U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Budget Justification
Fiscal Year 2001
ANNEX IV

Latin America and the Caribbean

NOTICE

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Note: Page added to electronic version by
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Latin America and the Caribbean Overview

Bolivia
Brazil
Colombia
Cuba
Dominican Republic
Ecuador
El Salvador
Guatemala
Guyana
Haiti
Honduras
Jamaica
Mexico
Nicaragua
Panama
Paraguay
Peru

Caribbean Regional

Central American Regional

Latin America and the Caribbean Regional

Abbreviations and Acronyms

(text taken from the FY 2001 Congressional Presentation)

Introduction

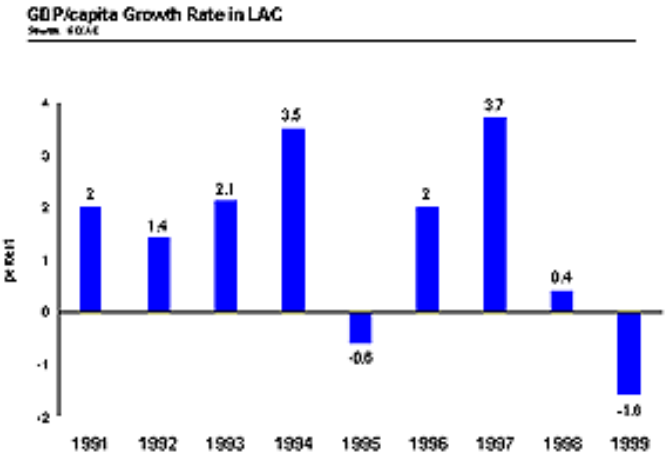
U.S. National Interests

Because the countries assisted by USAID's program in Latin America and the Caribbean are our neighbors, their economic, social and political development have extremely important impacts on illegal migration and drug trafficking as well as the potential for increased U.S. exports to the region. USAID supports the consolidation of still fragile democratic institutions in our own hemisphere as the most cost-effective investment for the U.S. government and its citizens. 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 to improve governance and the administration of justice and to strengthen decentralized local governments; to address poverty, inadequate health, and environmental degradation and to promote sustainable development.

One of the most compelling national interests in the region is in reducing the flow of illicit drugs to our shores. Colombia's drug production and trafficking is dramatically limiting progress in other countries and the USG is supporting President Pastrana's "Plan Colombia" to address these problems while promoting peace, democracy, and economic growth in Colombia. USAID programs will support alternatives to coca and poppy production, assist displaced persons and strengthen democratic institutions.

Development Challenge

USAID's core program in Latin America and the Caribbean (LAC) is based on the Agency's leadership role in achieving objectives established in the Summit of the Americas, as agreed upon by our President with LAC heads of state, the Inter-American Development Bank 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. [D]



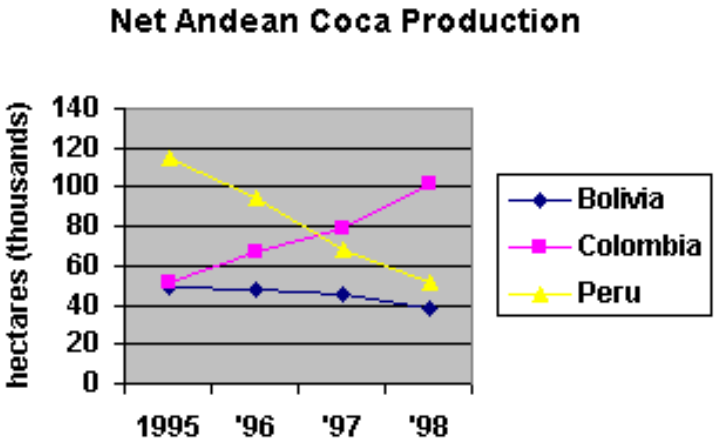
Much progress has been made in: reducing human rights violations and making peaceful transitions of power; promoting growth and increasing trade; increasing access to basic education; reducing fertility and infant and child mortality rates; and protecting the environment. USAID's programs in LAC have contributed substantially to this progress. However, as Secretary Albright notes, the "democracy dividend" is still far from being realized. 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 40% of the population lives in dire poverty on less than $2 per day. As a result, citizens' confidence in their 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.

The hurricanes that struck Central America and the Caribbean over a year ago were the worst crises to strike the region in this century and caused total physical damage of around $12 billion. This crisis negated many of the decade's most positive accomplishments and demonstrated just how vulnerable Latin America is to natural disasters. The damage and devastation caused by the Hurricanes Mitch and Georges elicited significant pledges. The United States, in particular, responded substantially with both relief and reconstruction assistance totaling approximately $1 billion of the international donor community pledges of $9 billion in aid to Central America for Hurricane Mitch. After one year, USAID humanitarian and reconstruction programs are having success. However, helping countries rebuild in ways that actually reduce threats from natural disasters will be difficult and recovery will require a sustained effort. The severe impacts of Hurricanes Georges and Mitch are resulting in profound declines in economic performance. In Honduras, for example, overall growth 1999 in per capita GDP declined by 2% (ECLAC).

Political Stability, Democratic Governance and Transitions to Peace: 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 shown by recent experience in Ecuador and Paraguay. Several elections (Haiti, Nicaragua, Peru, Dominican Republic and Venezuela) will require our direct assistance and observation to ensure that the democratic process remains on track. USAID has successfully supported an end to decades of armed conflict in Guatemala, Nicaragua and El Salvador and a "quiet revolution" towards local democratization with elected mayors and local officials that has resulted in a more responsible and responsive two-way relationships between citizens and government. USAID assistance will continue to support this transition in virtually all of its programming, including along the Peru/Ecuador border, in Guatemala and as a vital component of the USG's support to "Plan Colombia."

Economic Growth and Poverty Reduction: Cutting poverty in half by 2015 is the key objective of the Summit of the Americas and the OECD/DAC. 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. To further reduce poverty or reach our poverty reduction targets, USAID assistance is directed at increasing the income of the 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-induced growth and to address the shortcomings of government policies that hurt the poor. The financial system crises (e.g. Ecuador, El Salvador, and Jamaica) demonstrate serious weaknesses both in the overall policy environment as well as technical shortcomings in bank supervision and compliance. [D]

Drug Trafficking: USAID's alternative development programs in the coca-growing regions of Peru and Bolivia are producing 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 in these countries that includes drug interdiction and eradication of coca crops as well. Since 1995, this comprehensive approach, coupled with strong host country political will to eliminate coca production, has produced a 66% 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 million in 1998 to $55.7 million in 1999.



Plan Colombia: The United States has a compelling national interest in reducing the flow of cocaine and heroin to our shores, and in promoting peace, democracy, and economic growth in Colombia. Since 1991 Colombia's drug trafficking, and now production, has risen to the point where it is negating the progress made in all other countries. The guerrilla war, ongoing for 40 years, is now well financed with drugs. As a result, violence and crime are out of control. There are roughly 1.2 million displaced persons, 30,000 murders a year and 3,000 human rights violations that remain uninvestigated. "Plan Colombia," President Pastrana's comprehensive strategy, focuses on more than drug eradication and acknowledges that peace, rule of law, prosperity, and respect for human rights are not separate from one another, but rather, are mutually reinforcing. As in Peru and Bolivia, success in battling drugs requires a concerted array of programs, including improved governance, economic development, and justice reform. The Clinton Administration has proposed a multi-year integrated USG response to "Plan Colombia." The proposal includes $127 million in FY 2000 and $90 million in FY 2001 for USAID managed programs. These programs would address three high-profile areas of U.S. policy in Colombia: reduction of illicit crop production through alternative development, programs for internally displaced persons (IDPs) and increased democracy through citizen participation and rule of law.

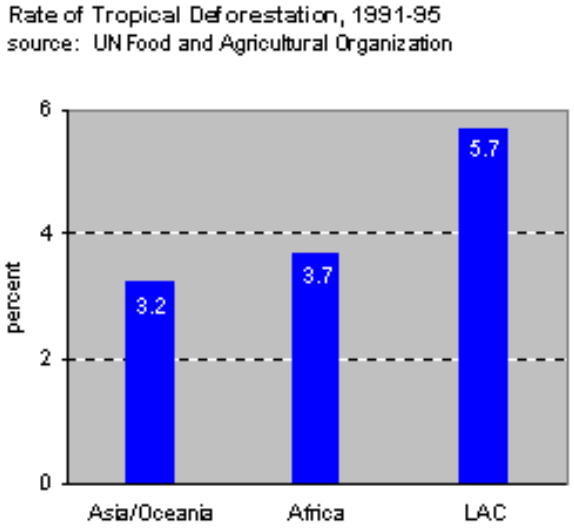
Human Capacity Development: Considerable progress is being made in education in the LAC region. Girls now enroll in school at rates equal to or greater than boys do at all levels of schooling (with the exception of Haiti, Guatemala and Bolivia). The region's average student-teacher ratio of 24-1 is comparable to the world average. Excellent progress has been made in increasing access and enrollment rates. Despite this progress, serious challenges remain. LAC schools are the most inefficient in the world with high repetition and dropout rates and low/erratic attendance. The overall quality of education tends to be poor due to the decades-long emphasis on expanding access. In addition, while gender equity has dramatically improved in most countries, other serious inequities still plague education systems. 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 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 IFI funding is put to best. USAID is also fostering close coordination and sustained effort by the donor community to work toward the Summit goal of ensuring 100% access to and completion of primary school for all children by 2010.

Health and Population - Curtailing the Spread of Epidemics: 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 8% between 1992 and 1998, due in part to USAID's successful family planning programs. In child survival, both the infant mortality rate and the under-5 mortality rate declined in all USAID-presence countries between 1990 and 1997. 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 underserved and marginalized populations is a priority of USAID programs in LAC.

Communicable diseases, especially diarrhea and acute respiratory infections, are highly prevalent in LAC. South and Central America have the highest incidence of cholera in the world. The scope and severity of the HIV/AIDS problem in countries such as Brazil, Guyana, Haiti, Jamaica, Honduras and Dominican Republic pose an increasing challenge and threat to the U.S. As a result of USAID assistance, LAC countries are generally progressing well towards fertility levels that stabilize population and improve infant and child mortality levels. Attention is gradually shifting from subsidizing service delivery to addressing quality of care and institutional/financial sustainability of programs. USAID is focusing on cross-border HIV/AIDS transmission in Central America/Mexico, and on HIV/AIDS "hot spots". As USAID continues to implement infectious disease programs in the region, it will continue to carefully analyze the needs and trends, especially in cases such as Mexico, where the incidence of TB is posing health threats to the U.S. [D]



Protecting the Hemisphere's Resources: Natural resources are abundant in LAC. Roughly 50% of the globe's tropical forests, 40% of its biological diversity, and extensive freshwater and marine resources are in the region. Unfortunately, shrinking public funding for environmental protection, increasing population pressures, continued poverty, unequal access to land, and poor environmental management are severely degrading these resources. USAID is in the forefront in promoting innovative, participatory, and sustainable approaches to environmental management in LAC and will continue this leadership role. USAID programs will also improve donor coordination to leverage resources and ideas, and increase resources directed to local NGOs. In LAC, USAID is replicating successful cross-sectoral programs that apply innovative technologies and methodologies, such as incorporating civil society and local government, addressing health concerns to improve environmental conservation and management programs. Environmental programs will increasingly engage the for-profit private sector as the countries of the region consider environmental issues as they explore participation in the region's expanding free trade regimes.

Natural Disasters: The hurricanes that struck Central America and the Caribbean in the fall of 1998 crippled the emergence of these regions from a decade or more of political instability. The USG responded substantially, providing some $312 million in emergency relief and an additional $621 in grant assistance through USAID and 12 other USG agencies. Total estimates of physical damage from the hurricanes totaled $12 billion ($10 billion in Central America and $2 billion in the Caribbean). The Stockholm Consultative Group generated roughly $9 billion in new support to be provided by December 2003 for Central America reconstruction activities. It is clear from USAID's continuing assessments that serious and substantial reconstruction needs will be a priority for this region for some time to come.

USAID has deployed its resources fully since the days and weeks following the hurricane. USAID used emergency resources, food aid, and reprogrammed ongoing activities. USAID is now applying the supplemental resources as quickly, effectively and responsibly as possible to help build back these countries. Thanks to these efforts there were no uncontrolled outbreaks of epidemics following Mitch. In Honduras, emergency shelter activities helped to move people from schools they had been occupying and gave them shelter, allowing schools to open for the new school year. Microenterprise institutions have been re-capitalized, borrowers have continued to repay their loans and economic enterprise has continued, even though the national economy has suffered.

All of this has been accomplished while doing everything possible to design programs to ensure prudent levels of accountability, including concurrent auditing and use of independent accounting firms to assist the work of host country Controllers General, who play a role similar to our General Accounting Office. USAID and other donors have created additional monitoring mechanisms that will review procurements, audit financial transactions and inspect work completed under the reconstruction program. All of these steps are necessary to give the American taxpayer and the citizens of these countries greater confidence that these funds will be spent wisely in this two-year undertaking.

External Debt and Debt Relief: Although the LAC debt situation has improved enormously since the crisis of the 1980s, as a result of economic recovery and the implementation of growth-enhancing policy reforms, the debt burden

remains unsustainably heavy in a number of the poorest countries. To address this, the international community has developed the Heavily Indebted Poor Countries (HIPC) initiative, under which certain countries that have a track record of strong economic policies and economic, social, and governance reforms can receive reductions in the stock of debt which they owe multilateral and bilateral creditors. USAID has much to offer given the focus of the Enhanced HIPC initiative on poverty reduction, governance, and consultation with civil society. USAID is playing an increasingly important role in inter-agency discussions on debt relief under the HIPC initiative, particularly related to Bolivia, Honduras and Nicaragua. Treasury and the multilateral banks are soliciting USAID perspectives on country progress in poverty reduction and governance.

Program Management Challenges: LAC is actively pursuing alternatives for streamlining and consolidating procurement and internal processes. These include the formation of an intra-bureau team to analyze, develop and implement recommendations for improving procurement actions with our Missions and Regional Contracting Officers (RCOs). Within this context LAC is implementing a significant regionalization of management support services.

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, Germany and the Inter-American Development Bank (IDB). 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 bank programming and improve execution.

FY 2001 Program: USAID FY 2001 core resources for the LAC region total $ $646 million. Of this amount $264 million is Development Assistance (DA), $86 million is Child Survival, $133. 5 million is Economic Support Funds (ESF), $55.5 million is International Narcotics Control (INC) and $106.9 million is PL 480 Title II. The Clinton Administration has proposed significant support to "Plan Colombia" beginning with $127.5 million for USAID managed activities in FY 2000. USAID's FY 2001 program request includes an additional $90 million to reduce coca and poppy production though alternative development, help the internally displaced persons (IDPs) and strengthen democracy by improving human rights, citizen participation and the rule of law. These additional resources would bring total FY 2001 resources to over $736 million.

The USAID FY 2001 program for LAC addresses the highest priority goals for the region:

- Promoting broad-based growth in developing and transitional economies;
- Increasing adherence to democratic practices and 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;
- Stabilizing the world's population;
- Protecting human health and reducing the spread of infectious diseases; and
- Securing a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation.

The United States Agency for International Development

BOLIVIA

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

Bolivia's commitment to economic stability and growth, democratic political reforms, and increased social welfare make it an exceptional development partner. It has made significant progress particularly in pursuing broad-based economic growth and improving the social conditions of the poor. However, roughly half the households in the country live below the poverty line and income distribution remains heavily skewed to the top 20%. Assisting Bolivia to reduce poverty will remain a top priority of US assistance to the country. Bolivia has made remarkable strides in illegal coca eradication over the past year. Continued assistance to increase alternative development programs will help Bolivia sustain these gains. USAID's strategy addresses 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.

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, out of a total population of almost eight million. There remains a large income gap between rich and poor which continues to widen. Despite macroeconomic stability enjoyed by Bolivia for over a decade, large amounts of multilateral and bilateral debt relief, profound structural reforms such as the pension, justice, decentralization and customs reforms, and increasing investment levels (particularly foreign investment), Bolivia's economic growth rate has only increased by about four percent a year in the 1990s. At this rate, it will take 40 years for the per capita GDP to double. In order to alleviate poverty, with a population growth rate of 2.3%, the economic growth rate needs to speed up considerably.

Systemic constraints such as inadequate governmental, financial and educational institutions; poor technological capability; limited financial services; poor infrastructure; and a shortage of human capital and experience, continue to impede economic growth. Additionally, while there have been recent advances in participatory democracy and environmental protection – much work remains to be done in consolidating democratic changes and reducing the degradation of natural resources. However, USAID-supported activities continue to achieve measurable success. Examples include a proven alternative development program; innovative micro-financial services for the poor; highly successful and sustainable primary and reproductive health care programs; an effective AIDS awareness and prevention program; innovative justice reform and citizen-participation programs; and state-of-the-art environmental programs. Food assistance reaches out to the poorest of the poor through direct feeding and social service programs. Most of its food resources are used in food-for-work programs in poor urban areas, constituting a safety net that helps protect the urban poor from the effects of structural adjustment.

While Bolivia is diversifying its economy slowly, it remains vulnerable to external shocks. It has been negatively affected by a continued deterioration in the terms of trade and climatic phenomena that impacts the agriculture sector

which constitutes close to 18 percent of the economy. Bolivia's development agenda is to achieve higher rates of sustainable economic growth for which it will require large investments in social areas and infrastructure; and, the facilitation of private investment. The U.S. Balance of Payments program ($4.0 million for FY00), will help the GOB service its external debt schedule estimated at $273 million for 2000 – down from $305 million in 1999 due to debt relief under the HIPC I initiative. Currently under negotiation with the World Bank and International Monetary Fund, HIPC II is expected to reduce Bolivia’s debt by nearly $500 million over the next 10-15 years, thus reducing net present value of debt to exports to 150 percent.

Other Donors

Bolivia is known for having a very active donor community. The presence of donors is significant with the participation of eight multilateral and fifteen bilateral donors whose contribution averages $500 million per year. Eight other South American countries and Mexico also have active "in-kind" technical assistance agreements with Bolivia. Thirteen of the bilateral donors are DAC members. Japan and the United States are the largest. Japan’s program (approximately $80 - $90 million) focuses on the procurement of equipment, infrastructure and the balance of payments. The World Bank, IDB, UNDP, Germany, Netherlands, Spain and the United States are among the most active donors and have taken leading roles, especially in the context of the Consultative Group discussions.

The United States Agency for International Development

Bolivia

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID's request for FY 2001 includes support to: 1) continue our efforts in counter-narcotics through a performance-based Balance of Payments Program, and through the alternative development of 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 and local governments; 3) continue increasing income and opportunities for Bolivia´s poor through access to financial services and the establishment of commodity sub-sectors in target areas; 4) improve production technology, linking local and international product markets, productive infrastructure, and school feeding through the P.L. 480 Title II program; 5) improve the health of the Bolivian population by supporting knowledge, attitude and behavior changes of mothers and children, and improving 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 of pollution. The Clinton Administration has proposed a multi-year integrated USG response to "Plan Colombia." The proposal includes FY 2000 supplemental in INC funds to accelerate alternative development activities in the Chapare and to initiate alternative development activities in the Yungas.

ACTIVITY DATA SHEET

PROGRAM: BOLIVIA
TITLE AND NUMBER: Increased Citizen Support for the Bolivian Democratic System 511-OO1
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,475,000 (DA), $2,000,000 (INC)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $4,500,000 (DA), $3,000,000 (ESF), $1,500,000 (INC)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Democracy in Bolivia depends ultimately upon the creation of a democratic culture that can sustain democracy in the face of economic and political crises. Increasing support for democracy, in turn, depends upon: 1) the performance of key institutions that interface with the population, such as the judiciary, the legislature, and the municipality, and 2) the capacity of the governed to participate in decisions made by these institutions.

USAID's focus on democracy coincides with Bolivia's recent efforts to support the rule of law and decentralization. USAID's rule of law program is divided into three phases. The first phase concluded in early 1999 with the enactment of the Code of Criminal Procedures (CCP). This represents a major accomplishment for Bolivia and the AID program, and will result in a more effective and accessible justice system for all Bolivians. The second phase will focus on the two year period in which judicial institutions are preparing before the CCP takes full effect, supporting training, drafting of supporting legislation, institutional restructuring, resolution of cases begun under the old system, and public education in the Code. Phase III, which begins in FY 2001, when the CCP takes full effect, will focus on public dissemination, as well as additional assistance to GOB institutions to ensure the CCP's effective and full implementation.

