in the last decade, Haiti and Cuba); reducing high unemployment, under-employment, and poverty (17% of the population lives in poverty according to the 1999 Jamaica Survey of Living Conditions); protecting a fragile, and economically critical natural resource base; and assisting an entire generation of Jamaican youth now "at risk" due to low educational attainment, high teenage pregnancy rates, HIV/AIDS, unemployment, drugs, and crime.

Constraining the ability to tackle these economic and social problems are factors associated with Jamaica's political culture and its democratic development. There are several troubling trends, particularly as they relate to escalating crime and violence (rule of law), meaningful electoral choice (free and fair elections), effective public voice (role of civil society), and local governance (lack of decentralization). Jamaica's dominant two-party "clientilistic" political system tends to promote personalized authority (and therefore weak democratic institutions), encourages low levels of accountability in political life, and sustains an agenda of issues debate that is controlled by the dominant political bosses, thereby hindering the development of a civic sense of national interests that can rise above partisanship.

Economic growth, negative during the previous four years, was flat for the 2000 calendar year. Jamaica continues to struggle with inefficient bureaucracy, lack of long-term investor confidence, high costs of production, and high interest rates. Public debt, estimated at 144% of GDP in April 2000, and debt service equivalent to over 60% of the budget, indicate the difficulties Jamaica must face to reduce the fiscal deficit and meet its public sector obligations while keeping inflation in check. Renewed discussions with the International Monetary Fund (IMF) have resulted in a Staff Monitored Program (SMP) with the IMF which indicates a Government of Jamaica (GOJ) shift towards sustainable policies and commitment to fiscal constraint. Some of the targets in the SMP include a narrowing of the overall deficit to around 5% of Gross Domestic Product (GDP) in 2000/2001 and around 0.5% of GDP the following year; an increase in the public sector primary surplus by 1.5% to 14% of GDP in 2000/2001; and a steady decline in the interest rates on six month treasury bills to 14% in 2000/2001 and 10% by 2004/2005. Thus far, all of the December 2000 targets in the SMP have been met, except the level of interest rates on treasury bills.

Economic development is unlikely to progress without significant improvements in educational attainment, especially among poorer Jamaicans. Although there were gains this past year (including an increase in enrollment at the early childhood levels), the education system remains plagued by poor attendance (especially in rural areas), low levels of literacy and numeracy at the end of six years of primary schooling, and a sharp drop off in secondary and tertiary enrollment. Nearly one third of all students in grade seven read below a grade five level, with boys fairing especially poorly.

As the GOJ's recent green paper "Education the Way Upward" points out, greater access to quality education and training is imperative if Jamaica is to compete in a global marketplace. Island-wide improvements in pre-school and primary school performance and accelerated increases in high school enrollment are needed. Enrollment rates, near universal at the primary level, fall off dramatically at higher levels, especially for the economically disadvantaged. Among 17-19 year olds, 21% of the poorest economic strata (bottom quintile) attend school compared to 87% of the top economic quintile.

High teenage pregnancy and STI/HIV infection rates contribute to the increase in the number of Jamaican youth affected by poverty. Nearly a quarter of Jamaica's youth lives in poverty and nearly a fifth in homes without either parent present. Despite a decline in the fertility rate for all other age groups, the rate for 15-24 year olds has increased from 107 in 1993 to 112 in 1997. This age group also has among the highest HIV and STI infection rates.

Degradation of the country's environment threatens the long-term productive base of the economy. Jamaica's population and economic activity is concentrated in urban and coastal areas. Natural resources (clear water, terrestrial and marine fauna and flora) in these areas are at risk from release of wastewater, solid and chemical wastes, deforestation, and degradation of upland watersheds. It is estimated that only 20% of north coast coral barrier reefs are living -- a tragic situation affecting communities and commercial interests dependent on fishing and tourism for their livelihood.

There have been significant achievements and progress in implementing the new USAID strategy to improve the business environment for small, medium, and microenterprises. Key investment constraints were identified via an "investor road map analysis" conducted with the Ministry of Industry, Commerce and Technology; a conference board chaired by prominent business persons was established to discuss and analyze pertinent policy issues that affect business development; and technical assistance was extended to the GOJ Office of Utilities Regulation which helped pave the way for the entry of additional cellular service providers to Jamaica. In addition, the USAID program effectively increased private micro enterprise financing by providing technical and financial assistance to the Jamaica National Building Society to take over and expand the micro-enterprise portfolio from the Workers Bank (which had gone bankrupt following the national banking and insurance crisis in 1998). With this GOJ divestiture and transfer, the program-funding cap which had been imposed on the micro-enterprise portfolio and effectively precluded new micro lending, was removed.

USAID activities have contributed to results that show that coastal water quality in Negril has improved again this past year, and more NGOs are successfully implementing environmental programs. The National Water Commission is working with local wastewater advisory committees in Negril and Ocho Rios to monitor coastal water quality and improve the operation and maintenance of wastewater treatment plants. A new Ridge to Reef contract was initiated this past year, and is complementing the on-going Coastal Water Quality Improvement and the Environmental Audits for Sustainable Tourism contracts, by focusing attention on problems of hillside erosion and pollution in upland watersheds.

There is cautious optimism that the reported reduction in HIV seroprevalence - both among the low-risk population (pregnant women of all ages) and high-risk groups (STD clinic attendees of all ages) is "real". Even if the actual HIV seroprevalence rates are merely leveling off, that alone would be a significant achievement. What is clear is that during the past year, a multi-sectoral approach and highly effective "contact investigations" successfully promoted use of HIV/AIDS prevention practices throughout the country.

Highlights of the education program this past year include significant improvements in grade six math and language arts scores among students in the 72 relatively disadvantaged primary schools supported under USAID's New Horizons Activity, and more than a doubling in the percent of NGO sites with programs meeting literacy teaching standards under the Uplifting Adolescents Program. All New Horizons schools have school development plans in place and are implementing them, and an improved teacher training college curricula was developed. The Uplifting Adolescents Program was evaluated this past year, and a new follow-on program, reflecting lessons learned, was launched.

Other Donors

Key multilateral donors to Jamaica include the Inter-American Development Bank, World Bank and the European Union, UNICEF and United Nations Development Program (UNDP), and bilateral donors include: Canada, the United Kingdom, and Japan. The United States ranks as the largest bilateral donor.

FY 2002 Program

In FY 2002, the USAID program will continue to promote the increased adoption of environmentally sound practices, the increased adoption of policies for improved environmental management, and improved effectiveness of wastewater management. It will also increase access to quality reproductive health services, improve knowledge and skills related to reproductive health, help enhance national policies and guidelines that support reproductive health of youth, and combat HIV. USAID activities will improve the quality of teaching, school attendance, and management of schools, as well as support NGO delivery of literacy programs. In support of micro-enterprise development, USAID will continue to reduce business constraints, improve business skills of companies, and increase private financing for the micro and small enterprise sectors. Under a new program initiated in FY 2001, USAID will seek an increase in employment and entrepreneurial opportunities, improve community capacity for conflict resolution, and to address other related democracy and governance issues.

JAMAICA
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
532-002 Improved Quality of Key Natural Resources in Selected Areas that are both Environmentally and Economically Significant (Ridge to Reef Program)				
- DA	3,063	3,465	3,096	3,096
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
532-003 Improved Reproductive Health of Youth				
- DA	1,107	1,120	1,896	1,796
- DFA	0	0	0	0
- CSD	1,775	875	1,247	1,322
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
532-004 Increased Numeracy and Literacy among Targeted Jamaican Youth				
- DA	0	749	100	0
- DFA	0	0	0	0
- CSD	2,151	2,482	2,869	3,678
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
532-006 Improved Business Environment for Developing the Small, Medium, and Micro Enterprise Sectors				
- DA	1,950	1,975	2,200	2,090
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
532-007 Improved Economic and Social Conditions in Targeted Inner City Communities				
- DA	0	500	500	500
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	500	500	500
- P.L. 480/II	0	0	0	0
* **532-XXX, Strengthened Democratic and Judicial Institutions**				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	995	500
- P.L. 480/II	0	0	0	0
Totals				
- DA	6,120	7,809	7,792	7,482
- DFA	0	0	0	0
- CSD	3,926	3,357	4,116	5,000
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	500	1,495	1,000
- P.L. 480/II	0	0	0	0

* New activity; data sheet to be submitted separately.

ACTIVITY DATA SHEET

PROGRAM: Jamaica
TITLE AND NUMBER: Improved Quality of Key Natural Resources in Selected Areas That Are Both Environmentally and Economically Significant (Ridge to Reef Program), 532-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,096,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,096,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Most of Jamaica's population and economic activity are concentrated within the island's coastal zone areas—areas which encompass the fragile natural resource base on which the island's most important foreign exchange earner, tourism, depends. Overexploitation of coastal resources, including the conversion of forests to other uses -- typically for housing or commercial construction, agriculture, or firewood collection -- and improper disposal of waste from tourism-related activities, urban development, and industrial activities have had a serious negative impact on the island's coastal ecosystems. Soil and agricultural chemical run-off generated in the mountainous interior further aggravates the situation. With more than 50% of that terrain having slopes greater than 20 degrees, its surface is extremely vulnerable to erosion. The proliferation of unplanned human settlements in the hills above key tourism centers is another significant source of pollution and environmental threat. Land degradation and pollution in the hills is quickly manifested in Jamaica's coastal resources, particularly as damage to the coral reefs caused by siltation and nutrient load. This link between activities in upland watersheds and their impact on the quality of Jamaica's prized coastal waters is the basis of USAID's "Ridge to Reef" environmental management program. The program's purpose is to reverse the trend of environmental degradation by promoting environmentally sound practices and policies that will result in the sustainable management of the natural resource base on which Jamaica's economy depends. Key beneficiaries include the 300,000 Jamaicans who live in the towns and watersheds near the targeted tourism areas where USAID will provide assistance, including the 28,000 people whose livelihoods depend directly on tourism in these areas. The conservation of Jamaica's bio-diversity and economically valuable resources will ensure benefits for these Jamaicans and others far into the future. An estimated 112,000 Jamaicans will benefit from improved wastewater management.

Key Results: The objective will be achieved through increased adoption of environmentally sound practices, increased adoption of policies for improved environmental management, and improved effectiveness of wastewater management. Progress is mapped against key indicators including coastal water quality, number of policies initiated and adopted, and number of target organizations which adopt sound practices. Over the past year, targets were met or exceeded.

Performance and Prospects: This objective continues to fully meet expectations. Under the Coastal Water Improvement Program (CWIP), supervision and funding is provided for water quality monitoring. Data show that water quality remains acceptable by US Environmental Protection Agency (EPA) and local Government of Jamaica (GOJ) standards. Water quality in both Negril and Ocho Rios is acceptable. Results are interpreted and disseminated back to communities to facilitate increased awareness and understanding and a more favorable response to initiatives that promote adoption of sound environmental practices. Where samples have been found to be below acceptable quality, it is often attributed to contamination from agricultural run-off and nutrient-rich effluent from sewage and informal settlements in the watershed and along the rivers. Under the Ridge to Reef program,

activities in turn focus on these problems through interventions for improved agricultural practices and watershed management, education, and enforcement.

The activities of non-governmental organizations (NGOs) and smaller community based organizations (CBOs) in Negril and Ocho Rios represent CWIP's extension to small rural communities. NGOs such as the Negril Area Environmental Protection Trust (NEPT) (which has functioned as an umbrella organization for small CBOs) and the Friends of the Sea (FOTS) are among some of the strategic partners that have been working at the local level. Environmental initiatives implemented by these organizations span a range of activities including solid waste management, environmental education, public awareness, water quality monitoring, composting and recycling.

Under the Environmental Audits for Sustainable Tourism (EAST) activity, adoption of environmental management systems in the tourism and manufacturing sectors is promoted. The increased number of organizations demonstrating tangible benefits reflects success in promoting adoption of sound environmental practices in communities. These organizations have not only implemented these activities, but have evolved with respect to management capability, many of them having moved upwards on the USAID organizational ranking system and increased their ability to access other donor funds. For this review period, 15 organizations, four more than targeted, demonstrated tangible benefits through implementation of various activities at the community level.

Progress has been made in assisting the GOJ in policy formulation on four key policies. The policy for National Environmental Management Systems (EMS) addresses economic incentives for promoting sustainable and environmentally sound private sector investments. The National Policy on Ocean and Coastal Zone Management Policy will rationalize GOJ and civil society roles and functions, and address economic strategies for sustainable resources management. The Sewage Connection Policy, approved by Parliament, provides an operationally useful regulatory framework for consumer connections to wastewater systems. The National Water Policy, also enacted, contains wastewater tariff increases and promotes implementation of public-private partnerships in water and wastewater services.

The training of wastewater personnel at both policy and operational levels greatly enhances the capacity of the National Water Commission (NWC) to manage wastewater operations, and contributes to the improvement of water quality. The wastewater operator certification program has standardized the management of operations, collaborative efforts, and training at the community level with advisory groups. Collaboration with several agencies on training initiatives contributed to a wider range and number of personnel trained, and the 2001 target increased from 150 to 170.

FY 2001 DA funds will be used to increase adoption of environmentally sound practices ($1,548,000), to increase adoption of policies for improved environmental management ($929,000), and to improve effectiveness of wastewater management ($619,000). FY 2002 DA funds will continue to be used to increase adoption of environmentally sound practices ($1,596,000), to increase adoption of policies for improved environmental management ($700,000), and to improve effectiveness of wastewater management ($800,000).

Possible Adjustments to Plans: Recommendations from a recent evaluation are being considered in developing more focused indicators, designing future program activities, integrating gender issues, and adding more emphasis on wastewater management.

Other Donor Programs: USAID is collaborating closely with other donors under the auspices of two United Nations Development Program environmental working groups. USAID is

working closely with the Canadian International Development Agency in the development of policy for improved environmental management practices by government and the private sector. The Inter-American Development Bank and the European Union (EU) are also supporting watershed management programs, and the EU and Germany support policy reforms in wastewater management. Japan also provides assistance to the Montego Bay Marine Park.

Principal Contractors, Grantees or Agencies: U.S. grantees/contractors include The Nature Conservancy, Associates in Rural Development, and Cargill and Associates. Local grantees include the GOJ's National Environmental Planning Agency (formerly Natural Resources Conservation Authority) and several local NGOs, such as the Negril Environmental Protection Trust, Jamaica Conservation Development Trust, the Negril Chamber of Commerce, and Discovery Bay Marine Laboratory. Other local agencies include the Jamaica Hotel Tourist Association, Jamaica Manufacturers Association, and Rural Agricultural Development Authority.

FY 2002 Performance Table

Jamaica: 532-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of key policies in place	NA	1	2	4	4	5	7
Indicator 2: Number of target organizations demonstrating tangible benefits to beneficiaries in the field	NA	7	10	15	11	14	16
Indicator 3: Water Quality in Negril: Faecal Coliform (FC); Phosphorus (P); Nitrogen (N)	NA (FC) NA (P) NA (N)	62% (FC) NA (P) NA (N)	69% (FC) 41% (P) 39% (N)	68% (FC) 39% (P) 42% (N)	70% (FC) 42% (P) 40% (N)	75% (FC) 44% (P) 44% (N)	75% (FC) 44% (P) 45% (N)
Indicator 4: Water Quality in Ocho Rios: Faecal Coliform (FC); Phosphorus (P); Nitrogen (N)	NA (FC) NA (P) NA (N)	NA (FC) NA (P) NA (N)	NA (FC) NA (P) NA (N)	42% (FC) 64.5% (P) 39% (N)	40% (FC) ----- (P) ----- (N)	44% (FC) 66% (P) 49% (N)	45% (FC) 66% (P) 51% (N)

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number (cumulative)	GOJ agencies	Policies that force consumers and/or polluters to pay; and policies that offer an economic benefit to polluters or consumers for adoption of improved practices. The number in the table represents the cumulative target for each successive year.
Indicator 2:	IR	Number per year	Contractor Reports	Number of target organizations demonstrating tangible benefits, which would include trees planted, mooring buoys in place and other environmental programs implemented in the field
Indicator 3:	IR	Percent of samples within acceptable limits	National Water Commission, contractor reports.	Percent of samples within acceptable limits for faecal coliform (FC), phosphorus (P), and nitrogen (N) in Negril for water quality for both human health and coral reef ecosystem maintenance. The U.S. EPA standard for faecal coliform has been adopted for these analyses; the standard is set at 200MPN/100ml (most probable number per 100 milliliters). There is no universally agreed standard for phosphorus or nitrogen as related to ambient water quality. Jamaica is currently developing such standards and until it is available, a concern level of 1.0uM/L is used for both phosphorus and nitrogen. These levels seem to have a bearing on coral reef health.
Indicator 4:	IR	Percent of samples within acceptable limits	National Water Commission, contractor reports.	Percent of samples within acceptable limits for faecal coliform (FC), phosphorus (P), and nitrogen (N) in Ocho Rios as determined for water quality for both human health and coral reef ecosystem maintenance. See above for description of acceptable limits.

U.S. Financing (In thousands of dollars)			
Program: Jamaica			
Title and Number: Improved Quality of Key Natural Resources in Selected Areas that are both Environmentally and Economically Significant, 532-002			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	18,421 DA	16,301 DA	2,120 DA
	240 CSD	230 CSD	10 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,450 DA	2,330 DA	
	0 CSD	9 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	21,871 DA	18,631 DA	3,240 DA
	240 CSD	239 CSD	1 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	3,096 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	3,096 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	3,096 DA	9,643 DA	37,706 DA
	0 CSD	0 CSD	240 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Jamaica
TITLE AND NUMBER: Improved Reproductive Health of Youth, 532-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,896,000 (DA), $1,247,000 (CSD)
PROPOSED FY2002 OBLIGATION AND ACCOUNT: $1,796,000 (DA) $1,322,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The overall strategy in the health sector is to implement a comprehensive, decentralized, and multi-sectoral approach to improve the reproductive health (HIV and population resources) of young Jamaicans (aged 10-24 years) including the prevention and control of HIV/AIDS and other sexually transmitted infections, and enhance their transition to adulthood. Jamaica has relatively good health indicators, and total fertility rates have declined significantly from a high of 6.7 births per woman (in the 15-49 age group) in 1960 to 2.8 in 1997. However, birth rates among adolescents remain a concern. Indeed, the age specific fertility rates for the 15-24 year-old cohort increased from 107 live births per 1,000 women in 1993 to 112 in 1997. This birth rate has implications for educational attainment as less than one-third of the adolescent females who gave birth prior to the fourth year of secondary school returned to school after the birth. Furthermore, adolescents (aged 10-19 years) account for 62% of all cases of obstetric complications reported by hospitals. There is also higher HIV seroprevalence (2.1%) among 20-24 year-old antenatal clinic attendees than among antenatal clinic attendees in general (1.6%). The seroprevalence and high fertility rate among this age group has serious implications for mother to child transmission of HIV as well as for pediatric AIDS. USAID's response to these challenges is a program to increase adolescents' use of quality reproductive health and HIV/ sexually transmitted infection (STI) services and preventive practices by making more delivery points youth-friendly; improving knowledge and skills related to reproductive health and HIV/AIDS/STIs; and providing an overall policy environment supportive of adolescents and their reproductive health.

Two major activities support the achievement of this objective: the HIV/AIDS/STI Prevention and Control program and the Adolescent Reproductive Health (ARH) program.

Key Results: Achievements will be tracked by HIV seroprevalence among STI clinic attendees (high-risk group) and antenatal clinic attendees (low-risk group). These two indicators, taken together, provide information on the direction the epidemic is going and more specifically, the direction among adolescents/youth. Data for 2000 (all age groups) show a prevalence among the high-risk group of 4.06% (better than the target of 7.7%) and low-risk group of 1.4% (also better than the target of 1.72%). Although this might appear to be a first step in a downward trend in HIV prevalence, this cannot be said with absolute certainty due to data and logistical problems.

During 2000, a multi-sectoral approach was used to implement interventions to increase use (and knowledge) of reproductive health and HIV/AIDS/STI preventive practices and services. Contact investigation (CI), behavior change communication (BCC) strategies, particularly face-to-face communication, and mass media campaigns along with programs implemented in the workplace and schools, have assisted in increasing condom use, decreasing the number of sexual partners, and have resulted in an apparent leveling off of the HIV epidemic. Parents were also targeted as another avenue for reaching adolescents with reproductive health information.

The 2000 Policy Environment Score (PES - adolescent module) was met with 59.7%, which exceeded the planned score of 58%. The PES for the STDs/AIDS module stands out as having dramatically improved between the baseline and follow-up assessment, with an increase of 9.23%.

Performance and Prospects: A recent external evaluation of the HIV/AIDS program gave high marks to overall program accomplishments, particularly the impact of BCC and CI components in changing high risk behaviors, and on increased public awareness of, and response to, the dangers posed by HIV and other STIs.

One of the ways in which the HIV/AIDS program supports increasing access to quality care is through the contact investigation component, which is widely accepted by health providers and the public. This has been a long-standing intervention (50 years) which has been credited with assisting in curbing the rate of increase first, with STIs and now HIV. On average, approximately 69% of the contacts of those testing positive have been investigated over the past year. Though specific data regarding the contacts is unavailable, these investigations obviously result in earlier treatment of STIs and early diagnosis of HIV, thus increasing the opportunity for counseling related to psychosocial needs and risk reduction. Further epidemiological investigation of contacts is warranted.

Numerous mass media campaigns were carried out in 2000, including radio, television, billboards, and posters that targeted men with multiple partners, sexually active women, and parents of teenagers and pre-adolescents. In addition, CI plays a role in educating the public on HIV/AIDS. They hold training sessions in factories, schools, churches, and community-based organizations. As a result of the above activities, knowledge remains high with respect to HIV transmission (97% men and women correctly name two or more preventive practices). However, there appears to be an increase (three-fold in some cases) in the belief in "myths" on how HIV can be transmitted (e.g. mosquitoes, toilets, sharing food, etc.). Men were much more likely to endorse myths than women. Future program activities will continue to focus on this area.

The ARH program supports Ashe, a creative arts non-governmental organization (NGO), which has played a critical role in getting messages out to adolescents. Ashe continues to expand a very successful, innovative training methodology directed to nurses and guidance counselors in schools, which assists them in teaching and talking to adolescents regarding their reproductive health. The long-term impact of this program on adolescent knowledge and behavior is being evaluated through a longitudinal study comparing persons who participate in the program with Ashe and those which receive the information through the regular program with the Ministry of Health (MOH). During 2000, Ashe developed a similar program directed towards parents. Through this methodology, parents are learning how to communicate and relate to their adolescents using positive parenting tools.

Qualitative analysis of health worker and youth perceptions of existing adolescent services have verified the need to target training to improve the interpersonal communication skills of clinic personnel. In order to identify significant needs, site infrastructure was assessed and existing medical supplies and equipment inventoried. To address some of these needs, USAID collaborated with Food for the Poor to provide donated medical supplies and equipment to all the project sites. 'Youth.now' encouraged a multi-sectoral group to develop "focused certification" criteria for the "youth friendly" sites. These criteria will be further strengthened through a partnership with the Quality Assurance Project that will place this targeted certification within a broader quality assurance program within the MOH.

FY 2001 DA funds will be used as follows: $1.1 million will increase access to quality reproductive health services; $0.500 million will improve knowledge and skills related to

reproductive health; and $0.296 million will help enhance national policies and guidelines that support reproductive health of youth. The FY2001 CSD funds will be used as follows: $0.474 million will contribute to increasing access to quality reproductive health services; $0.723 million will go towards the improvement of knowledge and skills related to reproductive health; and $0.050 million will help to enhance national policies and guidelines.

FY 2002 DA funds will be used as follows: $1.024 million will increase access to quality reproductive health services; $0.503 million will improve knowledge and skills related to reproductive health; and $0.269 will help enhance national policies and guidelines that support reproductive health of youth. The FY 2002 CSD funds will be used as follows: $1.297 million to combat HIV, and $0.025 million for other health activities.

Possible Adjustments to Plans: No adjustments are anticipated.

Other Donor Programs: USAID is currently the principal donor in reproductive health/HIV/AIDS. However, the MOH is presently negotiating a loan with the World Bank to provide additional support to the HIV/AIDS program. UNICEF assists the MOH with a pilot program directed towards preventing the mother-to-child transmission of HIV. The United Nations Family Planning Program is implementing a three-year project in three sites on youth advocacy, training peer educators, service delivery for adolescents, and public education. USAID also collaborates with the Pan American Health Organization and other bilateral donors, such as the United Kingdom and Germany, to maintain implementation coordination.

Major Contractors and Grantees: U.S. contractors include the Academy for Educational Development (AED), the Futures Group International, Family Health International, JHPIEGO and Pathfinder International. Non-U.S. partners include the MOH, local NGOs, and the National Family Planning Board.

FY 2002 Performance Table

Jamaica: 532-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: HIV Seroprevalence among STD clinic attenders: age 20-24	NA	NA	6.4	2.7	6.4	6.8	7.3
Indicator 2: HIV Seroprevalence among antenatal clinic attenders: age 20-24	NA	NA	2.1	1.62	1.45	1.55	1.66
Indicator 3: HIV Seroprevalence among antenatal clinic attenders: age 15-19	NA	NA	1	0.73	1.83	1.96	2.10
Indicator 4: HIV Seroprevalence among STD clinic attenders: age 15-19	NA	NA	3.1	3.04	4.6	4.9	5.3
Indicator 5: Policy Environmental Score (Adolescents)	NA	54.1	56.3	59.7	58	60	64
Indicator 6: Number of officially certified youth friendly service delivery points	NA	NA	NA	NA	0	0	3
Indicator 7: HIV Seroprevalence among antenatal clinic attenders: all age groups	NA	NA	1.61	1.4	1.72	1.84	1.96
Indicator 8: HIV Seroprevalence among STD clinic attenders: all age groups	NA	NA	7.1	4.06	7.7	8.3	9.0

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percentage of STD Clinic Attenders: age 20-24	Ministry of Health Epidemiology Unit	Data is gathered through a sentinel surveillance system set up in three (highest HIV prevalence rates) of the 13 STD clinics in the island. The representative sample data has been disaggregated by age groups. Testing is done over a three month period selecting a sample size using the standard formula based on population and prevalence rates (95% confidence limits).
Indicator 2:	IR	Percentage of Antenatal Clinic Attenders: age 20-24	Ministry of Health Epidemiology Unit	Data is gathered through a sentinel surveillance system set up in antenatal clinics in 7 parishes. All pregnant women coming for care are tested for HIV. Testing at these sites is conducted between October and April.
Indicator 3:	IR	Percentage of Antenatal Clinic Attenders: age 15-19	Ministry of Health Epidemiology Unit	Data is gathered through a sentinel surveillance system set up in selected antenatal clinics in 7 parishes. All pregnant women coming for care are tested for HIV. Testing at these sites is conducted between October and April.
Indicator 4:	IR	Percentage of STD Clinic Attenders: age 15-19	Ministry of Health Epidemiology Unit	Data is gathered thorugh a sentinel surveillance system set up in three (highest prevalence rates) of the 13 STD clinics on the island. The representative sample has been disaggregated by age groups. Testing is done over a three month period selecting a sample size using the standard formula based on population and prevalence rates (95% confidence limits).
Indicator 5:	IR	Percentage of Weighted Score	Futures Group/Policy Project	Measurement of the degree to which the policy environment is supportive of effective reproductive health policies and programs.
Indicator 6:	IR	Number of YFS in target parishes	Institutional contractor (Futures Group) for the ARH project (PMP)	Critieria (for official certification) have been developed by the contractor in collaboration with the MOH and other relevant organizations/partners. Critieria include trained cadre of personnel (janitor to physician) in clinical and/or interpersonal skills; improved physical environment; appropriate medical supplies and equipment available; clinical standards being implemented, etc.
Indicator 7:	IR	Percentage of Antenatal Clinic Attenders: all age groups	Ministry of Health Epidemiology Unit	Data is gathered through a sentinel surveillance system set up in selected antenatal clinics in 7 parishes. All pregnant women coming for care are tested for HIV. Testing at these sites is conducted between October and April.
Indicator 8:	IR	Percentage of STD Clinic Attenders: all age groups	Ministry of Health Epidemiology Unit	Data is gathered through a sentinel surveillance system set up in three (highest HIV prevalence rates) of the 13 STD clinics in the island. The representative sample data has been disaggregated by age groups. Testing is done over a three month period selecting a sample size using the standard formula based on population and prevalence rates (95% confidence limits).

U.S. Financing (In thousands of dollars)			
Program: Jamaica			
Title and Number: Improved Reproductive Health of Youth, 532-003			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	20,616 DA	18,198 DA	2,418 DA
	2,175 CSD	0 CSD	2,175 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	1,120 DA	1,254 DA	
	875 CSD	1,060 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	21,736 DA	19,452 DA	2,284 DA
	3,050 CSD	1,060 CSD	1,990 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,896 DA		
	1,247 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	1,896 DA		
	1,247 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	1,796 DA	5,448 DA	30,876 DA
	1,322 CSD	5,296 CSD	10,915 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Jamaica
TITLE AND NUMBER: Increased Numeracy and Literacy among Targeted Jamaican Youth, 532-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $100,000 (DA) $2,869,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $0(DA) $3,678,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY1997 **ESTIMATED COMPLETION DATE: FY2004**

Summary: Jamaica's education system continues to struggle from the effects of economic stagnation and fiscal constraints of recent years. This has led to the compounding of systemic problems such as overcrowding, lack of teaching materials and equipment, and a large number of "untrained" teachers (i.e., teachers who complete secondary school but do not obtain a teaching diploma). These systemic weaknesses are reflected in poor attendance (although access to education is universal) and poor performance on standardized tests. Approximately 50% of students in fourth grade do not meet the minimum standards of reading competency. Scores in fourth grade mathematics are equally poor, and performance in both areas continues to decline through sixth grade. In addition, approximately 80,000 adolescents are not in school and are at risk of dropping out of school. Approximately 10,000 adolescents aged 10-14 years are not enrolled in school and 4,000 10-18 year-olds drop out of school each year.

The overall purpose of this objective is to improve the numeracy and literacy skills of targeted youth (6 -14 years of age) through formal, school-based interventions as well as through the non-formal, non-governmental organizations (NGO) based interventions targeting "at-risk" youth. The following results are expected to lead to positive changes in literacy and numeracy: improved quality of teaching; increased school attendance; improved management of schools; and improved NGO delivery of literacy programs.

To address systemic weaknesses of the primary school system and improve the performance of children in mathematics and reading, USAID's program provides integrated packages of interventions directed at primary schools serving children in low-income communities throughout the island. These interventions are customized to meet the specific needs of each of the 72 target schools. They include provision of teaching and learning materials for mathematics and reading; governance and leadership training for school principals and school boards; introduction of improved educational technology; in-service and pre-service teacher training; nutritional support to poor students; and parenting education and training. To address the needs of the 80,000 adolescents who have dropped out and are at risk of dropping out of school, USAID works with local NGOs to provide remedial education and training to reinstate these youth in school and to improve their social and job skills and reproductive health.

The two major ongoing activities are: The New Horizons for Primary Schools Activity (NHA) and The Uplifting Adolescent Project II (UAP II). An additional, discrete activity, Improving Educational Quality (IEQ) II activity, supports interventions to revise the teacher training college curricula to better prepare teachers to deliver the national primary school curriculum.

Key Results: Achievement is based on the improvement of students' scores on standardized language and mathematics tests (grade three and grade six). The percentage of children reaching near mastery (50% correct on standardized tests) continues to increase for all grade six students. The performance of grade six girls in language arts was 47% in 1999 increasing to 64% in 2000; while for boys it was 20% (1999) and 35% (2000). There was

also significant improvement in math scores: 24% (1999) rising to 41% (2000) for girls; and 9.9% (1999) to 25% (2000) for boys. These grade six outcomes exceeded expectations.

Performance and Prospects: Success in mathematics and language art scores can be largely attributed to the new integrated approach used by NHA numeracy and literacy specialists. This approach utilizes several integrated interventions designed to address in-service training of approximately 800 classroom teachers, including teaching principals and 156 resource teachers in 72 schools. Five major student-centered approaches are: clinical supervisory; demonstration teaching; utilization of teacher portfolios; inter and intra-school classroom observation; and sharing best practices. Under the Improving Education Quality activity, the primary curriculum has been revised for teachers colleges and will be reviewed in the near future. This curriculum will then be implemented in colleges during 2001-02, with additional training provided for tutors.

In an attempt to increase school attendance of NHA schools, there was an increase in the percentage of teachers using incentive strategies from 50% to 70%. Strategies included special attendance awards given to classes and grades at the end the school term, and special learning activities such as video presentations and learning games. To persuade the entire community on the importance of raising educational standards, NHA initiated a Parent Education and Training Program to assist in establishing study circles, and workshops; and to increase parent involvement in schools.

School management, as measured by the existence and implementation of school development plans, has been strengthened through assistance under the NHA. All NHA schools now have plans in place. Efforts will now be directed to strengthen the quality of those plans while measuring the extent of implementation (revised indicators will be developed). In addition, governance and leadership training modules have been developed, administrative computer suites installed, and the percentage of principals using computers increased. With the installation of customized software, principals and staff will receive further training that will enhance school management during 2002.

Last year the UAP provided technical assistance and training to NGOs to improve managerial capabilities and expand programs in remedial literacy and numeracy, social skills, reproductive health/HIV/AIDS activities, and pre-vocational training to "at-risk" youth (10-14 years old). The number of NGO sites achieving the literacy teaching standard for "at-risk" youth has improved markedly. The standard includes student test scores, teacher qualification, use of Jamaica Movement for Adult Literacy (JAMAL) materials, use of JAMAL/UAP methodology, and student/teacher ratio.

The FY 2001 CSD funds will be used for quality of teaching, school attendance, and management of schools components ($1,944,000), and for the NGO delivery of literacy programs component ($925,000). The FY 2001 DA funds will be used for reproductive health activities under the NGO delivery of literacy programs component ($100,000). The FY 2002 CSD funds will be used for quality of teaching, school attendance, and management of schools ($2,803,000), and for NGO delivery of literacy programs ($875,000).

Possible Adjustments to Plans: The indicator "school management plans designed and implemented" will be revised. In addition, a model Early Childhood Development pilot program will be added.

Other Donor Programs: The Inter-American Development Bank (IDB) is providing a major education sector loan ($31.5 million) to improve primary education under a new Primary Education Support Project (2000-2005). Areas of focus include the quality of teaching,

institutional strengthening, and improving school infrastructure. It is hoped that the IDB will continue to work to revise the teacher training college curricula in the other six courses, since USAID through the IEQ/Jamaica project is addressing four. In addition, UNICEF is engaged in early childhood education, and the World Bank in secondary education.

Principal Contractors, Grantees or Agencies: U.S. partners include Juárez and Associates Incorporated. Non-U.S. partners include Peoples Action for Community Transformation (a local umbrella NGO), the Ministry of Education and Culture, and local NGOs.

FY 2002 Performance Table

Jamaica: 532-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Grade 6 language arts scores	NA	43% (G) 17% (B)	47% (G) 20% (B)	64% (G) 35% (B)	48% (G) 22% (B)	52% (G) 25% (B)	56% (G) 30% (B)
Indicator 2: Grade 6 mathematics scores	NA	14% (G) 6% (B)	24% (G) 9.6% (B)	41% (G) 25% (B)	18% (G) 10% (B)	20% (G) 13% (B)	25% (G) 20% (B)
Indicator 3: NGO sites meeting UAP literacy teaching standard	NA	NA	22.6	53	30	60	70

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percent of students; by gender	Ministry of Education, Student Assessment Unit databases	Percentage of students meeting near mastery criteria in grade 6 New Horizons Schools; disaggregated by girls (G) and boys (B)
Indicator 2:	IR	Percent of students; by gender	Ministry of Education Student Assessment Unit databases	Percentage of students meeting near mastery criteria in grade 6 New Horizons Schools; disaggregated by girls (G) and boys (B)
Indicator 3:	IR	Percentage of NGO sites meeting UAP Literacy teaching standards	Jamaican Movement for Adult Literacy (JAMAL) test, administered by Uplifting Adolescent Project	NGOs have been trained under the UAP and are being monitored in the delivery of services in literacy and remedial education. The youngster is considered literate if s/he achieves a passing score on the JAMAL grade four literacy test.

U.S. Financing (in thousands of dollars)			
Program: Jamaica			
Title and Number: Increased Numeracy and Literacy among Targeted Jamaican Youth, 532-004			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	17,247 DA	16,520 DA	727 DA
	4,314 CSD	2,411 CSD	1,903 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	749 DA	317 DA	
	2,982 CSD	2,422 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	17,996 DA	16,837 DA	1,159 DA
	7,296 CSD	4,833 CSD	2,463 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	100 DA		
	2,869 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	100 DA		
	2,869 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	431 DA	18,527 DA
	3,678 CSD	4,191 CSD	18,034 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Jamaica
TITLE AND NUMBER: Improved Business Environment for Developing the Small, Medium, and Micro Enterprise Sectors, (532-006)*
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,200,000 (DA)
PROPOSED FY2002 OBLIGATION AND ACCOUNT $2,090,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY2004

Summary: Through 1999, Jamaica's economy continued to deteriorate, though at a slower rate, with 2000 being the first time in five years that the country experienced slight economic growth (GDP). The structural problems underlying the country's inability to generate economic growth include weak institutions (financial and non-financial) which support the private sector, the high cost of credit, an inadequately trained workforce, and government procedures that do not encourage business development. High levels of crime and violence further undermine efforts to promote investment, employment, and growth. Micro, small, and medium sized enterprises (SMMEs) have been severely affected by the recession, and the environment in which businesses operate must be greatly improved. In 1999, there were 41 government agencies working with the private sector. As a result, there were many overlapping bureaucratic requirements and procedures that inhibited trade and investment in Jamaica. In addition, key sectors of the economy, such as the telecommunications sector, had monopoly status that impacted on business performance. Mediocre product quality and poor services are also key impediments to the competitiveness and growth of enterprises.

While in the past, this objective was almost exclusively focused on the micro-enterprise sector, it is now focused on reducing constraints to doing business in Jamaica. This will have a stronger and more positive impact on the country's economic growth. Accordingly, activities will assist in developing the business environment in which the private sector operates, to support the small, medium and micro-enterprise (SMME) sectors. Although SMMEs are recognized by public and private sector organizations as key to development and growth, they remain under served. The small and micro-enterprise sectors are primarily hindered by lack of financial and technical assistance products. The medium sized enterprises are more affected by an inability to find the right type of assistance to address specific needs. In this age of globalization, small and medium sized businesses must be prepared and have the tools to compete in the world economy.

To address some of these concerns, USAID: 1) is working with the public and private sectors to identify and reduce key constraints to doing business; 2) is strengthening the business skills of companies to help them to compete more effectively in the global market; 3) is developing financial instruments to increase the availability of private funds to the micro and small business sectors; and 4) is seeking to facilitate increased retail lending to the micro and small business sectors. Three results are expected from these interventions, namely: reduction of business constraints while fostering competition; improvement of business skills in companies; and an increase in private financing for the micro and small enterprise sectors. By the completion of the strategy period, a large number of companies are expected to have reallocated human and financial resources to compete head on with other companies and reduced the resources required to deal with red tape and financing concerns.

* Previously reported under 532-001.

The activities that currently support the achievement of the Strategic Objective are: micro-enterprise development – Jamaica National Building Society (JNBS), New Economy Program (NEP), Business Roadmap development, and the Jamaica Conference Board.

Key Results: In order to measure overall performance under this objective, a proxy indicator was developed which is the number of new businesses registered in Jamaica. As the program assists in reducing business constraints, it is assumed that over time, more people will want to formally establish companies rather than do business in an informal manner. For 2000, while a figure of 4,500 was planned, in actuality 4,668 new businesses were established. This number is expected to increase by 10% per year.

To improve the business skill of companies, a program got underway in late 2000 to provide companies with the necessary tools to increase the number of businesses making productivity and/or technological improvements. This is a new indicator for which a baseline will be established this year, and reported on as of 2001. In support of this, several private sector groups including the Jamaica Exporters Association (JEA) and the Jamaica Chamber of Commerce will be initiating competitiveness programs.

With respect to loans to micro and small enterprises, of the 5,910 target, a total of 4,258 loans were disbursed. This lower figure reflects the fact that for much of the year the program was under government control and an overall cap of $1.0 million was set on the loan portfolio. Until the program was privatized, it could not grow. Earlier in 2000, a baseline of 1,680 small and micro enterprises accessing financial instruments from assisted companies was established. The actual was 1,910. Program activities continue to assist with increasing private financing for the micro and small enterprise sectors.

Performance and Prospects: Activities under this objective are fulfilling expectations, and are moving from start-up to the implementation phase in 2001 with mechanisms in place to identify and carry out additional activities.

In the area of reducing key business constraints, the plan was to reduce one constraint in 2000 and it was met. At the request of the Government of Jamaica (GOJ), highly specialized experts were provided to: 1) comment on proposed ministerial regulations for the telecommunications sector; 2) develop practical guidelines for the GOJ to promote competition among the carriers and service providers; 3) develop a transparent licensing process and 4) recommend how the Office of Utilities Regulation (OUR) might be better structured. The U.S. Federal Communications Commission provided highly specialized technical assistance to the GOJ in areas such as spectrum management, regulatory oversight and best practices from other countries. In this regard, the New Economy Program (NEP) provided extensive support to the OUR to oversee the telecommunications sector. The result is that three companies have been given licenses to provide cellular phone service in Jamaica. With the introduction of additional service providers, quality of service and types of cellular phone options are expected to increase to all sectors including SMMEs.

The Jamaica Chamber of Commerce and USAID are jointly working to establish a Conference Board that will bring together high-level private sector executives to discuss and analyze pertinent issues that affect business development operations. This is in response to the private sector's perception of the need to develop a mechanism that provides in-depth analysis of issues that impact on their performance. A Board of Directors consisting of ten prominent businesspersons was established, and events began in early 2001.

Assistance is being provided to the Ministry of Industry, Commerce and Technology, conducting an ongoing investor roadmap exercise that identifies major impediments to doing

business in Jamaica. To date, several important bottlenecks have been identified in different government agencies that adversely impact on business development and operations, and solutions are being found. The Ministry of Finance and Planning (MOFP) Tax Administration Department is addressing tax administration issues. Similarly, a workshop on simplifying the process of obtaining Tax Compliance Certificates was conducted by the MOFP. The NEP will continue to assist with these processes.

With respect to improving the business skills of companies, introduction of the issue of competitiveness to the private sector has been very well received in Jamaica. A U.S. based company sensitized business leaders on the need to develop a new competitiveness paradigm. This has resulted in the Jamaica Exporters Association spearheading an effort to introduce this competitiveness paradigm in new economic initiatives.

With respect to private financing for the micro and small enterprise sectors, the sale of Union Bank's (GOJ owned) micro-enterprise unit and portfolio to the Jamaica National Building Society (JNBS) has finally been completed. This was an activity that USAID had supported when it belonged to Worker's Bank. Unfortunately, the Bank became insolvent and the Government had to intervene. USAID convinced them to keep the micro-enterprise unit together and to sell it as a separate unit. The sale to the Jamaica National Building Society has resulted in the elimination of the loan portfolio cap thereby allowing it to grow, increase efficiency, and expand services geographically. Through a recently negotiated Cooperative Agreement, USAID is assisting JNBS with this effort.

In FY 2002, USAID plans to assist the private sector and GOJ in nine projects spanning the areas of Information Technology, automated check clearing for banks, a credit bureau, expanding the new competitiveness model in the private sector, developing new financial products to assist SMMEs, improving the productivity and customer service in GOJ departments that interface extensively with the private sector, and preparing the business sector for the consequences of the Free Trade Area of the Americas (FTAA).

FY 2001 DA funds support microenterprise development by assisting the Jamaica National Micro Credit Company expand operations ($600,000); assisting small and micro enterprises in developing new financial products and improving company efficiency; providing technical assistance to the Government of Jamaica to eliminate bureaucratic bottlenecks ($1 million); development of the Business Roadmap ($100,000); the Jamaica Conference Board for public and private sector dialogue ($300,000); and other micro, medium and small business development activities ($200,000).

FY 2002 funds will be used to reduce business constraints ($650,000); improve business skills of companies ($640,000); and increase private financing for the micro and small enterprise sectors ($800,000).

Possible Adjustments to Plans: No significant adjustments to plans are anticipated.

Other Donor Programs: USAID is working with the Inter-American Development Bank, the British Department for International Development, the World Bank, the Caribbean Development Bank, and the International Monetary Fund.

Principal Contractors, Grantees or Agencies: U.S. partners include the U.S. Federal Communications Commission. Jamaican partners include the Private Sector Organization of Jamaica; Jamaica Exporters Association; the Ministry of Industry, Commerce and Technology; the Ministry of Finance and Planning; the National Environmental Protection Agency; Jamaica Promotions Ltd.; the Jamaica Chamber of Commerce; and Jamaican organizations CARANA and FINTRAC.

FY 2002 Performance Table

Jamaica: 532-006*

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of new businesses registered	NA	NA	2214	4668	4500	4950	5445
Indicator 2: Number of small and micro enterprises accessing financial instruments and services from assisted institutions	NA	NA	NA	NA	NA	1910	2590
Indicator 3: Number of loans to micro and small business sectors	NA	NA	NA	4258	5910	NA	NA
Indicator 4: Number of key business constraints reduced	NA	NA	0	1	1	3	6

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of new businesses.	Registrar of Companies	The number of businesses registered normally increases as a result of improvements in the business environment, especially for smaller entrepreneurs, many of whom view the current environment as "unfriendly". The numbers in the table represents the projected number of SMMEs registered each year.
Indicator 2:	IR	Number of loans to micro and small entrepreneurs sectors annually from assisted institutions.	Assisted organizations - Jamaica National Micro Credit Company Ltd., JEA, private companies, others.	This indicator reflects access to credit by small and micro entrepreneurs, especially women.
Indicator 3:	IR	Number of loans to micro and small business sectors annually from assisted institutions.	Assisted organizations - Workers Bank, Jamaica National Micro Credit Company Ltd., JEA, private companies, others.	This indicator reflects the old program and will be dropped.
Indicator 4:	IR	Each company that reports a 30% reduction in time required to comply with processes or regulations	Counterpart and private sector organization reports and analyses and New Economy Project surveys	This indicator measures progress towards eliminating those conditions in the business environment that impede the gowth or competitiveness of SMME's. These are widely felt, and include both burdensome government regulations, as well as inefficient processes external to the firm. The measure captures the labor time associated with compliance. Data will be gathered at the activity level before and after implementation.

*Previously notified as 532-001

U.S. Financing (In thousands of dollars)			
Program: Jamaica			
Title and Number: Improved Business Environment for Developing the Small, Medium and Micro Enterprise Sectors, 532-006*			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	24,329 DA	20,308 DA	4,021 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	1,975 DA	1,173 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	26,304 DA	21,481 DA	4,823 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	2,200 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	2,200 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	2,090 DA	6,235 DA	36,829 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

Note: (*) previously notified as 532-001.

ACTIVITY DATA SHEET

PROGRAM: Jamaica
TITLE AND NUMBER: Improved Economic and Social Conditions in Targeted Inner City Communities, 532-007
STATUS: New
PLANNED OBLIGATION AND ACCOUNT FY 2001: $500,000 (DA) $500,000 (ESF)
PROPOSED OBLIGATION AND ACCOUNT FY 2002: $500,000 (DA) $500,000 (ESF)
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The focus of this objective is to generate employment by improving the business and investment environment, reduce crime and violence, and improve community relations in two inner city Kingston communities. Recent opinion polls show that unemployment is the single-most important problem in inner city communities. Lack of jobs, coupled with a lack of adequate education and training - especially among the male population - creates a vicious circle of poverty and social disorder. In addition, violent and non-violent crimes are principal deterrents to growth and investment in Jamaica. With over 800 reported murders in 1999, Jamaica has the highest per capita murder rate in the region. Inner city communities are particularly affected, with more than 50% of violent crimes concentrated in the Kingston/St. Andrew metropolitan area, which has approximately 15 inner city neighborhoods. The harsh conditions of poverty, including a lack of economic opportunities, poor housing and infrastructure, and inadequate access to quality education and health care, lure the communities' youth toward crime. In addition, drug trafficking is a major problem in these communities.

Key Results: This objective seeks to improve the economic and social conditions in the Grants Pen and Standpipe Communities. Both communities have unemployment levels and self-employment levels well above the national average, high levels of crime and violence, and proximity to moderate to vibrant commercial activity. Grants Pen is bordered on all sides by middle to upper middle class residential communities. It has an estimated population of 6,080 with almost half below the age of 19. There are about 1,400 households occupying 835 housing structures. Standpipe is a suburban community near to a large commercial area that is populated with an estimate of 1,470 persons who occupy 333 households. Approximately two-thirds of the residents are under the age of 29. The anticipated result of this special objective is to increase employment and entrepreneurship opportunities, and improve community capacity for conflict resolution in these two target communities. The immediate beneficiaries are the members of these communities, surrounding communities and businesses. Following a competition among Jamaican non-governmental organizations (NGOs) experienced in these communities, a lead NGO, the Kingston Restoration Company, was selected. It will develop ties not only with other NGOs and community-based organizations (CBOs), but with surrounding businesses as well. It is believed that if the businesses and the communities form alliances, employment made possible under this project will continue long after the activity has officially ended.

Performance and Prospects: The targeted communities, Grants Pen and Standpipe, were extensively surveyed and residents interviewed to determine needs. Mechanisms were set up to conduct focus groups to better understand circumstances. Business people were also interviewed, and it was found that they all wanted to contribute time and effort to make the project a success. This ranged from offers to hire people from the communities, to identifying products that residents of these communities could make and sell through retail networks. As a result of these efforts, a program has been designed taking into account how to best utilize the skills and talents being offered by local business.

The program will work with qualified NGOs (particularly those with successful track records in volatile communities), private businesses, financial institutions, and government entities to create partnerships that will: 1) create and expand small and micro enterprises in the two communities, 2) improve the productive skills (technical and vocational) of residents, 3) develop a strong private sector commitment to the improvement of these communities, 4) teach residents how to resolve conflict in a non-violent manner, and 5) introduce mechanisms to reduce tension between police and residents (i.e., police youth clubs, community/police social functions and sporting events, and community/police consultative committees).

Working with NGOs, CBOs, and community youth groups, the activity will assist community residents to resolve personal conflicts, possibly by introducing alternative dispute resolution techniques. The program will also work with CBOs, police stations, NGOs, and inner city residents to facilitate the exchange of information, issues, and ideas, with the ultimate goal of improving relations and trust among community factions and strengthening the respect for rule of law. The program also allows for other donors to become involved in the program as it is implemented.

FY 2001 DA funds will be used to increase employment and entrepreneurial opportunities ($500,000). The FY 2001 ESF funds will be used to improve community capacity for conflict resolution ($500,000). FY 2002 DA funds will be used to increase employment and entrepreneurial opportunities ($500,000). The FY 2002 ESF funds will be used to improve community capacity for conflict resolution ($500,000) and to address other related democracy and governance issues.

Possible Adjustments to Plans: No adjustments are anticipated.

Other Donor Programs: The Inter-American Development Bank (IDB) and Canadian International Development Agency (CIDA) are in the process of developing and implementing related inner city programs.

Principal Contractors, Grantees or Agencies: There are currently no U.S. partners, although it is anticipated that a U.S. organization with experience in conflict resolution may be selected in the future. The principal non-U.S. organization grantee is the Kingston Restoration Company. It is anticipated that other non-U.S. NGOs will also play a role in project implementation, including: the Stella Maris Foundation, Providence Methodist Church, St. Margaret's Anglican Church, St. Patrick's Foundation, and the Dispute Resolution Foundation. The Office of the Prime Minister, through the Government of Jamaica's (GOJ's) Poverty Eradication Program, has the overall coordinating role in this area. The Planning Institute of Jamaica, within the Ministry of Finance, is the main economic and social planning agency of the government and a central player of the GOJ Inner City Renewal Project.

U.S. Financing (In thousands of dollars)			
Program: Jamaica Title and Number: Improved Economic and Social Conditions in Targeted Inner City Communities, 532-007			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	500 DA	0 DA	
	0 CSD	0 CSD	
	500 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	500 DA	0 DA	500 DA
	0 CSD	0 CSD	0 CSD
	500 ESF	0 ESF	500 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	500 DA		
	0 CSD		
	500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	500 DA		
	0 CSD		
	500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	500 DA	0 DA	1,500 DA
	0 CSD	0 CSD	0 CSD
	500 ESF	0 ESF	1,500 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

MEXICO

Program Summary (In Thousands of Dollars)				
Category	**FY 1999 Actual**	**FY 2000 Actual**	**FY 2001 Estimated**	**FY 2002 Request**
Development Assistance	6,882	9,562	8,640	6,165
Child Survival & Disease Fund	2,050	4,200	5,987	6,000
CACEDRF	0	0	0	0
Int'l Narcotics Control	1,000	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	1,500	2,736	6,178	10,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**11,432**	**16,498**	**20,805**	**22,165**

Mission Director, Paul White

MEXICO

Introduction

With its complex array of shared political, socio-economic, environmental, and health problems, Mexico is the most important U.S. foreign policy priority in Latin America. U.S. President George W. Bush singled out this key bilateral relationship for strengthening under his administration, as made evident with his February 2001 visit to Mexico. The July 2000 election of Mexican president Vicente Fox raised high expectations for change. He seeks an unprecedented expansion of the United States-Mexico partnership to meet citizen demands for economic opportunity and honest government; and has asked USAID for assistance in environment, decentralized governance, infectious diseases, and economic growth.

The Development Challenge

The rapid loss of Mexico's megabiodiversity driven by human and climatic pressure is of international importance. USAID is addressing these threats by creating public and private institutional capacity and developing management approaches to help protect these resources where none existed ten years ago. USAID-financed pilot programs have proven the viability of models for preserving natural resources and biodiversity, and using renewable energy systems and energy-efficient, non-polluting production technologies, to support economic growth. Mexican organizations applying these models are widening the impact of these pilot programs.

The Mexican people are pressing for more responsive, transparent government to better serve their needs. National, state, and municipal organizations, both public and private, are asking for USAID help to modernize the executive, judicial, and legislative administration systems, and to decentralize effective governance to the citizen level.

The 1995 peso devaluation pushed half of Mexico's 100 million people below the poverty line. Six years later, real wages have barely begun to recover. Rapid expansion of the informal economy, accompanied by continuing strong migration to the United States, suggest that Mexico cannot create enough new salaried jobs for its growing workforce. President Fox is promoting creation of economic opportunity at home for low-income Mexicans. USAID's microenterprise program supports that initiative.

Mexico has the second-highest number of reported HIV/AIDS cases in Latin America. The growth of HIV/AIDS is closely related to poverty and increased migration of people between Mexico, Central America, and the United States. In addition to strengthening national and state institutions to run effective prevention and mitigation programs, USAID is assisting Mexico's collaboration with Central America to fight the regional spread of HIV/AIDS.

Migration is also a factor in the spread of tuberculosis (TB). The four U.S. border states affected now account for 20% of all U.S. cases, with the greatest number in Texas and California. USAID supports high-profile United States-Mexico collaboration to improve management and introduce modern technologies for TB detection and treatment within the Mexican public health system.

Other Donors

The largest bilateral donor in Mexico is Japan, followed in order by Germany, Spain, France and the United States. The World Bank and the Inter-American Development Bank (IDB) together provide about $1 billion per year to help the national economy and strengthen social services for Mexico's poor. USAID leverages other donor resources, including Japanese funding, for HIV/AIDS, TB, Parks in Peril, and South-South programs (i.e., Mexican assistance to Central American development). The World Bank's Global Environmental Fund (GEF) will provide $30 million in FY 2001 to replicate

rural renewable energy models developed with USAID funding. The World Bank and IDB are also developing a new program to support judicial branch modernization, based in large part on USAID-funded needs assessments. The IDB's recent loan to the Mexican National Development Bank (NAFINSA) includes $500,000 for microenterprise.

FY 2002 Program

In FY 2002, USAID will support Fox administration initiatives, including support for decentralization of governance authority to the state and municipal levels, and expansion of anti-corruption reforms for greater Executive Branch accountability. Beginning in FY 2001 and continuing in FY 2002, USAID's proven model for strengthening municipal governance will be extended and adapted to more states where there is political will for change. USAID will continue its assistance to the national legislature to modernize management processes, and will extend similar assistance to selected state legislatures. Programs designed in FY 2001 to modernize and streamline national and state administration of justice will reach full implementation in FY 2002.

To address critical biodiversity threats identified by site planning, USAID is expanding its site-focus to integrated ecosystem planning and is working to develop tools that will aid in applying adaptive management to help protect fragile ecosystems inside and outside Mexico's systems of natural protected areas. Development of information and tools that address forest management issues as well as climate change will allow for a better understanding of the interaction of carbon sequestration and conservation. USAID-funded activities will support the promotion of policy reforms to adopt these technologies more widely.

The USAID-supported program to help states prevent HIV/AIDS growth among vulnerable populations will reach all seven targeted priority states. Evaluations will be carried out of the effectiveness of programs in states that were already reached. Research under the joint Mexico-Central America HIV/AIDS prevention initiative will identify highest priorities for USAID assistance, with activities to begin in FY 2002.

In FY 2002, more health personnel along the United States-Mexico border, as well as health facilities in high-incidence areas throughout Mexico, will receive modern equipment and training for direct observation and treatment (DOTS) tuberculosis control. Referral systems will be developed to track and treat TB patients who move back and forth across the United States-Mexico border.

Technical assistance will be continued to provide specialized training to improve the management of private microenterprise finance institutions (MFIs). The program will expand to include more MFIs, to improve delivery of financial services to microenterprises in high out-migration areas, and to increase capacity for specialized financial services to environmentally-related microenterprises.

USAID will closely monitor the Chiapas Peace Process that was recently revived by President Fox. USAID is already working in Chiapas to protect environmentally critical areas and control TB and HIV/AIDS. If requested, USAID will actively consider other avenues of support to advance or consolidate the Peace Process. Any such initiative would require additional funding.

In FY 2002, the USAID-led South-South program, including cooperative activities with the Mexican Assistance Agency (IMEXCI), will transfer Mexican-U.S. development experience to Central America in the environment, wildfire prevention and recovery, watershed protection, and tuberculosis and HIV/AIDS prevention.

MEXICO
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
523-002 Enhanced Quality and Sustainability of HIV/AIDS and STI Services in Targeted Areas				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	1,050	1,200	1,996	2,000
- FSA	0	0	0	0
- INC	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
523-003 More Democratic Processes Adopted in Key Government Institutions				
- DA	300	725	700	700
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- INC	1,000	0	0	0
- ESF	1,500	2,736	6,178	10,000
- P.L. 480/II	0	0	0	0
523-006 Critical Ecosystems and Biological Resources Conserved				
- DA	4,768	6,242	5,519	3,265
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- INC	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
523-007 Carbon Dioxide Emissions and Pollution Reduced				
- DA	1,814	2,125	1,421	1,500
- DFA	0	0	0	0
- CSD	0	0	0	0
- INC	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
523-008 Sustainable and Effective Institutional Capacity Developed to Diagnose, Control, and Monitor TB				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	1,000	3,000	3,991	4,000
- INC	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
523-009 Strengthen Institutional Base for Sustainable Microenterprise Growth by Suporting Mexican Initiatives				
- DA	0	470	1,000	700
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- INC	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
Totals				
- DA	6,882	9,562	8,640	6,165
- DFA	0	0	0	0
- CSD	2,050	4,200	5,987	6,000
- FSA	0	0	0	0
- INC	1,000	0	0	0
- ESF	1,500	2,736	6,178	10,000
- P.L. 480/II	0	0	0	0

ACTIVITY DATA SHEET

PROGRAM: Mexico
TITLE AND NUMBER: Enhanced Quality and Sustainability of HIV/AIDS and STI Services in Targeted Areas, 523-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,996,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,000,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The number of HIV/AIDS cases reported by Mexico is the second highest in Latin America, behind Brazil, presenting a serious challenge to public health policies and prevention efforts in Mexico. Under the decentralized national health system, state health secretariats tailor their programs to local realities. Local authorities and citizens are responsible for health policy and the quality of services. USAID's efforts support Mexican national efforts by assisting states to manage and integrate HIV/AIDS and sexually transmitted infection (STI) programs. Specifically, activities help states to assess their current and projected HIV/AIDS and STI situations, identify vulnerable populations, and design financially viable programs for prevention and mitigation of the epidemic. The National AIDS Prevention Council (CONASIDA) selected the states of Yucatan, Guerrero, Puebla, Veracruz, Jalisco, Oaxaca, Mexico State, and the Federal District as target states, taking into consideration the number of cases, current level of response, and socio-economic conditions of each state.

USAID emphasizes participatory strategic planning and closer linkages between government and civil society. Although the Government of Mexico (GOM) and Mexican states develop the guidelines for combating HIV/AIDS, civil society must participate in formulating the strategy and implementing activities, especially among hard-to-reach populations.

Mexico is an important migration route from Latin America into the United States where people on the move spread disease and are vulnerable to contracting it. Mexico's National Institute of Public Health (INSP), with support from USAID, works with CONASIDA and non-governmental organizations (NGOs) on HIV/AIDS prevention activities targeted at trans-border populations in all seven Central American countries. In order to enhance programmatic impact, focus is placed on populations residing in "hot spots" rather than throughout the countries.

Key Results: USAID has supported the efforts of several states to increase their annual budgets for HIV/AIDS/STI prevention which has helped to produce a dynamic community response to preventing HIV/AIDS in three of the most seriously affected Mexican states. USAID-sponsored lobbying efforts and technical assistance were instrumental in establishing an HIV/AIDS program and a specialized HIV/AIDS clinic in Mexico City, the first of its kind in the country. Policy for HIV/AIDS is more proactive in Yucatan and Guerrero, the first two states to participate in the program. NGO capacity-building activities continue to strengthen strategic planning and external relations of civil society organizations. A service provision assessment to measure the quality of HIV/AIDS/STI services in seven priority states was completed in March 2000. It will serve as the basis for improving the quality of HIV/AIDS/STIs care in Secretariat of Health facilities in those states during 2001-2002. USAID assisted CONASIDA in updating the HIV/AIDS national guidelines as well as in developing the first national guidelines for STI reporting and treatment. These guidelines have been submitted for national ratification.

Performance and Prospects: In 2000, multi-sectoral planning groups consolidated their work on a coordinated response to HIV/AIDS in three new states, designing strategic plans and analyzing resource allocation with tailored, technical assistance from USAID. Two additional state groups will initiate activities in 2001. The success of the state-level health planning groups arises from their innovative and participatory nature in providing a community response to HIV/AIDS.

NGO institution-building activities were carried out in two additional states in the past year, and one of the original states is now providing technical assistance to NGOs in two neighboring states. In 2001, NGOs will continue to improve internal functioning and outreach to other NGOs and to the public sector. Training for

health workers and clinic managers in the new national guidelines for HIV/AIDS and STIs will begin in late 2001. The diagnostic phase of the Mexico-Central America HIV and Migration activity will be completed in 2001, at which time USAID will plan and initiate targeted interventions in previously identified "hot spots".

Planned expenditures of FY 2001 funds are broken down as follows: $750,000 for policy-related activities (i.e., planning workshops in three additional states as well as follow-up with existing groups and state-level workshops on gender, human rights, and adolescents); $425,000 for institutional strengthening and technical capacity building of NGOs; $250,000 for completion of national guidelines for STIs and training of health service providers in target states; $350,000 for regional and cross-border activities focused on migration and HIV; and $221,000 for evaluation and program management.

For FY 2002, funds will be allocated roughly as follows: $700,000 for policy-related activities; $400,000 for institutional strengthening and technical capacity building of NGOs; $200,000 for HIV/AIDS and STI stigma research and policy interventions as well as training for health service providers; $300,000 for regional and cross-border activities focused on migration and HIV; $200,000 for a service provision assessment in target states; and $200,000 for evaluation and program management.

Possible Adjustments to Plans: None planned at this time.

Other Donor Programs: USAID is pursuing active outreach to other donors for work in AIDS in Mexico. USAID has been the principal donor in Mexico since the beginning of the epidemic, and USAID's proactive outreach efforts are now bringing new players into the arena, most notably Japan. In prevention, donor support comes from the World Bank-funded regional project for Latin America, the joint United Nations Programme on HIV/AIDS (UNAIDS), the Pan American Health Organization, and the MacArthur Foundation.

Principal Contractors, Grantees or Agencies: U.S. organizations include the International HIV/AIDS Alliance, Family Health International, The Futures Group International, Macro International, and Tulane University. Mexican organizations include CONASIDA and the National Institute of Public Health.

FY 2002 Performance Table

Mexico: 523-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of target states with on-going public-private collaborations	NA	0	2	4	4	6	7
Indicator 2: Number of HIV/AIDS NGOs in target states with improved strategic plans*	NA	0	56	58	36	45	54
Indicator 3: Change in AIDS Policy Environment Score: Sets 1, 2, 3*	NA	50 (Set 1)	NA	56.4 (Set 1) 39 (Set 2)	55 (Set 1) 50 (Set 2)	50 (Set 3)	60 (Set 1) 60 (Set 2)

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	SO	Cumulative number of states	Policy Project/The Futures Group	The cumulative numbers of target states that have or have created a mechanism during the year for ongoing public-private collaboration around HIV/AIDS/STI issues.
Indicator 2:	IR	Cumulative number of HIV/AIDS NGOs	International HIV/AIDS Alliance documentation (provided by Colectivo Sol and focal point NGOs in each state)	Number of HIV/AIDS NGOs in target states with demonstrably improved strategic plans which include external relations and alliance building strategies.
Indicator 3:	IR	Percent	Policy Project/Futures Group	The AIDS Policy Environment Score measures the degree to which the policy environment in a particular country supports HIV/AIDS prevention, quality of care, human rights, and mitigation of negative effects on society. The baseline assessment was conducted in Mexico, Guerrero, Yucatan, and the Federal District (Set 1) in 1998; baseline data was gathered in Veracruz and Oaxaca (Set 2) in 2000. In 2001, it will be gathered in Jalisco and Puebla (Set 3). The indicator reported is the states' average score.

	U.S. Financing (In thousands of dollars)		
Program: Mexico			
523-002 Enhanced quality and sustainability of HIV/AIDS/STI services in targeted states			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	1,450 CSD	1,450 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 INL	0 INL	0 INL
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	1,210 CSD	1,180 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 INL	0 INL	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	2,660 CSD	2,630 CSD	30 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 INL	0 INL	0 INL
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 INL		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	1,996 CSD		
	ESF		
	0 SEED		
	0 INL		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	1,996 CSD		
	0 ESF		
	0 SEED		
	0 INL		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	0 DA
	2,000 CSD	2,000 CSD	8,656 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 INL	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Mexico
TITLE AND NUMBER: More Democratic Processes Adopted in Key Government Institutions, 523-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $700,000 (DA); $6,178,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $700,000 (DA); $10,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Mexico's traditional political structures are undergoing a rapid transformation to a more open and participatory government under President Vicente Fox. The victory of the opposition in state and federal elections energized all sectors of Mexican society and generated widespread support for major reforms in many areas of government. President Fox has also proposed bold initiatives to fight official corruption. USAID supports the Fox administration's commitment to democratic institutions including local government, civil society organizations, the National Congress, and state and federal courts. Mexican initiatives in these areas will receive support to develop models and policies to demonstrate more effective and transparent governance. USAID assistance will provide expert advice for Fox's national anti-corruption plan and build Mexican capacity to administer anti-corruption and government innovation programs at the Secretariat of Comptrollership and Administrative Development. In this way, USAID will help frame anti-corruption policies and innovative programs at the federal executive level.

In his economic development plan, President Fox reiterated his commitment to further decentralization and increased local autonomy. The success of his economic plan requires increased municipal administrative capacity and more effective and transparent decentralization policies. USAID will continue to provide technical assistance to improve municipal administration and service delivery and increase transparency and citizen participation in local decision making. USAID will support the Fox administration in its efforts to develop more effective decentralization policies, increase transparency of revenue transfers to states and municipalities, and increase access to private financing mechanisms for municipal infrastructure.

The pluralistic National Congress has demonstrated its commitment to streamline its administration, develop a career civil service of professional technical staff, and strengthen its ability to legislate independently and oversee the executive branch. At the request of the National Congress, USAID is providing technical assistance to the Mexican Congressional Budget Office, the Legislative Research Service, and the Congress' Training Office to strengthen these institutions.

Since 1993, increased reforms have strengthened the judicial branch and set the stage for future change. The Mexican justice sector has demonstrated its commitment to reform and is highly receptive to improvement, contributing its own substantial financial and personnel resources. Modest support and targeted USAID assistance have generated momentum for Mexican initiatives, including improved judicial education and training for state and federal judges. In FY 2002, USAID will implement a model court administration activity to demonstrate increased efficiency and transparency in court proceedings, and will support the implementation of models to increase access to justice through court-sponsored mediation centers.

Key Results: In 2002, USAID, in collaboration with its Mexican partners, will replicate the successful pilot programs for more effective local governance. Enhanced legislative functions of the National Congress will be achieved through stronger permanent institutions and a trained professional staff. Technical assistance to Mexican state and federal courts will contribute to more efficient, effective, transparent, and accessible administration of justice. USAID technical assistance to the federal executive branch will lead to more effective decentralization policies and increased transparency and accountability.

Performance and Prospects: Through FY 2001, USAID worked with the Federal Municipal Development Office and a group of key states and cities to promote decentralization and increase local government effectiveness through increased local authority, increased access to municipal finance, improved service delivery, and increased citizen participation. USAID also supported training for citizens' organizations in effective participation in local decision making. Replication of these programs will

continue in 2002. USAID will also increase technical assistance to the Fox administration for decentralization and municipal capacity building.

In FY 2002, USAID will continue to work with the Chamber of Deputies' Budget Analysis Unit and the Mexican General Accounting Office to strengthen congressional oversight. USAID will provide further assistance to the Legislative Research Service to improve its capacity for legislative research, bill drafting, and analysis. USAID will continue to assist the congress' staff training office as it develops career civil service staff. In addition, USAID will expand its training activities to the national senate and to state legislatures through distance learning technology.

USAID's judicial education activities include a judicial masters program cited by Fox's transition team as a model for judicial education initiatives, and judicial exchanges in which U.S. and Mexican judges discuss bi-lateral legal and administrative issues. USAID's court-sponsored mediation activities demonstrate how mediation can increase access to justice. Political parties and legal professionals are learning to more effectively adjudicate post-electoral disputes and advocate more effectively for state electoral reforms through a USAID-sponsored electoral justice activity.

In FY 2002, USAID will extend the judicial masters program to at least one additional university and expand cooperation with the federal court to include continuing judicial education. USAID will continue to provide technical assistance to court-sponsored mediation activities in at least three states and continue the model court administration activity with at least one federal and two state courts through FY 2002.

President Fox proposed new initiatives to increase the effectiveness and accountability of Government of Mexico (GOM) institutions. In support of these initiatives, USAID will provide assistance in two areas: 1) building Mexican capacity to develop and administer effective anti-corruption programs through technical assistance to and training for the federal comptroller's office and local non-governmental organizations (NGOs); and 2) strengthening the capacity of GOM officials to effectively implement policy reform and develop strategic management skills in support of government innovation efforts.

In FY 2002, USAID assistance will provide expert advice to develop anti-corruption programs, train Mexican federal comptroller's agency and public ministry staff to improve official corruption investigation and fraud-detection, support the creation of a National Citizens' Anti-Corruption Commission, and help develop and enact freedom of information policies and laws.

Of the FY 2001 ESF funds, approximately $1,800,000 will be used to increase the capacity of local governments and advance decentralization; $1,500,000 will support rule of law activities; approximately $1,200,000 will support legislative strengthening; $1,200,000 will fund anti-corruption activities; and $500,000 will support institutional reform and policy change. The $700,000 DA will fund program management and staff contracts.

Of the FY 2002 ESF funds, $2,400,000 will be used for municipal governance and decentralization; approximately $1,650,000 will be used to support rule of law activities; $1,500,000 will be used for legislative strengthening; policy change and institutional reform activities will be funded with $1,000,000; and anti-corruption activities will be supported with $1,500,000 ESF. Two new initiatives, the Southern States Democracy and Development Initiative and Plan Puebla-Panama, will be funded with $1,750,000 ESF. The remaining ESF ($200,000) and DA ($700,000) will fund program management and staff contracts.

Possible Adjustments to Plan: ESF levels for FY 2001 were increased significantly over FY 2000, enabling USAID to respond to Mexico's historic democratic opening by assisting the new Mexican president with anti-corruption and decentralization initiatives. Given recent ESF increases planned for FY 2002, USAID proposes to use the additional resources to expand existing democracy activities to the southern states of Chiapas, Oaxaca, and Guerrero, linking to President Fox's "March to the South" initiative to support democratic and economic development in this region. These three states are Mexico's poorest, most rural, and most conflictive, with the largest indigenous populations. Programs will be implemented through partnerships and small grants to Mexican and U.S. NGOs to provide technical

assistance to Mexican state and local government entities. This activity will support decentralization, fair and transparent electoral processes, human rights protection, enhanced rule of law, more democratic and accountable local and state governance, economic development promotion, and reduced migration. This activity will also support President Fox's "Plan Puebla-Panama" for strengthened Mexico-Central America cooperation and development, linking activities in southern Mexico to similar Central American development activities.

Other Donor Programs: USAID's expanded local governance objectives are advanced by the Ford Foundation, the Inter-American Development Bank (IDB), and the World Bank. Congressional strengthening results are complemented by grants to local NGOs from the Ford Foundation, the National Democratic Institute, and the National Endowment for Democracy. Rule of law objectives are expected to be supported by future funding from the World Bank and the IDB, utilizing USAID's diagnostic of Mexican courts in development of their programs. The U.S. Department of Justice and State Department train Mexican prosecutors and police. Many private international foundations support increased access to human rights.

Principal Contractors, Grantees or Agencies: U.S. organizations include the International City/ County Management Association, National Center for State Courts, State University of New York, and the University of New Hampshire. Mexican partners include National University of Mexico, Monterrey Institute of Technology, Center for Attention to Victims of Crime, the Citizen's Movement for Democracy, the Mexican Association of Municipalities, and the National Federation of Mexican Municipalities.

FY 2002 Performance Table

Mexico: 523-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Percent of cases successfully mediated in target mediation centers	NA	NA	33.8	41.7	37.5	45	53.3
Indicator 2: Percent of municipalities in other states of Mexico that requested information from USAID target municipalities*	NA	NA	2.9	7.5	10	12.5	25
Indicator 3: Rating on the effective local government component of the Local Governance Milestone Index	NA	0.4524	1.2619	1.2381	1.5	1.3	2

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percent of cases successfully mediated in target mediation centers	Center for Attention to Victims of Crime Mediation Registries	"Successful" means that the parties agree to a resolution of their dispute which is recorded in a document signed by both parties. Target mediation centers are operated by the Center for Attention to Victims of Crime and the state of Jalisco public defenders office.
Indicator 2*:	SO	Percent of municipalities that implemented projects (out of the number of municipalities that requested information). The numbers will be cumulative over time.	International City/County Management Association (ICMA) reports and records	Projects implemented must be in the area of treasury, citizens' outreach, utilities/water, public lighting, solid waste or community policing. Implemented projects are actions undertaken due to what the municipalities' representatives learn and apply from their interactions with the target municipalities and/or ICMA. Target municipalities are the six municipalities in the state of Jalisco receiving USAID assistance through ICMA. The activity teams up with state governments, municipal associations and universities to promote municipal participation in information sharing events and distance learning programs. *This indicator has been added to reflect replication of local government best practices models.
Indicator 3:	IR	Number which reflects the average score of 6 target municipalities on a scale from 0-3	International City/County Management Association reports	The scale measures local government effectiveness in seven areas: response to citizen requests for information; availability of public information; incorporation of input from citizen committees; budget approval process; raising of operating revenues from local sources; inter-municipal cooperation; and service coverage including potable water, sewer, lighting, paved streets and garbage collection. Scores are determined annually by a panel of city management experts.

	U.S. Financing (In thousands of dollars)		
Program: Mexico			
523-003 More democratic processes adopted in key government institutions			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	1,325 DA	1,325 DA	0 DA
	0 CSD	0 CSD	0 CSD
	3,200 ESF	3,200 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	1,500 INL	1,500 INL	0 INL
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	725 DA	500 DA	
	0 CSD	0 CSD	
	3,136 ESF	1,700 ESF	
	0 SEED	0 SEED	
	0 INL	0 INL	
	0 DFA	0 DFA	
Through September 30, 2000	2,050 DA	1,825 DA	225 DA
	0 CSD	0 CSD	0 CSD
	6,336 ESF	4,900 ESF	1,436 ESF
	0 SEED	0 SEED	0 SEED
	1,500 INL	1,500 INL	0 INL
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 INL		
	0 DFA		
Planned Fiscal Year 2001 NOA	700 DA		
	0 CSD		
	6,178 ESF		
	0 SEED		
	0 INL		
	0 DFA		
Total Planned Fiscal Year 2001	**700 DA**		
	0 CSD		
	6,178 ESF		
	0 SEED		
	0 INL		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**700 DA**	2,000 DA	5,450 DA
	0 CSD	0 CSD	0 CSD
	10,000 ESF	7,000 ESF	29,514 ESF
	0 SEED	0 SEED	0 SEED
	0 INL	0 INL	1,500 INL
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Mexico
TITLE: Critical Ecosystems and Biological Resources Conserved, 523-006
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $5,519,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,265,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Environmental degradation in Mexico threatens the natural resource base that supports Mexico's growing economy and population and impacts biodiversity throughout North America. USAID focuses on conservation of critical ecosystems, increasing local and national capacity to manage these systems, and improving the sustainability of land use in and near critical areas. Conservation of threatened areas, combined with improved resource use and better fire prevention and control, sequesters carbon and reduces greenhouse gas emissions. In addition, conservation helps to stanch emigration triggered by the shrinking natural resource base. The primary beneficiaries of protected ecosystems are rural inhabitants who depend on natural resources and urban inhabitants who depend on sustained services from ecosystems for water purification, agricultural production, and recreational opportunities. Because U.S. ecosystems are linked directly (watersheds, borderland, air, oceans) and indirectly (migratory species) to Mexico, U.S. citizens benefit as well.

Key Results: Based on proactive local participation assisted by USAID, the Government of Mexico (GOM) established the Xcalak Marine Park on the Gulf coast. USAID leveraged funds from Japan to build a center in southern Quintana Roo to house community outreach activities and provide research and workspace for conservation efforts in Xcalak, Sian Ka'an, Chinchurro, and the Manatee Sanctuary in Chetumal Bay. A USAID joint environment/local governance activity ensured consideration of environmental priorities for the bay by the Chetumal municipal government in addressing the city's water issues. USAID's Parks in Peril (PiP) activity continued to provide leadership to the hemisphere. One PiP site, El Triunfo, raised a $2 million endowment fund to ensure its own financial sustainability.

Performance and Prospects: USAID activities strengthen the management of protected areas and natural resources to ensure long-term stability of key reserves and critical ecosystems in Mexico. Activities build infrastructure, support local staff, address priority threats to unique biodiversity in target areas, and develop policy agendas and mechanisms for long-term financial viability. Progress is on track in 10 of the 12 program sites, and six of these sites have reached a level where management capacity is sufficient to support adaptive management into the future. As a result of USAID's evaluation of the sites that did not complete their planned agenda, USAID adjusted its approach in one area and changed a local partner in the other. In 2002, the activity will move to a more regional vision in the strongest sites to address external factors impacting these areas, improve collaboration among all stakeholders, and transfer the capacity and lessons learned to other critical areas in Mexico.

Because over 60% of the protected areas in Mexico are privately owned, USAID works with local communities to find viable alternatives to resource exploitation, particularly in Chiapas, the coast of Quintana Roo, and the Gulf of California. USAID will continue to link its environmental activity with democracy expertise to help ensure that local environmental issues are considered in local government planning. USAID-funded partners contribute to conservation through building consensus and capacity to better manage existing resources, restore degraded areas, and respond to increased vulnerability driven by natural and human-induced pressures. Progress toward adequate management, increased adoption of new fishing methods, improved waste management, and sustainable forestry techniques are on track in the vast majority of target sites. In 2002, USAID will adjust its approach to alternative resource use to emphasize development of specific tools to address threats to conservation, such as degradation of watersheds and forests important to rural communities.

USAID's partner organizations are improving the legal and policy framework for conservation and land use by focusing on alternative resource uses to address specific threats such as poor forest management and grazing and tourism impacts. In 2002, USAID will continue to strengthen its partners' capacities in policy,

but will focus on a select group of policies integral to USAID's overall efforts in conservation and sustainable use of critical ecosystems. USAID continues to provide highly targeted training and follow-up programs for public and private officials in Mexico and abroad to improve capacity in natural resource and organizational management.

The threat of fires to Mexico's biodiversity continued to foster a close working relationship between USAID, the Environment Secretariat (SEMARNAT), and the Mexican Conservation Fund (FMCN). In 2001, the three organizations awarded 27 grants to Mexican non-governmental organizations (NGOs) for forest restoration in 12 critical areas. USAID and SEMARNAT sponsored a regional conference on fire and natural resource management with forest experts from the United States, Mexico, and Central and South America. The conference laid out an agenda for research on fire vulnerability, greenhouse gas emissions, and approaches to improving fire use by small farmers to decrease fire risk to vulnerable areas. During the 2000 fire season, the GOM provided daily fire data over the internet using a state-of-the-art satellite system originally funded by USAID. USAID will use the fire data as well as the outcomes of the fire conference to inform priority needs in fire prevention and restoration, and in the identification of information and tools most needed to respond to this threat to Mexico's valuable forest resources.

In 2000, USAID and SEMARNAT advised senior GOM policymakers on the role of forests in climate change. Activities designed and implemented with SEMARNAT examined the mitigation potential of post-fire restoration projects. An assessment of land use is continuing. These data sets, to be available to the general public, will inform how USAID and others will support future land use and forest planning at all levels in Mexico.

The last year of the highly successful Parks in Peril (PiP) program is 2001; consolidation of the last two parks admitted to the current program, and preparation of all PiP sites for graduation to the follow-on PiP 2000 program will be the focus of this year's activities. In addition, USAID is assisting Mexican NGO partners to develop regional strategy frameworks in several priority conservation areas. The coastal resource activity will assist in the design and implementation of the protected area management plan for the Xcalak Marine Park, coordinate planning for the coastal management center being built under the U.S.-Japan Common Agenda in Mahahual, and will facilitate the community-based planning process for Bahia Santa Maria. This activity will also coordinate efforts to support the development of an integrated coastal management program at the University of Quintana Roo with the academic linkage grant to assist creation of a Geographic Information System (GIS) center at the university.

In FY 2001, roughly 70% of the budget ($3.8 million) will be used to support management of natural resources, protected areas, and critical ecosystems; approximately 20% ($1.0 million) will fund policy work for improved conservation; about 10% ($0.6 million) will be used to improve the capacity of Mexican NGOs and professionals in natural resource management, including fires; and $0.1 million for program management.

Expenditures in FY 2002 will follow roughly the same proportional breakdown, approximately: $2.2 million for natural resource management; $0.6 million for policy initiatives; $0.3 million for technical capacity building; and $0.1 million program management.

Possible Adjustments to Plans: USAID is staying alert to opportunities and conflicts that will come from the evolving policy agenda of the Fox administration, including the recent announcement of the National Crusade for Forests and Water Resources. USAID's experience with joint environmental and local governance activities and strategic conservation planning should help ensure integration of environmental planning in any future decentralization efforts. Implementation of the new PiP strategy in 2002 will require a re-evaluation of site-based targets.

Other Donor Programs: Multinational Development Banks (MDBs) are important partners that provide follow-on funding for expansion of USAID-supported pilot interventions. Through FY 2006, over $100 million in MDB funds will have been contributed toward such expansion. An additional $23 million has been awarded this year to support park management in Mexico from the Global Environment Fund (GEF), to add to the $16.5 million from GEF already administered via the FMCN. Future MDB donations are expected to

support the Mesoamerican Reef Conservation off the coast of Quintana Roo and a regional conservation plan in the Gulf of California. Under the U.S.-Japan Common Agenda, the Government of Japan has awarded a grant to USAID's long-time partner, Amigos de Sian Ka'an, to support construction of a coastal station that will assist the efforts of USAID's coastal resource activities that impact the Mesoamerican Reef.

Principal Contractors, Grantees or Agencies: U.S. partner organizations include the Nature Conservancy, Conservation International, University of Rhode Island, National Fish and Wildlife Foundation, and the U.S. Forest Service. Mexican partners include Pronatura, FMCN, and SEMARNAT.

FY 2002 Performance Table

Mexico: 523-006

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of sites meeting pre-determined management goals	NA	7	11/12	10/12	12	10	11
Indicator 2: Number and area of critical ecosystems, in target areas, with adequate management - number of sites	2	4	5	6	6	7	10

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of sites	Conservation International, Nature Conservancy, University or Rhode Island	This indicator is based on annual progress as defined by targets set each year in annual work plans. Targets will be determined by the number of sites where USAID is working and the results expressed as a function of that number of sites. This indicator is not cumulative.
Indicator 2:	SO	Number of sites	Conservation International, Nature Conservancy, University or Rhode Island	The indicator is based on scorecards that have been developed (or are being developed) by primary partners. Sites will be counted as achieving "adequate management" when their long-term goals are met. Sites which met this indicator are El Triunfo ('97), Rias Lagartos / Celestún ('97), El Ocote ('98), Sian Ka'an ('98), La Encrucijada ('99), El Pinacate ('99)*, and Calakmul (2000). Future target sites are as follows: 2001: Ajos-Bavispe; 2002: Gulf of California Island Reserves, Bahia Santa Maria and Xcalak; and 2003: Cuatro Cienegas. This indicator is cumulative. *El Pinacate receives very little USAID funds and so has been subtracted from indicator tables. Actual totals have been changed to reflect consolidation confirmed by reports. Targets for FY 2002/2003 will be modified in 2001 after completion and acceptance of the Parks in Peril 2000 strategy.

	U.S. Financing (In thousands of dollars)		
Program: Mexico 523-006 Critical ecosystems and biological resources conserved			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	39,824 DA	35,389 DA	4,435 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	6,525 DA	3,450 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	46,349 DA	38,839 DA	7,510 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	5,519 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	5,519 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	3,265 DA	5,500 DA	60,633 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Mexico
TITLE AND NUMBER: Carbon Dioxide Emissions and Pollution Reduced, 523-007
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,421,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $1,500,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1993 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The demand for electrical power is rising at the dramatic rate of 6% to 7% per year in Mexico, due mostly to the growth of industry and manufacturing. This increasing demand on generating capacity will increase emissions of greenhouse gas (GHG) pollutants, particularly carbon dioxide (CO_2), which are linked to health problems, environmental damage, and climate change. The Government of Mexico (GOM) and various Mexican private sector institutions are actively promoting energy efficient industrial technologies, clean (non-polluting) and efficient energy production, and renewable energy sources to reduce pressure on the national electrical grid and stem the growth of health and environmental problems. USAID funds technical assistance to a wide array of Mexican public and private institutions to demonstrate the technical and economic viability of such technologies and systems, build Mexican institutional capacity to carry out effective energy conservation and clean energy production programs, and promote renewable energy sources.

Key Results: In FY 2000, tests and demonstrations carried out with USAID-funded technical assistance prevented 108,000 metric tons of CO_2 emissions. Since the beginning of the activity, USAID has funded technical assistance for the installation of over 400 renewable energy systems that will produce over 14 million kilowatt hours. Ninety percent of the new technologies adopted by enterprises and local governments have proven to be sustainable without further USAID support. USAID-funded technical assistance helped Mexico's national Shared Risk Trust Fund (FIRCO) and the GOM's Energy Secretariat (SENER) launch two large-scale renewable energy programs with World Bank and Inter-American Development Bank (IDB) funding. These programs will replicate technologies developed under the USAID activity in 6,200 new renewable energy systems. A successful USAID-funded pilot test of energy efficient, cleaner production, and renewable energy technologies in Mexico City's Tlalpan municipality has drawn requests for similar help from other local governments.

Performance and Prospects: In seven years, USAID-funded assistance has helped create a core of highly professional public and private institutions that did not exist before. Demand for energy efficient, renewable energy, and cleaner energy production technologies and systems developed with USAID assistance has grown from zero. The Fox administration is serious about promoting energy efficient and renewable energy as well as cleaner production, as evidenced by requests for assistance from Mexico's largest state-owned energy agencies. The National Petroleum Company (PEMEX) asked USAID to design and pilot test a course in energy efficient technologies for senior technical managers. PEMEX leadership is enthusiastically committed to carrying out an extensive train-the-trainers program to introduce energy efficient and non-polluting systems in PEMEX facilities nationwide. Both the national Federal Electric Commission (CFE) and PEMEX are retrofitting electric generating facilities and refineries with more efficient, cleaner energy production equipment, which USAID helped to test. Adoption of improved systems and technologies by both organizations would reduce CO_2 levels significantly. In addition, because the technologies, systems, and equipment tested with USAID funding come from the United States, large-scale adoption may help increase demand for U.S. exports.

USAID is working to better integrate its energy and climate change activities in order to achieve greater impact in both areas. For example, USAID is funding an effort to help Mexican institutions improve their ability to estimate the amount of GHG emissions reduced as a result of energy efficient and renewable energy innovations and technology.

One of the most important challenges to achieving programmatic goals is identifying ways to overcome constraints to large-scale adoption of energy conservation, clean production, and renewable energy technologies. Through FY 2003, USAID funding will be directed to four priority goals:

1) developing market mechanisms for financing and technical support of large-scale adoption by the public and private sectors; 2) helping Mexican partner institutions develop strategic plans and fill managerial capacity needs to maximize their effectiveness; 3) influencing high-level decision making and policies using quality data and analysis; and 4) developing synergies with other sectors to further leverage USAID and other donor funds toward broad-scale adoption.

FY 2001 funding is allocated as: approximately $900,000 for resource management, which includes energy efficiency, pollution prevention, and environmental management systems; $500,000 for renewable energy activities; and $100,000 for evaluations of each of these programs. In FY 2002, roughly $800,000 will support resource management activities and approximately $310,000 will fund renewable energy activities. Remaining funds will go towards program management.

Possible Adjustments to Plans: USAID will phase out of all assistance to technology and systems testing and hand over management of these activities to Mexican partner institutions by the end of FY 2001. A full evaluation is planned for FY 2001 to ascertain progress and identify any additional opportunities in which USAID can play a catalytic role.

Other Donor Programs: The World Bank and FIRCO will install 1,200 renewable energy systems in 28 states, replicating technologies and systems tested by USAID. The World Bank and SENER are designing a $6.5 million renewable energy program that will replicate USAID-funded technologies and systems in rural areas, providing power for rural community health, education, electrification, and productive applications. It is hoped that access to electricity will improve quality of life and help reduce migration from northern border states. USAID will seek to leverage funds under the IDB's recent $800 million decentralization loan to the GOM for replication of municipal energy savings systems successfully tested in the Tlalpan municipality.

Principal Contractors, Grantees or Agencies: U.S. contractors include PA Consulting Group (formerly Hagler-Bailly), which provides technical assistance in energy efficiency, pollution prevention, and environmental management systems. The U.S. Department of Energy's Sandia National Laboratories receives USAID funding to provide renewable energy technical assistance. Mexican partner institutions include the National Energy Savings Commission, the Mexican Center for Cleaner Production, the Association of Professionals and Technicians for Energy Applications, FIRCO, the Engineering Institute of Mexican National Autonomous University, the Tlalpan Delegation, and local NGOs.

FY 2002 Performance Table

Mexico: 523-007

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Carbon dioxide (CO2) emissions prevented through selected energy efficiency measures and adoption of renewable energy technologies*	NA	376.55	283.63	108	100	125.00	125.00
Indicator 2: Percent of enterprises or municipalities continuing to use RMS technologies and renewable energy systems without USAID financial support one year after installation	NA	95	80	90	60	60	60
Indicator 3: Number of Mexican institutions with adequate capacity in RMS and renewable energy technologies*	NA	0	2	2	2	3	3
Indicator 4: Percent of annual policy goals achieved - renewable energy (RE), pollution prevention (PP), energy efficiency (EE)*	0 (RE) 0 (PP) 0 (EE)	80 (RE) 90 (PP) 80 (EE)	80 (RE) 90 (PP) 80 (EE)	80 (RE) 80 (PP) 80 (EE)	80 (RE) 80 (PP) 80 (EE)	80 (RE) 80 (PP) 80 (EE)	80 (RE) 80 (PP) 80 (EE)

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	SO	Thousands of metric tons of CO2 emissions offset annually	G/ENV/EET Energy IQC and PASA USAID/DOE contractors	CO2 emission benefits are calculated from the number of kilowatt-hours avoided through USAID funded energy efficiency and renewable energy investments. CO2 emissions results are credited to the year following installation of energy saving equipment and renewable energy systems provided the equipment or systems are operating successfully.
Indicator 2:	IR	Percent of successful installations (from the total number of clients participating in pilot projects)	G/ENV/EET Energy IQC and PASA USAID/DOE contractors	A firm or municipality is counted as successfully adopting RMS technologies if it implements at least 50% of the program audit recommendations and demonstrates operation/maintenance of these technologies up to one year after the audits. A renewable energy enterprise is counted if the equipment is operating one year after installation. This indicator is not cumulative.
Indicator 3:	IR	Number of institutions	G/ENV/EET Energy IQC and PASA USAID/DOE contractors, Secretary of Energy, CONAE, CFE, FIDE, CMPL, FIRCO and ATPAE	This indicator measures the institutional capacity of primary USAID/Mexico partners to implement and sustain RMS and renewable energy programs as measured by an institutional index developed by our partners. The index monitors progress in 5 categories: leadership and management, programs, human resources, financial resources, and communications, and is developed for the specific role that the institution is to play in the sector: RMS (CONAE, FIDE, CMPL, and ATPAE) and renewables (CONAE, FIRCO). Institutions which obtain a mean score between 8-9 on all five categories will be counted as having adequate institutional capacity. This indicator is cumulative.
Indicator 4:	IR	Percent	G/ENV/EET Energy IQC and PASA USAID/DOE contractors, Secretary of Energy, CONAE, CFE, FIDE, CMPL, and FIRCO	Selected Mexican partners will develop annual policy objectives and present these in an annual work plan. At the end of each fiscal year, their accomplishments are evaluated relative to the targets.

	U.S. Financing (In thousands of dollars)		
Program: Mexico **523-007 Carbon dioxide emissions and pollution reduced**			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	17,360 DA	14,046 DA	3,314 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	2,125 DA	650 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	19,485 DA	14,696 DA	4,789 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,421 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**1,421 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**1,500 DA**	2,500 DA	24,906 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Mexico
TITLE AND NUMBER: Sustainable and Effective Institutional Capacity Developed to Diagnose, Control and Monitor Tuberculosis in Target Areas, 523-008
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,991,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $4,000,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Tuberculosis (TB) continues to be a major public health problem in Mexico, with 23,000 new cases officially reported in 1997, mostly among Mexicans 15 to 44 years of age. The increase in reported new cases is due to increased emphasis on the disease at the Federal Secretariat of Health, an improved system of case notification, and increased awareness by medical personnel since 1996. Cases are most prevalent in less well-off states and in areas where internal migration overwhelms the state health secretariat's ability to deal with the disease. Patients often wait for diagnosis and treatment until the advanced stages of their disease, serving as sources of infection for the rest of the population.

Tuberculosis in Mexico has implications for the United States, including migration of infected individuals to U.S. border areas and beyond, the difficulty in identifying these individuals and ensuring continuity of treatment, and the risk of an epidemic facilitated by HIV/AIDS, as seen in Brazil. The six Mexican states along the U.S. border report approximately 20% of the nation's cases and have morbidity and mortality rates higher than the Mexican national average.

Reduced incidence and transmission of TB cannot be achieved solely through prevention and control activities among the U.S./Mexico border populations. Infected persons arrive in the border areas daily from the southern part of the country where economic and social conditions favor continued TB transmission. Effective tuberculosis control includes a strong political commitment and appropriate direction from the national and state levels; appropriate standards, technical norms and procedures; rapid expansion of directly observed therapy strategy (DOTS) to all health jurisdictions; and an efficient monitoring and evaluation system.

Key Results: USAID will continue to improve national and local commitment to tuberculosis control; increase the use of laboratory-based diagnosis to identify tuberculosis cases; improve treatment through directly observed therapy; and improve epidemiological surveillance mechanisms.

Performance and Prospects: USAID and the Mexican Secretariat of Health signed the Tuberculosis Strategic Objective Grant Agreement on August 21, 2000. USAID will partner with U.S. government agencies, international health organizations, non-governmental organizations (NGOs), and the Mexican National Tuberculosis program to administer direct observation of a complete six-month short-course therapy to all new tuberculosis patients, upgrade laboratory capacity, provide staff training, and improve treatment monitoring. The activity will also strengthen national and international referral systems. The states selected for initial project implementation are Baja California, Sonora, Chihuahua, Coahuila, Nuevo León, and Tamaulipas on the northern border; Chiapas, on the Mexican border with Central America; and Jalisco, Veracruz, Michoacán, Guerrero, Oaxaca, and San Luis Potosí.

In 2001, early project implementation includes: research on all aspects of Mexico's national tuberculosis program including treatment, laboratory management, and epidemiological surveillance; promotion of inter-institutional collaboration among public and private sector service providers; purchase of laboratory equipment for the priority states; development of a national tuberculosis management information system; and evaluation of border TB epidemiological surveillance systems.

FY 2002 plans will most likely include promoting continued collaboration, resources, skills, and information among key stakeholders in the public and private sectors; implementation of an education campaign to encourage people with symptoms suggestive of pulmonary tuberculosis to seek prompt and appropriate medical care; continued training of medical and paramedical personnel in DOTS; creation of regional training centers; improved DOTS services for special populations including migrants, indigenous people, migrant farm workers, and those with HIV/AIDS, malnutrition, diabetes, and addictions; and research of possible alternative methods of providing DOTS, especially in remote areas.

FY 2001 funds will finance the following key basic interventions: improved national and local political and administrative commitment to a tuberculosis control program ($680,000); increased use of laboratory-based diagnosis to identify tuberculosis cases ($720,000); improved directly observed therapy (DOTS) meeting strict case definitions ($1,520,000); and improved mechanisms for monitoring program activities ($560,000). A portion of the FY 2001 budget ($500,000) will fund USAID-managed audits and evaluations and program management. Planning for FY 2002 funds follows roughly the same proportional breakdown and funding amounts.

Possible Adjustments to Plans: Because the key Mexican counterpart staff has been retained by the new Fox administration, USAID sees no immediate changes from previously agreed upon approaches and priorities.

Other Donor Programs: These include the Pan American Health Organization and the National Committee for the Fight Against Tuberculosis and Respiratory Diseases. Japan, under the Common Agenda framework, has agreed to provide $800,000 over four years for equipment and technical cooperation complementing USAID's program.

Principal Contractors, Grantees or Agencies: Local partners include the Mexican Federal Secretariat of Health along with the secretariats in 13 states; the Institute of Epidemiological Diagnosis and Reference; the social security program; and the Social Security Institute for state employees. U.S. contractors/grantees are to be determined.

FY 2002 Performance Table

Mexico: 523-008

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Proportion of tuberculosis cases cured	NA	NA	75	83.9	90	90	90
Indicator 2: Percent of tuberculosis cases detected	NA	NA	41	47.5	80	80	90
Indicator 3: Number of tuberculosis laboratories in the priority areas participating in the Institute of Epidemiological Diagnosis and Reference's quality assurance program	NA	NA	80	90	90	90	95
Indicator 4: Number of inter-institutional meetings convened at the national level with representatives from each of the major health systems involved in tuberculosis prevention and control	NA	NA	0	0	1	4	4

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	SO	Percent	Epidemiologic Surveillance Information System, Epi-TB	Number of cases cured divided by number of cases who finished treatment. A key indicator of the effectiveness of a DOTS program is cure rate. This measures the percentage of cases bacteriologically confirmed by positive smear microscopy at diagnosis that successfully convert to negative bacteriology at the conclusion of their treatment.
Indicator 2:	SO	Percent	Epidemiologic Surveillance Information System, Health Secretariat Epidemiology Department	Number of cases of tuberculosis notified divided by the amount of cases expected.
Indicator 3:	IR	Percent	Institute of Epidemiological Diagnosis and Reference reports	Percentage of laboratories with quality control programs. The National Institute of Epidemiological Diagnosis and Reference (INDRE) has a quality assurance mechanism to evaluate the performance of TB laboratories performing smear microscopy and culture identification. This mechanism helps to ensure that laboratories are performing at an acceptable level in support of the diagnostic efforts of TB clinics. FY2000 data is for the Health Secretariat only.
Indicator 4:	IR	Number	Meeting notes	Number of inter-institutional meetings. A key element of the DOTS strategy is political/administrative commitment. This indicator will measure concrete evidence of the national, state and local governments' commitment toward effective tuberculosis control and prevention activities based on the DOTS strategy. Meetings will be held to discuss progress, identify problems, propose actions to resolve problems, delineate next steps and develop consensus.

	U.S. Financing (In thousands of dollars)		
Program: Mexico			
523-008 Sustainable and effective institutional capacity developed to diagnose, control and monitor Tuberculosis in target areas			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	160 CSD	0 CSD	160 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 INL	0 INL	0 INL
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	3,840 CSD	300 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 INL	0 INL	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	4,000 CSD	300 CSD	3,700 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 INL	0 INL	0 INL
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 INL		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	3,991 CSD		
	0 ESF		
	0 SEED		
	0 INL		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	3,991 CSD		
	0 ESF		
	0 SEED		
	0 INL		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	0 DA
	4,000 CSD	4,000 CSD	15,991 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 INL	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Mexico
TITLE AND NUMBER: Strengthen Institutional Base for Sustainable Microenterprise Growth by Supporting Mexican Initiatives 523-009
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,000,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $700,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The number of Mexicans living below the poverty line is estimated at 50 million -- half the population. An estimated 60% drop in real wages since the 1995 peso devaluation, plus insufficient new job creation, is driving rising migration within Mexico and to other countries, such as the United States. A substantial increase in unsalaried employment since 1995 shows that microenterprise is a significant source of income for poor Mexicans. Mexico's new president, Vicente Fox, has announced that support for the under-served microenterprise sector will be a high priority of his administration's policy to alleviate poverty.

Strengthening the weak microenterprise financial institutional (MFI) system will expand access to credit. Credit access will help microentrepreneurs start or expand businesses and generate income and new employment to relieve some of the economic pressures behind migration. In addition, helping rural people adopt more viable income-earning alternatives to destructive land-use patterns, and/or adopt more energy-efficient technologies will help USAID meet its biodiversity conservation and greenhouse gas reduction goals.

Key Results: To strengthen the financial institutional base needed to stimulate greater microenterprise growth, activities are focused on the following goals: 1) increasing understanding of constraints to microenterprise growth among MFIs and other service providers, and organizing collaborative Mexican initiatives to address those constraints; 2) strengthening MFI management and capitalization in order to increase access to credit and financial services; 3) increasing the Government of Mexico's (GOM) understanding of the role of microenterprise in the national economy; 4) identifying high out-migration areas where improved microenterprise financial services are needed; 5) developing model programs that provide services to rural microentrepreneurs in support of USAID's environmental and energy activities; and 6) assisting MFIs in accessing credit bureau services to reduce their risks and operating costs.

Performance and Prospects: USAID identified the lack of a legal/regulatory framework as a key constraint to sustainable growth of MFIs; however, serious work on such a framework could not begin until President Fox took office in December 2000. A Mexican Working Group (MWG) was formed to provide policy guidance for a microenterprise implementation strategy. USAID is working intensively with the MWG, MFI partners, and Mexican authorities to recommend structures and changes that will strengthen this framework.

Two Development Credit Authority (DCA) guarantee agreements were signed on February 20, 2001. One agreement guarantees $2 million for a partner MFI to make new loans, and the other guarantees a $1 million loan from a U.S. bank (Wells Fargo) to another partner MFI for increased lending. The DCA guarantees, the first ever for Mexico, will help increase the capital available for microenterprise lending. Special studies are underway at two Mexican universities to identify high out-migration areas that need improved microenterprise financial support services.

Allocation of FY 2001 funds is roughly as follows: $300,000 in PRIME grant funds for short-term technical assistance to strengthen financial management in USAID's partner MFIs; $200,000 for technical assistance to draft new savings and credit legislation that will bring supervision and regulation to the microfinance sector; $100,000 to complete special studies of microenterprise

needs in high out-migration areas; $40,000 to identify institutions to deliver credit to rural, environmentally-related microenterprises; and $360,000 in technical assistance to create and test a new microenterprise financial management training curriculum and to assist MFIs in developing business plans and financial services for an expanded clientele.

Planned allocation of FY 2002 funds is for $700,000 technical assistance to develop models for delivering financial services to microenterprises in environmental protection areas and areas of high out-migration, to assist the GOM in drafting new regulations on savings and credit, and to assist partner MFIs in transforming operations to comply with those new regulations.

Possible Adjustments to Plans: The microenterprise finance sector is undergoing major changes due to President Fox's promotion of microenterprise. Policy decisions evolving from current work on a legal/regulatory framework for MFIs will determine whether USAID's goals can be met and whether Mexican MFIs can achieve self-sustaining growth. USAID plans to provide more short-term technical advisors to carry out additional activities.

Initial results from the special migration-microenterprise studies point to a relationship between local availability of economic opportunity through microenterprise and decisions to migrate. The studies should produce data by summer 2001 that will identify areas of high out-migration and their specific microenterprise financial services needs. USAID plans to develop models for extending microenterprise financial services to selected high out-migration areas based on the study findings.

Other Donor Programs: USAID is monitoring a recent Inter-American Development Bank (IDB) loan to Mexico's National Development Bank, of which $500,000 supports microenterprise. As the opportunity arises, USAID will informally provide technical and policy advice to the GOM's Economic and Commerce Secretariat on implementation of President Fox's recent directive to create a public sector microenterprise finance fund. USAID will monitor two small, experimental projects funded by other bilateral donors, to determine whether a model is emerging for cost-effective business training for microentrepreneurs. USAID will provide informal assistance to disseminate the model, if appropriate. USAID will collaborate with the Ford Foundation, building on prior IDB and World Bank work, to develop an inventory of local organizations working in rural areas. The purpose will be to identify organizations that could form part of a future core group of rural microenterprise support institutions. USAID will also consult informally with the World Bank on President Fox's directive to convert the National Savings Program into a microenterprise lending bank.

Principle Contractors, Grantees and Agencies: U.S. contractors include Chemonics International, which provides technical assistance and program management. Day-to-day coordination of the Mexican Working Group's activities is handled by Pro Desarrollo (a local non-governmental organization) and two Mexican universities carry out the special microenterprise-migration studies.

FY 2002 Performance Table

Mexico: 523-009

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: MFIs with strengthened operating procedures and management controls	NA	NA	NA	0 (baseline)	NA	3	2
Indicator 2: Mexican Working Group formed to provide strategy policy direction	NA	NA	NA	0 (baseline)	NA	1	1
Indicator 3: Sources of new capital for MFIs accessed	NA	NA	NA	0 (baseline)	NA	1	0
Indicator 4: Key research completed on migration-microenterprise contribution to the Mexican economy; and institutional support for rural microenterprise	NA	NA	NA	0 (baseline)	NA	1	1

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Completed workplans	Long-term Advisor (working with MFIs)	Number of completed mutually agreed upon operating procedure workplans.
Indicator 2:	IR	Number	Working Group meeting minutes	Formation of Working Group to provide policy guidance for the implementation of the microenterprise strategy.
Indicator 3:	IR	Number of sources of capital (organizational sources)	New capital DCA guarantee agreements	Number of new sources of capital that are accessed by MFIs.
Indicator 4:	IR	Completed studies	Research institutions (Iberoamericano and Colegio de la Frontera del Norte)	Number of completed migration/microenterprise studies submitted to and approved by USAID.

	U.S. Financing (In thousands of dollars)		
Program: Mexico			
523-009 Strengthen institutional base for sustainable microenterprise growth by supporting Mexican initiatives			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 INL	0 INL	0 INL
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	470 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 INL	0 INL	
	0 DFA	0 DFA	
Through September 30, 2000	470 DA	0 DA	470 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 INL	0 INL	0 INL
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	67 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 INL		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 INL		
	0 DFA		
Total Planned Fiscal Year 2001	**1,067 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 INL		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**700 DA**	0 DA	2,237 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 INL	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

NICARAGUA

Program Summary (In Thousands of Dollars)				
Category	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
Development Assistance	16,600	14,450	16,690	17,000
Child Survival & Disease Fund	11,940	7,932	6,858	7,000
CACEDRF	94,108	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colom	0	0	0	0
Economic Support Funds	1,500	500	1,495	1,500
P.L. 480 Title II	23,989	6,702	3,057	10,447
P.L 480 Title III	0	0	0	0
Total Program Funds	**148,137**	**29,584**	**28,100**	**35,947**

Mission Director, Marilyn Zak

NICARAGUA

Introduction

U.S. assistance to Nicaragua contributes to our strategic goals by consolidating democracy, promoting economic growth and reconstruction, and fully integrating Nicaragua into global markets. U.S. engagement in Nicaragua is an investment in regional stability and the security of our borders, which is particularly important after the destruction caused by Hurricane Mitch in November 1998. Broad-based economic growth, open markets, and more jobs in Nicaragua not only offer an expanding market for U.S. exports but also help stem the flow of illegal immigration to the United States. Post-Mitch conditions, political uncertainty as Nicaragua faces national elections in November 2001, and an economic slowdown may spur more migration. Assisting Nicaragua to achieve a healthy democracy and rule of law contributes to better protection for U.S. companies and citizens in Nicaragua, and the resolution of property cases. Through improved administration of justice and fiscal management, U.S. assistance strengthens Nicaragua as a partner in the fight against illicit drug trade and international crime, and curbs opportunities for corruption in government. Efforts to reduce environmental degradation will help prevent natural disasters in the future while assuring sustainable development. U.S. assistance to increase basic health and education services and assure a decent livelihood for poor families will contribute to Nicaragua's efforts to reduce poverty over the next decade.

Development Challenge

Developing a vibrant and lasting democracy is the greatest challenge facing Nicaragua today. Nicaragua needs to prepare now for truly participatory, open, and fair national elections that will offer citizens a real choice in November 2001. The new Government of Nicaragua (GON) administration must be capable of creating a national vision and commitment to transforming Nicaragua into a fully representative democracy. Nicaragua must redouble its commitment on issues of government accountability, transparency, efficiency, participation, and decentralization during this critical period and beyond.

Consolidating democracy in Nicaragua is the highest priority of the U.S. Government's assistance programs for Nicaragua. Nicaragua must transcend its minimal qualifications as a democracy and construct effective democratic institutions capable of providing justice and protecting rights, and thus offer the security required for economic growth. In particular, strengthening the rule of law, de-politicization of the courts, and elimination of corruption in the justice system are fundamental for the development of Nicaragua.

According to a recent World Bank report, Nicaragua is now the poorest country in the hemisphere with a GNP per capita of $430, lower even than Haiti's GNP of $460. The government that takes power in January 2002 must reduce poverty while restoring economic livelihoods to the population hardest hit by natural disasters. The new government will have to deal with the aftershocks of last year's financial crisis, continued low international coffee prices, and a government spending level beyond the country's real capacity. These factors will make it difficult for the new government to produce tangible results in reducing poverty over the mid-term, and at the worst could lead to economic collapse.

Nicaragua is still feeling the effects of Hurricane Mitch, which cut the country's gross domestic product by one quarter and killed more than 3,000 people. The areas most affected by Mitch are also the poorest regions of Nicaragua. USAID launched a $103 million program aimed at helping Nicaragua achieve rapid reconstruction and a sustainable recovery, funded mainly with $94 million from the Central American and the Caribbean Emergency Disaster Recovery Fund (CACEDRF) approved in late May 1999.

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Overall economic losses as a result of Mitch were estimated at $1.5 billion. To deal with the requirements of reconstruction, the GON sought and obtained pledges for $1.2 billion in assistance from the international donor community. Moreover, Nicaragua qualified for a Heavily Indebted Poor Countries (HIPC) initiative in December 2000 after committing to developing a national poverty reduction strategy and meeting other governance and financial conditions. With international flows, growth rebounded to about 7% in 1999. However, low world coffee prices and an internal financial sector crisis, which has cost more than 10% of GDP, cut economic growth back to 4% in 2000. The International Monetary Fund (IMF) anticipates a very low growth rate or possibly even a recession for 2002, depending on how election results influence economic expectations.

Hurricane Mitch demonstrated how vulnerable the country is to natural disasters. Nicaragua needs donor support to help create the economic and social conditions that will produce a greater margin of safety for the poor. The Mitch tragedy brought into high relief the need to increase investments in health and education, credit, and technology, not only to put affected families back on their feet, but to assure that they will be able to recover faster when disasters strike again. Hurricane Mitch also brought to the fore the urgent need for Nicaragua to pay systematic and immediate attention to environmental issues and problems including watershed management, natural resources management, reforestation, and land use. Responsible GON investment of HIPC reflows is critical for such development.

Other Donors

Under the HIPC initiative, Nicaragua will save an estimated $72 million on debt servicing in 2001, and a total of $4.5 billion of debt forgiveness at the HIPC completion point projected for 2004. Donor financing for Mitch reconstruction combined with regular assistance will constitute a critical source of funding for the GON's investment program over the next three to five years. Indications are that major infrastructure needs will be covered by multilateral financial institutions, the European Union, and bilateral donors, including Japan, Spain, and Taiwan. There is increased donor emphasis on social sector programs and though many donors finance agriculture and environmental recovery, the needs are overwhelming given the extent of the Mitch damages. The Inter-American Development Bank (IDB) led the development of a mechanism to assure that all GON procurements, especially use of reconstruction funds, are handled in a transparent manner. USAID contributed $1 million of CACEDRF funds to financing this anti-corruption mechanism. The IDB, World Bank, and UN agencies provide the highest levels of assistance to Nicaragua, followed by the bilateral donors led by the US, Japan, and the European Union.

FY 2002 Program

USAID requests FY 2002 funds to implement its core sustainable development program in Nicaragua in the areas of democracy, economic growth, and human investment. The reconstruction objective will be implemented through 2001 with CACEDRF funding. Both the regular program and reconstruction program activities are being implemented in the departments most affected by Mitch, which are also the areas of highest poverty in Nicaragua. USAID is directing its reconstruction assistance to agricultural recovery, disaster mitigation, restoration of public health services and schools, small public works, and micro-credit activities. Complementary activities under USAID's regular development program reinforce reconstruction efforts and contribute to Nicaragua's longer-term plan to reduce poverty. The GON's Poverty Reduction Strategy Program rests on four pillars: broad-based economic growth and structural reform focusing on agricultural expansion; investment in the human capital of the poor; a steady transfer of responsibilities to local governments to better protect vulnerable groups; and good governance and institutional development.

USAID's democracy activities through the end of 2001 will focus on support to the national elections process through funding of domestic and international observers, increasing citizen participation in elections, and providing critical technical assistance for elections administration. In order to fund

election-related activities, USAID cut back other on-going democracy activities. With the entry of a new government early in 2002, USAID will return to a more diverse democracy program that will be designed to address the priority areas identified by the new GON administration. USAID anticipates continuing initiatives in the areas of justice reform, civil society, and increased accountability and transparency in government. USAID will strengthen democratic institutions through technical support for reform and modernization of the courts. USAID will continue to work on improving the mechanism for settling property cases. By supporting the establishment of a fully functioning integrated financial management system, USAID will continue contributing to efforts to combat corruption in government. USAID will continue seeking to invigorate civil society through support to non-governmental organizations.

USAID will promote agricultural production and small businesses through the provision of credit, technical assistance, and policy reform, while assisting in the sound management of Nicaragua's natural resources. USAID has helped a number of farmer cooperatives to modernize, diversify, and expand production, will continue to promote better production practices among farmers producing vegetables, shaded coffee, and basic grains. USAID's highly successful microfinance activities will continue through FY 2002, increasing the number of loans to small producers by 20,000 during the period. USAID programs will impact important ecosystems by introducing environmentally sustainable agricultural practices into buffer zones surrounding protected areas. USAID will integrate DA funded and P.L. 480 Title II program activities aimed at increasing rural incomes for poor rural Nicaraguans while enhancing their food security status.

In the areas of basic health and education, USAID programs will help improve the delivery of government services, especially to rural areas. Decentralization will be key to improving the quality and accessibility of family health care, including comprehensive reproductive health services, at public health centers and posts. To combat malnutrition, USAID will improve food security through integrated P.L. 480 Title II programs and child survival activities. USAID will support initiatives to implement health education in schools on HIV/AIDS issues. The basic education program will increase access to quality education and foster greater community and parent participation in the schools. USAID assistance will enhance teachers' mastery of curricular reforms and will encourage active student learning in model schools supported by USAID.

NICARAGUA
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
524-001 More Political Participation, Transparency, and Compromise				
- DA	4,100	3,000	1,950	3,500
- DFA	0	0	0	0
- CSD	0	0	0	0
- CACEDRF	0	0	0	0
- SEED	0	0	0	0
- ESF	1,500	500	1,495	1,500
- P.L. 480/II	0	0	0	0
524-002 Sustainable Growth in Small Producers Employment and Income				
- DA	9,000	8,134	10,749	9,630
- DFA	0	0	0	0
- CSD	0	0	0	0
- CACEDRF	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	4,500
524-003 Better Educated, Healthier, and Smaller Families				
- DA	3,500	3,316	3,991	3,870
- DFA	0	0	0	0
- CSD	11,940	7,932	6,858	7,000
- CACEDRF	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	5,947
524-005 Rapid Reconstruction and Sustainable Recovery in Mitch-Affected Areas				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- CACEDERF	94,108	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	23,989	6,702	3,057	0
Totals				
- DA	16,600	14,450	16,690	17,000
- DFA	0	0	0	0
- CSD	11,940	7,932	6,858	7,000
- CACEDRF	94,108	0	0	0
- SEED	0	0	0	0
- ESF	1,500	500	1,495	1,500
- P.L. 480/II	23,989	6,702	3,057	10,447

ACTIVITY DATA SHEET

PROGRAM: Nicaragua
TITLE AND NUMBER: More Political Participation, Transparency, and Compromise, 524-001
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,950,000 (DA), $2,412,000 (ESF)*
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,500,000 (DA), $1,500,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Nicaragua made measured progress in the political area through the year 2000, most notably in the November 2000 municipal elections which capped its ten-year record of free elections. But a firmly rooted and vibrant democracy requires more than just technically free elections. An agreement made in January 2000 between the two dominant political parties resulted in constitutional reforms that substantially weakened independence of the Supreme Court, Comptroller, and the Election Commission by politicizing them even further. The new election law severely limits political party participation and alliance formation. The justice sector continues to be the weakest link in Nicaragua's democracy; municipal governments have not gained autonomy; and civil society is still struggling to define its role *vis a vis* the government and political parties.

USAID's elections support activity under the good governance component aims to increase transparency and citizen participation in presidential elections through domestic and international monitoring of the elections process, voter education and mobilization activities, and critical technical assistance to the elections administration. Support for national elections, originally not planned as a major activity, has taken on such importance that USAID cut back all other democracy activities to free resources to meet this Mission Performance Plan priority. Other activities under the good governance component also support government efforts to promote accountability and ethics in the management of public finances through establishment of a modern governmental financial management system. The program helps to empower civil society organizations, increase autonomy for local governments, and protect human rights.

USAID's rule of law component continues to strengthen democracy by helping the government to modernize the administration of justice by supporting key reforms to ensure rule of law and due process and by strengthening judicial sector institutions.

Key Results: USAID expects to achieve key results in the democracy area by 2003: 1) increased public support for the political system; 2) passage of new codes essential to reform the judicial system; 3) 75% of households in USAID-assisted municipalities have access to basic services such as garbage collection, sewer and water by the year 2001 compared to 52% in 1996; 4) human rights violations by the State are reduced; and 5) citizen participation in local government decision-making; and 6) increased citizen participation in local government decision-making.

Performance and Prospects: Data to measure public support for the political system is only collected every two years and will be collected in 2001. The level of participation and openness in the national elections scheduled for November 2001 will also serve as an indicator of system support. Advances have been notable in legal reforms assisted by our program as evidenced by the number of new codes approved. The widespread infrastructure damage caused by Hurricane Mitch in late 1998 sharply decreased the number of households with access to basic services, setting back progress in this area. Active participation of citizens in a larger-than-expected number of public meetings at the municipal

* This includes $917,000 ESF which will be transferred from other LAC programs.

level indicates increased avenues for citizens to voice their concerns. A decrease in the number and severity of reported human rights violations from 550 in FY 1999 to 452 in FY 2000 is an encouraging trend. Nevertheless, the lack of political will and transparency in government institutions has hampered progress in other areas.

Election commission decisions have been based on political considerations that favor the two major parties and limit participation by smaller parties. Although observers agreed that the November 2000 municipal elections were generally free and fair from a technical perspective, changes in the electoral law, and the way the law has been interpreted, effectively limited participation of parties and specific candidates.

To encourage more honest and participatory national elections in November 2001, USAID will support international observers which may include the Organization of American States (OAS), the Carter Center, the International Republican Institute (IRI), and the National Democratic Institute (NDI). USAID will support an extensive observation effort by local NGOs, working with experienced organizations, to assure full geographic coverage. USAID plans to fund Nicaraguan NGOs in areas such as voter education and mobilization, public debates and forums on the major issues, civic education, and advocacy with political parties to include key issues in their party platforms. USAID will provide targeted assistance to the Supreme Elections Council (CSE) to address the principal technical difficulties that could threaten the legitimacy of the November national elections.

Progress in judicial reform has continued steadily. A new Organic Law for the Public Ministry was approved in October. This law creates an independent Prosecutor's Office and allows for criminal procedural reform. The National Assembly approved a new Criminal Code in an initial hearing, clearing the way for full review. Both the Sandinistas and Liberals have expressed support for passage of the two codes, and the codes may be passed this year. Thus USAID's target for passage of the code in 2000 was partially achieved.

The Administrative Litigation Code was passed in May 2000 and takes effect in May 2001. Although the target date for passage was 1999, its enactment remains significant as it removes the Executive Branch's *de facto* immunity from civil prosecution. The Public Defender's Office, established last year with technical assistance from USAID, began functioning satisfactorily long before the target date of 2001. Benefiting from lessons learned from reform efforts elsewhere, development and passage of these reformed codes has occurred more rapidly than in other Central American countries.

Another positive result for the democracy program this year was a reduction in the number of human rights violations committed by the government, from 550 in 1999 to 452 in 2000, as reported by the Nicaraguan Association for Human Rights (ANPDH). The number of serious violations reported has also decreased markedly. Nevertheless, strong annual fluctuations in data for this indicator suggest a need to consider replacing this indicator with one more closely linked to USAID-supported activities. Performance of the Office of the Human Rights Ombudsman, established in 1999 with GON and other donor funding, has been notable in reinforcing the rule of law.

The impact of Hurricane Mitch continues to be felt in municipalities' ability to provide basic services. Sixty-two percent of citizens in USAID-assisted municipalities now have access to basic services, below the target of 75% and below the 1998 level of 65%. USAID's municipal project budget system, already in use in its target communities, has been adopted by other donors and by the Nicaraguan Municipal Development Institute (INIFOM) for implementation nationwide, giving municipalities a modern way of managing fiscal resources, and a way of collecting comparable data throughout the country. However, essential legislation on decentralization has not been enacted. Two important laws that

would increase municipal autonomy, the Law of Municipal Transfers and a Municipal Tax Code, have been blocked in the Assembly since 1997. Another important law -- the Municipal Civil Service Law, designed to raise the level of professionalism, sustainability and efficiency within the municipalities -- has not been passed. Without such a law, each election is apt to lead to the loss of experienced professional staff at all levels of government.

USAID, through its grant to the Nicaraguan Development Center (NDC), supported the creation of the Civil Consortium for Electoral Education, Analysis, and Observation, an alliance of civil society organizations, which organized nearly 4,800 observers during the November 2000 municipal elections, providing coverage to 56% of the nation's polling centers. The program has also established a competitive system for awarding subgrants to Nicaraguan NGOs. The program has shown NGOs the need for more professional management, and has motivated them to improve their capabilities and focus. Subgrants in civil society and human rights have strengthened NGOs that serve marginalized groups, including women, children, and the disabled.

Although performance of the SO has been strong in some areas, others had less success. Lack of political commitment led to substantial delays in program areas such as implementation of the integrated financial management system (SIGFA), decentralization, and resolution of property cases. Funding cuts have also affected this objective significantly, contributing to decisions to end USAID activities supporting the National Assembly and the Controller General's Office, and to scale back on rule of law activities.

Prospects for progress in the upcoming year are uncertain. The exclusionary effects of the January 2000 election law reforms, the principal political parties' internal processes for candidate selection, and the difficulty of smaller political parties forming effective alliances have prompted many Nicaraguans to complain about a lack of choices in the upcoming national elections. The outcome of the national elections, still highly uncertain, will affect the prospects for achievement of all USAID objectives.

In FY 2001, ESF which includes carryover funds will be used to increase transparency and participation in the presidential elections ($1,800,000) and to support legal code reform and strengthen the justice system ($995,000). DA ($1,950,000) will be used to promote good governance through increased accountability of public finance, and to empower civil society organizations, strengthen local governments, and protect human rights.

In FY 2002, USAID will use $1,500,000 ESF and $500,000 DA funds to support adoption of code reforms and strengthening the judicial system. $3,000,000 DA will be used to promote decentralization legislation, increase the autonomy of municipal governments, strengthen civil society NGOs, and protect human rights.

Possible Adjustments to Plans: USAID had to cut back its regular democracy program to support the process leading up to national elections in November, 2001. Specifically, support for modernization of the National Assembly ended in March 2001; support to the Controller General's Office and public awareness surveys has been cut; support to strengthening municipal decentralization was curtailed; and a contract to support code reform will end in January 2002 -- one year earlier than planned. Because of these cuts, USAID may not achieve the expected results associated with those areas.

Other Donor Programs: Spain, Sweden, and the United Nations are supporting improved court administration, training the national police, and strengthening the penal system. The Inter-American Development Bank (IDB) has approved a loan for a significant program in court administration, and the European Union (EU) and IDB continue to support courthouse

construction. The World Bank and EU have funded complementary activities in the Public Registry of property. The Danes and Swedes have helped improve municipal administration in towns not covered by the USAID program, while the World Bank, IDB, and EU have financed construction and rehabilitation projects. The IDB and Taiwan have assisted the National Assembly. The World Bank, IDB, and USAID have been implementing a multi-donor effort to carry out financial management reform. USAID contributes to an IDB initiative aimed at government procurement reform. The Spanish and Japanese are expected to support national elections through material assistance to the Supreme Elections Council. Other bilateral donors have indicated they will support local observers.

Principal Contractors, Grantees, or Agencies: U.S. organizations include: Cassals and Associates, the Planning Associates Development Collaborative (PADCO), Checchi & Company Consulting, Inc., Florida International University, Catholic Relief Service. Nicaraguan organizations include: Supreme Elections Council (CSE), Association of Nicaraguan Municipalities (AMUNIC), Courts, Public Defenders, Attorney General, Ministry of Finance (including the Office of Quantification of Claims and the Property Registry), the Nicaraguan Development Center, the Nicaraguan Association for Human Rights (ANPDH), the Permanent Commission on Human Rights (CPDH) and local NGOs.

FY 2002 Performance Table

Nicaragua: 524-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Nicaraguan households with access to basic services, e.g., water and sanitation	64	65	62	62	75	NA	NA
Indicator 2: Political system support	51	NA	50	NA	NA	55	NA
Indicator 3: New judicial codes adopted by National Assembly	Administrative Code not yet passed by National Assembly	Organic Law for Courts passed	New Criminal Procedures and Penal Codes drafted. Administrative Litigation Code pending. Public Defenders Office functioning.	NA	New Penal Code passed	New Criminal Procedures Code passed, Public Defenders and Prosecutor's Offices functioning	NA
Indicator 4: Number of meetings held with the public	15	56	62	72	65	NA	NA
Indicator 5: Decrease in human rights violations	354	292	550	452	500	450	400

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percent	Municipal Decentralization & Autonomy Project	This indicator measures the impact of the municipal development program in increasing municipal government's capacity to deliver basic services. The indicator tracks a sample of 41 municipalities with the intent of measuring replication of the results achieved outside project areas.
Indicator 2:	S	Percentage	University of Pittsburgh biennial survey	The indicator measures Nicaraguan citizens' support for the political system, as reflected in a nationwide survey carried out every two years.
Indicator 3:	IR	Laws	Publishing Law in La Gaceta	The indicator tracks status of key laws whose passage and implementation are supported by USAID's Code Reform and Institutional Strengthening activities.
Indicator 4:	IR	Average number of meetings in project municipalities	Contractor documentation	This indicator measures the number of formal meetings held annually between civil society and municipal authorities in the 25 municipalities included in the USAID municipal development program.
Indicator 5:	IR	Number of human rights violations	Nicaraguan Association for Human Rights in 1991-1997	The indicator measures number of human rights violations reported in a given year. Categories of complaints include abuse of authority, physical assault, arbitrary/illegal arrest, torture, and others.

U.S. Financing (In thousands of dollars)			
Program: Nicaragua			
Title and Number: More Political Participation, Transparency, and Compromise 524-001			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	13,213 DA	5,270 DA	7,943 DA
	0 CSD	0 CSD	0 CSD
	7,743 ESF	3,785 ESF	3,958 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,157 DA	7,803 DA	
	0 CSD	0 CSD	
	855 ESF	2,176 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	16,370 DA	13,073 DA	3,297 DA
	0 CSD	0 CSD	0 CSD
	8,598 ESF	5,961 ESF	2,637 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	383 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,950 DA		
	0 CSD		
	2,412 ESF*		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	1,950 DA		
	0 CSD		
	2,795 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	3,500 DA	5,680 DA	27,500 DA
	0 CSD	0 CSD	0 CSD
	1,500 ESF	3,207 ESF	16,100 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

*This includes $917,000 ESF which will be transferred from other LAC programs.

ACTIVITY DATA SHEET

PROGRAM: Nicaragua
TITLE AND NUMBER: Sustainable Growth in Small Producers Employment and Income, 524-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $10,749,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $9,630,000 (DA), $4,500,000 (PL480)
STATUS: Ongoing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: This objective aims at achieving broad-based economic growth through encouraging agricultural development, increasing access to economic opportunities for urban and rural poor, expanding private markets, preserving biological diversity, and ensuring sustainable management of natural resources. Development Assistance funds and a P.L. 480 Title II program will be integrated to achieve this goal.

The agricultural component helps small farmers diversify production and increase output in a sustainable way, through crop diversification, improved soil and water conservation, environmentally sound cultivation practices, improved post-harvest storage, and the use of improved seed. This component provides technical assistance to small farmers, largely through U.S. Private Voluntary Organizations (PVOs) and Nicaraguan nongovernment organizations (NGOs), to encourage the adoption of environmentally sustainable agricultural practices. The component also supports a national seed improvement program and provides technical assistance to Government of Nicaragua (GON) land titling activities and land market development.

A second component involves strengthening rural credit unions, enabling them to provide financial services and mobilize savings in rural areas. This component also provides resources to expand micro-enterprise lending for post harvest processing and storage, food processing, equipment manufacture and repair, and commercial services.

The third component of the objective helps protect biologically important ecosystems by strengthening protected area management and by introducing environmentally sustainable agricultural practices into buffer zones surrounding the protected areas.

Key Results: Under this objective, USAID promotes economic growth in rural areas especially in the agriculture sector. To this end, USAID established a 7% growth rate target in agricultural Gross Domestic Product (GDP). Under the microenterprise component, USAID seeks to finance 107,000 microenterprise loans over a seven-year period ending 2002. The target established under the natural resources management program is to ensure that protected areas are under effective management, as measured by the Parks in Peril protected areas management index.

Performance and Prospects: The economic prospects for the agriculture sector are bleak. The devastation caused by Hurricane Mitch, subsequent droughts, the decline in coffee prices, and economic mismanagement by the GON have weakened the economy and hindered the country's sustainable development. Growth in agricultural GDP, the highest level indicator for this program, was sharply affected by Hurricane Mitch, dropping from 8.5% in 1997 to 4.2% in 1998. According to revised GON figures, the agricultural growth rate climbed back to 7.5% in 1999. The GON is predicting agricultural growth of 8.4% in 2000. Some observers think agricultural GDP statistics are optimistic and have been buoyed by historically high sales of meat, including exports. This, rather than being an indicator of economic health, may represent a sell-off of livestock by farmers, forced by economic necessity. Although agricultural production has increased since 1980, nearly all of the

increased production has been due to increases in the area under cultivation, rather than increased yields. The amount of additional land that can be brought under cultivation without threatening the natural resource base is rapidly diminishing. Unless agricultural productivity is increased, improving food security will be impossible.

By the end of 2000, a total of 64,500 farmers (approximately 50,500 men and 14,000 women) had received assistance through USAID's agriculture activities that seek to assist small farmers in diversifying and increasing their agricultural production in a sustainable manner. Increased availability of P.L. 480 resources enabled the Mission to exceed its target for this year by more than 40%.

USAID funded 13 grants, ranging in size from $70,000 to over $500,000, to ten Nicaraguan NGOs. These grants support a wide variety of agricultural activities, including the rehabilitation of coffee plantations, the expansion of cacao and commercial vegetable production, small-scale irrigation, and the introduction of improved grain production practices, and will ultimately benefit nearly 23,000 producers. For example, the project has supported the creation of three model farms and training centers that provide hands-on training in vegetable production, crop diversification, conservation practices, the use of fertilizers, erosion control techniques, and market development. The three model farm/training centers have been so successful that Winrock is helping local NGOs establish four more centers in other parts of the country.

Under its Seed Improvement project (PROMESA), USAID facilitates the promotion and use of improved seed through demonstrations, field days, farmer-to-farmer training, seed science courses, the distribution of technical literature, and promotion campaigns. PROMESA's technical guidance led to a decision by the Ministry of Agriculture and Forestry (MAG-FOR) to distribute certified seed, rather than cleaned grain, under its national Small Producer Assistance Program (PNAPP), which provides inputs to over 17,000 small farmers per year. The use of certified seed will lead to increased yields and increased incomes for small farmers in Nicaragua.

USAID is assisting farmers to increase their incomes above the poverty limit through its grants to two U.S. PVOs, World Relief, and the Cooperative League of the U.S.A (CLUSA). World Relief will assist nearly 12,000 small farmers in Nicaragua through the provision of technical assistance, training, and credit. World Relief is introducing new crops, including spices, such as cinnamon and black pepper, and tree crops, such as rambutan and avocado. Greater diversification in the cropping system will spread farmers' risk and minimize the impact of price fluctuations in any given year. World Relief's program to distribute on-farm grain silos has enabled farmers in some areas to reduce post-harvest grain losses from nearly 50% to zero.

USAID's grant to CLUSA helps 3,200 farmers improve their production and marketing of organic and traditional coffee, cacao, sesame, and soybeans. CLUSA provides assistance to farmers in crop production, post-harvest handling, business record keeping, credit management, and marketing. As a result of these activities, farmers have strengthened linkages with buyers and processors. Organically produced crops generally command a higher price on the international market than crops that are traditionally grown. At the same time, reliance on composting for fertilizer and on homemade organic pesticides, rather than commercially purchased ones, can ensure profits by significantly reducing farmer production costs.

In March 2000, multisectoral, two-year Transitional Activity Proposals (TAPs) for Save the Children, the Adventist Development Relief Agency, and Project Concern International were approved. Previously, these PVOs had focused only on maternal and child health

interventions. These TAPs broadened the post-Mitch focus to encompass agriculture and food security activities and assist with infrastructure rehabilitation. Food security will continue to be a serious problem in Nicaragua, even after these TAPs end early in 2002.

By the end of 2000, USAID micro-finance programs reached over 88,000 rural and urban micro-entrepreneurs, of which 85% were women. This credit has been used to support a wide range of small-scale enterprises, including dairy processing, canning, the purchase and construction of silos and small grinding mills, carpentry, the fabrication and repair of tools and equipment by local artisans, and consumer service activities, such as small rural stores. An additional 20,000 micro-entrepreneurs will obtain loans during the next two years, bringing the total number of micro-enterprise beneficiaries to 107,000 by the year 2002.

USAID financed the opening of 24 credit unions as sustainable financial intermediaries in their communities. USAID exceeded its targets by enrolling a total of nearly 17,000 members, of which 45% are women – and the total savings mobilized shot from $39,715 in 1997 to nearly $1.3 million by the end of 2000.

USAID will help Nicaraguan NGOs co-manage eight protected areas in collaboration with the Ministry of Natural Resources (MARENA) through its protected areas program which began last year. NGOs have already signed co-management agreements with MARENA to manage five protected areas. Three more co-management agreements will be signed later this year.

In FY 2001, USAID will use $10,749,000 of DA funds as follows: $7,349,000 will help farmers diversify crops, improve soil and water conservation, and improve post harvest storage; $2,400,000 will improve and strengthen credit unions and other microfinance institutions; and $1,000,000 will help protect biologically important ecosystems.

In FY 2002, USAID will use $9,630,000 of DA funds as follows: $7,130,000 will help farmers diversify crops, improve soil and water conservation, and improve post harvest storage; $1,500,000 will improve and strengthen credit unions and other microfinance institutions; and $1,000,000 will help Nicaraguan NGOs manage eight protected areas in collaboration with the Ministry of Natural Resources.

Possible Adjustments to Plans: Development of a new strategy has been postponed to allow USAID to complete the Hurricane Mitch Reconstruction Program – and therefore the SO has been extended through the end of FY2003. Nevertheless, the Mission will review all components of the objective in FY 2001.

In FY 2000 USAID, USDA and others completed food security assessments that predict a worsening food security situation in Nicaragua. Additional donor food aid assistance will be required to prevent an increase in serious chronic malnutrition. Four U.S. PVOs, all implementing P.L. 480 Title II activities in the Hurricane Mitch Reconstruction Program (Catholic Relief Services, the Adventist Development Relief Agency, Save the Children, and Project Concern International), are requesting P.L. 480 Title II funding for the period FY 2002 to 2007 to address the primary constraints identified by the food security analyses.

USAID will support the co-management of eight protected areas, rather than ten as originally planned. Of these eight areas, USAID will finance development of a co-management system that includes: basic infrastructure; simple hiking trails; development of management plans; basic biological inventories; and socioeconomic studies, for six areas.

Other Donor Programs: Many donors are active in the agriculture, micro-enterprise, and natural resources management sectors. The Inter-American Development Bank (IDB)

approved a $200,000 grant to finance a two-year project to help the best performing credit unions in USAID's Rural Credit Union Project to modernize their management information systems. The United Nations Development Program (UNDP) and the Central American Bank for Economic Integration (CABEI) also have projects for small and micro-enterprises. The World Bank has approved a $40 million loan to strengthen the National Agricultural Research Institute (INTA), a government partner to the Seed Improvement Program. The IDB co-financed the coffee rehabilitation program implemented by one of Winrock's grantees. USAID's land titling technical assistance activity is collaborating with the World Bank's land tenure project. The World Bank is implementing a $6.4 million forestry program.

Principal Contractors, Grantees, or Agencies: U.S organizations include: Winrock International, Development Alternatives Inc., Boston Institute for Developing Economies, World Relief Corporation, Cooperative League of the United States of America, Associates in Rural Development, World Council of Credit Unions, Foundation for Microenterprise Support (FAMA), and Foundation International for Community Assistance (FINCA) Nicaraguan organizations include: the GON P.L. 480 Secretariat, Pro-Mujer, Chispa Foundation, and Cocibolca Foundation.