The Democratic Development and Citizen Participation (DDCP) activity provides technical assistance and training to municipalities, citizen organizations, single-district representatives, and municipal associations and seeks to increase the

participation of women and civil society organizations in the democratic system. DDCP is demonstrating a widespread impact on the conduct of local government by educating both citizens and officials in participatory planning and municipal management. DDCP assisted this year in the drafting of a new Organic Municipalities Law, the creation of an Association of Women Council members, and a new Federation of Municipal Associations

Key Results: USAID assistance to strengthen and broaden the social base of Bolivian democracy will result in: key elements of rule of law becoming more transparent, efficient, effective, and accessible; single district congressional representatives becoming more responsive to constituent demands, and local governments in the Democratic Developments and Citizen Participation (DDCP) municipalities effectively responding to citizen needs and demands.

Performance and Prospects: Accomplishments in 1999 included the enactment of the CCP in May, and the approval of the CCP National Implementation Plan. The CCP has laid the foundation for a complete revamping of the justice sector and for a more accessible judicial system for all Bolivian citizens. Only through the successful implementation of the CCP, can the Bolivian public benefit from an accessible, fair and expeditious justice system. GOB counterpart institutions include the Ministry of Justice, the Congressional Justice Committees, the Attorney General's office, the Rural Public Defense, and the Judicial Branch. A National Implementation Commission, consisting of all three branches of government and chaired by the Vice-President, oversees the implementation process. USAID and the German GTZ provide consultants and serve as secretaries to this body.

USAID funded and managed the training of 58 judicial officials and nine executives (including the Chief Justice and the Minister of Justice) at the University of Puerto Rico School of Law In this regard, USAID will continue to support the National Implementation Commission, and will provide intensive technical assistance to all branches of government in legal and institutional reform, training, and public education. USAID is also working closely with DEA and ICITAP to insure that anti-narcotics and law enforcement considerations are incorporated into the implementation process, by coordinating the case resolution process with DEA to ensure that narcotics traffickers are not released, and with coordinating with ICITAP on the new relationship between the prosecutor and the police.

The DDCP program expanded to provide full technical assistance to 20 pilot municipalities, and launched a program to improve representation in 15 congressional districts by bolstering representatives' ability to influence legislation and respond to citizens' interests. DDCP also assisted in the creation and strengthening of municipal associations in seven of nine regions in Bolivia, and eight municipal economic partnerships involving 73 out of 314 municipalities. These voluntary partnerships are created to improve economic planning and management, with private sector participation. More than one-third of Bolivia municipalities also benefited from grants to non-governmental organizations for strengthening citizen participation. A second Democracy Value Survey (DVS) in nine DDCP municipalities was completed which provides evidence that participation in municipal governance is clearly increasing, though citizens are less satisfied with municipal performance.

USAID will begin "graduating" the first group of 20 pilot municipalities – meaning these municipalities have instituted participatory planning processes to develop urban plans and annual budgets, and have modernized administrative systems. In turn, these cities will serve as resources to other municipalities by training them to develop annual Municipal Action Plans with broad citizen participation, improving their budgeting techniques, implementing their action plans, and incorporating citizen oversight. Through an NGO grant fund, lessons learned from these "teaching municipalities" are being disseminated through an additional 62 municipalities. Additionally, USAID is now planning to focus increased resources on municipal associations, the National Federation, and municipal partnerships. Increased resources for policy dialogue and reform, public education, and adapting DDCP approaches to larger municipalities are contemplated. Further assistance to the congressional representation component will await decisions by the congressional leadership on the role of single-member district representatives.

Possible Adjustments to Plans: The strategy period for the Democracy SO has been extended to 2004. The Administration of Justice activity has been modified to cover this extension, while an extension of the DDCP activity to 2004 is planned to include greater emphasis on municipal associations, policy, and larger municipalities. Additional support to the Bolivian Congress (for strengthening its experiment in single-member districts) is possible, subject to the availability of resources and requests for technical assistance from the Bolivian Congressional leadership.

Other Donor Programs: USAID and the German GTZ work from a single workplan in the rule of law program. The GTZ program is approximately $750,000 per year. The World Bank is planning a $20.0 million loan for judicial reform, and is exploring the integration of its workplan with the USAID-GTZ plan. This would create one of the most integrated donor efforts in any judicial reform program. The IDB continues to support citizen identification documentation, decentralization, and congressional modernization with financing of another $20 million. The Dutch ($14.6 million) and

Danish aid programs work closely with USAID on decentralization. GOB direct contribution to USAID dollar-funded activities for FY 2000 is over $6.0 million. The OECD Development Assistance Committee (DAC) donor working group functions to ensure donor coordination and includes all major bilateral donors, the World Bank, UNDP and IDB. USAID is responsible for the coordination of the justice sector sub-group of the "Institutionality" Pillar donor-GOB coordination group.

Principal Contractors, Grantees or Agencies: Management Sciences for Development (Rule of Law) and Chemonics International (Democratic Development and Citizen Participation).

Selected Performance Measures:	Baseline (1998)	Actual (1999)	Target (2000)	Target (2001)
Increased citizen support/trust in the Judicial, Legislative and Municipal government institutions (a)	40.4	41.5	42	43
Increased citizen participation in DDCP municipal governments (b)	15%	18%	20%	22%
Increase in percentage of women participating in DDCP municipal Meetings	16%	19%	21%	23%
Congress is actively considering legislation complementary to the New Code of Criminal Procedures (CCP)		(c)	(c)	(c)

This is an index score on a 0 to 100 scale derived from five survey questions.

This indicator is a composite of three independent measures: participation in municipal government meetings, submission of a request to the municipal government, and presentation of complaints to the vigilance committee.

During 1999, the new Code of Criminal Procedures was approved and enacted, which would be the baseline for this indicator. For an effective implementation of the CCP, additional and complementary legislation is needed, including a new Judicial Branch Law, Public Ministry Law, and National Police Law. It is expected that in the Year 2000, at least two laws will be drafted and presented to Congress. By the end of 2001, at least two laws will be enacted, and two additional laws will be drafted.

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-O02
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,249,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $3,950,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: USAID's assistance improves entrepreneurial and business skills, supports rural productive infrastructure, and facilitates economic activities of the poor by providing access to financial services, marketing services and appropriate technology to enhance incomes and employment opportunities of the rural poor.

Under IR2, the recently designed Market Access and Poverty Alleviation (MAPA) activity will contribute significantly in the formation and strengthening of enterprises, reducing transaction costs and increasing competitiveness along selected commodity sub-sector chains, from inputs to the final market. This will increase incomes for those who live in poverty.

The P.L. 480 Title II program provides funds and food-for-work to improve rural roads, access to technology and marketing services, micro-irrigation projects and basic sanitation in over 80 municipalities in some of the poorest, most food-insecure areas of the country. This program has increased production of staple crops and introduced greenhouses for the cultivation of vegetables and other high-value crops.

Key Results: USAID's major focus is to increase income through expanded economic opportunities by overcoming a set of constraints to growth that include: limited access to micro-finance services, lack of access to technology and markets, weak productive infrastructure, and low levels of education.

Performance and Prospects: USAID continues to play a lead role in the expansion of micro-financial services in Bolivia

with approximately 220,000 poor clients as of December 1999. However, the economic recession and other factors including: poor methodologies used by consumer credit institutions in an attempt to capture the micro-enterprise sector causing beneficiaries over-indebtedness; the Brazilian crisis; and the new customs law that has decreased the availability of contraband for sale by microentrepreneurs has had a negative effect on loan portfolio quality. The average loan portfolio is 10% in arrears in 1999 versus 4% in 1998.

USAID-supported programs benefited an increasing number of clients through the provision of credit services from micro-finance institutions by more than 17% between 1996 and 1999. The number of poor with savings in micro-finance institutions also has grown by 24% in 1999 as institutions increasingly move toward mobilizing capital from the private sector. USAID is committed to fostering broad-based economic growth and to helping overcome principal constraints that inhibit the productivity of Bolivia's poor. USAID assistance will strengthen the sustainability of financial intermediaries as they expand and diversify services while maintaining financial viability. Emphasis will be placed on improving financial services for small producers, expanding financial services to rural areas with a special focus on agricultural production, and financial institution regulation and supervision.

A new Rural Financial Services (RFS) activity under IR1 will seek to address the above microfinance issues and increase the availability of financial services in rural areas. One of the mechanisms that the RFS activity is considering is the Development Credit Authority (DCA). The DCA is an authority issued by Congress which allows the Mission to use loans and guarantees (backed by the Authority) to support USAID activities. USAID plans to apply for DCA Authority to provide loan guarantees to Bolivian financial institutions seeking to expand their portfolios in peri-urban and rural areas.

USAID-assisted activities in the productive sector directly contributed to increasing access to technological services for 5,700 production units (farms, artisans, fir ms, etc.) while over 3,660 producers accessed marketing services during 1999. The MAPA activity will assist rural producers to increase their incomes by developing improved services, and identifying new markets, research, technology transfer, marketing services, training and institutional strengthening. In addition, MAPA will support the Government of Bolivia's general plan for social development and the Ministry of Agriculture, Livestock and Rural Development (MGDAR) strategy for agricultural and rural development. In 2000 and 2001, approximately 300 additional rural families per year are planned to benefit from production and marketing services and technical assistance. In addition, these families will benefit from institutional strengthening of their farmer groups and/or associations.

P.L. 480 Title II resources will be used in targeted communities to improve secondary roads, thereby creating linkages between producing areas and market towns to increase the volume of products farmers are able to sell. USAID Title II activities also focus on improving, rehabilitating, and expanding community micro-irrigation systems to increase productivity and extend the planting session. Activities will include organizing, establishing, strengthening, and training beneficiaries in the maintenance, operation and revenue collection of the improved infrastructure. Finally, Title II resources will continue to support technology transfer and improved cropping practices. Good rains contributed to a successful 1998-99 crop cycle, helping rural households recover from the devastating El Niño induced drought of 1997-98. Rural income targets of $825 will likely be achieved in 1999, marking a substantial increase over the 1996 baseline of $713. Provision of marketing and technology services for a range of production units (farms, firms, etc.) has continued to rise in accordance with planned targets.

USAID also assists over 100,000 school children per year through a Title II sponsored school feeding program, which is directed at reducing dropout rates, specifically among girls. USAID will continue a school-feeding program designed to complement the World Bank-funded Educational Reform Program which provides proven incentives for children to stay in school. Since a prerequisite of economic growth is an educated, well-trained labor force, the school-feeding program is directed at the poorest primary students in rural and peri-urban areas.

Possible Adjustments to Plans: USAID/Bolivia and the GOB have completed the design of the MAPA activity which will require some adjustments to planned indicators. As implementation begins, further micro-level planning, crop selection, fund establishment and other factors will clarify performance targets.

Other Donor Programs: With scarce unrestricted DA resources, donor collaboration and leveraging is fundamental to USAID’s strategy. The EU is supporting the GOB food security strategy with nearly $60 million. Collaboration with Title II Cooperating Sponsors (NGOs), which work in some of Bolivia's poorest, most food-insecure areas, is also an essential part of USAID's strategy. Municipal authorities involved in the implementation of Popular Participation activities, obtain enough funds to allow them to complement that of the Cooperating Sponsors. The GOB contribution to USAID dollar-funded activities in FY 1999 is estimated to be $840,000.

The donor community supporting the poverty alleviation plan with MAGDR has established a committee which serves as

a coordination body between the MAGDR and the donor community for the establishment of four Private Agricultural Foundations (FDTA). Four other bilateral institutions (Swiss, Dutch, German and British) have committed themselves to support the establishment and implementation of the FDTAs and funding levels are still under discussion. The Inter-American Development Bank (IDB) is currently negotiating with the GOB on supporting the Bolivian System for Agricultural Technology as a whole with about $16 million for four years. IDB's funding will contribute to USAID/Bolivia's efforts to support the GOB initiative through the MAPA project with the FDTA/Valleys.

Principal Contractors, Grantees, or Agencies: USAID implements microfinance activities through U.S. organizations (including World Council of Credit Unions, Agricultural Cooperative Development, International Volunteers in Overseas Cooperative Assistance, ACCION International, Freedom from Hunger), PROMUJER and numerous other local NGOs. The P.L. 480 Title II program is implemented by four U.S. Cooperating Sponsors: Project Concern International, Adventist Development and Relief Agency, Food for the Hungry International and CARE. USAID/B will implement the MAPA activity through a competed U.S. direct contract that will support the Valleys Foundation.

Major Results Indicators:	Baseline (1996)	Actual (1999)	Target (2000)	Target (2001)
Number of production units receiving technology services	1,430	5,700	5,711	8,007
Number of production units receiving marketing services	230	3,660	3,248	4,767
Number of household with access to credit	130,040	221,709	275,000	300,000
Number of poor household with savings facilities	231,457	287,501	337,00	368,000
Number of communities with infrastructure constraints resolved	130	620	735	800

The results in the first two indicators are not cumulative.

ACTIVITY DATA SHEET

PROGRAM: Bolivia
TITLE AND NUMBER: Improved Health of the Bolivian Population, 511-O03
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $12,390,000 (DA), $7,583,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $19,400,000 (DA), $6,473,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1996; **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Though noteworthy gains have been made in health in Bolivia, considerable challenges remain. The health system still fails to reach about 25% of the populace, and deficiencies in the quality of services are extensive. Mutual mistrust separates the formal health system from many of its intended beneficiaries, who are largely indigenous populations. At the same time, several aspects of the policy environment show promise of continued improvements on a larger scale. Laws on decentralization and popular participation support increased attention to long under-funded rural areas and heightened citizen involvement. In 1999, the GOB introduced a Basic Health Insurance Scheme and an Epidemiological Shield Program that have the potential to make profound differences in the impact the public sector can have on health. A renewed commitment to reproductive health, within a framework of client rights, is another positive sign.

Within this framework, USAID works on three levels. It helps people take actions in their daily lives to protect and promote their personal health and that of their family and community. USAID assistance works to extend the coverage of services, while improving their quality, in the knowledge that extension of coverage without at least a minimum threshold of quality and acceptability will not help narrow the divide between services and their intended clients. And USAID promotes actions at the local level that help decentralize the health system making it more participatory and, thereby, responsive, accountable and transparent. Over 1.3 million Bolivian children under age five and over two million Bolivian women of childbearing age are the major beneficiaries of USAID health support.

Key Results: USAID helps improve the health of the Bolivian population by improving child survival and reproductive and sexual health practices; improving quality and increasing coverage of community health care; and supporting the development of a more decentralized and participatory health care system.

Performance and Prospects: Over the last five years, USAID has contributed to significant improvements in the health of

the Bolivian population, as demonstrated by data from the 1998 Demographic and Health Survey (DHS), relative to comparable data from the 1994 survey. Between 1994 and 1998, infant mortality declined from 75 to 67 deaths per 1,000 live births; the percentage of malnourished children under age five (as measured by weight for age) fell from 16% to 8%; and the percentage of infants who had experienced a bout of diarrhea in the two weeks preceding the date of interview dropped from 30% to 19%. In the same period, the percentage of pregnant women seeking prenatal care from a trained provider increased from 53% to 65%; births attended by a trained provider rose from 47% to 57%; women in union using a modern contraceptive method grew from 18% to 25%; and couple-years of protection increased by 170%. These improvements can be partly attributed to USAID's role in supporting decentralization of the health system, improved reproductive health services in the public and private sectors, national health communication and education campaigns, the development and expansion of social marketing projects for contraceptives and locally-produced oral rehydration salts, and technical assistance to the national vitamin A-fortified sugar and iron-fortified flour programs.

In FY 2001, USAID will help improve and expand quality health care services in the public and private sectors, as well as strengthen community education and mobilization activities in ways that promote the exercise of client rights. Through a five-year bilateral agreement signed in 1998, USAID will continue work with the Ministry of Health of Bolivia under the Integrated Health Project, or PROSIN (formerly PRODESCO), through eight operational divisions: 1) Child Survival, supporting nationwide immunization campaigns and integrated management of childhood illness (IMCI); 2) Reproductive and Sexual Health, providing an integrated approach to reproductive health for adults and adolescents, including pre- and post-natal care, safe childbirth, cancer screening, and family planning; 3) the National Social Security Medical System, offering reproductive health services throughout its network of 94 urban health facilities, which serve nearly 20% of the population; 4) HIV/AIDS, implementing activities to prevent and treat sexually-transmitted diseases in high-risk groups and provide prevention and support services for HIV/AIDS; 5) Support to the Ministry of Health in its yearly training program of some 40,000 armed forces recruits and officers, in child survival, reproductive health and gender issues; 6) Epidemiological Surveillance, featuring operations research, diagnosis, prevention and control of such priority infectious diseases as malaria, yellow fever, and tuberculosis; 7) the National Health Information System, strengthening the provision of timely, quality data that will help prevent disease outbreaks and improve health planning and decision-making processes; and 8) Community Health, implementing a district health development program that will institutionalize quality management, to provide and expand quality health care and community education in priority districts exhibiting some of the poorest socio-economic and health indicators in Bolivia. Additionally, USAID supports a demographic analysis and population policy unit within the Ministry of Sustainable Development.

In the private sector, operational support will continue for Bolivia's model self-financing, high-quality, primary health care provider (PROSALUD), for which USAID established an innovative endowment to enhance its long-term sustainability. Assistance will continue to Bolivia's largest provider of family planning services in the private sector (Center for Information, Education and Services), allowing it to strengthen further its reproductive health services and expand its community adolescent program. A federation of 24 private and non-governmental organizations (PROCOSI) will continue to receive support for child survival and reproductive and sexual health services for 35% of Bolivia's rural population. The PROCOSI organizations will continue activities in community prevention and control of such priority infectious diseases in rural areas as tuberculosis, malaria, and Chagas. USAID will also support Population Services International to increase distribution and sales of contraceptives, produce and implement mass media educational campaigns on reproductive health and undertake community education. The PL-480 Title II program will continue to underwrite efforts in child survival and maternal health through a combination of food and local currency resources. These resources are directed at reducing child and maternal malnutrition and improving biological utilization of food through integrated health, education, and water and sanitation interventions.

Possible Adjustments to Plans: As new data become available on progress made and outstanding needs, USAID will continue to refine program activities in ways that focus on maximizing achievement of results.

Other Donor Programs: USAID works closely with the United Nations Fund for Population Activities (UNFPA), the World Health Organization/Pan American Health Organization (WHO/PAHO), the United Nations Children's Fund (UNICEF), the World Bank (IBRD - $25 million loan for sector reform), the Inter-American Development Bank (IDB - $45 million loan for Epidemiological Shield Project), and German, Canadian, British, Belgian, Japanese, Dutch and Spanish bilateral assistance agencies. One forum for coordination is the Equity Pillar of the GOB’s National Plan of Action. UNFPA ($2.4 million) continues to underwrite program coordinators in Bolivia’s nine departments, contraceptive supplies in the public sector, the GOB’s rural reproductive health initiative, and co-finances with USAID the demographic analysis and population policy unit. The Department for International Development of the UK finances ($24.4 million) contraceptives and medicines for sexually-transmitted infections cared for in the public sector, provides support to the MOH logistics system and supports malaria control efforts. Other channels for coordination are the inter-agency coordinating committees on immunization, flour and sugar fortification with micronutrients, reproductive

health, safe motherhood, epidemiological surveillance, and child health that the GOB chairs and in which USAID and other donors participate. In the health sector, GOB counterpart contributions fund salaries, clinic facilities and most other recurrent program costs. The IBRD and the IDB have recently negotiated loans with the GOB to implement large health projects through 2002. The anticipated contributions from the GOB to USAID dollar-funded activities in FY 2000 total $2.3 million. Under terms negotiated with the IDB, IBRD and the International Monetary Fund regarding protected investment in priority social programs, the GOB contribution to such programs in health and related areas, including education, will be $39.5 million during 1999-2000.