FY 2002 Performance Table

Nicaragua: 524-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Farmers accessing USAID activities: Female (F) and Male (M)	5,500 (F) 24,300 (M)	6,500 (F) 26,500 (M)	11,000 (F) 34,000 (M)	14,076 (F) 50,438 (M)	11,000 (F) 34,000 (M)	11,000 (F) 36,000 (M)	12,000 (F) 36,000 (M)
Indicator 2: Number of microentrepreneurs receiving loans under USAID projects: Female (F) and Male (M)	28,720 (F) 5,434 (M)	43,330 (F) 5,405 (M)	54,858 (F) 9,300 (M)	74,951 (F) 13,723 (M)	61,000 (F) 10,000 (M)	85,000 (F) 17,000 (M)	107,000 (F) 18,000 (M)
Indicator 3: Agriculture growth rate (GDP)	8.5	4.2	7.5	8.4	7	NA	NA
Indicator 4: Protected areas management index	40	44	45	47	35/50	40/52	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of farmers: female and male	Program Evaluation and progress reports by UPANICAPENN, CLUSA, UNAG UNICAFE and others	Number of people benefiting from USAID projects.
Indicator 2:	IR	Number of people: female and male	USAID program data	Loan recipients from entities supported by USAID.
Indicator 3:	S	Percentage annual growth	Central Bank, National Accounts Department	Growth Domestic Product reported by the Central Bank of Nicaragua.
Indicator 4:	IR	Index score	NGOs managing protected areas, MARENA	This index is based on the Parks in Peril scorecard system. The four overall categories of the index (total of 80 points) are: protection (30 pts), management (20 pts), financing (10 pts), and participation (20 pts).

U.S. Financing (In thousands of dollars)			
Prgram: Nicaragua			
Title and Number: Sustainable Growth in Small Producers Employment and Income, 524-002			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	20,953 DA	9,058 DA	11,895 DA
	0 CSD	0 CSD	0 CSD
	10,262 ESF	9,354 ESF	908 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	8,134 DA	10,716 DA	
	0 CSD	0 CSD	
	0 ESF	852 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	29,087 DA	19,774 DA	9,313 DA
	0 CSD	0 CSD	0 CSD
	10,262 ESF	10,206 ESF	56 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	10,749 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	10,749 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	9,630 DA	1,304 DA	50,770 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	10,262 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Nicaragua
TITLE AND NUMBER: Better Educated, Healthier, and Smaller Families, 524-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,991,000 (DA) $6,858,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,870,000 (DA) $7,000,000 (CSD), $5,947,000 (PL 480)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: This strategic objective supports the development of Nicaragua's human capital through basic education, primary health care, nutrition, and reproductive health. The program is designed to achieve the following: further major reductions in total fertility rates nationally; major reductions in infant mortality in target geographic departments; and increased access of Nicaraguan children to quality primary education. This program will cut micronutrient deficiencies sharply at the national level. Children in model schools will complete more years of school. Their teachers will provide better education in the classroom and teach new methods to fellow teachers.

In FY 2001, USAID will use CSD funds to improve infant and child survival and nutrition, with emphasis in the rural mountainous departments of Jinotega, Boaco, and Matagalpa, an area including nearly 20% of Nicaragua's population. CSD funds will also be used to support HIV/AIDS activities, and to support infectious disease activities. CSD funds will also support the basic education program through a network of 170 "model schools" throughout the country.

USAID will use DA funds to reduce family size by enhancing private sector provision of family planning services, using social marketing to increase demand for these services, and providing contraceptives through public and private outlets.

Four US PVOs will use P.L. 480 Title II resources valued at approximately $5 million to implement activities critical to the full achievement of the SO. These include direct feeding for malnourished children, and community education in nutrition and children's health.

Key Results: USAID expects the following results under this activity: 1) better nourished women and children; 2) increased use of child survival services and practices; 3) increased use of reproductive health services; and 4) increased active student participation. The first two results will contribute to lowering infant mortality from 40 deaths per 1000 in 1998 to 36 deaths per 1000 in 2002. USAID expects total fertility to decrease from 3.9 children per woman in 1998 to 3.5 in 2002. USAID also expects at least a 5% annual increase in the Active Student Participation Index, a composite index of student participation in the classroom and in student government and the availability and use of classroom materials.

Performance and Prospects: The 1998 Demographic Health Survey (DHS) documented impressive drops in total fertility (TFR) and infant mortality rates (IMR) during the 1993-98 period. Pending results of the next DHS in 2002, USAID is using proxy performance indicators from reliable data sources: Contraceptive Prevalence Rate (CPR), immunization coverage, and percentage of births attended by trained personnel. These indicators show Nicaragua is continuing the strongly positive trends documented by the 1998 DHS. In 1999, the MOH attributed 10.5% of deaths in children under one year of age to diarrhea; this decreased to 9.4% in 2000. Expanded implementation of Integrated Management of Childhood Illness (IMCI) programs and improved treatment of children with oral rehydration salts (ORS) contributed to this decline. DHS-1998 data revealed that 56% of children with diarrhea received ORS from their mothers. Since 1998, USAID PVO partners have

pioneered programs bringing IMCI to the community level. In areas where PVOs are working, recognition and treatment of dehydration have increased sharply.

The contraceptive prevalence rate increased from 56% in 1999 to 61.6% in 2000. With the launch of the Bodyguard condom, supported by USAID funding, condom sales through social marketing increased from 580,000 in 1999 to 1.6 million in 2000.

Last year, in response to concerns about Nicaragua's high rate of maternal mortality, USAID focused on Jinotega and Matagalpa, two departments that have reported the highest numbers of maternal deaths in the country. The number of maternal deaths in the two departments subsequently decreased from 62 in 1999 to 31 in 2000. Nationwide, maternal mortality dropped 27% from its 1999 level.

The USAID Prosalud (pro-health) project, working with USAID Global Bureau's Center for Population, Health, and Nutrition, the Quality Assurance project, contributed substantially to this achievement by promoting the use of the partogram (a monitoring device used during childbirth) and pregnancy history to improve emergency obstetric care. Births in hospitals, health centers, and health posts have increased nationally from 46% in 1999 to 61% in 2000, and the percent of registered births attended by trained personnel increased from 72% in 1999 to 81.6% in 2000. The number of maternal deaths decreased by 27% in 2000.

Infant mortality rates (IMR) decreased from 58/1000 in 1993 to 40/1000 in 1998. Ministry of Health (MOH) data show a continuation of the downward trend in 2000.

USAID has provided technical and financial assistance to the Government of Nicaragua to reduce levels of Vitamin A deficiency and anemia. Preliminary data showed that the prevalence of vitamin A deficiency in children between one and five years old has dropped from 31% in 1993 to 9% in 2000. With the implementation of universal sugar fortification last year, we expect to see significant additional improvement. As a result only the youngest children, who generally consume less sugar, will need Vitamin A supplements.

The USDA Economic Research Service reviewed food security in Nicaragua, identifying current and projected food gaps in production and imports, with further analysis on food availability vs. requirements for all income levels. According to data, food supplies fell in Nicaragua during the 1990s and are now at critically low levels – reaching only 2,179 calories per person per day in 1997 and only 2,208 in 1998. The data, complemented by a food security assessment, show that people in the lowest income quintile consume only 71% of their nutrition requirements, a gap of 29%. This gap is expected to widen to 36% in 2010.

Chronic malnutrition of children is increasing, particularly in rural northern areas. As a result the Mission USAID intends to complement its use of CSD funds with P.L. 480 Title II program implemented by four US PVOs that will include activities to address the root cause: poor infant feeding practices. The Title II program will also contain elements to increase the coverage of Maternal Child Health (MCH) service delivery and to increase access to potable water and improved sanitation. Direct distribution of food to pregnant or lactating mothers, and to children age six months to three years, will reduce chronic malnutrition, now almost 50% in some of the Title II program areas.

Nicaragua has an estimated 850 cases of AIDS, and perhaps ten times as many cases of HIV. Further, the number of new cases reported each year is increasing sharply. All the conditions exist in Nicaragua for a serious, general epidemic of HIV/AIDS. USAID will use HIV/AIDS funds (CSD) to curb the trend. With the launch of the new socially marketed

condom, TV and radio spots addressed HIV/AIDS prevention for the first time in Nicaragua. USAID also provided a grant to Nimehwatzin, a Nicaraguan NGO that works exclusively on HIV/AIDS prevention, for prevention efforts in Chinandega, a city with the second largest concentration of HIV/AIDS cases in the country. With CSD funds, USAID will also provide support to rural health posts and clinics in the prevention and treatment of a wide range of infectious diseases including upper respiratory infections and dengue fever.

For Basic Education, USAID will use FY 2002 CSD funds. Performance of USAID's second Basic Education (BASE II) program in 170 model schools greatly exceeded targets, largely as a result of USAID's support, including intensive teacher training and student-centered materials developed to promote active learning. Longitudinal analysis shows a steady improvement in efficiency of the model schools where fourth grade completion rates have increased 5% since 1997. Other donors will take advantage of USAID's efforts. The World Bank will disseminate BASE II student work-books to all multi-grade students in the country, and the Inter-American Development Bank will use lessons learned from the USAID-supported reform of the primary school curriculum to design its secondary school reform program.

USAID has extended its primary education program to include the historically underserved schools in the Atlantic Coast region. The program trained teachers and directors from 28 bilingual model schools in second language teaching, linguistics, and culture. USAID also provided training to Creole teachers in how to teach reading and writing.

USAID will use $6,858,000 CSD funds as follows: $2,370,00 CSD will improve infant and child survival and nutrition, particularly in poor rural mountainous areas; $998,000 CSD funds will support HIV/AIDS and infectious diseases activities; $3,490,000 CSD will support the basic education program through teacher training and a nationwide network of model schools. USAID will also use $3,991,000 DA to provide family planning services, through NGOs, the MOH, and a contraceptive social marketing program.

USAID will use $7,000,000 FY 2002 CSD funds as follows: $3,450,000 CSD will help address chronic malnutrition of children as well as pregnant and lactating mothers; $500,000 CSD to slow the spread of HIV/AIDS; $550,000 CSD to support rural health posts and clinics, and $2,500,000 CSD to support basic education program. USAID will also use $3,870,000 DA to continue family planning services.

Possible Adjustments to Plans: More than 49% of women are either pregnant or mothers by age 19. USAID is adjusting the focus of its program to target this group specifically.

Increasing access to safe water and providing adequate latrines in rural communities, health posts, and rural schools, proven effective in our Hurricane Mitch recovery program, will be incorporated into our regular bilateral program. Although falciparum malaria, the most deadly type, has been rare in Nicaragua, the number of cases is increasing. Permethrin treated bednets purchased under the reconstruction program were unexpectedly effective in reducing malaria rates in Mitch-affected areas. USAID will develop mechanisms, under its on-going health programs, to re-treat bednets with insecticides in order to reduce mortality and morbidity rates.

The threat of HIV/AIDS must be addressed before it reaches epidemic levels in Nicaragua. USAID will support educational campaigns to increase the awareness of the risks, both among the high-risk groups and young adults. USAID will also use social marketing techniques to increase the availability of condoms to these groups.

Other Donor Programs: The World Bank's $60 million loan supports pre-school and primary education nationwide through the building of schools, teacher training, distribution of textbooks and supplies, student scholarships, and teacher incentives. Similarly, the $80 million joint World Bank/IDB Health Modernization Project supports alternative financing systems for providing maternal and child health services, child nutrition, pharmaceutical procurement, hospital autonomy, improved health information systems, and decentralization of health services in two pilot MOH regional health centers. The Swedish Prosilais program complements USAID's Prosalud project by working to improve decentralized delivery of primary health care in target departments. The European Union (EU) supports primary and secondary education through teacher training, infrastructure, and curricular reforms. Japan builds schools and hospitals. The Inter-American Development Bank (IDB) has provided loans to reform both secondary and tertiary education. In bilingual intercultural education, USAID collaborates primarily with the EU and European NGOs, Finland, and the World Bank.

Principal Contractors, Grantees, or Agencies: U.S. organizations include: Management Sciences for Health, and the Academy for Educational Development. International organizations include: the World Bank, IDB, Pan-American Health Organization, United Nations Fund for Population Activities, United Nations Children's Emergency Fund. Nicaraguan partners include: the Ministry of Health (MOH); Ministry of Education, Culture, and Sports (MECD); and Profamilia.

FY 2002 Performance Table

Nicaragua: 524-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Total Fertility Rate	3.8	3.9	NA	NA	3.7	3.6	3.5
Indicator 2: Contraceptive Prevalence Rate	47	47	56	61.6	57	58	59
Indicator 3: Infant Mortality Rate	45	40	NA	NA	38	37	36
Indicator 4: Vaccination Coverage Rates - DPT3 (including Pentavalent)	91	86	90	93	90	90	90
Indicator 5: Vaccination Coverage Rates - MMR	92	99	97	97	90	90	90
Indicator 6: Vaccination Coverage Rates - Polio3	94	91	93	93	90	90	90
Indicator 7: Composite Active Student Participation Index (A)	NA	23	32	41	33	38	43
Indicator 8: Composite Active Student Participation Index (B)	NA	NA	19	NA	23	27	31
Indicator 9: Births attended by trained personnel	NA	65	72	81.6	67	68	69

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Average number of children born to a woman over her lifetime	1998 Demographic Health Survey (DHS) 1997 figure from DHS with 50% of sample reported	Average number of children born to a woman over her lifetime
Indicator 2:	IR	Percent	Ministry of Health data	Percentage of women of reproductive age (15-49) who are using (or whose partner is using) a contraceptive method at a particular point in time. Proxy indicator for total fertility rate.
Indicator 3:	IR	Number of deaths per thousand live births	1998 Demographic Health Survey 1997 figure from DHS with 50% of sample reported	Number of deaths during the first year of life out of 1000 live births.
Indicator 4:	IR	Percent of target population	Pan American Health Organization and Ministry of Health	This indicator tracks targeted efforts in improving child survival and reflects both outreach activities by the PVOs in promoting immunization and the efforts of the public sector.
Indicator 5:	IR	Percent of target population	Pan American Health Organization and Ministry of Health	This indicator tracks targeted efforts in improving child survival and reflects both outreach activities by the PVOs in promoting immunization and the efforts of the public sector.
Indicator 6:	IR	Percent of target population	Pan American Health Organization and Ministry of Health	This indicator tracks targeted efforts in improving child survival and reflects both outreach activities by the PVOs in promoting immunization and the efforts of the public sector.
Indicator 7:	IR	Percent (A)	BASE II Project Longitudinal Study/Ministry of Education, Culture & Sports	Percent of student-centered participation, materials availability & use, and the level of participation in student government. The highest ASPI was found in the BASE I model multi-grade schools, followed by the model regular schools. A = 15 original BASE I model schools.
Indicator 8:	S	Percent (B)	BASE II Project Longitudinal Study/Ministry of Education, Culture & Sports	Percent of student-centered participation, materials availability & use, and the level of participation in student government. The highest ASPI was found in the BASE I model multi-grade schools, followed by the model regular schools. B = 20 new BASE II model schools.
Indicator 9:	IR	Percent	1998 Demographic Health Survey Ministry of Health data (between surveys)	Percent of births attended by trained personnel. This indicator tracks efforts to improve maternal and neonatal health and promotes safe motherhood.

U.S. Financing (In thousands of dollars)			
Program: Nicaragua			
Title and Number: Better Educated, Healthier, and Smaller Families, 524-003			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	7,139 DA	4,527 DA	2,612 DA
	16,759 CSD	7,077 CSD	9,682 CSD
	82 ESF	46 ESF	36 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	4,300 DA	4,630 DA	
	6,607 CSD	8,067 CSD	
	0 ESF	18 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	11,439 DA	9,157 DA	2,282 DA
	23,366 CSD	15,144 CSD	8,222 CSD
	82 ESF	64 ESF	18 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	3,991 DA		
	6,858 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	3,991 DA		
	6,858 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	3,870 DA	0 DA	19,300 DA
	7,000 CSD	0 CSD	37,224 CSD
	0 ESF	0 ESF	82 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Nicaragua
TITLE AND NUMBER: Rapid Reconstruction and Sustainable Recovery in Mitch-Affected Areas, 524-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,057,000 (PL 480)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $0
STATUS: Ongoing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: Hurricane Mitch was the worst natural disaster to hit the Central American region in two centuries, pouring out record levels of rain, and causing widespread flooding and landslides. USAID's objective--Rapid Reconstruction and Sustainable Recovery in Mitch-Affected Areas--focused on five sectors: public health; economic reactivation; disaster mitigation and environmental planning; education; and municipal small infrastructure. Geographically, programs focus on Nicaragua's northern and northwestern departments and along the Rio Coco in the Atlantic region. USAID expects the activities it funds to reach approximately one third of the more than 800,000 Nicaraguans who were affected by Hurricane Mitch. USAID is coordinating closely with other USG agencies implementing hurricane reconstruction activities in Nicaragua.

Key Results: To achieve the objective, USAID's program is expected to achieve the following results: 1) health status of Mitch-affected families maintained or improved; 2) economic livelihood of farmers, microentrepreneurs, and laborers in Mitch-affected areas restored; 3) vulnerability to flooding and other natural disasters mitigated; 4) conditions restored for primary school students to learn; 5) basic infrastructure in selected Mitch-affected municipalities repaired; and 6) funds channeled through the Government of Nicaragua (GON) for reconstruction activities managed honestly and effectively.

Performance and Prospects: Implementation of reconstruction and recovery activities is well underway, with USAID expending nearly $62 million of the $94 million program by March 31, 2001 and achieving almost all targets on or ahead of schedule. The objective will be essentially completed by December 31, 2001.

USAID is rebuilding water and sanitation systems for small communities. Reconstruction of five health posts has been completed. Construction of three large health centers began in Tipitapa, Sebaco, and Esteli. As part of an activity to provide sources of clean water to health posts throughout the Mitch-affected area, two deep drilling rigs completed 87 wells in the departments of Nueva Segovia and Chinandega by December 31. These rigs are expected to drill 260 new wells for health posts and 60 for schools during the life of the program.

USAID distributed 31,000 household water filters in 22 municipalities. Households are using the filters effectively, leading directly to a decrease in both morbidity and mortality due to diarrheal diseases. USAID activities have helped prevent an increase in mortality due to diarrheal diseases, with the rate dropping from 449 cases per 10,000 in 1999 to 372 per 10,000 in 2000. In FY 1999, USAID supplied permethrin-treated bednets to households in areas plagued by the deadly falciparum malaria, leading to a 40% decline in new cases in these areas. New cases of falciparum malaria remained 20% below the pre-Mitch levels.

Chronic malnutrition remains a major problem in Mitch-affected areas, affecting 25% of children under five. Feeding practices during the crucial weaning months are a major cause: children receive rice water or water from cooking beans or coffee, and almost no food or

vitamins. USAID is working to address this problem in three key departments, concentrating on nutrition education, counseling, and care of sick children.

USAID, working through Alistar Nicaragua, is providing primary health care and health education to Miskitu and Mayangna communities along the Rivers Coco and Lakus, focusing on the control of vectors of epidemic diseases, the prevention of sexually transmitted diseases, and nutritional improvement. These communities are among the most isolated in Nicaragua, up to eight days by boat from the nearest source of electricity. They were also among the most severely damaged by flooding caused by Mitch. Restoring and improving systems of primary health care are among the most immediate needs of these communities.

USAID funding channeled through USPVOs and local NGOs supports a variety of initiatives to reactivate the economy. USAID partners report that approximately 106,000 households have benefited from Mitch assistance by the end of 2000, exceeding the target of 100,000 families. Of these, 26,000 households participated in P.L. 480 food-for-work or cash-for-work programs, primarily road rehabilitation. To date, more than 700 kilometers of roads have been improved or rehabilitated, financed by resources from the CACERDF appropriation and through the P.L. 480 Title II emergency program. As a result, another 895 kilometers of roads, not damaged directly by Mitch, are again a useful part of the national road network. The USAID road improvement and rehabilitation has benefited over 22,000 families in 472 communities. As noted recently by the General Accounting Office, the roads being rehabilitated are holding up well, withstanding the torrential rains of Hurricane Keith in September 2000. The Adventist Development and Relief Agency (ADRA), using $3.5 million in P.L. 480 Title II resources, is implementing a Food for Work program in the department of Nueva Segovia. The program provides temporary employment on community improvement projects for families that would otherwise depend on agriculture for their livelihood. Other USAID partners (Project Concern International and Save the Children) are implementing reconstruction activities with Title II resources valued at almost $10 million.

Over 52,000 households have begun using improved, environmentally sustainable agricultural practices on their farms. Over $7 million has been lent to some 19,900 micro-entrepreneurs (over 75% of whom were women). USAID-supported activities have placed over 4,000 household-size metal silos, both reducing post harvest losses and allowing farmers to sell later, at more favorable prices. USAID activities also encourage crop diversification and the use of micro-irrigation systems.

An important element of the USAID reconstruction program is the mitigation of sites that pose a threat for future flooding or landslides. With the support and guidance of a U.S. Department of Agriculture (USDA) forester, 15 local NGOs and PVOs have planted nearly 300,000 trees in Mitch-affected areas. The USDA also provided training to 250 people in nursery management, seed collection, environmental mitigation, and geographic information systems. USAID partners stabilized stream channels, improved drainage ditches, and repaired dikes to reduce the threat of flooding. Residents of almost 230 communities have been trained in disaster response and developed emergency plans.

The U.S. Army Corps of Engineers (USACE) provided a team of safety experts to carry out a comprehensive inspection of four dams in Mitch-affected areas. The team, comprising geologists, dam safety experts, and civil engineers, worked with engineers of Nicaragua's Institute of Territorial Studies (INETER) and Electric Company (ENEL) in an evaluation of each dams' safety. Two dams were severely damaged during Hurricane Mitch, and failure of either would be catastrophic to communities downstream. The USACE team is completing the designs for the repair of these dams–and USAID is collaborating with other donors to find funds to effect permanent repairs. The USACE is also supporting quality assurance for the construction and rehabilitation of health centers and health posts.

Save the Children has trained brigades of seven municipalities in search and rescue operations, first aid, and fire fighting, and helped develop emergency plans and risk maps for communities with trained disaster committees. CARE and USAID have been creating fire-fighting brigades and providing training courses on forest fire prevention in the dry regions of the departments of Madriz and Nueva Segovia which are susceptible to forest fires. World Relief has undertaken 12 projects to clean and stabilize channels along rivers and tributaries of Rio Pire, Rio Jicaro, Rio Pueblo Nuevo, and Rio Coco. Some 802 families from 12 communities participated, improving approximately 13 kilometers of channel course.

In 2000, USAID also provided assistance to schools. USAID completed the three planned deliveries of educational materials, classroom supplies, and equipment to 675 classrooms in 222 schools serving nearly 25,000 students. An additional three deliveries of supplies and equipment will occur in 2001 as well as 5,500 pieces of classroom furniture. In October 2000, two NGOs began vocational training and manual arts programs for 250 disadvantaged children from a school in an urban resettlement area.

USAID municipal development activities have been extended to Mitch communities. In 2000, the Posoltega dike was repaired, a retaining wall in Matagalpa was constructed, and a storm drainage system in Leon has been completed. Up to ten similar infrastructure projects will be completed in 2001.

In an effort to ensure all reconstruction and rehabilitation funds administered by the GON directly are used effectively and transparently USAID has contributed $1 million to augment a $20 million IDB loan to establish an Inspectorate within the Government of Nicaragua.

Possible Adjustments to Plans: USAID has made minor adjustments to the reconstruction program through reprogramming approximately 2% of the CACEDRF funds from activities with slower implementation rates to better performing activities.

Other Donor Programs: The USG will provide approximately 10% of the total donor funding supporting Nicaragua's reconstruction. Other major contributors are Japan, the Inter-American Development Bank (IDB), World Bank, the European Union (EU), the Nordic countries, and Spain. The World Bank, IDB, and Japan fund hospital construction and renovation, other health infrastructure projects, and urban water/sanitation projects. A $40 million World Bank and IDB health sector loan will finance infrastructure, supplies and facilities. Numerous multilateral and bilateral donors provide credit for small farmers and micro-entrepreneurs. The EU and Japan are working on rural development and agriculture activities. The education sector is assisted by a $13.3 million World Bank loan. The Japanese began construction of 130 new schools during 1999. A World Bank-funded project, implemented by the GON, has focussed on rural projects, such as wells and water systems, latrines, and road maintenance in 50 municipalities. The World Bank and the IDB, with technical assistance from the USACE, are implementing large road rehabilitation programs. Some USAID-funded programs are co-financed by other donors. The EU, for example, jointly funded the CARE pilot cash for work program.

Principal Contractors, Grantees or Agencies: U.S. organizations include: Academy for Educational Development (AED), Adventist Development Relief Agency, Alistar Foundation, Camp Dresser & McKee, CARE, Catholic Relief Services, Chemonics, Cooperative League of the USA (CLUSA), Deloitte Touche Tohmatsu, Development Alternatives Inc., Management Sciences for Health, Project Concern International, Chemonics, Save the Children, University Research Corporation, US Army Corps of Engineers, USDA, and World Relief Corporation. In addition there is the regional Inter-American Institute for Cooperation for Agriculture and the local Emergency Social Investment Fund (FISE).

FY 2002 Performance Table

Nicaragua: 524-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Classrooms in Mitch-affected areas re-supplied, re-equipped and/or re-furnished	NA	NA	0	675	570	570	570
Indicator 2: Exigency and non-exigency threat conditions corrected	NA	NA	0	26	3	60	20
Indicator 3: Number of farmers, laborers and micro-entrepreneurs who receive benefits from USAID reconstruction assistance: heads of household	NA	0	19,781	106,661	70,000	121,000	NA
Indicator 4: Number of deaths due to acute diarrhea in target areas	NA	251	202	153	250	250	NA
Indicator 5: Municipal infrastructure sub-projects completed	NA	NA	1	3	6	11	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Number of classrooms	NA	Amount of classrooms in generally accepted operating standards.
Indicator 2:	S	Number corrected	NA	This indicator focuses on the need to "mititgate" sites where there is a danger to life and property from flooding, landslides and other disasters.
Indicator 3:	S	Number of households	PVOs, NGOs, and Contractors receiving USAID funding	The number of farmers or micro-entrepreneurs who are directly benefiting in any way from USAID assistance channeled through its partners.
Indicator 4:	S	Number of deaths	MINSA data	Absolute number of deaths reported for MOH facilities.
Indicator 5:	S	Number of projects	USAID project records	Number of projects duly finished and delivered to the communities (municipalities).

	U.S. Financing (In thousands of dollars)		
Program: Nicaragua			
Title and Number: Rapid Reconstruction and Sustainable Recovery in Mitch-Affected Areas, 524-005			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	93,108 CACEDRF	419 CACEDRF	92,689 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	1,000 CACEDRF	32,269 CACEDRF	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	94,108 CACEDRF	32,688 CACEDRF	61,420 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2000 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2000	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2001 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 CACEDRF	0 CACEDRF	94,108 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

PANAMA

Program Summary (In Thousands of Dollars)				
Category	**FY 1999 Actual**	**FY 2000 Actual**	**FY 2001 Estimated**	**FY 2002 Request**
Development Assistance	4,598	3,500	3,700	4,500
Child Survival & Disease Fund	0	0	0	0
CACEDRF	0	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	425	1,000	996	4,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**5,023**	**4,500**	**4,696**	**8,500**

Mission Director, Lars Klassen

PANAMA

Introduction

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 Panama Canal. The protection of the watershed's natural environment is vital to safeguarding the fresh water resources upon which canal's hydrology depends. USAID's assistance program also seeks to develop momentum towards substantial improvements in the criminal and commercial justice systems of Panama. A democratic, transparent, and stable Panama will help ensure transparent treatment of U.S. citizens and businesses in Panamanian commercial and criminal courts, in addition to efficient canal operations.

The Development Challenge

During the past fifty years, massive deforestation has reduced the forest cover in the Panama Canal Watershed and in the process eroded its river valleys and lakeshores. Increasing rates of population migration into the watershed, with concomitant urbanization and economic activities, threatens its environmental health. As a result, the water supply of the watershed is increasingly vulnerable to agricultural and industrial pollution, siltation, sedimentation, and a consequent reduction in the storage capacity of its lakes. This is a serious problem considering that gravity fed, fresh water, provided by rain across the 326,000-hectare watershed, powers the Panama Canal. The PCW is the only source of water to meet the needs of the Canal, as well as meeting the water supply needs of the fast growing populations in the area. With USAID assistance, the Government of Panama (GOP) has embarked on a wide-ranging program to reverse the deterioration of the natural resources in the PCW and encourage environmentally friendly activities there. USAID assistance has supported essential infrastructure, equipment and management plans for the five national parks located in the watershed. USAID also has supported GOP efforts to establish a comprehensive monitoring program to measure changes in forest cover, hydrology, bio-diversity, and human settlements in the watershed. An Ecological Trust Fund that provides a permanent source of funds to finance environmental education and awareness activities developed by local non-governmental organizations (NGOs) and the country's environmental authorities, as well as related management and protection activities, was successfully established with USAID's assistance. USAID also provides assistance to improve the management and technical capabilities of key GOP institutions, local governments, non-governmental organizations and communities in protection and conservation of the natural resources of the watershed. Assistance also is provided to the private sector on clean production practices. Finally, joint public/private climate change initiatives are supported by USAID assistance.

Development in Panama, including in the environmental sector, is affected by a justice system that is inherently slow, complex and non-transparent. The system is difficult to understand or access for both Panamanians and non-Panamanians, and it is highly susceptible to manipulation. USAID is providing technical assistance and training to support the consolidation of ongoing efforts by the GOP to implement critical reforms of both its criminal and civil justice systems. The assistance complements a larger effort supported by the Inter-American Development Bank (IDB) in criminal justice. USAID is providing additional resources to address issues in commercial justice, an area in which the IDB is not involved. In an effort to modernize the justice system, major efforts will focus on the application of internationally recognized commercial law tenets and legal practices, enforcement of environmental regulations, and the active participation of civil society groups interested in improving the system.

Other Donors

USAID is the major donor active in the PCW. Under the Common Agenda Initiative, the Government of Japan (GOJ) is providing assistance to the GOP and NGOs in activities complementary to the USAID program in the conservation and protection of the watershed. With support from Japan, the GOP is establishing a training center in the PCW. This center is providing environmental education and awareness training in forestry and agro-forestry techniques.

The World Bank is implementing a lending program to Panama of up to $225 million for the period 1999-2001. This nation-wide effort is concentrating on poverty reduction, economic growth policies, reforestation and selected activities focused on environmentally sustainable development. In addition, the World Bank is also financing activities in land administration, which complement USAID activities in watershed conservation.

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 of destructive agricultural practices to environmentally friendly productive activities in the PCW. Additionally, IDB is implementing an integrated development program in the Darien province with an important focus on environmental issues. As stated earlier, the IDB is the lead donor supporting a major GOP effort in the improvement of its criminal justice system. USAID administration of justice activities complement this effort.

FY 2002 Program

USAID will focus its resources on the protection of the canal watershed, as well as assist on-going efforts by the GOP to implement critical reforms of its criminal and commercial justice systems. In FY 2001, USAID continues to support strengthening GOP institutions responsible for the protection of the watershed and the sustainable management of natural resources in the PCW. To enhance the sustainability of watershed protection, USAID will continue to encourage and assist the participation of civil society, the private sector and local governments in the watershed in this effort. Special efforts will emphasize activities related to NGO strengthening, co-management of parks and protected areas in the PCW, development of eco-tourism opportunities for local communities, climate change initiatives and the development of a carbon market, as well as furthering concessional arrangements for liquid and solid waste disposal. USAID also will provide assistance to the court systems, justice sector personnel, and civil society organizations in order to increase fairness and efficiency in the justice sector.

PANAMA
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
525-001 Improved Capacity to Manage and Protect Panama Canal Watershed				
- DA	3,650	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
525-002 Legal Policy Changes Required to Sustain Justice System				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	425	0	0	0
- P.L. 480/II	0	0	0	0
525-003, To Facilitate the Smooth Transfer of the Panama Canal				
- DA	948	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
525-004 Panama Sustainably Manages the Canal Watershed and Buffer Areas				
- DA	0	3,500	3,700	4,500
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
525-005 Momentum Towards Fairer and Faster Justice Established				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	1,000	996	4,000
- P.L. 480/II	0	0	0	0
Totals				
- DA	4,598	3,500	3,700	4,500
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	425	1,000	996	4,000
- P.L. 480/II	0	0	0	0

ACTIVITY DATA SHEET

PROGRAM: PANAMA
TITLE AND NUMBER: Panama Sustainably Manages the Canal Watershed and Buffer Areas, 525-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,700,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $4,500,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: Numerous studies, including one conducted by USAID in 1994, have demonstrated the link between land use in the Panama Canal Watershed (PCW) and the long-term operation of the Panama Canal. Efficient operation of the Panama Canal relies on the fresh water runoff across the 326,000-hectare watershed that provides the fifty-two million gallons of fresh water required for the passage of each ship. The mandate of the Panama Canal Authority (PCA) extends beyond the management of the Canal itself to include, in coordination with other Panamanian authorities, the protection, conservation, and maintenance of the water and natural resources of the PCW. The purpose of this Strategic Objective is to assist Panama to effectively manage and protect the PCW and to serve U.S. interests in the efficient operation of the Canal in a sustainable manner. The direct beneficiaries of this objective will be the Canal watershed ecosystem, the 143,000 residents living in the PCW, the urban populations of Panama City and Colon that surround the PCW, the industrial sector, which depends on fresh water for industrial uses, and the operators and users of the Canal. The indirect beneficiaries will be the 1.4 million people located near the canal, the population of Panama as a whole and the global economy.

Key Results: This objective, approved on January 14, 2000, consolidates activities under its predecessor objective (525-001) which expired on the same date. USAID has determined that four key results are necessary to achieve this objective: (1) Institutional arrangements for effective management functioning are adopted, (2) Natural resources in the PCW and buffer zone are managed effectively, (3) Civil society organizations are strengthened in order to actively support sustainable management in the PCW, and (4) Local government and private sector capacity for environmental management in the PCW and buffer areas are increased.

Performance and Prospects: Performance over the past year has been significant in key aspects of the portfolio.

Continued USAID assistance enabled the Government of Panama (GOP) to make significant progress toward strengthening both the institutional capacities of GOP entities involved in the management of the PCW and their capabilities to coordinate plans and actions. With technical assistance provided by USAID, the Inter-Institutional Commission (IIC) for the Canal Watershed adopted its first action plan, initiated the development of inter-agency agreements, began developing its financial planning capacity, and took steps toward the establishment of a data information center.

The Canal Watershed Monitoring Program, spearheaded by USAID with technical support provided by the Smithsonian Tropical Research Institute (STRI), has been incorporated on a permanent basis into Panamanian institutions. The program, which will be overseen by the IIC, monitors the condition of the Panama Canal Watershed by tracking forest cover, hydrology, soil composition, biodiversity status and the location of human settlements.

USAID continued to support the GOP's efforts to improve its natural resources management capacity in the national parks located in the PCW. Construction of all basic infrastructure was completed and essential equipment provided to the parks. "Visitor Guides" of the protected areas and maps of "Protected Areas in the PCW" were produced. A training program for journalists on

environmental issues affecting the PCW was implemented. The National Environment Authority (ANAM), with technical assistance provided by the Academy for Educational Development through a contract known as GreenCom, is leading an effort to develop an environmental education strategy for the PCW, in partnership with the Ministry of Education and the PCA.

A highly successful mass media campaign, featuring television, radio, and the print media contributed to heightening the awareness of the Panamanian population of the benefits and the issues related to the PCW. Other awareness-raising activities included seminars, workshops, and conferences. Community Environmental Plans were developed in four communities, either in the canal watershed or on its borders, to address solid waste management issues. Three targeted municipalities in the PCW have developed strategic, environmental and financial plans that will improve their management of municipal lands in the watershed. The financial plans are aimed at increasing revenues by a minimum of 15% to enable these local governments to address effectively environmental management issues and implement components of their strategic plans.

Following an assessment of factories in three industries (cement, tanneries, and electroplating), ANAM has established an inter-institutional commission for clean production and is formulating norms and standards for these three industries. Initial funding ($40,000) was obtained from USAID/Washington for these activities. The Regional Environmental Project for Central America (PROARCA) and the Bureau for Latin America and the Caribbean (LAC) also have conducted clean production activities that have been coordinated with the bilateral effort.

USAID plans to use $3,700,000 in FY 2001 funds as follows: $1,200,000 will be used to deepen the institutionalization process by developing protocols for data sharing with the information center and developing procedures to facilitate the interaction of the members of the Inter-Institutional Commission; $900,000 will support ecotourism and co-management of protected areas in the Panama Canal Watershed (PCW); $600,000 to strengthen administrative, technical and fundraising capabilities of selected NGOs, active in the PCW; and $1,000,000 to help consolidate gains in the establishment of environmental units in three municipalities in the PCW with clearly defined roles and permanent operational budgets.

In FY 2002 USAID plans to use $4,500,000 as follows: $1,500,000 to continue to support the strengthening of the Inter-Institutional Commission by developing and establishing financing mechanisms for watershed management and support for a network of institutions; $1,500,000 to continue support for ecotourism and co-management of parks in the PCW; $500,0000 to continue core training of selected NGOs, develop outreach skills on PCW environmental issues, and to support consensus-building for the improvement of PCW management; and $1,000,000 to support a Municipal Environmental Alliance through mutually supportive of environmental activities in the PCW.

Possible Adjustments to Plans: While no specific adjustments to plans are contemplated at this time, USAID continuously strives to identify windows of opportunity in its work with the PCA, ANAM, local governments, nongovernment organizations (NGOs), community groups, and the private sector to ensure that all appropriate actions are taken to promote USAID objectives. For example, the PCA has initiated studies to expand the PCW in order to increase the water supply available to operate the canal and to satisfy local municipal needs, especially Panama City and Colon. The PCA has approached USAID to explore possible assistance for this activity. USAID is considering this request, subject to the availability of funds, which may lead to an adjustment of our current plans.

Other Donor Programs: The Inter-American Development Bank (IDB) and the World Bank have initiated activities that will contribute to improved management of the PCW. Both entities are implementing activities in land management and PCW conservation. The IDB has assisted the GOP in the development of a National Environmental Strategy. The IDB also is implementing activities

designed to strengthen comprehensive watershed management programs elsewhere in the country. Under the Common Agenda Initiative, Japan is assisting an NGO to establish a training center in the PCW. The center is providing environmental education and awareness training, as well as training in forestry and agroforestry techniques, for residents of the watershed and buffer areas, including Panama City and Colon. USAID is working closely with these donors to ensure that all activities are complementary.

Principal Contractors, Grantees or Agencies: Current grantees and contractors include the Academy for Educational Development (AED) GreenCom, Louis Berger, Inc. and International Resources Group (IRG).

FY 2002 Performance Table

Panama: 525-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Institutional arrangements for sustainable watershed management recognized by key PCW stakeholders.	NA	NA	NA	NA	NA	68	72
Indicator 2: Actions taken by the Inter-Institutional Commission for the Canal Watershed (CICH) on strategies, policies, programs and projects that could affect the PCW	NA	NA	NA	NA	3	5	8
Indicator 3: Land use in the PCW compatible with the approved Regional Land Use Plan	55	NA	NA	NA	63	NA	NA
Indicator 4: Local governments have environmental action plans that conform with the Regional Plan	NA	NA	NA	1	4	8	12
Indicator 5: Industries implementing policy or process changes that result in improved environmental	NA	NA	NA	0	2	4	6
Indicator 6: Residents in the PCW and buffer areas served according to integrated solid waste management	NA	NA	NA	14362	30000	50000	70000

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Percentage awareness of key institutional arrangements by mid-level staff of the eight organizations making up the Inter-Institutional Commission (CICH): six government agencies (PCA, ANAM, MIDA, ARI, MIVI, Gobierno y Justicia) and two non-governmental organizations (CARITAS and Fundacion NATURA).	Questionnaire survey administered by GreenCOM subcontractors to 150 mid-level managers. See memo dated February 23, 2001 from Jose Ignacio Mata to the SO Team explaining the definition of mid-level staff in operational detail.	Key PCW Stakeholders are defined for this indicator to be mid-level representatives of the eight member organizations of the CICH. (Note that this includes both government and non-governmental organizations.) Mid-level managers were defined to be "the one is in charge of the functions of a head of a department or unit when he/she is not present." The values shown in the table represent the mean score of correctly identified institutional arrangements out of the total of 12. Awareness of institutional arrangements was gauged by ability of interviewees to identify the specific GOP institutions responsible for each of 12 critical aspects of PCW management, including solid waste collection, management of protected areas, and safeguarding of water quality, among others.
Indicator 2:	IR	Number of actions taken by the CICH	CICH and contractor reports	The indicator will measure progress on number of actions taken by the CICH during the calendar year on strategies, policies, programs and projects that could affect the PCW. Approval of these actions signals that CICH is functioning in its role to coordinate and oversee activities in the PCW and achieving consensus amongst stakeholders.
Indicator 3:	S	Percentage of land area in conformance with the Regional Plan	(1) Inter-Oceanic Regional Authority (ARI), (2) National Environment Authority (ANAM), (3) Contractor reports	Percentage of land use (measured in hectares) which is compatible with the Regional Land Use Plan. Compatible refers to land uses that meet the technical criteria for inclusion under one of the six land-use categories defined in the Regional Land Use plan.

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 4:	IR	Number of local governments in the PCW that have environmental action plans that conform with the Regional Plan	USAID contractor and grantee reports, municipal decrees, and environmental plans	Environmental action plans will include environmental programs and projects that are in conformance with the Regional Plan. These environmental plans may be part of an overall strategic development plan for the district. The indicator will consider environmental action plans that are produced with the active participation of local government officials or formally adopted by the municipality's Consejo Municipal. Action plans must conform to the land uses outlined in the regional plan. Because USAID/Panama's local government strengthening program works primarily at the municipal level in the smaller municipalities of the PCW (Arraijan, Chorrera, Capira and Portobelo) the indicator will consider these municipalities in measurement. Similarly where USAID/Panama's local government program works at the lower level of the corregimiento (in the larger districts of Panama and Colon) these corregimientos will be considered.
Indicator 5:	IR	Number of industries (cumulative)	USAID contractor reports.	The indicator will measure if at least one member of an industry (plant or company) has changed a policy or process resulting in environmental improvement as a direct result of USAID intervention. This indicator will rely heavily on self-reporting from companies that have received USAID assistance, but self-reports will be verified by USAID or its contractors. An industry will be considered broadly -- e.g., cement, pork farming, chicken farming, tanneries, banking (by promoting environmentally sound investments).
Indicator 6:	IR	Number of people with access to solid waste collection services (cumulative)	USAID implementers (e.g., FUNDEMUN and GEMAS) in cooperation with Municipal Officials and solid waste collectors).	Estimates of number of residents served will be developed based on the number of households with access to public and private collection of solid waste in communities actively working to implement an integrated solid waste management (ISWM) plan. ISWM implies a comprehensive plan for collection, reuse (including recycling and composting) and disposal of solid waste. Because USAID/Panama's local government program works primarily at the municipal level in the smaller municipalities of the PCW (Arraijan, Chorrera, Capira and Portobelo) the indicator will consider all residents of these municipalities in measurement. Similarly, in the larger municipalities of Panama and Colon, where USAID/Panama's local government works at the municipal subdivision known as the "corregimiento", all residents of the corregimiento will be considered. All estimates will be made on a corregimiento by corregimiento basis.

	U.S. Financing (In thousand of dollars)		
Program: Panama			
Title and Number: Panama Sustainably Manages the Canal Watershed and Buffer Areas, 525-004			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CDS	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,500 DA	6 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	3,500 DA	6 DA	3,494 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	3,700 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	3,700 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	4,500 DA	18,000 DA	29,700 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: PANAMA
SPECIAL OBJECTIVE: Momentum Towards Fairer and Faster Justice Established, 525-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $996,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $4,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: All stakeholders in the Panamanian system of justice have identified the need for change. The current system satisfies neither the Government of Panama (GOP) professionals who are part of the system, the outside stakeholders in civil society, nor most users. The justice system is not sufficiently transparent, and the rules of the system are often poorly understood by the public. Like many countries in the region, the capacity of judicial sector personnel, personnel management practices, corruption, needed code reform and insufficient resources all hinder the fairness and effectiveness of the system and impede the swift delivery of justice.

Justice in Panama is too slow; case backlogs in the courts are significant and growing; pretrial detention is excessive and is too often imposed on the innocent; and even the guilty often serve their entire sentence in Panama's overcrowded prisons before the case is heard. In the commercial courts, delays and backlogs of cases often exhaust the resources and the will of local and foreign investors (including U.S. firms) to continue operating before any remedy is granted. Until recently, out-of-court settlements, even under arbitration agreements, were later challenged in court.

The new program refocuses resources in an intensive effort to develop momentum for reform in the Panamanian Justice sector by the end of FY 2002. While USAID/Panama's thirty-month, pilot effort will not tackle all the challenges noted, it funds discrete activities that contribute to improvements in the justice system by providing technical assistance and training for prosecutors and judges aimed at increasing the efficiency of the criminal and commercial court systems. The program will also help civil society and GOP actors to strengthen a civil advocacy base that will push for reform and provide sustained momentum for long-term change. This Special Objective is designed to establish momentum toward a fairer and faster justice system by testing pilot reform efforts already identified by both the justice system itself and by civil society to promote institutional strengthening, and by supporting civil society and other reformers to organize and advocate for continued reform.

Key Results: USAID has identified four key intermediate results required to achieve this special objective: (1) Criminal court systems functioning more effectively by implementing targeted institutional reforms, (2) Commercial court systems functioning more effectively by demonstrating the effectiveness of alternative dispute resolutions (ADR), (3) Increased public pressure for judicial sector reform, and (4) Improved collaboration between investigators and prosecutors.

Performance and Prospects: Prospects for making an impact have improved with the entry into the justice sector of substantial donor assistance from the Inter-American Development Bank (IDB) and Spain. USAID will complement IDB and Spanish efforts. USAID will focus in particular on non-government organization (NGO) development, ethics, and well-defined areas in which our support can complement other donors' programs, such as training of judges, prosecutors, defenders, court personnel and others (e.g., alternative dispute resolution and alternative sentencing). Training of police and investigators in cooperation with the Department of Justice completes this strategy.

At the end of two years, by working with stakeholders inside and outside the justice system, USAID/Panama intends to have helped build broad-based support for and confidence in continued justice sector reform by accomplishing a series of changes in the system and developing an agenda

for future reforms. During the second year of implementation (FY2002), USAID/Panama will evaluate the overall impact of the program and identify those elements of the program, which have been the most successful. If evaluation results warrant, the program will be continued, and USAID/Panama will design a refined performance framework and set of activities for future implementation.

USAID will use $996,000 in FY 2001 funds as follows: $600,000 to help enhance the professionalism of judges and prosecutors, increase the availability of alternative sentencing mechanisms for minor criminal offenses and modernization of the Judicial Registry; $200,000 to strengthen professional skills for the development and implementation of Alternative Dispute Resolution mechanisms; and $196,000 to promote civil society participation in justice issues.

USAID will use $4,000,000 in FY 2002 funds as follows: $600,000 to continue and complete professionalization of judges and prosecutors, increase the availability of alternative sentencing mechanisms for minor criminal offenses and modernization of the Judicial Registry; $200,000 to continue and complete the strengthening of professional skills for the development and implementation of Alternative Dispute Resolution mechanisms; $200,000 to continue and complete the promotion of civil society participation in justice issues; and $3,000,000 to help strengthen the ability of local governments to govern and project an effective presence in the Darien Province, adjacent to the Colombia border, helping communities to better manage their own administrative and financial affairs, improve the provision of services, and administer justice at the local level.

Possible Adjustments to Plans: The objective is to enable the GOP and civil society organizations to formulate, institutionalize and implement activities designed to ensure fundamental, sustainable, systemic change in the justice systems. A top priority will be to motivate both the public and private sectors to maintain reform efforts. Results of analytical studies could produce changes to USAID's approach in the future. Further research will be undertaken to understand better the constraints to justice and the appropriate means to address them.

Other Donor Programs: The IDB is the major donor in the sector with an $18,900,000 loan to the GOP. Other donors include the United Nations Development Program, the Organization of American States and the European Union with very modest programs, and several small bilateral programs (the British, Germans, French and Spanish).

Principal Contractors, Grantees or Agencies: Management Science for Development.

FY 2002 Performance Table

Panama: 525-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of NGOs actively involved in justice issues	NA	NA	NA	8	9	12	15
Indicator 2: Number of judges and prosecutors trained in aspects of commercial and penal codes	0	0	0	0	0	50	200
Indicator 3: Forum of NGOs established to advocate for justice reforms	No	No	No	No	Yes	Yes	Yes
Indicator 4: A coalition of NGOs is actively advocating improvement in administration of justice	NA	NA	NA	NA	NA	6	10
Indicator 5: Pilot project for increasing the use of Alternative Dispute Resolution (ADR) mechanisms in the Panamanian courts fully implemented.	NA	NA	NA	NA	NA	No	Yes
Indicator 6: Pilot project for increasing the use of alternatives to imprinsoment as a sentence for administrative misdemeanors fully implemented	NA	NA	NA	NA	NA	No	Yes

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of NGOs	Contractor's reports	"This indicator measures the number of local NGOs, legally established that publicly adopts a position relevant to existing justice issues. Involvement may be through the media or organized meetings or other public fora, the preparation of position papers, speeches and the sponsoring of training and T.A. activities."
Indicator 2:	IR	Number of Judges	Contractor's Reports	"Training programs and T.A. will focus on alternative sentencing, ethics and alternative dispute resolutions. Training for prosecutors will provide a basic overview of investigative and prosecutorial processes and other themes such as asset forfeiture as first steps toward institutionalization of the process."
Indicator 3:	IR	Yes/No	Contractor's Reports; USAID files, reports	"A forum of active NGOs in the justice sector is created by the end of the first year. Within this period at least one formal meeting of the participants will have been held. During the second year the forum will be meeting regularly, and will identify major issues and problems within the sector. Following definition and analyses of the issues/problems, the forum initiate a dialogue with GOP towards achieving consensus for reforms or other corrective actions."
Indicator 4:	IR	Number of criteria met (cumulative)	Contractor's reports; and Media information	The following are the ten criteria that make up the indicator: (a) Coalition of NGOs established; (b) Coalition members meet at least monthly and produce minutes; © Strategic plan approved, (d) Web page in place, (e) An annual conference on justice reform is organized and conducted by the Coalition, (f) At least three position papers are published annually, (g) A newsletter is published quarterly, (h) Coalition submits at least two proposals for policy making in the justice sector, (i) Media uses at least three (3) presentations prepared by the Coalition per year, (j) Coalition participants in one (1) relevant international event per year in justice reform or modernization.
Indicator 5:	IR	Yes/No	Contractor's reports and Counterpart reports	The pilot project consists in the adoption of basic policies and procedures, training of core staff in a selected civil (commercial) court on ADR, development of a methodology for replication of the model in other courts, and recommended actions and measures to ensure sustainability.
Indicator 6:	IR	Yes/No	Contractor reports and counterpart reports	The pilot project is considered implemented when the basic policies and streamlined procedures are adopted, the core staff in the selected "corregiduria" and night court is trained in alternative sentencing, a public awareness activity has been initiated, and core agreements with central government and judiciary are signed.

	U.S. Financing (In thousand of dollars)		
Program: Panama			
Title and Number: Momentum Towards Fairer and Faster Justice Established, 525-005			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CDS	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	1,000 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	1,000 ESF	0 ESF	1,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	996 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	996 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	4,000 ESF	4,000 ESF	9,996 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

PARAGUAY

Program Summary (In Thousands of Dollars)				
Category	**FY 1999 Actual**	**FY 2000 Actual**	**FY 2001 Estimated**	**FY 2002 Request**
Development Assistance	4,694	5,175	6,345	5,375
Child Survival & Disease Fund	0	0	0	0
CACEDRF	0	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	1,300	1,000	3,488	3,500
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**5,994**	**6,175**	**9,833**	**8,875**

Mission Director, F. Wayne Tate

PARAGUAY

Introduction

Paraguay continues to slowly evolve towards a true, functioning democracy. USAID/Paraguay's FY 1997-FY 2000 Strategic Plan has been completed. The new Strategic Plan for FY 2001-FY 2005 builds upon the previous successes of that strategy and focuses upon civil society strengthening, the provision of basic services by local governments, and developing a serious reform agenda. The need to balance population growth and to develop the appropriate use of the nation's natural resources are integrated into the overall democracy objective.

The Development Challenge

The challenges to democracy in Paraguay are large and growing. The increasing dissatisfaction with the national government has led to considerable unrest in the countryside. The fiscal deficit increased considerably in 2000, and the country is on the brink of default. The recession in Paraguay is now in its fifth year with little sign of relief. Without national reform that includes a restructuring of the public sector, citizens will not receive the basic services they expect under a democratic form of government.

Democracy remains as the centerpiece of U.S. policy in Paraguay, from which other components of modernization are expected to follow. 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 deliver a promised better life, a real alternative is that the people will embrace the populist solutions that have been proposed in the recent past and will lose faith in this fledgling democracy.

The FY 1997-FY 2000 Strategic Plan accomplished several important objectives. The Democracy Strategic Objective of "Improved Responsiveness and Accountability of Key Democratic Institutions" has been achieved. An effective Electoral Tribunal conducted three successful, democratic elections. The Tribunal was supported by civic organizations with voter education campaigns that involved the three main political parties. Local governments (departments and municipalities) now have an increased ability to generate and manage resources; are providing expanded services to citizens; have improved mechanisms for community participation in planning; and understand their roles in Paraguay's political system. Citizens have more access to a strengthened judicial system that has implemented important penal reforms; has the capacity to train judges, prosecutors, and public defenders; and is providing more information to citizens. In addition, pilot alternative dispute resolution mechanisms are taking some of the burden off of the formal court system.

The Environmental Special Objective of "Improved Management of an Expanded Protected Areas System" has been attained through the development of both public and private protected areas. Civil society and government officials are cooperating to preserve these areas. More land has been added to the protected areas system, while viable economic alternatives to deforestation and loss of biological diversity have been developed.

The Population Special Objective of "Increased use of Voluntary Family Planning Services" has been successfully implemented. Access to these services has been considerably expanded by providing outreach and information, education, and communication (IEC) through the press, radio, television, and theatrical performances. Training to health providers has improved the quality of family planning services throughout Paraguay. The sustainability of these programs has been advanced through reduced costs and increased efficiency.

USAID has begun the implementation of its new Strategic Plan (FY 2001-FY 2005) that utilizes a three-tiered approach to strengthening democracy as its primary objective. First, the lack of

confidence in governmental institutions must be addressed by strengthening the capacity of local governments to deliver services in response to the needs of its citizens. In this way, citizens will develop more interest and confidence in a responsive and effective political system and will be less vulnerable to alternative solutions. Second, civil society must be strengthened to be able to put pressure on the current political system to change and become more responsive. Third, an open, transparent policy dialogue needs to be installed which allows the inclusion of all groups, especially those that are traditionally marginalized.

The new plan integrates environmental and reproductive health initiatives into the overall democracy program by strengthening the role of local government and civil society efforts. Efforts with local governments will expand their role as providers of basic services, such as health, education, water and sanitation, solid waste, and basic infrastructure. Civil society will participate in the public decision making process, will strengthen advocacy to influence local and national policies, and will improve oversight of public institutions.

Last year, USAID recommended the development of an Economic Special Objective to address poverty, to encourage economic reforms, and to generate employment by expanding poor people's access to financial services. The concern was that these economic conditions would derail the democracy program. The Latin American Caribbean Bureau has now approved this request, and the Mission is proceeding with the development of this Special Objective.

Other Donors

The United States is Paraguay's fifth largest bilateral donor after Japan, Germany, the European Union (EU), and Spain. USAID is the main donor working on the decentralization of power and authority to local governments with a strong civil society focus. The Inter-American Development Bank (IDB), World Bank, United Nations agencies, and the Pan-American Health Organization (PAHO) are major multilateral contributors.

USAID is unique among donors in Paraguay by working exclusively through NGOs and other organizations. The 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 (GOP) approvals. USAID's focus will continue to be developing pioneering, demonstration projects that larger donors or the GOP can replicate. USAID's experience indicates that this approach works very well in Paraguay.

FY 2002 Program

USAID will build upon these successful elements of its current programming during the new strategy period, FY 2001–FY 2005, while at the same time introducing some new approaches. USAID's three objectives will place a greater focus on civil-society organizations and their fundamental role in democratic governance. Efforts with local governments will be expanded and deepened with an emphasis on their role as service providers, especially to marginalized groups. Anti-corruption initiatives will be introduced in the context of each program area.

PARAGUAY
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
526-001 Improved Responsiveness and Accountability of Key Democratic Institutions				
- DA	1,869	2,700	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	1,300	1,000	0	0
- P.L. 480/II	0	0	0	0
526-002 Improved Management of an Expanded Protected Areas System				
- DA	525	525	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
526-003 Increased Use of Voluntary Family Planning Services				
- DA	2,300	1,950	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
526-004 Key Democratic Governance Practices Instituted				
- DA	0	0	2,850	2,600
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	3,488	3,500
- P.L. 480/II	0	0	0	0
526-005 Sustainable Management of Globally Important Ecoregions Improved				
- DA	0	0	1,000	750
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
526-006 Use of Voluntary Reproductive Health Services Increased				
- DA	0	0	2,495	2,025
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
526-XXX Increased Incomes for the Poor in Selected Economic Regions				
- DA	0	0	0	TBD
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
Totals				
- DA	4,694	5,175	6,345	5,375
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	1,300	1,000	3,488	3,500
- P.L. 480/II	0	0	0	0

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Improved Responsiveness and Accountability of Key Democratic Institutions, 526-001
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: The transition to a democratic society in Paraguay is still fragile and uncertain. Since emerging from a 34-year dictatorship in 1989, Paraguayan society has been expecting to reap the economic and social benefits of democracy. After more than ten years, many Paraguayans are unsure if democracy will deliver the promised better life and some are yearning for an authoritarian government to return. The purpose of this objective is to strengthen Paraguay's nascent democracy by improving government responsiveness and accountability through the creation of an effective judiciary; an independent functioning electoral system; transparent local governments with decentralized services based on wide citizen participation; and an active, responsible civil society.

Key Results: Four key intermediate results are being achieved under this objective. 1) Free and fair elections with wide national participation and acceptance are instilling confidence in the basic democratic process. 2) Participatory and better functioning local governments are shaping an increasingly decentralized decision-making and service delivery process. 3) A more responsive, accessible judiciary is starting to improve access to justice, a key to people's belief in a democratic society, as well as a necessary ingredient to encourage economic development. And 4) a frank and open civil-military dialogue is helping the military to understand its new role in a democracy and to ensure appropriate civilian oversight over the military.

Performance and Prospects: Performance has been better than expected. Technical assistance was provided to the Election Tribunal to create a new voter registry, inform voters of electoral procedures, and successfully conduct the 1996, 1998, and 2000 elections with an impressive nationwide turnout. The nationwide survey taken after the 2000 elections revealed that 79% of those surveyed believed that the elections were clean, compared to only 45% in regard to the 1993 elections.

Local governments received training in administration, budgeting, and transparent financial management, and were part of a USAID-sponsored policy dialogue on decentralization. Citizen groups are now playing a greater role in defining local priorities and are participating in community-wide public hearings.

Support has also been provided to enact a series of penal reforms. The new Penal Code went into effect in 1998, a Criminal Procedures Code went into effect in 1999, a Transition Law was in effect from July 1999 until February 2000, and the Public Ministry Statute went into effect in September 2000.

The civil-military dialogue support by USAID has helped form new consensus between the civilian and military leadership to address and define national security threats and to develop a new role for the military.

Possible Adjustments to Plans: FY 2001 is the last year of implementation of this objective, therefore, no changes are anticipated at this time

Other Donor Programs: USAID has taken the lead in encouraging the donor community to support democracy, especially with the Inter-American Development Bank (IDB). Using USAID-initiated

studies, the IDB has designed approximately $72 million in complementary projects to help modernize the State, to strengthen the judicial branch ($8.4 million), and provide assistance to the Congress estimated at ($500,000). The IDB is also executing a $18 million municipal strengthening project aimed at designing new urban land registries. The Organization of American States has worked closely with USAID in election assistance and has spent approximately $800,000 since 1996 to support the electoral process. The German Technical Cooperation Agency is implementing a penal reform activity ($1.7 million) and a modernization of the Civil Registry ($4 million). Taiwan has approved a loan of $20 million to construct a new building for the Congress. And, the European Union has judicial, legislative, and state reform projects ($3 million).

Principal Contractors, Grantees, or Agencies: U.S. principal contractors and grantees are the International Foundation for Electoral Systems, Development Alternatives Inc., and the National Center for Courts. Local non-governmental organizations and grantees include the Information and Resources Center for Development, the Paraguayan Center for Economic Liberty and Social Justice, and Alter Vida.

FY 2002 Performance Table

Paraguay: 526-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Population that considers the elections clean	NA	75	NA	79	75	NA	NA
Indicator 2: Number of target sub-national governments with joint community projects implemented.	9	14	19	25	17	NA	NA
Indicator 3: Number of target sub-national governments supplying additional services	7	11	16	18	16	NA	NA
Indicator 4: Number of targeted key reforms enacted by Congress	1	2	3	4	4	NA	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Mean (0-100 scale) - percent	National Probability Survey (NPS), Political Culture in Paraguay: 1996 Baseline Study of Democratic Values, 1998 Democratic Values Survey, and 2000 Survey.	Respondents were asked to what extent do you believe that the last elections were clean, that is without fraud.
Indicator 2:	IR	Number	Alter Vida, Information and Resources Center for Development, Peace Corps.	A joint community project is a process where members of the government and community identify a problem; develop a plan for addressing the problem, which includes planned implementation by members of the government and the community; and the action is implemented. The targets reflect the number implemented yearly and are not cumulative. In other words, a project is "counted" only in the year implementation occurs. These actions will be measured in the Mission's priority sub-national government entities, which are defined as 25 sub-national units consisting of 3 departments and 22 municipalities. The three identified departments represent approximately 30% of the national population.
Indicator 3:	IR	Number	Alter Vida, Information and Resources Center for Development, Peace Corps.	Services include health care delivery, water and sanitation, transportation, and environmental planning provided by sub-national governments. This number reflects additional services and is not cumulative. This indicator measures new services and all the planning, design, and securitization of financing conducted by the sub-national government that goes into offering a basic service to the community. This Mission is defining 25 priority sub-national governments to include 3 departments and 22 municipalities. The indicator represents the number of priority sub-national governments that are providing a new service to the community each year. The three identified departments represent approximately 30% of the national population.
Indicator 4:	IR	Cumulative Number	Paraguayan Center for Liberty and Promotion of Social Justice, State University of New York, and the National Center for State Courts.	The targeted key legal reforms include the Penal Code, the Criminal Procedures Code, the Transition Law, the Public Ministry Statute, and the Judicial Framework Law.

	U.S. Financing (In thousands of dollars)		
Program: Paraguay			
Title and Number: Improved Responsiveness and Accountability of Key Democratic Institutions, 526-001			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	1,869 DA	109 DA	1,760 DA
	0 CSD	0 CSD	0 CSD
	1,300 ESF	0 ESF	1,300 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	2,699 DA	2,434 DA	
	0 CSD	0 CSD	
	1,000 ESF	1,237 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	4,568 DA	2,543 DA	2,025 DA
	0 CSD	0 CSD	0 CSD
	2,300 ESF	1,237 ESF	1,063 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	4,568 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	2,300 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Improved Management of an Expanded Protected Areas System, 526-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: USAID contributes to the sustainable development of Paraguay by promoting environmentally sound practices of natural resources management. A significant percentage of the land in the country is owned by large private landowners that use the land for unsustainable agriculture and livestock practices. USAID has engaged landowners to join conservation initiatives and is providing examples of sustainable economic alternatives for land use. Additionally, USAID is working closely with the government agency responsible for the management and preservation of protected areas by strengthening its institutional capacity and promoting the joint implementation of programs with local non-governmental organizations (NGOs). The purpose of this objective is to improve both public and private management of Paraguay's protected areas.

Key Results: Under this objective, two local NGOs have developed new reserve areas with sustainable management plans. The local capacity to manage and understand the importance of protected areas has been considerably enhanced, and economic alternatives to deforestation have been developed.

Performance and Prospects: Performance under this objective has been as expected, although Paraguay, with one of the highest rates of deforestation in the world, continues to lose 10% of its remaining original forest cover every year, threatening the future of unique regional ecosystems. Because environmental problems aggravate poverty and complicate the transition to democracy, it is imperative that Paraguay develop and implement sustainable land use models and preserve the last remnants of these important ecosystems.

Most Paraguayan NGOs have limited technical capacity and financial self-sufficiency. They also lack the political weight to effectively influence how conservation of key ecoregions will be implemented. Nevertheless, NGOs with interest in these matters do exist. Some are regionally based, while others are dedicated to particular elements of the environment, such as environmental law or compatible economic development. To fully assume key roles in regional environmental policies, these NGOs require technical training in both internal management and lobbying techniques. To better coordinate with international efforts, they also require improved ties to international NGOs.

Paraguay continues to place additional hectares under public protection. The country's largest national park has been incorporated into USAID's Parks-in-Peril program, which includes an innovative public/private system for park management. This is the Government of Paraguay's (GOP's) first experience in managing a park with the private sector.

Environmental education remains a challenge and programs were conducted in ten key reserve areas that had a measurable positive impact in the reserves and in their buffer zones. Twenty eight viable economic alternatives to traditional agricultural and livestock grazing have been implemented to demonstrate that deforestation is not the only way to earn profits from forested land. Examples include: reforestation, agriculture under forest cover, sustainable forestry and eco-tourism. With these activities, landowners are engaged in profitable and environmentally appropriate initiatives.

Possible Adjustments to Plans: As this is the last year of implementation, no changes are anticipated at this time.

Other Donor Programs: Other donors continued to be highly involved in the conservation of natural resources activities in Paraguay. Donors worked directly with the GOP and, in most cases, with local NGOs. The Global Environmental Facility continues to be involved in the protection of ecosystems of regional and global importance in Paraguay through a $9 million project. The Japanese International Cooperation Agency is trying to diminish the severe deforestation problem that Paraguay faces with a $7 million forestation project. The German Technical Cooperation Agency is implementing a $3.8 million effort to elaborate a National Action Plan for the protection of natural resources. The European Union is supporting a $18 million Sustainable Development Project for the western region of the country.

Principal Contractors, Grantees or Agencies: USAID's activities are implemented through two U.S. organizations, The Nature Conservancy and the World Wildlife Foundation. Two local NGOs, the Moises Bertoni Foundation and the Desdel Chaco Foundation, are also involved.

FY 2002 Performance Table

Paraguay: 526-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of models of biodiversity conservation and sustainable use of natural resouces implemented.	3	4	8	9	6	NA	NA
Indicator 2: Number of economic alternatives implemented on protected areas	10	21	26	28	15	NA	NA
Indicator 3: Number of reserves that are offering educational programs to people in the reserves or in buffer zones.	3	4	9	10	10	NA	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	SO	Cumulative Number	Moises Bertoni Foundation and Desdel Chaco Foundation	Various models of biodiversity conservation and of sustainable use of natural resources will permit more possibilities for the conservation of important ecosystems in Paraguay.
Indicator 2:	IR	Cumulative number	Moises Bertoni Foundation.	Each viable economic alternative being carried out on a private property will be counted.
Indicator 3:	IR	Cumulative number	Moises Bertoni Foundation and Desdel Chaco Foundation	Environmental education programs being conducted that demonstrate some measurable, positive impact.

	U.S. Financing (In thousands of dollars)		
Program: Paraguay			
Title and Number: Improved Management of an Expanded Protected Areas System, 526-002			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	525 DA	150 DA	375 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	525 DA	485 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	1,050 DA	635 DA	415 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	1,050 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Increased Use of Voluntary Family Planning Services, 526-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: In 1994, the Government of Paraguay (GOP) made reproductive health and family planning a priority. The Ministry of Health's (MOH's) reproductive health plan endorsed reproductive health activities and established a variety of goals aimed at fighting the country's very high maternal mortality rate and estimated annual population growth rate (2.6%). The country continues to struggle with major reforms in health, education, and family planning services. The purpose of this Special Objective is to increase current contraceptive prevalence by expanding access and use of voluntary family planning services that reduce maternal mortality and unwanted pregnancies, especially targeting poor women, rural populations and other marginalized groups.

Key Results: Three results are being achieved under this objective: 1) access to reproductive health services is being expanded by offering these services through existing public and private facilities which do not provide them, rather than establishing new facilities; 2) the quality of reproductive health and family planning services is being improved by the establishment of a range of modern family planning methods; and 3) the sustainability of family planning services is being advanced.

Performance and Prospects: Performance has been better than expected. A national reproductive health survey has demonstrated that contraceptive prevalence for women between the ages of 15 and 49 using modern methods has gone from 35% in 1990 to 48% in 1998. This upward trend is expected to continue. Couple-years of protection is expanding as a result of contraceptives supplied by the Ministry of Health, Population Services International, and the Paraguayan Center for Population Studies, the primary local non-governmental organization (NGO) supporting family planning services. Activities to assist the private sector organize cost-effective services are being carried out through local NGOs and U.S. cooperating agencies. USAID's support for expanded access to family planning services includes the expansion of community-based and alternative distribution systems, including an innovative contraception social marketing program, to reach under-served rural and marginal urban areas. In addition, program efficiency and sustainability are addressed through training and technical assistance in contraceptive logistics management, specialized clinical training, financial and program management, and closer coordination between the public and private sector.

USAID has continued introducing the concept of model quality service delivery in certain regions which more directly addresses specific community needs. This model included a basic package of selected family planning services for the community and established minimum service delivery conditions that assure quality family planning. The number of quality service delivery points has expanded quite rapidly.

Possible Adjustments to Plans: FY 2001 is the final year of implementation of this objective, therefore, no changes are planned.