Principal Contractors, Grantees or Agencies: Major USAID-financed partners include nine GOB technical units, and over 25 non-governmental organizations, almost all of which belong to the USAID-supported NGO network. Significant technical assistance is provided through several Global Field Support cooperating agencies. In FY 2000 support is beginning for a new Bolivian NGO active in health information, education and communication. Four U.S. cooperating sponsors implement PL-480 Title II health activities: the Adventist Development and Relief Agency (ADRA), Project Concern International, Food for the Hungry International and CARE.

Selected Performance Measures:	Baseline (1998)	Actual (1999)	Target (2000)	Target (2001)
Infant mortality (per 1,000 live births)	67	52	47	42
Maternal mortality (per per 100,000 live births)	390†	---	340	300
Contraceptive prevalence [1]	48.3	51	53	55
Couple-years of protection [2]	229,415	200,000‡	252,930	265,577

† 1994 data; no more recent reliable data are available.

‡ Projected from the first 2 quarters of data.

[1] Prevalence of all contraceptive methods has been substituted for the former indicator of modern methods only.

[2] These figures are for planning and reporting only. The figures for couple-years of protection may actually decrease at certain points, due to increased availability of a wider range of contraceptive methods.

ACTIVITY DATA SHEET

PROGRAM: BOLIVIA
TITLE AND NUMBER: Reduced Degradation of Forest, Water, and Biodiversity Resources 511-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $6,424,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $6,000,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY-1995; **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Bolivia is a global biodiversity "hotspot" straddling the extremely diverse tropical Andes. Its 53,000,000 hectares of forest make it the sixth most forested country in the tropics. Bolivia's natural resources are at risk, however, particularly from rapid deforestation in the lowlands. Deforestation results from many factors, including the low values assigned to forests; new infrastructure that provides access to remote areas, encouraging colonization; and insecure land tenure, which prompts landowners to demonstrate ownership through deforestation. While Bolivia has created a protected area system that encompasses 13% of the country, most parks are not adequately managed, placing their biodiversity at risk. Moreover in urban areas, industrial and urban waste threaten both environmental and human health.

USAID addresses these problems through a three-pronged approach. First, the BOLFOR forestry program works with the government (national and municipal), the private sector, indigenous groups, municipal producer associations, and non-governmental organizations to promote sustainable forestry where it is the most appropriate land use. In a resource rich but impoverished country, well-managed commercial forestry can foster development while creating economic incentives for forest conservation. Voluntary certification is proving a useful tool, helping Bolivian producers access northern markets while encouraging sustainable forestry. Second, the USAID-supported parks programs enable non-governmental organizations and Bolivia's Park Service to effectively manage four protected areas. Just one of these areas -- Madidi National Park -- conserves 11% of the world's bird species, while a second – the 3,400,000 hectare Gran

Chaco National Park – is the largest managed by an indigenous group. Lastly, in urban areas where industrial and urban waste is a serious problem, USAID is promoting cleaner industrial production and the proper disposal of medical waste.

Key Results: Environment programs in Bolivia will result in (1) the ecologically, socially, and economically sustainable management of large areas of lowland tropical forest; (2) the conservation of key protected areas through better on-the-ground management and eco-regional planning; and (3) increased energy efficiency and reduced industrial and hospital pollution through the application of cleaner technologies.

Performance and Prospects: Forest management continued to improve in 1999. The area of tropical forests independently certified as "well managed" grew to 667,112 hectares (placing it first in Latin America and second globally). An additional 480,000 hectares are in the process of being certified. A second means for measuring progress in forestry is the area under which 12 key sustainable forestry practices are being applied. In 1999, the area where these practices are being applied grew to 1,298,630 hectares (includes the 667,112 already certified). USAID is currently working to improve management on an additional 580,621 hectares.

Consolidation of the new model of sustainable forestry in Bolivia remains the major challenge. In particular, the BOLFOR program has been increasing its efforts with rural social groups in order to involve them in the forestry activities. In 1999, BOLFOR worked with eight different municipal reserves and supported 10 local social groups in the preparation of their forest management plans for over 340,000 hectares. At the same time, BOLFOR supported forest management activities in five different indigenous territories on 286,000 hectares.

The Forest Superintendency (FS) is the GOB entity responsible for overseeing the implementation of Bolivia's new forestry law. It continues to receive BOLFOR support given the key role it plays in supporting sustainable forestry. Working with the FS and the Ministry of Sustainable Development (MDSP), BOLFOR has identified approximately 30 million hectares of permanent production forest in an effort to establish a permanent forestry estate in Bolivia. A proposed presidential degree dedicating these areas to forestry is in its final approval process and should be issued by the end of 1999. The FS has also moved to privatize certain functions, including 50% of its road checkpoints.

The parks programs also made progress in 1999. The management plan for the Chaco Park has been completed and programs in wildlife management are underway. The current challenges are largely institutional, and institutional strengthening will continue to be a focus in coming years. The GOB is expected to grant the Izoceno Indians title to an additional 1.9 million hectares that adjoin the park in 2000. USAID will support the development of the management and investment plan for this entire area as well as the park itself. Elsewhere, USAID-supported activities were initiated in the Eduardo Avaroa Faunal Reserve and Madidi National Park. A new program was developed with the World Wildlife Fund to conserve forests along the eastern slopes of the Andes. Together, these programs will contribute to the conservation of over 4.5 million hectares in priority eco-regions.

In addition to programs that we fund, USAID/Bolivia contributes to other USG environmental initiatives in Bolivia. In 1999, the USG reached agreement with the GOB to transfer funds from the Enterprise for Americas Initiative (EAI) Program into a newly created private foundation. EAI is a debt-for-development swap that supports environmental projects implemented by NGOs. In recent years it has not dispersed funds as anticipated due to management difficulties within the National Environment Fund (FONAMA). USAID is working with the GOB to create private foundation and transfer EIA funds to it, both of which will be completed by the end of 2000. The GOB is also considering voluntary targets to reduce greenhouse gas emissions, giving it an important role in international discussions of the Kyoto Protocol. The Department of Energy is providing technical assistance to that end, with modest support from USAID.

Possible Adjustments to Plans: Three adjustments are being considered. The first would extend the BOLFOR forestry program from 2000 through 2004. Despite the considerable gains achieved in Bolivia's forestry legislation and private sector capacity, indigenous groups, municipal producer associations, and the Forest Superintendency require additional technical assistance and support to ensure that fundamental changes to Bolivia's forestry paradigm are sustainable. Second, USAID is considering an extension of the Gran Chaco Program focussing on the institutional strengthening of CABI, the indigenous park management authority. Third, a new program is being developed to support cleaner industrial production. It will address both the technical and financial constraints to more widespread adoption of cleaner production technologies, and protected support to the nascent Bolivian National Center for Clean production.

Other Donor Programs: While USAID remains the largest donor in the forestry sector, International Tropical Timber Organization, The Netherlands, Switzerland and several NGOs, including the World Wildlife Fund, are funding complimentary activities. The Netherlands, Germany and the Global Environment Facility/World Bank are also funding complementary conservation activities in protected areas. The new cleaner production program will be co-funded by USAID, the World Bank, and several European donors.

Principal Contractors, Grantees, or Agencies: USAID-financed environmental activities are implemented by Chemonics International, Wildlife Conservation Society, the World Wildlife Fund, Conservation International, the Nature Conservancy, Tropical Research and Development, and RCG/Hagler-Bailly. Key counterpart institutions include the Ministry of Sustainable Development and Planning; the Ministry of Agriculture, Livestock and Rural Development; National Environmental Fund; National Chamber of Industries; National Forestry Chamber; the Forestry Superintendency; the National Land Reform Agency (INRA), the Izozog indigenous community; the Confederation of Chiquitano Indians; and a range of Bolivian environmental NGOs.

Selected Performance Measures:	Baseline (1995)	Actual (1999)1	Target (2000)	Target (2001)
Area (ha) under sustainable forestry or adequate park management	100,000	1,543,630	2,045,000	5,445,000
Area (ha) of forest independently certified as well managed	52,000	667,112	1,000,000	1,500,000
Area (ha) in which 12 key sustainable forestry practices are applied	52,000	1,298,630	1,800,000	2,300,000

[1] All figures are based on the calendar year. 1999 figures are 11/99 estimates.

ACTIVITY DATA SHEET

PROGRAM: BOLIVIA
TITLE AND NUMBER: Illegal Coca Eliminated from the Chapare, 511-005
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $16,000,000 (INC), $12,000,000 (Plan Colombia)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $23,500,000 (INC)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: The U.S. Government Counternarcotics Strategy in Bolivia is multi-faceted, covering all aspects of eradication, interdiction and alternative development, and is closely linked to the GOB's strategy to rid Bolivia of all illegal coca and cocaine by 2002. In recent years this strategy has produced outstanding results. In 1999 alone, the GOB reduced coca cultivation by a remarkable 43 percent. It is estimated that over 25,000 farm families in the Chapare will be coca-free by the end of calendar year 2002. In the late 1980s, coca was the principal crop grown in the Chapare and accounted for the majority of income and employment in the region. As a result of USG-supported alternative development efforts the area planted in commercially viable crops is now 105,000 hectares, compared to only 45,000 hectares in 1987.

The increasing seriousness of the GOB's eradication program, combined with USAID's alternative development initiatives, is encouraging farmers to actively seek alternatives to coca production to adequately provide licit income for their families. USAID's new Consolidation of Alternative Development Efforts (CONCADE) activity is focused on creating market-oriented approaches to alternative development, reducing subsidies paid to individual farmers, and establishing closer linkages between eradication and alternative development

USAID's current alternative development activities are focused in Bolivia's major coca growing region, the Chapare. This region is the size of New Jersey, and over half its population is engaged in farming activities. If sufficient funding becomes available this year, USAID will also initiate alternative development in a second coca-growing region, the Yungas. Initial planning for activities in the Yungas is already underway.

Key Results: The counternarcotics program is focused upon accomplishing four inter-related outcomes: 1) all coca will be eliminated from the Chapare, 2) farmers who receive development assistance must maintain their lands free of coca, 3) only those products for which a sustainable market demand can be established will be promoted, and 4) sustainable market linkages will be established for the alternative products.

Performance and Prospects: The GOB has developed a comprehensive counternarcotics strategy to eliminate all illegal coca from Bolivia by 2002. Achievements for 1999 (an outstanding 43 percent net reduction in coca cultivation) show that the GOB is highly committed to ridding the country of drugs. USAID's Cochabamba Regional Development Project (CORDEP) ended on May 31, 1999 and a new activity, the Counternarcotics Consolidation of Alternative Development Efforts (CONCADE), started on June 1, 1999. CONCADE will build on and consolidate the alternative development

results obtained by the CORDEP program.

Following years of investment, research and steady progress, USAID's alternative development activities are yielding results far beyond what had been originally anticipated. The past few years have witnessed booming progress in diversifying crops, improving product quality, and expanding national and foreign markets. The main products developed under the USAID program are bananas, pineapples, palm hearts, passion fruit, and black pepper. Fruit production increased by 35% during 1999 alone at 151,225 metric tons. The wholesale value of licit produce leaving the Chapare increased 35 % from $41 million in 1998 to $55.7 million in 1999. Bananas have become the most significant generator of licit income and employment. Between 6,000-7,000 boxes/week of Chapare bananas are now exported weekly to Argentina and Northern Chile. As a result of the improved quality of bananas, farm-gate prices increased 460% since 1992. This increase is associated with improved production technology as well as improved fruit quality in fields that have benefited from USAID funded technical assistance.

Currently, there are over 65 agri-businesses that have invested over $25 million in the Chapare. Seventeen private firms have invested over $7.4 million of their own resources in alternative development related agro-industries. Another half-dozen firms outside the Chapare regularly buy Chapare produce for processing. Five companies in the Chapare have moved into the category of clearly sustainable businesses. These companies have identified markets, installed capable administration and are carefully managing the efficiency of their enterprises.

Augmenting and improving the Chapare's infrastructure is essential to improving its economy. To date, over 3,000 kilometers of roads have been improved or maintained to all weather standards and approximately 100 bridges have been built with USAID support. Even with the dramatically increased outputs of licit products, farm-gate prices have continued to stay high because of the improved roads, the opening of new domestic and export markets, and the improvement of product quality.

The new CONCADE activity is focused on creating market-oriented approaches to alternative development, reducing subsidies paid to individual farmers, and establishing closer linkages between eradication and alternative development.

Possible Adjustment to Plans: During 2000, the GOB will expand its counternarcotics program into the Yungas, an area northwest of the Chapare where licit, chewing-coca has been grown for centuries. In recent years, the amount of hectares dedicated to licit coca production in the Yungas has expanded beyond that required to meet traditional licit demand. Subject to the availability of sufficient funding, USAID will initiate alternative development activities in the Yungas. Until the GOB determines the target level for reduction of coca cultivation in the Yungas, USAID cannot establish benchmarks for the number of farm families who would receive alternative development assistance in this new area.

Other Donor Programs: The fight against narcotrafficking is at the top of the GOB's agenda. It is one of the five major initiatives to improve Bolivia's international image and demonstrate that Bolivia is an attractive and safe country for investors. Several donors provide support in this area. The European Union (PRAEDAC) will provide funding for cadastre, infrastructure and road improvement activities. Spain has announced that Bolivia will be their number one recipient of development assistance in the coming year, including alternative development. Belgium has signed a bilateral agreement to begin alternative development activities in 2000. The UNDCP/FAO and USAID have entered into a cost-sharing agreement for agro-forestry, forestry and managerial training.

Principal Contractors, Grantees or Agencies: The U.S. contractor Development Alternatives Inc. (DAI) oversees the implementation of CONCADE activities by the GOB implementing entities, including the Bolivian Institute of Technical Assistance (IBTA), the National Department of Highways and Rural Roads (SNCV), and the National Alternative Development Office (PDAR).

Selected Performance Measures:	Baseline (1996)	Actual (1999)	Target (2000)	Target (2001)
Wholesale value of licit produce leaving the Chapare (million of US$)	0	56	64	74
Number of families participating in coca-free zones*	0	9,489	18,000	22,000
Number of sustainable businesses operating and serving the Chapare utilizing licit products or supplying licit agro-industries	15	50	65	75
Annual net coca eradication (has.)	500	15,353	20,00	

* GOB target

The United States Agency for International Development

Bolivia

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	27,963	27,161	25,538	33,850
Plan Colombia	0	0	12,000	0
Child Survival & Disease Fund	7,962	6,515	7,583	6,473
CACEDRF	0	0	0	0
INC	12,000	23,588	16,000	25,000
Economic Support funds	0	0	0	3,000
P.L. 480 Title II	17,423	18,726	20,780	22,051
P.L 480 Title III	0	0	0	0
Total Program Funds	**65,348**	**75,990**	**81,901**	**90,374**
Operating Expenses	3,573	3,963	3,227	4,450
Trust Funds	1,500	1,500	1,500	700
Total Operating Costs	**5,073**	**5,463**	**4,727**	**5,150**

Note: Administration has submitted a Supplemental Plan Colombia request that includes $12,000,000 for Bolivia in FY 2000.

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	17	17	17	17
Other U.S. Citizen	0	0	0	0
FSN/TCN	105	100	90	90
Subtotal OE Funded	**122**	**117**	**107**	**107**

Program Funded*				
U.S. Citizen	3	5	7	6
FSN/TCN	16	20	35	35
Subtotal Program Funded	**19**	**25**	**42**	**41**
Other				
TAACS	0	0	0	0
Fellows	1	1	1	1
IDIs	0	1	0	0
Subtotal Other	**1**	**2**	**1**	**1**
Total Work Force	**142**	**144**	**150**	**149**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
511-001, Increased Citizen Support for the Bolivian Democracy System							
- DA	0	0	0	4,500	0	0	4,500
- Plan Col	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- INC	0	0	0	1,500	0	0	1,500
- ESF	0	0	0	3,000	0	0	3,000
- P.L. 480/II	0	0	0	0	0	0	0
511-002 - Increased Income for Bolivia's poor with emphasis on targeted communities							
- DA	3,950	0	0	0	0	0	3,950
- Plan Col	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	8,620	8,620
511-003, Improved Health of the Bolivian Population							
- DA	0	19,400	0	0	0	0	19,400
- Plan Col	0	0	0	0	0	0	0
- CSD	0	6,473	0	0	0	0	6,473

- FSA	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	13,431	13,431
511-004, Reduced Degradation of Forest/Water Resources and Biodeversity Protected							
- DA	0	0	6,000	0	0	0	6,000
- Plan Col	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
511-005, Illicit Coca Eliminated from the Chapare							
- DA	0	0	0	0	0	0	0
- Plan Col	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- INC	23,500	0	0	0	0	0	23,500
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	3,950	19,400	6,000	4,500	0	0	33,850
- Plan Col	0	0	0	0	0	0	0
- CSD	0	6,473	0	0	0	0	6,473
- FSA	0	0	0	0	0	0	0
- INC	23,500	0	0	1,500	0	0	25,000
- ESF	0	0	0	3,000	0	0	3,000
- P.L. 480/II	0	0	0	0	0	22,051	22,051

The United States Agency for International Development

BRAZIL

Development Challenge

Other Donors

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Introduction

Brazil's importance to the United States has been steadily increasing over the last few years. In spite of the economic and political crises that periodically affect the country's ability to progress more rapidly toward sustainable growth, Brazil has consolidated its status as the leading economic and political power in Latin America. Brazil's preponderant weight in Mercosur operations -- the Southern Cone free-trade zone, comprised of Brazil, Paraguay, Argentina and Uruguay -- is indisputable. The successful rounds of negotiations on the Peru-Ecuador border issue can also be, to a large extent, attributed to Brazil's mediation role. Recently, the country became one of the largest emerging market members of the World Trade Organization, an example of positive economic change that can come from selected policy improvements. Brazil has impressed international financial markets by its capacity to react quickly and take measures to minimize the effects of the economic turmoil that began in Asia, moved to Russia and then confronted the nation in mid 1998/early 1999. Thanks to the country's comparatively successful economic actions, Brazil continues to be an attractive market for foreign investment. Enjoying significant trade relations with the U.S. (U.S.$20 billion annually) and being the world's ninth largest economy, Brazil has emerged as a strong, dependable partner in the hemisphere. Brazil is of critical importance to U.S. citizens because of such issues as the global effects of environmental degradation in Brazilian rainforests, the rate of population growth of a country already having 160 million people and the spread of infectious diseases, such as HIV/AIDS.

The Development Challenge

Brazil has been working toward effectively tackling structural problems that have been preventing more rapid and stable progress towards sustainable development. The Government of Brazil (GOB) has re-scheduled payments of its total official debt to all countries, of U.S.$237 billion. All official USAID debt was negotiated into a Loan Consolidation Agreement at the start of 1999, on which payments are current. Besides the proposed administrative, political and fiscal reforms being analyzed by Congress, it is important to point out the Government's renewed efforts to increase economic competitiveness; improve its population's living conditions; decentralize decision-making; and promote enforcement of environmental legislation. By deconcentrating development from previously favored regions, the Cardoso Administration has been attempting to reduce social inequalities and regional disparities. Nonetheless, despite some marked success in both the health and education sectors, the dire effects of years of poor economic, environmental and social management still persist and represent the core of USAID's development challenge in the country.

USAID's strategy for Brazil has been contributing to the achievement of the Agency's goals to Stabilize World Population and Protect Human Health and Protect the Environment. Given the scope of the global problems which could be addressed in Brazil, USAID/Brazil has chosen for its strategy to concentrate in two key program areas: in the environment goal area, the protection of globally important biodiversity and the reduction of greenhouse gases associated with climate change; in the health goal area, support for HIV/AIDS prevention, women's reproductive health and services to at-risk children and youth. USAID's program is an essential component of and is integrated with other

Embassy programs within the 1999 Mission Performance Plan's (MPP) strategic goals of Broad Based Growth, Democracy, Environment, and Population and Health.

Brazil's main challenges in addressing global environmental priorities are reducing biodiversity loss and the threat of global climate change (GCC) by reducing greenhouse gas (GHG) emissions in the land use and energy sectors. USAID activities promote sound land use in the Amazon, the Atlantic Coastal Rainforest, the Cerrado and, more recently, the Pantanal. Due to serious risk of accidental fires in these ecosystems, USAID has directed renewed attention to fire preparedness and prevention. As a result of USAID's efforts in FY 1998, wherein part of its contributions to the G-7 Pilot Program to Conserve the Brazilian Rainforest (PPG-7) supported a successful awareness raising campaign, fire dissemination efforts continued to expand in FY 1999. These efforts will continue in FY 2000, focusing on local, community-based alternatives to the use of fire in traditional agriculture, rather than fire suppression. However, given the magnitude of the threats to Brazil's natural ecosystems, USAID resources alone cannot significantly alter the loss of these natural areas. Thus, the environment program seeks to leverage resources with those of non-governmental organizations (NGOs), industry, multilateral banks, cooperatives, universities, and government agencies, allowing USAID to play a catalytic role in Brazil's climate change and biodiversity efforts. USAID-funded actions have already successfully demonstrated the viability of reduced impact forest management for both timber and non-timber forest resources.

On the energy side, USAID targets its resources on increasing Brazil's ability to detect and mitigate energy sector climate change impact, focusing on policy, regulation, and financing mechanisms critical to environmentally sustainable energy. USAID's assistance in this area also focuses on a group of 20 million people scattered in 60,000 rural communities either underserved by any traditional sources of energy or served by sources such as diesel generators, which are not only inefficient but also have high GHG emitting potential.

USAID's health program covers HIV/AIDS prevention, voluntary reproductive health and services to at-risk children and youth. Approximately 52% of reported AIDS cases in Latin America and the Caribbean are in Brazil and between 560,000 and 850,000 persons are infected with HIV. Of these, 220,000 are estimated to be low-income women who acquired the infection through heterosexual transmission, thus corroborating the Ministry of Health's (MOH) findings that the HIV/AIDS epidemic in Brazil is concentrated among the poorest and most marginalized populations. Consistent with this epidemiological trend, USAID's strategy is designed to increase sustainable, effective programs to prevent sexual transmission of HIV in selected target groups, which include women, adolescents, and low-income populations, as well as selected male groups and commercial sex workers. USAID's technical assistance targets non-governmental organizations (NGOs) working in partnership with the MOH's National AIDS Coordination and is aimed at leveraging resources from the IBRD's AIDS II loan to the GOB.

Although contraceptive prevalence in Brazil continues to increase and fertility levels continue to decline, services vary considerably across states and are often limited for adolescents and other underserved populations. USAID's program in reproductive health, planned for closeout in FY 2000, emphasizes increased access to family planning methods and improved quality and sustainability of family planning services. Lessons learned and successful models developed through USAID's decades long assistance to Brazil will be documented in a final report to be disseminated in 2000. The USAID-developed PROQUALI model to increase reproductive health (RH) service quality is being replicated and expanded to different geographic regions by the United Nations Population Fund (UNFPA). In this phase out stage, USAID has intensified its efforts to integrate AIDS prevention activities into reproductive health service sites in the public health network.

Street children and at-risk youth continue to be a serious problem in Brazil, especially in large urban areas of the Northeast. In 1999, problems within the juvenile justice system have also been given higher visibility due to recent, numerous prison rebellions. Furthermore, budget cuts last year at the federal level, driven by the fiscal adjustment goals agreed to with the International Monetary Fund (IMF), had a direct impact on social programs that assist children and adolescents. USAID-funded activities emphasize the promotion of children's rights and the provision of direct services, especially vocational training, education and health.

Other Donors

USAID's environment program leverages activities of multilateral donors, especially the World Bank (IBRD)-managed PPG-7 Program and the Global Environment Facility (GEF), a multilateral fund managed jointly by the United Nations Development Program (UNDP) and the World Bank. In addition to fire dissemination efforts, USAID's FY 2000 contribution to the IBRD's Rainforest Trust Fund will also fund scientific research on conservation management and

sound natural resource development in the Brazilian Amazon, with participation of Brazilian scientists and stakeholders, the donor community and IBRD managers.

The energy program is engaged with the IBRD, the UNDP, and the Inter-American Development Bank (IDB) in the design of loans and grants for the development of climate change activities in the energy arena, such as energy efficiency and renewable energy.

A U.S.$250 million energy efficiency loan from the IBRD has been approved and disbursement will be initiated in 2000. UNDP supported the establishment of a Management Unit in the Brazilian Program for the Energy Development of States and Municipalities (PRODEEM), targeted to manage practical activities identified under PRODEEM's Action Plan. USAID has assisted PRODEEM in preparing financial proposals to the IDB-managed Multilateral Investment Fund (U.S.$2.25 million) and to the Japanese Special Fund (nearly U.S.$1 million), for activities targeted to renewable energy market development.

Nearing the conclusion of its reproductive health program in Brazil, USAID continues to coordinate its efforts with the World Bank, UNFPA, the IDB, the United Nations Children's Fund (UNICEF), the World Health Organization (WHO) and the Pan-American Health Organization (PAHO), especially with respect to the integration of the family planning and the HIV/AIDS prevention programs. The USAID-GOB dialogue has contributed to greater commitment by the GOB to family planning, standardization of norms for condom testing, and the addition of the injectable Depo-Provera to the list of contraceptives acquired with public funds.

Support to the MOH under the new HIV/AIDS strategy flows through USAID's participation in the UNAIDS Theme Group, composed of IBRD, UNDP, UNICEF, UNFPA, the United Nations Education, Scientific and Cultural Organization (UNESCO), WHO/PAHO and bilateral donors.

In the area of at-risk youth, UNICEF and the IDB are currently the largest donors. In the past year, besides continuing efforts to increase coordination with these and other donors, USAID strengthened partnerships with local foundations, such as Odebrecht and Instituto Ayrton Senna, thus expanding its significant parallel financed portfolio.

In 1998, the IBRD continued long-term loans in energy (U.S.$1 billion in 1998), sanitation and environment (U.S.$1.8 billion), and health (U.S.$740 million), while the IDB has U.S.$7 billion dollars in projects in the areas of environment, health and at-risk youth. Other donor contributions for environment from 1994 through 1998 were: Germany (U.S.$233 million); EU (U.S.$89.8 million); United Kingdom (U.S.$28 million); Japan (U.S.$10.7 million). The U.S contribution in the same period totaled U.S.$37 million. Japan alone conducts a multi-billion dollar assistance program directed to Brazil's savanna zone. In 1999, UNICEF's investment in health and at-risk youth amounted to approximately U.S.$11 million. As compared to other donors' contributions, the United States ranks fifth in environment and second in reproductive health.

The United States Agency for International Development

Brazil

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

The requested funds will meet current commitments to the GOB, implemented through USAID contractors and NGOs, as well as direct commitments to Brazilian and U.S. NGOs. The request will allow the U.S. Government (USG), through USAID, to engage Brazil on vital foreign policy issues: pursuing achievement of Summit of the Americas' goals, addressing global issues, and accomplishing the objectives of the U.S./Brazil Common Agenda.

In addition to concentrating in the areas of biodiversity conservation, sustainable forest management, and climate change, USAID environment efforts will continue with PPG-7 coordinators to establish a scientific basis for sustainable resource use directed at U.S. regional concerns and those of regional stakeholders in the Amazon. Where possible, market-based solutions for sound environmental management will be developed and promoted. Additional support will be directed to fire prevention in the Amazon, linking satellite-derived fire spotting techniques with local fire mobilization efforts.

Energy actions will focus on collaboration with recently enacted Brazilian energy regulatory agencies to assure that policies and regulations are in place to facilitate market access to clean energy sources and efficient use of energy financing. Capacity building efforts will be partnered with government and non-government agencies to disseminate knowledge and build capabilities aimed at fostering market activities that will form the basis for energy projects with climate change mitigation potential.

The AIDS prevention program will provide technical assistance to the MOH in the areas of STD and AIDS prevention, mainly through the implementation of distance learning programs and the development of protocols and other tools to support the implementation of the World Bank’s AIDS II program. Increased emphasis will also be placed on condom social marketing to further develop awareness of the disease and promote greater access to condoms. On the NGO side, the program will utilize the results of a sustainability survey, accomplished in close collaboration with the IBRD, GOB and the NGO community, to build local capacity to manage AIDS prevention programs, coordinating efforts with the private and public sectors. A mid-term evaluation is planned for FY 2001.

The final report of the reproductive health program, which will close in FY 2000, will be issued and distributed. The report will cover the lessons learned in over 30 years of USAID assistance in this field, and successful initiatives under this program will be disseminated through a series of discussion fora. These successful experiences implemented under USAID’s comprehensive assistance will also be disseminated through continuing dialogue with partners, other donors, and the GOB, with the purpose of promoting the adoption of proven methodologies. Through the AIDS prevention program, USAID will continue its efforts to integrate HIV/AIDS prevention activities into reproductive health services.

At-Risk Youth activities will continue to concentrate on education/training programs for disadvantaged youth, which may include juvenile offenders. Art and civic education, allied to health prevention and protection of youth against all types of violence, will be the major emphases.

ACTIVITY DATA SHEET

PROGRAM: Brazil
TITLE AND NUMBER: Environmentally and socioeconomically sustainable alternatives for sound land use adopted beyond target areas - 512-O01
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $ 7,500,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $ 7,500,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2003

Summary: USAID's environment program addresses two global environmental priorities: biodiversity loss and the threat of global

climate change (GCC). Brazil has been identified by the Agency as a "key" country in these areas because it has one of the world's greatest numbers of animal and plant species and produces approximately ten percent of the world's carbon dioxide emissions, the latter primarily from deforestation and habitat conversion and burning. Incorporating the lessons learned from USAID/Brazil's GCC Project, this Strategic Objective (SO) aims at reducing deforestation in the Amazon, the Atlantic Coastal Rainforest and the Cerrado (savanna). Due to serious risk of accidental fire in these ecosystems, renewed attention is being directed to fire preparedness and prevention. The purpose of this SO is to increase protection and sustainable use of natural resources in Brazil's critical regions for biodiversity, and to reduce greenhouse gas emissions from deforestation.

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 holders. 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: Quick response by USAID during the severe 1998 Amazon fire season made it possible for Brazilians to: 1) predict forest vulnerability to fire and map out zones of high fire risk before the fires started; 2) spot active fires using U.S. satellite technology and direct fire brigades to keep a major fire front from burning into forested indigenous lands; 3) mobilize 120,000 small farmers, using simple fire combat techniques to prevent local fires for slash and burn clearing from spreading out of control.

USAID-sponsored diagnosis of the timber sector reveals that 86% of Amazon wood products are consumed in Brazil and growing domestic awareness of this fact spurred 13 of the largest Brazilian timber buyers to form the Brazilian Buyers Group of Certified Timber, an important step towards sustainable forest management. USAID-supported studies show that reduced-impact forest management (eligible for the kind of certification these timber buyers will require) is more profitable than conventional damaging harvest practices. The Brazilian Government, in partnership with the World Bank and World Wildlife Fund (WWF), is using results of a series of USAID-sponsored priority-setting workshops to identify conservation needs to fulfill their commitment to protect at least ten percent of Brazil's tropical forest ecosystems.

Performance and Prospects: This SO was approved in 1998. It continues forest conservation and sustainable development actions supported since 1990 under the USAID (GCC) Program. USAID support to local NGO efforts and training of key individuals has gained increased recognition by key actors and major stakeholders in Brazil as models for reconciling development and conservation in the Amazon and, more recently, in the Atlantic Rainforest, Cerrado and Pantanal regions.

USAID supports Tropical Forest Foundation (TFF) and U.S. Forest Service efforts to provide models and train forest managers in the Brazilian Amazon in improved forest management principles and practices. The program includes a hands-on training program and continued research on reduced-impact forest management on two demonstration sites in the central and eastern Amazon. TFF and Forest Service prepared a study showing that net revenue from sustainable reduced-impact forest management can be 20% greater than from traditional logging techniques that leave forests vulnerable to fire and eventual conversion to pasture. These results are being widely publicized in the Amazon timber industry and provide a strong market incentive to comply with forest management practices that assure that production forests remain as forests.

Implementation of management plans for two of the most important parks in the Amazon, Jaú National Park (the largest park in Brazil and the size of Massachusetts - 2,270,000 hectares (ha), and Serra do Divisor National Park (840,000 ha) is underway. In FY 1999, the Mission carried out an independent, external evaluation of the Serra do Divisor National Park project with The Nature Conservancy (TNC) and its local NGO partner, the SOS Amazonia Foundation. Findings from the evaluation indicate that the participatory process involving research activities, field work and workshops with representatives of partner NGOs, community leaders, and the federal environmental agency (IBAMA) has led to the development of a highly effective management plan, as well as considerable strengthening of the local partner. SOS Amazonia has also played a key role in engaging another USAID-supported organization, the University of Florida, and its local partner, the Research and Extension in Agroforestry Systems Group (PESACRE) in developing a research project for establishing sustainable procedures and practices for settlements in the park's buffer zone.

During 1999, USAID support to TNC and its local partner Society for Wildlife Research and Environmental Education (SPVS) allowed initiation of activities under the Parks in Peril program in Guaraquecaba, Paraná. This program aims to ensure long-term protection of the biological diversity of the Atlantic Forest. TNC and SPVS are capturing increased local and state governmental support for expanding conservation actions to the greater Guaraquecaba region. TNC has also attracted substantial private sector support for two new carbon action projects that will restore native forest cover to degraded lands in the Guaraquecaba bay area while increasing carbon dioxide storage intended to mitigate climate change.

USAID also supports WWF in Brazil in establishing a management plan for the first community-owned, operated and managed palm heart factory in the Eastern Amazon state of Amapá. Native palms are managed for natural regeneration to maintain forest cover. WWF provides producers with training in palm heart processing and marketing, forest management, and cooperative management and administration.

During the severe 1997-98 El Nino drought, USAID supported special fire preparedness actions directed to zones of exceptional risk of forest fires in the Amazon. Through the G-7 Pilot Program to Conserve the Brazilian Rainforest (PPG-7), the local NGO, Amazon Working Group (GTA), trained rural community leaders in fire prevention techniques, reaching an estimated audience of about 120,000 small producers. This effort was the subject of an external review that emphasized the very high level of outreach and dissemination of fire awareness, preparedness and prevention measures the project achieved. Accumulated experience in fire science, community mobilization, and new fire detection capabilities have provided USAID with an opportunity to expand fire preparedness actions in 2000, linking the strengths of local knowledge and action through GTA with real-time fire detection and modeling capabilities of IBAMA's fire prevention group.

The U.S. Forest Service and the Woods Hole Research Center/Amazonian Institute for Environmental Research (IPAM) partnership continue to quantify the effects of burning on Amazon forest and Cerrado (savanna) ecosystems, while surveying the extent of fire damage on private land from ground surveys and with satellite/Geographic Information System (GIS) mapping. A new field study that will direct rainfall away from a one hectare forest plot is currently underway near Santarem in the lower Amazon and aims to understand the effects of increasingly frequent and severe droughts on Amazonian forests and their susceptibility to fire.

In 1999, USAID initiated an activity with Conservation International (CI) to restore crucial habitats damaged by fire and inappropriate farming practices in a corridor linking Brazil's largest savanna park with the Pantanal, the world's largest freshwater wetland. By building awareness and promoting responsible conservation action on the part of individual property owners, the Pantanal watershed and its multitude of wildlife will be protected.

With support from USAID, CI and its local partner, the Socio-Environmental Studies Institute of Southern Bahia (IESB) helped small farmer community associations receive approximately U.S.$1.5 million in loans from the Banco do Nordeste in FY 1999 to plant fruit tree crops that maintain protective forest cover. By assisting in chartering community associations and conducting economic analyses of individual projects, CI/IESB helped small producers meet the Bank's prerequisites for farmer loans.

In spite of budget cutbacks for state-sponsored environmental control, Brazilian society made gains in effective environmental protection over the past year. The passage by Congress of the new environmental crimes bill, coupled with the consolidation of the new management structure of the Environment Ministry, came as a result of increased awareness of environmental issues by the government. Civil society organizations also made substantial progress in promoting government consensus on development issues, at least in part due to increased advocacy on the part of individuals and institutions trained in public environmental policy under the USAID WWF/State University of New York (SUNY) training program.

Possible Adjustments to Plans: The Mission continues to work with other donors, U.S. and Brazilian Government agencies and NGOs to develop further fire activities that will help prevent the devastation of Brazilian forests.

Other Donor Programs: Activities under the USAID environmental program leverage those of multilateral donors, especially the U.S.$331 million PPG-7 program (1992-2004). USAID. despite being one of the smallest overall contributors, with a two million dollars/year contribution, is the lead donor in both the science and fire prevention components. The most significant individual contributions to the PPG-7 program in FY 1999 were: Germany, U.S.$138.8; European Union, U.S.$81.9; United Kingdom, U.S.$34.5; GOB, U.S.$26.7; Japan, U.S.$7.3; and the Netherlands, U.S.$9.9. USAID has also leveraged funds from the Global Environmental Fund (GEF), and the Brazilian Fund for Biodiversity (FUNBIO). In FY 1999, Japan applied U.S.$3.5 million to finance studies on conservation of renewable natural resources in the Brazilian Amazon. German bilateral cooperation amounted to U.S.$9.6 million for environmental projects. The Canadian International Development Agency's (CIDA) five-year (1998-2002) programming cycle foresees investments of U.S.$13.6 million in the environmental area.

Principal Contractors, Grantees or Agencies: USAID implements its activities through U.S. private voluntary organizations (PVOs) such as WWF, The Nature Conservancy, Conservation International, Woods Hole Research Center, and TFF; USG agencies such as the U.S. Forest Service and the Smithsonian Institution; and several U.S. academic institutions (e.g., University of Florida and the State University of New York).

Selected Performance Measures:	Baseline (1997)	Actual* (1998)	Target	Target (2000)	Target (2001)
Number of families adopting sustainable resource management systems beyond target area	40	246	500	600	700
No. and proportion of protected areas (and their area in hectares) having management plans developed and validated on schedule	7/7 5,277,078 (1996)	9/9 5,512,078	9/9 5,512,078	9/9 5,512.078	9/9 5,577,672
Reduced-impact forest management systems developed and validated	3	4	4	4	8
Trained environment professionals	2,450 (1991-96)	6,677	8,000	10,000	12,000

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 2000 OBLIGATION AND ACCOUNT: $1,000,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,000,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Brazil is currently the largest emitter of greenhouse gases (GHGs) in Latin America. In the 1991-1995 period, industrial carbon dioxide emissions increased by 20%. In addition, Brazil is reshaping its existing energy industry and diversifying its energy sources. Given the structural changes in Brazil's economy and the continuing growth of energy demand, it is likely that GHG emissions from energy production will continue to increase at a strong pace. USAID has provided assistance to Brazil to ensure that energy is used efficiently and that energy demand is supplied by a mix of sources with the lowest greenhouse gas emitting potential. The purpose of this program is to reduce the threat of Global Climate Change (GCC) through increased adoption by key Brazilian Government and private sector actors of concepts, methods and technologies, such as biomass, solar energy and efficient energy use, which have had successful track records elsewhere. USAID works in close collaboration with the GOB, through its energy regulatory agencies, energy efficiency and rural renewable energy programs. The program supports GOB efforts in two major areas. The first is designed to improve, under market based principles, the performance of the national clean energy program in delivering renewable energy applications to a group of 20 million people in 60,000 rural communities. This target population is served by traditional sources of energy, such as small diesel generators, a source of greenhouse gases which is economically feasible to replace. The second provides technical assistance and capacity building to energy regulatory agencies and the national energy efficiency program. It is focused 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, thus reducing GHG emissions.

Key Results: The results achieved through this Strategic Objective include: the inclusion of renewable energy technologies under the Brazilian Rural Electrification Plan; the adoption of a new administrative structure to manage the Brazilian Program for the Energy Development of States and Municipalities (PRODEEM) under the Ministry of Mines and Energy (MME), which has been accompanied by a market-oriented approach; policy assistance that supported the decision to establish provisions in every new utility licensing contract that target one percent of utility revenues for energy efficiency programs, estimated at U.S.$100 million per year; and the U.S.$250 million World Bank loan to the Government of Brazil (GOB), which represents a significant amount of funds leveraged by USAID to develop energy efficiency projects. The above-mentioned results will strongly increase the use of renewable energy and energy efficiency technologies.