Other Donor Programs: USAID assumed a leadership role in donor coordination and is leveraging additional resources toward key reproductive health results and developing new approaches that can be followed by other partners. The World Bank budgeted $22 million to decrease maternal and infant mortality in six departments in rural areas of Paraguay through improved hospital facilities and equipment, mobile health clinics, procurement of medicine and supplies, human resources training, and other activities with community outreach. The Inter-American Development Bank is

implementing a similar program to provide a parallel range of services in five additional rural departments. USAID has initiated demonstration projects that both of these banks can replicate on a larger scale.

The Pan-American Health Organization (PAHO) in Paraguay is working in health sector reform; the institutional development of the MOH; epidemiological surveillance of infectious diseases; and health promotion and prevention in maternal, child, and mental health. USAID collaborates closely with PAHO on policy development.

The United Nations Fund for Population Activities (UNFPA) is a key partner. Success in attaining family planning goals is facilitated by UNFPA's assurance of continued provision of contraceptive materials through 2002 and possibly beyond. PAHO and the United Nations Children's Fund (UNICEF) also provide technical assistance to primary care programs in family planning and reproductive health. The International Planned Parenthood Federation provides funding to its local affiliate for administrative and program costs. The German Technical Cooperation Agency provides support for a targeted adolescent reproductive health program.

The Japanese International Cooperation Agency is developing a decentralized health management model in the Department of Caazapa and is coordinating with USAID and the GOP under the U.S.-Japan Common Agenda to realize recommendations in reproductive health, such as training midwives and conducting information, education, and communication campaigns.

Principal Contractors, Grantees or Agencies: USAID implements the program through the following U.S.-based organizations: Population Services International, EngenderHealth, Johns Hopkins University, the University of North Carolina, and the Centers for Disease Control. Local organizations involved in implementation are the Paraguayan Center for Population Studies, the Information and Resources Center for Development, and Promotion for Health Improvement.

FY 2002 Performance Table

Paraguay: 526-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Quality service delivery points providing services in priority regions	3	17	22	42	30	NA	NA
Indicator 2: Percentage of young adults using contraception at first sexual intercourse	NA	35	NA	48	40	NA	NA
Indicator 3: Income generated by CEPEP	38	52	55	61	44	NA	NA
Indicator 4: Couple-years of contraceptive protection (CYP)	109,000	132,000	146,000	167,000	156,000	NA	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Cumulative number.	Ministry of Health's yearly assessment of the number of delivery sites that fulfill the criteria defined below.	A quality service delivery point is a service delivery site where trained staff, adequate supplies and suitable facilities are present simultaneously for the delivery of a basic package of family planning services to meet client needs. These services include IUD insertion, three modern methods at a minimum, counseling, and adequate follow up. Priority regions are the departments of Cordillera, Central and Missiones, plus the city of Asuncion.
Indicator 2:	IR	Percentage	The 1990 and 1995/6 National Reproductive Health Surveys and 1998 Interim Maternal and Child Health Survey conducted by the Centers for Disease Control and the Paraguayan Center for Population Studies.	Contraceptive use in this age group is a measure of access, reflecting knowledge and availability of services.
Indicator 3:	IR	Percentage	Paraguayan Center for Population Studies financial records	The percentage of CEPEP's operational budget covered by revenues generated from sales of commodities and fees for services.
Indicator 4:	SO	Number	The Ministry of Health, Paraguayan Center for Population Studies and Population annual reports of contraceptive supply distribution	The number of couples protected from pregnancy by family planning services during a one-year period, based on the volume of all contraceptives sold or distributed during that period.

	U.S. Financing (In thousands of dollars)		
Program: Paraguay			
Title and Number: Increased Use of Voluntary Family Planning Services, 526-003			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	2,300 DA	27 DA	2,273 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	2,000 DA	2,357 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	4,300 DA	2,384 DA	1,916 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	4,300 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Key Democratic Governance Practices Instituted, 526-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,850,000 DA; $3,488,000 ESF
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,600,000 DA; $3,500,000 ESF
STATUS: New
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: This new objective builds on USAID's previous strategy of strengthening selected key democratic institutions to achieve a second generation of reforms based on improving democratic governance practices. Examples of these key governance practices highlighted in the new democracy objective are transparent, participative decision-making; open, clear government management practices; a strong, active civil society; improved and responsive delivery of public services; and discussions on basic democratic issues at national and local levels.

Key Results: Three key intermediate results will be achieved: 1) more effective and accountable local governments developed to provide better services that are responsive to their citizenry; 2) informed citizens that participate more actively and effectively in increasingly democratic and transparent policy formulation; and 3) national democratic reform and decision-making at both local and national levels are more transparent and inclusive.

Performance and Prospects: USAID hopes to increase the ability of targeted local governments to plan, manage, and generate additional resources, and thus improve their capacity to deliver services. USAID will work to improve local government capacity by strengthening local government organizations, and developing systems for improved management and technical skills. USAID will also work to increase transparency and citizen participation while at the same time reducing the opportunities for corruption at the local government level. Finally, this strategy will work toward clearly defining and expanding the role of local governments by increasing their authority through greater decentralization of resources, decision-making, and basic public service delivery.

Developing an active civil society will increase citizen participation, both at individual and organizational levels, in the public decision making process. Activities in this area will include the continuation and expansion of public forums and debates on a variety of issues with locally and nationally elected representatives. This will increase the effectiveness of civil society organizations so they can provide needed services and influence national policy. This builds upon USAID's previous local-level participatory planning activities, such as designing community development plans, supporting local health councils, and promoting public municipal budget hearings.

Increased citizen participation in policy processes and in the oversight of public institutions is necessary. Civil society organizations (CSOs) must be able to monitor and pressure for transparency and reduced corruption in government functions. USAID will carry out strategies and activities to increase the institutional viability and sustainability of CSOs. This will include improving their internal financial management systems and diversifying their income base.

Expanding the national democratic reform process represents the continuation of efforts from USAID's FY 1997–FY 2000 Strategic Plan. There is a critical need and urgency to engage the Government of Paraguay (GOP) in a national dialogue that leads to clear activities that are implemented. USAID's support is focused in strengthening democratic practices to meet the goals of an informed and active civil society and by pushing the Reform of the State program in order to obtain a development agenda that serves national interests.

During FY 2001, funds will be used to: develop more effective and accountable local governments able to better respond to citizen's needs ($1,938,000 ESF/$940,000 DA); develop an active civil society with a voice in the decision-making process ($500,000 ESF/$990,000 DA); and expand the democratic reform process at the national and local levels ($1,050,000 ESF/$920,000 DA).

During FY 2002, $1,050,000 DA and $1,500,000 ESF will be used to continue assisting local governments provide better services that are more responsive to citizens' needs; $900,000 DA and $850,000 ESF will be used to increase citizen participation and to strengthen civil society's voice in the public decision-making process; and $650,000 DA and $1,150,000 ESF will be used to help local and national level reform and decision-making become more transparent and inclusive.

Possible Adjustments to Plans: No changes are expected at this time.

Other Donor Programs: The Inter-American Development Bank (IDB) recently signed an agreement to provide support to the Electoral Tribunal after USAID funding ends. The United Nations Development Program signed an agreement with the three major political parties to strengthen their ability to formulate strategic plans, programs, and government policies. The IDB has concluded a project with urban land registries in 14 municipalities and the World Bank funded a rural land register project. Both projects are targeted at increasing municipal revenues, which is very important for providing basic municipal services. The German Technical Cooperation Agency (GTZ) is working with USAID and the GOP to develop a legal framework for decentralization and an overall decentralization strategy. Both the IDB and World Bank are involved in the water and sanitation sector. USAID is coordinating its municipal activities in this sector with them.

The IDB is funding a large judicial infrastructure and institutional strengthening program with the Supreme Court that complements USAID activities in judicial reform. The GTZ and the European Union are continuing the training of judges, prosecutors, and public defenders in penal reform initiated by USAID. The IDB recently agreed to fund the implementation of a national anti-corruption plan that was jointly presented by USAID and the World Bank Institute. Both the IDB and World Bank are funding national reform activities. USAID is participating in this process by supporting the involvement of civil society in policy reform.

Principal Contractors, Grantees, or Agencies: USAID implements activities through several U.S. and local organizations. U.S. principal contractors and grantees are the International Foundation for Electoral Systems, the Urban Institute, and Management Sciences Inc. Local NGOs and grantees include the Information and Resources Center for Development, the Paraguayan Center for Economic Liberty and Social Justice, and Alter Vida. Other local and international contractors/grantees may be selected.

FY 2002 Performance Table

Paraguay: 526-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Improved and responsive delivery of public services, participative decision-making, active civil society, and transparent government management practices.	N/A	N/A	N/A	Qualitative	N/A	Qualitative	Qualitative
Indicator 2: Percentage of population who express satisfaction with local government service delivery.	N/A	53	N/A	N/A	N/A	65	67
Indicator 3: Number of civil society organizations showing improvements in the CSO index.	N/A	0	N/A	N/A	N/A	5	8
Indicator 4: Policy, legal and regulatory reforms improving democratic processes implemented by the GOP.	N/A	N/A	N/A	0	N/A	0	1

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	SO	Number	Expert panels, IR indicators, number of participation mechanisms, reform documentation.	Improved and responsive delivery of public services, participative decision-making, active civil society, and transparent government management practices.
Indicator 2:	IR	Percentage	Program evaluations.	Percentage of population who express satisfaction with local government service delivery.
Indicator 3:	IR	Number	Surveys.	Number of targeted CSOs improved in the following: legal environment, organizational capacity, financial viability, advocacy, public image, and provision of services.
Indicator 4:	IR	Number	Program evaluations.	Number of policy, legal and regulatory reforms improving democratic processes implemented by the GOP.

	U.S. Financing (In thousands of dollars)		
Program: Paraguay			
Title and Number: Key Democratic Governance Practices Instituted, 526-004			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	2,850 DA		
	0 CSD		
	3,488 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	2,850 DA		
	0 CSD		
	3,488 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	2,600 DA	13,240 DA	18,690 DA
	0 CSD	0 CSD	0 CSD
	3,500 ESF	1,212 ESF	8,200 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Sustainable Management of Globally Important Ecoregions Improved, 526-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,000,000 DA
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $750,000 DA
STATUS: New
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: Increased integration with the efforts of neighboring countries has become more important with Paraguay's participation in the Southern Cone Common Market (Mercosur) and growing regional integration. Under this objective, programming will be: 1) directed at globally significant ecoregions (Pantanal wetlands, interior Atlantic rainforest and the Chaco dry forest); 2) integrated with efforts in Argentina, Bolivia, and Brazil; and 3) led by Paraguayan non-governmental organizations (NGOs), civil society organizations (CSOs), and municipal and departmental governments possessing the skills required for competent participation in these efforts. Coordination with other donors, and with neighboring USAID programs in Bolivia and Brazil, is essential for program success.

Key Results: Two key results will be achieved: 1) Paraguayan leaders will be trained and targeted NGOs will be strengthened; and 2) the necessary policy, legal, and financial tools will be developed by Paraguayan NGOs, CSOs, and municipal, central and departmental authorities. This will improve the overall sustainable management and protection of globally important ecoregions shared with neighboring countries. Democracy will also be strengthened in Paraguay through the further development of an active civil society, improved local government capacity, and greater stability through environmental protection.

Performance and Prospects: Paraguay, with one of the highest rates of deforestation in the world, continues to lose 10% of its remaining forest cover every year, threatening the future of unique regional ecosystems. Development of ecoregional conservation plans will include a series of stakeholder analyses, biodiversity and socio-economic assessments, cross-border planning workshops, and inter-governmental review of ecoregional conservation plans. Three ecoregional conservation plans were developed jointly with the Secretariat of the Environment, and implementation has begun.

Many Paraguayan NGOs and CSOs have the potential and interest in participating in this regional effort and effectively influencing how the conservation of these key ecoregions will be implemented. Technical assistance and training, advocacy skills, and management improvement are still needed to better coordinate with regional and local efforts to achieve a greater impact under this objective.

Local governments often lack the requisite technical abilities and environmental awareness to effectively contribute to environmental management. Given other donor support to the national government, and the growing trend toward the decentralization of power, USAID will assist in developing environmental leaders at departmental and municipal levels. NGOs and civil society strengthening are a current focus of USAID programming and will continue to be emphasized across our objectives.

Conservation effectiveness in Paraguay is currently limited by policy, legal, and financial constraints. In order for ecoregional conservation plans to be completed and implemented, it is imperative that Paraguay develop the necessary mechanisms to support them. This directly complements planned USAID activities in democracy directed at implementing and sustaining a policy dialogue on key national issues. Legal, regulatory and policy changes will be targeted in

Paraguay, based on ecoregional conservation plans, bilateral treaties, and Mercosur agreements. These policy changes will include improving legislation for private land reserves, ensuring public participation in the environmental impact assessment process, and promoting legislative changes.

During FY 2001, $500,000 will be used to strengthen the ecoregional management capacity of local NGOs and $500,000 for the development of policy, legal and financial tools for improved ecoregional management.

During FY 2002 $750,000 DA will be used to continue activities with local NGOs and international organizations to protect the Chaco and Pantanal ecoregions.

Possible Adjustments to Plans: No changes are expected at this time.

Other Donor Programs: USAID has taken the initiative to convene several meetings of a donor roundtable. USAID has also facilitated policy dialogue at the regional level (Brazil, Argentina, and Paraguay), such as the presentation of the biological vision for the interior Atlantic rainforest that involved GOP officials and the ambassadors from the United States, Argentina, and Brazil. The Inter-American Development Bank recently signed an agreement to financially support the Secretariat of the Environment to develop a national environmental management system, strengthen environmental entities, and create a fund for environmental investments. The Global Environmental Fund is providing a grant to a local NGO to continue the private reserve program previously financed by USAID. The Japanese International Cooperation Agency is continuing a reforestation program that may help expand the interior Atlantic rainforest in Paraguay. The German Technical Cooperation Agency is working with the GOP and USAID to develop a national strategy for the protection of natural resources. The European Union is funding a project focused on the sustainable use of the Chaco region, which includes an improved park management component.

Principal Contractors, Grantees or Agencies: U.S. organizations involved in the implementation of this objective are The Nature Conservancy and the World Wildlife Foundation. Two local NGOs, Desdel Chaco and Institute for Environmental Law, are also involved.

FY 2002 Performance Table

Paraguay: 526-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: National environmental policy, legal and regulatory framework, and compliance with international and bilateral treaties improved.	N/A	N/A	N/A	0	N/A	1	2
Indicator 2: Number of ecoregional conservation plans developed, approved, and implemented with adequate Paraguayan participation.	N/A	N/A	N/A	0	N/A	1	2
Indicator 3: Number of targeted NGOs and CSOs strengthened.	N/A	0	N/A	N/A	N/A	2	4

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number	Program Evaluations.	Technical assistance will be provided to develop and promote the adoption of a national environmental policy; to analyze the current environmental legislation, identifying its strengths and weaknesses in order to propose improvements through an optimization plan; and, to improve the compliance with international and bilateral treaties.
Indicator 2:	SO	Number	Program Evaluations.	Number of ecoregional conservation plans developed, approved, and implemented with adequate Paraguayan participation.
Indicator 3:	IR	Number	Surveys.	Number of targeted NGOs and CSOs strengthened in the following: legal environment, organizational capacity, financial viability, advocacy, public image, and provision of services.

	U.S. Financing (In thousands of dollars)		
Program: Paraguay			
Title and Number: Sustainable Management of Globally Important Ecoregions Improved, 526-005			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	1,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	750 DA	4,000 DA	5,750 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Use of Voluntary Reproductive Health Services Increased, 526-006
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,495,000 DA
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,025,000 DA
STATUS: New
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: Reproductive health care is important in Paraguay because of a desire to solve two acute problems in the area of human reproduction: 1) the unacceptable levels of maternal mortality and infant mortality (69% of which is attributable to preventable disease) and 2) excessively high levels of fertility. Effective health care delivery at the community level can be strengthened by channeling services through local democratic institutions. A significant foundation for improved decentralized health services design and delivery at the municipal level has already been created with USAID support. This decentralization of the provision of health services complements efforts to strengthen democratic processes, while effectively addressing health concerns.

Key Results: Two intermediate results will be achieved under this objective: (1) decentralized community based health care will be provided; and (2) access to quality reproductive health services will be expanded.

Performance and Prospects: USAID will build on its past program, maintaining a focus on increasing the use of reproductive health services. USAID will also improve decentralized community health care, increase community participation, encourage local-level management of health providers, and build NGO capacity. Technical assistance is being directed at providing health services through local governments and the private sector. Community outreach programs will be strengthened, including the development of a reproductive health promotion campaign, and donor coordination will continue to be enhanced. This objective is closely linked with the democracy strategic objective, and activities will be mutually reinforcing.

With the implementation of health decentralization now progressing at all levels and the continued downward transfer of both authority and responsibility, USAID believes that a framework exists for improved delivery of basic reproductive health services. Other multilateral donors, NGOs, and private sector providers will be engaged in extending coordinated reproductive services to appropriate components of the Paraguayan population. The division of labor (both geographical and categorical) should enable widespread coverage of the populated areas of Paraguay.

The Ministry of Health (MOH) recently finalized a new National Reproductive Health Plan for the country. USAID will, in coordination with national-level authorities, including the Technical Planning Secretary, the National Women's Secretary, the MOH and others, support the effective implementation of this and other national-level policies throughout the country. Local health councils will be an integral part of community participation activities related to health planning. USAID will build on current successes in increasing community participation in the health sector, as well as in other areas. Strengthening community participation, through local health councils and other means, will result in the delivery of appropriate services that meet local demands. Strengthened participation in health service delivery will contribute to more transparent public management in general and the creation of an empowered civil society.

USAID will implement a demonstration model of a maternal health system. The model uses design teams whose members include local MOH officials, hospital and clinic health administrators, health providers, traditional birth attendants, and community members. These teams identify the most significant barriers to the provision of quality maternal health services and devise local solutions to their problems. Interventions are directly aimed at increasing the demand for services through

information, education, and communication activities and assuring essential obstetric care is provided to women during pregnancy and childbirth.

During FY 2001 and FY 2002, funds will be used to improve decentralized community based health care ($1,145,000 in FY 2001/$805,000 in FY 2002) and expand access to quality reproductive health services ($1,350,000 in FY 2001/$1,220,000 in FY 2002).

Possible Adjustments to Plans: No changes are expected.

Other Donor Programs: Initiated by USAID, a donor roundtable on health was recently established to coordinate successful experiences and to plan for the future. The client oriented, provider efficient (COPE) model to improve the quality of health care initiated by USAID is being expanded to other areas of the country by the World Bank, the United Nations Children's Fund (UNICEF), and the United Nations Fund for Population Activities (UNFPA). The UNFPA is also expanding the contraceptive logistic management system designed for the MOH with USAID assistance. UNICEF intends to strongly support future decentralization efforts and is committed to coordination with USAID.

The World Bank has a project to decrease maternal and infant mortality in six departments in rural areas of Paraguay. The Inter-American Development Bank is implementing a similar project to provide a parallel range of services in five additional rural departments. The Pan-American Health Organization (PAHO) is working in health sector reform; the institutional development of the MOH; epidemiological surveillance of infectious diseases; and health promotion and prevention in maternal, child, and mental health. USAID has cooperated with PAHO in activities related to health sector reform and decentralization.

The German Technical Cooperation Agency has a program on reproductive health for adolescents. The Japanese International Cooperation Agency is starting a project that will strengthen maternal and infant health services in three rural departments with a strong emphasis on training nurses and obstetricians. USAID is actively participating in an interagency task force on maternal mortality that includes other donors, the MOH, and other GOP agencies.

Principal Contractors, Grantees or Agencies: USAID implements the program through the following U.S.-based organizations: Population Services International, Engenderhealth, Johns Hopkins University, and the Centers for Disease Control. Local organizations funded by USAID are the Paraguayan Center for Population Studies; and the Information and Resources Center for Development and Promotion for Health Improvement.

FY 2002 Performance Table

Paraguay: 526-006

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Targeted facilities that have the capacity to provide basic essential obstetric care.	NA	NA	NA	0	NA	20	40
Indicator 2: Number of target facilities providing adequate health care.	NA	0	NA	NA	NA	10	13
Indicator 3: Communities offering basic health services.	NA	NA	NA	0	NA	3	5
Indicator 4: Couple years of contraceptive protection (CYP)	NA	NA	NA	167,000	NA	180,000	200,000

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percentage	Program evaluations.	Percentage of targeted facilities that have the capacity to provide basic essential obstetric care.
Indicator 2:	IR	Number.	Ministry of Health (MOH) and program reports.	Number of target facilities providing adequate health care in these elements of quality: technical competence, choice of contraceptive methods, and information given to clients.
Indicator 3:	IR	Number.	Program evaluations.	Number of communities offering basic health services which includes, local health plans, a data collection process, a basic health packages definition, a system of promoters and financial and management information systems funcioning.
Indicator 4:	SO	Number.	The Ministry of Health, local NGOs and the Pharmacies Association's annual reports of contraceptive supply distribution	The number of couples protected from pregnancy by family planning services during a one-year period, based on the volume of all contraceptives sold or distributed during that period.

	U.S. Financing (In thousands of dollars)		
Program: Paraguay			
Title and Number: Use of Voluntary Reproductive Health Services Increased, 526-006			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	2,495 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**2,495 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**2,025 DA**	12,500 DA	17,020 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Increased Incomes for the Poor in Selected Economic Regions, 526-XXX
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: TBD.
STATUS: New
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The purpose of this objective is to address poverty issues in three of Paraguay's poorest departments by generating employment and increasing income by expanding people's access to financial services and by encouraging economic reforms. The activities implemented under this objective will complement and reinforce USAID's main strategic objective in democracy. USAID is supporting policy reforms to address poverty issues through the provision of decentralized basic services, such as water, solid waste collection, education, public works, and health care. Improving reproductive health care and reducing maternal and infant mortality through increased community participation in local government processes are an important part of this process.

Key Results: Three results will be achieved under this objective: 1) business development strategies will be implemented, 2) financial services will be increased, and 3) the business environment for micro and small businesses will be improved.

Performance and Prospects: Recent studies conducted by the Paraguayan Bureau of Statistics and Census estimate that the level of poverty in Paraguay has increased. Approximately one-third of Paraguayans live below the poverty line, with the majority of them living in rural areas. These rural communities present similar characteristics: numerous small farmers, very rudimentary production techniques, limited access to credit, and many people living on land to which they have no legal title.

In the three departments selected (Concepcion, San Pedro, and Caaguazu), more than one-half of the population live below the poverty line. Business development services will support those companies, institutions, and individuals that provide services and supply products to local and international markets. This will ultimately result in higher incomes to the poor. Technical assistance and training will be provided to financial institutions to provide more financial services to residents in rural areas. The objective is to tailor financial services to the characteristics of rural and micro finance needs. Policy and regulatory support will be developed to ensure that whatever gains are realized by the poor will not be taken away through policy changes that offer unfair advantages to others.

Possible Adjustments to Plans: No changes are expected.

Other Donor Programs: The Inter-American Development Bank funded a $10 million global credit program for the micro enterprise sector from 1993 to 1996. A second $20 million phase began in 1997 and is scheduled to end in December 2001. A third phase that places more emphasis on rural financing is planned.

The German Cooperation Agency (GTZ) recently ended a three-year program to improve small and medium enterprise competitiveness by providing assistance in the formulation of policies, both at the public and the private levels. The GTZ also funded projects for rural development and soil conservation in the department of San Pedro. The International Fund for Agricultural Development funded a $22 million activity to provide credit to small-scale farmers.

Other donors are committed to rural development. For example, the European Union has a project that will focus on 14,000 rural families in the Department of Caaguazú by helping to solve land tenancy problems and providing basic infrastructure and training. The Swiss Association for

International Cooperation has a program to support post-crop mechanisms. USAID will work closely with other donors in the three targeted departments and will organize the donor community to facilitate selected policy interventions.

Principal Contractors, Grantees or Agencies: These organizations will be determined during the contracting process.

FY 2002 Performance Table

Paraguay: 526-XXX

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Specific improvements.	NA	NA	NA	TBD	NA	TBD	TBD
Indicator 2: Additional borrowers and savers.	NA	NA	NA	TBD	NA	TBD	TBD
Indicator 3: Number of poor with higher incomes.	NA	NA	NA	TBD	NA	TBD	TBD
Indicator 4: Completed business development strategies approved.	NA	NA	NA	TBD	NA	TBD	TBD

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number	Program reports.	Specific improvements.
Indicator 2:	IR	Number	Program reports.	Number of additional borrowers and savers.
Indicator 3:	SO	Number	Program evaluations.	Number of poor with higher incomes.
Indicator 4:	IR	Number	Program evaluations.	Number of completed business development strategies approved.

PERU

Program Summary (In Thousands of Dollars)				
Category	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
Development Assistance	24,388	27,904	29,071	28,646
Child Survival & Disease Fund	9,457	7,000	9,230	10,500
CACEDRF	0	0	0	0
Int'l Narcotics Control	32,800	25,000	25,000	79,000
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	300	5,785	5,688	12,500
P.L. 480 Title II	52,753	39,573	27,347	34,473
P.L 480 Title III	0	0	0	0
Total Program Funds	**119,698**	**105,262**	**96,336**	**165,119**

Mission Director, Thomas L. Geiger

PERU

Introduction

Peru's political and economic development in the new century presents a unique set of opportunities and challenges to further U.S. interests in a major country of the Latin America region. USAID/Peru's strategic plan is fully supportive of U.S. strategic goals of increasing adherence to democratic practices and human rights, reducing illicit drug production, promoting regional stability, and increasing global economic growth. USAID program support also aims to increase opportunities for the poor; improve the health of Peruvians at high risk; strengthen environmental management; expand opportunities for girls' quality basic education; and further implementation of the Peru-Ecuador Peace Accords by improving the quality of life of Peruvians along the border. USAID's top priority of strengthening Peru's democratic processes and institutions is central to its success in social development and economic growth.

Development Challenge

The global financial crisis combined with a turbulent political situation has put to test a decade of social and economic accomplishments. In the last two years, the gross domestic product (GDP) grew at a mere 1.5% on average annually as compared to 7% average annual growth in the early 1990s. The past year has witnessed a drying up of international credit, a tightening of local lending standards, an increasing of public external debt, a slowing down of debt reduction, and a growing population of poor people. Politically, the 2000 elections were very controversial, and were followed by President Fujimori's call for new elections and his subsequent resignation. However, with the stated commitment of the transition Government of Peru (GOP) to deepen and expand democratic processes, and the call for new elections in April 2001, Peru has an opportunity to strengthen its democratic government and broaden its open market economy.

To support these efforts, USAID has provided assistance to GOP institutions to conduct the 2001 elections and to further strengthen democratic processes and institutions. USAID assistance has helped to increase pre-election civic participation, increase the number of valid votes cast in elections, educate citizens regarding their rights and responsibilities, and create conditions that facilitated the reporting of deficiencies in the elections.

Peru's excellent cooperation with the United States in achieving shared counternarcotics goals has resulted in Peru receiving full narcotics certifications for the last five years. Since 1995, coca cultivation has decreased by a remarkable 70% due to the successful U.S./Peru law enforcement effort and USAID's alternative development program, resulting in the reduction of the potential flow of harmful drugs to the United States and other consumer nations by 315 metric tons.

U.S. support of market reforms, export promotion, and economic growth has helped to make Peru's free market economy one of the most important in Latin America. The United States remains Peru's largest trading partner and foreign investor. In 2000, USAID helped to create over 5,300 new jobs, provide credit to nearly 70,000 micro-entrepreneurs, and generate $14 million in sales. USAID's food assistance program addressed the food security needs of over one million poor people, focusing on malnourished children and their families.

Over the last decade, the overall health of Peruvians has improved significantly, however services still do not meet quality standards to respond to those most at risk. USAID assistance has helped to improve the management and quality of health care in regions with the greatest need, resulting in a 25% drop in maternal mortality in the last two years.

To respond to environmental threats, USAID efforts are improving environmental policies and promoting private sector participation. As a result, industrial plants have reduced pollution levels; environmental and natural resource laws have been enacted; protected areas have made management improvements; and the percentage of Peruvians with a concern for environmental matters has increased from 15% in 1998 to 30% in 2000.

Girls continue to face daunting challenges in completing primary school. Geographic, socio-cultural, economic, and academic factors make it harder for girls to enroll and stay in school. USAID is addressing this problem by establishing local networks to promote girls' quality education and develop cost-effective interventions to increase girls' education.

In 1998, Peru and Ecuador signed a Peace Agreement, ending a long-standing border conflict. The area is severely underdeveloped, but a Bi-National Plan seeks to improve socio-economic conditions. With a pledge of $20 million to Peru over five years, the USG, through USAID, supports activities to make improvements in latrines, classrooms, potable water systems and rural roads, already benefiting over 2,000 poor families living along the border.

In spite of recent setbacks, Peru has shown its resilience and capacity to withstand both external shocks and internal crises. However, lasting improvements in the areas in which USAID is currently involved will require continued assistance over the medium term.

Other Donors

The net development assistance to Peru during 1999, as per latest official figures, was $452 million. The U.S. was the second largest bilateral donor, contributing $124 million (30% of the total), behind Japan's $189 million (46% of the total), followed by Spain, the Netherlands and Germany. Japanese assistance was focused on economic infrastructure loans. World Bank and the Inter-American Development Bank provided assistance in economic and social infrastructure, financial system strengthening and humanitarian assistance.

FY 2002 Program

The FY 2002 program will continue to focus on the needs of Peru's disadvantaged population – the poor, women, children, indigenous groups and ethnic minorities. To promote a more democratic Peru, USAID will support activities aimed at strenghtening democratic processes and institutions, including increased independence and efficiency of the judiciary, protection of human rights, freedom of expression, access to the media, and reform of the electoral system. In alternative development, USAID will continue to reduce the illegal production of coca and promote a sustainable alternative licit economy for participating communities. To broaden economic growth, USAID will support the growth of ten economic corridors, and maintain its assistance to the poorest, food insecure people of the jungle and highlands. In health, USAID will support activities in family planning, reproductive health, child survival, infectious diseases and HIV/AIDS prevention, ensuring that mechanisms are in place to provide quality health care in the future. In the environment, USAID will implement innovative, replicable activities in biodiversity and pollution prevention, and strengthen local institutions. In girls' education, USAID will support the full implementation of community- and school-based activities in the rural areas with the greatest needs. Finally, USAID will continue to support activities that improve the quality of life of populations living along the Peru-Ecuador border.

PERU
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
527-001 Broader Citizen Participation in Democratic Processes				
- DA	3,000	3,100	3,000	2,526
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- INC	0	0	0	0
- ESF	300	285	2,200	10,000
- P.L. 480/II	0	0	0	0
527-002 Increased Incomes of the Poor				
- DA	6,020	7,350	7,415	5,920
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- INC	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	52,753	39,573	27,347	34,473
527-003 Improved Health, Including Family Planning, of High-Risk Populations				
- DA	11,292	13,350	14,468	15,900
- DFA	0	0	0	0
- CSD	8,407	6,500	8,132	9,500
- FSA	0	0	0	0
- INC	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
527-004 Improved Environmental Management in Targeted Sectors				
- DA	4,076	4,104	4,188	4,300
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- INC	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
527-005 Reduced Illicit Coca Production in Target Areas of Peru				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- INC	32,800	25,000	25,000	79,000
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
527-006 Expanded Opportunities for Girls' Quality Basic Education in Target Areas				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	1,050	500	1,098	1,000
- FSA	0	0	0	0
- INC	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
527-008 Improved Quality of Life of Peruvians Along the Peru-Ecuador Border Target Areas (Peru-Ecuador Border Region Development)				
- DA	0	0	0	0
- DFA	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- INC	0	0	0	0
- ESF	0	5,500	3,488	2,500
- P.L. 480/II	0	0	0	0
Totals				
- DA	24,388	27,904	29,071	28,646
- DFA	0	0	0	0
- CSD	9,457	7,000	9,230	10,500
- FSA	0	0	0	0
- INC	32,800	25,000	25,000	79,000
- ESF	300	5,785	5,688	12,500
- P.L. 480/II	52,753	39,573	27,347	34,473

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE: Broader Citizen Participation in Democratic Processes, 527-001
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,844,000 *(DA), $3,200,000 (ESF)**
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,526,000 (DA), $10,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Strengthening Peru's democracy requires increased citizen participation in decision making and greater government responsiveness to citizens' needs and wishes. USAID's democracy activities target individuals and community groups previously excluded from access to fair and equitable decision making, including indigenous groups, women, minorities and the poor, and helps to strengthen key democratic institutions. Activities further key commitments made at the Summit of the Americas (e.g., support for democracy and human rights, education for democracy, rights of women and indigenous populations, strengthening of civil society, municipal and regional administrations, and anti-corruption). The activities also contribute to the agency goal of strengthening democracy and good governance, and the Mission Performance Plan (MPP) goal of fostering broad recognition in Peru of the need for strong, autonomous democratic institutions and increased respect for human rights.

Key Results: USAID's successful performance in the area of electoral participation was reflected in the success of efforts to draw Peruvians from around the country into pre-election civic participation and in the significantly increased percentage of valid votes cast during the first round of presidential elections in 2000 (76% vs. 61% in 1995). USAID counterparts contributed to an improvement in voter turnout between the 1995 elections and the first round of elections in 2000 as well (83% vs. 71% in 1995). Also, the percentage of Peruvians who know where to go to protect their rights increased to 82% by 1999, from 77% in 1997.

Performance and Prospects: Performance during 2000, which turned out to be a tumultuous political year, was good, but within an extremely challenging environment for democracy. USAID's efforts to strengthen civil society helped to create the conditions (specifically, raising questions about the legitimacy and credibility of President Fujimori's victory and educating citizens to protect their rights) which ultimately led to a call for new elections and President Fujimori's resignation and removal from office.

Progress has been made in terms of enhancing individual Peruvians' knowledge of their rights and responsibilities, particularly with regard to the electoral process. USAID provided assistance to local civil society organizations in support of free, fair, and transparent elections encouraging maximum, informed voter participation during the 2000 elections. As a result, citizen awareness about the importance of participating in elections increased, reaching more than 50% of the electorate. During the election, the USAID-supported local non-governmental organization (NGO) Transparencia worked on a number of fronts; the group conducted a comprehensive, pre-electoral observation effort and served as the main source of electoral information in Peru, providing regular, up-to-date information on electoral issues. On election day, the group fielded close to 20,000 domestic election monitors, conducted a quick count of first round election results, and received and processed complaints. USAID-supported NGOs encouraged the participation of women as candidates for Congress and provided training to those who were elected in order to make them more effective legislators. The percentage of women elected at the national level increased by 100% in five years, rising from 11% in 1995 to 22% in 2000, and far exceeding planned expectations. The USAID-funded NGO Rural Education Services, working in the highland areas of

* This excludes $156,000 NOA swapped for a like amount of FY 2000 carryover
** This includes a $1.0 million transfer from the Human Rights and Democracy fund

the country where voter turnout has traditionally been very low, laid the groundwork for increased, informed voter participation. In these areas, results showed an increase of 13% to 21% in voter turnout, and a 6% to 12% decrease in the percentage of null ballots. These figures exceeded national improvement rates. The Institute for Dialogue and Proposals, in collaboration with Culture TV, developed an innovative program to promote citizen education and local participation through television. With USAID support, the organizations created a network of more than 70 regional television stations that reached almost two million people, especially those living in poor, rural areas. USAID also supported the National/International Forum to promote more informed participation of young people. Approximately 650 youth leaders from universities, institutes, and community organizations in 12 cities around the country were trained in voting and democracy issues.

Also in 2000, USAID supported international observation and supervision of the electoral process through the Organization of American States (OAS), the National Democratic Institute, and the Carter Center, all of which played a critical role in identifying issues to be resolved during the run-up to the elections on April 9th. Their expert opinions and international reputations for providing highly credible, fact-based reporting and advice on the conduct of free, fair, and transparent elections were instrumental in keeping key issues in these elections in the public's view both domestically and internationally. Because the Government of Peru did not act on recommendations made by these three groups, all of them effectively concluded that the electoral process did not meet minimum, international standards for free, fair and transparent elections. As a result, tremendous national and international pressure was brought to bear on President Fujimori after his controversial victory in the second round.

USAID contributed to Peruvian citizens becoming better prepared to exercise their rights and responsibilities through its training programs in political and women's rights, rights-based learning programs in schools, and through support to the Peruvian Institute for Education in Human Rights and Peace, which, in coordination with the Office of the Ombudsman and the National Coordinator for Human Rights, trained an additional 637 community human rights promoters (363 men and 274 women) in 2000. In turn, these human rights promoters, along with the more than 1,000 others trained to date, have trained more than 185,000 people in their communities.

Progress toward greater access to justice continued to be satisfactory, based on the number of persons released from prison who were "unjustly" sentenced on charges of terrorism (109 people liberated through the efforts of the Ad Hoc Pardon Commission and the Legal Defense Institute), and the number of poor who received legal assistance. The Ministry of Justice (MOJ), which took over responsibility for addressing miscarriages of justice related to terrorism in early 2000, has done little to continue the effort. However, the newly designated Minister of Justice may take a more proactive approach to the resolution of pending cases. During 2000, USAID-financed legal clinics and conciliation centers continued to provide free legal and conciliation services to the poor. Sixty percent of the more than 145,000 cases processed in 2000 were domestic violence and child support cases brought by women. USAID support provided conflict resolution training to more than 1,500 conciliators in preparation for the law that became effective in March 2001 requiring conciliation as a first step in most civil cases.

Through its alternative development activity, USAID has continued to provide support to the 77 member Municipal Association of the San Martin Region, strengthening its management capacity and providing it with mechanisms to increase citizen participation. Support was continued to the new Municipal Association of the Apurimac River Valley, an association of seven municipalities, to reinforce its operating capacity and to help improve basic social services that will be administered by the municipalities. USAID supported training programs that served more than 300 women elected to municipal office in local management, as well as integration of gender in municipal plans. Because local governments in Peru continue to have scant resources and little authority, more support is needed to promote effective decentralization in Peru.

Following the controversial elections of 2000, growing political and economic instability accompanied by corruption scandals forced President Fujimori to call for new elections in 2001, followed by his resignation and subsequent removal from office. The extraordinary April 2001 electoral period has presented tremendous challenges and opportunities to USAID's democracy activities. In FY 2001, USAID is supporting the new electoral process using ESF resources. DA resources will be used to provide incremental support for the promotion and defense of human rights; the dissemination and monitoring of conciliation services as an effective means to resolve conflicts; and for activities aimed at strengthening democratic participation and knowledge of democratic issues.

Beginning in 2001 and continuing into 2002, USAID financial resources will be used to strengthen democratic processes and institutions in Peru in critical areas, including greater judiciary independence and efficiency, greater protection of human rights, increased freedom of expression, greater access to the media, and electoral system reform. USAID plans to achieve this objective through strengthening civil and political society advocacy efforts for democratic reform, such as support to networks of civil society organizations to help develop concrete institutional reforms in select public sector institutions. Funding will also be provided to monitor the democratic reform process and to help channel citizen input into reform through civil society efforts, including support to media organizations. Strengthening judiciary independence and efficiency as well as decentralization and local government strengthening will be two areas of likely ESF support in 2002.

In FY 2001, ESF which includes carry over funds will support the 2001 electoral process through programs of electoral observation ($2,350,000), electoral education ($1,650,000), and technical assistance to electoral bodies ($3,215,000). In 2001 DA including carryover funds will be used to support the following: 1) promotion and defense of human rights ($300,000); 2) dissemination and monitoring of conciliation services ($300,000); 3) strengthening democratic institutions and democratic participation, and increasing knowledge of democratic issues ($1,800,000). The remainder (about $600,000) will fund activity management costs.

In FY 2002, ESF funds will support citizen input into democratic reform efforts through civil society ($1,000,000) and human rights activities ($1,000,000). Two other areas of likely support are strengthening the independence and efficiency of the judiciary (approximately $4,500,000), and decentralization and local government strengthening ($3,500,000). USAID will use FY 2002 DA resources to strengthen civil and political society advocacy efforts for democratic reform, such as support to networks of civil society organizations to help develop concrete institutional reforms in selected public sector institutions. Allocation of resources will depend on the outcome of the 2001 elections and the commitment of the new government to institutional reform.

Possible Adjustments to Plans: After a new president and congress are elected, USAID plans to review the new government's commitment to democratic reform and consider funding institutional reform efforts.

Other Donor Programs: In 2000, the Governance Group (comprised of the United States, Germany, Canada, Switzerland, Finland, the European Union, and United Nations Development Program, among others), founded with USAID support, concentrated efforts in two areas: elections and strengthening of regional and local governance. USAID had a successful experience during the 2000 electoral process working with this group, as evidenced by the substantial, donor-coordinated assistance provided to the Office of the Ombudsman to advance human rights and to Transparencia to enhance electoral participation and transparency. Donor coordinated efforts have increased for the extraordinary 2001 general elections in that USAID, together with the Canadian Cooperation Agency, is leading a donors group made up of 25 international organizations and embassies in order to share information and coordinate and complement efforts. Members of the Governance Group and the Inter-American Development Bank are supporting decentralization activities and

modernization of the justice sector. Support to the newly elected government will require coordination of assistance within the donor community in order to identify priorities and avoid duplication of efforts and resources.

Principal Contractors, Grantees, or Agencies: U.S. organizations include: International Foundation for Electoral Systems and the National Democratic Institute. Peruvian agencies and organizations include: Office of the Ombudsman, Ministry of Justice, National Office of Electoral Processes, and various local civil society organizations working on human rights and political rights issues (e.g. Peruvian Institute for Education in Human Rights and Peace, Legal Defense Institute, Transparencia, Rural Education Services, and the Institute for Dialogue and Proposals, among others). International agencies include the Center for Electoral Promotion and Assistance.

FY 2002 Performance Table

Peru: 527-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Valid votes cast as a percent of registered voters in presidential elections	NA	NA	NA	76	70	80	NA
Indicator 2: Number of incarcerated citizens who are "unjustly" accused of terrorism	516 (* 1,273)	546	24 (*359)	250 (*)	200	50	NA
Indicator 3: Valid votes cast as a percent of registered voters in congressional elections	NA	NA	NA	68	55	68	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	SO	Percent	National Electoral Processes Office, official election results	A registered voter is defined as any person registered on the official voter rolls. A valid vote is defined as any ballot other than a blank or null ballot. This indicator measures effective participation in electoral processes. It combines turn-out (exercising the right to vote) and correct voting (proper marking of the ballot).
Indicator 2:	IR	Number	National Human Rights Coordinator Annual Human Rights Report	USAID relies on the human rights NGOs that are members of the National Human Rights Coordinator to determine who is innocent of terrorism charges (i.e., "unjustly accused"). A person is considered innocent when it is clear that: 1) he/she does not belong to a terrorist organization; and 2) he/she has not voluntarily collaborated with any such organization. Results are based on an exhaustive analysis of information gathered through document reviews and interviews. Since the NGOs have not reviewed all existing cases of terrorism and additional cases come into the system every year, the number of "unjustly accused" may continue to grow. (*) Adjusted baseline information considers new innocent people detained during the period.
Indicator 3:	IR	Percent	National Electoral Processes Office, official election results	A registered voter is defined as any person registered on the official voter rolls. A valid vote is defined as any ballot other than a blank or null ballot. This indicator measures effective participation in electoral processes. It combines turn-out (exercising the right to vote) and correct voting (proper marking of the ballot). NOTE: The survey that provides information for two prior year indicators was not performed last year; therefor those indicators are not being reported this year. A new indicator referring to congressional elections has been added.

	U.S. Financing (In thousands of dollars)		
Program: Peru			
Title and Number: Broader Citizen Participation in Democratic Processes, 527-001			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	9,300 DA	6,509 DA	2,791 DA
	100 CSD	0 CSD	100 CSD
	4,443 ESF	4,286 ESF	157 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,100 DA	3,838 DA	
	0 CSD	100 CSD	
	430 ESF	535 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	12,400 DA	10,347 DA	2,053 DA
	100 CSD	100 CSD	0 CSD
	4,873 ESF	4,821 ESF	52 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	156 DA		
	0 CSD		
	4,015 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	2,844 DA*		
	0 CSD		
	3,200 ESF**		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	3,000 DA		
	0 CSD		
	7,215 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NO	2,526 DA	3,778 DA	21,704 DA
	- CSD	- CSD	100 CSD
	10,000 ESF	- ESF	21,873 ESF
	- SEED	- SEED	0 SEED
	- FSA	- FSA	0 FSA
	- DFA	- DFA	0 DFA

* This excludes $156,000 NOA swapped for a like amount of carryover.

** This includes $1.0 m transfer from Human rights and Democracy Fund

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE AND NUMBER: Increased Incomes of the Poor, 527-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $7,415,000 (DA), $27,347,000 (PL 480)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $5,920,000 (DA), $34,473,000 (PL 480)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: Peru continues to face the serious problem of widespread poverty, as nearly 54% of the population is poor and close to 15% is considered extremely poor. USAID provides opportunities to increase economic well-being through income and employment generation activities, while alleviating some of the consequences of extreme poverty such as malnutrition. Activities include a variety of interventions under P.L. 480 Title II food assistance, along with support to microenterprise and small producers, strengthening of non-governmental organizations (NGOs) that provide assistance to the poor, and poverty reduction initiatives in selected economic corridors that link poor districts with growing economic markets in intermediate cities.

Consistent with the Mission Performance Plan (MPP) goal of encouraging broad-based economic growth and development in Peru, activities are designed to: increase productivity and market access for microentrepreneurs and small farmers; improve the capacity of the extremely poor; increase access to financial services; and improve policies for broad-based growth. These results reflect USAID's customer focus on microentrepreneurs and other poor people living primarily in the highlands and jungle areas of Peru where poverty is most severe. These activities, which improve the productive capacity of the poor by providing access to finance, education, nutrition, and employment opportunities, are also a key element in USAID's contribution to the Summit of the Americas Plan of Action goal of eradicating poverty and discrimination in the hemisphere.

Key Results: In spite of the economic recession and the uncertainty surrounding the April 2000 elections, USAID assistance was directly responsible for the increase of $14 million in sales by microentrepreneurs and small farmers. Other achievements over the past year included the generation of 5,366 jobs and the provision of microcredit loans to over 69,400 microentrepreneurs, the vast majority of whom were women. P.L. 480 Title II activities contributed to reduced chronic malnutrition in targeted communities, and addressed the food security needs of 1.1 million people in over 5,600 communities through interventions focused on the short-term needs of malnourished children and their families, and the medium-term requirements of increasing household revenues to enable families to meet their basic needs.

Performance and Prospects: Recently published poverty data confirm that the poverty levels in 2000 increased from those reported in 1997, although extreme poverty remained unchanged. Although the Peruvian economy showed a small improvement in 2000, it was held back by the political instability generated by the controversial April 2000 national elections and later the sudden change of the Government of Peru (GOP) administration. Thus, the economy was not able to fully recover from the economic crisis of previous years and the overall economic situation for the poor did not improve. Nevertheless, during FY 2000, more than 3,200 poor microentrepreneurs and small farmers assisted by USAID's microentrepreneurs and small producers support (MSP) activity continued to increase their production and sales. The activity concentrated on efforts that support expanding market linkages with producers of highland and jungle crops, as well as selected manufactured products. Despite the ongoing recession that greatly dampened effective demand, increased sales for these products in 2000, which are directly attributable to the MSP activity, totaled $12.8 million, and the number of full-time jobs generated was 4,456, of which 2,047 were for women. These figures reflect the positive impact of this activity within a negative economic environment.

In 2000, USAID completed the establishment of Economic Business Centers (EBCs) in ten economic corridors in the highlands and the jungle. These corridors have a very high concentration of poor people, but also tremendous market potential. To date, six EBCs have assisted small farmers to increase their sales by $1.2 million and have created the equivalent of 910 full-time jobs, almost half of them for women.

In addition, the market linkages established with USAID assistance have leveraged nearly $2.4 million in new investments from the local private sector.

The provision of financial services is a significant part of USAID's effort to improve the income-generating capacity of the poor. As of December 2000, the USAID-assisted institutions' portfolio was $21.1 million. In 2000, all of USAID's direct credit funds were used to finance anti-poverty lending activities; the funds were used for loans under $400 and had an average repayment rate of 92.5%. In 2002, USAID expects to substantially expand its microcredit portfolio. In addition to direct credit services, USAID continues to provide microfinance assistance through the Consortium of Organizations that Support Small and Micro Enterprises, a local non-governmental organization (NGO) that services 17 NGOs and 10 specialized microenterprise financial institutions with a loan portfolio of $44 million and 77,000 clients.

With regard to improving the capacity of the extremely poor, USAID's P.L. 480 Title II activity focused on Peru's rural highland and jungle areas, where levels of poverty and extreme poverty are the highest. Reflecting an increased emphasis on longer-term solutions to food security issues, 80% of FY 2000 Title II resources were sold and the income was used to support microcredit and agricultural productivity. These activities directly contributed to improving the incomes and livelihoods of beneficiaries; over $17 million in sales were registered by the four agencies that implement income generation activities. Activities that produced the most sales were cattle raising and marketing, along with potato, barley, and corn production. However, food continued to be directly distributed to address short-term and more immediate needs. Over 94,100 families were provided with temporary employment, and over 283,880 children under five years participated in feeding activities designed to address malnutrition and to improve family health and nutrition practices. Close to 157,100 children graduated from feeding programs and 176,600 families improved their food production practices.

It is expected that the Peruvian economic situation will begin to improve, as will the economic prospects for USAID's beneficiaries, by FY 2002. Although MSP will end in 2001, a 12% increase in sales of MSP's client production is expected for that year, which would mean additional sales of $14.5 million. By 2002, all 10 economic service centers will be fully operational and USAID activities will generate a $14.8 million increase in sales and 6,200 new jobs. Title II cooperating sponsors are expected to contribute to an increase in customers' sales of $5.2 million and 5,200 new jobs. Additionally, it is expected that by 2002, 100,000 small farmers and microentrepreneurs will have access to sustainable financial services.

In FY 2001, DA funds will be used for: 1) technical assistance and training activities that increase small farmers' productivity ($1,220,000); 2) assistance to microentrepreneurs to increase access to markets and financial services ($3,700,000); 3) other market development services for small farmers and microentrepreneurs ($2,495,000) and; 4) interventions for improving policies for broad-based growth.

FY 2002 DA funds will be used to continue assisting small farmers to improve their production quality and to access new markets ($1,200,000) and expand the outreach of financial and non-financial services for microentrepreneurs ($3,200,000). Remaining funds ($1,520,000) will support the provision of a variety of business and production services, including market information, for microentrepreneurs and small farmers in 10 economic corridors, as well as interventions to improve the efficiency of social policies and increase public investments in those economic corridors.

Possible Adjustments to Plans: The P.L. 480 Title II activity will develop the final multi-year food assistance plans of our cooperating sponsors through scheduled closeout of the activity in 2008. Given the unanticipated economic conditions in Peru during the past few years, USAID plans to seek a more gradual reduction in Title II resources for the next two years than that which is currently planned. During 2001, USAID is designing a comprehensive microcredit activity that will begin implementation in FY 2002.

Other Donor Programs: In 2000, the GOP budgeted over $1 million under its anti-poverty program, a large part of it directed to social infrastructure and feeding projects. Virtually all of the major donor agencies have programs dealing with various aspects of poverty reduction in Peru, with the World Bank and the Inter-American Development Bank being important contributors to the effort. Loans are focused on road rehabilitation, social infrastructure, and water and sanitation projects. The principal venue for

cooperation among all donor agencies is the donor coordinating committee for the national poverty forums, which have been held annually over the past three years. In a collaborative effort, 20 bilateral and multilateral donors have brought together key institutional players in a nationwide series of workshops and forums focusing on the provision of basic services for the poor (1999), and employment generation (2000). The discussions generated specific strategic recommendations that are now being either considered or used in the programs developed and carried out by the GOP, NGOs, other development organizations, and recently by the 2001 presidential candidates. The focus of the 2001 forum will be on decentralization. Similarly, it will provide specific recommendations to policy decision-makers and political leaders.

Principal Contractors, Grantees or Agencies: Principal implementing U.S. organizations are: Chemonics, Cooperative for American Relief Everywhere (CARE), Catholic Relief Services, Technoserve, and the Adventist Development and Relief Agency International. Peruvian institutions include: The Exporters' Association, the Confederation of Private Business Institutions, Projects in Health, Medicine and Agriculture, and the Consortium of Organizations that Support Small and Micro Enterprises. USAID activities complement the anti-poverty programs of GOP Ministries (Presidency, Promotion of Women and Human Development, and Industries and Commerce). Although no project funds are provided to these ministries, USAID does coordinate closely with them on anti-poverty strategies and approaches to better utilize collective resources and to maximize the impact of all activities. Caritas is an international organization grantee.

FY 2002 Performance Table

Peru: 527-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of microentrepreneurs and small farmers with loans outstanding (previously stated as "with access to credit")	46,800	54,180	45,067	69,410	55,000	70,000	100,000
Indicator 2: Value of selected products	12,186	8,757	8,803	14,007	15,000	22,300.	20,000*
Indicator 3: Employment generated	6,099	4,799	3,406	5,366	6,000	11,000	11,400

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of Individuals	Annual Reports from CARE, Health, Medicine and Agriculture Data Processing, Catholic Relief Services	Number of microentrepreneurs and small farmers who have current loans from USAID-supported credit programs (credit retailers that receive funding and technical assistance to improve their credit provision capacity). The credit retailers report their entire outstanding portfolio, not just the portion funded by USAID.
Indicator 2:	IR	Thousands of U.S. dollars	Annual Reports from Microenterprise and Small Producers Support and Poverty Reduction Alleviation activities	Annual value of increases in sales of USAID's customers working with selected products, representing goods produced mainly by small farmers and microenterprises. *Target is lower due to the completion of the Microenterprise and Small Producers Support activity in 2001, and the initiation of the new cycle of Title II development programs in FY 2002 .
Indicator 3:	IR	Full time jobs created	Quarterly Progress Reports from Microenterprise and Small Producers Support activity	Full time jobs or equivalent generated by increased sales. (Includes seasonal employment; a full-time job is equivalent to 194 work days in the agriculture sector).

	U.S. Financing (In thousands of dollars)		
Program: Peru Title and Number: Increased Incomes of the Poor, 527-002			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	22,914 DA	17,923 DA	4,991 DA
	100 CSD	100 CSD	0 CSD
	2,671 ESF	2,590 ESF	81 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	7,200 DA	5,149 DA	
	0 CSD	0 CSD	
	0 ESF	79 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	30,114 DA	23,072 DA	7,042 DA
	100 CSD	100 CSD	0 CSD
	2,671 ESF	2,669 ESF	2 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	7,415 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	7,415 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	5,920 DA	2,065 DA	45,514 DA
	- CSD	- CSD	100 CSD
	- ESF	- ESF	2,671 ESF
	- SEED	- SEED	- SEED
	- FSA	- FSA	- FSA
	- DFA	- DFA	- DFA

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE AND NUMBER: Improved Health, Including Family Planning, of High-Risk Populations, 527-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $14,468,000 (DA)*, $8,132,000 (CSD)**
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $15,900,000 (DA), $9,500,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's health activities contribute to the agency goal of "world population stabilized and human health protected", as well as to the Mission Performance Plan (MPP) health and population goals, by helping build informed demand for health services and creating sustainable, high quality services. The activities also seek to promote healthy lifestyles and encourage behaviors that lead to reduced maternal and child mortality and morbidity. Health activities contribute to the Summit of the Americas Plan of Action by promoting equitable access to basic health services and strengthening the role of women.

USAID is working to accomplish the following results: 1) People take appropriate preventive actions (e.g., immunization) to prevent disease and have access to information on family planning services, which can reduce undesired pregnancies; 2) People take appropriate promotive actions (e.g., good breastfeeding and weaning practices) that contribute to good nutrition; 3) People take appropriate curative actions (e.g., oral re-hydration therapy and referral of high-risk pregnancies); and 4) Sustainable institutions and operations are in place to continue activities when donor investments end. The ultimate customers are infants and young children, women of reproductive age, and people at risk of HIV/AIDS, other infectious diseases, and malnutrition in Peru's rural and peri-urban highland and jungle areas. USAID is increasingly focusing on youth and indigenous populations.

Key Results: USAID assistance contributed to the development and institutional strengthening of 89 "model health centers" certified by the Ministry of Health (MOH) in priority regions of the country. The number of people in priority zones trained in key primary health interventions rose from 24,012 in 1999 to 28,563 in 2000, exceeding the target of 23,700 by almost 5,000 trainees. The number of condoms distributed or purchased through USAID-supported public and private sector channels increased from 38.9 million in 1997 to nearly 44.4 million in 2000 for contraceptive purposes and HIV/AIDS prevention. Seven USAID-supported non-governmental organizations (NGOs) achieved important results in institutional strengthening and capacity building in order to increase demand utilization of health and family planning services in over 1,000 remote, poor communities.

USAID's maternal and child health (Project 2000) activity had a significant effect on behaviors, attitudes, and health outcomes in the areas in which it operated. A USAID-commissioned study found that knowledge of alarm signs for childbirth was higher in Project 2000 sites than in control sites, and 79.2% of women interviewed expressed their intention to deliver their babies in MOH health facilities, versus only 62.7% from control areas. Most importantly, the maternal mortality ratio decreased 25% in Project 2000 areas, in contrast to a 1.9% increase in other areas of Peru.

Performance and Prospects: USAID's support for building sustainable institutions produced important results for both public and private sector health providers. Project 2000 continued improving the management and quality of care in 12 departments. Moreover, nearly 60% of the 2,452 health facilities located in Project 2000 target areas have initiated quality improvement programs, largely as a result of in-service training offered by Project 2000 training centers. A new budgeting and programming system, based on service delivery costs, has been installed in all 34 regional health directorates in Peru, and quality training has been implemented to ensure its efficient

* This excludes $250,000 NOA swapped for a like amount of FY 2000 carryover funds
** This excludes $200,000 NOA swapped for a like amount of FY 2000 carryover funds

utilization. The Government of Peru (GOP) continued to take on more responsibility for the purchase of contraceptives, and it is hoped that contraception provision activities will continue to move toward greater sustainability.

The Expanded Program on Immunization (EPI) continued its gradual but troubling decline in immunization coverage of children under one year of age. (EPI, which promotes delivery of vaccines to children worldwide, targets six major childhood diseases: polio, measles, tuberculosis, diphtheria, pertussis, and tetanus.) Measles coverage fell from 92.5% in 1999 to 92.0% in 2000; and coverage of diphtheria/pertussis/tetanus fell from 98.9% in 1999 to 97.1% in 2000. These declines were largely due to management problems. USAID's infectious disease activity implemented a surveillance and control system for hospital infections, studied the prevalence of infections, and trained over 1,000 health workers in 60 hospitals. USAID-sponsored research evaluated the efficacy of anti-malarial drugs and the emergence of insecticide resistance, and validated a rapid malaria test for use by health promoters.

The family planning activity has continued to recover from the setback caused by the unsuccessful Peruvian government sterilization campaigns of previous years. USAID continued to educate practitioners on the importance of patient counseling and quality reproductive health services, which stress informed decision-making. The total number of couple-years-of-protection, which had dropped from 1.9 million in 1997 to 1.1 million in 1998, rebounded to 1.4 million in 1999. Overall, surgical contraception declined significantly while other forms of contraceptive use, such as DepoProvera and condoms, more than doubled.

USAID's reproductive health activity implemented by ReproSalud, a local NGO, reached a large and growing number of women in poor communities with information and activities of different kinds. By the end of 2000, 241 women's community-based organizations (CBOs), which are responsible for prioritizing reproductive health problems and implementing projects to address those problems, had been started. In addition, ReproSalud has enjoyed great success in increasing male participation in family planning, and workshops for men have proved successful in changing attitudes of participants. The 241 CBOs have established relationships with 1,627 additional neighboring CBOs, increasing the reach of the project to a total of more than 1,321 communities. Direct beneficiaries for ReproSalud's educational activities now number more than 89,000 and will grow to 98,500 in 2002. During 2001, the advocacy component will result in increasingly strong relationships between CBOs and the MOH, increasing demand for MOH services that are responsive to women's needs.

As a result of USAID assistance to the MOH through Project 2000, which focused on the country's poorest regions, health indicators in Project 2000 areas have substantially improved. According to a study done by a USAID monitoring and evaluation team, the maternal mortality rate has declined in Project 2000 areas from 172 deaths per 100,000 live births in 1997 to 129 in 1999, a 25% decrease. In comparison, in non-Project 2000 sites, the rate went up slightly, from 103/100,000 in 1997 to 105/100,000 in 1999. Other USAID activities with Peruvian NGOs are resulting in significant gains in acceptance of family planning and other desirable reproductive health practices in difficult-to-reach areas with historically high rates of maternal mortality and poor health indicators. Max Salud, a private sector initiative to test alternative models of primary health care delivery in the north of Peru, managed over 400,000 client contacts in four years, established and monitored 20 community-based oral re-hydration centers, and trained and supervised over 120 community and youth health promoters and traditional midwives.

Activities in family planning and wider reproductive health, child survival, health reform, infectious diseases, and HIV/AIDS prevention are key to the impressive progress made in the health sector in Peru over the last decade. Positive performance is expected to continue through 2002, though hoped-for improvements in national health status will likely be tempered by the uncertain political and economic climate. Nevertheless, in 2001 and 2002, USAID's activities will be achieving or

exceeding planned results in a number of areas. For example, contraceptive prevalence should recover and surpass previous levels by 2002. The national epidemiological surveillance system will have begun national surveillance of sexually transmitted diseases and HIV/AIDS. Twenty-two new or upgraded laboratories will be tracking infectious diseases throughout the country. Improved MOH management capabilities will result in higher quality health services for the 80% of the population who use MOH services.

In FY 2001, Development Assistance (DA) will be used to: promote breastfeeding activities ($289,360); fund female education and empowerment in reproductive health, including family planning, sexuality reproductive tract infections and related themes ($7,234,000); and provide quality family planning services ($6,944,640). FY 2002 DA funds will be used to: promote breastfeeding activities ($275,200); fund female education and empowerment in reproductive health as stated above ($7,880,000); and provide quality family planning services ($7,744,800).

In FY 2001, $2,295,000 of the Child Survival and Disease (CSD) funds (including carryover funds) will support infectious disease prevention, control, and treatment. The remaining $5,837,000 CSD will be directed toward a range of activities that improve health care delivery in Peru. These activities include: improving the services and capacity of the MOH through staff training, improved management and information systems, and reforming health care financing; promoting biomedical and operations research; developing and testing private sector models of primary health care for families as an alternative to public system provision of care; improving quality and access to prenatal and delivery services to optimize maternal health and assure safe pregnancy; expanding integrated management of childhood illnesses, especially to prevent and treat acute respiratory infections and diarrhea disease; and improving the nutritional status of children, including the control and prevention of micro-nutrient and vitamin A deficiencies. Of the FY 2002 CSD funds, $4,250,000 will fund infectious disease prevention, control, and treatment and $5,250,000 will be directed toward the range of activities listed above.

Possible Adjustments to Plans: As most ongoing USAID activities are designed to continue for at least two more years, no immediate restructuring of the existing portfolio is planned. In the near term, however, some adjustments in emphases will guide activity planning and implementation. Greater emphasis will be placed on integration of services, with health, population, and reproductive health services increasingly being consolidated to improve efficiency and coverage. Also, greater emphasis may be placed on identifying and meeting the needs of young disadvantaged Peruvians, especially their need for information on preventive health care. USAID and other donors are anticipating that there may be new opportunities to work in the areas of health sector reform and health care financing with the changes in national government leadership.

Other Donor Programs: USAID completed an analysis of donor assistance (both retrospective and planned) in health, population and nutrition for the years 1994-2005. Of a total projected investment of $6 billion during this period, $4.2 billion will be provided by Peru and $1.8 billion by external donors. USAID is presently the largest donor, providing 40% of total external assistance. Loans from the Inter-American Development Bank and the World Bank currently represent 11% and 9%, respectively. Major new health sector loans from both banks, which were originally scheduled to begin in 2000, have been delayed and are currently under review.

Principal Contractors, Grantees or Agencies: U.S. Cooperating Agencies active in Peru include Pathfinder International, John Snow Inc., Macro International, Johns Hopkins University, CARE, and others. Major local grantees are the MOH, the "Movimiento Manuela Ramos," and a consortium of seven Peruvian NGOs. The Population Council is an international organization.

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE AND NUMBER: Improved Environmental Management in Targeted Sectors, 527-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $4,188,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $4,300,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Peru has an abundance of natural resources and its biodiversity is one of the richest in the world. However, Peru's environment is threatened by uncontrolled urban growth, industrial pollution, and widespread poverty that frequently lead the poor to use environmentally destructive practices to survive. Consistent with the agency's goal of protecting the environment and the Mission Performance Plan (MPP) goal of promoting sound environmental policies and sustainable use of natural resources, the purposes of USAID's environmental activities are to improve protection of the natural resource base, fragile ecosystems, and biodiversity, and to prevent or reduce urban and industrial pollution. These improvements will be achieved by: strengthening the institutional capacity of the Government of Peru (GOP) and the private sector; mobilizing public support for environmental improvements; testing and replicating innovative and sustainable technologies/practices through pilot projects; and promoting sound policies and effective legislation. All Peruvians, including the most vulnerable groups such as indigenous peoples, women and children, and those living in fragile ecosystems or peri-urban environments, are beneficiaries. The activities support the Summit of the Americas initiative to "Guarantee Sustainable Development and Conservation of the Natural Environment" through biodiversity and pollution prevention initiatives. Activities contribute to the sub-initiative of Free Trade and Cooperation in Science and Technology through a cleaner production initiative and promotion of the International Standards Organization (ISO) 14000 (environmental management) certification. The Americas Fund Agreement between the GOP and U.S. Government under the Enterprise of the Americas Initiative supports USAID objectives by financing activities designed to preserve, protect, or manage the natural and biological resources of Peru in an environmentally sound and sustainable manner, while improving child survival and development.

Key Results: The cumulative number of industrial plants in targeted sectors that have adopted new cleaner production practices reached 24 in 2000. In 2000, 22 of the 80 fishmeal, cement, paper, brewery, tannery and other plants in Peru that had been exposed to USAID-sponsored pollution prevention activities, reduced their pollution levels by more than 10% by adopting more efficient production systems. For example, as a result of a small USAID grant, a plant that recycles used auto and restaurant oil greatly increased its efficiency and reduced pollution by at least 10% through the reuse of waste products such as boric acid and different gases in the refining process. At least four other businesses have eliminated or greatly reduced pollution from waste oils through the recycling activities of USAID-supported pilot projects.

Preliminary data from the matrix on biodiversity and fragile ecosystem conservation and management indicates that a cumulative total of 10 biologically important natural protected areas have achieved management improvements in administration, legal status, budget, strategic planning, community participation, use of natural resources, and management of conflicts and threats. These improvements are attributable mainly to USAID-supported activities and the stable leadership at the National Institute for Natural Resources (INRENA) over the past two years.

Environmental and natural resources policy or legislative reforms enacted in FY 2000 with USAID support included a forest law and draft regulations, a solid waste law, and draft regulations and laws to raise the National Environment Council (CONAM) to ministerial level and strengthen its arbitration authority. The forest law requires management plans for all forest concessions. The solid waste law establishes the universe of steps, principles, obligations, and responsibilities for the

FY 2002 Performance Table

Peru: 527-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Immunization coverage of children younger than one, by type of vaccine	97	97.5	93	95	95	95	95
Indicator 2: Number of facilities certified as model health centers in priority zones	7	70	88	88	88	88	88
Indicator 3: Number of condoms distributed or sold through USAID-supported channels in a year	38.9	45.6	46.3	26	27	27	27
Indicator 4: Number of people in priority zones that are trained in key primary health care interventions	NA	17,852	24,012	30,912	23,700	7,000*	6,000*

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percent of children under one	Ministry of Health records	The average of the immunization rates for the six major childhood diseases targeted by the worldwide Expanded Program on Immunization. These are: polio, measles, tuberculosis (BCG), and diphtheria / pertussis / tetanus (DPT). Vaccines, 1999, 2000: Polio, 96%, 95%; DPT, 99%, 97%; Measles, 92%, 92%; BCG, 97%, 95%.
Indicator 2:	IR	Cumulative number at year end	Ministry of Health and USAID records	Number of health facilities (regional hospitals and health centers) certified as model centers in priority zones. The criteria for certification are: a) use of health information; b) community outreach activities; c) implementation of the permanent education system; d) adequate infrastructure; and e) standardized clinical management.
Indicator 3:	IR	Millions of condoms	Ministry of Health and NGO records	The number of condoms distributed or sold through the public, non-governmental and commercial sectors.
Indicator 4:	IR	Cumulative number of people	USAID reports	The number of health workers and promoters trained under USAID's maternal and child health and reproductive health activities. * Starting 2001, targets have been revised to report the number of trainees in each year, not the cumulative number. Numbers decrease because the main strategy is to strengthen health training centers and supervision systems and not to do the training. Additionally, these figures will be revised with the new USAID Strategic Plan 2002-2006.

	U.S. Financing (In thousands of dollars)		
Program: Peru			
Title and Number: Improved Health, Including Family Planning, of High Risk Populations, 527-003			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	56,789 DA	47,050 DA	9,739 DA
	33,550 CSD	24,789 CSD	8,761 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	13,350 DA	12,310 DA	
	6,500 CSD	6,556 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	70,139 DA	59,360 DA	10,779 DA
	40,050 CSD	31,345 CSD	8,705 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	250 DA		
	200 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	14,218 DA*		
	7,932 CSD**		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	14,468 DA		
	8,132 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NO	15,900 DA	9,545 DA	110,052 DA
	9,500 CSD	6,053 CSD	63,735 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

* This excludes $250,000 NOA swapped for a like amount of FY 2000 carryover funds.

**This excludes $200,000 NOA swapped for a like amount of FY 2000 carryover funds

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE AND NUMBER: Improved Environmental Management in Targeted Sectors, 527-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $4,188,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $4,300,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Peru has an abundance of natural resources and its biodiversity is one of the richest in the world. However, Peru's environment is threatened by uncontrolled urban growth, industrial pollution, and widespread poverty that frequently lead the poor to use environmentally destructive practices to survive. Consistent with the agency's goal of protecting the environment and the Mission Performance Plan (MPP) goal of promoting sound environmental policies and sustainable use of natural resources, the purposes of USAID's environmental activities are to improve protection of the natural resource base, fragile ecosystems, and biodiversity, and to prevent or reduce urban and industrial pollution. These improvements will be achieved by: strengthening the institutional capacity of the Government of Peru (GOP) and the private sector; mobilizing public support for environmental improvements; testing and replicating innovative and sustainable technologies/practices through pilot projects; and promoting sound policies and effective legislation. All Peruvians, including the most vulnerable groups such as indigenous peoples, women and children, and those living in fragile ecosystems or peri-urban environments, are beneficiaries. The activities support the Summit of the Americas initiative to "Guarantee Sustainable Development and Conservation of the Natural Environment" through biodiversity and pollution prevention initiatives. Activities contribute to the sub-initiative of Free Trade and Cooperation in Science and Technology through a cleaner production initiative and promotion of the International Standards Organization (ISO) 14000 (environmental management) certification. The Americas Fund Agreement between the GOP and U.S. Government under the Enterprise of the Americas Initiative supports USAID objectives by financing activities designed to preserve, protect, or manage the natural and biological resources of Peru in an environmentally sound and sustainable manner, while improving child survival and development.

Key Results: The cumulative number of industrial plants in targeted sectors that have adopted new cleaner production practices reached 24 in 2000. In 2000, 22 of the 80 fishmeal, cement, paper, brewery, tannery and other plants in Peru that had been exposed to USAID-sponsored pollution prevention activities, reduced their pollution levels by more than 10% by adopting more efficient production systems. For example, as a result of a small USAID grant, a plant that recycles used auto and restaurant oil greatly increased its efficiency and reduced pollution by at least 10% through the reuse of waste products such as boric acid and different gases in the refining process. At least four other businesses have eliminated or greatly reduced pollution from waste oils through the recycling activities of USAID-supported pilot projects.

Preliminary data from the matrix on biodiversity and fragile ecosystem conservation and management indicates that a cumulative total of 10 biologically important natural protected areas have achieved management improvements in administration, legal status, budget, strategic planning, community participation, use of natural resources, and management of conflicts and threats. These improvements are attributable mainly to USAID-supported activities and the stable leadership at the National Institute for Natural Resources (INRENA) over the past two years.

Environmental and natural resources policy or legislative reforms enacted in FY 2000 with USAID support included a forest law and draft regulations, a solid waste law, and draft regulations and laws to raise the National Environment Council (CONAM) to ministerial level and strengthen its arbitration authority. The forest law requires management plans for all forest concessions. The solid waste law establishes the universe of steps, principles, obligations, and responsibilities for the management of solid wastes in a clean and environmentally friendly way to protect the health and general wellbeing of the Peruvian populace.

USAID's most recent national environmental survey shows that the percentage of Peruvians with an adequate understanding and concern for environmental and natural resource matters increased dramatically from 15% in 1998 to 30% at the beginning of FY 2000.

Performance and Prospects: Activities continue to meet overall expectations, showing good prospects for achieving all expected results if requested funding is made available. USAID's Sustainable Environmental and Natural Resource Management activity (SENREM) has continued assisting CONAM to assume its role as the main GOP environmental policy-making and inter-sectoral coordination agency in Peru. SENREM is also strengthening the environmental policy and regulatory framework, promoting private sector participation, and implementing pilot interventions in biodiversity, pollution prevention, and solid waste management. Through this activity, USAID has played a key role in the development of the environmental framework legislation for the manufacturing and fisheries sectors, as well as the guidelines for the development and application of environmental review and monitoring procedures in the manufacturing sector. For a second consecutive year, the National Environmental Society, established under USAID auspices, pursued an active role in promoting private sector participation in affecting policies aimed at protecting environmental and natural resources.

SENREM financed the first ever "Peru State of the Environment Report" in 2000. To date, demand for this quality document has been outstanding, further validating USAID's decision to increase and strengthen a focus on environmental education. Furthermore, the Peruvian Environmental Law Society (SPDA) has initiated a competition for six environmental and natural resource policy studies to be completed in FY 2001. SENREM also supports GOP efforts to decentralize environmental and natural resource management through the creation of 10 multi-sectoral Regional Environmental Committees. With USAID technical support, CONAM has formed inter-sectoral technical committees for developing quality standards for air, water, and noise. In addition, CONAM has established maximum permissible limits for emissions in the manufacturing, fisheries, oil, electricity, and transportation sectors. A total of 14 Peruvian firms have now received ISO 14000 certification through a SENREM activity adopted by the private sector. In FY 2001, a private sector consortium will start operating the Clean Production Center to support pollution reductions in targeted industrial areas. Testing of innovative environmental and natural resource technologies and practices through pilot projects is progressing very well. Eleven of the 35 USAID-supported pilot activities managed by SPDA are finished or are approaching completion; six of those 11 activities have validated new technologies or practices in sustained environmental management.

The Biodiversity and Fragile Ecosystem Conservation and Management activity (BIOFOR) completed the ecological economic zoning analysis for the Department of Madre de Dios, one of the richest biodiversity zones in Peru. BIOFOR provided critical leadership and technical assistance for a master plan for the extremely large and biologically diverse Pacaya-Samiria National Reserve; awarded 13 grants for natural resource activities in buffer zones of six protected areas in Peru; and completed scheduled modules of a training program in institutional development for locally-based non-governmental organizations (NGOs) at each of these sites. In FY 2001 and FY 2002, BIOFOR will support INRENA, the GOP partner institution, as well as local organizations in improving the management of national parks, creating communal reserves for isolated indigenous people, developing master plans for various natural protected areas, and awarding scholarships for economic valuation of natural resources.

USAID's new environmental health activity will reduce health risks associated with exposure to urban contaminants and pathogens. Implementation of the activity began with a behavior change effort in areas of Callao where a storage depot for loose ore is contributing to high blood lead levels in children. This activity also determined that much of the exposure to lead in Lima is due to dust from ore storage depots rather than lead in gasoline. The environmental health activity will implement a local grants activity and associated training in FY 2001 and FY 2002 to improve environmental health services in targeted communities and provide feedback for policies that facilitate improved urban environmental health conditions.

In FY 2001, approximately $2,038,000 will be used to support pollution reduction activities, which include private sector advocacy, pilot demonstration projects, and Clean Production Center (CPC) operations. Approximately $2,000,000 will be used to support management improvements in national parks and

develop a forestry management strategy for protected areas. $150,000 will finance a new Policy Deficiencies Analysis and the annual environment and resources survey.

In FY 2002, approximately $2,000,000 will be assigned to support CPC operations and provide services to the GOP and private industry on pollution prevention and energy efficiency. Approximately $500,000 will be used to implement the management strategy in Pacaya Samiria National Reserve and support institutional strengthening of INRENA. Approximately $900,000 will be used to further strengthen the GOP environmental health policy-making capability and continue implementation of local grants to improve environmental health conditions. Planning is underway for the allocation of the remaining funds among new activities in environmental education, policy development, and institution building, which are still in the planning stages.

Possible Adjustments to Plans: A major evaluation of all environmental management activities completed in June 2000 served as the basis for developing a new five-year strategic plan that will begin in FY 2002. Contingent upon availability of funds, USAID plans to extend the ongoing SENREM and BIOFOR activities through 2003 and develop two new activities: an environmental education and awareness activity for implementation in 2002; and an environmental policy development and national and local institution building activity for implementation in 2003.

Other Donor Programs: The World Bank and Japan's International Cooperation Agency provide support to rehabilitate Lima's water and sewage systems, while the Inter-American Development Bank supports basic sanitation services in 36 cities. The Swiss provide environmental monitoring support to the Ministry of Industry, which augments USAID's institutional strengthening activity, and is assisting USAID in developing a clean production center. A small United Nations Development Program activity is assisting CONAM to organize Regional Environmental Committees. USAID collaborates closely in biodiversity conservation with bilateral donors including the Netherlands, Germany, Canada, Finland, and Switzerland. The World Bank supports the protected areas fiduciary fund. The Food and Agricultural Organization is helping to develop a National Forestry Development Strategy and support forest management and re-forestation in the highlands. A donor coordination mechanism created by BIOFOR has assumed a broad role across most environmental issues and is currently the only broad-based donor environmental coordination mechanism functioning in Peru.

Principal Contractors, Grantees or Agencies: Principal contractors are the U.S. firms Abt Associates; International Resources Group; and Camp, Dresser and McKee. Local partners include the Environmental Law Society and GOP counterpart agencies CONAM, INRENA, and the General Directorate for Environmental Health within the Ministry of Health.

FY 2002 Performance Table

Peru: 527-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of targeted ENR policy and legislation overlaps, inconsistencies, or gaps eliminated.	3	3	3	3	3	3	3
Indicator 2: Number of industrial plants in targeted sectors that have adopted new pollution prevention/cleaner production practices	0	2	22	24	24	45	60
Indicator 3: Environmental technologies tested and validated through pilot projects.	1	1	NA	6	5	6	5
Indicator 4: Number of biologically-important national parks that have achieved management improvements	0	5	8	10	3	5	7

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Annual Number	CONAM MIS	Number of ENR policies and legislation approved, which are directed to address 30 pre-selected overlaps, inconsistencies, or gaps, identified in year one by USAID and qualified by a panel of experts. Gaps were identified by a local expert from the Peruvian Society of Environmental Law (SPDA) in 1996.
Indicator 2:	SO	Cumulative Number	CONAM records	Number of plants in targeted sectors that have reduced or prevented pollution by 10% or more. Plants in targeted sectors are those that have accessed pollution prevention/clean production (P2/CP) promotion activities (e.g., information, training, technical advice, P2 audits, technology transfers, etc.). P2/CP practices are those which (a) reduce the amount of any hazardous substance, pollutant or contaminant entering any waste stream or being released into the environment prior to recycling, treatment or disposal; (b) replace toxic chemicals with less harmful chemicals; and/or (c) reduce the usage of materials (water, natural resources, energy).
Indicator 3:	IR	Annual number	USAID sustainable environment and natural resources MIS	Innovative, feasible for wide spread adoption and economically viable environmental technologies/practices developed and validated, through the attainment of the intended results. Each new technology is analyzed to make sure that it is tested properly and validated.
Indicator 4:	SO	Cumulative Number of Parks	Performance Management Matrix updated by a private firm under USAID guidance	Improvements are management threshold level advances, which reflect increases in performance capacity and use of human, technical and financial resources directed towards the conservation of select national parks and reserves. Threshold levels are: not acceptable, deficient, acceptable with reservations, good and excellent. They are based on the status of the following areas: legal status, administration, budget, strategic planning, level of community participation, use of natural resources, and management of conflicts and threats. Parks considered are: Tingo Maria, Manu, Huascaran, Cerros de Amotape, Rio Abiseo, Yanachaga-Chemillen, Bahuaja-Sonene, Junin, Paracas, Titicaca, Salinas y Aguada Blanca, Pacaya-Samiria, Calipuy, Manglares de Tumbes, MacchuPichu.

	U.S. Financing (In thousands of dollars)		
Program: Peru			
Title and Number: Improved Environmental Management in Targeted Sectors, 527-004			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	13,464 DA	7,228 DA	6,236 DA
	1,106 CSD	233 CSD	873 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	4,104 DA	3,259 DA	
	0 CSD	273 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	17,568 DA	10,487 DA	7,081 DA
	1,106 CSD	506 CSD	600 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	4,188 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	4,188 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	4,300 DA	3,656 DA	29,712 DA
	0 CSD	0 CSD	1,106 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE AND NUMBER: Reduced Illicit Coca Production in Target Areas of Peru, 527-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $25,000,000 (INC)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $79,000,000 (INC)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995; **ESTIMATED COMPLETION DATE**: FY 2008

Summary: During the last five years, the Government of Peru (GOP) has made remarkable progress in reducing both the coca cultivation area and the flow of illegal drugs to consumer countries. As reported by U.S. Government (USG) agencies, a total of 81,100 hectares (70%) of the original 115,300 hectares of coca leaf have been eliminated as of December 2000; however, this outstanding achievement is not yet permanent mainly due to fluctuations of coca leaf prices. Production and trafficking of coca leaf and coca-based products continue to cause serious political, economic, and social harm, while domestic drug abuse has increased significantly. In addition, deforestation, erosion, and the disposal of toxic chemicals resulting from processing coca are causing ecological damage. The Alternative Development Program (ADP) helps increase employment and income from licit economic activities for farmers who reside in the participating coca growing areas. The ADP is an integral part of a long-term integrated counter-narcotics strategy that has two critical elements: 1) interdiction and law enforcement to disrupt narcotics trafficking and lower the farm-gate price of coca leaf (which is the responsibility of the GOP and other U.S. Government agencies, and is not within USAID's management control); and 2) alternative development interventions aimed at restoring authority of participating local governments and promoting voluntary participation of farmers to engage in licit and sustainable economic activities leading to reduced coca leaf and cocaine production. The ADP strategy is premised on the development hypothesis that offering farmers alternative licit sources of income and employment, coupled with improved living conditions and organized communities with the ability to enforce laws, will lead them to voluntarily abandon coca cultivation, thereby achieving a lasting or sustainable reduction in coca and cocaine production. The ADP now benefits almost 400,000 people in approximately 1,600 communities located in six of the eleven coca-growing areas where most coca leaf is produced. The ADP conforms with GOP targets and goals as outlined in its Comprehensive Alternative Development and Prevention and Rehabilitation Programs for the period 1999-2003. Overall USG assistance amounts to $194.5 million, with a program assistance completion date of December 31, 2003. The agreed-upon GOP counterpart contribution totals $115.5 million. USAID assistance contributes to the GOP program and, at its completion in 2003, it is anticipated that a follow-on GOP program will be negotiated in which USAID's ADP will also have a major role.

Key Results: Key results achieved in 2000 include a 12% net reduction (4,500 hectares) in coca cultivation area with an estimated decrease of over 14,800 metric tons in coca leaf production. In addition, a total of more than 27,600 hectares of licit alternative crops (e.g., coffee, cacao, palm heart, pineapple and other crops) have been technically and financially supported and are under improved management models, having generated around 10,000 new full-time equivalent jobs, nearly 20% for women. Living conditions of participating communities and farmers improved significantly in 2000 with: 1) completion of 289 new social infrastructure and small scale productive projects, (e.g., health clinics, school rooms, and water supply systems); 2) rehabilitation of over 290 kilometers of feeder roads and one hydroelectric power plant; 3) construction of 16 key bridges and one irrigation canal; and 4) establishment of an $11.5 million rural credit system through a non-governmental organization (NGO) and a private bank, which resulted in the approval of over 3,300 micro-credit and small commercial loans, out of which 32% went to women and around 80% went to farmers who had never had access to credit before.

Performance and Prospects: The ADP is implemented with emphasis on the Upper and Central Huallaga Valleys and the Apurímac River Valley that includes Palmapampa, where most coca is currently produced, as well as in the Aguaytia and Pichis-Palcazu-Pachitea Valleys. Although there is less coca under cultivation in the latter two areas, consolidating ADP achievements in reduced coca production and a growing alternative licit economy, requires continued financing of income-generating activities. ADP interventions aim at strengthening local governments, increasing income and employment opportunities, improving infrastructure (e.g., road rehabilitation, bridge construction, small electricity-generating facilities,

schools, health posts, etc.), protecting natural resources, and increasing people's awareness of the harmful effects of coca cultivation and use of drugs. In addition, ADP seeks to strengthen CONTRADROGAS, the primary GOP agency responsible for providing policy guidance and operational coordination to multi-donor alternative development initiatives.

ADP continues to demonstrate a successful trend toward sustained coca reduction. Since ADP's inception in May 1995, there has been a cumulative coca reduction of 81,100 hectares, representing a more than 70% decrease in coca area from the 1995 baseline level. This overall reduction caused a drop in potential coca leaf production of approximately 129,200 metric tons, and reduced potential cocaine hydrochloride production by 315 metric tons. There is little doubt that such reductions have decreased significantly the potential flow of harmful drugs to the United States and elsewhere. Only 34,200 hectares remain devoted to coca cultivation, including 8,000 to 10,000 hectares that produce coca leaf for legal consumption in Peru. Other ADP achievements to date include: 1) 679 agreements signed by communities and farmer organizations to voluntarily reduce coca hectares and not plant new coca; 2) completion of around 1,400 social infrastructure projects; 3) rehabilitation of the Palmapampa airstrip and over 1,100 kilometers of farm-to-market roads, including 31 key bridges; 4) increased production and marketing of over 31,700 hectares of licit crops, as well as development of 1,500 hectares for livestock and pastures; and 5) generation of approximately 28,600 new full-time equivalent jobs.

Prospects for ADP success are evidenced by the political will of the GOP to address coca cultivation and the involvement of the donor community in support of ADP activities. The GOP's political will to address illicit coca cultivation, production, and trafficking is laid out in its newly developed 2001-2005 National Strategy Against Drugs. There is increasing international support from the donor community to the GOP's Comprehensive Alternative Development, Prevention, and Rehabilitation Program for 1999-2003 as a result of meetings of the Consultative Group on Alternative Development held in 1998 and 2000. ADP implementing institutions, especially the private-sector entities, are showing increasing commitment and performance.

Based on the mid-term evaluation recommendations, a series of corrective implementation actions and adjustments are being introduced to the ADP. The current challenge is two-fold: 1) to sustain previous successes and further reduce coca cultivation; and 2) to make these successes permanent over time by creating a sustainable licit economy within an improved environment for participating communities and farmers. To meet these challenges $54,000,000 of the Andean Regional Initiative (in addition to the $25,000,000 currently authorized under the ongoing ADP) will be devoted toward economic growth, democracy, and environment activities in FY 2002.

Economic growth activities consist of market access, credit access, licit crop production, and emergency food assistance. A multi-donor road improvement activity will make the upper and central Huallaga Valley and the Apurimac-Ene River Valley more accessible to markets, decreasing the time to get goods to market, reducing spoilage of goods en route, and providing sellers with a choice of markets. This activity will leverage the investment of other donors, especially the Inter-American Development Bank and the World Bank. Credit access activities will develop and leverage area-wide market-oriented credit systems. Licit crop production and marketing assistance will energize continued implementation of current ADP initiatives in crop production, processing, and marketing with a stronger focus on the Huallaga and Apurimac-Ene River Valleys.

Democracy activities will strengthen local governments, address key decentralization policy constraints, and develop a municipal road maintenance capability. Under the environment component, USAID will initiate a comprehensive natural resource assessment and management effort in the Huallaga and Apurimac-Ene River Valleys.

In FY 2001, funds will be used to: promote citizen participation in local decision making processes through local government strengthening and construction of social infrastructure ($6,270,000); support improvement and maintenance of feeder roads and bridges ($8,240,000); promote production, processing and marketing of alternative crops ($9,350,000); strengthen the institutional capability the GOP coordinating organization, the National Commission Against Drug Consumption (CONTRADROGAS) ($850,000); support narcotics awareness ($500,000); and program monitoring and support ($540,000).

FY 2002 funds will be used to: support citizen participation and social infrastructure ($10,000,000); support GOP access to and leverage of funding for improved road access between priority ADP areas and market centers ($25,000,000); develop and leverage credit funds and other market-oriented financial services ($10,000,000); support production and marketing of alternative licit crops ($25,000,000); alleviate the social and economic impact of eradication ($5,000,000); increase awareness of the social and environmental impacts of coca production and use ($2,000,000); 7) protect and improve natural resources management ($1,000,000); and 8) program management ($1,000,000).

Possible Adjustments to Plans: Current ADP implementation strategy and plans are being adjusted based on mid-term evaluation results; the new USG "source zone" strategy that requires concentration of activities and resources in the Upper Huallaga and Apurimac River Valleys, where most coca is currently produced; the GOP's involuntary coca eradication program, and the work plan to be proposed by the new "umbrella institution", CARE. Work plans for CY 2001 will devote close to 70% of resources to the "source zone" areas, while other working areas will continue to be supported, as needed, to consolidate ADP achievements in both coca reduction and growth of alternative licit economic activities. Planning and implementation of ADP interventions and coca eradication activities will be much more closely coordinated to avoid potential negative effects and to coordinate immediate assistance in areas where the economic and social impact of eradication could be highly disruptive. Communities and farmers' organizations with signed voluntary coca reduction agreements will first be requested to honor their commitment before eradication takes place, while new communities will be asked to "eradicate voluntarily", with or without alternative development assistance, before forced eradication is done. In addition, an "emergency program" has been initiated in eradication areas to prevent and relieve malnutrition among children, implement labor-intensive activities to generate cash income, and supply micro-credit for small-scale economic activities.

Other Donor Programs: Currently, USAID is regarded as the leader in alternative development, both in terms of strategy and funding. Other donors include the United Nations Drug Control Program, the Netherlands, Switzerland, Germany, Canada, and the United Kingdom. As a result of the Consultative Group meetings and in recognition of Peru's alternative development success, other donors pledged a total of $8.4 million for a series of interventions in coca producing areas not supported by USAID. Of this total, only $4.6 million has been made available to support the GOP's CY 2000 national Alternative Development programs. The GOP committed $2.3 million in CY 2000, as part of its counterpart contribution required under USAID's Special Objective Agreement.

Principal Contractors, Grantees, or Agencies: U.S. institutions include Winrock International, CARE, Chemonics, and Planning Assistance. Peruvian partners include: CONTRADROGAS, the National Development Institute, Ministry of Transport and Communications, San Martin Region Local Governments Association, Center of Information, Education, and Prevention of Drug Abuse, Nuevo Mundo (a private bank), and the Regional Administration Transitory Council of Ucayali.

FY 2002 Performance Table

Peru: 527-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Percentage of public in Alternative Development Program target areas who recognize that drug production and consumption cause both environmental and social damage	NA	59	62.7	32	70	77	81
Indicator 2: Percentage of households with access to basic services in Alternative Development Program target areas (analyzed by valleys)	66.3	39	49	51.2	50	55	60
Indicator 3: Number of communities and farmer groups represented in signed coca reduction agreements in Alternative Development Program target areas	239	581	679	679	850	1,006	1,150
Indicator 4: Coca leaf production in Peru	130,600	95,600	69,200	54,400	61,363	49,091	39,273

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percentage (disagregated by geographical areas)	Alternative Development Program special survey	People surveyed who recognize environmental damages caused by coca production, and social damages caused by drug production, trafficking and consumption.
Indicator 2:	IR	Percent	Alternative Development Program special survey	A household is defined as having access to basic services if it demonstrates at least three of the following: sewage, drainage or toilet system, potable water system, schools facilities, health facilities, energy facilities
Indicator 3:	IR	Cumulative number of communities	CONTRADROGAS agreement records.	Cumulative number of communities. Reduction agreements are signed by local authorities with their communities (coordinated by CONTRADROGAS and alternative development implementors). Indicator is a proxy measurement for the Intermediate Result.
Indicator 4:	IR	Number of metric tons	Reports from: Counternarcotics Center; Narcotics Affairs Section; Control and Reduction of Coca in Upper Huallaga	Productivity per hectare times number of hectares cultivated times number of harvests. Includes licit and illicit coca production.

	U.S. Financing (In thousands of dollars)		
Program: Peru			
Title and Number: Reduced Illicit Coca Production in Target Areas of Peru, 527-005			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	127 DA	127 DA	0 DA
	150 CSD	0 CSD	150 CSD
	34,230 ESF	34,230 ESF	0 ESF
	57,400 INC	19,424 INC	37,976 INC
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	46 CSD	
	0 ESF	0 ESF	
	25,000 INC	26,774 INC	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	127 DA	127 DA	0 DA
	150 CSD	46 CSD	104 CSD
	34,230 ESF	34,230 ESF	0 ESF
	82,400 INC	46,198 INC	36,202 INC
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	750 INC		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	25,000 INC		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	25,750 INC		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	- DA	0 DA	127 DA
	- CSD	0 CSD	150 CSD
	- ESF	0 ESF	34,230 ESF
	79,000 INC	86,350 INC	273,500 INC
	- FSA	0 FSA	0 FSA
	- DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE: Expanded Opportunities for Girls' Quality Basic Education in Target Areas, 527-006
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,098,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $1,000,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Girls in Peru, particularly rural girls, face daunting challenges in completing primary school. First, they tend to enroll late; rather than beginning school at the expected age of six, a large proportion of girls do not enter school until some years later. About 53% of primary students are over-aged, and 70% of those reside in rural areas. Second, geographic, socio-cultural, economic and academic factors make it harder for girls to stay in school through the years, especially in rural areas. Third, educational quality in rural areas is lacking. Dated materials with themes that are irrelevant, failure to address language barriers, and unequal treatment of girls in the classroom all affect girls' ability to learn and their motivation to stay and progress in school. Hence, the dropout rate for girls is higher than the rate for boys, with the national rate around 10%. Though total enrollment rates for primary school in Peru are strong for both girls and boys (net enrollment of 92%), this statistic does not convey the difficulties rural girls have in getting into, progressing through, and finishing primary school. Rural boys face similar problems, though to a lesser extent. By the same token, experience has shown that measures taken to improve girls' chances for completing primary education also help improve boys' chances.

USAID is addressing major impediments to the completion of quality primary schooling and initiation of secondary schooling by rural girls. The principal changes envisioned are: 1) increased proportion of age-appropriate school enrollment for girls; and 2) improved primary school completion rates for girls in target areas. Girls' education activities contribute to the Summit of the Americas' goal of 100% completion of primary school by the year 2010, and the Summit's Plan of Action in democracy and education by invigorating community participation, promoting intercultural values, supporting teachers to improve methodologies and materials, and addressing gender equity. It helps eradicate poverty and discrimination by promoting universal access to education and strengthening women's role in society. It contributes to USAID's agency goal of "Human Capacity Built through Education and Training" and supports the Mission Performance Plan (MPP) goal of encouraging broad-based economic growth in Peru. The ultimate customers are the girls and young women of Peru, in particular the 275,000 school-aged girls in the target areas of Ayacucho, Huancavelica, and Apurimac. These areas were the hardest hit by terrorism and the majority of the population lives in extreme poverty.

Key Results: The success of the girls education initiative will be measured by the following results: 1) increased consciousness of the importance of girls' quality education and the constraints affecting it, particularly for rural girls; 2) implementation of community and school-based activities that address barriers to girls' quality education in target areas; and 3) improved and sustainable local capacity to implement appropriate policies and programs that support quality education for girls. To accomplish these goals, USAID support helped to establish the National Network for Girls' Education (FLORECER) and four departmental networks. These networks, made up of key decision-makers from governmental and non-governmental organizations (NGOs) as well as community, business, and religious leaders, actively advocate for improved policies and implement programs that support girls' quality education.

Performance and Prospects: USAID, through FLORECER, continues to work toward increased consciousness of the importance of girls' quality education and the constraints affecting it. In September 2000, FLORECER conducted a second National Conference on Rural Girls' Education, with over 350 participants from around the country, including departmental network members, community leaders, parents, and young girls. The main theme was *Quiero Tomar la Palabra* ("I want to communicate") based on a USAID study referring to girls' urgent need for communication skills. The study, which was presented at the conference, introduced qualitative and quantitative information about communication patterns of rural girls and the role of family, community, and schools in improving/increasing communication skills among rural girls. This theme was incorporated into FLORECER's existing agenda

for rural girls' education and commitments were made to address the issues put forth in the agenda. As a result of the conference, FLORECER developed a national bill in favor of Rural Girl's Education. Sixteen congresspersons signed on to this bill and the congress will likely ratify it as multi-partisan initiative. The 2001 National Conference will focus on promoting the new law and other policy initiatives.

In 2000, in response to information requests and interest from around the country, FLORECER began publishing a quarterly bulletin, "*Voces de las Niñas*" (Girls' Voices), providing information about issues and recent developments affecting girls' education as well as testimony from girls about their experiences. This information is used for advocacy and raising awareness among parents and community leaders about the importance of (and barriers to) quality education for girls. It also provides models for local organizations and programs in favor of girls' education. A USAID-supported CARE activity, in collaboration with the Ministry of Education (MOE), developed and widely disseminated a study on education status in the Puno Department to develop consensus on future actions. This study presents data about the situation of basic education, including access, retention, and quality, along with comprehensive information about families and administrators and teachers working in Puno.

Improved and sustainable local capacity to implement appropriate policies and programs for girls' education is beginning to take form. Outreach efforts by USAID's education promotion activity (New Horizons) and FLORECER members helped to establish four departmental networks to promote quality education for rural girls in Ayacucho, San Martin, Amazonas, and Huancayo-Huancavelica. Girls in these four departments are at high risk of not completing primary school. New Horizons also mobilized local authorities, parents, and teachers to promote the establishment of community networks for girls' eduction in seven communities. Due to political instability in 2000, these networks have not yet consolidated, but it is expected that they will have the opportunity to do so in 2001. Nevertheless, actions in Ayacucho have promoted an increase of girls' timely enrollment in targeted communities. Results from New Horizons work with seven communities in the Ayacucho area to develop community-based and school-based programs include: 1) the establishment of a coalition of parents, local authorities, teachers and students organized to prevent violation of girls' rights and protect their safety; 2) the hiring of a health sector professional to provide services in several communities to assure that school-aged girls are healthy and informed about health issues; and 3) the participation of communities in building a new school and installing a potable water system with supplies and engineering services provided by the municipality.

USAID initiated in FY 2000 an activity called Opening Doors with funds from the Presidential Initiative for Basic Education. This project, implemented by UNICEF, will positively affect the determinants of quality education for rural girls in target areas by applying several interventions in an integrated approach. Activities envisioned under Opening Doors will also demonstrate innovative cost-effective interventions to support girls' quality education, especially in remote rural villages, in such areas as bilingual education, distance education, and community/parent participation in basic education. A second component of the activity will develop a new model (itinerant teacher training/supervision teams) for teacher training, supervision and monitoring and evaluation. It will involve municipal governments and local communities in supporting teacher training and monitoring education quality. This activity is underway in Ayacucho, Apurimac, and Huancavelica, and has recently begun activities in San Martín. An important outcome of the activity is confirmation of its methodology in rural communities and transfer of successful methodology to the MOE. Opening Doors will have been implemented in at least 360 indigenous communities by FY 2002.

A small activity was initiated in Ayacucho by the Salesian Missions to provide education and occupational training for 1,500 orphans and abandoned children between seven to nineteen years of age who have been affected by years of political violence in the region. USAID's contribution to this activity focused on education for orphaned or abandoned girls, many of whom are out of school because they have no caretaker or guidance.

Other USAID activities implemented in collaboration with the education program continue to show positive results. For example, in the primary schools where "Democratic Education and Student Participation in Public Schools" is implemented, observations and interviews reveal increased participation by girls, resulting in girls and boys participating equally in classrooms, a decrease in physical mistreatment of

students, increased knowledge of students' rights by both boys and girls, and better relations among principals, teachers, and students.

In 2002, USAID will support the MOE's efforts to develop a national consensus on an agenda to improve the quality of education, particularly for girls in rural areas. Support will include assistance in the following areas: improving data collection and analysis at the national and local levels; developing alternative models for decentralization; and adopting democratic education in all primary schools in target areas. FLORECER will embark on a campaign to use locally-generated resources for activities that provide expanded opportunities for girls' education. It will also launch a national public awareness campaign about girls' education directed to influential leaders and decision-makers.

FY 2001 funds will be used to: support the MOE in its efforts to develop an agenda to improve educational quality (particularly for girls in rural areas), improve data collection and analysis, and adopt democratic education in all primary schools in target areas ($70,000); strengthen local capacity and develop alternative models for decentralized education systems ($230,000); continue community-based programs and research to inform policy making, and support FLORECER's national campaigns to capture local resources for girls' education and raise awareness ($500,000); and continue the Opening Doors activity ($298,000).

FY 2002 funds will be used to: work with the MOE on the policy framework to improve girls' education ($135,000); continue developing cost-effective models to deliver quality basic education in remote, bilingual rural areas ($495,000); and continue strengthening local networks' capacity for implementing decentralized, quality education programs ($370,000).

Possible Adjustments to Plans: Interventions may be modified by MOE plans to implement a rural education program. Depending upon the results of awareness surveys and other studies, New Horizons will refine, change, and/or expand its campaigns to raise national and local awareness.

Other Donor Programs: In 2000, the GOP signed a $100 million loan with the Inter-American Development Bank (IDB) for institutional strengthening with a component for improving pre-service teacher training at the Pedagogical Technical Schools. In addition to this activity, the IDB has supported early childhood education by financing the expansion of child care centers around the country and is planning a loan to reform secondary education. The World Bank is financing a national teacher training, infrastructure development and management improvement at the MOE. Spain and Germany are supporting teacher training and curriculum development, especially in bilingual education.

Principal Contractors, Grantees or Agencies: U.S. implementing agencies include CARE and World Education. Peruvian NGOs include the National Network for the Advancement of Women and the Center for Education Research and Development. The Ministry of Education is also a partner. International organizations include UNICEF and the Salesian Missions, an international private voluntary organization.

FY 2002 Performance Table

Peru: 527-006

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of local networks established and operating	0	1	4	4	7	8	9
Indicator 2: Number of studies produced and disseminated to inform public and policy makers on barriers affecting girls' education	0	3	2	2	2	2	2
Indicator 3: One National Network for Girls' Education	0	1	1	1	1	1	1

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Actual count	New Horizons records	Number of networks created to bring together teachers, parents, local governments, NGOs and business associations to promote girls' education and address specific barriers affecting it within a target geographic area.
Indicator 2:	IR	Number of studies completed	New Horizons records	Studies that address defined barriers to girls' education generated by USAID activity and formally presented in workshops, seminars, conferences and other forums.
Indicator 3:	IR	Actual count	New Horizons records	The establishment of a multisectoral National Network is an important benchmark for promoting girls' education. It provides a forum to disseminate information on the importance of girls' education, identify constraints, propose solutions, lobby and leverage resources to finance initiatives that increase educational opportunities for girls. Members of the National Network include key decision makers from governmental and non-governmental organizations.

	U.S. Financing (In thousands of dollars)		
Program: Peru			
Title and Number: Expanded Opportunities for Girls' Basic Education in Target Areas, 527-006			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	* 1,310 CSD	100 CSD	1,210 CSD
	0 ESF	0 ESF	0 ESF
	0 INC	0 INC	0 INC
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	1,200 CSD	923 CSD	
	0 ESF	0 ESF	
	0 INC	0 INC	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	2,510 CSD	1,023 CSD	1,487 CSD
	0 ESF	0 ESF	0 ESF
	0 INC	0 INC	0 INC
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 INC		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	1,098 CSD		
	0 ESF		
	0 INC		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	1,098 CSD		
	0 ESF		
	0 INC		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	1,000 CSD	392 CSD	5,000 CSD
	0 ESF	0 ESF	0 ESF
	0 INC	0 INC	0 INC
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

* Includes $ 210,000 from the Displaced Children and Orphans Fund

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE AND NUMBER: Improved quality of life of Peruvians along the Peru-Ecuador border target areas (Peru-Ecuador Border Region Development), 527-008*
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $3,488,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,500,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: In October 1998, after three and one half years of negotiations, the Presidents of Ecuador and Peru signed a Peace Agreement which put an end to an often bloody, century-and-a-half old border conflict over the demarcation of their shared border. The United States, as one of four Guarantor nations of the 1942 Rio de Janeiro Protocol, has invested considerable time, effort and resources to help the parties achieve peace. The final settlement was built on a series of agreements and treaties covering commerce and navigation; security; border demarcation; and integration. Also, a bi-national peace fund, designed to compensate difficult political concessions and encourage investments to stimulate growth and improve living conditions in an area impoverished by years of conflict was to be established.

As part of the peace negotiations, the Governments of Peru and Ecuador created a Bi-National Commission for Border Integration. Under the Border Integration Agreement, a plan for a regional development program of investment totaling $3 billion was developed. The governments of Peru and Ecuador presented the plan at the March 2000 Consultative Group meeting at which the USG formally pledged $40 million (Peru-$20 million, Ecuador-$20 million) in addition to the initial $2 million (Peru-$0.5 million, Ecuador-$1.5 million) provided in FY 1999 for quick impact activities to demonstrate viability to other donors and leverage their funds for the border region. The planned activities aim at improving both social and economic conditions on both sides of the border to ensure lasting peace. Many of the activities supported by USAID under the Bi-National Plan for Development of the Border Region will be replications of successful USAID-supported programs that are currently being implemented in other parts of Peru and Ecuador.

The Peace Agreement has created enormous expectations among the population living along the 1,700 kilometer Peru-Ecuador border. There are almost four million people living in the border provinces on both sides of the border, representing 12% of the combined total population of both countries. (The actual population living near the border is estimated at 10%-15% of this total.) The border area is severely underdeveloped, contains some of the poorest populations in both countries, and is home to more than one hundred thousand indigenous Amazonians. Lack of access to clean water, sanitation, and proper solid waste management is a serious problem. Infant and maternal mortality, as well as child malnutrition rates are high. Local governments are weak and unable to meet the needs of the average citizen. Improvements to these socio-economic conditions are key to achieving stability. Moreover, from a regional perspective, the border region contains key watershed sources for the Amazon Region. This is an important biodiverse and ecological reserve that must be protected.

U.S. Government (USG) support in the border region will boost the efforts of Peru and Ecuador to restore public confidence in their leadership. This activity is aimed at facilitating border integration by improving socio-economic conditions of communities along the border. It supports a range of activities intended to create economic opportunities for disadvantaged inhabitants; build or rehabilitate productive infrastructure; strengthen local governments; promote sustainable natural resource management; and improve and establish basic services and healthcare to improve border residents' living conditions.

* This was notified previously as 598-0858.

In prior years, reporting on the Peru-Ecuador Border Region Development activity was included under the LAC Regional program in the Congressional Presentation/Budget Justification document. However, both USAID Missions have now developed special objectives for country-level planning and reporting purposes and funds are transferred to each Mission for implementation of selected activities. Therefore, beginning this year, each objective and its related activities will be included in the respective country section of the Congressional Budget Justification document for reporting purposes.

Key Results: The following key results are required to achieve this objective: 1) increased income-generating opportunities; 2) increased availability of and access to basic services; 3) improved health of vulnerable populations; 4) expanded quality education in rural areas; 5) improved natural resource and environmental management in border regions; 6) increased protection of human rights, particularly those of women and indigenous populations; 7) strengthened participation and capacities of indigenous, community, local government and non-governmental organizations; and 8) cross-border economic and social exchanges.

Performance and Prospects: In Peru, an initial activity aimed to show tangible benefits of the Peace Accord in border communities started in June 1999. Interventions have been focused on local organizational strengthening and implementation of high-impact, small-scale community infrastructure, to provide these communities with actual participatory experiences in developing and implementing activities, while providing services (e.g., potable water systems, sewage, rural roads, and classroom improvement). This activity, implemented by CARE/Peru, benefited 2,100 poor families living in 44 border communities in Ayabaca (Piura highlands) achieving important results. An intersectoral coordination network, with broad participation at the provincial and district levels, has been established. Participatory planning processes in 44 communities, including those for latrines, classrooms, potable water systems, and rural roads, were completed in FY 2000. The successful methodology used to implement basic infrastructure has garnered $143,000 additional resources from the Japanese government and the Bi-National Fund for Peace and Development. The Japanese Government has financed additional community infrastructure projects in nine communities where USAID is working. Moreover, CARE/Peru has been coordinating border activities with CARE/Ecuador and has sponsored workshops with the participation of Ecuadorian municipalities that border Ayabaca. For the second anniversary of the Peace Accords, CARE/Peru was a leading institution in coordinating a forum of Peruvian and Ecuadorian NGOs on border development projects, the results of which were submitted to the Bi-National Executive Board.

In FY 2001, funds will be used to support activities principally in the rural areas of the highlands and the eastern jungle, with an emphasis on high concentrations of indigenous populations. Activities are targeted to improve the quality of life of border populations, while strengthening organizations to manage their own development processes. These activities include: 1) interventions 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) health interventions to reduce maternal and peri-natal mortality, infectious diseases and infant and child malnutrition; 3) support to strengthen local governments' ability to plan, target and manage resources in a responsible and accountable manner; 4) training of municipal leaders, civil society organizations and the population in general to assume new levels of involvement and responsibility; 5) development of small, community-based projects (e.g., health surveillance systems, potable water, etc.) and area development plans (e.g., community ecological reserves); 6) human rights protection training with a focus on indigenous women's and children's rights; and 7) information campaigns and cross-border exchanges.

In 2002, USAID will continue interventions that started in 2001 in the rural areas of the highlands and the eastern jungle, incorporating new communities to participate in the activity. Additionally, interventions will be expanded to the upper jungle area, where improvement of market- led production

activities and management of natural resources will be emphasized as part of the community-based projects.

Possible Adjustments to Plans: Baseline data results to become available by June 2001 could call for an adjustment of targets.

Other Donor Programs: The ten-year budget for the Bi-National Plan for Peru-Ecuador Border Area Development sought by the Peruvians and the Ecuadorians is $3 billion. Currently, the two governments together plan to contribute $100 million, while the donors will be asked to provide up to $600 million in grant resources, the international financial institutions up to $1.5 billion in loans, and the private sector up to $800 million in investments. The Bi-National Commission has received donor pledges of $180 million at the first Consultative Group meeting held in March 2000. The Bi-National Fund for Peace and Development, established to administer contributions from the international community and the Governments of Peru and Ecuador, is managed by the Andean Development Corporation (CAF) to ensure transparency and accountability. The International Advisory Committee (IAC), established for the implementation of the Bi-National Plan, was installed in October 2000 and is made up of representatives of the governments of Brazil, Germany, Italy, Japan, Spain, and the U.S., and of the multilateral Inter-American Development Bank, CAF, and United Nations Development Program.

Principal Contractors, Grantees or Agencies: CARE/Peru and CARE/Ecuador are lead organizations, respectively on each side of the border, of consortia implementing activities in the border region. The border activities are also implemented through a number of public- and private-sector partners including local governments, community organizations, NGOs, and central government sectoral organizations.

FY 2002 Performance Table

Peru: 527-008

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of communities with small project(s) functioning and providing services	NA	NA	0	44	40	NA	NA
Indicator 2: Number of local networks to promote development established and functioning	NA	NA	0	4	4	NA	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number	CARE Quarterly Reports	Communities that have completed their participatory project, have established maintenance committees and schemes, and community infrastructure projects are being used.
Indicator 2:	IR	Number	CARE Quarterly Reports	Districtal and/or provincial networks formally established by the local authority with development plans, that are implementing development actions according to the plan.

	U.S. Financing (In thousands of dollars)		
Program: Peru			
Title and Number: Improved Quality of Life of Peruvians Along the Peru-Ecuador Border Target Areas, 527-008			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	500 ESF	134 ESF	366 ESF
	0 INC	0 INC	0 INC
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	5,500 ESF	366 ESF	
	0 INC	0 INC	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	6,000 ESF	500 ESF	5,500 ESF
	0 INC	0 INC	0 INC
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 INC		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	3,488 ESF		
	0 INC		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	3,488 ESF		
	0 INC		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	2,500 ESF	8,513 ESF	20,501 ESF
	0 INC	0 INC	0 INC
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

NOTE: This was previously notified as a component of 598-0858

CARIBBEAN REGIONAL

Program Summary (In Thousands of Dollars)				
Category	**FY 1999 Actual**	**FY 2000 Actual**	**FY 2001 Estimated**	**FY 2002 Request**
Development Assistance	800	540	0	0
Child Survival & Disease Fund	0	0	1,497	3,000
CACEDRF	9,100	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	700	7,000	6,975	11,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**10,600**	**7,540**	**8,472**	**14,000**

Mission Director, Mosina Jordan

Caribbean Regional Program

Introduction

U.S. foreign policy interests in the Caribbean are guided by the 1997 Bridgetown Barbados Summit accord, which commits 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. USAID's Caribbean Regional Program (CRP) is in response to U.S. commitments and responsibilities under the plan of action, and, beginning this year, the CRP will implement significant programs to address the HIV/AIDS epidemic in the region.

For the United States, the Caribbean constitutes our "third border." Its proximity to, and the large number of its residents in, the United States, as well as its importance as a U.S. tourist destination means 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 close cooperation of Caribbean governments in areas of drug interdiction and money laundering is an on-going exercise. Yet such cooperation depends on efficient legal systems and the capacity of Caribbean authorities to introduce and sustain effective judicial programs in the face of economic hardships and the continuing demise of traditional sources of income. Deterioration in economic, social or political conditions in these small countries will lead to increased levels of unemployment, crime and illegal immigration to the United States. The United States is also committed to completing the Free Trade Area of the Americas (FTAA) process by 2005 in order to expand markets for U.S. goods and services and help insure safe destinations for U.S. foreign investment and tourism.

The Development Challenge

The primary development challenge in the Caribbean is to reduce poverty through the promotion of sustainable growth. Historically, these countries have faced special development challenges because of their small size, dependence on preferential trade regimes, and their vulnerability to natural disasters and other external shocks. Elevated HIV/AIDS incidence (now the leading cause of death among 15-44 year olds) has introduced another major development challenge to the region.

These small island nations have small domestic economies and depend vitally on export revenues and tourism as the mainstay for growth. Most have received preferential trade status from the United States, Canada, the United Kingdom and the European Union. Such treatment has distorted investment in the region toward those industries that received preference, particularly bananas and sugar. The removal of trade preferences is causing economic hardships, and fuels the debate over the special needs of small island states midst the growing trend towards globalization. At a more basic level, these small island countries often lack the capacity to carry out analyses required for implementation of Free Trade Area of the Americas and World Trade Organization standards.

Heavy reliance on relatively few exports and tourism products and the relatively high cost of telecommunication services has further constrained growth. Breaking into new export markets continues to be difficult for small and medium-sized Caribbean producers. Trade in services provides real opportunity for expansion. But in order to do so, competitiveness needs to be improved and modern information technology needs to be adopted on a wide-scale. In addition, there is the further complication of inadequately trained labor. Even in the critically important tourism industry, where comparative advantages are apparent, growth – while certainly positive – has been constrained by intense regional competition. Furthermore, the region has yet to

capitalize on the phenomenon of cruise-ship passengers – the fastest growing category of visitors to the Caribbean. The simple fact of economic life is that few Caribbean destinations have upgraded their tourist product to take advantage of cruise-ship passengers' spending.

Environmental problems arise from inadequate and inappropriate waste management, land use practices and coastal zone management. Most of the countries offer environmental services to some of their residents; but proper land use practices are often not in effect, and coastal zone management suffers from inadequate planning, regulation and enforcement. Environmental services are offered free of charge, posing a financial burden on the governments' fiscal balances and contributing to inadequate and unsustainable services and regulations. Discussions with environmental partners point to the need to share information on environmental management "best practices" to consolidate and improve policy/regulatory reforms in the region. Greater environmental investment is critical, especially within the private sector tourist industry, and there is consensus on the importance of establishing uniformly higher environmental standards; strengthening compliance with environmental laws and regulations; and raising public awareness and reporting on environmental issues.

Large civil and criminal backlogs exist in virtually all Caribbean judiciaries. The painstaking process of court reporting and case-flow management compounds the problem. Civil case backlog and court delays raise the cost of doing business, and discouraging private investment and growth in the region. The inability of courts to enforce collection of debts in a timely manner raises the cost of borrowing money. Less well off individuals and small and micro enterprises are particularly disadvantaged by inefficient judicial systems. Better information management along with procedural and organizational reforms is needed to streamline court and registry procedures and improve efficiency of the legal system without affecting judicial outcomes. Alternative Dispute Resolution mechanisms including negotiation, mediation, and arbitration, need to be introduced to handle certain types of cases now contributing to court system congestion.

The Caribbean Regional Program also recognizes the special needs of small island nations in dealing with hurricanes and tropical storms which periodically wreak havoc in the Caribbean. The destruction caused in September 1998 by Hurricane Georges, especially in St. Kitts & Nevis and Antigua & Barbuda, and in November 1999 by Hurricane Lenny, especially in Grenada, Dominica, St. Lucia and Antigua & Barbuda is being addressed under separate "special objectives" which will be completed by December 2001.

USAID's Caribbean Regional Program (CRP) is a recent initiative (FY2000 through FY2004) that focuses on achieving four regional strategic objectives: increased employment and diversification in select non-traditional activities; improved environmental management by public and private entities; increased efficiency and fairness of legal systems; and enhanced Caribbean response to the HIV/AIDS crisis in target countries. There are also two special objectives related to Hurricane Georges and Hurricane Lenny recovery and reconstruction. These objectives are consistent with the Agency's goals of broad-based economic growth, protecting the environment, stemming the spread of HIV/AIDS, building sustainable democracies (with a focus on rule of law) and humanitarian assistance. While the two CRP special objectives are nearly complete, activities under the first three strategic objectives are still getting under way. In these cases the procurement of technical and management services is well advanced, and several partners are already engaged. In the case of HIV/AIDS objective (which was approved March 2001), the overall design work has been completed.

Initiated in FY 2000, the activity to increase employment and diversification in select non-traditional activities to date has provided technical assistance in drafting of the Barbados telecommunications legislation; development of a website connecting regional trade ministries; and assistance in drafting of sanitary and phytosanitary legislation prerequisite to advancing agricultural trade. In addition, training is planned to strengthen the CARICOM Regional Negotiating Machinery and to sensitize the regional private sector on the need to promote competitiveness.

Activities to improve environmental management by public and private entities are also just getting under way. However, during this past year, "best practices" related to small hotels environmental management were documented, and a grant agreement was reached with the Organization of American States (OAS) that will improve environmental management systems of small hotels, and provide a framework for "green certification". In addition, the new OAS grant will help Caribbean communities establish and manage eco-tourism sites and attractions.

USAID-funded activities are also under way to improve the administrative efficiency of Organization of Eastern Caribbean States (OECS) courts by improving case-flow management, introducing more efficient court reporting, and expanding the use of alternative dispute resolution mechanisms. During this past year, USAID provided technical assistance to the OECS Supreme Court to develop a work plan and budget for streamlining court administration, and subsequently assisted the OECS Supreme Court to implement key elements of that plan. This has included developing plans for professional court reporting and improved case reporting systems, training court staff in operations under the new Supreme Court rules, developing a comprehensive judicial and administrative training plan, and working with the Caribbean Law Institute to promote use of Alternative Dispute Resolution mechanisms.

With respect to hurricane recovery, the USAID assistance for Hurricane Georges is close to completing reconstruction of a pediatric ward for the Joseph N France Hospital in St. Kitts, has procured medical equipment for that hospital, and has introduced mitigation management skills throughout the region. Under the Hurricane Lenny reconstruction program, USAID is currently repairing sea walls and coastal roads in Grenada, Dominica and St. Lucia, and is providing training for the design and maintenance of coastal infrastructure.

Other Donors

The other major donors providing support in the Caribbean region are the European Union, the World Bank, the Inter-American Development Bank, including the Multilateral Investment Fund and the Caribbean Development Bank. Canada and the U.K. are the major bilateral donors. With the start-up of the Caribbean Regional Program, the U.S. will rank as the largest bilateral donor in the Eastern Caribbean.

FY 2002

To increase economic diversification in FY 2002, USAID will address competitiveness for Caribbean firms in international markets and increase its assistance to improve information technology skills in the region. A scholarship and internship fund will be established to promote private sector Caribbean leadership in the global economy and build understanding in key economic and financial areas. USAID will continue to promote the adoption of best environmental practices especially in the tourism sector, strengthen environmental policy throughout the region and stimulate environmentally sound investments. To improve the region's legal system, USAID will invest in improved case flow management and efficiency and support improved access by judges to information and training. Increased funding in FY 2002 will allow USAID to further strengthen national HIV/AIDS plans in target countries and support NGOs in the region that work in HIV/AIDS prevention.

Two new activities in their initial planning stages will promote economic expansion and tourism in the region. One initiative will provide technical assistance to both the public and private sector in the area of transportation management. The other will finance and promote disaster mitigation in the public and private sectors. Both of these activities will be managed by other agencies.

CARIBBEAN REGIONAL
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
538-003 Hurricane Georges Recovery and Reconstruction in the Eastern Caribbean				
- DA	0	0	0	0
- CACEDRF	3,000	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
538-004 Increased Employment and Diversification in Select Non-traditional Activities				
- DA	280	150	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	2,500	2,500	4,500
- P.L. 480/II	0	0	0	0
538-005 Improved Environmental Management by Public and Private Entities				
- DA	520	270	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	2,500	2,500	2,500
- P.L. 480/II	0	0	0	0
538-006 Increased Effectiveness and Efficiency of Legal Systems in the Caribbean				
- DA	0	120	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	2,000	1,975	1,000
- P.L. 480/II	0	0	0	0
538-007 Hurricane Lenny Recovery in the Eastern Caribbean				
- DA	0	0	0	0
- CACEDRF	5,100	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
538-008 Enhanced Caribbean Response to the HIV/AIDS Crisis in Target Countries				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	1,497	3,000
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	2,000
- P.L. 480/II	0	0	0	0

CARIBBEAN REGIONAL
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
Totals				
- DA	800	540	0	0
- CACEDRF *	8,100	0	0	0
- CSD	0	0	1,497	3,000
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF **	0	7,000	6,975	10,000
- P.L. 480/II	0	0	0	0

* FY 1999 excludes $1.0 million for program in Bahamas.

** FY 2002 excludes $1.0 million to be transferred to other USG agencies/USAID Bureaus for implementation.

ACTIVITY DATA SHEET

PROGRAM: Caribbean Regional
TITLE AND NUMBER: Hurricane Georges Reconstruction and Recovery in the Eastern Caribbean 538-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $0 (DA); $0 (CACEDRF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $0 (DA); $0 (CACEDRF)
STATUS: *Continuing*
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: Hurricane Georges left a trail of damage throughout the Leeward Islands of the Eastern Caribbean as it passed through the region on September 20, 1998. It caused severe damage in St. Kitts-Nevis and Antigua-Barbuda. Approximately 3,500 people were left homeless, 50% of the sugar crop was lost and school, health, business, agriculture and tourism infrastructure was badly damaged. The structural and economic damage in St. Kitts-Nevis and Antigua-Barbuda is estimated at hundreds of millions of U.S. dollars. More than 6,000 people lost employment or their source of income as a result of the hurricane.

The Hurricane Georges Reconstruction objective was established to assist the countries of St. Kitts-Nevis and Antigua-Barbuda recover from the crisis resulting from the passage of Hurricane Georges. It targets three results: restoring hospital services (St. Kitts-Nevis); enhancing local capacity for disaster mitigation (St. Kitts-Nevis and Antigua-Barbuda); and reactivating economic activities to small- and microenterprises.

Key Results: Activities are meeting expectations and are expected to be completed several months ahead of the December 31, 2001 target completion date. All three results provide necessary humanitarian assistance to the affected countries, are currently being implemented, and are within the time lines that have been established.

Reconstruction of the pediatric ward of the Joseph N. France Hospital in St. Kitts is approximately 30% complete. This activity is being managed by Pan American Health Organization (PAHO). The Organization of American States (OAS) has conducted nine workshops in St. Kitts-Nevis and Antigua-Barbuda to srengthen the capacities of these countries to withstand disasters. The training program is 50% complete. USAID is providing support to microentreprenuers in St. Kitts-Nevis through the Foundation for National Development (St. Kitts), which has positioned 42% of the funds allocated to them for microenterprise lending.

Performance and Prospects: Reconstruction of the pediatric ward, under a contract between PAHO and Moorjani-Edgehill, commenced on September 4, 2000. Work is on target for completion by June 30, 2001. Installation of foundations as well as the floor slab has been completed. The construction of walls, installation of conduits and pipes are underway. In addition, the procurement of X-ray equipment and all other equipment will take place in early to mid-2001. Training in disaster management is scheduled for May 2001.

USAID is working with the OAS to strengthen disaster mitigation capabilities in St. Kitts-Nevis and Antigua-Barbuda. Development, adoption and implementation of effective national hazard mitigation policies and operational plans are underway. Hazard mitigation committees at the ministerial level have been established in both countries and will serve as the final review board for the policies and plans. The following hazards were identified from hazard mitigation planning and prioritization workshops held in St. Kitts-Nevis and Antigua-Barbuda: wind, storm surge, inland flooding, coastal erosion (both countries), drought (Antigua, Barbuda and Nevis) and inland erosion (Antigua, Barbuda and St. Kitts). Full

assessment and mapping of these hazards was completed in January 2001. The hazard assessments will be further used to conduct vulnerability assessments of critical facilities and to provide background information for the national hazard mitigation policy/plan.

Both Antigua-Barbuda and St. Kitts-Nevis have adopted national building codes, and building inspectors have been trained in these codes. USAID is providing assistance to ensure that the codes are available to the public. In addition, USAID has supported the production and distribution of manuals on safe building practices, an inspection checklist for householders, and a flyer addressing actions that can be taken before a storm to prevent damage.

USAID is working with the Caribbean Disaster Emergency and Recovery Agency (CDERA) to provide training for emergency and shelter managers in order to establish comprehensive national emergency shelter policies and programs in Antigua-Barbuda and St. Kitts-Nevis.

Preparatory work has begun for structural vulnerability assessments to be undertaken in both countries. Facilities to be included in the structural vulnerability assessment have been chosen and bids have been solicited from local engineering firms. Work will begin in the first part of 2001.

Field assessments in Antigua-Barbuda and St. Kitts-Nevis, found only one lending institution, the Foundation for National Development (FND) in St. Kitts, qualified to provide loans to the small and microenterprise sector. A grant agreement providing $350,000 was put in place on November 28, 2000 with the FND. To date, $150,000 has been disbursed, with the balance scheduled to be disbursed by May 2001.

Possible Adjustment to Plans: No adjustments to the current plan is contemplated.

Other Donor Programs: Other donors are colloabating on reconstruction of the St Kitts hospital: the European Union is financing construction of the outpatient department; the World Bank is providing resources for the adult medical ward; and the Caribbean Development Bank is financing reconstruction of the obstetrics ward. USAID is also working in coordination with CDERA.

Principal Contractors, Grantees or Agencies: Local organizations: Moorjani-Edgehill (Barbados) and the Foundation for National Development (St. Kitts). International organizations: PAHO and the OAS.

U.S. Financing (In thousands of dollars)			
Program: Caribbean Regional Program			
Title and Number: Hurricane Georges Recovery and Reconstruction in the Eastern Caribbean, 538-003			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	300 DA	0 DA	300 DA
	200 CSD	0 CSD	200 CSD
	0 ESF	0 ESF	0 ESF
	3,000 CACEDRF	0 CACEDRF	3,000 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	32 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 CACEDRF	415 CACEDRF	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	300 DA	32 DA	268 DA
	200 CSD	0 CSD	200 CSD
	0 ESF	0 ESF	0 ESF
	3,000 CACEDRF	415 CACEDRF	2,585 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	300 DA
	0 CSD	0 CSD	200 CSD
	0 ESF	0 ESF	0 ESF
	0 CACEDRF	0 CACEDRF	3,000 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Caribbean Regional Program
TITLE AND NUMBER: Increased Employment and Diversification in Select Non-Traditional Activities, 538-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,500,00 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $4,500,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY2004

Summary: Marginal economic growth and the concurrent lack of new employment opportunities are two of the most critical problems facing the Caribbean. The region is characterized by small domestic economies largely dependent on export revenues (including tourism) for growth. Most islands received preferential trade status from both the United States and Europe in the past, resulting in distorted agricultural investment, particularly in bananas and sugar. Due to heavy reliance on relatively few exports and tourism products, and the relatively high costs of transportation and telecommunications, dismantling the preferential trade regimes has resulted in serious and substantial displacements, especially in the Windward Islands. Economic growth has also been constrained by the limited capacity of these small nations to carry out the policy and regulatory analysis required for implementation of Free Trade Area of the Americas (FTAA) and World Trade Organization (WTO) trade standards.

To address some of these constraints, USAID is working with the public and private sectors to reduce barriers to increased production and marketing of goods, including non-traditional agricultural goods. Beneficiaries are the populations of the targeted Caribbean countries, particularly those who are directly displaced by economic restructuring. The project covers the Caribbean region but places special emphasis on the Eastern Caribbean countries, and complements other ongoing USAID bilateral activities. Two critical goals of this initiative are to increase the production and trade of select non-traditional, diversified products and services.

Key Results: Significant changes in the level of employment in production/provision of select non-traditional goods and services are not expected until the latter years of implementation. USAID is revisiting indicators to reflect a more manageable level of increased production and export. These indicators will be reported with baseline data later this year.

Performance and Prospects: Performance is meeting expectations. Extensive design work has been completed and activities are in the initial stages of implementation. An Activity Approval Document was approved in March 2000, and various sub-grants and cooperative agreements are expected to be signed in early 2001 for overall project implementation.

In 2000, USAID provided technical assistance and policy consultation to the Government of Barbados in order to help draft telecommunications reform and electronic commerce legislation. A final draft of the Telecommunications Bill, which moves the telecommunications sector from a monopoly to a free market environment, has been completed. The bill is expected to go to the parliament by the end of March 2001 after a process of public consultation. In early 2001, USAID plans to provide technical assistance to eastern Caribbean countries for drafting regulations under the newly established regulatory authority for the Organization of Eastern Caribbean States (OECS). Assistance includes drafting model licenses and requirements for implementing regulations, and support in policy areas such as interconnection and tariffs, licensing, spectrum allocation and management. USAID also plans to initiate the development of telecenters throughout the

OECS to support economic projects using information technology (IT) applications, and to undertake an assessment of IT capabilities in the region's educational and training institutions.

Technical assistance has been provided to the Caribbean Community (CARICOM) member countries through the Regional Negotiating Machinery (RNM) to establish a trade information network ("Virtual Secretariat"). A website was established in Barbados and was connected to seven of the RNM's offices. Computer hardware and software were provided to all 15 CARICOM countries with 13 of the 15 trade ministries connected to the website. This trade network will allow for the effective participation of CARICOM member countries in the negotiation process towards their ultimate participation in the FTAA. To strengthen CARICOM's regional capacity to effectively participate in negotiations, USAID will provide training to assist the RNM to expand its pool of skills in international trade-related matters.

The Caribbean Association of Industry and Commerce (CAIC) is developing a competitiveness program for the small and medium enterprise sectors. In 2000 USAID provided technical assistance through the U.S. firm, Frontier, to sensitize the business community in the region to develop enhanced competitiveness. With USAID support, Frontier and CAIC are currently preparing a regional strategic action plan which identifies key areas of training required by the private sector and establishes a series of performance measures to improve productivity, promote competitiveness, better understand the needs of customers, and focus on results.

In previous work done under the Hemispheric Free Trade Expansion activity related to agricultural trade policy, USAID conducted an evaluation in the Eastern Caribbean to determine its future assistance needs. Recommendations were made to assist the OECS with drafting legislation on sanitary and phytosanitary (SPS) measures relating to animal/plant health and quarantine. This legislation is required to enable OECS countries to comply with the WTO agreement on SPS measures governing trade and agriculture, expand market access, and provide for fair competition through transparency. USAID plans to work with the Pan American Health Organization (PAHO) to provide the necessary technical assistance to the OECS.

In 2001, USAID and the Export Development Unit of the OECS Secretariat will provide support to small and medium enterprises to improve competitiveness, expand market access, and increase exports within a target enterprise base. This activity includes a technology and innovation activity that will provide technical assistance to targeted enterprises with emphasis on quick responsiveness to identified individual company business needs in technical, managerial and financial areas.

In FY 2001, approximately $900,000 will be provided for initial support to the development of small and medium sized enterprises; approximately $600,000 to promote increased free trade; and approximately $1,000,000 for initial strengthening of the telecommunications sector in OECS member countries.

These activities will be expanded in FY2002 with approximately $1,260,000 provided to support development of small and medium sized enterprises; approximately $840,000 to promote increased free trade; and approximately $1,400,000 for strengthening the telecommunications sector in OECS member countries. In addition, a $1,000,000 scholarship and internship fund will be established to promote private sector Caribbean leadership.

Possible Adjustment to Plans: Consideration is being given to recasting the strategic framework to reflect lower level and more manageable indicators. A scholarship and

internship fund focused on building understanding in key economic and financial areas will promote private sector Caribbean leadership and competitiveness in the global economy.

Other Donor Programs: USAID is working with the World Bank and the Inter-American Development Bank (IDB) in shaping telecommunications and information technology activities. USAID initiatives in telecommunications will directly complement a larger IDB program designed to cover the entire region. The development agencies of Canada and the United Kingdom are involved in trade reform and integration, both with the RNM and CARICOM. Activities will also expand on the European Union initiative.

Principal Contractors, Grantees or Agencies: International partners include the RNM, OECS, CAIC, and PAHO. Local partners include the Government of Barbados.

FY 2002 Performance Table

Caribbean Regional Program: 538-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: NA	NA	NA	NA	NA	NA	NA	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	NA	NA	USAID is revisiting indicators to reflect a more manageable and realistic level, in terms of measuring increased production and export. These indicators will be reported with baseline data later this year.

U.S. Financing (in thousands of dollars)			
Program: Caribbean Regional Program			
Title and Number: Increased Employment and Diversification in Select Non-traditional Activities, 538-004			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	307 DA	23 DA	284 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	150 DA	174 DA	
	0 CSD	0 CSD	
	2,500 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	457 DA	197 DA	260 DA
	0 CSD	0 CSD	0 CSD
	2,500 ESF	0 ESF	2,500 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	2,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	2,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	457 DA
	0 CSD	0 CSD	0 CSD
	4,500 ESF	4,500 ESF	14,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Caribbean Regional Program
TITLE AND NUMBER: Improved Environmental Management by Public and Private Entities, 538-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,500,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,500,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY1999 **ESTIMATED COMPLETION DATE:** 2004

Summary: The ecosystems that sustain Caribbean economies, whether based on agriculture, fisheries, or tourism, are under severe and increasing stress. Ecosystem stability is especially precarious where island terrestrial and coastal systems are subjected to resource-intensive uses (e.g., uncontrolled fisheries, crop monoculture, heavy industry/mining, and mass tourism). Ecosystem degradation, whether from direct (over-fishing, denuded hillsides) or indirect (raw sewage or pesticide residue runoff transported to streams, beaches, and coral reefs) sources, result in destruction of productive habitats and resources, loss of biodiversity, multiplication of waste disposal and human health problems, and deterioration of economies. USAID's regional program reflects the Caribbean region's priority concern for sustainable livelihoods by seeking to identify and resolve the environmental problems most closely linked to the region's economies and growth potential. As such, the tourism sector will be a principal focus, with an emphasis on small hotels, sites and attractions, and community tourism. The objective of the program is to improve environmental management by both public and privates sector entities. Given the interdependence of resource utilization and economic development prospects, USAID seeks to protect ecosystems that underwrite tourism growth and other areas with high potential for economic diversification.

The project draws on the experiences and lessons learned from USAID's previous and ongoing activities in the region, several initial pilot programs and studies, as well as the experiences of USAID partners. The principal beneficiaries are the Caribbean people. Activities cover the Caribbean region but place special emphasis on the Organization of Eastern Caribbean States (OECS) sub-region.

Key Results: Key results for successful environmental management are: 1) increased access to best environmental management practices; 2) improved environmental policies and compliance measures; and 3) strengthened organizational capacity to finance environmental improvements.

Extensive design work was completed and several start-up activities were initiated in 2000; the project is now moving into the implementation phase. In March 2001, USAID signed a grant with the Organization of American States to implement a number of activities that relate to disseminating and adopting best environmental management practices and improving environmental policies and compliance. Likewise, the U.S. company PA Consulting Group (formerly Hagler Bailly Services) has been helping to identify and develop plans for financing environmental improvements. Additional implementation instruments will be finalized over the next two months. Despite the fact that major implementing mechanisms were not in place until recently, extensive consultation with partners and several start-up activities were carried out in 2000.

Performance and Prospects: The people of the Caribbean recognize the relationship between improved environmental management and their own economic wellbeing. They also recognize that their interconnectedness, whether by virtue of the shared benefits of the Caribbean Sea or collective position in world markets, requires concerted regional and cross-

sectoral supporting policy frameworks and actions. Prospects for achieving program results are excellent.

A proxy indicator, the number of organizations adopting best practices, was developed in order to measure overall performance. Best practices cut across all three results, i.e. they include practices related to management of resources that affect the environment; policies and compliance measures aimed at mitigating environmental damage; and generating finance for environmental improvements. Organizations with which the program will work include public institutions, environmental non-governmental organizations, community-based organizations, and private enterprises.

Environmental information to be disseminated includes regional "best practices" and "lessons learned" in sustainable tourism and environmental management. The focus is on small hotels, environmental management systems, environmental certification, and ecotourism practices that can be used as a basis for training and assisting hotel owners and tourism operators. In 2000, a consultant documented best practices related to environmental management of small hotels in order to increase access to best environmental practices. The first draft of this documentation was completed in hard copy and electronic format through a website related to tourism and ecotourism services. This report will serve as a guide for small hotel operators to implement new methods of environmental management while improving the attractiveness of their tourism operations.

To help small hoteliers and organizations or persons make environmentally sound investments, a "coaching toolkit" was developed using the best practices documentation. The toolkit includes best practices, resource information, and "how to" assistance for a variety of topic areas, such as energy conservation, environmental audits, wastewater management, and financial and business management. The toolkit will support training and technical assistance activities related to environmental management.

In 2000, a consultant completed an inventory of sites, attractions and community tourism in Dominica (such inventories will be carried out in several more countries in 2001 and will inform USAID on how to proceed with the sites, attractions and community tourism work). USAID also began work with the Caribbean Alliance for Sustainable Tourism to help establish Dominica as a "Green Globe" ecotourism destination.