Performance and Prospects: This Strategic Objective was approved by USAID in 1998. It continues USAID assistance in the Brazilian energy sector initiated through the former "Environmentally and socio-economically sustainable alternatives for energy production and use adopted in target areas," a Special Objective funded under the Environmental Initiative for the Americas (EIA).

Fiscal Year 1999 activities concentrated on two existing activities: technical assistance to PRODEEM and the Renewable Energy Project Support Office (REPSO). Through Advanced Engineering Associates International (AEAI), USAID placed a Senior Renewable Energy Advisor at PRODEEM to implement its new Action Plan. PRODEEM was established in 1994 with the purpose of deploying decentralized renewable energy systems to off-grid remote areas of Brazil. However, the social development model of rural electrification adopted at that time did not result in financially sustainable renewable energy projects. Based on that, PRODEEM requested USAID's technical assistance to review and redefine PRODEEM's approach and management structure.

The REPSO, staffed by Winrock International, has addressed policy, finance and technology issues within the Brazilian renewable energy sector on both the decision-making and practical levels. It has worked in the field with Brazilian NGOs to build local capacity to install and operate renewable energy systems by establishing a Renewable Energy NGO Network. At the national policy level, the REPSO has provided assistance to Brazilian counterparts, such as regulatory bodies and MME, for the establishment of mechanisms supportive of renewable energy technologies. The office has actively participated in public hearings, as well as provided technical assistance to both the MME and the Brazilian Power Regulatory Agency (ANEEL). As a result of REPSO's efforts, new regulations have been issued that will contribute to the development of renewable energy markets. One important result is the possibility of using the Government's fossil fuels subsidy account to finance renewable energy systems since those systems either replace existing fossil fuel energy systems or avoid installation of new fossil fuel systems.

USAID's past fiscal year efforts also focused on the design of two new projects: the Brazil Energy Training and Outreach Program (BETOP) and the Energy Technology Innovation Program (ETIP). USAID contracted the Institute of International Education (IIE) to implement BETOP. IIE has developed a training plan, based on a Training Needs Assessment, and will implement training courses and outreach activities in partnership with Brazilian counterparts. These activities will focus on: enhancing the capacity of Brazilian energy regulatory bodies (federal and state); promoting private sector involvement in identifying, financing, implementing and operating clean and efficient energy projects; and building the capacity of bankers and project developers to successfully structure the financing of clean energy projects.

In mid-1997, following a recommendation by USAID, ANEEL established provisions in every new utility licensing contract to target one percent of utility revenues for energy efficiency programs, equivalent to U.S.$100 million per year. However, the establishment of such provisions has not generated the expected impact on the constitution of the Brazilian energy efficiency market. In other words, the provisions, in and of themselves, have not been capable of: (1) promoting the development of energy efficiency service companies (ESCOs); (2) involving the private sector; and (3) supporting a greater number of demand side management projects. Given the identified need of building the bridge between clean and efficient energy projects and financing, USAID designed the Energy Technology Innovation Program (ETIP). ETIP will concentrate its efforts on improving cost effectiveness in the allocation of the fund's resources by: (1) trying to leverage the one percent funds with other financial resources; (2) encouraging competition for use of the funds; and (3) stimulating market transformation through initiatives in partnership with the private sector.

In this context, ETIP has started to implement the due diligence for the constitution of an investment fund for commercially-viable, environmentally sound energy projects in Brazil. The fund, named the Performance Improvement Fund (PIF), will operate as a financing facility that provides debt and equity for a pool of renewable energy or energy efficiency projects and is expected to leverage the one percent funds with other financial resources. The ETIP team, staffed by Hagler Bailly, has introduced the idea of the PIF to policy makers, bankers, and entrepreneurs; positive feedback has been received from both Brazilian private and public organizations. The PIF is expected to be operational in 2000.

Possible Adjustments to Plans: USAID plans to issue a Request for Applications to enter into a Cooperative Agreement that will address policy, financial and technology issues identified under its Energy Program Strategy.

Host Country and Other Donors: As USAID's strategy in Brazil for the energy sector focuses on the decision-making level, USAID has worked closely with various international donors with the purpose of leveraging funds and coordinating efforts. Results achieved have been satisfactory: USAID has provided assistance to both the GOB and the World Bank on the preparation of two major loan requests: one targets energy efficiency projects and the other targets renewable energy technologies. In both, USAID provided technical assistance for the preparation of the loan concept and request documentation. The U.S.$250 million energy efficiency loan has been approved by the Bank and disbursement will be initiated in 2000. The renewable energy loan, entitled "Integrated Commercial-Social Power", amounts to U.S.$200 million and targets 60,000 isolated rural communities. Once in place, both loans and their accompanying Global Environmental Fund (GEF) grants, will target Brazil's potential market in clean and efficient energy applications and maximize involvement of the private sector. CIDA has invested U.S.$2 million in activities to improve the effectiveness of Brazil's national electric energy efficiency program from 1997 to 2000.

USAID also has cooperated with the United Nations Development Program (UNDP) by supporting the establishment of a Management Unit in PRODEEM, targeted to manage practical activities identified under PRODEEM's Action Plan. The Management Unit will be able to receive UNDP funding, as well as that of other donors. USAID has also assisted PRODEEM in preparing financial proposals for the IDB Multilateral Investment Fund (U.S.$2.25 million) and for the Japanese Special Fund (nearly U.S.$1 million), for activities included in the Action Plan and targeted to renewable energy market development, such as capacity-building and market assessments.

In March 1999, USAID held a USAID-European Commission Joint Mission in Brazil with the purpose of coordinating GCC efforts and identifying opportunities within the Brazilian energy efficiency and renewable energy sector. Both USAID and the European Commission are currently identifying potential activities to be implemented in the future.

Principal Contractors, Grantees or Agencies: Current cooperating agencies and contractors include: Winrock International, Advanced Engineering Associates International (AEAI), the United States Energy Association (USEA), the Institute of International Education (IIE), Hagler Bailly and the International Institute for Energy Conservation (IIEC).

Selected Performance Measures:	Baseline (1998)	Actual (1999)	Target (2000)	Target (2001)
Number of key actors who have met 60% of their annual benchmarks for clean and efficient energy production and use	0	3	3	5
Number of steps accomplished in policy formation for clean and efficient energy production and use	0	2	4	6
Number of clean and efficient energy projects under development funded by mechanisms created, leveraged or supported by USAID	0	3	3	4
Number of cooperation initiatives that facilitated the application of clean and efficient energy technologies and know-how under Brazilian conditions	0	2	4	7

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 2000 OBLIGATION AND ACCOUNT:** $2,000,000 (CSD) **PROPOSED FY 2001 OBLIGATION AND ACCOUNT:** $3,500,000 (CSD) **STATUS:** Continuing **INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2002 **Summary**: The majority (52%) of AIDS cases in Latin America and the Caribbean

area are in Brazil. In 1998, these amounted to 116,389 reported cases, making Brazil second only to the U.S. in reported AIDS cases in the Americas. Accounting for the delay between infection and the appearance of disease symptoms, between 560,000 and 850,000 persons are currently estimated to be infected with HIV/AIDS in Brazil. Of these, it is worth highlighting the increasing number of infected women, estimated at 220,000. HIV/AIDS transmission in Brazil is predominantly sexual (75%), as opposed to drug or transfusion-related. Increasingly, transmission is by heterosexual means. Infection rates are also increasing among young people and those with the lowest level of education. Therefore, the HIV/AIDS epidemic in Brazil is becoming concentrated among the poorest and most marginalized populations. Bordering most of the countries in South America, Brazil is a potential epicenter for the spread of the disease. The purpose of this program is to increase sustainable and effective programs to prevent sexual transmission of HIV/AIDS among target groups, that is, low-income women and adolescents, while continuing attention to the major high risk populations, including selected male groups and commercial sex workers. Integration with reproductive health services at the state level is also emphasized under this Strategic Objective.

Key Results: In 1999, the USAID-sponsored social marketing activity reported total sales of 45,136,600 units of male condoms and 336,880 units of female condoms. Of the total sales of male condoms, 98% correspond to the Prudence brand, a low-price condom introduced into Brazil with USAID support, which has been contributing to the expansion of the country's condom market and, through competition, lowering the prices of other brands. The female condom, Reality, started to gain more acceptance in the second half of 1999. Today, Brazil has the largest female condom social marketing program worldwide. The reported increase in sales of the female condom from 1998 to 1999 is 8.5%, an outstanding performance for a new method. The Ministry of Health (MOH) has initiated its own negotiations for the procurement of two million units of female condoms. The Sales Tax (ICMS) exemption for male condoms, negotiated with the GOB by USAID and the other members of the National Condom Committee, was extended for another year. The social marketing project launched a premium brand in order to compensate revenue losses from the devaluation of the Brazilian currency vis-a-vis the U.S. dollar. This market differentiation has resulted in increased access to condoms by consumers.

Performance and Prospects: 1999 was the second year of implementation of USAID's current strategy, which is closely linked with, and complementary to the programs of the World Bank, the Brazilian MOH and other donors. The evaluation of the impact of the first IBRD loan to the GOB for HIV/AIDS prevention (AIDS I) found that most STD/AIDS prevention programs in Brazil have developed good prevention techniques, either adapting other countries' experiences or creating new approaches according to Brazil's peculiarities. However, the same evaluation also detected management weaknesses in state and municipal STD/AIDS programs. These programs needed to improve their autonomy and institutional sustainability, besides learning how to make the best use of resources available. During the development process of the second IBRD loan (AIDS II), in-depth discussions took place on ways to address the above issues, as well as on monitoring and evaluating these activities. As a result of active participation in those discussions, USAID/Brazil developed a five-year AIDS prevention strategy, concentrating primarily on monitoring and evaluation, as well as on the promotion of integration of STD/AIDS and reproductive health (RH) services in the public sector and in selected NGOs, allied to condom social marketing.

The improved relationship with the MOH resulted in the development of two strategic planning tools made available to the state secretariats, targeting program management and technical capacity building. Approximately 200 health professionals of the state and municipal health secretariats received training in the application of management and capacity building tools in 1999. As a result, USAID strengthened the technical capacity of those secretariats to work toward financial sustainability.

The RH/AIDS integration activities were implemented through in-service training modules to Bahia and Ceará health staff. Approximately 120 health professional of the state and municipal health secretariats received training. As a result, 10,000 women are benefiting from the activities of the RH/AIDS integration services in 20 health units in both states.

Technical staff of the secretariats have been trained under a USAID-MOH cost-shared program. Upon conclusion of the training modules, these professionals started the implementation of the management tools in the secretariats, which resulted in the inclusion of future training in their Annual Operations Plan, reflecting their commitment to the program.

USAID participated in the Second Seminar on Institutional Empowerment that focused mainly on sustainability. The proposal was to acknowledge the importance of empowerment of civil society organizations in the implementation of the MOH's National HIV/AIDS Program (AIDS II). The main discussions revolved around the steps to achieve the financial, technical, political and institutional sustainability of NGOs by the end of the last World Bank loan (AIDS II). In FY 2000, USAID will conduct a sustainability survey to assess the current levels of sustainability of local NGOs, leading to future support of sustainability activities with AIDS NGOs in Brazil.

Possible Adjustments to Plans: None anticipated.

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 World Health Organization/Pan-American Health Organization (WHO/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 bilateral donors.

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

NGOs.

Selected Performance Measures * (Illustrative)	Baseline (1998)	Actual (1999)	Target (2000)	Target (2001)
Number of effective interventions adopted by USAID – funded or non-USAID funded programs	6	10	10	10
Percent of financial sustainability achieved by DKT do Brazil condom social marketing programs	82%	90%	90%	95%
Number of identified effective interventions which are disseminated	6	10	12	15

***** In 1999, USAID developed a new set of indicators for the HIV/AIDS Program, which will be reflected on the next CP. The baseline data is being collected, while firm targets are expected to be developed in March 2000.

ACTIVITY DATA SHEET

PROGRAM: Brazil
TITLE AND NUMBER: Increased access to contraceptive methods and integrated family planning services to improve women's reproductive health, 512-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: 0
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: 0
STATUS: Close-out
INITIAL OBLIGATION: FY 1992 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: Since 1992, anticipating the broader approach of USAID's global strategy, the Brazil Mission strategy has focussed on integrating family planning with other reproductive health (RH) activities. Brazil has the largest population in Latin America (160 million people), a large disparity of income and is facing continued urbanization. Maternal and infant mortality are considered high. Maternal mortality is estimated at 200 deaths per 100,000 births, and infant mortality is 36 deaths per 1,000 live births nationwide. In the Northeast, infant mortality rates can reach up to 59 deaths per 1,000 births. The purpose of this activity is to improve the quality and sustainability of family planning services in the poorest regions of the country through increased access to integrated reproductive health services.

Although contraceptive prevalence in Brazil is currently at 76 percent, wide regional disparities still exist and access to a broad range of contraceptive methods is not available to most women. Contraceptive use is still heavily concentrated on female sterilization and oral contraceptives. In the Northeast, health services for women and children remain of relatively poor quality. Although USAID assistance has had a marked impact on overall health and fertility indicators in targeted states, distinct urban to rural disparities still exist. One-quarter of rural women declared a birth as "unwanted" in the past five years, a proportion almost double that of their urban counterparts.

USAID will terminate RH assistance to Brazil in September 2000. This last year of implementation will consolidate USAID’s efforts to phase over reproductive health activities to state governments. Reproductive health assistance resources are being concentrated in the northeastern states of Bahia and Ceará that contain a combined population of over 30 million. Access to quality reproductive health services and information has been at the core of USAID’s population program in Brazil for the past several years. Although the Contraceptive Prevalence Rate (CPR) in Ceará and Bahia is high -- 68%, per the 1996 Demographic Health Survey (DHS) -- access to reliable information and a consistent menu of methods has been a barrier to fully institutionalize quality RH services at the clinic level. With USAID-funded population activities coming to an end in September 2000, the phase out strategy for Brazil focuses on two main objectives: improvement of the quality of family planning (FP) services and promotion of sustainable FP delivery systems.

Key Results: Preliminary data on the number of service sites providing family planing services in the state of Bahia show an increase from 78% to 93% from 1998 to 1999. The target of 292 service sites was met in December 1999. The Bahia State Secretariat of Health (SESAB) has increased the number of primary health care service sites from 178 (1998) to 415 (1999), covering the totality of municipalities in the state.

With USAID support, the NGO Civil Society for Family Welfare (BEMFAM), the International Planned Parenthood Federation (IPPF) affiliate in Brazil, achieved 80% of financial sustainability, surpassing the planned target of 72% of operating costs covered by non-USAID funds. This result will enable BEMFAM to continue providing services to lower income groups within Brazil.

Performance and Prospects: Since 1992, the RH program has been developing viable FP programs in Ceara and Bahia, with the current focus on strengthening the quality of services and ensuring sustainability. USAID’s technical assistance targets the strengthening of management, logistics, and education and training systems. The decentralization of health services, promoted by the GOB, facilitated the implementation of RH activities in these two target states. Over the last four years, implementing the phase out the program, USAID has placed greater emphasis on policy dialogue and incorporation of program functions by the states, which has proven successful.

Improving the quality of reproductive health services is the linchpin for increasing access to, and informed choice of, reproductive health services. This is also the focus of the PROQUALI Quality Improvement Project, the first clinic-level accreditation program for reproductive health services in Latin America. To assure the institutionalization of PROQUALI and its expansion statewide, new actors have been engaged in the process. Quality Improvement Teams responsible for expanding PROQUALI were established, trained, and are now implementing the PROQUALI model in priority areas. To mobilize resources, the Quality Improvement Teams, in partnership with clinic personnel, are actively engaging municipal decision-makers in funding local health systems under Brazil's newly decentralized health program.

SESAB is moving toward sustainability of RH activities in the state. The new Reproductive Health Center is now incorporated into SESAB's organizational chart. Preliminary data on the number of service sites providing family planning services in the state show an increase of 15% over the last year. The target of 292 service sites was met in December 1999. SESAB has increased the primary health service sites from 178 (1998) to 415 (1999), covering the totality of municipalities in the state.

As a result of the successful partnership with USAID, SESAB has made a commitment to RH activities, which is clearly reflected in its 2000-2003 strategic plan, budgeted around U.S.$6 million, as compared to U.S.1.2 million in 1997 and 1998 and U.S.1.6 million in 1999. In the same way, the Ceará State Secretariat of Health (SESA/CE) was reorganized and RH activities have been better integrated into its structure. Although the program is not yet fully functioning, sustainability is more likely to be assured.

Logistics is still one of the biggest challenges for this remaining period of activities. SESAB has made great improvements in contraceptive procurement, and the logistics system, implemented with USAID support, is fully operational. The same progress did not occur in the state of Ceará. Last year, the only contraceptives purchased by the state were 4,000 units of Depo-Provera to match USAID's donation. One of the priorities for USAID's activities before the phase out is to improve Ceará's logistics system.

In October 1999, USAID, the MOH and the Brazilian Weight and Measures Institute sponsored the First National Seminar on Contraceptive Quality: male and female condoms, diaphragms and IUDs. This activity was the last of a series of events to increase knowledge among Brazilian health professionals, women's groups, and family planning experts, about the major advances in contraceptive science in this decade. The National Seminar on Contraceptive Quality succeeded in boosting discussion on the need to elaborate and implement national policies on contraceptives and products used to prevent sexually-transmitted infections.

USAID/Brazil has been a major supporter of BEMFAM, the above-mentioned Brazilian NGO that plays a major role in the provision of family planning and reproductive health care services in Brazil. USAID/Brazil, through commercial social marketing projects, has been providing technical assistance to BEMFAM to achieve its sustainability. In the past year, BEMFAM achieved 80% of financial sustainability, surpassing the planned target of 72% of operating costs covered by non-USAID funds. USAID/Brazil also supported BEMFAM's efforts to take the leadership in the use of the DHS methodology in Brazil. The MOH has succeeded in securing funding for another National Survey on Maternal and Child Health in 2000 and will rely on BEMFAM's expertise to carry out the new survey.

Possible Adjustments to Plans: None anticipated.

Host Country and Other Donors: The major donor in reproductive health in Brazil continues to be UNFPA (U.S.$2 million planned for 2000) whose programs complement and are coordinated with USAID's activities. Nevertheless, UNFPA is facing a severe budgetary crisis that last year affected its ability to provide services in the country. Therefore, continuation of international donor-funded RH activities in Brazil will probably be very limited after the phase-out of the USAID program. UNICEF and the MOH will be conducting a new DHS in Brazil in the near future. Great effort has been put forth to strengthen USAID's relationship with UNESCO, WHO and PAHO. However, these donors' activities address other priority areas in Brazil and, due to budget limitations, collaboration to date has not been extensive. USAID's collaboration with the GOB is becoming stronger, especially in policy dialogue, standardization of family planning norms and availability of contraceptives, such as female condom. In 1999, the GOB announced its decision to procure and distribute contraceptives to all states.

Principal Contractors, Grantees or Agencies: USAID implements its activities through U.S. private voluntary organizations and U.S. firms. They include: The Pathfinder Fund, Population Council, Johns Hopkins University, Management Sciences for Health, Macro International, Family Health International and BEMFAM.

Selected Performance Measures:	Baseline (1996)	Target (1999)	Actual (1999)	Target (2000)
Number of service sites providing family planning services in Bahia State	126	292	281 (est.)	300
Number of service sites providing family planning services in Ceará State	484	484	674	484
% of BEMFAM expenses covered by locally generated resources	52	67	80	71
	Baseline (1998)	Actual (1998)	Target (1999)	Target (2000)
Units of Depo-Provera sold to the public sector	30,000	46,210	45,000	60,000
Units of Depo-Provera sold to through pharmacies	192,000	284,178	282,000	396,000

ACTIVITY DATA SHEET

PROGRAM: Brazil
TITLE AND NUMBER: Improved ability of at-risk children and youth to become healthy, productive citizens, 512-005
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $900,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $900,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998; **ESTIMATED COMPLETION DATE**: FY 2003

Summary: Brazil has extremely serious social problems: adequate nutrition, education, health care, housing and basic sanitation are still a distant reality for millions of impoverished Brazilians living in rural areas and in the outskirts of major urban centers. According to UNICEF's report on the State of World's Children in 2000, infant mortality rates are still high, at 36.1/1000; 21 million children live in families with an income of less than half the minimum wage of U.S.$74 per month; and 2.9 million children dropped out of school to engage in income-generating activities. In 1999, the increasingly acute perception of these and other problems gave rise to a poverty alleviation movement in the country that ultimately involved civil society, various government levels and international donors. Nevertheless, while different sectors of society engage in a comprehensive debate that may lead to solutions, the effects of the recent economic crisis continue contributing to the worsening of some social indicators, especially open unemployment rates (7.4% on average in 1999). Street kids and working children are most heavily affected by this unfavorable scenario, being at risk of illiteracy, disease, delinquency, drug abuse, prostitution and human rights violations. The purpose of this Special Objective is to promote activities that can improve the ability of at-risk children and youth to become productive, healthy citizens, in selected cities in Northeast and West-Central Brazil. Through support to indigenous organizations, USAID seeks to provide low-income children and youth, aged 7-18, with the basic tools to overcome poverty and participate in the country's life as competent citizens. The program emphasizes formal and complementary education, reduced violence against youth, health promotion, and identification, dissemination and replication of successful models in these areas.