The activity to improve environmental policies and compliance measures will get underway in 2001; at least one significant policy measure is expected this year. The activity will work with the Caribbean Tourism Organization and the Natural Resources Management Unit of the OECS to strengthen environment/trade policies. It will work with media practitioner networks to produce media materials and informational packages that target policy makers, local stakeholders, and private entities in order to influence policy and compliance.

A continuing impediment to improved environmental management is a lack of financing to undertake needed initiatives. Considerable work was carried out in 2000 to identify options for the establishment of an investment fund for small hoteliers that would provide capital for environmentally sound improvements.

Initial USAID activities aim to increase the number of organizations independently securing financing for environmental management, especially in the tourism sector. Activities include: "green property" certification to encourage investment in environmental improvements by tourism entrepreneurs; development of brands and standards for visitor accommodation facilities that are recognized and accepted in the marketplace; and increased access to innovative financing mechanisms to broaden availability of capital and technical

assistance for environmentally responsible investments. It is expected that three to four organizations will independently secure financing for each year of program implementation.

Strengthening organizational capacity to finance environmental improvement initiatives began with a USAID-financed workshop held in St. Lucia in October 2000. The workshop for small hotel owners promoted the development of environmentally sound brands and standards for small hotels. Over 70 hoteliers from OECS countries attended the workshop, as did several representatives of hotel associations. A Caribbean brand for small hotels is expected to be launched soon, and the development of standards related to environmental issues is well underway.

Activities planned for 2001 include initiatives to raise owner/operator awareness of options related to partial or full environmental audits, green certification, implementation of environmental management systems, as well as preparation of a small hotels audit protocol.

In FY 2001, approximately $1,000,000 will be used to promote the adoption of "best environmental practices" especially in the tourism sector; approximately $600,000 to strengthen environmental policy throughout the region and approximately $900,000 for stimulating environmentally sound investments. These activities will continue at similar funding levels in FY 2002.

Possible Adjustments to Plans: Adjustments may be made as appropriate as all activities become fully operational.

Other Donor Programs: A significant strength of the environmental management program is the extent to which partnerships are being developed. USAID will add a substantial environmental management component to the Organization of American States' Caribbean tourism competitiveness and sustainability project, thus adding a critical dimension to this initiative. As the design of this program proceeded, the Canadian development organization also became interested in providing financing. USAID is partnering with environmental management programs undertaken by the European Union, the European Department for International Development, International Finance Corporation, and the United Nations Development Programme.

Principal Contractors, Grantees or Agencies: International partner organizations include: the Organization of American States, the Caribbean Tourism Organization, the Caribbean Alliance for Sustainable Tourism, and the OECS Natural Resources Management Unit. U.S. contractors include PA Consulting Group.

FY 2002 Performance Table

Caribbean Regional Program: 538-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Non-USAID dollars supporting new Caribbean Regional Program environmental initiatives	NA	NA	NA	$0.23 (B)	Baseline	$0.5 million	$1.0 million
Indicator 2: Number of private, community, and public organizations indepenently securing finance for environmental management activities.	NA	NA	NA	5 (B)	Baseline	8	11
Indicator 3: Number of organizations adopting best practices	NA	NA	NA	0 (B)	Baseline	6	14
Indicator 4: Number of target groups exposed to environmental information	NA	NA	NA	0 (B)	Baseline	10	15

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Dollars in millions	Organizational financial reports and donor reports	Non-USAID dollars from lending institutions, donors, private investments, etc. supporting USAID environmental initiatives
Indicator 2:	IR	Number of organizations	Organizational financial reports and donor reports	Number of organizations securing financing. Based on an index of categories progressing from: no strategy for financing, to completion of a financial plan, to availability of a diversified portfolio of funding sources to finance environmental initiatives.
Indicator 3:	IR	Number of organizations	Organization of American States and other implementing organizations	Number of organizations adopting at least one best practice. Organizations include public sector entities and community-based, non-governmental, or private organizations. Categories of best practices include policy and compliance measures, community based tourism, environmental awareness, and environmental management system improvements. A best practice is considered to be adopted when, based on observation or self-reporting, the best practice is exhibited in an organization's operations.
Indicator 4:	IR	Number of organizations	Organization of American States and other implementing organizations	Target groups include public sector representatives and community-based, non-governmental, or private organizations. Environmental information includes toolkits, media products, training material, observation tours and on-site technical assistance. A group has been exposed to environmental information if they have acquired environmental information from a USAID-sponsored activity.

U.S. Financing (In thousands of dollars)			
Program: Caribbean Regional Program			
Title and Number: Improved Environmental Management by Public and Private Entities, 538-005			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	308 DA	5 DA	303 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	345 DA	312 DA	
	0 CSD	0 CSD	
	2,500 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	653 DA	317 DA	336 DA
	0 CSD	0 CSD	0 CSD
	2,500 ESF	0 ESF	2,500 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	2,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	2,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	653 DA
	0 CSD	0 CSD	0 CSD
	2,500 ESF	2,500 ESF	10,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Caribbean Regional
TITLE AND NUMBER: Increased Effectiveness and Efficiency of Legal Systems in the Caribbean, 538-006
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,975,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $1,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Caribbean courts are hampered by significant delays and backlogs in civil cases (estimated to average five years) and, to a somewhat lesser degree, in criminal cases. The backlogs are due to excessive adjournments, inefficient case-flow management, antiquated court reporting techniques, limited access to judicial information by magistrates and lawyers, inadequate training of court administrators and other professional staff, and region-wide under utilization of court-sanctioned alternative dispute resolution mechanisms.

Over the life of the strategy period, USAID proposes to improve the efficiency of Caribbean courts, especially the Organization of Eastern Caribbean States (OECS) Supreme Court system which includes six national high courts and a court of appeal. This will be achieved by: 1) improving the operating environment and efficiency of the OECS courts and registries through computerization and streamlined case-flow management; 2) promoting, through training and technical assistance, a fuller use of alternative dispute resolution methods as an alternative to going to court; 3) insuring that court proceedings are recorded by trained professional reporters using automated means; and 4) providing judicial and administrative training for judges and judicial staff. In addition, USAID will provide technical assistance on the establishment of a new Caribbean Court of Justice (to replace the Privy Council as the highest court of appeal), and assistance in modernizing the court registries in at least four Resident Magistrates Courts in Jamaica. The beneficiaries of more efficient and fair legal systems in the Caribbean are many and varied, ranging from judges, lawyers and other members of the legal profession to private entrepreneurs, investors and members of the wider public.

Key Results: Over the past year, the transition was made from design to procurement, which led to the implementation of some of the planned activities. A clearer understanding was also reached with key partners and other donors on the number and importance of crosscutting activities in the achievement of results.

Performance and Prospects: In order to measure the achievement of positive gains in efficiency and fairness of the legal system, it is necessary to reduce the number of backlogged cases and reduce the time required to adjudicate cases. Reliable data is generally lacking, reflecting the administrative limitations of courts and registries. It is currently estimated that approximately 100 civil cases are being settled per annum in each of the six national high courts in the OECS Supreme Court system. As USAID assists courts with referring cases to alternative dispute resolution, reorganizing registries, and streamlining adjudication using modern case management technologies, it is anticipated that by 2003 each OECS high court will resolve 200 cases per year.

While there is no doubt that there are large civil case backlogs in the OECS, it is unclear what the nature of the backlogs are in terms of the types and number of cases; it is possible that some of the cases may not need to go to court. The registrars of each of the high courts in the OECS Court System are currently conducting comprehensive inventories of all backlogged cases in their registry portfolios. This exercise is expected to be concluded in

mid-2001. Completion of this exercise will help reduce backlog, improve caseload management, provide baseline data, and solve the problem of a lack of information, which over time has plagued other donors.

After consultations with the U.S. National Center for State Courts, the OECS Supreme Court Chief Justice identified a comprehensive case flow management system that would be suitable for the OECS Supreme Court. This computerized system will allow the court to coordinate the processes and resources for efficient case tracking and enable the timely progression of cases from filing to disposition. USAID has provided technical assistance to assist with the design of a master plan for this system. This master plan acknowledges the revised Supreme Court Civil Procedure Rules, which empower presiding judges to manage court proceedings in a more activist fashion. OECS regional governments purchased the necessary computer hardware and software recommended by the U.S. National Center for State Courts. USAID will provide technical assistance to configure the system to the needs of the courts and sponsor a training program for all system users.

The Caribbean Law Institute, with funding from USAID, is preparing a curriculum for two alternative dispute resolution workshops. The workshops will assist judges and other members of the regional Bar in understanding the newly drafted Rules of the Supreme Court, which place heavy emphasis on the role of mediation in reducing court case backlogs. The first workshop will take place in August 2001.

In OECS beneficiary countries, judges and magistrates currently transcribe all court proceedings manually. In 2001, USAID will initiate a pilot, automated court reporting activity in Dominica. USAID will provide technical assistance and training to Dominica as a prelude to the phased implementation of electronic recording of court proceedings in OECS countries. Assuming that the pilot proves worthy of replication, USAID envisions that by the year 2003, an additional three OECS high courts will be employing modern court reporting, and that the two remaining courts will be using modern reporting techniques by 2004.

To improve the efficiency of the judicial system in Jamaica, two experts from the Federal Judicial College in Reno, Nevada, provided training to 18 Supreme Court judges in judicial writing. The course was conducted at the Justice Training Institute with support from USAID.

In 2001, USAID will work with the University of the West Indies (UWI) to enlarge its West Indian Case-Law Database and establish a user-friendly regional case reporting system. The new system will enable judges and lawyers to have ready access to cases, many of which are valuable as precedents. USAID anticipates that the existing database of 10,000 legal decisions at the UWI in Barbados will be gradually integrated into an automated format over the strategy period. The wider availability of decided cases to the legal profession and litigants will ensure that quality court decisions are expedited, and reduce case backlogs and procedural delays.

Until recently, no judicial and administrative training plan existed in the OECS countries. In 2000, USAID and the Chief Justice of the OECS Supreme Court developed a training plan for judges, magistrates and professional court administrative staff. In 2000, the New Jersey-based group, Court Management Associates, conducted a workshop for the six OECS court registrars on the new roles and responsibilities implicit in the new Supreme Court rules slated to go into affect in 2001. The course focused on administrative issues such as appellate court improvement, docket management and court governance. Three regional training programs are planned for 2001, four in 2002, and three more in 2003.

USAID will work closely with other donors and with the Judicial Education Committee to respond to other training needs.

A judicial symposium on environmental law, to take place in Saint Lucia in April 2001, will focus on the role of the judiciary and national courts in enforcement of and compliance with environmental laws. It will also address measures to strengthen judicial cooperation on environmental law in the Caribbean. USAID will finance the attendance of 10 Caribbean judges and prosecutors at the symposium.

During FY 2001, approximately $1,600,000 will be allocated to improve the case flow management and efficiency of the OECS Supreme Court and Jamaican Resident Magistrates Courts; approximately $375,000 will be allocated to improve access by judges to information and training. During FY 2002, approximately $800,000 will be allocated to improve the case flow management and efficiency in the target countries and $200,000 will be used to support improved access by judges to information and training.

Possible Adjustments to Plans: No adjustments to this plan are expected at this time.

Other Donor Programs: Other donors are also executing programs that aim, either directly or indirectly, to increase the efficiency and fairness of regional justice systems. The Canadian International Development Agency and USAID have agreed to focus funding on different areas of the OECS legal system. Inter-American Development Bank efforts are confined to Jamaica and focus largely on strengthening communities and community policing. The British Department for International Development is primarily interested in constabulary reform and alternatives to sentencing.

Principal Contractors, Grantees or Agencies: Current and potential U.S. contractors and grantees include Court Management Associates and the Caribbean Law Institute of the United States. Local partners include the Dispute Resolution Foundation of Jamaica, the University of the West Indies, and the Government of Jamaica. International partner organizations include the OECS Secretariat, the Caribbean Law Institute, and the CARICOM Secretariat.

FY 2002 Performance Table

Caribbean Regional Program: 538-006

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Case Reporting System Established	NA	NA	NA	0 (B)	baseline	1000	5000
Indicator 2: Establishment of Court Reporting Systems	NA	NA	NA	0 (B)	baseline	1	1
Indicator 3: Case disposition systematically increased	NA	NA	NA	100 (B)	baseline	NA	150

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of cases available	University of the West Indies Law Library	Number of cases indexed and computer accessible at the University of the West Indies' law library. There are currently 10,000 cases that need to be indexed; this activity will be completed in 2003.
Indicator 2:	IR	Number of courts	OECS High Courts records	Number of OECS high courts with an automated court reporting system and with the relevant reporting equipment and technical assistance.
Indicator 3:	IR	Number of cases disposed	OECS High Courts records	Number of cases (per court in the OECS Supreme Court System) adjucated or resolved through alternative dispute resolution

U.S. Financing (in thousands of dollars)			
Program: Caribbean Regional Program			
Title and Number: Increased Effectiveness and Efficiency of Legal Systems in the Caribbean, 538-006			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	120 DA	120 DA	
	0 CSD	0 CSD	
	2,000 ESF	30 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	120 DA	120 DA	0 DA
	0 CSD	0 CSD	0 CSD
	2,000 ESF	30 ESF	1,970 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	1,975 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	1,975 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	120 DA
	0 CSD	0 CSD	0 CSD
	1,000 ESF	1,000 ESF	5,975 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Caribbean Regional Program
TITLE AND NUMBER: Hurricane Lenny Recovery in the Eastern Caribbean, 538-007
PLANNED FY2001 OBLIGATION AND ACCOUNT: $0 (CACEDRF)
PROPOSED FY2001 OBLIGATION AND ACCOUNT: $0 (CACEDRF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: Hurricane Lenny was a late 1999 season storm that was formed in the Western Caribbean, south of the Cayman Islands. It was unusual in that it followed a west-to-east track through the Caribbean rather than a "normal" east-to-west track. As a result of this unusual direction, as well as the fact that the hurricane reached the intensity of a Category 4 level storm, large portions of the western coastlines of Antigua, Dominica, Grenada and St. Lucia were adversely affected. Ordinarily, the east coasts of the islands take the initial brunt of a hurricane; therefore, western coastal defenses were unprepared for the impact. Infrastructure damage was extensive: sea defense walls collapsed, coastal highways were washed away, beaches were severely eroded, and businesses suffered. In Antigua-Barbuda, essentially all of the businesses were affected by the severe flooding. Antigua, Dominica, Grenada and St. Lucia have invested in sea defense reconstruction and coastal highway repair; however, the quality of some efforts is very poor. Standards for uniform structures that will withstand major hurricane attacks need to be implemented. The beneficiaries of this program are the people of the affected countries.

Key Results: USAID is supporting reconstruction of key infrastructure such as roads, sea defenses and sea front walkways and training of key personnel to manage existing resources as well as to plan for and mitigate future disasters. This program has four key results: 1) key sea defense systems and selected sections of coastal roads reconstructed; 2) key personnel trained in specialized areas; 3) integrated coastal management plans developed in selected areas of Antigua-Barbuda and St. Lucia; and 4) economic activities reactivated.

Activities are on schedule for completion. The main activities end in August 2001, leading to full closure of the project by December 31, 2001. Design and tendering for infrastructure reconstruction activities are underway with construction starting in March 2001. Training activities will commence in May 2001, and work has begun on the development of coastal zone management plans for sections of St. Lucia and Antigua-Barbuda. A thorough review of the financial institutions that service micro and small enterprises found that none were strong enough to take on an activity of this nature, and the activity has been dropped.

Performance and Prospects: The program is meeting expectations. USAID has contracted Smith Warner International, in partnership with Consulting Engineering Partnership Ltd., to carry out environmental impact assessments, design reviews, and manage construction of sea defense systems and roads in Grenada, Dominica and St. Lucia. Environmental impact assessments for Grenada and Dominica are complete and sea wall designs in Grenada have been modified to make them more cost effective. The team is reviewing site plans for Dominica. Construction in Grenada and Dominica will begin in March and April respectively.

USAID is working with the Organization of American States (OAS), and the University of the West Indies engineering faculty to carry out specialized training in coastal engineering and resource management. Courses will include coastal zone/island systems management, coastal defense systems, monitoring and maintenance of coastal infrastructure, and the design of marine structures. These four courses are planned to commence in May 2001

with an end date of October 31, 2001. A needs assessment of persons requiring training is currently underway.

The integrated coastal management plans being carried out for selected areas in St. Lucia will be completed by the end of April 2001. Construction activities which take into account these plans will end by September 2001. The U.S. National Oceanographic and Atmospheric Administration (NOAA) will develop the coastal zone management plans for the northwestern coast of Antigua, which is expected be completed by June 2001.

In November 2000, USAID conducted a capability assessment of lending institutions in the region that could provide credit to the microenterprise sector in a short period of time. The assessment revealed entities with weak financial structures in all four countries which made it impossible to work with them under the tight timeframe of the project. Thus, the reactivation of economic activities result has been eliminated.

Possible Adjustment to Plans: The elimination of the proposed microenterprise reactivation activity is the only change that has been made to this program.

Other Donor Programs: The Caribbean Development Bank and the World Bank are carrying out coastal road and sea defense reconstruction projects in Grenada and Dominica.

Principal Contractors, Grantees or Agencies: Local organizations include: Smith Warner International (Jamaica), , the University of the West Indies, and the governments of Grenada, Dominica, St. Lucia and Antigua-Barbuda. International organizations include the Organization of American States. U.S. organizations include NOAA.

U.S. Financing (in thousands of dollars)			
Program: Caribbean Regional Program **Title and Number: Hurricane Lenny Recovery in the Eastern Caribbean, 538-007**			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 CACEDRF	0 CACEDRF	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	5,100 CACEDRF	0 CACEDRF	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	5,100 CACEDRF	0 CACEDRF	5,100 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
*Prior Year Unobligated Funds**	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 CACEDRF	0 CACEDRF	5,100 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Caribbean Regional
TITLE AND NUMBER: Enhanced Caribbean Response to the HIV/AIDS Crisis in Target Countries, 538-008
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $1,497,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $ 3,000,000 (CSD); 2,000,000 (ESF)
STATUS: New
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: AIDS is the leading cause of death among 15 to 44 year-olds in the English-speaking Caribbean. HIV seroprevalence in the region is second only to sub-Saharan Africa, and is particularly high in the Bahamas, Barbados, the Dominican Republic, Guyana and Haiti. In most of the remaining Caribbean countries, HIV/AIDS remains concentrated among population groups practicing high risk behaviors, but it has the potential to spread rapidly to the general population, a situation that this strategy seeks to address. By the end of 1999, the World Health Organization (WHO) and the Joint United Nations Program on HIV/AIDS estimated that region-wide, over 1.96% of adults (ages 15 to 49) were living with HIV/AIDS (about 360,000 persons). Given what is know about under-reporting, a more realistic estimate is 500,000 persons (about 2.72% of adults).

From 1991 to 1998, the annual number of new AIDS cases in the Eastern Caribbean had almost tripled from 854 to 2,279 cases. In some countries HIV/AIDS patients now occupy 25% of all medical ward beds. Late diagnosis is common and few people receive treatment, even for opportunistic infections, resulting in high case fatality rates. In terms of age-specific mortality, AIDS is the leading cause of death among 15 to 44 year-olds regardless of gender. In St. Vincent, for example, it is estimated that 40% of young men's deaths are linked to AIDS. The region also has an estimated 83,000 children under the age of 14 who are orphaned as a result of AIDS.

The primary mode of transmission is heterosexual. The region has one of the highest rates of new AIDS cases among women in the sub-regions of the Western Hemisphere where they now make up 35% of all HIV positive adults. Mother to child transmission of HIV is also higher in the Caribbean than in any other part of the Americas. The epidemic is shifting to younger populations and is reflected in the fact that half of all new HIV infections are among youth aged 10 to 25. Young girls, as in other parts of the world, are at higher risk of becoming infected by older HIV-infected men. Girls aged 10 to 19 are up to seven times more likely to be infected than boys aged 10 to 19 in some countries.

The overall purpose of USAID's response to HIV/AIDS in the Caribbean region is to strengthen and support regional and local institutions to better enable them to decrease the negative impact of HIV/AIDS in targeted Caribbean countries.

Key Results: The strategy for this new project was reviewed and approved by USAID's Latin America and Caribbean Bureau in March 2001. It will focus on two programmatic goals: 1) Increased capacity of non-governmental and community-based organizations to deliver HIV/AIDS prevention programs in target countries; and 2) Increased government capacity (in target countries) to implement an effective response to HIV/AIDS. Three indicators will track performance: 1) status of developing and implementing national AIDS strategic plans; 2) percent of health personnel providing quality management of people living with HIV/AIDS according to Caribbean Epidemiology Center (CAREC) guidelines; and 3) the number of non-governmental organizations (NGOs) which have reached a minimal performance standard.

Performance and Prospects: Program implementation will begin in the summer of 2001 with the award of contracts and grants. The strategic opportunity and rationale for USAID engagement lies in working collaboratively with regional partners under a common strategic framework to reduce the spread and impact of HIV/AIDS in the Caribbean. Therefore, prospects are excellent as numerous donors and organizations have pledged their support for this common strategic framework.

The bulwark of the strategy will be to introduce methodologies and approaches to reduce risk and vulnerability. Risk reduction interventions (i.e., reducing the probability that a person may acquire HIV infection) will be based on best practices and will target high-risk individuals and groups mainly through non-governmental organizations (NGOs) and other community-based groups as well as Peace Corps volunteers. Resources to CAREC will build the capacity of member countries to develop and implement an expanded response to the HIV/AIDS crisis.

In FY 2001, $500,000 will be used to strengthen national HIV/AIDS plans in target countries and approximately $997,000 will be used to support NGOs in the region that work in HIV/AIDS prevention. Activities to support and increase NGO and government capacity in the region will be expanded in FY 2002.

Possible Adjustment to Plans: No changes are anticipated.

Other Donor Programs: Several bilateral and multilateral donors are also supporting HIV/AIDS programs in the region. These include the European Union, the development agencies of Canada, the United Kingdom, and Germany, the Inter-American Development Bank, and the World Bank.

Principal Contractors, Grantees or Agencies: Implementing partners will include local and regional NGOs and the Caribbean Epidemiology Center (affiliated with the Pan American Health Organization). The Peace Corps is a U.S. implementing partner.

FY 2002 Performance Table

Caribbean Regional Program: 538-008

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: NA	NA	NA	NA	NA	NA	NA	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	NA	NA	The regional HIV/AIDS response strategy was approved in March 2001. At this point, indicators are being developed and baseline data collected. The project team will develop these tables prior to program implementation in the summer of 2001.

U.S. Financing (In thousands of dollars)			
Program: Caribbean Regional Program			
Title and Number: Enhanced Caribbean Response to the HIV/AIDS Crisis in Target Countries, 538-008			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	1,497 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	1,497 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	3,000 CSD	3,503 CSD	8,000 CSD
	2,000 ESF	2,000 ESF	4,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

CENTRAL AMERICA REGIONAL

Program Summary (In Thousands of Dollars)				
Category	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
Development Assistance	9,249	8,200	9,030	8,142
Child Survival & Disease Fund	2,700	3,150	3,692	3,700
CACEDRF	8,700	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	0	0	0	0
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**20,649**	**11,350**	**12,722**	**11,842**

Mission Director, George Carner

CENTRAL AMERICAN REGIONAL

Introduction

The Central American Regional program is designed to strengthen regional institutions and promote the economic integration of the seven Central American countries of Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Belize, and Panama on regional economic, environmental, and health (HIV/AIDS) issues.

In response to years of instability in Central America, in 1994 the region's leaders created the Alliance for Sustainable Development (ALIDES) to increase trade and improve management of Central America's rich biodiversity. The United States signed the Central America-USA Agreement (CONCAUSA), promising U.S. technical support for the Alliance's Action Plan later that year. In May 1997, the U.S. and Central American Presidents reconfirmed their commitments under CONCAUSA and their common objectives. In March 1999, the leaders joined in two special Consultative Group (CG) meetings to coordinate donor response to the devastation brought on by Hurricane Mitch. By the end of 2001, when the Mitch Special Objective ends, they will have provided over $13.7 million of emergency disaster assistance in a two-year program to improve regional capacity to mitigate the transnational effects of disasters in Central America. In March 2001 at the Regional CG in Madrid, Central American leaders and donors (including the United States) identified both challenges and opportunities for regional modernization. In the wake of destruction by earthquakes in El Salvador in early 2001, all agreed on the continued need to reinforce disaster preparedness and mitigation. The Central American leaders presented a strategy emphasizing economic integration, infrastructure modernization, trade competitiveness, sound environmental management, and social development.

Phase I of the Central American Regional program (1996-2001) has focused on key U.S. goals and interests in the region, including: (1) expanding economic growth and prosperity through greater economic integration and open markets; (2) promoting trade and investment; (3) improving labor conditions; (4) increasing sustainable development and sound environmental practices by stemming regional resource degradation and loss of biodiversity; and (5) reducing the incidence of communicable diseases, especially HIV/AIDS. Phase II of the Central American Regional Program (2002-2007) was approved in July 2000, and continues to reflect the aforementioned U.S. goals and interests, while focusing greater attention on regional competitiveness and free trade readiness, and consolidating the Mesoamerican ecological corridor.

The Development Challenge

The Central American region encompasses seven countries: Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama, with a population in 2000 of some 37 million growing at a rate of 2.5% annually. Over half of all Central Americans live in rural areas and two-thirds live below the poverty line. Beyond the challenges of poverty reduction, the Central American countries also remain ill equipped to face the cross-border spread of HIV/AIDS and other contagious diseases, frequent natural disasters, and the continuing loss of biodiversity due to environmental degradation.

To combat poverty and promote development in Central America, higher economic growth rates are needed. In 2000, USAID's Project in Support of Central American Participation in Free Trade Agreements (PROALCA), has reinforced Central America's movement toward an outward-looking, export-led strategy as the best way to achieve rapid, sustained, and equitable economic growth. Promoting the U.S. foreign policy objectives of establishing the Free Trade Area of the Americas (FTAA) by 2005 and advancing the trade liberalization agenda negotiated globally through the World Trade Organization, PROALCA contributed to the continued regional trade increase -- reaching 54% of Gross Domestic Product (GDP) in 2000 -- and to enhanced domestic policies for more open trade regimes. Central America made steady progress in trade readiness. And intra-regional trade as a

percent of GDP continued to rise in 2000, while total private sector investments in the region rose sharply during 2000 in key sectors such as energy and telecommunications.

Sustained growth must be equitable and avoid the depletion of natural resources. The Central American Environmental Program (PROARCA) strengthened regional integration and produced important market-based mechanisms to protect the environment. Work to consolidate the Mesoamerican Biological Corridor (MBC) continues through support to NGOs and government agencies, along with development by Central American countries of model National Biodiversity Strategies which are now being used to prioritize interventions in the MBC. PROARCA has reduced threats to key natural resources in two additional trans-boundary sites, and during 2000 it helped bring 27 additional protected areas under improved management, enjoining the active participation of property owners in local conservation.

Working to improve Central American capacity to respond to the growing HIV/AIDS crisis, the regional HIV/AIDS strategy strengthened policy formulation across the region and expanded public and private support for effective programs responding to the HIV/AIDS challenge. The program strengthened NGOs' advocacy and prevention networks, regional Condom Social Marketing, and the exchange of information among all sectors of the HIV prevention community. Unfortunately, however, the pandemic is rapidly gaining speed. USAID's regional program focuses on areas and high-risk groups not normally covered by bilateral programs, and on activities where a regional program has comparative advantage.

A key feature of the Central American Regional program continues to be the direct involvement of Central America Ministers of Trade, Environment, and Labor in supporting regional programs to overcome barriers to trade and investment, and to a regional stewardship of the environment to assure the sustainability of growth. In 2000, all Central American participating countries remained eligible for trade benefits under the Generalized System of Preferences (GSP) and all countries under scrutiny were removed from the GSP priority workers' rights watch list, paving the way for participation in World Trade Organization (WTO) and regional Free Trade agreements and new trade and external capital flows to the region. In the environment, important mechanisms to protect the environment were established: a public-private forum for sustainable tourism and a permanent national council, both of which assist communities as well as local and national authorities in decision-making for market-based natural resource use; and a tri-national biological corridor in the Gulf of Fonseca which further consolidates the MBC.

Under the Central American and the Caribbean Emergency Disaster Recovery Fund, the Regional Program is implementing a targeted two-year effort to assist the region's Mitch-affected countries to improve their collective capacity to manage transnational watersheds, improve standards for roads, and improve education in Costa Rica in areas affected by Mitch-related migration.

FY 2001 is the final year under which Phase I activities of the Central American Regional program are being funded and is a year of transition to USAID's five year Phase II of the strategy. Of particular importance is the initiation of new activities in trade and investment to ensure that national efforts mesh with regional integration and cross-border efforts to meet trade goals, new activities in the environmental area, as well as new activities using Child Survival and Disease (CSD) funds to combat HIV/AIDS.

Other Donors

Besides USAID, 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 plans to join the Central American Bank for Economic Integration as the first non-regional member, and will contribute to its financial and institutional strengthening in coming years.

FY 2002 Program

All FY 2002 Development Assistance (DA) funds will be obligated for activities under Phase II of the Central American program. USAID funds will support the Central American Regional trade and investment program to increase the ability of Central American governments to participate in FTAA and global markets by helping reform trade and investment policies and increasing private investment. The regional environmental program will use DA funds to support activities with regional economies of scale and cross-border impacts to consolidate a Central American system of protected areas, harmonize environmental policies, and promote environmentally-friendly products with market potential. Finally, start up activities will work to improve municipal finance in the region.

In FY 2002, CSD funds will support the regional program's efforts to help expand HIV/AIDS awareness and prevention services, especially among high-risk groups and youth, increase prevention through social marketing of condoms, and improve policies to support strong public HIV/AIDS programs.

CENTRAL AMERICA REGIONAL PROGRAM
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
596-001 Increased Central American Participation in Global Markets				
- DA	3,749	3,200	2,900	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
596-002 Increased Effectiveness in Regional Stewardship of the Environment and Natural Resources in Targeted Area				
- DA	5,500	5,000	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
596-003 Enhanced Central American Capacity to Respond to the HIV/AIDS Crisis				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	2,700	3,150	1,120	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
596-004 Improved Reginal Capacity to Mitigate Transnational Effects of Disasters				
- DA	0	0	0	0
- CACEDRF	8,700	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
596-005 Increased Central American Competitiveness in Global Markets				
- DA	0	0	100	2,600
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
596-006 Improved Environmental Management in the Mesoamerican Biological Corridor				
- DA	0	0	6,030	5,342
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
596-007 Strengthened Municipal Finance Systems for Local Governments in Central America				
- DA	0	0	0	200
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0

CENTRAL AMERICA REGIONAL PROGRAM
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
596-008 Enhanced Central America Capacity to Respond to HIV/AIDS Crisis - Phase II				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	2,572	3,700
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
Totals				
- DA	9,249	8,200	9,030	8,142
- CACEDRF	8,700	0	0	0
- CSD	2,700	3,150	3,692	3,700
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0

ACTIVITY DATA SHEET

PROGRAM: Central American Regional
TITLE AND NUMBER: Increased Central American Participation in Global Markets, 596-001
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,900,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: The strategy responds both to USAID's Agency-wide goal of broad-based economic growth and to Central America's pursuit of an outward-looking, export-led strategy as the best way to achieve rapid, sustainable, and equitable economic growth. It promotes U.S. foreign policy objectives of the establishment of the Free Trade Area of the Americas (FTAA) by 2005 and advancement of the trade liberalization agenda negotiated globally through the World Trade Organization (WTO). USAID's Program Supporting Central American Participation in the FTAA (PROALCA) aims to increase Central America's readiness to join and honor commitments made under hemispheric free trade agreements (i.e., FTAA and North American Free Trade Agreement--NAFTA) and seeks to accelerate regional integration into hemispheric and global markets. Only through greatly expanded trade will Central America attain economic growth rates required to effectively combat poverty. PROALCA Phase I will be completed in FY 2001. Phase II activities will be initiated in FY 2002.

Key Results: (1) Improved trade and investment policies, including lower tariff rates, fewer non-tariff barriers for both intraregional and world trade, stronger intellectual property rights protection (IPR), and an enhanced investment climate; (2) More equitable and better functioning labor markets, requiring improved labor relations, stronger protection of core labor standards, and negotiated deregulation; and (3) Increased private investment in energy and telecommunications, which is essential as public sector savings are insufficient to finance needed infrastructure investment.

Performance and Prospects: Overall performance has exceeded expectations. PROALCA has contributed to the continued adoption of an outward-oriented regional integration model. Through 53 regional seminars, PROALCA has trained 1,118 people in services and investment, competition policy, administration of treaties, training of negotiators, and FTAA and WTO processes. 90% of the products on the tariff universe list have been harmonized. Guatemala and El Salvador ratified the Customs Union Agreement in October 2000. El Salvador and Honduras have established a customs union. Nicaragua has also expressed its desire to join the union. Central American (CA) countries are also working to harmonize their trade negotiating positions vis-a-vis third countries. Mexico and the three CA Northern Triangle countries (Guatemala, El Salvador and Honduras) signed a free trade agreement in June 2000, which was ratified in February 2001. The treaty provides that 72% of 6,000 articles from the CA countries will be eligible to enter Mexico duty-free and 60% of 12,000 Mexican articles will be eligible to enter CA countries duty free.

On tax harmonization issues, tax authorities in Guatemala and El Salvador are reviewing comparative tables of the laws related to Value Added Tax (VAT), and specific taxes (cigars, liquor, beverages). The Intellectual Property Rights (IPR) component of PROALCA contributed significantly to the enactment of modern IPR laws in Guatemala and Honduras, the reduction of processing time to register patents and trademarks in Nicaragua, wider public support for IPR in the region, and regulations to strengthen the regional governments' capacity to comply with their ongoing IPR obligations under international trade agreements. PROALCA also sponsored the creation of IPR courses at two universities in the region, a quarterly magazine, and a book on IPR to appear in 2001. The Vice Ministers of Economy of Guatemala, El Salvador, Honduras, and Nicaragua agreed to continue efforts to harmonize IPR Laws and to evaluate a Central American trademark system.

The labor situation in several CA countries continues to be an issue. CA countries came under strict scrutiny with respect to their labor standards this past year as a result of passage of the enhanced Caribbean Basin Initiative (CBI). All CA countries were found eligible for CBI benefits, but Guatemala will be reviewed by the U.S. Trade Representative again in April 2001. In order to strengthen information systems under the labor component, PROALCA installed computer information systems in the CA Ministries of Labor. More than 2,000 labor officials were trained through videoconferences, workshops and courses on labor inspections, the labor market, workers rights, occupational safety and health matters, alternative dispute resolution, and the labor standards requirements of free trade agreements. With PROALCA support, CA Labor Ministers signed an agreement of cooperation with the Labor Secretariat of Mexico, which benefited from World Bank and Inter American Development Bank (IDB) support to modernize its labor market upon Mexico's entrance in NAFTA. The benefits of the Mexican experience are being transferred to CA countries at a minimal cost. PROALCA initiatives led to the development of an occupational health and safety center in El Salvador. The Child Labor Eradication Program is being successfully carried out, with eight local NGOs having signed agreements, endorsed by local authorities, to implement pilot projects in each of the region's eight countries.

Using tools provided by PROALCA, the CA governments are restructuring their energy sectors. New electricity laws, regulations, procedures, and management structures for newly created private entities are promoting private sector-led electrification and other energy sector investments. PROALCA's technical support to the El Salvador Ministry of Economy in charge of the power sector has resulted in greater stability in the power sector and reduction on electricity tariffs to the consumers during this period. Technical support to the Guatemala regulatory commission helped develop Quality of Service Regulations, essential to assure customers a reliable and efficient electricity service, and assisted the Power Pool Administrator to develop a system for the monitoring and control of the operation of the power system. In Nicaragua, PROALCA aided development of the institutional structure and organization of the newly created public Transmission Company and the power pool administrator. In Honduras, PROALCA supported the drafting of the Electricity Law. This Draft Law has become the framework for a new competitive power sector in the country and was included as a covenant for the International Monetary Fund (IMF) program in Honduras.

In FY2001, a total of $2,900,000 in Development Assistance (DA) funds will support PROALCA Phase I activities. Of this amount, $1,255,000 will promote trade and investment policy reform, intellectual property rights and economic analysis activities; $755,000 will be used for technical assistance to strengthen CA Ministries of Labor and labor market modernization activities; and $890,000 will support regulatory reform and restructuring, facilitation of private investment and development of competitive energy markets in the region.

Possible Adjustments to Plans: In July 2000 the Regional Strategic Plan was approved. Design for the new regional competitiveness program's second phase, "Increased Central American Competitiveness in Global Markets" is underway. Procurement actions will come on line during 2001 so as to begin implementation of PROALCA II in October 2001, thus assuming a seamless transition from PROALCA I.

Other Donor Programs: USAID and the IDB are implementing a joint activity to help modernize labor markets. USAID maintains close contact with the United Nations Economic Commission for Latin America (ECLA)-Central American Office, which provides research and technical analysis on Central American economic integration issues.

Principal Contractors, Grantees or Agencies: USAID coordinates with the Office of the U.S. Trade Representative (USTR), the U.S. Patent and Trademark Office (USPTO), the U.S. Department of Labor, the U.S. Customs Service, and the Economic/Commercial Sections of U.S. Embassies in the region. The Permanent Secretariat for Central American Economic Integration (SIECA) is a grantee, as are several Central American governments. Contracts and grants have been awarded to U.S. and local

firms including PA Consulting Group (formerly Hagler Bailly). Through USAID support and encouragement, SIECA negotiated a Memorandum of Understanding with the USPTO to cooperate toward strengthening intellectual property rights protection.

FY 2002 Performance Table

Central America Program: 596-001

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Composite score on trade readiness	3.26	3.46	3.54 (e)	3.64 (p)	3.50	3.7	TBD
Indicator 2: Total Central American Merchandise Trade as a Percentage of GDP	49.24	52.04	51	54 (p)	54.0	55.0	TBD
Indicator 3: Intra-Regional Merchandise Trade as a Percentage of GDP	8.82 (r)	9.54	9.9	9.94 (p)	8.40	9.98	TBD
Indicator 4: Private investment in energy and telecommunications	630	2600	4400*	4942	4000	5000	TBD

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Average of Central American countries' scores	Regional Central Banks; Secretariat for Central American Integration, Central American Monetary Council; IDB, Social and Economic Progress in Latin America, 1995-1998; UNDP, HDI of 1993-1999; Freedom House, Annual Survey of Political Rights and Civil Liberties, 1992-1999; IMF, International Financial statistics, 1990-2000; ECLAC, CEFSA-COPADES report of April, 2000; and USAID staff estimates	Countries are scored on a scale of 0 to 5, with five being the most ready for participation in a free trade agreement. The readiness indicator is based on the methodology developed by the Institute for International Economics. It is a composite score of eight factors: price stability, budget discipline, external debt, currency stability, private savings, market-oriented policies, reliance on trade taxes, and policy sustainability (Freedom House and UNDP's Human Development Index).
Indicator 2:	S	Percentage	For 1994-1998, Secretariat for Central American Economic Integration, Statistical Bulletin 7.3 September 1999. For 1999 and 2000 Central Banks and CEFSA-COPADES estimates	Sum of total exports f.o.b. and imports c.i.f. for each country (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua), divided by the sum of GDP for each country. Annual figures for 1995 through 1999 have been adjusted to compensate for the abnormally high international prices for coffee. Exports and imports don't include maquilas (drawback). There is a change in the external trade of Honduras that now includes total trade with Central America that was not shown during previous years.
Indicator 3:	IR	Percentage	Data from 1994-2000 is from the Secretariat for Central American Integration, CEFSA-COPADES and TEA Office Estimates. Data from 2001 onward is from the Central American Monetary Council.	Sum of total merchandise exports f.o.b. and imports c.i.f. to and from Central America (5 CACM countries), divided by the sum of GDP for each country. Data reflects an adjustment in the case of Honduras, which before did not include total intra-regional trade.
Indicator 4:	IR	US$ millions invested (cumulative)	Grantees and contractors working in the region	All private investment will be counted, including revenues from privatization of state-owned facilities as well as new private investments in both sectors. *This amount includes the cumulative investments (1997+1998).

(e) estimates
(p) preliminary
(r) revised using updated trade and GDP data from Secretariat for Central American Integration

U.S. Financing (In thousands of dollars)			
Program: Central American Regional			
Title and Number: Increased Central American Participation in Global Markets 596-001			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	11,676 DA	6,343 DA	5,333 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,200 DA	5,269 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	14,876 DA	11,612 DA	3,264 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	2,900 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	2,900 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	17,776 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Central American Regional
TITLE AND NUMBER: Increased Effectiveness in Regional Stewardship of the Environment and Natural Resources in Targeted Areas, 596-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: The economies of Central America are threatened by a deteriorating natural resource base. Under this strategy, USAID's Regional Office for Central America and the Caribbean (located in Guatemala) supports the consolidation of national and transnational systems of protected areas through improved management, enhanced sustainable natural resource use around protected areas, institutional strengthening of natural resource management groups, and the promotion of strengthened regional environmental regulatory and enforcement frameworks. The regional environmental program, USAID's Program Supporting Central American Participation in the Free Trade Area of the Americas (PROARCA), responds to both the 1994 Joint US-Central American Declaration (CONCAUSA) and to the Alliance for Sustainable Development (ALIDES) agreement. PROARCA's principal partner is the Central American Integration System (SICA) and its Environment Division, the unit responsible for promoting and establishing an integrated regional environmental agenda. PROARCA Phase I activities extend through September 2001 at which time activities under USAID's Central American Regional 2002-2006 strategy and PROARCA Phase II will begin. The direct beneficiaries, approximately one fourth of the region's population, live within and around the Central American protected areas. The indirect beneficiaries are the 36 million people of Central America, especially those who depend on the natural resource base for their livelihood.

Key results: 1) Consolidate the Central American Protected Areas System (CAPAS) by increasing the number of protected and special management areas under improved management; 2) Increase local stewardship of the environment in target areas by helping local communities manage coastal and forest resources; and, 3) Harmonize and strengthen Central American environmental policy frameworks by supporting the drafting and introduction of environmental laws and regulations to national legislatures/executive branches.

Performance and Prospects: Performance in the year 2000 was strong. The life-of-strategy target number of protected areas under improved management has been exceeded. During 2001, USAID will continue to strengthen those currently being supported. The 2000 target of 20 assisted sites with an effective level of environmental stewardship was met and the target of 22 sites for 2001 is expected to be met. However, the program fell short in reducing local threats to transboundary sites. USAID does not expect to reach the life-of-objective target of 19 sites by 2001. While progress can be anticipated on many fronts, advancement in reducing threats requires assuring political support. More time is needed to consolidate various community group interests. The revised life-of-objective target of 15 "transboundary sites with reduced threats" will include two new 2001 interventions: the Layasiksa forest in the Mosquitia, Nicaragua, and a harmonized tri-national fisheries management strategy in the Gulf of Honduras.

In Puerto Barrios, Guatemala, a solid-waste material recovery facility and a pilot wastewater treatment facility were designed and built. Activities such as this represent the successful conclusion of the process of forming local citizen groups able to identify and devise community-based solutions to local environmental problems. Notably, these groups continue to mobilize themselves to secure funding to solve other environmental problems they have prioritized.

PROARCA activities in and around protected areas in the Mesoamerican Biological Corridor (MBC) include institutional strengthening and operational planning for nongovernment organization (NGO) and

multisectoral coalitions. NGOs and governments are now disseminating their experiences in the application of models for the design of biological corridors, ecotourism, and reserve management with other partners in other countries in the region. Capacity building for tourism certification in five countries facilitated the establishment of the Mesoamerican Alliance for Ecotourism Development (Mexico, Belize, Guatemala, and Honduras). As a result of program assistance, Costa Rica's National Ecotourism Consortium and Network have increased member organization occupancy rates from 15% in 1999 to 50% in 2000. In association with other donor agencies, PROARCA helped small producers place 7,819,600 pounds of coffee ($11.6 million) in the specialty coffee market.

During its six years of implementation, PROARCA not only has exceeded quantifiable results, more importantly, it has changed how Central American governments view the environment sector. In 1994, there were no Ministries of Environment in Guatemala, Panama, or El Salvador and the one in Nicaragua was just starting up. All countries now have formed Ministries of Environment, except Panama, where the "National Environmental Authority" plays an equally strong role as the Ministries. In 1994, there were no environmental laws to regulate water quality and air quality standards, pesticide use, and toxic waste disposal in Costa Rica, Nicaragua, El Salvador, or Panama. Today, all Central American countries have internationally recognized environmental laws. National governments still need to be encouraged to make a stronger commitment to environmental stewardship. USAID expects this commitment will be reinforced by the allocation of more resources for the environment in national budgets, the active participation of governments in effective alliances for environmental stewardship, and the application of the rule of the law for environmental protection.

Possible Adjustment to Plans: The design for the new regional environmental program "Improved Environmental Management in the MBC" has been completed. Procurement actions will come on line during 2001 in order to begin implementation of PROARCA II in October 2001.

Other Donors: International donor initiatives complementary to those of USAID include: 1) the Global Environmental Facility (GEF) support to the Central American Sustainable Development Fund (FOCADES) for Climate Change, International Waterways, and Manatee Protection; 2) the GEF-funded MBC program; 3) the German International Technical Assistance Agency (GTZ)/World Wildlife Fund Corridor program; 4) the European Union-supported Sustainable Development in Agricultural Frontiers (Frontera Agrícola); 5) the Danish Agency for International Development (DANIDA) support for the Gulf of Fonseca coastal resource management program and its new Programme of Regional Environmental Management and Sustainable Development; and 6) the Inter-American Development Bank support for port contingency activities in the region.

Principal Contractors, Grantees or Agencies: Key implementing organizations include: Secretariat for Central American Integration (SICA) and its General Environmental Directorate (DGMA), the Central American Commission on Environment and Development (CCAD), the Nature Conservancy, World Wildlife Foundation, University of Rhode Island, International Resources Group, Cooperative Housing Foundation, and U.S. Environmental Protection Agency.

FY 2002 Performance Table

Central America Program: 596-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Threats Reduced: Number of USAID-assisted trans-boundary sites where local threats to key natural resources and the environment have been reduced	6	7	11	13	17	15*	NA
Indicator 2: Management: Number of protected and special management areas under improved management with PROARCA assistance	4	7	31	79	35	43	NA
Indicator 3: Management: Hectares of protected and special management areas under improved management with PROARCA assistance	87,200	141,060	1,010,931	1,021,431	NA	NA	NA
Indicator 4: Governance: Number of USAID-assisted sites which have achieved an effective level of governance for stewardship of the environment and natural resources	9	15	18	20	20	22	NA
Indicator 5: Sustainability: Number of sustainable mechanisms implemented to protect the regional environment	10	16	21	31	30	39	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	The cumulative number of sites where threats have been reduced	Costas policy implementation table. CAPAS quarterly reports.	This indicator measures local or transboundary threats that are being reduced at a number of bi-national and tri-national sites (Gulf of Honduras, Gulf of Fonseca, El Pilar and Customs checkpoints at selected international borders). Reducing local threats can involve several approaches, including substitution of sustainable economic activities for exploitative ones, harmonization of cross-country legal and management frameworks, and increased capacity to respond to illegal cross-country threats to natural resources. Examples include: cross-country responses of NGOs to illegal manatee hunting and water contamination in shared gulf regions; binational management plans for shared protected areas; and strengthening of customs authorities to deter illegal trade in endangered species. 2000: Costas: (1) Ecotourism in Gandoca/Manzanillo. CAPAS: (2) El Pilar (Belize-Guatemala). *Target revised, per text, to reflect two additional trans-boundary sites where threats are to be reduced in 2001.
Indicator 2:	IR	The cumulative number of sites under improved management	Costas index of site management CAPAS quarterly report	The Costas index combines the scores for several criteria at defined sites into a single index along a scale of 1-5; a level of 2.5 is considered a threshold for "achievement." For CAPAS, the indicator is the cumulative number of protected areas and/or private lands having advanced in one or more of the following management dimensions: gap analysis, administrative monitoring, financial management, ecotourism management, and legal protection (private lands). 2000: CAPAS: 48 new areas: (1) Mombacho (Nicaragua). (2) Masaya (Nicaragua), (e) Guanacaste (Costa Rica), (4) Sierra de Las Minas (Guatemala), (5) Laguna del Tigre (Guatemala), (6) El Imposible (El Salvador), (7) Volcan Irazu (Costa Rica), 17 private reserves (Panama and Nicaragua), and 24 Conservation Easements (Costa Rica).

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 3:	IR	The cumulative number of hectares under improved management.	Costas Index of site management; CAPAS quarterly report	The Costas index combines the scores for several criteria at defined sites into a single index along a scale of 1-5; a level of 2.5 is considered a threshold for "achievement." For CAPAS, the indicator is the cumulative number of protected areas and/or private lands having advanced in one or more of the following management dimensions: gap analysis, administrative monitoring, financial management, ecotourism management, and legal protection (private lands). 2000: CAPAS: 48 new areas: (1) Mombacho (Nicaragua). (2) Masaya (Nicaragua), (e) Guanacaste (Costa Rica), (4) Sierra de Las Minas (Guatemala), (5) Laguna del Tigre (Guatemala), (6) El Imposible (El Salvador), (7) Volcan Irazu (Costa Rica), 17 private reserves (Panama and Nicaragua), and 24 Conservation Easements (Costa Rica).
Indicator 4:	IR	The cumulative number of sites where a governance process is being developed and implemented.	NGO and PVO reports	This indicator is measured by an index of local participatory decision-making (governance), which supports stewardship of the environment and natural resources. Effectiveness will be validated by application of a governance index (minimum score achieved 2.5 on a scale of 1-5). This index collapses information about the important benchmarks that community institutions have achieved around environmental management issues for a particular site. This includes stakeholder group involvement, transparency of decision-making, conflict management, and basic conservation information needs. Governance: the decision-making processes for managing and conserving key natural resources and the environment. USAID is building a base of experience and capacity which permits governments and resource users to completa a long-term iterative learning process of planning and doing. 2000: Costas: (1) Biological Corridor in Gulf of Fonseca; (2) Ecotourism in Gandoca Manzanillo.
Indicator 5:	S	The cumulative number of mechanisms implemented	Costas Regional Institutional Strengthening Index and Local Institutional Strengthening Index; quarterly reports by LEPPI and CAPAS	Sustainability is validated by the institutional strengthening indices in the case of Costas. In the case of LEPPI and CAPAS, the indicator is the number of sustainability interventions. Examples of sustainable mechanisms intcude: formation and operation of Tri-national alliance of NGO's, and government for the Gulf of Honduras; formation and operation of steering committees in relation to municipal pollution; development and implementation of monitoring frameworks for protected areas; opration of strengthened working groups in environmentally-friendly coffee, forestry and tourism. 2000: CAPAS: (1) FOPECO, (2) National Level Administrative Monitoring, (3) Conservation Planning for Sierra. Costas: (4) Advisory Board (Bocas del Toro), (5) Gulf of Fonseca Corridor Board, (6) ADEPESCO. USEPA PASA-CEGESTI: (7) PROLACSA (Panama), (8) La Salud (el Salvador), (9) Cooperative Ganadera (Nicaragua) and (10) MRF-micro-enterprise (Puerto Barrios, Guatemala).

U.S. Financing (in thousands of dollars)			
Program: Central American Regional			
Title and Number: Increase Regional Stewardship of the Env. & Natural Resources in Targeted Areas 596-002			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	24,285 DA	14,337 DA	9,948 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	5,000 DA	10,062 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	29,285 DA	24,399 DA	4,886 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	29,285 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Central American Regional
TITLE AND NUMBER: Enhanced Central American Capacity to Respond to the HIV/AIDS Crisis, 596-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,120,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: The spread of HIV/AIDS is a severe and growing problem in Central America, propelled as it is by growing economic interaction and mobility along the region's highways and industrial corridors. Central America has a history of intra- and extra- regional migration due to past civil unrest, the demand for seasonal labor, more open border policies, improved regional transportation routes, and proximity to the United States. The unstable economic environment provoked by Hurricane Mitch and uneven growth and employment prospects in individual countries have resulted in increased mobility. Despite increased awareness of HIV/AIDS, it is still not a sufficiently high-profile problem for many senior policy-makers, making difficult the integration of HIV/AIDS prevention into ongoing policy and programmatic activities and restricting the effectiveness of national and donor programs.

As of May 2000, 21,251 cases of AIDS had been reported in Central America (Work Group Report by the Pan American Health Organization-PAHO, World Health Organization-WHO, and the Joint United Nations Programme on HIV/AIDS-UNAIDS). "Second Generation Surveillance" focuses on HIV seroprevalence levels and behavioral information to better characterize the problem. Only in areas of the north coast of Honduras, and Belize can HIV/AIDS be classified as "Generalized," i.e., seroprevalences of more than one percent in the general population. Limited data on the rest of the region places Honduras, Guatemala, Panama, Belize and El Salvador into the "Concentrated," and Nicaragua into the "Nascent" categories. There has been a steady increase in the proportion of female cases although males continue to be more affected than females. As the disease becomes well established in the heterosexual population, transmission from mother to unborn/newborn child clearly increases. Prostitutes generally have the highest rates of infection (as high as 20%) and play a key role in the spread of the disease because they are a highly mobile population.

The regional strategy focuses on areas and high-risk groups not normally covered by bilateral programs. It works to improve the regional political environment by strengthening policy formulation and developing a broad cadre of public and private leaders who actively acknowledge HIV/AIDS as a growing and serious problem, support effective policies and programs and formulate responsive public sector reforms. The program also strengthens the capabilities of Central American organizations to deliver HIV/AIDS services and information to target groups, and develops a condom social marketing (CSM) strategy that modifies risky sexual behavior in target populations. Primary beneficiaries are Central Americans at risk of infection by HIV/sexually transmitted diseases.

Key Results: 1) Improve regional policy environment by strengthening policy formulation through sound research and information dissemination, develop a cadre of public and private leaders who actively support effective policies and programs, and formulate public sector reforms responsive to the HIV/AIDS challenges; 2) Improve NGO capacity by developing their programmatic and management skills and structures, establishing effective linkages among NGOs providing HIV/AIDS prevention services, and promoting the implementation of supportive HIV/AIDS policies; and 3) Safer sex practices by assisting in efforts to increase consistent and correct condom use, especially among high-risk groups, and by supporting strategies to make condoms more affordable and widely available.

Performance and Prospects: The Regional HIV Program has continued to improve the legal regulatory environment and has played a catalytic role in supporting national and regional efforts to develop, implement, and monitor national HIV/AIDS strategic plans in close collaboration with UNAIDS and other partners. In promoting HIV/AIDS policies, the program achieved new positive policy changes at the regional and national levels. These include: The Guatemalan Congress approved the AIDS Law in March 2000; the President of Panama sanctioned the AIDS Law in January 2000; and the Ibero-American Presidential Summit in Panama in December 2000 declared HIV/AIDS a regional emergency.

The Regional Program has successfully strengthened NGOs, policy, advocacy, and prevention networks; developed local technical capacities; and established a regional contraceptive social marketing (CSM) activity. A key result of the NGO and policy components is the constant exchange of information among all sectors of the HIV prevention community. Digital data and manuals for quality HIV prevention programming for NGO sustainability, advocacy, monitoring, evaluation, and lessons learned have been distributed and are in use by decision-makers and NGOs for improved programming. The consultant network of Central Americans has provided over 1,852 person-days of services in a wide range of areas to NGOs, national programs, and international donors.

FY 2001 funds are being used to carry out Phase I activities to improve the regional policy environment, develop a leadership cadre of public and private leaders for reforms ($340,000); improve NGO networking and information sharing for HIV/AIDS prevention services ($416,000); and develop a CSM strategy that modifies risky sexual behavior in target populations ($364,000).

Increasing emphasis now is being given to strategic alliances, networking, and information dissemination where there is a clear value added from the regional program. This complements an increasing involvement by bilateral USAID programs in HIV/AIDS prevention. The regional CSM program will continue its focus on correct and consistent condom use in high-risk populations and expanding non-traditional distribution.

Possible adjustments to plans: In July 2000, the new Central American Regional Strategic Plan for the period 2002-2006 was approved. The new HIV/AIDS Phase II program will focus more heavily on regional issues and mobile populations that cross borders. This includes information sharing and dissemination; and national and regional strategic alliances among NGOs, policy leaders, business and labor groups, and the media for effective advocacy programs.

Other Donor Programs: UNAIDS contributed $450,000 per year to Central America national programs during 1998-99 and is beginning to provide some financial support to regional activities. Dutch support through a Costa Rican NGO ends in 2001. Norway and Sweden are providing approximately $3.6 million dollars over three years for programs in Guatemala, Nicaragua, El Salvador, and Honduras. The GTZ and Doctors Without Borders have also been active in some countries. Japan and Spain are considering support for a regional initiative to prevent HIV among mobile populations under the Common Agenda with USAID. Great Britain's Department for International Development (DFID) will initiate a regional support program this year. USAID is the leading donor in this sector and coordinates with other donors both directly and through the country theme groups and the national strategic planning processes. This USAID program enjoys a very close relationship with UNAIDS and has leveraged contributions from other donors for specific activities.

Principal Contractors, Grantees, or Agencies: Grantees are the Academy for Educational Development (Policy Dialogue and NGO Strengthening Activities) and Population Services International (Condom Social Marketing).

FY 2002 Performance Table

Central America Program: 596-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: AIDS Policy Environment Score (PES)/AIDS Program Effort Index (API)	NA	51.8 and 53.3**	NA	52.7**	54.3*	NA	NA
Indicator 2: Positive policy changes enacted	9	16 positive changes (4 countries)	32 positive changes (5 countries)	50 positive changes (5 countries)	38 positive changes	42 positive changes*	46 positive changes*
Indicator 3: Percent of 15 selected NGOs that use a systematic approach to HIV/AIDS.	13%*	61% * 53% **	NA	0.87	0.93	NA	NA
Indicator 4: Percent of outlets in high-risk urban areas carrying affordable condoms: Costa Rica	NA	NA	44	45	46	48	50
Indicator 5: Percent of outlets in high-risk urban areas carrying affordable condoms: Panama	NA	NA	32	25	39	39	45
Indicator 6: Percent of outlets in high-risk urban areas carrying affordable condoms: Honduras	NA	NA	28	28	31	34	39
Indicator 7: Percent of outlets in high-risk urban areas carrying affordable condoms: El Salvador	NA	NA	33	38	36	40	44
Indicator 8: Percent of outlets in high-risk urban areas carrying affordable condoms: Guatemala	NA	NA	34	30	37	41	45
Indicator 9: Percent of outlets in high-risk urban areas carrying affordable condoms: Nicaragua	NA	NA	29	29	33	38	44

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Average percent of Central American countries' score	PASCA AIDS PES/API	The AIDS PES is an instrument intended to measure the degree to which the policy environment in a particular country supports efforts to prevent the transmission of HIV/AIDS and ensures the rights of people with HIV/AIDS. The aspects of the HIV/AIDS policy and program measured are: political support; policy formulation; organizational structure; program resources; evaluation and research; legal and regulatory policies; and program components. (Program is defined as a group of interventions; i.e. government sponsorship, support, administration, facilities, private efforts, etc.). *The original target for this indicator was an average score of 48.8 across the 5 countries by the year 2000. By the 1988 mid-project review, this target had been exceeded (51.8). Improvement was perceived in most dimensions of the index, particularly in policy formulation and policy support. The index, now known as the AIDS Program Effort Index, was revised this year and is being employed by UNAIDS in 40 countries. The two indices have 37 elements in common. **These new scores are for the 37 elements common to both indices, which changes the 1996 score to 44.0 and the 1998 result to 53.3. These 37 items are now the basis for tracking changes in the policy environment. USAID will not report on this indicator for 2001 since this is a biannual indicator.
Indicator 2:	IR	Net number of policy changes (cumulative)	PASCA Legal/Regulatory policy matrix	"Policy" refers to a "course of action" evidenced in laws (including related regulations and enforcement mechanisms), formally documented directives and guidelines (such as decrees that exist on a regional, national or local level within the private or public sectors), and actual practices and measures with respect to HIV/AIDS. A "positive change enacted"

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
				refers to constitutional provisions, legislation, implementing rules and regulations, judicial decisions, executive orders, ministerial level decrees and other measures of a regulatory nature; formal standards and guidelines for public sector services; standards of practice in professional fields; official goals and plan programs; statements and other expressions of government position which effectively determine direction and course of action, and widespread practices of service providers that effectively govern service delivery and access, and which favor a positive environment for HIV/AIDS prevention. The changes could be the addition of a favorable policy or a deletion or modification of an unfavorable one. By the end of 1999, the year 2000 target was surpassed. USAID is reviewing this indicator and may redefine it to emphasize the more important changes. *Denotes previous targets. USAID is negotiating new targets with partners based on 2000 performance.
Indicator 3:	S	Percent of 15 selected NGOs that score three or higher on the Systematic Approach Scale (SAS).	PASCA NGO Needs Assessment Survey	This indicator measures whether an NGO follows a systematic approach to project design and monitoring. Each organization with a score of 3 or more is considered to use a systematic approach to interventions. The Systematic Approach Scale examines the following aspects, (each category receives one point): 1. Project Design: determines whether the project design is based on either behavior investigations or epidemiological investigations; 2. Audience Needs Assessment: determines whether project design utilizes a needs assessment of the target audience; and 3. Monitoring/Evaluation: determines if the project has done at least two of the following: (a) service statistics are utilized for project decision-making; (b) the results of evaluation or research have been used to modify the project in the last year; or (c) the project used information pertaining to client demands (client satisfaction/needs studies) to modify the program in the last year. *A 1998 baseline for 23 NGOs was collected using direct observation methodology. **A new baseline for the 15 NGOs selected for intensive strengthening was determined and a new 2000 year target was set. USAID will not report on this indicator for 2001, since this is a biannual indicator.
Indicator 4:	IR	Percent	External distribution surveys	Percent of outlets in high-risk urban areas that carry affordable condoms. A high-risk urban area is defined as an area where the members of the target populations live or tend to frequent. To "carry" is defined as a retail outlet having affordable condoms for sale to the general public. For internal purposes, this indicator will be tracked by type of outlet, country, and department.
Indicator 5:	IR	Percent	External distribution surveys	Percent of outlets in high-risk urban areas that carry affordable condoms. A high-risk urban area is defined as an area where the members of the target populations live or tend to frequent. To "carry" is defined as a retail outlet having affordable condoms for sale to the general public. For internal purposes, this indicator will be tracked by type of outlet, country, and department. Activities were not initiated in Panama until after 2000 data collection.
Indicator 6:	IR	Percent	External distribution surveys	Percent of outlets in high-risk urban areas that carry affordable condoms. A high-risk urban area is defined as an area where the members of the target populations live or tend to frequent. To "carry" is defined as a retail outlet having affordable condoms for sale to the general public. For internal purposes, this indicator will be tracked by type of outlet, country, and department. Activities were not initiated in Honduras until after 2000 data collection.
Indicator 7:	IR	Percent	External distribution surveys	Percent of outlets in high-risk urban areas that carry affordable condoms. A high-risk urban area is defined as an area where the members of the target populations live or tend to frequent. To "carry" is defined as a retail outlet having affordable condoms for sale to the general public. For internal purposes, this indicator will be tracked by type of outlet, country, and department.
Indicator 8:	IR	Percent	External distribution surveys	Percent of outlets in high-risk urban areas that carry affordable condoms. A high-risk urban area is defined as an area where the members of the target populations live or tend to frequent. To "carry" is defined as a retail outlet having affordable condoms for sale to the general public. For internal purposes, this indicator will be tracked by type of outlet, country, and department.
Indicator 9:	IR	Percent	External distribution surveys	Percent of outlets in high-risk urban areas that carry affordable condoms. A high-risk urban area is defined as an area where the members of the target populations live or tend to frequent. To "carry" is defined as a retail outlet having affordable condoms for sale to the general public. For internal purposes, this indicator will be tracked by type of outlet, country, and department.

	U.S. Financing (In thousands of dollars)		
Program: Central American Regional			
Title and Number: Enhanced Central Amercian Capacity to Respond to the HIV/AIDS Crisis 596-003			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	17,587 CSD	12,008 CSD	5,579 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	DA	DA	
	3,150 CSD	5,584 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	20,737 CSD	17,592 CSD	3,145 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	1,120 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	1,120 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	21,857 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Central American Regional
TITLE AND NUMBER: Improved Regional Capacity to Mitigate Transnational Effects of Disasters, 596-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: Extreme climatic events like Hurricane Mitch are expected to recur in Central America, and even intensify under the effects of global climate change. One of the lessons of Hurricane Mitch was that the effects of the intense storm were exacerbated by man-made factors including poorly developed and maintained infrastructure, population pressures on forested areas, and poor watershed management. Another lesson is that the storm did not recognize borders. During its trajectory across the isthmus, the storm's voluminous runoff and floods, amplified by one country's poorly managed environment, poured across the boundaries of shared watersheds to wreak devastation on neighboring countries.

The purpose of the Regional Mitch program is a more sound approach to development that incorporates strategies, concepts, and policies aimed at mitigating the effects of disasters across the region. The two-year targeted program is assisting Mitch-affected countries improve their collective capacity to manage transnational watersheds, improve road standards, respond to Mitch-induced migration on education facilities and resources in Costa Rica, and strengthen regional policies that reduce energy system vulnerabilities to disaster. Direct beneficiaries are the 30 million people in the four Central American countries -- El Salvador, Guatemala, Honduras, and Nicaragua -- most affected by Hurricane Mitch, the 15,000 Costa Rican students in target communities, and Central American electricity consumers who will be less vulnerable to further Mitch-scale disasters. Assistance under the regional Mitch program ends December 31, 2001.

Key results: 1) Framework established for sound transnational watershed management through effective institutional arrangements for watershed management, joint watershed management, and disaster mitigation planning, and putting in place an information base and tools for decision making; 2) Regional guidelines and standards developed to reduce road network vulnerability to natural disasters through a strengthened regional coordination mechanism focused on roadway vulnerability and an action plan to upgrade the road network identified and initiated; 3) Costa Rican education system capacity upgraded in selected communities affected by Mitch-related Nicaraguan migration through upgraded education infrastructure, provision of teaching materials, teacher in-service training, and adult literacy activities; and 4) Strengthened regional policies that reduce energy system vulnerabilities to disasters.

Performance and Prospects: The prospects for progress are excellent for the "Framework Established for Sound Transnational Watershed Management" activity. However, recent earthquakes in El Salvador are expected to slow the final implementation of some of the planned elements. The spirit of collaboration between all entities involved is outstanding. The Central American Integration System (SICA) entities undertake activities in support of, and in close collaboration with, USG agencies; financial management is sound and agile; and USAID/El Salvador participates closely in a regionally funded USAID activity.

Problems faced in development of the joint watershed management and disaster mitigation plan for the Rio Lempa have been successfully addressed and supporting activities are now progressing well. Today, the Rio Lempa watershed has a fully operational network of river gauges located in Honduras, El Salvador, and Guatemala, all linked by satellite. River flow data generated by the river-monitoring component is being used by authorities to help them manage their reservoirs. SICA, a

prime regional partner, has performed well to secure key services, e.g., the watershed Geographic Information System, the topographic profiling of flood plain areas, and purchase of replacement equipment for river flow and rainfall monitoring. Following the earthquake, El Salvador has decided to build on this assistance to create a disaster forecast institute for both hydrological phenomena and volcanic and seismic activity, as well. Cooperation of regional and national authorities with private sector partners bodes well for longer-term sustainability of this institute.

SICA and USAID recognize that they lack a comprehensive strategy to secure adoption of overall country-level or sectoral institution-level agreements to mitigate the transnational impacts of disasters within the Rio Lempa watershed. However, SICA has held meetings with the Foreign Affairs ministries to explore a tripartite agreement for management of the Rio Lempa watershed. The digitalization of existing hydrological and meteorological data for the Rio Lempa watershed, in conjunction with work by the National Oceanic and Atmospheric Administration (NOAA) to develop the necessary watershed models needed for the river forecast system, should nonetheless help lay the technical foundation for regional cooperation.

Three of the five studies have been completed on standards and recommendations related to roadway planning, design, construction, maintenance, and operation. These provide regional guidelines and standards to reduce road network vulnerability to natural disasters and await only final review and approval. Remaining studies are nearing completion. Study results are reviewed with the active participation of stakeholders, with five working groups (with one representative from each country) to review the recommendations being put forth in the studies. The preparation and vetting led by the Secretariat for Central American Economic Integration (SIECA) is expected to lead to full consensus by June 2001 on an action plan to upgrade the road network.

Progress continues to be excellent across all four activities under the "Costa Rican education system capacity upgraded" activity. Classroom construction work was completed ahead of schedule. Effective working relationships with Education Ministry officials, contractors, and university staff have been developed and processes for approval and cooperation established. Interest on behalf of the private sector has increased, and the International Office of Migration (IOM) has mobilized communities in the care and maintenance of their schools.

Activities to strengthen regional policies that reduce energy system vulnerabilities to disasters have reinforced market-oriented policies that support private investment and development in competitive regional energy markets in Central America. The full realization of a functioning regional power market exchange, market-responsive pricing mechanisms, and emergency preparedness are longer-term goals. Near-term results, however, should help enhance the Central American energy network and reduce vulnerabilities by promoting private investment in more efficient, disaster-resilient, and regionally interconnected infrastructure. USAID-financed efforts to address regulatory and operational aspects of bilateral interconnection issues, the development of preliminary rules and procedures for the operation of the regional interconnection, market pricing, and subsidy issues will help to promote a regional electricity market and a Regional Power Market Exchange. Work on required legislation in Guatemala and El Salvador is progressing, as are efforts to develop emergency plans to reduce power system facilities' vulnerability to natural disasters, in particular flooding.

The work plan of the National Rural Electric Cooperative Association (NRECA) calls for rehabilitating or improving electric service to 2000 rural families and for installing up to 10 photovoltaic systems in communities in Guatemala and Nicaragua. This project also seeks to identify opportunities where electrification can complement existing income-generation activities and the provision of training in the efficient use of electricity.