Key results: The main overall results of this program include a rate of less than one percent early pregnancy among 1,000 girls assisted in the city of Recife, while the national rate is 18%; and school promotion rates of 86% among program-assisted youth, versus the national average of 77% and the Northeast average of 68%.

Performance and Prospects: The revised Special Objective was approved in 1998. The current activity is a follow-up of youth protection activities initiated in 1995. In its fifth year of implementation, the activity continues to make significant progress toward its goal of strengthening prevention and protection efforts that target at-risk youth, NGO and public services, and the public policy environment which impacts upon children and youth and service providers. In 1999, USAID refined its objective and indicators, giving it more focus and tying resource investment more directly to its goal. The program now emphasizes two key areas: education/vocational training and protection against violence, especially as it pertains to girls at risk of domestic violence and sexual abuse. Cross-cutting issues are health, including prevention of early pregnancy and HIV/AIDS, and promotion of youth participation in fora that elaborate and approve government policies concerning this specific group.

1999 witnessed an expansion of USAID's portfolio with the development of six new grants, thus, bringing the number of projects underway to a total of 21. Direct beneficiaries of these grants total 3,450 children and youth, in addition to nearly 40,000 indirect beneficiaries (families and peers), as well as institutional beneficiaries (schools, collaborating NGOs, government agencies and other segments of society through awareness/prevention campaigns). Under its strategy, USAID encourages and supports the creation of NGO/GO networks capable of providing diversified services to at-risk children and youth. In 1999, USAID consolidated and coordinated the operations of two networks: in Salvador, Bahia, the Youth Art and Culture Exchange Program successfully gathers adolescents, aged 12-18, from 81 different organizations, to take leadership roles in civic education in public schools. In Fortaleza, Ceará, USAID and the Inter-American Development Bank (IDB), in partnership with the state government, support the Vocational Training Network, through which 21 indigenous organizations provide professional training to 210 adolescents, aged 16-18, in the areas of banking, computer science, fashion design and paper recycling. The next step is the actual insertion of trained youth into the job market, which will involve close coordination with the private sector and the collaboration of micro-credit entities to boost the creation of youth-managed micro-enterprises.

In the area of dissemination and replication of successful methodologies, USAID supported the documentation of the approach utilized by a ballet school in Fortaleza to assist 230 low-income boys and girls, aged 7-17, whose families earn a living from activities such as garbage collection. This effort resulted in the publication of a methodological kit that guides local NGOs, step by step, in the implementation of art education programs as a tool to assist at-risk children and youth. Initially targetted at the Northeastern region, the methodological kit is already been used by service institutions all over the country.

USAID's support was critical for a local organization to train 60 youth from different disadvantaged neighborhoods in Salvador in HIV/AIDS and STI prevention. After training, these youth have worked systematically in their neighborhoods – on the streets, in grassroots health clinics, in community centers and in schools – to orient and educate other teens about responsible sexual behavior and prevention of STIs and early pregnancy.

USAID concentrated efforts in support of formal education to ensure the success of at-risk children and youth in completing elementary school. Organizations assisted by USAID have established learning support centers where children and adolescents receive assistance with doubts on any subject being covered in formal schools, and with their homework. Through this initiative, USAID

succeeded in achieving promotion to the next school grade of program-assisted youth of 86% in 1998, while the average rate in Northeast Brazil does not go above 68%.

USAID's at-risk youth program underwent an external evaluation in late 1999. Results were generally very positive and highlight the fact that, even with limited funding and geographic scope, USAID is the leader in issues involving at-risk youth in Northeast Brazil. The activity took an appropriate amount of risk in supporting projects and institutions, allowing for successful implementation of creative approaches that might otherwise not have had a chance of being tested or succeeding. The evaluation also stressed USAID's effectiveness in leveraging its limited resources, and in acting as a catalyst for networking among government and non-governmental organizations. The weaknesses identified by the evaluators pertain to measurement of baseline and impact information and insufficient interaction with the private sector to improve employment prospects for youth trained under the project. These issues will be addressed in fiscal year 2000, to bring the activity more in line with USAID's managing for results objectives.

Possible Adjustments to Plans: Taking into consideration the critical situation of juvenile prisons in Brazil, USAID has been considering the possibility of channeling a small portion of at-risk youth funds to a local art education network, to provide complementary educational services to youth deprived of liberty in two out of the four target cities. The GOB's counterpart contribution would consist of training to penitentiary agents and improvement of the physical conditions of correction centers in Brasília and Salvador. This new work front would allow USAID to work in closer collaboration with the federal government, with better prospects for program institutionalization, and to leverage other donor funds for the expansion of an art education network to the national level.

Host Country and Other Donors: In 1999, UNICEF (U.S.$2 million) and the IDB (approximately U.S.$5 million) were the major donors in the area of at-risk youth in Brazil. USAID works closely with these and other donors for complementary support to successful initiatives. USAID's main role has been to provide small amounts of seed money to demonstrate the feasibility of programs that have subsequently been replicated and expanded by other donors. USAID's intensified contacts with local foundations and, particularly, the National Bank for Reconstruction and Development (BNDES) have resulted in new partnerships, among which are strategic alliances with the Ayrton Senna Institute, the Kellogg Foundation and the Odebrecht Foundation. A direct result of these alliances is a joint intervention in the so-called Discovery Site, where the Portuguese first landed in Brazil, to improve formal and complementary educational standards in this poor area of Bahia. Another highlight is BNDES' invitation for USAID, through its contractor, to participate in the design of its work plan for the year 2000, which gives USAID a potentially large leveraging capacity. USAID plans to continue to work with state and local governments to expand services in target areas and strengthen partnerships with civil society.

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.

Selected Performance Measures:	Baseline	Estimated* (1999)	Target** (2000)	Target** (2001)
% of program-assisted youth promoted to the next grade	55 (1995)	85	87	90
Number grievance cases lodged and monitored by children advocacy groups	300 (1998)	400	500	600
% of program-assisted youth that find legitimate, income-generating work	0 (1997)	26	30	35

* Actual data will not be available before the end of the calendar year

** These are preliminary targets that are being revised by USAID's contractor

The United States Agency for International Development

Brazil

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	8,378	10,512	8,500	9,500
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	2,500	2,932	2,900	4,400
CACEDRF	0	0	0	0
INC	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	**10,878**	**13,444**	**11,400**	**13,900**
Operating Expenses	742	590	591	600
Trust Funds	0	0	0	0
Total Operating Costs	**742**	**590**	**591**	**600**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	2	2	2	2
Other U.S. Citizen	0	0	0	0
FSN/TCN	5	5	5	6
Subtotal OE Funded	**7**	**7**	**7**	**8**
Program Funded*				
U.S. Citizen	1	1	1	1

FSN/TCN	6	8	9	8
Subtotal Program Funded	**7**	**9**	**10**	**9**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**14**	**16**	**17**	**17**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
512-001 Environmentally and Socio-economically sustainable alternatives for sound land use							
- DA	0	0	7,500	0	0	0	7,500
- DFA	0	0		0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0		0
512-002 Increased adoption by key actors of techniques for clean and efficient energy production and use							
- DA	0	0	2,000	0	0	0	2,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
512-003 Increased sustainable and effective programs to prevent sexual transmission of HIV among target groups							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	3,500	0	0	0	0	3,500
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
512-004 Increased access to contraceptive methods and integrated family planning services							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0

- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
512-005 Increased ability of at-risk children and youth to become productive, healthy citizens							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	900	0	0	0	0	900
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	9,500	0	0	0	9,500
- DFA	0	0	0	0	0	0	0
- CSD	0	4,400	0	0	0	0	4,400
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	

The United States Agency for International Development

COLOMBIA

Development Challenge

Other Donors

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Introduction

With 80 percent of the cocaine and much of the heroin consumed in the U.S. originating in Colombia, the United States has a compelling national interest in reducing the production and export of illicit drugs and promoting peace and democracy in Colombia. Progress in these areas will also help Colombia to stem the growth of crime, strengthen human rights and access to justice, and promote economic growth.

Colombia faces an urgent crisis which has narcotics, military and economic dimensions that extend well beyond its borders. For the first time in forty years, Colombia's economy in 1999 failed to produce positive growth, driving unemployment to over 20 percent. This has pushed many of the unemployed to join the narcotics economy, the guerrillas' growing insurgency or to pursue other criminal activities, which further fueled the proliferation of the drug cartels and increased hostilities with and among insurgent groups. The resulting instability continues to discourage needed foreign investment and feeds capital flight.

Through the early 1990s Colombia had a hierarchical political structure and a centralized government that allowed economic growth and limited political stability, legitimized through regular elections. Access to the system, however, was not broad enough to allow an equitable distribution of benefits, excluding large segments of the population, including ethnic communities and rural peasants. These social groups are characterized by lack of access to basic public services and by limited interaction with the civil government, which has not insured the provision of their political rights and social services. This lack of opportunities led some of these groups to engage in illegal activities, to resort to the use of force to solve conflicts, and to tolerate the rule of organized armed groups.

To address the crisis and resolve the underlying structural weaknesses, President Andres Pastrana launched Plan Colombia, a comprehensive effort that addresses four root causes of Colombia's current instability: 1) poor economic performance, 2) poor government management, 3) inequity in access to social services - especially among the country's over one million displaced - and 4) ineffectiveness of the judicial sector, particularly related to the protection of human rights.

The Development Challenge

Once viewed as a prosperous and advancing country, Colombia since 1993 has faced a deteriorating economic situation and ever-worsening narcotics and crime problems. From 1994 to 1998, the country slid toward social and economic chaos. When President Pastrana took office in August 1998, he faced political disorder, a contracting economy, an ineffective bureaucracy and an inefficient judicial system.

Colombia has a history of insurgent movements attacking government facilities and trafficking in narcotics. In recent years, however, Colombia's two major insurgent groups have significantly stepped up attacks on government and

civilians and currently command up to 20,000 guerrillas. They exert a measure of control in 40 percent of the country's territory, or 400 of the country's 1,079 municipalities, where there is little presence of the civil government. Paramilitary groups compound the situation as they contest for the protection of narcotics production with the guerrillas. Today, Colombia counts approximately 1.2 million persons displaced by the armed conflict and human rights abuses.

Colombia's illicit crop production has exploded to well over 100,000 hectares of coca in 1999, up from 40,000 hectares in 1996. Increased area planted is compounded by rising crop yields. Poppy production covers almost 7,000 hectares, producing 7,000 kilograms of heroin each year. This explosion of cocaine and heroin production has been made possible by the protection of crops and airstrips by the guerrillas and paramilitaries, adding a new dimension to the armed conflict. In many areas, the guerrillas and the paramilitaries are actively engaging in narcotics trafficking. In the face of this expanding and conflictive situation, the USG will assist Colombia's integrated counter-narcotics program, including law enforcement, interdiction, and eradication efforts.

Colombia's human rights situation is in crisis, and despite some improvement, human rights remains an area of serious concern. Human rights workers continue to be at significant risk and are unable to mount sustainable programs to monitor the human rights situation, report on human rights violations, and educate the population about their rights. Prosecutors and Ombudsman staff lack basic transportation and forensic equipment needed to investigate cases and develop evidence in a timely manner.

With enactment of the 1991 Constitution, Colombia decentralized the distribution of its public sector budget. Weaknesses in departmental and municipal governments have impeded their ability to provide needed services. The problem is exacerbated by growing poverty, where sixty percent of Colombian families live in poverty or extreme poverty and are increasingly in need of government services. Local governments and NGOs are unable to deal with the problems posed by people displaced internally by the conflict, estimated at over one million, nor can they gain access to national programs and local revenues that would permit the delivery of services and infrastructure.

The Colombian judicial system is slow and cumbersome; many crimes are not reported to authorities due to a popular perception that reported crimes will not be prosecuted. Over half of the reported human rights violations are a result of a lack of due process of law. However, the Pastrana administration is committed to reverse this trend. It has started to institute an accusatory system highlighting the use of oral public trials. This is complemented with the implementation of multi-agency judicial centers, the "Casas de Justicia" or Justice Houses, designed to facilitate access to the justice system to Colombians living in marginal areas. This commitment, absent during the previous Colombian administration, underlies the movement towards a more efficient, transparent and fair judicial system.

Other Donors

The Inter-American Development Bank, the World Bank, the Andean Development Corporation and the Latin American Reserve Fund 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-disbursing loan to support Plan Colombia. Annually, United Nations agencies provide approximately $15 million, while combined donors, led by the European Union, Japan and Germany, provide approximately $65 million.

The United States Agency for International Development

Colombia

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID's program addresses three high profile areas of US policy in Colombia: 1) reduction of illicit crop production through alternative development; 2) strengthened democracy through local government and rule of law; and 3) assistance to internally displaced populations. Core funding of $ 4 million ESF and $5 million of INC funds continue our support to democracy and alternative development income substitution activities, respectively. USAID managed assistance from Plan Colombia ($97.5 million in FY 2000 and $90.0 million in FY 2001) will expand the program as described below. Of these funds, it is planned that $4.5 million will be used to provide the administrative support (including staff) required to carry out USAID's responsibilities.

Under the core program in alternative development, income substitution activities for producers of opium poppy, begun in 1999, would attain full coverage, reaching some 3,000 hectares of poppy produced by approximately 3000 families (15,000 persons). To strengthen the rule of law, USAID will continue its core program activities to assist the GOC to enhance the transparency, fairness, and effectiveness of Colombia's criminal judicial system by improving its procedures and accessibility to the public.

In response to Plan Colombia, USAID will support agricultural research and extension, productive and social infrastructure, and local government strengthening for some 2,000 small farm families cultivating approximately 4,600 hectares of coca, who are likely to remain in the Putumayo department after completion of the aerial eradication effort begun in 2000. In the rest of the country, USAID will expand its support to voluntary abandonment of 4,700 hectares of coca grown on plots of three hectares or less, with a combined national goal of 9,300 hectares. Up to 4,100 families (20,500 persons) would return to the licit economy. This would be done through community agreements in exchange for improved agricultural opportunities, including extension and marketing, and productive and social infrastructure. Progress on income substitution will depend substantially on parallel progress in improving governance, infrastructure and security conditions.

Within the USG response to Plan Colombia, USAID will provide humanitarian and transitional assistance to internally displaced persons (IDPs). Through Government entities, NGOs and international organizations, USAID will help IDPs gain access to basic services. Such activities include access to employment, education and reproductive health.

Finally, the USG will support Plan Colombia by promoting more inclusive and responsive democracy. Programs will include advancement of a more effective criminal justice system, promotion of a culture of peace and respect for human rights, enhancement of anti-corruption efforts, and facilitation of increased citizen participation in strengthened local government. USAID will expand its assistance to the GOC to make the judicial system more effective by reducing impunity through support of an open, accusatorial trial system, as well as providing greater access to justice for citizens. Support will be provided to governmental and non-governmental human rights groups to ensure that security measures are taken for their physical protection, enhance their capacity to collect information and monitor human rights cases, and guarantee that citizens are aware of their rights and responsibilities within a democracy. To assist the GOC's anti-corruption efforts, support to the Controller General will result in an increased number of financial and management audits, and government and non-government oversight organizations will receive assistance to monitor Government activity and develop and promote preventive measures. In local governance, the program will strengthen the ability of up to 100 municipal governments, particularly those involved in alternative development and/or with IDPs, to improve their planning and execution capacity, while citizen participation will be increased in local decision making.

USAID will continue stewardship over the $42 million Enterprise for the Americas 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. Reconstruction activities in the wake of the January 1999 earthquake will be completed in 2002.

ACTIVITY DATA SHEET

PROGRAM: Colombia
TITLE AND NUMBER: More Inclusive and Responsive Democracy Through Strengthened Rule of Law and Local Government , 514-xxx
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $41,000,000 (Plan Colombia)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $36,000,000 (Plan Colombia)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: Programs will include advancement of a more effective criminal justice system, promotion of a culture of peace and respect for human rights, enhancement of anti-corruption efforts, and facilitation of increased citizen participation in strengthened local government. USAID will expand its assistance to the GOC to make the judicial system more effective by reducing impunity through support of an open, accusatorial trial system, as well as providing greater access to justice for citizens. Support will also be provided to governmental and non-governmental human rights groups to ensure that security measures are taken for their physical protection, enhance their capacity to collect information and monitor human rights cases, and guarantee that citizens are aware of their rights and responsibilities within a democracy. To assist the GOC's anti-corruption efforts, measures will be adopted that ensure a more transparent and accountable central and local government. Oversight organizations will receive assistance to monitor Government activity and develop and promote preventive measures. In local governance, the program will strengthen the ability of up to 100 municipal governments, particularly those involved in alternative development and/or with IDPs, to improve their planning and execution capacity, while citizen participation will be increased in local decision making.

The judicial system in Colombia is administratively inefficient, burdened by a large case backlog and undermined by intimidation and the prevailing climate of impunity from arrest and prosecution. This impunity is at the core of the country's human right's problems. The courts use the written, inquisitorial system, resulting in slow movement once the case comes to trial. The accused may be placed in preventive detention if the prosecutor deems it necessary -- over half of the prison population (21,000) has not been sentenced for a crime.

Colombia has substantial numbers of threatened and many killed human rights workers, union leaders, and journalists. The majority of recorded abuses are committed by insurgent and paramilitary groups. Some 3,000 murders annually are attributed to political motivation. Numerous Colombian NGOs, union leaders, human rights prosecutors and journalists are under constant threat and some have been obliged to leave the country. President Pastrana organized the GOC's human rights efforts under a National Human Rights Program in 1999 designed to strengthen judicial protection and improve interagency program coordination and implementation. The Colombian armed forces' human rights record has improved over the years, although much still needs to be done.

The GOC has developed a national anti-corruption strategy to ensure that transparency and accountability are ensured within government entities. Representatives from the central government, sanction and control organisms, academia, the business sector and NGOs are participating in the planning and implementation of the strategy.

Key Results: Local governments will be able to address local needs, including the delivery of basic services for internally displaced persons. To further the peace process USAID will assist civil society to undertake analyses and other initiatives related to the peace agenda. USAID will expand its assistance to the GOC to make the judicial system more effective by reducing impunity through improved prosecution, more effective investigations and speedier trials. This includes supporting the transition to an open, accusatorial trial system while expanding the number of public defenders, and expanding the Casas de Justicia to provide access for citizens living in marginal areas. Support will also be provided to the National Ombudsman, the municipal ombudsmen and NGOs to enhance their capacity to monitor human rights cases and educate citizens on their rights.

Performance and Prospects: To help improve the Administration of Justice, USAID will support the Superior Judiciary Council to expand the pilot oral courtrooms to a greater number of locations and will publish court procedures for the

oral public courts, as well as training judges, prosecutors, defenders and lawyers in the new procedures. Training will be coordinated with the bench and the bar associations. Additionally, USAID will help the GOC improve its capacity to have the results of forensic investigations recognized by courts and to improve the definition of standards of proof. To improve the fairness of the judicial system, USAID will help the GOC expand the capacity of the Public Defender's Office to represent poor defendants by increasing the number of public defenders to 3,000 from the present 1,300. To expand access to the justice system USAID will assist in establishing 30 additional Casas de Justicia in marginal communities. The intent is to bring adjudication of minor civil and criminal cases into the reach of persons who cannot afford to bring a case in formal court, as well as promote mechanisms for non-violent conflict resolution. The Casas are maintained through the municipal budget, supplemented by the national ministries whose staff work in the Casa.