Possible Adjustment to Plans: Following the January 13, 2001 earthquake in El Salvador, SICA requested USAID assistance to assess land slide risks and the damage to public buildings, sewage and waste disposal structures, and the environmental monitoring network, especially in the Rio

Lempa watershed. USAID will authorize SICA to use US$82,000 from the "Improved Regional Capacity to Mitigate Transnational Effects of Disasters" Grant Agreement to meet emergency requirements of the Government of El Salvador. USAID is examining the need for a no-cost extension of some activities due to the earthquakes in El Salvador.

Other Donors: Major donors include Spain, Sweden, Japan, and Germany.

Principal Contractors, Grantees or Agencies: U. S. organizations include: the U.S. Geological Survey, the NOAA National Weather Service, the International Office of Migration, the Department of Energy, PA Consulting Group, and the National Rural Electrification Cooperative. Central American Regional organizations include: The Secretariat of Central American Integration (SICA), the Costa Rican-based Regional Committee for Hydrological Resources (CRRH), the Regional Center for Natural Disaster Prevention in Central America (CEPREDENAC), the Central American Secretariate for Economic Integration (SIECA), and the Technical Secretariat for Transportation in Central America.

FY 2002 Performance Table

Central America Program: 596-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Education infrastructure constructed/rehabilitated (classrooms)	NA	NA	0	260	200	260	NA
Indicator 2: Joint Watershed Management and Disaster Mitigation Plan Developed	NA	NA	0	0.2	0.5	1	adopted
Indicator 3: Assessment of road network completed, standards applied, and action plan completed	NA	NA	0	0.75	0.25	1	NA
Indicator 4: Regional Energy Sharing Advanced	NA	NA	NA	0	0	6	6

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of classrooms built/rehabilitated	IOM quarterly reports	This indicator measures the number of classrooms constructed or rehabilitated in response to the increased demand caused by Mitch-related migration. This activity was extended through December 31, 2001.
Indicator 2:	IR	Percent progress made toward completion of the plan	Secretariat for Central American Integration (SICA) quarterly reports	A comprehensive transnational watershed management plan developed in a participatory manner. Over the two years of the program the indicator will measure percent progress toward completion of the plan. Reference to 2002 means that by the first quarter of FY 2002, SICA will have completed the management plan, and it will have been adopted by SICA. The regional Mitch program runs through December 31, 2001.
Indicator 3:	IR	Percent progress made toward completion of the plan	Central American Secretariat for Economic Integration (SIECA) quarterly reports	This indicator captures the implementation of five studies which provide the basis for (a) improving regional road standards which the IR will seek to have applied in the region and (b) a regional meeting that will be the basis for the development of an action plan. The indicator measures progress toward the completion of the action plan. Reference to 2002 means that by the first quarter of FY 2002, SIECA will have (a) completed the five studies, (b) disseminated the new standards, and (c) convened a regional meeting that will have led to the development of an action plan document. The regional Mitch program runs through December 31, 2001.
Indicator 4:	IR	Number of institutions	PA Consulting quarterly reports	This indicator measures the number of institutions strengthened so bilateral interconnections are improved. This activity is expected to end by Decmeber 31, 2001.

U.S. Financing (in thousands of dollars)			
Program: Central American Regional			
Title and Number: Improved Regional Capacity to Mitigate Transnational Effects of Disasters 596-004			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	4,500 CACEDRF	0 CACEDRF	4,500 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	9,200 CACEDRF	5,798 CACEDRF	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	13,700 CACEDRF	5,798 CACEDRF	7,902 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 CACEDRF		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 CACEDRF	0 CACEDRF	13,700 CACEDRF
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Central American Regional
TITLE AND NUMBER: Increased Central American Competitiveness in Global Markets, 596-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $100,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $2,600,000 (DA)
STATUS: New
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: USAID will support Central American efforts to increase the region's trade competitiveness and readiness to participate in subregional, hemispheric, and global markets. Increasing the potential for expanded trade contributes to higher levels of employment and incomes and supports the region's sustainable development objectives. USAID's Central American regional trade project, the Program Supporting Central American Participation in the Free Trade Area of the Americas (PROALCA), focuses on growth by targeting the trade development aspect of the USAID regional development program. In this context, the strategy seeks to increase regional competitiveness through programs that facilitate regional involvement in trade regimes, i.e., the World Trade Organization (WTO) and Free Trade of the Americas Act (FTAA); seeks to enlarge the internal market of the region; and works to strengthen some of the elements of economic and trade infrastructure (energy, customs, roads). The program does not focus on macroeconomic policy or institutional restructuring, but rather works at the policy level of economic infrastructure. The strategy responds both to USAID's Agency-wide goal of broad-based economic growth and to Central America's pursuit of an outward-looking, export-led strategy as the best way to achieve rapid, sustainable, and equitable economic growth. PROALCA Phase I will be completed in 2001. Phase II activities will be initiated in FY 2002.

As evidence of positive achievements of USAID collaboration with Central American governments, the program results section of the Central American Regional strategy document hailed successes in areas such as trade openness (tariff reduction, regional and bilateral free Trade Agreements, levels of imports from the United States, and increases in intra-regional trade), expanded adoption of Intellectual Property Rights (IPR) laws, protection of workers' rights, and advances in energy and telecommunications. Under the new strategy, the Mission will continue working in most of these areas. Direct beneficiaries are people in Central American countries and the Dominican Republic, and Central American electricity consumers.

Key Results: 1) promoting more open trade and investment policies, which will permit Central America to take fuller advantage of greater trading opportunities presented by an increasingly integrated world economy; 2) accelerating the Central America's own process of WTO-consistent, regional economic integration, making the region as a whole a more efficient competitive economic unit; and 3) supporting efforts to improve the functioning of regional labor markets while strengthening the protection of core labor standards.

Performance and Prospects: Implementation under this objective will start in FY 2002.

Of the FY 2001 DA funds, $100,000 will be used to initiate Phase II and will continue support for involvement in free trade regimes (i.e., WTO and FTAA), and enlarge the internal market of the region, enhance the technical and program capacity of Labor Ministries, increase the competitiveness of the labor force, and harmonize labor laws and regulations.

Of the FY 2002 $2,600,000 DA funds, approximately $1,600,000 will be used to increase regional competitiveness through more open trade and investment policies in support of regional involvement in free trade agreements, i.e., WTO and FTAA and to strengthen some elements of economic and trade infrastructure (energy, customs, roads); $500,000 will go to support the enlargement of the internal market of the region; $500,000 will be expended to enhance the technical and program

capacity of CA Labor Ministries, increase the competitiveness of the region's labor force, and harmonize labor laws and regulations in the region.

Possible Adjustments to Plans: None.

Other Donor Programs: USAID is the only bilateral donor with a strong regional presence and will continue to play a unique role in regional trade and investment initiatives. The IDB also funds activities to help modernize labor markets and will provide assistance to regional authorities in energy and customs areas. USAID maintains close contact with the United Nations Economic Commission for Latin America-Central American Office, which provides research and technical analysis on Central American economic integration issues. The regional program played a catalytic role in donor coordination during the previous strategy period, helping the Central American Secretariat for Economic Integration (SIECA) to leverage other donor resources; PROALCA also builds on programs funded by other donors, such as the Internet site financed by the Canadian International Development Agency (CIDA) to expand trade public awareness activities. The European Community has not been active recently in the economic-growth-through-trade area, but is preparing to renew its involvement.

Principal Contractors, Grantees or Agencies: SIECA and PA Consulting

FY 2002 Performance Table

Central America Program: 596-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	TBD	TBD	This Strategic Objective was developed as part of a recently approved strategy, and indicators and targets will be developed over the next few months.

U.S. Financing (In thousands of dollars)			
Program: Central American Regional			
Title and Number: Increased Central American Competitiveness in Global Markets 596-005			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	100 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	100 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	2,600 DA	17,350 DA	20,050 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Central American Regional
TITLE AND NUMBER: Improved Environmental Management in the Mesoamerican Biological Corridor, 596-006
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $6,030,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $5,342,000 (DA)
STATUS: New
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The strategic objective directly contributes to the objectives of Central American's Alliance for Sustainable Development (ALIDES) including: harmonization of environmental legislation, conserving biodiversity by promoting biological corridors and protected areas, strengthening regulatory capacity, development of common policies on environmentally friendly products and "green" certification, and promotion of sustainable development activities in transboundary areas.

The strategic objective also supports the continued implementation of the Central America–USA Agreement (CONCAUSA) and its commitments to biodiversity conservation and environmental legislation. It provides a mechanism for joint actions to meet each of the objectives under these two themes. It will also address, to a lesser degree, global climate change, mitigation of natural disasters through integrated management and conservation of water resources, and fire prevention and control. Thus, a specific themes to be addressed directly or indirectly under USAID's Strategic Objective Agreement with the Secretariat for Central American integration (SICA) include: biodiversity conservation, environmental legislation, global climate change, and reduction of vulnerabilities and disasters.

The Mesoamerican Biological Corridor (MBC) provides a unifying theme for achievement of these results. To the extent practicable, regional sites that transcend national borders or are situated in shared ecosystems will serve to focus activities. At the outset of the five-year strategy period, site-based activities will be implemented in protected areas, ecosystems, and watersheds that have a direct bearing on the ecology or socioeconomy of the following areas listed in the Convention for Biodiversity Conservation and Protection of Priority Natural Areas in Central America: 1) Gulf of Honduras; 2) Gulf of Fonseca; 3) Reserva de La Amistad, including the Caribbean coastal areas of eastern Costa Rica and western Panama (e.g. Gandoca-Manzanillo, Bocas del Toro); and 4) the Reserva de la Solidaridad, including the coastal-marine areas of northern Nicaragua and western Honduras. The indirect beneficiaries are the 36 million people of Central America, especially those who depend on the natural resource base for their livelihood.

Key Results: The strategic objective will be achieved by: 1) promoting the sustainable management of protected areas in key sites that are part of the MBC, 2) promoting regionally environmentally sound products and services, 3) enhancing compliance with harmonized environmental standards and regulations, and 4) fostering the increased use of less-polluting technologies.

Performance and Prospects: USAID is in the early procurement stages of this objective and implementation will begin later in 2001.

Of the $6,030,000 FY2001 DA funding, $1,760,000 will be used for improved protected area management in the Mesoamerican Biological Corridor (MBC); $735,000 to expand the market access for environmentally sound products and services; $1,190,000 to harmonize environmental regulations; $1,470,000 to increase the use of less polluting technologies; and $875,000 to promote the creation of a sub-grants program.

Of the FY 2002 $5,342,000 in DA funding, $1,050,000 will be used to work with protected area management entities to test and disseminate the use of viable income sources such as

environmental services provision. Some $800,000 will support the expansion of access to market for environmentally sound products. Another $892,000 will go to support the harmonization and application of environmental regulations, the participation in international and regional environmental agreements and the creation of a regional harmonized system for environmental auditing, registration and compliance certification. Another $1,600,000 will increase the use of less polluting technologies by both municipalities and private sector institutions, and $1,000,000 will go to finance the sub grants program.

Possible Adjustments to Plans: None

Other Donor Programs: The MBC serves as a major focal point for donor assistance. The Global Environmental Facility (GEF) the United Nations Development Program (UNDP), and the German Development Agency (GTZ) has provided funding through 2005 (US$ 15.6 million) to consolidate the MBC. This program aims to provide a regional protected area system that is interconnected and provides goods and services to Central American people. Through an agreement with National Aeronautic Space Administration (NASA), the Central American Commission for Environment and Development (CCAD) has obtained services worth US $12 million through 2003 to develop land use maps for Central America and improve the Geographic Information Systems available to decision makers in the region. The Inter-American Development Bank (IDB) is planning to finance a project to control pollution from marine transport in the Gulf of Honduras (US$ 7 million). The Danish Development Agency (DANIDA) is funding a project to conserve the coastal marine systems of the Gulf of Fonseca (US$ 2.6 million through 2003). In El Salvador, the Rio Lempa watershed (which has sections in Guatemalan and Honduran territory) is receiving funds through IDB and USAID's Regional Mitch Special Objective to enhance management of the watershed. Finally, El Salvador, Guatemala, and Honduras signed a treaty for the implementation of the Trifinio Plan, an action plan for the management of the Trifinio region that includes the "Reserva de La Fraternidad." This initiative has secured assistance from the IDB and Norwegian governments.

Principal Contractors, Grantees or Agencies: SICA/General Environmental Directorate, and U.S. Environmental Protection Agency.

FY 2002 Performance Table

Central America Program: 596-006

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	TBD	TBD	This Strategic Objective was developed as part of a recently approved strategy, and indicators and targets will be developed over the next few months.

U.S. Financing (In thousands of dollars)			
Program: Central American Regional			
Title and Number: Improved Environmental Management in the Mesoamerican Biological Corridor 596-006			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	6,030 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	6,030 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	5,342 DA	16,828 DA	28,200 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Central American Regional
TITLE AND NUMBER: Strengthened Municipal Finance Systems for Local Governments in Central America, 596-007
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $200,000 (DA)
STATUS: New
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: Central American cities and communities are marked by the concentration of economic wealth and activities and of social and educational opportunities in the capital and largest cities. Rapid urban growth, triggered by the influx of refugees from war-torn rural zones, has created an imbalance further exacerbated by state intervention that impeded the growth of the competitive advantage of secondary and smaller cities. In Central America, a "first generation" of decentralization and local government efforts has addressed the goals of: political decentralization and attempts at increasing citizen participation; administrative decentralization, aiming at devolution of responsibilities to local government entities; fiscal decentralization, in which national budgetary transfers, local taxes, and fee-for-service models have been addressed in a variety of ways, continues this evolution. Building the capacity at the local level, particularly local government, to plan and finance sustainable and environmentally friendly economic development programs is the primary focus of this strategy. Full success will require a combination of political will, financial autonomy, citizen participation and knowledge, and institutional support rarely found at one place at one time. With rapid urban growth trends continuing for the foreseeable future in Central America, national governments and donor organizations are increasingly concerned with how to meet growing demands for services by citizens, in the context of limited financial resources.

USAID, operating through the Regional Urban Development Office for Latin America and the Caribbean (RUDO/LAC) now located in Guatemala, has developed a five-year strategy for strengthened municipal finance systems for local governments in Central America which builds on RUDO's experience in infrastructure finance and concentrated the use of credit programs on municipal or local level infrastructure projects.

The strategy focuses on the improvement in local government resource management and planning, but also legal reforms, expansion of banking regulations to address specific municipal finance instruments, possible development of a secondary market, and universally accepted means of evaluating municipal credit. Projects will be driven by local planning processes, with technical assistance to package the financing proposals to social investment funds and banks for long-term funding.

Activities fall into two primary categories: 1) improving the credit quality of local governments, which will require stronger financial management and planning and maximization of locally-generated resources; and 2) mobilizing domestic capital for urban infrastructure and services, through credit market practices, and by reforming the social investment funds so that their resources are utilized in a manner that complements the credit markets.

Key Results: The strategic objective will be achieved by: 1) promoting credit quality standards for local governments; 2) increasing local government access to capital markets; and 3) promoting private sector participation in local services and infrastructure.

Performance and Prospects: USAID is in the early procurement stages of this objective and implementation will begin later in 2001.

Possible Adjustments to Plans: None

Other Donor Programs: The Inter-American Development Bank (IDB) has approved a loan that will provide support for internal reforms to the National Institute for Municipal Development in Guatemala (INFOM) and the municipal investment fund for Guatemala. The USAID program will work to broaden the context of these reform efforts, leveraging IDB and other donor funds to address broader municipal finance issues in Guatemala. Similar efforts by the IDB are underway in Honduras. Other donors, such as the GTZ and Swiss Cooperation have expressed strong interest in USAID's proposed municipal finance programs.

Principal Contractors, Grantees or Agencies: Development partners in the region will include regional partners such as the Central American Bank for Economic Integration (CABEI) and the Federation of Municipalities of the Central American Isthmus (FEMICA), as well as national organizations like the Municipal Association of Honduras (AHMON). Implementing partners under grants and/or contracts will be determined.

FY 2002 Performance Table

Central America Program: 596-007

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	TBD	TBD	This Strategic Objective was developed as part of a recently approved strategy, and indicators and targets will be developed over the next few months

U.S. Financing (In thousands of dollars)			
Program: Central American Regional			
Title and Number: Strengthened Municipal Finance Systems for Local Governments in Central America, 596-007			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	200 DA	1,300 DA	1,500 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: Central American Regional
TITLE AND NUMBER: Enhanced Central American Capacity to Respond to HIV/AIDS Crisis – Phase II, 596-008
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,572,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,700,000 (CSD)
STATUS: New
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The current HIV/AIDS program has played a catalytic role in enhancing regional and national policy agendas, pursued the development of regional and national HIV/AIDS strategic plans, strengthened policy, advocacy and prevention networks as well as the national NGOs forming these networks. The strategy recognizes that the regional program's country-specific policy and strengthening activities need to transition toward networking and information dissemination where there is a clear value added from the regional program. The strategy expects an increasing involvement by bilateral HIV/AIDS programs in these national policy and prevention activities. The regional CSM program will continue its focus on correct and consistent condom use in high-risk populations and expanding nontraditional distribution. It will also employ a brand name and generic marketing campaign to increase overall awareness and condom use among youth in the sub-region.

Key Results: The objective will be achieved by: 1) assisting in the implementation of appropriate HIV/AIDS policies and strategic plans at the regional and national levels; 2) supporting the implementation of improved prevention, support systems and other services; and 3) continuing support for an effective regional condom social marketing effort.

Performance and Prospects: USAID is in the early procurement stages of this objective and implementation will begin later in 2001.

The FY 2001 funds are being used to carry out activities to assist in the implementation of appropriate HIV/AIDS policies and strategic plans ($619,000); to support the implementation of improved prevention, support systems and other services ($507,000); and to continue support for condom social marketing ($1,446,000).

Of the $3,700,000 in FY 2002 CSD funds, approximately $1,139,600 will support the participatory process of monitoring and supporting the implementation of the National Strategic Plans through strengthening of existing partnerships and networks. Another $932,400 will support the information networks established among national partners involved in HIV/AIDS prevention activities particularly the Community Prevention Planning (Acción SIDA) model, pull together and disseminate information on care and support services models. Some $1,628,000 will be used to expand both the breadth and depth of distribution of condoms in order to reach higher risk populations while making affordable condoms available to all actual and potential consumers by increasing sales outlets—both traditional and non-traditional.

Possible Adjustments to Plans: None

Other Donor Programs: UNAIDS contributed $450,000/yr to national programs in Central America during 1998-99. UNAIDS also is beginning to provide some financial support to regional activities, e.g., the mobile populations initiative, meetings and conferences. The Dutch, the only other truly regional donor, channel most of their support through a Costa Rican NGO, but will discontinue their support after 2001. Norway and Sweden are providing approximately $3.6 million dollars over three years to support programs in Guatemala, Nicaragua, El Salvador and Honduras. The GTZ and Doctors without Borders have also been active in some countries. Japan and Spain are considering support for

a regional initiative to prevent HIV among mobile populations under the Common Agenda with USAID. USAID is the leading donor in this sector and coordinates with other donors both directly and through the country theme groups and the national strategic planning processes.

Principal Contractors, Grantees or Agencies: Grantees are the Academy for Educational Development (Policy Dialogue and NGO Strengthening Activities) and Population Services International (Condom Social Marketing).

FY 2002 Performance Table

Central America Program: 596-008

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: AIDS Policy Environment Score (PES) / AIDS Program Effort Index (API)	NA	51.8 and 53.3**	NA	52.7**	54.3*	NA	NA
Indicator 2: Modified Safer Sex Composite	P: 24.8% MSM: 44.9%	NA	NA	NA	P: 45% MSM: 50%	NA	NA
Indicator 3: Number of person days of technical assistance/training provided by Central American consultants during programmed activities (cumulative)	61	521.5	1,427	1,852	1,600	NA	NA
Indicator 4: Percent of non-pharmacy outlets in high-risk urban areas carrying condoms: Guatemala	NA	NA	13	13.6	NA	17	21.3
Indicator 5: Percent of non-pharmacy outlets in high-risk urban areas carrying condoms: Costa Rica	NA	NA	35.5	37.9	NA	41.7	45.9
Indicator 6: Percent of non-pharmacy outlets in high-risk urban areas carrying condoms: El Salvador	NA	NA	13.7	20.7	NA	25.6	32.3
Indicator 7: Percent of non-pharmacy outlets in high-risk urban areas carrying condoms: Nicaragua	NA	NA	9.2	12.7	NA	15.6	19.9
Indicator 8: Percent of non-pharmacy outlets in high-risk urban areas carrying condoms: Honduras	NA	NA	15.1	13.5	NA	16.9	21.1
Indicator 9: Percent of non-pharmacy outlets in high-risk urban areas carrying condoms: Panama	NA	NA	19.4	19.4	NA	21.3	25.5

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	S	Average percent of Central American countries' score	PASCA AIDS PES/API	The AIDS PES is an instrument intended to measure the degree to which the policy environment in a particular country supports efforts to prevent the transmission of HIV/AIDS and ensures the rights of people with HIV/AIDS. The aspects of the HIV/AIDS policy and program measured are: political support; policy formulation; organizational structure; program resources; evaluation and research; legal and regulatory policies; and program components. (Program is defined as a group of interventions; i.e. government sponsorship, support, administration, facilities, private efforts, etc.). *The original target for this indicator was an average score of 48.8 across the 5 countries by the year 2000. By the 1988 mid-project review, this target had been exceeded (51.8). Improvement was perceived in most dimensions of the index, particularly in policy formulation and policy support. The index, now known as the AIDS Program Effort Index, was revised this year and is being employed by UNAIDS in 40 countries. The two indices have 37 elements in common. **These new scores are for the 37 elements common to both indices, which changes the 1996 score to 44.0 and the 1998 result to 53.3. These 37 items are now the basis for tracking changes in the policy environment. USAID will not report on this indicator for 2001 since this is a biannual indicator.
Indicator 2:	S	% of target population reporting safer sex practices	knowledge, attitudes and practices study	This indicator is defined as the percent of target population adhering to any one of three behaviors: (1) abstinence (over the past 12 months), (2) a single sex partner over the past 12 months, or (3) condom use in the last sexual act with the ability to demonstrate correct condom use (on dildo). Target populations are defined as men who have sex with men (MSM) and female prostitutes (P). The latter to include prostitutes working in brothels and those working from the street. For internal purposes this indicator will be tracked by site and reported safer-sex practices at time of the follow-up survey in year four and year seven.

Indicator 3:	IR	No. of person days of TA	NA	This indicator is defined as the number of person days of technical assistance/training provided by Central American consultants during programmed activities.
Indicator 4:	IR	Percent	External distribution surveys	Percent of non-pharmacy outlets in high-risk urban areas that carry affordable condoms. A high-risk urban area is defined as an area where the members of the target populations live or tend to frequent. To "carry" is defined as a retail outlet having affordable condoms for sale to the general public.
Indicator 5:	IR	Percent	External distribution surveys	Percent of non-pharmacy outlets in high-risk urban areas that carry affordable condoms. A high-risk urban area is defined as an area where the members of the target populations live or tend to frequent. To "carry" is defined as a retail outlet having affordable condoms for sale to the general public.
Indicator 6:	IR	Percent	External distribution surveys	Percent of non-pharmacy outlets in high-risk urban areas that carry affordable condoms. A high-risk urban area is defined as an area where the members of the target populations live or tend to frequent. To "carry" is defined as a retail outlet having affordable condoms for sale to the general public.
Indicator 7:	IR	Percent	External distribution surveys	Percent of non-pharmacy outlets in high-risk urban areas that carry affordable condoms. A high-risk urban area is defined as an area where the members of the target populations live or tend to frequent. To "carry" is defined as a retail outlet having affordable condoms for sale to the general public.
Indicator 8:	IR	Percent	External distribution surveys	Percent of non-pharmacy outlets in high-risk urban areas that carry affordable condoms. A high-risk urban area is defined as an area where the members of the target populations live or tend to frequent. To "carry" is defined as a retail outlet having affordable condoms for sale to the general public.
Indicator 9:	IR	Percent	External distribution surveys	Percent of non-pharmacy outlets in high-risk urban areas that carry affordable condoms. A high-risk urban area is defined as an area where the members of the target populations live or tend to frequent. To "carry" is defined as a retail outlet having affordable condoms for sale to the general public.

U.S. Financing (in thousands of dollars)			
Program: Central American Regional			
Title and Number: Enhanced C.A. Capacity to Respond to the HIV/AIDS Crisis - Phase II 596-008			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	2,572 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	2,572 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	3,700 CSD	5,978 CSD	12,250 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

LAC REGIONAL

Program Summary (In Thousands of Dollars)				
Category	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
Development Assistance	20,666	22,969	32,018	32,425
Child Survival & Disease Fund	14,020	12,830	19,502	16,300
CACEDRF	103,993	0	0	0
Int'l Narcotics Control	0	0	0	0
Int'l Narcotics Control (Plan Colombia)	0	0	0	0
Economic Support Funds	6,975	7,000	7,573	10,500
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**145,654**	**42,799**	**59,093**	**59,225**

Acting Assistant Administrator
Bureau for Latin America and the Caribbean
J. Michael Deal

LAC Regional

Introduction

The Summit of the Americas process, which began with the landmark event in Miami in 1994, and was followed by Summits in Bolivia and Santiago, continues to influence both the U.S. foreign policy agenda in the Western Hemisphere as well as the LAC Regional program. The Summits and the coordination process leading up to each Summit 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 also been active in shaping the Summit agenda across all sectors. The most recent Summit was held in Quebec, Canada in April 2001. It focused on three broad themes: strengthening democracy, creating prosperity, and realizing human potential; however, trade and the creation of a Free Trade Agreement of the Americas (FTAA) was the centerpiece of the Summit. Within each theme, there were action plans and program initiatives for specific areas such as anti-corruption, good governance, education, health, trade and investment and telecommunications.

The Development Challenge

The long-term trend toward consolidating democracy and achieving economic growth in the region remains generally positive. The victory in 2000 of an opposition party candidate for President in Mexico was an important triumph as was the election of an opposition party member for Vice-President in Paraguay. Nonetheless, there were some troubling political developments during 2000. The U.S. Department of State categorized six countries in the region as having major human rights abuses up from one (Cuba) in the previous year. The Andean region presented the greatest challenge lead by the violence in Colombia. Ecuador installed its fifth president in five years and experienced a short coup. In Peru, President Fujimori was forced to resign in response to charges of corruption among top leaders and election rigging. Constitutional authority was also threatened in Venezuela and Haiti. These events demonstrate the fragility of democracy in the region and the continued need to support democratic norms and processes through U.S. foreign policy dialogue with regional leaders and through program assistance.

Overall, economic growth for the region was positive in 2000. Among commodity producers, petroleum exporters benefited from very strong demand and high prices. Too often, however, strong revenues were an excuse to ignore or defer badly needed economic reforms. As commodity prices correct and the world economy slows, the need for serious structural change will become even more apparent than in the past. Without reform, many economies in the region will be left behind by a growing worldwide focus on rules-based trade, transparency, and the rule of law; and by productivity increases demanded by global competitiveness.

The economic situation reflected some of the uncertainty of the political situation in the region. While there were problems, no serious economic crises developed. The Dominican Republic complemented its political stability with sound economic management and continued growth. Ecuador, which weathered a short coup and then returned to democratically led government, resolved the resulting banking crisis by dollarizing its economy. This restored economic stability, but the effect of dollarization on economic growth remains to be seen. El Salvador also dollarized its economy, though its stabilizing effects may have been lost in the aftermath of the earthquakes. Both Nicaragua and

Guyana have put off badly needed reforms prior to their 2001 elections despite concerted pressure by the donor community.

Two years since devastating hurricanes ravaged Central America and the Caribbean, the region is still dealing with the long-term aftermath. Reconstruction efforts are in full implementation and the governments of those affected countries are using the disasters as an opportunity to rebuild smarter by incorporating disaster mitigation techniques and environmental considerations into the planning and reconstruction process. In early 2001, a powerful earthquake that killed some 827 people and left up to 200,000 homeless struck El Salvador. Two subsequent earthquakes raised the death toll to over 1,100 and the number of homeless to 1.5 million. Damage estimates are over $2 billion. Lessons learned during the hurricane relief effort, especially those related to donor and PVO coordination and managing relief donations, have been invaluable as the international community responded to the latest tragedy. The increasing frequency and severity of natural disasters has highlighted the need to integrate disaster mitigation techniques much more thoroughly with development programs.

Other Donors

Regular consultations with the Inter-American Development Bank (IDB), the World Bank, the Organization of American States (OAS), the 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 help shape the direction of other donor's programs. In health, USAID works with the World Bank, the IDB and PAHO to standardize the methodology used to develop national health accounts in the region. In the environment, USAID has worked closely with bilateral donors such as the Switzerland and Norway, the IDB, and commercial lenders to mobilize financing to support the adoption of cleaner production and environmental management systems by industries in the region. In education, a 1999 joint USAID/IDB meeting to discuss regional education programming was followed up in 2000 by joint project development and implementation in six LAC countries. In the democracy sector, USAID successfully launched the International Forum for Cooperation on Local Government that provides a mechanism for carrying out the Summit of the America's mandate to share donor experiences and information on local government practices and activities. Finally, in the area of economic growth, USAID has led the donor effort to create a Central American Council on Real Property Registry which will help modernize the property registry process in Central America and help the poor obtain title to their land.

The FY 2002 Program

Over the coming years, the LAC Regional program will deepen its work with regional institutions, alliances, and networks and increase its activities focused on influencing the policies and programs of other donors and regional players to more closely complement and support USAID development objectives. Ongoing programs in democracy, economic growth, education, the environment , and health will be fine-tuned to ensure sustained results. Several new initiatives will be launched to promote greater use of information and communications technology to further development in LAC countries, facilitate education policy reform and address the increasing prevalence of HIV/AIDS in the region.

In FY 2002, the LAC Regional democracy program will continue to support Summit initiatives in public sector legitimacy, human rights/rule of law and pluralism. The public sector legitimacy activities will focus on sustainable efforts to reduce corruption in the region. The local governance program will work through regional organizations to strengthen national municipal associations through networking and information exchange.

The regional human rights program will continue to support human rights advocates and justice reformers to promote increased access to justice and reduce crime. To this end, the Inter-American Institute of Human Rights will redirect its programming to focus on access to justice, political participation and human rights education. Complementing these efforts, the newly created Justice Studies Center for the Americas will engage donors and LAC countries to share information and promote justice sector reform. Support for increased pluralism will be accomplished by expanding the Inter-American Democracy Network to new civil society organizations (CSO) across the hemisphere. Competitive grants will be awarded to CSOs to establish partnerships with governments and the private sector.

In the economic growth area, the LAC Regional program will continue to support the participation of LAC sub-regional trading blocs in the Free Trade Area of the Americas (FTAA) process. The program has worked with the sub-regional trading blocs of the Caribbean and Central America to facilitate their entry into an FTAA. Starting in FY 2001 and continuing into FY 2002, the geographic focus will shift to the Andean countries. USAID will continue to help countries meet their World Trade Organization obligations, accelerate implementation of priority business facilitation measures, and foster increased civil society participation in the FTAA process. USAID will coordinate this technical assistance with other donors and U.S. Government partners, especially the Department of State and the Office of the U.S. Trade Representative. USAID will also continue its work to improve the access of the poor to income-generating market opportunities through the creation of an enabling environment. In FY 2002, the LAC Regional program will work with key civil society partners, e.g., the Institute for Labor and Democracy (ILD) and other donors, e.g., the World Bank and the IDB, to improve property registration systems that enhance security of land rights and facilitate market access. In micro-finance, activities will strengthen the environment for sustainable micro-finance through improving regulatory systems and promoting the adoption of new technologies and best practices. The LAC Regional program will also launch an information and communications technologies (ICT) initiative to help LAC countries use ICT to further their development goals.

The LAC Regional program has played a key role in propelling education to the top of the region's policy agenda by successfully focusing on high-priority policy issues, documenting the shortcomings in existing educational systems, and developing a broad-based constituency for reform. Building on this success, the LAC Regional program will continue to work with regional, national and local groups to galvanize support for educational reform as well as other donors in the region to set the policy reform agenda and improve educational performance in schools. The program is being redesigned to focus more attention on building sustainable institutions that can translate policy analysis into educational practice. The Summit-related areas in which the LAC Regional program will continue to work are: strengthening local control and accountability in education, improving education delivery through partnerships with the private sector, improving educational quality by boosting teacher performance, offering more choice in schooling, educational technology, early childhood education, and pilot programs targeting disadvantaged, at-risk populations.

The LAC Regional biodiversity and natural resource management activities have had significant impacts throughout the region. The Parks in Peril (PiP) program is the largest and most successful site-based conservation project in LAC. Working in 15 countries through local NGOs, the program has improved the conservation status of 37 protected areas covering over 28 million acres in one of world's most biologically rich and threatened region. In 2001, the LAC Regional program launched a second phase of the PIP program. Taking advantage of the partners and sites strengthened in the first phase, a network will be formed to create national systems of conservation areas and to promote the effective management of cross border critical areas. In addition, our regional activities will continue

to support Summit of the America environment initiatives, such as promoting public participation in international agreements affecting natural resource management.

During FY 2002, the environmental partnership program (US-LACEP) will enhance the understanding of and commitment by LAC governments to address critical trade-related environmental issues. Broader dissemination is planned of USAID-developed guidelines for sustainable harvest of non-timber forest products and results of the seven-country forest sector review. The program will also focus on sanitation in small towns as part of its water and sanitation decentralization activities. A major focus of cleaner production will be developing regulatory frameworks, addressing financing constraints and promoting the transfer of U.S. environmental technology and know-how. The program will successfully introduce replicable models for environmentally sound development in the areas of forestry, water, and cleaner production into at least one LAC sub-region or trading bloc.

In FY 2002, the LAC Regional program will focus on removing barriers that block equity of access to quality health services and on building sustainable local capacity to ensure basic health care. The program will disseminate lessons learned for a decentralized model of maternal health care that was developed with the active participation of local mayors, governors and civil society. As the region moves closer to the goal of eliminating measles, greater emphasis will be placed on the role of private sector health providers in achieving universal immunization. In addition, public sector commitment to 100% local financing of childhood immunization, including those to combat hepatitis B and haemophilus influenza B will be sought. To help countries formulate policies to prevent and mitigate HIV/AIDS, the program will foster regional information sharing and comparison of alternative strategies. In concert with PAHO, the program will work to combat antibiotic resistance to protect the capacity of health services to treat common illnesses, adding tuberculosis to the infectious agents under study. Working with PAHO, the IDB and the World Bank, USAID will promote universal and comparable national health accounting throughout the region. In addition, the LAC Integrated Management of Childhood Illnesses program will be supported through the Healthy Child 2002 Regional Initiative launched by PAHO, the First Ladies of the hemisphere and non-governmental organizations with the aim of preventing 100,000 child deaths in the Americas by 2002.

Finally, the Hurricane reconstruction program will be winding up its activities during FY 2002. The Peru-Ecuador Border Region Development program, included in the FY 2001 Budget Justification under the LAC Regional program, will be reported under each of the Peru and Ecuador programs. Separate objectives have been approved as part of each bilateral program under which the results of the border efforts will be reported.

LAC REGIONAL PROGRAM
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
598-002 Improved Human Resource Policies Adopted in Selected Latin American and Caribbean Countries				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	3,000	3,050	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-003 More Effective Delivery of Selected Health Services and Policy Interventions				
- DA	0	0	698	0
- CACEDRF	0	0	0	0
- CSD	6,170	5,029	6,895	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-004 Protection of Selected LAC Parks and Reserves Important to Conserve the Hemisphere's Biological Diversity				
- DA	4,500	4,500	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-005 Reinforcement of Regional Trends that Deepen Democracy				
- DA	4,861	4,900	5,000	4,500
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	6,975	7,000	6,975	10,500
- P.L. 480/II	0	0	0	0
598-006 A Broad Base of Leaders and Potential Leaders in LAC Countries Equipped with Technical Skills, Training and Academic Education				
- DA	6,000	6,000	6,000	6,000
- CACEDRF	0	0	0	0
- CSD	4,000	4,000	4,000	4,000
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-016 Hurricane Reconstruction Services in the LAC Region Provided				
- DA	0	0	0	0
- CACEDRF	64,500	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0

LAC REGIONAL PROGRAM
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
598-002 Improved Human Resource Policies Adopted in Selected Latin American and Caribbean Countries				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	3,000	3,050	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-003 More Effective Delivery of Selected Health Services and Policy Interventions				
- DA	0	0	698	0
- CACEDRF	0	0	0	0
- CSD	6,170	5,029	6,895	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-004 Protection of Selected LAC Parks and Reserves Important to Conserve the Hemisphere's Biological Diversity				
- DA	4,500	4,500	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-005 Reinforcement of Regional Trends that Deepen Democracy				
- DA	4,861	4,900	5,000	4,500
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	6,975	7,000	6,975	10,500
- P.L. 480/II	0	0	0	0
598-006 A Broad Base of Leaders and Potential Leaders in LAC Countries Equipped with Technical Skills, Training and Academic Education				
- DA	6,000	6,000	6,000	6,000
- CACEDRF	0	0	0	0
- CSD	4,000	4,000	4,000	4,000
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-016 Hurricane Reconstruction Services in the LAC Region Provided				
- DA	0	0	0	0
- CACEDRF	64,500	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0

LAC REGIONAL PROGRAM
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
598-017 Institutional Infrastructure Improved to Support Access of the Poor to Markets (Property, Financial, and Product)				
- DA	3,941	6,250	5,000	4,250
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-018 Environmental Performance of Targeted LAC Businesses and Communities Improved Through the Promotion of Replicable Market-Based Models				
- DA	0	1,000	1,000	1,000
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-019 Continued Participation of LAC Sub-Regional Trading Blocs in the FTAA Process Achieved				
- DA	0	1,000	1,000	0
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-020 Program Development and Learning				
- DA	0	0		1,075
- CACEDRF	0	0	0	0
- CSD	0	0	2,344	1,006
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-021 Advancing Development Cooperation Opportunities in the Hemisphere				
- DA	0	0	4,700	1,900
- CACEDRF	0	0	0	0
- CSD	0	0	1,973	1,300
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	599	0
- P.L. 480/II	0	0	0	0
598-XXX Improved Conservation of the Region's Biological Resources				
- DA	0	0	5,120	4,000
- CACEDRF	0	0	0	0
- CSD	0	0	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0

LAC REGIONAL PROGRAM
FY 2002 STRATEGIC OBJECTIVE SUMMARY
(in thousands of dollars)

USAID Strategic and Special Objectives	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
598-XXX Enhanced Capacity to Encourage and Implement Education Policy				
- DA	0	0	0	0
- CACEDRF	0	0	0	0
- CSD	0	0	4,290	3,355
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
598-XXX Health Advancement				
- DA	0	0	0	1,500
- CACEDRF	0	0	0	0
- CSD	0	0	0	6,639
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
Support to Regional Programs (via other USAID Bureaus)				
- DA	1,364	0	3,500	8,200
- CACEDRF	0	0	0	0
- CSD	850	750	0	0
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	0	0	0	0
- P.L. 480/II	0	0	0	0
Totals				
- DA	20,666	23,650	32,018	32,425
- CACEDRF *	64,500	0	0	0
- CSD	14,020	12,829	19,502	16,300
- FSA	0	0	0	0
- SEED	0	0	0	0
- ESF	6,975	7,000	7,574	10,500
- P.L. 480/II	0	0	0	0

* Excludes $39.493 transferred to other USG agencies/USAID bureaus for implementation.

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Improved Human Resource Policies Adopted in Selected Latin American and Caribbean Countries, 598-002
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: Education systems in the LAC region are in crisis. They are not adequately educating the region's young, and are thus impeding the ability of the region to move forward economically, politically, and socially. Although enrollments have increased rapidly over the last three decades, quality has eroded just as dramatically. Except for the small percentage of the elite who attend private schools, the majority of youth attend weak and under-funded public schools where they fail to acquire basic skills in mathematics, language and science. Moreover, when comparing countries of Latin America with countries of similar incomes in Asia and the Middle East, students from Latin America and the Caribbean enter the labor force with far less education than their counterparts.

While many more children are going to school now than in the 1960s in Latin America and the Caribbean, the quality, efficiency and equity of education for most are far too low. Inefficiency plagues schools in the region, which report the world's highest grade repetition rates, alarmingly high dropout rates, and low or erratic attendance. None of the poorer countries in the region have accomplished getting the average child through a year of school in only one year. Instead, the average student in the LAC region spends more than seven years in primary school, completing just four grades. Moreover, nearly one of every two students repeats the first grade. The cost associated with this wastage has been estimated at more than three billion dollars--nearly one-third the total public expenditure on primary education in the region.

Because the education systems are inadequate, in the 1998 Summit of the Americas, 34 heads of state moved education to the top of the hemispheric agenda. LAC's flagship program to support reform has been the Partnership for Educational Revitalization in the Americas (PERA) or PREAL in Spanish, which is designed to promote a better understanding of education policy issues and develop a broader and more active constituency for educational policy reform within the LAC region. Considerable evidence suggests that policies change only when local policy thinkers and leaders become intellectually convinced of their merit. Further, PERA directly supports the Summit goal of achieving universal education by the year 2010. The ultimate beneficiaries of the effort are the school-age children in the LAC region, especially those in primary grades. Other beneficiaries include: the host country governments which will provide higher quality, cost-effective services; the private sector which will draw on a better educated, more productive labor force; and people at large who will gain more equitable and politically stable societies.

Key Results: This objective has three key results: 1) public and private sector support for education reform built; 2) capacity of public and private organizations to work for education reform strengthened; and 3) best education policies and practices in Latin America and elsewhere identified, analyzed and disseminated. These results will be accomplished by: 1) documenting and disseminating shortcomings in existing educational systems; 2) strengthening public and private sector organizations' capacity and commitment to support educational reform; 3) developing a constituency for education reform; 4) supporting regional institutions and initiatives to establish comparable and useful educational standards and assessment indicators across the hemisphere; 5) supporting Summit-related education

partnerships between selected U.S. and LAC educational institutes; and 6) supporting LAC missions to test innovative models (for possible duplication and expansion by Missions and/or other donors) for improving educational equity and quality in selected areas.

Performance and Prospects: PREAL continued to serve as a key catalyst in keeping education reform at the top of the region's policy agenda. During the past year, PREAL continued to strengthen the capacity of a network of 22 private centers to promote national-level debate on education reform. In 2000, eight reporting institutions held a total of 112 conferences and forums; over 21,000 PREAL-financed publications were distributed. One of PREAL's greatest successes in 2000 was the release of a report, titled "Manana Es Muy Tarde (Tomorrow is Too late)" which assesses why education development in Central America and the Dominican Republic lags far behind the rest of the region, which itself is below world standards. The assessment was prepared by a 22-member, blue-ribbon commission of distinguished public and private sector leaders called the "Task Force on Education Reform in Central America" and was distributed widely in each country examined. The report has mobilized governments to pay more attention to the problems endemic to education in the region and acknowledge that their schools are severely underfunded, mismanaged and generally, of poor quality.

USAID is working with the United Nations Education, Scientific, and Cultural Organization (UNESCO) to construct a set of basic comparable education indicators for the Americas, strengthen national systems of indicators, and publish the indicators and encourage their use in assisting education policy making. The Regional Education Indicators Project of the Americas is a Chilean-led initiative of the Santiago Summit's Plan of Action for Education and has the commitment of 24 countries.

Also in support of education reform and the Summit, LAC has been working jointly with the U.S. Department of Education (DOE) to carry out the U.S./Brazil Partnership, a three-year initiative to enhance cooperation between the U.S. and Brazil. Key to the success of this initiative is a bilingual web site that provides U.S. and Brazilian educators, researchers, policy makers, and business people access to information about educational technologies, networking support and services. Study tours and policy forums for Brazilian educators visiting the U.S. compliment this virtual forum in three areas: 1) educational standards, assessment and indicators; 2) education technology; and 3) professional development for teachers and school managers.

A FY 2000 evaluation of the PREAL program ascertained that, overall, in the four countries examined, PREAL achieved remarkable success. PREAL was credited with creating national-level debates on education reform, engaging many sectors of government and civil society in such debates; conducting broad research and publishing relevant materials of high professional quality; and ensuring major stakeholders receive key publications on a regular basis. When the evaluation team surveyed those who had participated in PREAL events, it found that 63% of participants provided evidence of how PREAL events had impacted educational practices or policies in their countries.

Despite these important successes, PREAL now needs to turn its focus toward building sustainable institutions, strengthening its monitoring and evaluation system to capture impact, and fine tune its very ambitious agenda to ensure that management capacity and resources are sufficient to cover its many planned activities. The evaluation team concluded that PREAL now needs to channel its comparative advantages--excellent networks of senior people, good research and distribution, and the ability to create a vision--to be more effective in translating educational practice in order that its own major recommendations become reality.

With a relatively small investment, USAID has been successful in building a public and private sector constituency to get education reform to the top of the region's policy agenda. Nonetheless, it is clear that much more needs to be done to ensure that the voices of this nascent constituency are heard, reforms are actually proposed and implemented, and political leaders, principals, teachers and parents are all accountable for the education of the region's children--both rich and poor.

Possible Adjustments to Plans: This educational reform objective will end during FY 2001. A new objective is being initiated to better respond to the reform needs of the region, as well as the lessons learned from the PREAL evaluation and five years of activity implementation.

Other Donor Programs: USAID's effort to improve the quality, efficiency and equity of education in the region focuses on partnerships among the host countries, other donors, and LAC education organizations. The Inter-American Development Bank (IDB) continues to support regional collaboration and is working closely with USAID on follow-up actions associated with the Summit education initiatives. In support of the Summit, the IDB has increased its commitment to $5 billion and the World Bank to $3 billion. However, the banks remain concerned that without grant funds, social sector loan recipients will fall short of their commitments. USAID is collaborating with the banks to identify specific areas where USAID can facilitate the loan process, such as undertaking project design and selected applied research. The IDB plans to create a pilot network of virtual schools throughout the region to will share best practices and approve short-term professional exchanges for teachers in support of regional cooperation. Policy reform and distance education remain strong themes with the banks. On hemispheric educational policy, USAID works with the Inter-American Dialogue, LAC regional institutions and DOE.

Principal Contractor, Grantee or Agencies: This objective is implemented through several U.S. organizations including the Inter-American Dialogue, DOE and Creative Associates.

FY 2002 Performance Table

LAC Regional: 598-002

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Average number of all publications disseminated per year by affiliate in operation for six months or more	NA	1,922	3,506	2,672	400	300	NA
Indicator 2: Number of countries making progress along the policy reform continuum	0	3	8	7	5	7	NA
Indicator 3: Education reform monitoring system established and operating efficiently in selected LAC countries	0	5	9	8	8	10	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Average number of publications disseminated per affiliate	IAD/PREAL quarterly reports, annual FY00 program report, PREAL affiliate monitoring reports	An average is taken of publications disseminated by affiliates in operation for 6 months or more. The purpose of this indicator is to determine the scope and depth of influence the activity is having on policy dialogue.
Indicator 2:	SO	Number of countries	IAD/PREAL quarterly reports, PREAL Program Monitoring Report - 2000	The policy reform continuum posits four stages: 1) identification of issues; 2) research and analysis; 3) policy recommendations; and 4) countrywide adoption of policy. The countries listed in the "actual" column are in some stage of this process.
Indicator 3:	SO	Number of countries	IAD/PREAL quarterly reports, PREAL Program Monitoring Report - 2000	PREAL has established a monitoring and reporting system for tracking countries' progress on education reform. The indicator measures the number of countries with whom PREAL works that are employing the system.

U.S. Financing (In thousands of dollars)			
Program: LAC Regional			
Title and Number: Improved Human Resource Policies Adopted in Selected Latin American and Caribbean Countries, 598-002			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	7,050 CSD	6,374 CSD	676 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	4,453 CSD	1,015 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	11,503 CSD	7,389 CSD	4,114 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	0 CSD	0 CSD	11,503 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: More Effective Delivery of Selected Health Services and Policy Interventions, 598-003
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $698,000 (DA); $6,895,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: Infant, child, and maternal mortality remain high in LAC, relative to the United States, especially among disadvantaged populations. While vaccination coverage is increasing towards the target levels, there are pockets of low or declining coverage and programs are not yet sustainable. The measles elimination goal for the region requires strengthening of service delivery and surveillance systems, especially in hurricane-affected countries. The primary killers of infants and children in the LAC region are diarrheal disease, acute respiratory infections, and perinatal causes with malnutrition as an underlying factor. Maternal mortality is approximately seven times higher than in the United States. Anti-microbial resistance inhibits the effectiveness of treatments for the most common infections, such as pneumonia in children and tuberculosis. Health status improvements will be sustainable only if health sector reforms improve equity of access to high quality basic care.

This objective responds to the Miami and Santiago Summits of the Americas by contributing to reductions in infant and maternal mortality, by increasing equity of access to basic health care, and by improving the availability and use of information for health policy decisions. It builds on successful efforts of prior USAID activities including the Pan American Health Organization's (PAHO) regional vaccination activities. The purpose of the objective is more effective delivery of selected health services and policy interventions. Primary beneficiaries are the Ministries of Health and other organizations providing health care in the 14 USAID-presence countries in LAC with population, health, and nutrition programs. The ultimate beneficiaries are the infants, children, and adults who have more access to better health care supported by more appropriate government policies. The vast majority of funds for this activity are from the Child Survival and Diseases Account. DA funds were used to start-up the health sector reform initiative and DA will be used for activities supporting family planning in the region planned for FY 01-02.

Key Results: This activity is designed to influence key health services and policy interventions which can contribute to improving infant, child, and maternal survival in USAID-assisted countries of the LAC region. They include: vaccination coverage increased to 90% or above; delivery of child health services using Integrated Management of Childhood Illness (IMCI); improved planning for birthing services and increased attendance of births by trained personnel; improved integration into health reform of lessons learned from activity results; and sentinel surveillance systems, laboratory identification of resistant pathogens, and policy/normative changes regarding anti-microbial resistance based on such information.

Performance and Prospects: Progress was as expected during FY 2000, except for delays in initiation of the AIDS and family planning initiatives to planning for increased AIDS and infectious diseases programming throughout LAC.

Five of the eight target countries achieved at least 90% coverage of infants with all six basic antigens in 2000; five achieved 95% coverage of measles vaccine. In 2000, 95% of suspected cases of measles in the eight target countries for this initiative were investigated

within 48 hours, meeting the standard set for surveillance. For the first time, there were fewer measles cases in the hemisphere in 2000 (1,564) than in 1996 (2,109) when the initiative began. This reflects the improvements in vaccination coverage and surveillance in response to a major outbreak in 1997 of almost 54,000 cases. The Americas remain polio-free since 1992.

The IMCI Initiative has made substantial progress in seven of the eight target countries. (Haiti has not made full progress.) Even Guatemala has now adopted the IMCI clinical algorithm as the national standard for treating children under five years of age. These countries have trained facilitators, adapted IMCI materials to national maternal and child health norms, and have begun national training. Several have adapted the World Health Organization clinical course while several other countries have modified it; more than 10,000 health workers have been trained in this methodology. An IMCI community health worker training curriculum has been developed and disseminated to the target countries. Close to 2,000 health centers now have one or more IMCI-trained workers and at least 500 health centers effectively apply IMCI using trained workers who have appropriate drugs available.

The maternal mortality initiative is showing considerable progress on the policy front. Seven target countries audited at least 20% of maternal deaths, the planned level. Such audits identify factors that can be modified to prevent maternal deaths.

Since the anti-microbial resistance initiative was initiated only in July 1999, USAID is encouraged that six of nine target countries, as compared to the planned four, already have quality data on anti-microbial resistance available.

Health sector reform activities continued to achieve their planned targets. Eight, rather than the planned seven, of the 11 target countries have reform processes that substantially integrate lessons learned from this program. Fifty-five percent of the tools developed and disseminated by this initiative are used in more than half of the countries where they've been introduced. And PAHO advanced significantly in 2000 in its work to monitor health reform and its outcomes in the region—the monitoring system introduced in 1999 is now functional region-wide.

During FY 2001, the objective will focus on removing barriers that keep the poor from receiving quality health services and on building sustainable local capacity to ensure basic health care. To approach the goal of eliminating measles, greater emphasis will be placed on harnessing the capacity of private sector health providers to achieve universal immunization as well as on seeking public sector commitment to 100% local financing of vaccine costs. IMCI programs will increase emphasis on community-based programming, assisting parents to be the primary agents in improving the health of their children. A model for decentralized maternal health care will be refined that will increase access by the poorest women to quality attended deliveries. Health sector reform efforts will include additional cooperation with World Bank regional training programs, expanding the influence of the new methodologies and tools developed under this program. The anti-microbial resistance initiative will lead to improvements in treatment of common childhood illnesses in child survival emphasis countries of the region.

During FY 2002, as the goal of eliminating measles is closer, additional attention is needed to eradicate the remaining pockets of infection. In addition, efforts will continue to use commercial and non-profit health providers to achieve universal immunization, and to achieve public sector commitment to 100% local financing for vaccines. Lessons learned will be drawn from the pilot programs to decrease maternal mortality in Honduras, Ecuador, and Bolivia. Further institutionalization of the IMCI strategy is expected to prevent 100,000

child deaths in the Americas by 2002. The anti-microbial resistance initiative will expand to include resistance to drugs for TB, and initiatives in HIV/AIDS and family planning will continue.

During FY 2001, CSD funds will be used as follows: maternal mortality ($935,000), vaccination ($969,000), IMCI ($1,542,000), HIV/AIDS ($615,000), anti-microbial resistance ($978,000), health reform ($1,080,000), and technical advisors ($776,000). DA funds will be used for family planning ($511,000) and technical advisors ($187,000).

Possible Adjustments to Plans: With the initiation of initiatives in AIDS and family planning during FY 2001, no further changes are anticipated.

Other Donor Programs: For the regional vaccination program, PAHO has budgeted $10 million and has pledges of $1 million from Spain and $2.2 million from the Inter-American Development Bank (IDB). USAID implements programs that assist countries improve effective delivery of vaccinations, emergency obstetrical care, and services to manage diarrhea and acute respiratory infections in children; identify and implement country health sector reforms; and work with other donors (principally PAHO, the United Nations Children's Fund, World Bank and IDB) through national Inter-Agency Coordinating Committees to coordinate such efforts for each country. The IMCI program at PAHO also receives Spanish and Dutch funding.

Principal Contractors, Grantees or Agencies: U.S. grantees and contractors implementing this activity include: PAHO, University Research Corporation, The Partnership for Child Health, Abt Associates, Management Sciences for Health, Johns Hopkins University, the Public Health Institute, TvT Associates, and the Population Council.

FY 2002 Performance Table

LAC Regional: 598-003

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Target countries with 90% of health facilities in early use areas delivering IMCI services	0	3	3	NA	7	NA	NA
Indicator 2: Target countries with 95% measles vaccine coverage of children 1 year of age	2	3	5	5	7	7	7
Indicator 3: Target countries with reform processes that substantially integrate lessons learned from this initiative (methods and tools, information, monitoring, and exchanges)	NA	0	6	8	7	7	7
Indicator 4: Target countries with at least 20% of hospital-reported maternal deaths audited	1	4	4	7	7	10	10

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	SO	Number of countries	PAHO and Basic Support for Institutionalizing Child Survival (BASICS) Reports	This indicator will be replaced in FY 01and FY 02 by "Target countries in which IMCI clinical algorithm has been adopted as national standard for treating children under 5." Indicators have been changed since the FY 2001 Budget Justification to better measure performance of this objective.
Indicator 2:	SO	Number of countries	PAHO Reports	This is a count of the number of the eight target countries that achieved 95% coverage with measles vaccine. 2000 figure is estimated based on July figures--most recent available, and will be updated next year. Final planned level is 7 because it is not expected that Haiti will achieve this level of coverage within the life of the SO.
Indicator 3:	SO	Number of countries	PAHO Reports using information from PHR, DDM and FPMD	Indicator has been changed since the FY 2001 Budget Justification to measure the number of target countries rather than the percentage of countries.
Indicator 4:	SO	Number of countries	Annual Ministry of Health data reported through maternal death surveillance systems, health information systems, or PAHO's CLAP Information System	For each of the eleven target countries, the percentage of hospital-reported maternal deaths which is audited is calculated, with the denominator being the total number of deaths reported through hospitals and the numerator being the number of those deaths that were audited according to individual country guidelines. The number of countries where this percentage equals or exceeds 20% is reported. Due to Haiti's non-functioning health information system with little prospect for improvement by the end of the objective, the final planned value for this indicator is 10, rather than 11, countries.

U.S. Financing (In thousands of dollars)			
Program: LAC Regional			
Title and Number: More Effective Delivery of Selected Health Services and Policy Interventions, 598-003			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	703 DA	519 DA	184 DA
	18,624 CSD	12,445 CSD	6,179 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	133 DA	
	5,029 CSD	5,899 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	703 DA	652 DA	51 DA
	23,653 CSD	19,381 CSD	4,272 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	698 DA		
	6,895 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	698 DA		
	6,895 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	1,401 DA
	0 CSD	0 CSD	30,548 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Protection of Selected LAC Parks and Reserves Important to Conserve the Hemisphere's Biological Diversity, 598-004
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: Nearly half of the world's biodiversity lies within the LAC region. Unfortunately, rapid population growth and increased demands for agricultural and grazing land are threatening this biodiversity by rapidly degrading key ecosystems, especially tropical rain forests. Improving the management of key LAC parks and reserves can be a cost-effective means of reducing this problem and protect some of the Hemisphere's biodiversity; however, the vast majority of LAC protected areas lack the resources and local technical capacity needed for successful management. The Parks in Peril (PiP) program--a partnership among USAID, The Nature Conservancy, local non-governmental organizations (NGOs), and local government agencies--ensures the protection of up to 37 critically threatened LAC national parks and reserves of global significance. Key beneficiaries include: (1) local rural people who depend on the sustainable use of natural resources in and around LAC protected areas and who gain economically from park employment, community development and ecotourism activities; (2) urban dwellers from major cities (e.g., Chingaza Park for Bogota, Colombia; Podocarpus Park for Loja, Ecuador; Tariquia Reserve for Tarija, Bolivia) where parks protect watersheds; and (3) U.S. citizens who gain from the protection of genetic sources for future medicines and crop varieties, as well as from the storing of carbon in tropical forests and mangroves. The PiP program directly supports the Summit of the Americas' initiative to establish a "partnership for biodiversity" in key ecosystems in selected LAC countries.

Key Results: The four key results necessary to achieve this objective include: (1) on-site protection - each site requires an adequate number of trained park guards, protection infrastructure, and demarcated and patrolled boundaries; (2) strong local NGOs - each site requires an administratively and technically competent NGO to assist government in park management; (3) local community involvement - each site requires that neighboring communities participate in park management and gain tangible economic benefits from park management; and (4) non-USAID financing - each site requires significant local resources supporting conservation, and adequate financial planning to encourage other donor long-term support. Several examples serve to illustrate the success this program has had in achieving desired results. When a PiP boundary demarcation exercise revealed an attempt by the government to sell 120,000 acres of the park, more than 25 businesses, churches and other civic groups successfully united to protect the Defensores del Chaco Park in Paraguay. PiP partners in the Honduran Mosquitia were instrumental in securing two additional protected areas that connect the Rio Platano Biosphere Reserve in Honduras to the Bosawas Biosphere Reserve in Nicaragua, enhancing the Mesoamerican Biological Corridor. In Jamaica, funds for park management and employment for local community members are provided by a user fee system implemented through PiP for Holywell and Portland Gap at Blue and John Crow Mountains National Park. Finally, the Central and South West Company, a Texas-based utility, donated $5.4 million to create the Guaraqueçaba Climate Action Project which will add 20,000 acres to Guaraqueçaba National Park in Brazil's Atlantic Forest, one of the planet's highest conservation priorities.

Performance and Prospects: An external evaluation completed in 1998 determined that the PiP program was working well and has successfully turned "paper parks" (i.e. those legally declared but lacking on-the-ground conservation) into functioning, well-managed protected areas in a dozen countries throughout the Latin America and the Caribbean region. PiP is one of USAID's most successful biodiversity programs and has changed the way parks and protected areas are managed throughout the hemisphere. Achievements include:

(1) 21 PiP sites covering nearly 17.1 million acres have graduated from the program and are now independent, functioning protected areas.

(2) Over $70 million of non-USAID funds to date have been leveraged for park management.

(3) Twenty-five local conservation NGOs are now effective technical and administrative organizations. These NGOs have become hemispheric leaders in promoting policy reforms in such areas as mining, land tenure and zoning, local community involvement, and local government support for biodiversity conservation.

(4) The PiP 'scorecard', the program's innovative methodology for tracking progress toward self-sufficiency, has been adopted by the state government of Chiapas, Mexico and by the governments of Bolivia, Ecuador, and Venezuela for use in their respective protected area systems. In addition, the Government of Colombia is adopting PiP's financial planning methodology for its protected area system and the Government of Bolivia is using the PiP program in Eduardo Avaroa National Park as a test case for developing a country-wide visitor fee system.

Possible Adjustments to Plans: The current Parks in Peril program ends in FY 2001, therefore, no changes are planned for this objective.

Other Donor Programs: PiP has greatly increased the level and diversity of funding sources for LAC biodiversity conservation, including leveraging more than $70 million of non-USAID funding from other donors for park management. This total includes national government sources such as over $2 million from Mexican federal, state, and municipal governments; bilateral donors such as $20.4 million from European sources and $5.1 million from Canada; and funds from the private sector including $5.4 million for Guaraqueçaba National Park in Brazil through a climate action project. PiP has also leveraged over $30 million in Global Environment Facility (GEF) funds.

Principal Contractors: This objective is implemented by The Nature Conservancy, a U.S. PVO, and local NGOs (e.g., The Friends of Nature Foundation, Bolivia; National Association for the Conservation of Nature, Panama; Defenders of Nature, Guatemala; ProNaturaleza, Peru; Pronatura, Mexico).

FY 2002 Performance Table

LAC Regional: 598-004

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of parks and reserves with long term financial plans completed and updated regularly by government/NGO partners	12	14	17	23	23	29	NA
Indicator 2: Number of NGOs that have met and continue to meet the PiP institutional, administrative, and management criteria	14	11	19	19	19	18	NA
Indicator 3: Sites with adequate number of trained park guards and protected areas specialists	19	23	23	23	23	30	NA
Indicator 4: Number of targeted parks and protected areas with adequate management	13	17	20	21	21	30	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of park/reserve sites	Intermediate partner (The Nature Conservancy)	This is a key indicator of a site's ability to achieve long term non-USAID support for its survival as a viable area. An updated financial plan indicates that a de facto management plan exists upon which the financial plan is "costed out." These plans include the selection of the most important and feasible activities for park protection, and insure that sufficient income exists or can be realistically projected to cover these activities.
Indicator 2:	IR	Number (Not Cumulative)	Intermediate partner (The Nature Conservancy)	Criteria include: (a) management and financial reports submitted; (b) audit passed; (c) complete work plan; (d) annual evaluations submitted; (e) personnel development; (f) project implementation.
Indicator 3:	IR	Number	Intermediate partner (The Nature Conservancy)	Adequate number' determined by needs assessment set forth in initial workplans and monitored by yearly evaluations.
Indicator 4:	SO	Number	Based on PiP criteria/The Nature Conservancy	Criteria utilized to determine 'adequate management' include: (a) immediate conservation threats deterred; (b) a long-term management plan being developed; (c) LAC NGOs strengthened to implement and/or assist in the management of selected parks and reserves; (d) long term financial plan in progress and funding ensured for recurrent operation costs; (e) a local constituency actively participating in supporting park protection.

U.S. Financing (In thousands of dollars)			
Program: LAC Regional			
Title and Number: Protection of Selected LAC Parks and Reserves Important to Conserve the Hemisphere's Biological Diversity (598-004)			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	43,023 DA	37,661 DA	5,362 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	4,500 DA	4,562 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	47,523 DA	42,223 DA	5,300 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	47,523 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Reinforcement of Regional Trends that Deepen Democracy, 598-005
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $5,000,000 (DA); $6,975,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $4,500,000 (DA); $10,500,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** Continuing

Summary: The purpose of this objective is to reinforce regional trends that deepen democracy by working with Latin America and Caribbean (LAC) Missions and by funding regional institutions, networks and exchanges that support emerging trends in democracy. While the majority of countries in LAC have made substantial progress developing their democratic institutions and practices, considerable challenges remain to fully consolidate democracy in the region. Some countries have experienced setbacks in democratic development, while in others, processes of national reconciliation have taken longer than anticipated. Access to justice is still severely limited for most citizens, particularly the poor. Crime rates have also risen substantially and become a principal concern throughout the region. Corruption continues to constrain economic growth and citizen confidence in government. While there have been significant gains toward enhancing the role that citizens and civil society organizations play in the hemisphere, a number of constraints remain as citizens are increasingly disillusioned with democratic governments' abilities to improve their lives as well. The LAC Regional democracy strategic objective supports ongoing reforms to strengthen the capacity of democratic governments at both the local and national levels to address these concerns. LAC's democracy program priorities are guided by the Summit of the Americas initiatives in the areas of democracy and human rights, corruption, decentralization, and civil society. The beneficiaries include participants in specific activities as well as the citizens of the USAID-assisted countries who will benefit from enhanced accountability in government institutions, improved observance of human rights and the rule of law, and increased participation in political decision-making.

Key Results: USAID efforts will continue to build on past successes for further expansion of the three key intermediate results identified as necessary to achieve the objective: 1) strengthened regional mechanisms to promote human rights and the rule of law, 2) strengthened regional approaches to improve public sector legitimacy, and 3) strengthened regional mechanisms to promote pluralism.

Performance and Prospects: In FY 2000, USAID achieved substantial progress in strengthening regional approaches to support human rights and the rule of law, advance public sector legitimacy, and to strengthen citizen participation and the role of civil society in the hemisphere.

Strengthened regional mechanisms to promote human rights and the rule of law: *This* component has advanced steadily in helping improve human rights in the hemisphere. With LAC Regional support, the Inter-American Institute of Human Rights (IIHR) has trained more than 2,000 human rights experts who form an important network of human rights advocates in the hemisphere. IIHR also completed its training of women attorneys in the procedures of the Inter-American System of Human Rights in order to expand jurisprudence on the rights of women in the hemisphere. Through the Ibero-American Federation of Human Rights Ombudsmen, the role of the ombudsmen has been strengthened across the region. With USAID support, the new Justice Studies Center of the Americas, located in

Chile, became operational. The Center, one of the action items of the 1998 Summit of the Americas, is designed to serve as a research and information clearinghouse on justice sector reform and to help governments in the region develop sound public policy in this area. USAID also continues to support the activities of the Organization of American States (OAS) Interamerican Commission on Women examining the status of trafficking and violence against women in the Americas. Funds are provided to the International Criminal Investigative Training Assistance Program to support institutional strengthening of judicial and police systems in the region. In Venezuela, training and technical assistance is provided to the public defenders offices.

Strengthened regional approaches to improve public sector legitimacy: The Americas' Accountability and Anticorruption activity (AAA), successfully developed and implemented regional approaches to improve public sector legitimacy increasing government accountability and transparency through the use of integrated financial management systems, progress continues in expanding the use of these systems. The AAA program will ensure the sustainability of anti-corruption efforts throughout the hemisphere by supporting civil society participation, encouraging the implementation of national action plans, and maintaining close donor coordination to strengthen anti-corruption institutions within host governments as well as groups for independent oversight. In efforts to strengthen local governments, USAID successfully launched the International Forum for Cooperation on Local Government in the LAC countries. The Forum provides the mechanism for carrying out the Summit mandate to share donor experiences and information on local government practices and activities. USAID will continue to support the forum's technical secretariat, which helps focus donor attention on needed improvements in local government training, impediments to more sustainable municipal financial systems, and more effective citizen participation in local decision-making. The program will continue to assist two sub-regional organizations that support networking and information exchanges by national municipal associations in Central and South America on concerns directly related to the Summit agenda. USAID will also continue to support the Center for Election Promotion and Assistance to strengthen regional networks of electoral institutions in the hemisphere, with the aim of increasing horizontal cooperation and sustainability among those institutions.

Strengthening regional mechanisms to support pluralism: The Inter-American Democracy Network (IADN) met its targets for increasing member civil society organizations' (CSOs') capabilities to carry out citizen participation activities on their own. USAID support also helped to promote and legitimize the role of civil society in the Summit of the Americas process, significantly increasing civil society participation in the Summit process. The IADN successfully fostered partnerships and synergies between government and civil society in efforts to harness citizen participation in decision-making. The program was equally effective helping Network member organizations increase their capacities and effectiveness to carry out citizen participation activities. An evaluation of the program demonstrated substantial increases in Network member organizations' effectiveness to facilitate citizen participation throughout the hemisphere. A new initiative supports the Network's outreach to CSOs to continue work in assimilating new methodologies for increasing citizen participation, institutional strengthening, and expanding their contacts and visibility throughout the hemisphere. USAID will continue its support of the Civil Society Task Force as an important venue for disseminating information to civil society groups in the US and the LAC countries and for promoting greater participation of civil society in the Summit of the Americas process. With USAID assistance, the Chilean non-governmental organization (NGO) Corporación Participa developed an internet website aimed at informing CSOs throughout the hemisphere about the Summit process and sharing best practices for establishing a civil society-government dialogue to advance Summit initiatives.

During FY 2001, approximately $699,000 of Development Assistance (DA) funds and $6,975,000 of Economic Support Funds (ESF) will be used to support human rights and rule of law activities; $2,822,000 DA will be used to support public sector legitimacy and anticorruption activities; and $1,479,000 DA will be used to advance regional activities to support pluralism.

During FY 2002, approximately $1,300,000 of DA funds and $10,000,000 ESF will be used to support human rights and rule of law activities; $2,300,000 DA will be used to support public sector legitimacy and anticorruption activities; and $900,000 DA will be used to advance regional activities to support pluralism.

Possible Adjustments to Plans: During FY 2001, activities in the area of human rights and justice will be ending, and will be replaced by new initiatives that will be part of a revised strategy. As a result, it is likely that a number of program indicators and targets will be revised.