To support Human Rights, USAID assistance will help increase GOC capacity to investigate human rights allegations and increase the number of cases brought to trial by training prosecutors and providing vehicles, communications and personal security equipment for field work. A consolidated database of human rights allegations and cases is being developed to help the GOC monitor the progress of cases. The Human Rights Ombudsman's office will be assisted to carry out national training programs to inform citizens of their rights and the procedures to bring forward a case. Training will also be provided to public defenders and community leaders. USAID will continue to support non-governmental organizations in their efforts to report on and monitor human rights abuses, as well as build their capacity to plan and implement constructive programs that buttress human rights observance and inform citizens of their rights and responsibilities.

To strengthen municipal government and ensure participation of local citizens and community organizations in decisions taken at the municipal level, social relations between citizens and local governments must be reconstructed. This will entail three approaches. First, technical assistance will be provided to increase investment planning and execution capacity in up to 100 municipal governments. Technical assistance will include identifying and soliciting national and local resources through pre-investment planning and proposal development and training for improved procedures for accounting, investment and budget planning, and revenue collection. Secondly, USAID will strengthen mechanisms and channels of citizen participation through community organizations' participation on municipal task forces or commission, or other regular consultative mechanisms. Finally, seminars, workshops and other experiential learning techniques will be designed for interactive training opportunities that lead to more effective skills in communications, negotiation, conflict resolution and other important democratic techniques for effective interaction between citizens and local government.

To support anti-corruption, USAID will strengthen internal financial management systems and internal auditing within targeted government entities; support local and regional governments through regional workshops on accountability, government responsibility, and proper management; and assist citizen oversight groups to ensure a transparent and fair procurement process.

Possible Adjustments to Plans: A continuing favorable policy environment is expected during the Pastrana administration. Assistance to local governments is dependent upon access to the areas where displaced persons are living and where alternative development activities are ongoing. The security situation will determine the pace at which activities can proceed. No activities will be carried out in the demilitarized zone.

Other Donor Programs: The World Bank and the Inter-American Development Bank have arranged a $750 million loan for the social safety net, a major source of funds for the target municipalities. The U.N. High Commissioner for Human Rights maintains an office in Colombia. The GOC is negotiating a loan from the IDB to upgrade the Controller General's infrastructure.

Principal Contractors, Grantees or Agencies: For local governance, U.S. contractors to be determined. For the peace agenda, U.S. and Colombian contractors and grantees TBD. Management Sciences for Development, competitively procured TA contractors.

Selected Performance Measures:	Baseline (2000)	Target (2000)	Target (2003)
Municipal governments participating in national development programs	0	20	100
Effective citizen participation (KAP)			
Oral, public courts operating	0	5	20
Casas de justicia operating	9	24	54
Public defenders active	1,100	2,400	3,000

Judicial disposition of human rights allegations	tbd	
Human rights database functioning		yes
Audits conducted by GOC	tbd	

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Colombia
TITLE AND NUMBER: Attention to Displaced Persons, 514-xxx
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $23,500,000 (Plan Colombia)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $16,000,000 (Plan Colombia)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE**: FY 2005

Summary: Escalating violence has forced over a million Colombians to leave their homes. Many fled with only what they could carry. Perhaps 750,000 of these have not settled permanently, but desire to return to their homes and land. The GOC provides assistance to displaced persons for up to 90 days, but has no program for dealing with the longer-term problem. As a result, IDPs move to hillside slums and areas prone to flooding. In general, the displaced live in abject poverty, cannot find work, and cannot access social programs. Government policy and programs, including those of the host municipal governments, must be directed to the intermediate period after the emergency support has expired but prior to return to their original homes or resettlement. Up to 50 municipalities will be identified for initial establishment of co-located, multiple services for IDPs, increasing to 100 municipalities by 2003. All of the communities selected for participation will have an active public/private IDP Action Committee addressing development issues under these emergency circumstances. Assistance will help these IDP-impacted communities establish and link priorities to local government development plans.

Key Results: The program will provide transitional assistance to 1.1 million displaced persons over four years (through 2003).

Performance and Prospects: Working through international, U.S., and Colombian NGOs, USAID will assist Internally Displaced Persons in sustainable, secure communities. Working in coordination with international agencies and Colombian entities, USAID will assist the GOC to ensure that all displaced persons have the appropriate personal documentation to access municipal programs for the displaced as well as public schools and clinics. Where the displaced could return to their home areas without substantial delay, USAID will work through international organizations and NGOs to provide a benefits package, which may include food, building materials, tools, and other necessities. Assistance will be provided to displaced people who are victims of violence and to landless coca laborers and families displaced by coca eradication efforts. Transitional assistance will also be provided to these people, easing their relocation or facilitating access to temporary local services prior to their return. Such transitional assistance will likely include adult or vocational education, shelter and health services among others. This support will be implemented in cooperation with international organizations and assistance will be provided to strengthen local NGOs to enable them to better support the program. In addition, the municipalities hosting the displaced, which are expected to provide health, education and other public services, will be eligible for public infrastructure assistance, including the construction of schools, health posts, rural roads and bridges among others. If the municipality meets the selection criteria, it can receive infrastructure assistance. Examples of such criteria include the existence of mechanisms that allow for citizen participation in municipal decision-making; transparency in financial management; and evidence of active participation in the alternative development program.

Possible Adjustments to Plans: The security situation will determine the pace at which activities can proceed in some areas.

Other Donor Programs: The International Red Cross assists 175,000 displaced persons annually, drawing funds from the State Department's PRM Bureau. World Food Program plans to implement a $9 million food-for-work program. Numerous international and local NGOs assist the displaced. The GOC's Solidarity Network has promoted the return of three communities to rural areas near their original homes.

Principal Contractors, Grantees, or Agencies: Colombian NGOs to be determined; international public organizations that specialize in displaced persons.

Selected Performance Measures:	Baseline (1999)	Target (2001)	Target (2003)
Displaced persons assisted	0	760,000	1,000,000

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Colombia
TITLE AND NUMBER: Alternative Development, 514-XXX
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $28,500,000 (Plan Colombia)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $38,000,000 (Plan Colombia)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE**: FY 2005

Summary: Opium poppy is grown along the high mountain ridges, primarily in the southwestern departments, totaling about 7,000 hectares in 1999. Coca is grown at lower altitudes in the southeastern plains and tropical jungle, totaling well over 100,000 hectares in 1999. Despite an active aerial spraying program, production of coca has increased dramatically since 1994. Of the 7,000 hectares of opium poppy, USAID is presently assisting the GOC to attain voluntary abandonment of approximately 3,000 hectares of small farmer production (plots of less than one hectare in size) as part of the Mission's core program. The remaining 4,000 hectares of poppy must be addressed through aerial eradication. Of the more than 100,000 hectares of coca nationwide, USAID will assist the GOC to attain voluntary abandonment of approximately 9,300 hectares of small farmer production (plots of less than three hectares in size). The remaining hectares of coca, much of it in plantation-style agriculture, must be addressed through aerial eradication.

As a subset of the coca program, USAID will contribute to the integrated effort against coca in the Putumayo Department in southern Colombia where high quality coca is produced on over 50,000 hectares. The coca plantations that comprise the majority of production in this area depend on hired labor to manage and harvest the crop. These laborers may have been displaced from conflictive areas (mainly in the north), come from urban slums where they had been unemployed, or migrated from eradicated coca areas in the Guaviare department. Aerial eradication of coca could cause an exodus of 10,000 or more landless families whose livelihood is gained by picking coca leaf. USAID will assist the GOC in generating both agricultural and non-agricultural jobs for many of these landless families. Approximately 2,000 small farm families now cultivating coca are likely to remain in the area after aerial eradication, cultivating licit crops with support from the GOC.

Key Results: Alternative development is intended to encourage the substitution of licit income sources for income gained from coca or poppy cultivation. Under this activity, USAID expects that 4,100 small farmers will abandon coca cultivation for legal sources of employment. The landless hired labor of the coca plantations will migrate out of coca areas and be incorporated into the licit economy as well. Environmental activities in the former producing areas will then be refocused to support the slow process of restoring the production areas.

Performance and Prospects: Former coca and poppy growers in drug producing areas will be assisted in increasing licit, profitable agricultural/forestry/livestock production, processing and marketing. Alternative development addresses the entire commodity system by identifying opportunities and constraints related to production, harvesting, post-harvest and marketing of alternative commodities; promoting selected commodities with local farmers in target areas; and assisting in the processing and marketing of these commodities which will be undertaken through private contracts, primarily to satisfy the Colombian domestic market. The activity focuses in four areas: (1) applied research and extension on commodities with identified markets; (2) land titling and credit which permit small producers to invest in their own licit enterprises; (3) processing and marketing of commodities which provide small producers with reliable, remunerative markets; and (4) productive infrastructure (such as packing sheds and drainage systems) which supports the commodity system. Before assistance is provided to a group of small producers, the group is required to sign an agreement to eliminate illicit crop production.

In rural municipalities most affected by illicit crop production, municipal governments have lost much of their capacity

to provide public services to the local population. USAID will increase public participation and financial transparency in the municipal governments where alternative development is taking place. This will be done through management of simple grants for public infrastructure projects such as schoolrooms, health posts, potable water systems, and road or bridge construction or repair. The communities themselves will select the projects, provided that these meet criteria for encouraging citizen participation in the development of municipal decisions and actively participate in alternative development or other governance activities. Support will also be provided to municipal governments in Alternative Development target areas in planning, contracting and transparent financial management as well as citizen participation in municipal development activities, under the democracy program.

Aggressive eradication efforts are planned in 2001 against the plantation-style coca production in the southeastern department of Putumayo. For up to 10,000 plantation workers that are expected to be displaced by the continuing eradication campaign, USAID will work through NGOs to provide a benefits package that may include food, building materials, tools, and other necessities for their eventual absorption into the licit economy. For those approximately 2,000 small farmers who do not choose to leave these areas, USAID will assist the GOC to implement an alternative development program of licit crop substitution, improved local governance, and environmental management similar to the program initiated in the rest of Colombia.

The environmental effects of illicit crop production have been serious. Cloud forest has been destroyed on very steep mountain slopes in the cultivation of poppy, while moist Amazon jungle has been cleared for coca production. Indigenous communities have seen their reserves violated and parks and natural reserves have been cut over in the pursuit of illicit production. USAID will strengthen and work with Colombian non-governmental organizations, universities, and research institutions to improve management of protected areas and indigenous reserves covering over 2.5 million hectares, especially those most affected by coca production. The program will introduce economic alternatives to deforestation adopted by communities in the buffer zones around protected areas, especially those located in areas most affected by coca production, and will promote regional cooperation to protect the bio-diversity of the Amazon rainforest through regional mechanisms such as the Amazon Cooperation Treaty and participation in Amazonian Conservation Exchanges with Brazil.

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.

Other Donor Programs: The United Nations Drug Control and Prevention agency (UNDCP) has a $2 million annual budget in Colombia for policy development related to drug eradication and demand reduction in Colombia. The GOC is implementing a loan from the IDB for alternative development.

Principal Contractors, Grantees or Agencies: The GOC agency PLANTE coordinates alternative development activities on behalf of the GOC with cooperatives, local governments, and other GOC agencies including the counter-narcotics police. US contractors TBD.

Selected Performance Measures:	Baseline (1999)	Target (2001)	Target (2005)
Total voluntary abandonment of coca (ha.)	0	4,000	9,300
Abandonment of coca in Putumayo (ha.)	0	2,000	4,600
Landless families from Putumayo provided with relocation and social services	0	4,000	10,000
Buffer zones under environmental management (ha.)	0	3,000	10,000
Poppy eradication	(see performance measures under SO No. 514-003)		

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Colombia
TITLE AND NUMBER: Judicial Sector Reform, 514-002
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $4,000,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $4,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1992 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: Political and criminal violence harms Colombian society and its economy -- directly and immediately through the destructive action of the combatants and indirectly through a reduction in economic opportunities. Political violence has generated abuses of human rights that threaten freedom of expression and the right to petition for a redress of grievances. The current criminal justice system allows impunity by not prosecuting those responsible for human rights violations.

Key Results: USAID's democracy and human rights activities strike at the roots of political violence by strengthening the effectiveness of and increasing access to the justice system, promoting the enforcement and protection of human rights, and assuring that the required legislation is passed to strengthen the justice system, and enforce, protect and guarantee human rights.

Performance and Prospects: USAID's core program support for more inclusive and responsive democracy and greater respect for human rights includes activities in three areas: 1) movement to the use of oral, public trials; 2) greater access to justice; and 3) enhanced prosecution capacity. Although this activity will be completed in January 2002, the justice and human rights activities will be continued under the democracy strategic objective.

Judicial reform is one of the highest profile areas in Colombia. An immediate step to improving administration of justice, and thus reducing impunity form prosecution, is the completion of the pending reform of criminal procedures code. USAID will assist the Ministry of Justice and Colombian NGOs to include procedures that lay the groundwork for oral adversarial trials and implementation of due process guarantees in the new code. Judicial effectiveness will be increased through the introduction of oral, public trials, with a subsequent trend of increasing the quality of these trials. Oral, public trials help ensure a transparent judiciary, resistant to corruption. The transition to such trials is supported by dialogue, technical assistance and training of the Superior Judicial Council, the Prosecutor General's Office, the Attorney General's Office, and the Public Defender's Office. USAID will train prosecutors, judges, and public defenders. USAID will foster the development of a judicial culture supportive of the oral process.

Access, especially by the poor, is basic to understanding the value of the rule of law as opposed to authoritarian justice. USAID's assistance will provide greater access to justice and the rule of law by Colombia's poor majority by increasing the availability of public defenders and by increasing the number of conflicts presented to and resolved by, formally or informally, community-level offices called "Casas de Justicia" (Houses of Justice). USAID and the Ministry of Justice will improve the participation of and coordination among the agencies involved in Casas de Justicia, in addition to providing training and technical assistance in alternative dispute resolution. At the Public Defender's Office, USAID is helping to implement an information system to organize and manage defenders' caseloads, as well as train public defenders.

USAID will work with GOC entities to reduce impunity from prosecution of human rights violators. To do this, USAID will enhance the abilities of public authorities to investigate and prosecute human rights violations by guerrilla, paramilitary and military forces; as well as strengthen the national Human Rights Advisor's (the Vice President) Office, the Attorney General's office, the Human Rights Ombudsman, and the Human Rights Unit of the Prosecutor General so that they can present cases to the justice system and provide adequate follow-up. USAID will also continue to support Colombian human rights NGOs for data gathering and management, as well as public education programs on human rights.

Possible Adjustments to Plans: Progress in this core activity will depend significantly on the achievements of parallel activities financed through Plan Colombia.

Other Donor Programs: The U.N. High Commissioner for Human Rights maintains an office in Colombia. Germans, Nordics and Dutch assistance strengthens Colombian NGOs in promoting human rights.

Principal Contractors, Grantees, or Agencies: Management Sciences for Development (U.S. Contractor), Prosecutor

General, Attorney General, National Ombudsman. Superior Judicial Council, Vice Presidency (all GOC entities); Javeriana University, Georgetown University; CINEP, Fundacion Presencia, and Movimiento Conciencia (Colombian NGOs).

Selected Performance Measures:	Baseline (1997)	Target (2001)	Target (2002)
Judges trained in oral procedure	0	2,100	3,000
Public defenders trained	0	1,100	2,400
Casas de Justicia established	0	24	39
Grants to human rights NGOs	0	8	12

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Colombia
TITLE AND NUMBER: Illicit Crop Production Reduced in Target Areas, 514-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $5,000,000 (INC)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $5,000,000 (INC)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: One of the highest USG foreign policy goals in the western hemisphere is to reduce and eventually eliminate the flow of illicit narcotics into the United States. Colombia is the world's largest producer of coca leaf and is an important source of heroin for the United States. The narcotics trade contributes to official corruption, debases the police and judicial systems, and is known to have affected even the election of the Colombian president in 1994.

USAID has had substantial success in Peru and Bolivia with counternarcotics programs that use a three-pronged approach of alternative development, strong interdiction and law enforcement. Indeed, this success has contributed to effect of concentrating illicit production in Colombia. Counternarcotics efforts have had limited success in Colombia, in part due to the absence of the alternative development element. The GOC's National Plan for Alternate Development (PLANTE) initiated operations in 1995, receiving its first substantial international support (from the Inter-American Development Bank) in 1997. With the support of the Pastrana administration, USAID launched the institutional strengthening necessary to carry out alternative development efforts in Colombia.

Key Results: The core program begun in 1998 and funded in the amount of $500,000 has strengthened the institutional capacity of PLANTE through the training of its staff and the purchasing and installation of computer hardware and software in PLANTE facilities. PLANTE counterpart funds have launched support for replacement crops where poppy is produced. The $15 million follow-on program was initiated in 1999 assists 5,900 small farmer producers of poppy in the elimination of 3,000 hectares of poppy production in the high mountain ridges of southwestern Colombia.

Performance and Prospects: USAID, PLANTE, other GOC agencies and international donors will work in a more coordinated manner toward a common vision of voluntary abandonment of illicit crops in favor of licit economic alternatives. The GOC will establish a high-level, national counternarcotics coordination mechanism that brings together leaders in alternative development, law enforcement, budget, and the GOC sectoral ministries to reinforce efforts at reducing illicit crop production.

The pilot alternative development program is carried out with community groups to substitute licit sources of income for the illicit income lost as a result of abandonment of poppy in the southwest departments of Cauca, Nariño, Huila, and Tolima. The activity provides assistance through elimination agreements signed by PLANTE, municipalities, and community organizations responsible for ensuring that farmers comply with their commitment to eliminate poppy. These grants link abandonment of illicit cultivation in favor of licit economic alternatives, and finance credit for community-based private sector investment activities: small, local-level social infrastructure; infrastructure improvements (farm-to-market roads) necessary for sustained reactivation of licit economic activities; commodities, including improved seed varieties; agricultural inputs and processing; and technical assistance.

Poppy production occurs on small plots of private land, as well as within national parks and reserves in the *macizo Colombiano*, the principal watershed for the Cauca and Magdelena Rivers. Environmental activities focus on preventing or reversing the deterioration of natural resources (soil, water, flora, and fauna) caused by cultivation and processing of poppy in ecologically fragile areas.

Possible Adjustments to Plans: Progress in this core activity will depend significantly on the achievements of parallel activities financed through Plan Colombia.

Other Donor Programs: The GOC's alternative development program received a $90 million loan from the IDB in 1997, primarily for public infrastructure improvement and strengthening PLANTE operations. The United Nations Drug Control Program has been active in Colombia since 1987 with annual financial assistance of $2.5 million. The USAID-financed alternative development activities will be closely coordinated with the aerial fumigation activities financed through the State Department.

Principal Contractors, Grantees, or Agencies: PLANTE, Colombian NGOs and community groups.

Selected Performance Measures:	Baseline (1998)	Target (2001)	Target (2002)
Total voluntary abandonment of poppy (ha.)	0	2,400	3,000
Families eliminating poppy production	0	4,500	5,900

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Colombia
TITLE AND NUMBER: Earthquake Reconstruction, 514-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: On January 25, 1999, Colombia was struck by a major earthquake in the coffee province of Quindio; over 1,000 people died. In Armenia, the capital of Quindio, 37,000 families lost their homes, and in the neighboring city of Pereira, another 3,000 families lost their homes. Approximately 12,000 poor families, the cities' poorest and most vulnerable group, had their already-substandard homes destroyed. USAID provided emergency food, water, shelter and health services, and funded community day care for families who were digging out of the rubble. Reconstruction was funded with $9.5 million of CACEDRF (Central America Caribbean Emergency Disaster Relief Fund) and $2 million from ESF. With these resources USAID funded protection from landslides above the Periera aqueduct, a materials bank where NGOs could access building materials, workshops on quake-resistant housing construction and the reconstruction of community homes for preschool-aged children.

Key Results: This project will provide permanent housing for a minimum of 1,000 urban families (5,000 people) and rebuild 10 rural primary schools and 8 rural health posts.