Other Donor Programs: USAID coordinates efforts with the OAS, the World Bank, the Inter-American Development Bank, the European Union and other multilateral donors through a variety of donor consultative groups to increase commitment to democratic principles and practices by LAC countries, foster joint programming, and increase donor resources to the region. Such coordination has been particularly productive in the areas of democratic decentralization and anti-corruption through the donor consultative groups on local government and financial management systems and anti-corruption.

Principal Contractors, Grantees, or Agencies: Regional organizations include: the Inter-American Institute for Human Rights, the Justice Studies Center of the Americas, the Inter-American Democracy Network, the South America chapter of the International Union of Local Authorities, and the Federation of Municipalities of Central America. U.S. organizations include: Casals & Associates, the International City/County Management Association, Partners of the Americas and the U.S. Department of Justice. Latin American organizations include: Conciencia and Poder Ciudadano (Argentina); Corporación Participa (Chile); the Institute for Research and Policy Training (Guatemala); and the Political Science Department of the University of the Andes (Colombia). A number of activities are also implemented jointly with the OAS.

FY 2002 Performance Table

LAC Regional: 598-005

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of integrated financial management systems (IFMS) in the region - Total	NA	34	37	81**	61	NA	NA
Indicator 2: Demonstrated progress of the Inter-American Institute of Human Rights (IIDH) in integrating gender concerns into human rights programming	NA	1, 2	3-5	5-6	Steps 6, 7	4-7	NA
Indicator 3: Number of NGOs assisted by the IADN that are encouraging civic activities	NA	48	60	114	70	NA	NA
Indicator 4: Implementation of anti-corruption measures by governments	64	93	82	91	NA	NA*	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of public sector units - Total	Casals report	Cumulative number of government units broken down by Central Government (ministries and independent agencies), States, and Municipal Governments that have adopted IFMS. Activity ended 9/30/2000. **Corrected from number reported in CN No. 310, dated 4/6/2001. New indicators are being developed to measure performance of the objective.
Indicator 2:	IR	Steps along a scale	IIDH annual reports and work plans, memoranda of Executive Director, consultation with IIDH staff and participants in activities	Definition: Progress is identified by movement along scale: 1. IIDH (Board of Directors/Executive level) incorporates gender equity and justice into its institutional mission and plan. 2. IIDH creates a Steering Committee of representatives from each organizational Program Area to implement a Gender Equity and Justice strategic plan. 3. IIDH develops a framework document to guide institutional integration of gender concerns into human rights programming and evaluation. 4. IIDH completes staff workshops on gender. 5. IIDH explicitly incorporates strategic gender issues into its activity/program planning, including curriculum planning and institutional development. 6. IIDH implements activities incorporating gender concerns. 7. IIDH evaluates institutional advancements in integrating strategic gender concerns into human rights programming and institutional development.
Indicator 3:	IR	Number of NGOs	Partners of the Americas Performance Monitoring Plan	Number of NGOs using methodologies learned through the network to organize deliverative citizen forums, work with local governments, carry out civic or voter eudcation activities, promote social responsibility or build institutional capacity. Numbers reported are annual, not cumulative. Activity ended 9/30/2000. New indicators are being developed to measure performance of the objective.
Indicator 4:	SO	Number of new measures	Casals' monitoring of anti-corruption reports	Counts measures in categories defined by the OAS Convention. This includes new measures adopted by governments in Standards (e.g. money laundering laws, codes of conduct, international treaties) and Enforcement Mechanisms (e.g. institutional strengthening of finance ministries, customs, comptroller general, etc.) Activity ended 9/30/2000. New indicators are being developed to measure performance of the objective.

	U.S. Financing (In thousands of dollars)		
Program: LAC Regional			
Title and Number: Reinforcement of Regional Trends that Deepen Democracy, 598-005			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	51,497 DA	46,903 DA	4,594 DA
	0 CSD	0 CSD	0 CSD
	100,944 ESF	91,301 ESF	9,643 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	4,908 DA	6,509 DA	
	0 CSD	0 CSD	
	8,450 ESF	5,251 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	56,405 DA	53,412 DA	2,993 DA
	0 CSD	0 CSD	0 CSD
	109,394 ESF	96,552 ESF	12,842 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	889 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	5,000 DA		
	0 CSD		
	6,975 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	5,889 DA		
	0 CSD		
	6,975 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	4,500 DA	continuing DA	continuing DA
	0 CSD	0 CSD	0 CSD
	10,500 ESF	continuing ESF	continuing ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: A Broad Base of Leaders and Potential Leaders in LAC Countries Equipped with Technical Skills, Training and Academic Education, 598-006
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $6,000,000 (DA), $4,000,000 (CSD)
PROPOSED BY 2002 OBLIGATION AND ACCOUNT: $6,000,000 (DA), $4,000,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1990 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's participant training strategy is based on the hypothesis that to have long-term impact there are two factors which are critical to lasting improvement in the economic and social conditions of the region: (1) a stable social, political and economic environment that is conducive to economic development; and (2) an educated and skilled population with capable leaders to manage and implement programs and policies. The importance of human resources to any country cannot be overstated--everything from the broad direction of public policy to the management of individual firms and productivity of individual laborers rest on the skills, knowledge and values of people.

The purpose of this activity is to equip a broad-based cadre of leaders and potential leaders in LAC countries with technical skills, training, and academic education, and an appreciation for and understanding of the workings of a free enterprise economy in a democratic society. Direct beneficiaries of this program are women, disadvantaged populations and other previously excluded groups in developing countries. These groups and individuals constitute the human resource base of the nation. The objective also endeavors to identify and recruit scholarship candidates who have demonstrated leadership potential, but who are clearly unable to obtain their educational objective in the United States without scholarship assistance. Indirect beneficiaries are the various ministries and organizations that have sponsored participants for U.S. training.

USAID is using Child Survival and Diseases (CSD) funding to train disadvantaged young 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. USAID is using Development Assistance (DA) funding 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.

Key Results: The Cooperative Association of States for Scholarships (CASS) program, implemented by Georgetown University since 1985, focuses training to support USAID objectives and meet human resource development needs of LAC countries for technical expertise (e.g., in business-related areas such as agribusiness, small business management, industrial maintenance administration; environmental subjects including forestry and fisheries management; and in health care including facilities administration and food science technology). In addition, the CASS training program aims to instill attitudes and beliefs of responsibility and initiative in participating scholars. These values often lead to a greater sense of commitment to family, community and country. The dedication and leadership potential of the CASS long-term students is reflected in their average GPA of 3.34. Further, CASS has successfully met the objectives of incorporating women, rural, indigenous, and disabled people into training programs, with 95% of participants successfully completing their training programs since the inception of the program. 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. Finally, CASS continues to support the reconstruction needs of the region following Hurricane Mitch in 1998 and trained 18 construction foremen from Honduras, Nicaragua and Dominican Republic in construction management during 2000.

Performance and Prospects: The U.S.-based CASS training program is a particularly effective vehicle for strengthening societal commitment to the understanding of free enterprise and democratic pluralism. The combination of exposure to democratic values and institutions and their practical application in economic development, technical skills transfer, and establishment of human and institutional linkages are a potent catalyst for social and economic change. This fact is borne out by past program accomplishments and its continued high performance. Responses to an employment and impact survey periodically conducted on CASS alumni support the program achievements to date:

- Approximately, 92% of all CASS returnees are employed; many of those not employed are continuing their education. In 1999, CASS returnees to Honduras and Haiti reported 100% employment. The number of scholars employed in their area of expertise in 2000 is fewer because the employment and impact survey was administered only to Cycle 96 participants, most of whom returned to their countries less than a year ago, and many are continuing with their studies and or seeking better employment. The majority of the alumni, 63%, are employed in the private sector, followed by 22% in public sector and 13% self-employed.
- Of those trained, 96% reported having used their skills or put into practice what they have learned in the U.S. training program.
- Seventy percent of the trainees reported an increase in salary, and/or job responsibilities since returning to their home country. Eighty-two percent of the trainees attribute this increase in salary at least in part, to their U.S. training.

Because the primary goal of CASS training is to improve the region's human capacity by educating disadvantaged people, fields of study are carefully selected to address specific regional needs. CASS continues to promote sustainable natural resource and agricultural technology, agribusiness, industrial maintenance and management and waste management. Education also remains a centerpiece of CASS with a focus on certifying primary school teachers. To support the objective of protecting health and stabilizing population growth, CASS is utilizing CSD funding to train in areas emphasizing prevention, detection and treatment of malaria, dengue and tuberculosis. Twenty rural health workers will complete their studies in the U.S. during 2001 and another 20 rural healthcare workers from Central America began a one-year program in rural health. While 18 will complete a two-year program in clinical lab technology at the end of 2001, another 36 began a two-year program in x-ray technology in late 2000. DA funding supported the training of 40 construction foremen and women from Nicaragua and Honduras and continues training 18 in construction management. In 2001 nearly 200 participants from 17 LAC countries will complete two-year programs focused on agriculture, environment, computer technology, and other relevant areas of study. Fifty-one Central American teachers and 17 from Jamaica continue their studies.

Advancing democracy will be achieved through the on-going activities of the civic participation component integral to all CASS programs. To ensure that programs continue to support USAID's regional strategic objectives, CASS coordinates priorities with USAID, and involves the USAID overseas missions in the annual field of study survey that outlines the priority training needs for participating countries.

Two unique CASS follow-on activities are noteworthy: 1) the continued emphasis on improving the capacity of the deaf that includes holding the second annual regional conference for deaf alumni (40 representing seven countries), and selecting three additional rural teachers

for programs in deaf education; and 2) a two-day tuberculosis workshop for 22 health supervisors (nurse's assistants, pastoral health workers, and Rotary Club) in Dominican Republican where CASS alumni provided training in treatment evaluation, vaccination campaigns, and environmental sanitation.

In FY 2001, $6,000,000 of DA will be used to provide training for 140 students in the areas of industrial maintenance & management, quality improvement, agribusiness, computer applications for the deaf, interpreter training, natural resource technology and agricultural technology; and, $4,00,000 of CSD will provide training to 120 students in the areas of x-ray technology, rural healthcare, and primary school teacher education.

In FY2002, $6,000,000 DA funds will be used to provide training for 155 students in the areas of watershed management and soil preservation, aquaculture & aquatic food processing, agricultural technology, telecommunications, and industrial engineering; and, $4,000,000 CSD will provide training to 52 students in public health vector control, medical equipment repair, rural health and primary school teacher education.

Possible Adjustments to Plans: None anticipated at this time.

Other Donor Programs: The participant training program strategy was designed to expand the "partnership" between the cooperating agents and the U.S. training institutions. The objective is to foster cost sharing between institutions and USAID. For example, the CASS agreement requires 25% cost sharing. College cost sharing has taken many forms such as the provision of tuition and allowances, as well as indirect costs. In-country contributions include office and conference space, participant room/board during orientation and re-entry, and coverage of various administrative costs.

Principal Contractor, Grantee or Agencies: The U.S. grantee is Georgetown University Center for Intercultural Education and Development.

FY 2002 Performance Table

LAC Regional: 598-006

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Returnees involved in community service activities after training -- percent	NA	80	72	81	90	80*	80*
Indicator 2: Returnees employed -- percent	NA	75	73	75	75	75	75
Indicator 3: Leaders and potential leaders from LAC successfully completed U.S. and LAC training -- Cumulative Total	NA	4,376	4,793	5,078	5,101	5,338	5,545

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Percent of returnees participating in community activities	survey of CASS returnees done annually and reported in the CASS July - September quarterly report	Participation in voluntary associations/involvement in community or civic activity, such as community development projects, municipal elections, or Parent-Teacher Associations. *Future targets have been changed to reflect change in survey sample.
Indicator 2:	IR	Percent of returnees	Survey of CASS returnees done annually and reported in the CASS July - September quarterly report	The indicator measures the percent of returned trainees who are currently employed in their training field of study.
Indicator 3:	SO	Cumulative leaders trained	CASS quarterly reports, Cycle 97 Final Report (dated Dec. 10, 1999)	Figures include participants trained in both two-year programs and short-term technical programs for targeted groups.

	U.S. Financing (In thousands of dollars)		
Program: LAC Regional			
Title and Number: Broad Base of Leaders in LAC Equipped with Technical Skills, Training and Academic Education, 598-006			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	144,888 DA	142,208 DA	2,680 DA
	9,500 CSD	5,998 CSD	3,502 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	6,000 DA	4,900 DA	
	4,000 CSD	7,056 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	150,888 DA	147,108 DA	3,780 DA
	13,500 CSD	13,054 CSD	446 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	6,000 DA		
	4,000 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**6,000 DA**		
	4,000 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**6,000 DA**	6,000 DA	168,888 DA
	4,000 CSD	4,000 CSD	25,500 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Hurricane Reconstruction Services in the LAC Region Provided, 598-016
PLANNED FY 2001 OBLIATION AND ACCOUNT: None
PROPOSED BY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY2002

Summary: Major hurricanes devastated Central America (Hurricane Mitch, Oct. 1998) and the Caribbean (Hurricane Georges, Sept. 1998 and Floyd, Sept. 1999). They produced massive flooding, engulfing entire villages, destroying homes, crops and infrastructure. It is estimated that Hurricane Mitch alone resulted in damages in excess of $8 billion. Responding to a request by the President, in May 1999, Congress approved $621 million in supplemental funding for the Central America and Caribbean Disaster Recovery Fund. Under the Supplemental, Congress identified specific U.S. Government (USG) entities to be involved in hurricane reconstruction and more than $100 million of the Fund is being implemented with thirteen U.S. agencies.

The LAC Regional program objective is to provide hurricane reconstruction support in Central American and the Caribbean. The majority of this assistance is for Honduras, Nicaragua, El Salvador, Guatemala, Dominican Republic, Haiti, and the Bahamas, the countries hardest hit by the hurricanes. There are also Central America regional activities that include Costa Rica. The reconstruction activities focus on: disaster mitigation and preparedness; public health; economic reactivation; education; watershed management and housing

In September 1999, USAID signed 632(b) Interagency Agreements (IAAs) with the Environmental Protection Agency (EPA), the Federal Emergency Management Agency (FEMA), the U.S. Department of Agriculture (USDA), the U.S. Department of Commerce (DOC)/National Oceanic and Atmospheric Administration (NOAA), U.S. Geological Survey (USGS), and the Department of Health and Human Services (Centers for Disease Control and Prevention) (HHS/CDC). The 632(b) IAAs involve close coordination and monitoring by USAID. The 632(b) activities are described in this data sheet. In addition, USAID signed 632(a) IAAs with the Department of Housing and Urban Development, U.S. Department of Transportation, U.S. Peace Corps, U.S. Department of State, Export-Import Bank of the U.S. and the Overseas Private Investment Corp. The USG agencies with 632(a)s report directly to Congress and the Office of Management and Budget. The U.S. Army Corps of Engineers activities are being implemented through individual agreements with the USAID Missions in the six countries, and these activities are reported through the individual USAID Mission's bilateral programs.

Key Results: USAID signed 632(a) IAAs totaling nearly $41 million. The LAC Regional program also signed eight 632(b) IAAs with six USG agencies, cooperative agreements with two U.S. private voluntary organizations (PVOs), and a Public International Organizations grant to PAHO totaling $67.25 million. The U.S. PVOs are the United Methodist Committee of Relief (UMCOR) and the Partners of the Americas in cooperation with the Organization of Africans in the Americas (POA/OAA).

USG agencies are assisting target countries recover from the impact of the recent hurricanes and strengthen their capacity to plan for and manage disasters when they occur. Poor land use practices, deforestation, placement of housing and infrastructure in high-risk areas, and the lack of early warning systems contributed to the heavy destruction and loss of lives. A

focal area of work is the vulnerable watershed basins where most of the flood damage occurred. USDA is introducing soil conservation practices and agro-forestry interventions in selected communities located in important watershed areas. The EPA is working closely with the water quality control laboratories and treatment plants in Nicaragua, Honduras and El Salvador to improve the capacity of local institutions to provide clean drinking water.

Disaster preparedness is being accomplished, in part, in critical watershed areas by the establishment of early warning flood alert networks and the installation of stream-flow gauges by USGS and precipitation gauges by NOAA. The system is automated and linked to key institutions, such as technical universities and government entities responsible for processing and distributing the data. This system is also being linked to each country's emergency operation centers (EOC) being established with assistance from FEMA. The EOCs will be better positioned to respond to major and minor disasters with the help of this technology. In addition, NOAA is installing an early-warning forecasting network throughout Central America that will be tied into the satellite downlink based in Costa Rica. USGS is working with community leaders to digitize hazard risk maps which will better assist local leaders in appropriate land use and to avoid high risk areas for housing or major infrastructure development.

The USDA has two major programs. The first is improving regional food security in the face of disasters--Ministry of Agriculture food security personnel have been trained in Honduras, Nicaragua, Guatemala, and El Salvador in using the Economic Research Service's Food Security Model; capabilities to monitor/assess national food security have improved significantly in these countries. The second is improving agricultural health. For example, medfly-free zones have been established in Nicaragua and Honduras; shrimp and livestock producers have been trained to control water borne and farm pathogens; pest risk assessments have been completed for 12 non-traditional crop products; laboratory personnel have been trained to identify food-borne pathogens; and extensive training has been conducted for establishing national quarantine systems.

HHS/CDC initiated a four-part effort to improve the health situation in Central America and Hispañola. The first effort is aimed at improving the health information systems in the target countries so that accurate and usable data is available in a timely fashion to decision-makers in the public health sector. Secondly, to improve the ability of the target countries to respond to disease outbreaks, a Field Epidemiology Training Program (FETP) has been initiated. The FETP will train two cohorts of 21public health physicians (a total of 42, six from each country). Thirdly, the public health laboratory infrastructure in the countries is being rehabilitated. The rehabilitation plans include installation of new laboratory equipment; documenting standard operating procedures and safety measures; and training courses and materials. Finally, steps are underway to enhance the capacity of the ministries of health to design and implement community-based disease prevention and control programs. The grant to PAHO provides assistance to Costa Rica to improve health care, public health actions, and health information for the areas most affected by immigration from Nicaragua as a consequence of the hurricane.

UMCOR is working collaborating with the Government of the Bahamas to reconstruct houses damaged by Hurricane Floyd. POA/OAA is supporting leadership training and institutional strengthening for nine communities along the Atlantic coast of Honduras and Guatemala that were disproportionately impacted by Hurricane Mitch. Assistance is targeted, but not limited, to Latin Americans of African descent.

Performance and Prospects: The USG agencies have accelerated their activities considerably and are making significant progress in implementing their activities. Government officials are pleased with new technologies being introduced into their countries that will help them

be better prepared to plan for, mitigate and respond to disasters. LAC continues to work closely with the USAID overseas Missions to ensure that USG agencies and Mission activities complement each other. Also, LAC will work closely with the other donors involved in programs similar to the USG agency activities to ensure coordination and complementarily of activities. Through the remaining months of the program, the final pieces of equipment will be installed for the flood and landslide early-warning system in selected watersheds; training and TA will be completed in communities located in the same watershed areas; and the early warning system links into the national emergency management system will be finished--all carried out by USGS, USDA, DOC and FEMA. USDA will finish its work with Central American governments to strengthen agricultural health and food security. HHS/CDC will continue with the training of public health physicians as field epidemiologists and the training of public health managers in the use of epidemiological data in their decision-making activities; installation of laboratory equipment and training in the operation of the equipment; and development of community-based disease prevention and control programs. EPA will complete its technical assistance and training program for national institutions responsible for the maintenance and quality control of drinking water. The U.S. PVOs initiated their respective activities only a few months ago, but are expected to complete their programs by the end of this fiscal year. PAHO will complete the work planned in Costa Rica by the end of 2001.

Possible Adjustments to Plans: An evaluation of the program is underway and an OMB-led progress review of all the IAA activities will take place in April. Possible minor adjustments may occur following the reviews. Currently all activities are on track for completion by the end of 2001, except for HHS/CDC, which are on track for their scheduled completion in May 2002.

Other Donor Programs: The Inter-American Development Bank and United Nations Development Program continue to facilitate donor coordination. The World Bank has awarded major disaster preparedness/ mitigation loan packages to Honduras and Nicaragua totaling nearly $20 million. USAID continues to host in-country, inter-agency coordination meetings to ensure that USG resources are effectively utilized and complement the efforts of other donors.

Principal Contractors, Grantees or Agencies: Those USG agencies with 632(b) Interagency Agreements with USAID include USDA, USGS, FEMA, EPA, DOC, HHS/CDC. The two U.S. PVOs with cooperative agreements are UMCOR and POA/OAA.

FY 2002 Performance Table

LAC Regional: 598-016

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Countries with decreased vulnerability to communities from flooding and landslides in watershed basins through the establishment of monitoring and early-warning systems	NA	NA	0	4	3	5	NA
Indicator 2: Countries with improved emergency management systems and response capabilities in place	NA	NA	0	2	2	7	NA
Indicator 3: Countries with capacity for assessment of health status and the early detection and effective response to outbreaks and changes in disease patterns	NA	NA	0	2	2	6	7

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	SO	Countries (cumulative)	USG Agencies	Countries implementing disaster mitigation activities that reduce the risk of floods and landslides to communities located in or downstream from the watershed. The five countries involved are Honduras, Nicaragua, El Salvador, Guatemala, and the Dominican Republic.
Indicator 2:	SO	Countries (cumulative)	USG Agencies	Countries with emergency management systems improved with the assistance from FEMA, OFDA and other USG Agencies. The six countries involved are Honduras, Nicaragua, El Salvador, Guatemala, the Dominican Republic and Haiti. The planned amount has been increased from 6 to 7 countries in FY 2001 with the addition of activities in the Bahamas affected by Hurricane Floyd.
Indicator 3:	SO	Countries (cumulative)	HHS/CDC	This indicator will be a composite of activities included in this program. The seven countries involved are Honduras, Nicaragua, El Salvador, Guatemala, Costa Rica, the Dominican Republic and Haiti.

	U.S. Financing (in thousands of dollars)		
Program: LAC Regional			
Title and Number: Hurricane Reconstruction Services in the LAC Region Provided, 598-016			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	31,130 CACDRF	1,775 CACDRF	29,355 CACDRF
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	34,870 CACDRF	22,217 CACDRF	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	66,000 CACDRF	23,992 CACDRF	42,008 CACDRF
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 CACDRF		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 CACDRF		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 CACDRF		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 CACDRF	0 CACDRF	66,000 CACDRF
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Institutional Infrastructure Improved to Support Access of the Poor to Markets (Property, Financial, and Product), 598-017
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $5,000,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $4,250,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The strategic objective contributes to the eradication of poverty by facilitating improved access of the poor to income-earning market opportunities through creating an enabling environment that brings market services to the poor. The purpose of the objective is to strengthen property, financial and product markets. These markets will support and expand access of the poor to best practices, better leverage resources and identify innovative techniques. The ultimate beneficiaries are the poor who currently are limited in their ability to participate in markets and thereby improve their livelihoods. Establishing the asset value of informal property, expanding market-based property access through reduced transaction costs, expanding the scope and depth of microfinance institutions and providing information on market opportunities for the products of small- and micro-enterprise will create the basis for inclusive economic growth. This impact will be achieved by channeling support to various intermediate customers of USAID (e.g., individual country's property registry offices, other government and/or private sector institutions, NGOs, etc.) who have the capacity to directly affect change.

Key Results: Under the property markets component in FY 2000, USAID's work with the new Central American Council on Real Property Registration, a regional policy leadership and progress monitoring group, led directly to a capacity building initiative geared toward quality assurance and sustainability in land administration services. Under the financial markets component, USAID identified cutting edge lending technologies and approaches and is making them available across the region to a wide variety of institutions. For example, ACCION International has begun pilot projects in several countries to test the use of palm pilots by their loan officers in the field in an effort to reduce costs. Under the product market component, USAID developed a prototype model of an Internet based geo-referenced program to sell certified products to high-income markets. This model enables resource-poor farmers to produce certified commodities, and market agents to trace certified products from the consumer's table back to the farm gate. This model is operating in Dominica targeting bananas and in Peru focusing on coffee.

Performance and Prospects: Property market activities are influencing policy and reshaping some important practices, particularly in Central America, on property registry reform and more broadly on land markets access. Through extensive networking, especially with major multi-lateral donors, particularly the World Bank and the Inter-American Development Bank, an interest in needed reforms is being stimulated. More specifically, the coordination and sharing of new practices among donors and across countries are resulting in improved design of strategies and projects, e.g., in Nicaragua, Honduras, and El Salvador and capacity building for quality and sustainability in land administration services in Central America and Panama. Also, a USAID and World Bank sponsored initiative helped create the Central American Council on Real Property Registration and will be instrumental in defining standards, monitoring progress and evaluating possible harmonization of the framework governing property in the sub-region. LAC-wide awareness and commitment to the Summit agenda is expanding, e.g., the new focus of the Latin American Council on Property Registration on creating modernized geographically referenced registry systems. Also, the

Virtual Office for the Inter-Summit Property Systems Initiative (funded by USAID and hosted by the OAS Office of Summit Follow-up) has become known as a highly useful source of shared information among donors, governments and civil society. An Internet-based distance learning course in land administration in Central America was designed and piloted with students from El Salvador. The Institute for Liberty and Democracy of Peru produced an assessment of informal property in Mexico and introduced a leading edge perspective on the problem of linking the poor into the benefits of market economy. Progress made on a comparative land markets study funded in 1999 jointly with the World Bank and the European Union (EU) is yielding important results on how poor people participate in property markets, particularly introducing a review of land rental markets as a means to expand access. Finally, an activity is being implemented that will help produce guidelines for improving gender equity in the participation of property markets and related institutional reforms such as land titling.

In the area of financial market access, regional programs continue to complement the work of USAID bilateral Missions and partners with a focus on developing efficiency-enhancing technologies for lending operations. Other innovations to be tested and disseminated include the use of credit scoring techniques. If the results of these pilot tests are successful, the increases in efficiency they create will lower costs and, ultimately, lower interest rates for microentrepreneurs. Activities are also aimed at improving supervision and regulation of lending institutions, and expanding support for institutions (e.g., credit bureaus) to lower costs and reduce risk. Finally, USAID is supporting the World Council of Credit Unions to document and share the best ways to capture savings from the poor, thus greatly expanding the range of financial services available to this historically underserved clientele.

In product markets, USAID will identify and disseminate methods for improving access to international, high-value niche markets (e.g., applications of information technology and specialized certification systems that enhance the ability of smaller producers to compete in markets). With complementary EU contributions, CarLISES (Caribbean Land Information and Environmental Sustainability) developed a prototype for the verification of environmentally sustainable and sound banana production for the Dominica Banana Marketing Corporation. This resulted in the production of digitized maps; 240 farmers geo-referenced in a pilot area; and, key personnel trained in DBMC, the private sector, and the Ministries of Agriculture, Policy and Planning, and Environment. The CarLISES example set the stage for the development of similar projects in coffee and cocoa in Peru. The Africa Bureau initiated activities in Cameroon using a CarLISES-based geo-referenced certification program. USAID missions and local agribusinesses in Honduras, Guatemala, East Timor, Vietnam, and the Dominican Republic have requested similar programs for their countries. Technical assistance was provided to create programs to help small farmers assess the feasibility of creating carbon tax credits, improve grades and standards for agricultural products (whether products are genetically modified or otherwise) and determine the relative economic competitiveness of agricultural products. Based on this study, activities may be expanded LAC/RSD to accommodate larger numbers of small businesses and entrepreneurs as well as small-farmers to market their products in high-value niche markets.

During FY 2001, $2,250,000 will be used to improve the institutional infrastructure to support participation of the poor in property-based information systems; $2,000,000 will be used to strengthen access of the poor to financial services; and $750,000 will facilitate participation of the poor in higher value product markets.

During FY 2002, $1,900,000 will be used to continue addressing property issues in the Central American region and for the initiation of property registration dialogues/activities in other regions; $1,700,000 will continue to strengthen micro enterprise institutions in the

region and encourage, where possible, the movement of microenterprises deeper into the rural areas; and $650,000 will be used to for follow-up to a very successful pilot program that verifies product certification of commodities produced for the higher-value markets (for example, environmentally friendly produced coffee).

Possible Adjustments to Plans: None at this time.

Other Donor Programs: As part of the Summit of the Americas process, USAID works closely with the State Department and the Organization of American States. In addition, close cooperation has taken place with our Summit partners, including El Salvador, Argentina, Chile, the World Bank and the Inter-American Development Bank (IDB). We also work closely with USAID bilateral missions and other donors with mutual program interests in specific sub-regions, e.g., the EU, Germany's Agency for Technical Cooperation, the United Kingdom's Department for International Development and others in Central America in consensus-building activities on property registration. For financial markets, USAID is working closely with the IDB and consults regularly with the Consultative Group to Assist the Poorest, a multi-donor effort to support microfinance. In facilitating the poor to participate in higher value product markets, USAID cooperates with non-governmental organizations, private non-profit organizations (cooperatives, producers' associations and export promotion associations) as well as for-profit organizations (private traders, marketing agents and processing firms).

Principal Contractors, Grantees or Agencies: Selected U.S. partners include the U. S. Geological Survey, the University of Florida, the University of California at Berkeley, the University of Wisconsin, the Institute of Liberty and Democracy, ACCION International, the World Council of Credit Unions, Microrate, and the Dominica Marketing Board Corporation.

FY 2002 Performance Table

LAC Regional: 598-017

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Best-practice Guidelines Adopted	NA	NA	NA	0	0	2	3
Indicator 2: Legislation passed or regulations enacted in selected LAC countries	NA	NA	NA	0	0	0	1
Indicator 3: Cost of property formalization reduced	NA	NA	NA	NA	>$80/ha.	<$80/ha.>$40/ha.*	<$40/ha.*
Indicator 4: Number of LAC Missions/Institutions implementing new marketing strategies	NA	NA	NA	0	0	1*	2*

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	No. of guidelines adopted	IPSI and other donor documents	Guidelines adopted means that a consultative group and/or donors agree upon the guideline.
Indicator 2:	IR	Number	USAID Missions and Host Country Institutions	There are few laws and regulations designed for the microfinance sector in LAC. Existing laws and regulations for the financial sector are usually inappropriate for microfinance and impede the sector's operations and expansion. This indicator will capture new and revised laws and regulations that will facilitate the growth of healthy, solvent institutions.
Indicator 3:	IR	US Dollars/hectare	Previous Studies (for base) and World Bank Studies in which present-day data are collected	The indicator shows the reduction of cost for formal registration of property on a per hectare basis. *Targets have been updated since submission of CN No. 81 dated Jan. 25, 2001 to reflect most recent data.
Indicator 4:	IR	Number of Missions/Institutions	USAID Missions and Host Country Institutions	This indicator indicates the use of new marketing strategies for greater access of the poor to product markets.

	U.S. Financing (In thousands of dollars)		
Program: LAC Regional			
Title and Number: Institutional Infrastructure Improved to Support Access of Poor to Markets, 598-017			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	3,941 DA	1,187 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	3,941 DA	1,187 DA	2,754 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	122 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	5,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**5,122 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**4,250 DA**	14,437 DA	27,750 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Environmental Performance of Targeted LAC Businesses and Communities Improved Through the Promotion of Replicable Market-Based Models, 598-018
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,000,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $1,000,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The objective of the US/LAC Environmental Partnership program (US-LACEP) is to improve environmental performance of targeted LAC businesses and communities through replicable models. The program supports: (a) advancing key trade-related environmental issues within the context of the Free Trade Area of the Americas (FTAA), (b) sustainable forestry, (c) industrial cleaner production, and (d) sound water resources management. Environmentally sound development is advanced through three key results that deal with: (a) policies; (b) technologies and practices; and (c) financing mechanisms. Primary customers are LAC national and local governments, industries and enterprises, non-governmental organizations (NGOs) and private sector service providers, and investors.

Key Results: USAID has exerted leadership in enhancing the understanding of trade-related environmental issues through support for hemispheric analysis of trade/environment challenges and consultations of key stakeholders. Building upon this foundation, US-LACEP is now supporting sub-regional analysis and dialogue on these important issues.

US-LACEP is advancing natural forest management through development of technical guidelines, investment analysis, and stakeholder dialogue. To support sector reform and promote best practices, a comprehensive review of USAID's investments in natural forest management in seven Latin American countries since the mid 1980s is underway. This review of impact, lessons learned, replicable approaches, and policy/programmatic orientations will be presented at a regional workshop with representatives from host country governments, industry, investors, multi-lateral development banks, NGOs, and USAID.

US-LACEP is identifying suitable and replicable management models for water supply and sanitation services in smaller towns and rural areas, in light of the overwhelming regional trends towards the decentralization of these services. Results of the activity, including a compendium of case studies, have been well received by the Missions and other donors active in the region. Findings have been presented at several international fora including the meeting of Latin American Mayors in Miami, the Inter-American Water Policy roundtable at the Organization of American States (OAS), and a Making Cities Work training workshop. Additionally, plans are underway to incorporate the case studies into the World Bank Institute's Water Policy Reform Program training module.

USAID 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. US-LACEP: (1) co-sponsored the Canadian worldwide summit on cleaner production; (2) organized a session on cleaner production for the LAC metal ore mining sector at the Mining Exposition 2000 conference in Nevada; and (3) in partnership with the Chambers of Commerce and Industry of Bolivia, Ecuador and Peru, is collaborating with the Inter-American Development Bank/Multilateral Investment Fund (IDB/MIF) to mobilize funding for cleaner production.

USAID developed/introduced environmentally sound shrimp aquaculture best management practices in Central America and Mexico. US-LACEP, in collaboration with Department of Agriculture (USDA) and USAID Missions, is building extension and training capacity in Central America in good shrimp management practices. This initiative was featured at the 3rd International Symposium of Aquaculture in Mexico in November 2000. Meetings were held with the major mariculture interest groups and two workshops were convened on best practices for shrimp culture establishing the basis for follow-up support by other donors.

Performance and Prospects: Understanding of key trade-related environmental opportunities and issues within the FTAA economic integration process will be further advanced. Best management practices, such as hotel environmental management systems, cleaner production and water-use efficiency in industry, sustainable shrimp aquaculture, and low impact logging, will be promoted in targeted countries and their economic benefits will be demonstrated. Improved environmental policy and investment guidelines for select economic sectors will be developed. Market opportunities for eco-certified products and for the provision of environmental technologies/services will be identified.

The first year of the US-LACEP program was a transitional year to: (a) help define specific target areas, (b) consolidate gains and maintain momentum on key initiatives begun under the predecessor LAC Regional Free Trade objective, and (c) ensure that products developed under that objective are made widely available to key stakeholders.

Over the next two years, the program will enhance understanding of and commitment by LAC governments to addressing critical trade-related environmental issues. Broader dissemination is planned of USAID developed guidelines for sustainable harvest of non-timber forest products and results of the seven country forest sector review. US-LACEP will support interventions focused on sanitation in small towns as a follow-up to water and sanitation decentralization activities. A major focus of cleaner production will be on developing regulatory frameworks, addressing financing constraints, and promoting the transfer of US environmental technologies and know-how. The program will successfully introduce replicable models for environmentally sound development in the areas of forestry, water, and cleaner production into at least one LAC sub-region/trading bloc.

During FY 2001, funds will be used as follows: (a) regional trade/environment analysis and dialogue ($150,000); (b) sustainable forest management ($250,000); (c) integrated water resource management ($250,000); (d) industrial cleaner production ($275,000); and (e) sustainable tourism ($75,000).

During FY 2002, funds will be used as follows: (a) regional trade/environment analysis and dialogue ($150,000); (b) sustainable forest management ($300,000); (c) integrated water resource management ($250,000); and industrial cleaner production ($300,000).

Possible Adjustments to Plans: No adjustments are envisioned.

Other Donor Programs: US-LACEP collaborates with IDB, United Nations Environmental Programme, and various bilateral donors in cleaner production; IDB and Pan American Health Organization in water resources; Food and Agricultural Organization, World Bank, and IDB in forestry; and OAS and IDB in trade/environment.

Principal Contractors, Grantees or Agencies: Partner organizations include PA Consultants, Environmental Law Institute, and the US Environmental Protection Agency (pollution prevention); Camp Dresser & McKee International (water resources); International Resources Group and USDA (forestry); University of Rhode Island (shrimp aquaculture); OAS and the University of Miami - North-South Center (trade and environment).

FY 2002 Performance Table

LAC Regional: 598-018

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Replicable models of improved environmental management developed and their adoption promoted	NA	NA	NA	2	2	2	2

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	SO	Number of replicable models	Implementing partners, USAID Missions, Summit of Americas reports	Replicable models incorporate policy, technology and financing considerations. They are environmentally sound, technically feasible, socially acceptable, generally more profitable, cost-effective, and likely to be sustainable.

U.S. Financing (In thousands of dollars)			
Program: LAC Regional			
Title and Number: Environmental Performance of Targeted LAC Businesses and Communities Improved Through the Promotion of Replicable Market-based Models, 598-018			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	976 DA	300 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	976 DA	300 DA	676 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	24 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	1,024 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	1,000 DA	2,000 DA	5,000 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Continued Participation of LAC Sub-Regional Trading Blocs in the FTAA Process Achieved, 598-019
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $1,000,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: None
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE: FY** 2002

Summary: This Special Objective is fostering continued commitment of LAC smaller economies and developing countries to participate over the three-year (FY 2000–FY 2002) period in the ongoing negotiations to establish the Free Trade Area of the Americas (FTAA) by 2005. This objective builds on the results of the trade liberalization activities of the Hemispheric Free Trade Expansion program that ended in FY 2000. It targets those areas of assistance where USAID can foster continuing commitment of LAC smaller economies and developing countries to participate in the FTAA process and make FTAA-consistent reforms. The objective supports trade-induced economic expansion as a catalyst for sustaining economic growth and reducing poverty in the LAC region.

The objective's purpose is to advance LAC smaller economy and developing country progress toward FTAA membership in terms of sustaining their commitment to participate in the negotiation process, and to make trade-related reforms consistent with World Trade Organization (WTO) obligations and FTAA membership. The direct beneficiaries are the smaller economies and developing countries of the LAC region, while micro, small, and medium-sized producers benefit indirectly through increased market openness or increased opportunities for employment as a result of an improved environment for foreign direct investment.

Key Results: The objective achieves results in three key areas: (1) helping LAC smaller economies and developing countries to meet their WTO obligations; (2) advancing implementation of business facilitation measures; and (3) fostering greater civil society participation in the FTAA process.

Performance and Prospects: Assistance provided under this objective began late in FY 2000 and is designed to foster participation of all target sub-regional trading blocs in the FTAA negotiations. In implementing this objective, USAID works closely with the State Department, Office of the U.S. Trade Representative, and the USG member agencies of the Interagency Trade Policy Staff Committee. At the same time, USAID monitors the progress of FTAA Negotiating Groups as well as the deliberations of the Committee of Government Representatives on the Participation of Civil Society, and the Consultative Group on Smaller Economies. Interventions are supported that have a strong prospect of achieving a demonstration effect, that is, providing a model that other countries could emulate using funding leveraged from other donors. Several examples demonstrate the kind of activities already taking place under this objective. With USAID-provided funding, the Federal Trade Commission and Department of Justice are providing technical assistance in competition policy to Argentina, Paraguay and Uruguay, with a commitment to expand assistance to the Andean region once additional funds are available. In Uruguay, a non-governmental organization (NGO) conducted a trade and sustainability workshop to support efforts by civil society groups to identify best practices for addressing environmental issues in trade agreements. Finally, a Chilean NGO established a website that proved catalytic in increasing civil society awareness of, and participation in, the FTAA process.

During FY 2001, $1,000,000 will be focused on starting an Andean region trade capacity building program to accelerate the preparation of the Andean Community countries for membership in the FTAA. The program will include the provision of technical assistance in meeting WTO obligations (Customs Valuation Agreement and Sanitary and Phytosanitary Agreement), implementing business facilitation measures (customs risk management and competition policy), and supporting an Andean regional workshop on models for civil society participation in the FTAA process.

Possible Adjustments to Plans: The Office of Regional Sustainable Development (LAC/RSD) is exploring whether to extend the Special Objective for a second two-year period (FY 2002-2003) or to develop a new trade-related Strategic Objective to address FTAA-related technical assistance needs in the context of sustainable trade competitiveness covering both WTO/FTAA obligations and agro-ecological certification systems for agriculture health and food safety.

Other Donor Programs: Trade liberalization activities are coordinated with other major donors through the FTAA Tripartite Committee comprised of the Organization of American States Trade Unit, the Inter-American Development Bank, and the Economic Commission for Latin America and the Caribbean. Other relevant programs for assistance in trade policy education and training are the WTO, United Nations Conference on Trade and Development, and Florida International University/Summit of the Americas Center.

Principal Contractors, Grantees or Agencies: Selected U.S. partners include the U.S. Department of Agriculture, U.S. Customs Service, U.S. Department of Justice, Federal Trade Commission, the National Center for Food and Agricultural Policy and potentially, the Department of Commerce, the General Services Administration, U.S. universities and the Summit of the Americas Center. International partners include the International Institute for Sustainable Development, a Chilean NGO (Corporación PARTICIPA), the Peruvian branch of the International Chamber of Commerce, and the Food and Agricultural Organization.

FY 2002 Performance Table

LAC Regional: 598-019

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Number of countries meeting WTO obligations	NA	NA	NA	14*	11	5	NA
Indicator 2: Number of civil society written submissions to the FTAA from LAC smaller economies and developing countries	NA	NA	NA	41	4	60	NA
Indicator 3: Number of Sub-regional trading blocs with at least a minimum number of countries recognized by Tripartite Committee as making progress on implementing business facilitation measures	NA	NA	NA	3	2	4	NA
Indicator 4: Selected Customs reforms	NA	NA	NA	1	0	NA	NA

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of countries	WTO, Inside U.S. Trade, and partner information	This indicator tracks the number of countries that achieve compliance with specific WTO obligations. The planned level for FY 2001 reflects the decision to focus on the 5 Andean region countries. *Actual number reported in CN No. 183, dated March. 21, 2001 was revised based on data available from the latest activity reports.
Indicator 2:	IR	Number of written submissions	Tripartite Committee (TPC) and USG Rep to Committee of Government Representatives on Participation Civil Society	This indicator tracks the number of smaller economy and developing country sub-regional trading blocs in which civil society is active in providing written submissions to the FTAA.
Indicator 3:	IR	Number of sub-regional trading blocs	WTO, Inside U.S. Trade, and partner information	This indicator tracks the number of smaller economy sub-regional trading blocs in which a minimum number of countries are making progress on implementing FTAA-sanctioned business facilitation measures
Indicator 4:	IR	Number of custom reforms	US Custom Service Quarterly Progress Reports	This indicator tracks the number of custom reforms in the CARICOM sub-region. As the program has ended, this indicator will be dropped from future reporting.

	U.S. Financing (In thousands of dollars)		
Program: LAC Regional			
Title and Number: Continued Participation LAC Sub-Regional Trading Blocs in the FTAA Process, 598-019			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	798 DA	320 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	798 DA	320 DA	478 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	202 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	1,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**1,202 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**0 DA**	0 DA	2,000 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Program Development and Learning (PD&L), 598-020
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $2,344,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $1,075,000 (DA), $1,006,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

Summary: PD&L objectives are intended to fund studies, analyses, and evaluative work for purposes of assessing, designing and learning efforts. A fundamental tenet of LAC Bureau programming is that resources are targeted to specific countries and regional programs as much as possible. In line with this, in most instances, the necessary PD&L activities required by the various Operating Units within the LAC Bureau will be planned for, funded, and carried out within the framework of an existing Strategic Objective (SO) or Special Objective (SpO). However, in some cases, this is not possible. Examples would be the studies and analyses needed to develop a new country strategy, to establish a new SO that does not yet exist or the evaluation of a completed SO. In other cases, it is too cumbersome and less efficient to include a particular activity within the construct of a single SO. For example, an Operating Unit might need to access technical assistance for work covering multiple SOs, cross-border or regional analyses, design work, or evaluations.

Key Results: LAC Bureau PD&L activities can be carried out in support of any of the Agency goals. 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.

Performance and Prospects: 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 SOs 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 USG regulations
- Identification of trends that have regional implications
- Analysis of regional, sub-regional, and cross-border issues
- Increased integration of USG assistance provided bilaterally or regionally

Possible Adjustments to Plans: PD&L activities are short-term and determined on an annual basis. Adjustments are made on the basis of current priorities and demands.

Other Donor Programs: The objective of PD&L funds is to support studies, analyses, and evaluative work for purposes of assessing, designing and learning efforts. Therefore, where appropriate, these funds could be used to fund studies, analyses, or evaluative work that could leverage other donor investments or promote donor coordination.

Principal Contractors, Grantees or Agencies: The grantees, contractors, and/or implementing agencies are determined after specific tasks are identified.

Selected Performance Measures: Not applicable.

	U.S. Financing (In thousands of dollars)		
Program: LAC Regional			
Title and Number: Program Development and Learning (PD&L), 598-020			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	2,344 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	**0 DA**		
	2,344 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	**1,075 DA**	Continuing DA	Continuing DA
	1,006 CSD	Continuing CSD	Continuing CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Advancing Development Cooperation Opportunities in the Hemisphere (ADCOH), 598-021
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $4,700,000 (DA); $1,973,000 (CSD); $599,000 (ESF)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: 1,900,000 (DA); $1,300,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

Summary: Resources of USAID's Bureau for Latin America and the Caribbean (LAC) are focused on meeting country or regional specific development problems. As such, the LAC Bureau has in place strategic and monitoring plans for managing the portfolio. These plans, however, do not provide the necessary flexibility to respond to emerging, unanticipated issues and pockets of opportunities for enhancing program performance or for addressing new foreign policy concerns. ADCOH provides the LAC Bureau with the necessary flexibility to fund, manage, report and therefore respond to special pockets of opportunities, foreign policy concerns and initiatives not covered by the LAC Bureau strategic objectives.

Key Results: Activities funded under ADCOH have the common focus of enhancing the performance of the existing LAC portfolio. It enables the Bureau to take the lead in developing new investment opportunities, identifying effective ways for implementing foreign policy opportunities and advancing regional cooperation. Implied in this approach is the hypothesis that through ADCOH the overall LAC portfolio of activities will be more responsive to emerging issues and opportunities in the region.

Performance and Prospects: The LAC Bureau funds several types of activities complementary to the overall regional portfolio including:

- Innovative approaches to promoting intra-regional cooperation and dialogue among regional partners;
- Organizational strengthening efforts designed to improve the regional capacity to carry out development efforts;
- Special initiatives that address a foreign policy approach or promote regional development in presence or non-presence countries, but do not fit under an approved strategic plan; and
- Support for organizations with the objective of expanding the USAID network of partners working on development problems in LAC.

The FY 2001 funding will be used to support such initiatives. To date two such activities have already been identified:

(1) ADCOH will support the Third Country Training and Technical Cooperation (TTCP) program. The objective of this program is to strengthen Mexico's capacity to offer quality training and technical cooperation to third countries (primarily in Central America). TTCP utilizes a three-tiered approach: 1) strengthening, extending, or expanding existing cooperation programs in Mexico to third countries using established USAID partnerships with Mexican institutions; 2) utilizing existing, but non-USAID supported relationships to provide third country programming; and 3) developing new U.S. and Mexican partnerships and new approaches to third country technical assistance and training programs. To date, cooperation programs have been successfully carried out in reproductive health, pension system reform, environmental disaster mitigation and preparedness, and efficient and renewable energy. A small grants activity in environment is providing assistance across

shared ecosystems in Mexico, Guatemala, and Belize, supporting activities that positively impact on the Mayan Forest and the Mesoamerican reef. Two large regional activities have been funded for Hurricane Mitch-affected countries of Central America--a water quality activity and an environmental clean-up activity involving youth. FY 2001 ($300,000 DA); FY 2002 ($500,000)

(2) This program will also provide the Bureau's contribution to the International Development Partnerships (IDP) program. The IDP program provides support to the Historically Black Colleges and Universities, linking American higher education institutions in partnership with higher education institutions overseas. In the LAC region there are three such partnerships: (a) The University of the West Indies and Coppin State College (Maryland), that are conducting a series of workshops concerning renewable energy; (b) University of Guyana--Clark Atlanta University, that are strengthening the University of Guyana's capacity to function as an active and effective agent in conflict resolution and management; and (c) University of Amazonas (Brazil) and Tennessee State University that are strengthening the capacity of the University of Amazonas to deliver culturally acceptable HIV/AIDS prevention education, FY 2001 ($200,000 DA); FY 2002 (200,000 DA).

The remaining balance of funds for FY 2001 and FY 2002 will go to activities that have not yet been identified. Proposals will need to meet the criteria established under this program to qualify for funding.

Possible Adjustments to Plans: The overall objective will remain constant, but the way these funds are used will evolve to meet new opportunities and challenges in the region.

Other Donor Programs: The TTCP activity works closely with the Government of Mexico's Tuxtla-Agreement, and has funded programs with the Japanese and other bilateral donors, the World Bank, InterAmerican Development Bank, and several United Nation's programs in the areas addressed by these agreements.

Principal Contractors, Grantees, and Agencies: IDP, United Negro College Fund (UNCF), TTCP, Partners of the Americas, Price Waterhouse, the Population Council, and the Academy for International Education.

FY 2002 Performance Table

LAC Regional: 598-021

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Technical cooperation interventions completed with the U.S.-Mexican partnership and third countries	NA	NA	NA	NA	0	4	6
Indicator 2: LAC Universities strengthened through partnerships with U.S. Universities (Cumlative)	NA	NA	0	0	0	1	1

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Number of Technical Interventions	Records from IMEXCI (Mexican Institute for International Cooperation)	The Mexican Institute for International Cooperation with USAID support provides "technical interventions" (training and/or technical assistance) to third countries in areas such as reproductive health, pension system reform, environmental disaster mitigation and preparedness and renewable energy.
Indicator 2:	IR	Number of Universities	HBCU program records	The US-LAC university partnership programs have a three-year duration, during which the LAC university is strengthened. Of the three ongoing partnership programs, one will end in 2001 and the other two will end in 2003.

	U.S. Financing (In thousands of dollars)		
Program: LAC Regional			
Title and Number: Advancing Development Opportunities in the Hemisphere, 598-021			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds	0 DA		
	801 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	4,700 DA		
	1,973 CSD		
	599 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	4,700 DA		
	2,774 CSD		
	599 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	1,900 DA	Continuing DA	Continuing DA
	1,300 CSD	0 CSD	Continuing CSD
	0 ESF	0 ESF	Continuing ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Improved Conservation of the Region's Biological Resources, 598-xxx
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $5,120,000 (DA)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $4,000,000 (DA)
STATUS: New
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The LAC region contains nearly half of the world's biodiversity, including three of ten sites recognized internationally as globally important, biologically diverse "hot-spots." Despite their importance, biological resources are under severe threat due to such pressures as population growth, increased demand for forest resources, and expansion of agricultural lands. Biological resources are also critical to the cultural, physical and spiritual well being of people, form the basis of many current products and future innovations in agriculture, industry, and medicine, and are important for the storing of carbon in tropical forests and mangroves. Rural communities are particularly dependent on the sustainable management of natural resources in and around protected areas to satisfy their basic needs, and gain economically from employment and community development.

This new Strategic Objective is a follow-on to the LAC Bureau's regional biodiversity objective, which ends in September 2001. The primary activity of that objective has been the Parks in Peril (PiP) program, a partnership among USAID, The Nature Conservancy (TNC), local non-governmental organizations (NGOs), and local government agencies. Currently, the PiP program is the largest and most successful site-based conservation project in Latin America. Working in 15 countries through in-country civil society organizations, PiP has dramatically improved the conservation status of 37 protected areas covering over 28 million acres in one of the most biologically rich and threatened regions of the world. As a result of USAID's investment, NGOs strengthened in the PiP program are some of the strongest and most influential in the LAC region for conceptualizing and implementing conservation.

Despite the significant successes achieved under the current strategy, biodiversity loss remains a severe problem in Latin America and the Caribbean. Recognizing the need for a larger-scale approach to the problem, the new objective leverages the application of sound conservation across multiple sites and initiates and supports national and regional alliances for conservation through the launch of Parks in Peril 2000: A Conservation Partnership for the Americas (PiP 2000). PiP 2000 is a proposed program between USAID and TNC and builds upon 10 years of PiP experience and partnerships. Other activities include the Neotropical Raptor Conservation Program to be implemented by the Peregrine Fund, work on gender and environment issues, and regional conservation initiatives such as workshops and special studies to mobilize efforts to address the most critical conservation needs in the LAC region.

Key beneficiaries will include: (1) local rural people who depend on the sustainable use of natural resources in and around LAC protected areas and who gain economically from park employment, community development and ecotourism activities; (2) urban dwellers from major cities where parks protect watersheds and provide other environmental services; and (3) citizens of all countries who gain from the protection of the planet's natural capital and genetic resources for future medicines and crop varieties, as well as from the storing of carbon in tropical forests and mangroves.

Key Results: Four key results will lead to achievement of this objective: (1) increased conservation capacity at selected sites; (2) strengthened local and national partners for improved conservation; (3) targeted regional conservation initiatives strengthened; and (4) innovative conservation financing mechanisms tested and adopted.

Performance and Prospects: PiP 2000 will expand the successful site-based PiP model to include 10 additional threatened parks and reserves in the LAC region, and will also utilize the extensive network of sites and partners to leverage conservation activities across the region. This will be accomplished through: (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 the most critical conservation initiatives in the region, for example management of aquatic resources and effective cross border resource management. The Neotropical Raptor Conservation Program will improve raptor (diurnal birds of prey) conservation through public education and awareness; restoration of lost and depleted populations; study of species in jeopardy; examination of land utilization; and local capacity building.

During FY 2001, funds will be used to improve management of globally significant parks and critical ecosystems ($3,500,000); to enhance conservation of endangered raptors ($500,00); for regional studies and analysis on lessons learned ($60,000); and, for technical advisors ($1,060,000).

During FY 2002, funds will be used to continue support for improved management of the region's biodiversity ($3,000,000) and for technical advisors ($1,000,000).

Possible Adjustments to Plans: No adjustments are envisioned, as this is a new SO.

Other Donor Programs: This objective is expected to leverage significant and diverse funding sources for biodiversity conservation in the LAC region. Partners in implementation, in funding, and in setting priorities for conservation will include international conservation organizations (e.g., TNC and The Peregrine Fund), universities, in-country NGOs, national and local governments, local communities, the Global Environment Facility, World Bank, Inter-American Development Bank, United Nations Environment Program, USAID Missions and Global Bureau, U.S. government agencies (e.g., the U.S. Department of Interior), other bilateral donor organizations, U.S. philanthropic organizations, and the private sector.

Principal Contractors, Grantees or Agencies: U.S. organizations include The Nature Conservancy and The Peregrine Fund. Local in-country NGOs (e.g. The Friends of Nature Foundation, Bolivia; Defenders of Nature, Guatemala; ProNaturaleza, Peru; Pronatura, Mexico) are also involved in implementing this objective.

U.S. Financing (In thousands of dollars)			
Program: LAC Regional			
Title and Number: Improved Conservation of the Region's Biological Resources, 598-xxx			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	5,120 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	5,120 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	4,000 DA	17,880 DA	27,000 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Enhanced Capacity to Encourage and Implement Education Policy Reform, 598-xxx
PLANNED FY 2001 OBLIGATION AND ACCOUNT: $4,290,000 (CSD)
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $3,355,000 (CSD)
STATUS: New
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: Latin America needs new approaches to education. Traditional educational policies are inadequate to address the major social and economic changes sweeping the region. The region's dramatic shift to open economies, democratic politics, and decentralized government has changed the demand for education, requiring that schools prepare people for democratic policies and expanded social opportunities, and produce a flexible workforce. Current education policy and programs in Latin America have failed to generate sufficient levels of educational quality and to promote sufficient social and economic equity. They have also proved unresponsive to rapidly changing labor markets. For much of the region today, good quality education is concentrated among the wealthy and upper-middle income groups, and imparted through private schools. These deficiencies have a particularly negative impact on the poor, who depend heavily on education for social mobility, and have little choice but to attend poorly managed, low quality public schools. Inefficiency plagues public schools in the region, which reports the world's highest repetition rates, alarmingly high dropout rates, and low and erratic attendance. Large segments of society in the LAC region, particularly girls, poor, minorities and indigenous groups, do not have equal access to quality education and, therefore, are not equipped to participate fully in the social, political and economic life of their country. Moreover, much of what is learned in LAC schools has only limited application in the workplace. Education policy reform is a timely issue on the hemispheric agenda and it was seen as *the* key issue to achieving progress in the region at the 1998 Summit of the Americas.

To meet these challenges, Latin America's educational systems will need to pursue simultaneously a set of challenging, and sometimes contradictory, objectives and policy choices. They must train students for jobs in a modern, internationally competitive economy. They must promote social equity and mobility. And they must prepare people for democratic citizenship. Achieving these objectives requires educational systems and policies that are sensitive to the economic and social changes underway and able to adjust significantly at regional and local levels to accommodate diverse constituencies.

Over the last five years, LAC has supported a variety of activities aimed at improving educational policies in the region. Central among them has been support to the Partnership for Educational Revitalization in the Americas (PREAL), which was designed to promote a better understanding of education policy issues and develop a broader and more active constituency for education policy reform in the region. A recent evaluation of PREAL maintained that, with limited funds, the program achieved remarkable success and credited the program with: 1) creating national-level debates on educational reform; 2) building public and private support for educational reform and raising the level of the debate across many sectors of government and civil society; 3) conducting broad research and publishing relevant materials of high professional quality; and 4) disseminating that information to all major stakeholders in the region. Despite PREAL's success, the evaluators noted that the program needed to turn its focus toward building sustainable institutions and fine tuning its ambitious plans to ensure that management capacity and resources are sufficient to carry out its reform agenda. In effect, the evaluation recommended that the program channel its efforts toward its comparative advantage (excellent networks of senior people, good

research and distribution, the ability to create a vision) to ensure that its recommendations become a reality and to change educational practice.

USAID's Bureau for Latin America and the Caribbean will build on its success in the PREAL program to promote a better understanding of educational policy issues and develop a broader and more active constituency for education policy reform in the region. The follow-on program will enhance the capacity of regional and selected LAC countries to encourage and support educational policy reform, especially on the issues of improved equity and quality. Among other things, the program will foster local control and greater accountability in school systems, support pilot programs that lead to improved teacher performance in the classroom, and encourage public/private partnerships to improve the quality and equity of basic education. The program will directly support the Summit of the Americas goal of achieving universal access to quality basic education by the year 2010. The ultimate beneficiaries are school-age children in the LAC region, especially those in primary grades. Other customers include: host country governments which will provide higher quality, cost-effective services; and the private sector which will draw on a better educated, more productive labor force.

Key Results: The essence of USAID's approach in the region is to effect policy change through the development of a network of hemispheric "change agents" who will work to reform educational systems in their own countries. USAID, in cooperation with other donors, supports a consultative forum for government, non-governmental organizations (NGOs), the business community, donors and international organizations, and local civil society and parents to identify, showcase, and replicate the best educational policies and practices in the hemisphere. The program seeks to clarify the problems facing schools, identify practical recommendations for change, and implement those changes in pilot programs so that host countries and donors can bring those reforms to scale. The program will shape the education reform agenda for the hemisphere, and improve the capacity of regional, national, and local institutions to make and implement education policy reform. It is expected that the program will develop greater local control and accountability in educational systems, improve the quality of education and teacher and administrator professionalism and performance in the classroom, and develop vibrant public/private partnerships that encourage, support and implement key education reform programs.

Performance and Prospects: With a relatively small investment, USAID has been successful in building a broad-based constituency in support for education policy reform and vaulting education to the top of the region's policy agenda. USAID is effecting large changes in the manner in which national governments invest massive expenditures in education, resulting in dramatic efficiencies and savings. USAID's investments in education policy reform are having direct effect on the quality and equity of primary education in the hemisphere. Nevertheless, educational change is, by its nature, a complex undertaking that is best measured over the long term. Moreover, natural disasters, like hurricanes Mitch and Georges and earthquakes such as those in El Salvador, dampen the momentum of education reform. It is clear that much more needs to be accomplished to ensure that the best reforms are implemented and to ensure that political leaders, principals, teachers and parents are all accountable to the education of the region's children – both rich and poor.

During FY 2001, funds will be used as follows: mobilize support for educational reform ($690,000); improved accountability in education ($1,200,000); targeted improvements in the classroom ($1,400,000); and support for public/private partnerships ($1,000,000).

During FY 2002, funds will be used: to mobilize support for education reform ($455,000); to improve accountability in education ($1,000,000); for targeted teacher improvements in the classroom ($900,000), and to support public/private partnerships ($1,000,000).

Possible Adjustments to Plans: Possible adjustments include focusing on new policy reform areas proposed by the Summit of the Americas or by the new Administration.

Other Donor Programs: USAID's effort to improve the quality and equity of education in the region seeks to develop partnerships among host countries, the private sector, other donors and international organizations, and NGOs. USAID is working closely with the Inter-American Development Bank (IDB) and the World Bank to coordinate programs. USAID works closely to develop programs or policy analyses that will facilitate the larger loans of the Banks. USAID also works closely with the NGO community, like the Inter-American Dialogue, international organizations, like UNICEF, UNESCO, and private sector firms and foundations, like Ford and Gates, to coordinate and implement programs.

Principal Contractors, Grantee or Agencies: USAID expects to work with a number of organizations to implement this program, including a U.S.-based NGO, the Inter-American Dialogue, Creative Associates, through USAID's Basic Education and Policy Support (BEPS) program, UNESCO, Aguirre International, and several to be identified contractors. The program will also work with the U.S. Department of Education in the implementation of the U.S.-Brazil Partnership in Education.

FY 2002 Performance Table

LAC Regional: 598-XXX

Performance Measures:

Indicator	FY97 (Actual)	FY98 (Actual)	FY99 (Actual)	FY00 (Actual)	FY00 (Plan)	FY01 (Plan)	FY02 (Plan)
Indicator 1: Average number of public/private organizations supporting critical education reform initiatives	NA	NA	NA	NA	NA	2	5

Indicator Information:

Indicator	Level (S) or (IR)	Unit of Measure	Source	Indicator Description
Indicator 1:	IR	Average number of organizations in region	Activity reports	* The full range of indicators will be developed over the next year.

U.S. Financing (In thousands of dollars)			
Program: LAC Regional			
Title and Number: Enhanced Capacity to Encourage and Implement Education Policy Reform, 598-xxx			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	1 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	4,290 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	4,291 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2002 NOA	0 DA	0 DA	0 DA
	3,355 CSD	14,854 CSD	22,500 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Health Advancement, 598-xxx
PLANNED FY 2001 OBLIGATION AND ACCOUNT: None
PROPOSED FY 2002 OBLIGATION AND ACCOUNT: $1,500,000 (DA); $6,639,000 (CSD)
STATUS: New
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: Infant, child, and maternal mortality remain high in Latin America and the Caribbean, relative to the United States, especially among disadvantaged populations. While vaccination coverage is increasing towards the target levels, and there is significant progress towards measles elimination, pockets of low or declining coverage have been identified, and programs are not yet fully sustainable. The primary killers of infants and children in the LAC region are diarrheal disease, acute respiratory infections and perinatal causes with malnutrition as an underlying factor; many of these deaths are preventable with simple interventions. Maternal mortality remains approximately seven times higher than in the United States. Anti-microbial resistance inhibits the effectiveness of treatments for the most common infections, such as pneumonia in children and tuberculosis. Health status improvements will be sustainable only if health sector reforms improve equity of access to high quality basic care.

This objective responds to many of the action items most important to the poorest countries where USAID works and continues USAID's responses to the Miami and Santiago Summits of the Americas. It builds on successful efforts of prior USAID regional health initiatives, including the synergy engendered by using the world-class technical input of U.S. organizations working at the global level and regional institutions like the Pan American Health Organization (PAHO) to implement these programs. The purpose of the objective is to advance and support USAID country programs in priority population, health, and nutrition (PHN) technical areas. This will be accomplished by: compiling and communicating PHN trends and sector profiles; developing or adapting knowledge, technologies, and methods; identifying, analyzing, synthesizing, and disseminating innovations and lessons learned; promoting opportunities to share experiences and advice between countries; and advocating appropriate PHN approaches.

The objective will focus on relationships to mission programs, define common results across distinct PHN technical areas, and program resources to respond to all Agency PHN Strategic Objectives, rather than selecting only specific topics for emphasis. Primary beneficiaries will be the local public and private organizations that organize, finance, and implement public health and health care actions in the 15 USAID-presence countries in LAC with PHN programs. The ultimate beneficiaries are the infants, children, and adults who have more access to better health care supported by more appropriate government policies. The majority of funds for this activity will be from the Child Survival and Diseases Account; population funds from the DA account will be used for family planning activities.

Key Results: Activities under this objective are designed to influence key health services and policy interventions which can contribute to improving infant, child, and maternal survival in USAID-assisted countries of the LAC region. They include: vaccination coverage maintained at 90% or above, and measles eliminated from the Americas; delivery of child health services using Integrated Management of Childhood Illness (IMCI); improved planning for birthing services and increased attendance of births by skilled personnel; increased national procurement of contraceptive supplies; improved integration into health reform of lessons learned from activity results; and sentinel surveillance systems, laboratory identification of

resistant pathogens, and policy/normative changes regarding anti-microbial resistance based on such information.

Performance and Prospects: More detailed design of the activities to be implemented under this objective will take place over the next. Given the extensive relationships already established with USAID partners and host country counter-part organizations, implementation is expected to proceed smoothly.

During FY 2002, the first year of funding, CSD funds will be used to initiate activities in the following areas: maternal health ($888,000), Vaccination ($666,000), IMCI ($888,000), nutrition ($446,000), AIDS ($985,000), infectious diseases ($1,111,000), and health reform ($1,110,0000). CSD funds will also be used for technical advisors ($545,000). DA funds will be used for family planning ($1,425,000) and technical advisors ($75,000).

Possible Adjustments to Plans: During 2001, more detailed planning for the actions to be funded will occur. Some adjustments may be made based on information revealed during this process.

Other Donor Programs: PAHO and the United Nations Population Fund (UNFPA) have ongoing programs in these technical areas, as do the World Bank and the Inter-American Development Bank (IDB). One important factor in developing more concrete plans about specific actions to undertake will be learning of the intended contribution to these technical areas for the region by these institutions. In addition, USAID Missions implement programs that assist countries to improve effective delivery of vaccinations, emergency obstetrical care, and services to manage diarrhea and acute respiratory infections in children, to identify and implement country health sector reforms. Efforts under the LAC Regional program will be coordinated with USAID Mission programs, many of which work with other donors (principally PAHO, United Nations Children's Fund, World Bank and IDB), through national Inter-Agency Coordinating Committees to coordinate such efforts for each country.

Principal Contractors, Grantees or Agencies: U.S. grantees and contractors will likely include: University Research Corporation, The Partnership for Child Health, Abt Associates, the Population Council, John Snow International, and Management Sciences for Health. International organizations will include PAHO and UNFPA.

U.S. Financing (In thousands of dollars)			
Program: LAC Regional Title and Number: Health Advancement, 598-xxx			
	Obligations	Expenditures	Unliquidated
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 2000	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 2000	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2001 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2001	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	Est. Total Cost
Proposed Fiscal Year 2002 NOA	1,500 DA	4,915 DA	6,415 DA
	6,639 CSD	31,373 CSD	38,012 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

ACRONYMS

AACD	Activity Assistance Completion Date
AAD	Activity Approval Document
ADEX	Exporters' Association (Peru)
AG	Attorney General
AGEXPRONT	Nontraditional Exporters Guild (Guatemala)
AIDS	Acquired Immune Deficiency Syndrome
ANACAFE	Guatemala's National Coffee Association
ANDA	El Salvador Water Authority
ARI	Acute Respiratory Infection
CABEI	Central American Bank for Economic Integration
CACEDRF	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
CEPAL	Economic Commission for Latin America
CDC	Center for Disease Control
CHF	Cooperative Housing Foundation
CIDA	Canadian International Development Agency
CIT	Communities in Transition
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
CSD	Child Survival and Disease Programs Fund
CSO	Civil Society Organization
CY	Calendar Year
CYP	Couple Years of Protection
DA	Development Assistance
DAP	Development Activity Proposal
DCA	Development Credit Authority
DHS	Demographic Health Survey
DIMS	Democratic Indicators Monitoring Survey
DOD	United States Department of Defense
DOJ	United States Department of Justice
DPT3	Diphtheria, Pertussis, Tetanus Immunization Series
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 Funds
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 (Guatemala)
HIPC	Heavily Indebted Poor Countries
HIV	Human Immunodeficiency Virus
ICITAP	International Criminal Investigation and Training Assistance Program
ICRC	International Committee of the Red Cross
IDB	Inter-American Development Bank
IDP	Internally Displaced Person
IG	Inspector General
IMR	Infant Mortality Rate
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 of 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
MCH	Maternal and Child Health
MFI	Microfinance Institution
MINUGUA	United Nations Verification Commission for Guatemala
MILGP	Military Group
MMR	Maternal Mortality Rate
MPP	Mission Performance Plan
MSE	Micro and Small Enterprises
NAS	Narcotics Affairs Section (State Department)
NASA	National Aeronautics and Space Administration
NGO	Non-Governmental Organization
NOAA	National Oceanic and Atmospheric Administration
NRM	Natural Resources Management
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 (USAID)
PACD	Project Assistance Completion Date
PAHO	Pan American Health Organization
PASA	Participating Agency Service Agreement
PES	Policy Environment Score
PL	Public Law
PLANTE	National Alternative Development Plan (Colombia)
PRM	Population, Refugees and Migration
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
TBD	To be Determined
TFR	Total Fertility Rate
UN	United Nations
UNAIDS	United Nations AIDS Program
UNDCP	United Nations Drug Control Program
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNHCR	United 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
USGS	United States Geological Survey
WB	World Bank
WFP	World Food Program
WID	Women in Development
WHO	World Health Organization
WTO	World Trade Organization