Performance and Prospects: The project provides materials to 1,000 poor families in selected urban and rural neighborhoods, where houses will be constructed using labor from the beneficiary families and their neighbors, in areas that have been identified as being more seismo-resistant. In rural areas of Quindio province, 10 primary schools will be selected for reconstruction. The project will finance the building materials (emphasizing the use of local, indigenous building materials) for the schools, with construction labor provided by the local families. The GOC Ministry of Education will furnish the schools after they are completed and ensure that teachers are returned to the school. In rural Quindio, the GOC and USAID will select 8 primary care health posts and finance building materials, with construction labor provided by the families organized from the service area of the post. The Ministry of Health will furnish the posts to resume provision of primary care. Approximately 5,000 persons in low-income families will benefit from the new housing. The schools are expected to benefit 2,000 students of both sexes, while the clinics will serve a total population of about 40,000.

Possible Adjustments to Plans: No substantial adjustments are expected.

Other Donor Programs: In addition to $551 million in GOC resources, the IDB and World Bank reprogrammed $350 million in existing loans for reconstruction. Numerous US, European, and Latin American NGOs participated in the emergency response and reconstruction.

Principal Contractors, Grantees, or Agencies: PADCO (U.S. contractor); Colombian NGOs, universities and local construction firms.

Selected Performance Measures:	Baseline (1999)	Target (2002)
Single family houses	0	1,000
Two room rural schools	0	10
Rural health posts	0	8

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Colombia

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	20	0	0	0
Plan Colombia	0	0	97,500	90,000
Child Survival & Disease Fund	0	0	0	0
CACEDRF	0	10,000	0	0
INC	500	5,000	5,000	5,000
Economic Support funds	0	3,000	4,000	4,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**520**	**18,000**	**106,500**	**99,000**
Operating Expenses	316	647	817	1,784
Trust Funds	489	679	383	0
Total Operating Costs	**806**	**1,326**	**1,200**	**1,784**

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

Note: The Administration has submitted a Supplemental Plan Colombia request that includes $97,000,000 for Colombia in FY 2000 and $90,000,000 in FY 2001. These levels include $4,500,000 to administer the program, including the cost of additonal staff, for these two years.

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	1	2	2	2
Other U.S. Citizen	0	3	3	3
FSN/TCN	11	14	14	14

Subtotal OE Funded	**12**	**19**	**19**	**19**
Program Funded*				
U.S. Citizen	3	3	3	3
FSN/TCN	2	0	0	0
Subtotal Program Funded	**5**	**3**	**3**	**3**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**17**	**22**	**22**	**22**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

** For FYs 2000 and 2001, USAID/Colombia USDH levels will be increased by 2, and non-USDH levels will be increased by 31, with the passage of the Colombia Supplemental.

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
514-xxx More inclusive and responsive democracy							
- DA	0	0	0	0	0	0	0
- Plan Colombia	0	0	0	36,000	0	0	36,000
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
514-002 Judicial Sector Reform							
- DA	0	0	0	0	0	0	0
- Plan Colombia	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	4,000	0	0	4,000
- P.L. 480/II	0	0	0	0	0	0	0
514-xxx Alternative Development							
- DA	0	0	0	0	0	0	0

- Plan Colombia	7,000	0	8,000	11,000	0	12,000	38,000
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
514-003 Alternative Development							
- DA	0	0	0	0	0	0	0
- Plan Colombia	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- INC	5,000	0	0	0	0	0	5,000
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
514-XXX Attention to Displaced Persons							
- DA	0	0	0	0	0	0	0
- Plan Colombia	0	0	0	0	0	16,000	16,000
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- Plan Colombia	7,000	0	8,000	47,000	0	28,000	90,000
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- INC	5,000	0	0	0	0	0	5,000
- ESF	0	0	0	4,000	0	0	4,000
- P.L. 480/II	0	0	0	0	0	0	

CUBA

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

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- Program Summary
- Program/Sector Summary

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 the comprehensive economic embargo and LIBERTAD 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 1995, President Clinton announced the first USAID 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 nongovernmental organizations, for the support of individuals and organizations to promote nonviolent democratic change in Cuba." The Cuban Liberty and Solidarity (LIBERTAD) Act of 1996 further elaborates the types of assistance and support the President is authorized to provide for individuals and independent nongovernmental 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 non-cash 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 President 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 President's January 1999 measures as subversive and passed draconian 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 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 nongovernmental organizations. In 1999, Canada, China, Russia, the European Union, Japan and the United Nations Development Fund delivered more than $180 million in economic and humanitarian aid.

The United States Agency for International Development

Cuba

FY 2001 Program Description and Activity Data Sheets

FY 2001 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 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.

ACTIVITY DATA SHEET

PROGRAM: Cuba
TITLE AND NUMBER: Civil Society Developed Through Information Dissemination, 516-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,500,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $5,000,000 (ESF)
STATUS: Continuing
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 intermediate results were concluded to be necessary to achieve this objective:Cuba's Human Rights Activists: Books and other Informational materials 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: Twelve 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 issue a formal Request for Applications to solicit grant proposals from U.S. NGOs and universities for funding of exchange programs between the U.S. and Cuba, in order to promote effective forms of people-to-people contact which will 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 1999, USAID has provided $6.5 million to nineteen 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 2000, USAID grantees reported they had: transmitted informational materials to more than 200 human rights activists in Cuba; provided political prisoners and their families with more than 7,000 pounds of food and medicine; published more than 600 articles by Cuba's independent journalists; completed three exchange programs with Cuban independent NGOs; initiated international labor confederation discussions with the Cuban government concerning 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 will facilitate a significant expansion of these activities, leading to a better-informed Cuban population and a strengthening, increased reporting of government of Cuba human rights violations, and 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 1999, Canada, China, Russia, the European Union, Japan, and the United Nations Development Program delivered more than $180 million in economic and humanitarian aid.

Principal Contractors, Grantees or Agencies: 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, Cuba On-Line, CubaNet, and National Policy Association.

Selected Performance Measures:	Baseline (2000)	Target (2001)
Human rights activists provided with books and other informational materials	150 activists	250 activists
Food and medicine provided to political prisoners and their families and other victims of government repression	3,000 pounds	9,000 pounds
Articles by independent journalists published and disseminated	2,000 articles	5,000 articles
Exchange programs completed with independent Cuban NGOs	3 NGOs	12 NGOs

Cuban general population provided with newsletters and other factual information	75,000 citizens	150,000 citizens

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Cuba

Summary Tables

Program Summary Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	0	0	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
CACEDRF	0	0	0	0
INC	0	0	0	0
Economic Support funds	2,000	3,500	3,500	5,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**2,000**	**3,500**	**3,500**	**5,000**
Operating Expenses	0	0	0	0
Trust Funds	0	0	0	0
Total Operating Costs	**0**	**0**	**0**	**0**

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
516-001 Enhanced Free Flow of Accurate Information on Democracy and Human Rights							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0

- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	5,000	0	0	5,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	5,000	0	0	5,000
- P.L. 480/II	0	0	0	0	0	0	

The United States Agency for International Development

DOMINICAN REPUBLIC

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

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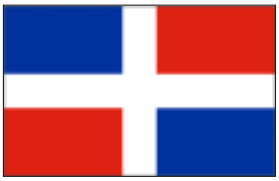
Introduction



The United States has a strong interest in a democratic, stable and economically healthy Dominican Republic. U.S. interests in the country include strengthening democratic institutions, fighting drug trafficking and money laundering, enhancing market access for U.S. exporters, combating the smuggling of aliens, controlling the spread of AIDS, reducing environmental degradation, and promoting stability in the region. The country is the United States' seventh largest export market in Latin America. The geographic proximity of the Dominican Republic means that its problems often have a direct spillover effect on the United States. The high incidence of poverty has resulted in sizeable emigration. Roughly one out of nine Dominicans is now thought to live--legally or illegally--in the United States.

The Development Challenge

The trail of destruction left by Hurricane Georges, which hit the Dominican Republic on September 22, 1998, affected virtually all regions of the country. Flooding and wind damage from the hurricane killed at least 280 people and left a further 300,000 homeless. Total direct losses were estimated at $1.96 billion, equal to 14% of the country's 1997 gross national product. Since January 1999, USAID reprogrammed funds to support NGOs to repair approximately thirty water systems in rural communities and to repair shelters. OFDA provided $2.8 million to support NGOs in preparing land for replanting plantains and assisted hurricane victims to rebuild their homes. USAID has supplied Title II food to 330,000 disaster victims. Proceeds from the sale of Section 416(b) wheat worth $16 million are being used to rehabilitate small and medium scale farming and livestock operations. Emergency Child Survival Funds of $6 million are being used to provide vaccinations, primary health care, disease surveillance, the rebuilding of water supplies, reconstruction of sanitation facilities, and other health-related activities. USAID is using $29 million of Central American and Caribbean Emergency Disaster Relief funds to support hurricane reconstruction activities in health, agriculture, housing, economic reactivation, environment and disaster mitigation.

In spite of the extensive damage caused by Hurricane Georges, the Dominican Republic continues to maintain economic growth rates of over 7% (making it the fastest growing economy in the Americas) with inflation remaining in the single digits over the last five years. This growth, however, has not been equal throughout society, focusing on only a few sectors such as the duty-free export assembly zones and communications sector. The Dominican Republic still remains one of the poorest countries in the Caribbean, with high growth rates masking a pronounced inequity in income distribution. USAID is working closely with the Dominican private and public sectors to develop national, regional and sector specific (clusters) competitiveness strategies so that the high economic growth rates that the country is currently enjoying results in sustainable and more broad based growth.

A key success over the last year is the capitalization of the state-owned electricity generation and distribution companies. Despite the success in attracting foreign investment to the electricity sector, however, the transfer to the private sector has taken place without adequate regulatory and supervisory control. Until the passage of the energy bill

submitted to Congress takes place, there are no mechanisms to protect consumer interests or to prevent the emergence of private monopolies in the field. USAID is working to ensure that the Superintendence of Electricity is prepared to take on this regulatory role once the bill becomes law.

Other key areas of policy reform include the environment and natural resource sector. Hurricane Georges underlined the fatal consequences of slash and burn agriculture, deforestation and mismanagement of watersheds. Due to the lack of environmentally sustainable methods in agriculture, forestry and land use planning, more people died, more land was washed away and more houses were lost. USAID is promoting policies that will ensure more sustainable management of natural resources and the environment.

In the area of education, only 33% of children finish grade school, and only 10% finish high school, thereby dampening sustainable economic and human growth potential. USAID will work to reform the basic education sector through initiatives that increase public demand for improvements in the quality and efficiency of services.

USAID support for family planning, HIV prevention, and the provision of water and sanitation services has contributed to notable improvements in the overall health of Dominicans in targeted areas. Nonetheless, critical health care issues remain. These include increased risk of HIV/AIDS infection among the general population, limited access to reproductive health care by youth, and inadequate water and sanitation systems, all exacerbated by limited coverage for basic preventive health care. USAID assists Dominicans to increase the use of sustainable basic health services and practices, focusing on: 1) HIV/AIDS programs to prevent infection and provide care for affected persons; 2) sustainable, targeted reproductive health services; 3) demonstration pilots to improve access to child survival interventions such as vaccinations, integrated management of childhood illnesses, control of diarrhea diseases, and treatment of acute respiratory infections; and 4) policy reforms to increase the efficiency and equity of basic health services, especially at decentralized levels.

The Dominican Government's (GODR) ability to act on economic and social issues continues to be hampered by weak state institutions plagued with patronage, large inefficient bureaucracies and inadequate financial controls. USAID-funded grassroots organizations identify, advocate and enact change on a broad range of local and national development priorities, such as improving the provision of basic services (e.g., health care, water and sanitation) and promoting decentralization. Justice sector reforms continue to reinforce an independent judiciary, now supported by key Dominican Government officials as well as civil society leaders. USAID continues to support civil society in its efforts to ensure a transparent presidential election in the year 2000 with the assistance of a network of 6,000 trained volunteers. Dominican NGOs will also receive USAID assistance in the area of advocacy and policy dialogue to enhance civil society participation in the decision-making process.

Graduation from U.S. assistance is not expected in the near term. The GODR is up-to-date on most foreign debt obligations.

Other Donors

The U.S. is the fifth largest donor to the Dominican Republic, after the Inter-American Development Bank (education, health, community development, tourism, transport infrastructure, financial sector, land titling, irrigation, hurricane reconstruction), the World Bank (education, health, roads, energy, justice reform, irrigation, hurricane reconstruction), the European Union (integrated rural and community development, private sector and NGO support, energy, water/sanitation, health, natural resources), and Japan (agriculture, health, natural resources). The United Nations Development Program, Italy, Spain and Germany are other important donors.

The United States Agency for International Development

Dominican Republic

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

With a $16.2 million request for FY 2001 (including $4 million in ESF), USAID's assistance program contributes to five Agency goals: Democracy, Population and Health, Education, Economic Growth and Environment. Principal activities include reform of the justice system, civic education and support for popular participation in democratic processes, election monitoring, reproductive health services, HIV/AIDS prevention, and policy reform analysis and dialogue in the economic, environment, energy, education and health sectors. In the aftermath of Hurricane Georges, USAID will continue to provide assistance in reconstructing the country, which contributes to the Agency's humanitarian assistance goal.

In the health sector, USAID will initiate a new reproductive health activity that builds upon the Family Planning project. USAID will work closely with the Dominican government to increase the efficiency of basic health services and redefine the role of the Ministry of Health. Support will also be given to pilot activities in sustainable water and sanitation systems for rural communities, and the expansion of the HIV/AIDS program. In the democracy area, USAID will continue supporting the development of a more effective judicial process, and strengthen civil society to advocate for the consolidation of the democratic process. Under the policy reform strategic objective, USAID will help promote reforms in the areas of economic competitiveness, basic education, energy, and natural resource and environment management. The promotion of economic reforms will assist the Dominican Republic in becoming more competitive in the global economy. USAID will also work closely with selected NGOs to advocate for greater government commitments and more effective investment in basic education. In the environment and energy area, the focus will be to provide alternative energy to the rural areas, and assist in the development of improved natural resource legislation and regulations.

ACTIVITY DATA SHEET

PROGRAM: Dominican Republic
TITLE AND NUMBER: Policies Adopted that Promote Good Governance, 517-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $1,115,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $1,800,000 (DA)
STATUS: New
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: This recently approved strategic objective combines USAID's previous energy and environment strategic objective with its special objective in economic policy reform. Increased democratic freedom and high levels of economic growth have not yet led to improved economic conditions for the majority of Dominicans, causing many to question whether democracy can produce truly sustainable economic progress and tangible improvements in the lives of ordinary citizens. Major impediments to sustained and broad-based growth exist in areas such as economic competitiveness, education, environment, and energy. The Dominican business community is unprepared to compete in global markets. The Dominican economy focuses on paying low wages to its workers in the free trade zones and attracting low-end, package tourism. This trend encourages never-ending downward spiral in wages, reduced service quality levels in the tourism sector, and inattention to related environmental issues. A major constraint to more widespread participation in the nation's economy is the lack of quality education, which is vital to reduce income

inequalities and increase entrepreneurship and competitiveness. Hurricane Georges underlined with dramatic intensity the consequences of inappropriate agriculture on hillsides, deforestation and mismanagement of watersheds. State control of the energy sector has led to costly and unreliable electrical service. Regulatory frameworks are nonexistent to provide clear signals to privatized firms and assure appropriate service levels, cost recovery, and consumer pricing. Potential benefits from rural electrification programs to diversify economic growth and promote more environmentally sound alternative renewable energy use are still lacking.

To address these concerns, USAID is promoting reforms in the areas of economic competitiveness, basic education, natural resource and environmental management, and energy privatization and regulation. Reforms in these areas will allow the Dominican Republic to compete effectively in the global economy and broaden the benefits of democracy and a more open economic system. Policy reform promotion also builds upon USAID's successful renewable energy program, the recent capitalization of the state-owned energy generation and distribution companies, and progress toward revising environmental and natural resource legislation and regulations and creating a Ministry of Environment and Natural Resources.

USAID's policy reform strategic objective supports the U.S. national interest of economic prosperity by contributing to the strategic goals of open markets, U.S. exports, and economic growth. Poverty and lack of economic opportunity are the main reasons that large numbers of Dominicans wish to emigrate. Protectionist trade policies are a major factor contributing to increasing food prices, creating even more economic pressure on those Dominicans who live below the poverty line. USAID's policy reform dialogue supports Summit of the Americas initiatives for free trade and encouraging small and micro enterprises. Basic education reform contributes to Summit initiatives that recognize the transcendent nature of education and its critical importance to economic and political reforms. Environment and energy reforms contribute to the U.S. national interests of protecting the environment and economic prosperity. USAID support for commercially viable renewable energy, as well as its policy dialogue on power system restructuring, have opened the economy to increased trade and investment, thereby promoting economic growth and providing opportunities for more investment from the United States. USAID's environment and energy objective contributes directly to the Summit of the America's partnerships for sustainable energy use, biodiversity, and pollution prevention.

Key Results: The Dominican Republic improved its score on the Heritage Foundation's Economic Freedom Index from 3.45 to 3.35 (ranking is from 5 [unfree] to 1 [free]). Four key socio-economic reform bills were introduced in Congress by the executive branch last year: a capital market law, social security reform, a code to regulate the market that includes antitrust measures, and a law for the issuing of government bonds. Unfortunately, deterioration of the political environment, in particular antagonistic relations between the executive branch and the congressional majority, has resulted in delays in the passage of key legislation. New renewable energy systems increased from 7 to 34, which was 220% beyond target. Farmer participation in soil conservation increased from 4,000 to 5,055 farmers, which was 67% over the target. Installed capacity of renewable energy and hectares treated with soil conservation practices did not reach their targets due to the negative impacts of an extensive drought starting in late 1997, followed by Hurricane Georges in September of 1998.

Performance and Prospects: Technical analyses, training, dialogue and information provided to government economic policy makers led to the initiation of key reforms and the submittal to Congress of those reforms requiring new legislation. The Dominican government sent to Congress seven bills in 1999 aimed at modernizing the functioning of the economy, including a code of consumer rights, a new Market Order Code containing antitrust measures, a new legal framework for the stock exchange and a bill covering social security reform. The government has taken further steps outside the legislative arena to open up the economy. The privatization (capitalization) of several state-run enterprises, such as all electricity generation and distribution companies, a number of sugar mills and cane fields, a wheat mill, and four international airports are among the corrective steps taken by the Dominican government. In addition, the government continues to increase budget allocations to the social sectors. While the agricultural sector remains relatively closed, USAID has provided key analyses to the GODR to assist them in working towards liberalizing food imports. USAID is also assisting the Ministry of Finance and the Dominican Stock Market on the issuance of public bonds and has funded studies on the Exchange Rate Market and provided technical assistance to the Central Bank. Over the coming years, USAID will assist the Dominican private and public sectors to: 1) develop a national competitiveness strategy; 2) carry out a competitiveness analysis and design a competitiveness strategy for the region of Santiago; 3) analyze and design a competitiveness strategy to promote linkages between private and public sector entities involved in the fruit and nut industry, which has very high export potential; and 4) design a competitive strategy for micro and small enterprises and support their initiatives to integrate into the global economy.

Encouraged by the success of USAID-funded demonstration activities in photovoltaics, several Dominican commercial firms have established businesses in renewable energy, resulting in millions of dollars worth of panels imported from the

United States. The Dominican commercial banking sector has started to demonstrate some interest in solar energy and energy efficiency. Demand for small wind systems has also increased tremendously in the country due to USAID demonstrated commercial feasibility of renewable energy alternatives. The Dominican government also created an energy regulatory body, which initiated the process of establishing environmental standards and conducting environmental audits of the energy sector. In spite of the capitalization of the electrical generation and distribution companies and the new regulatory environment, however, neither the government nor the private sector have developed plans to address the growing demand for electricity in the rural sector. Consequently, USAID will assist in providing renewable energy alternatives to address this large segment of the population through the design of a national rural electrification plan and identify opportunities for potential non-electrified rural areas.

Building on efforts in demonstrating economically attractive models for effective natural resource management with ample community participation in the design and implementation of activities, USAID will assist the Dominican government in carrying out an environmental assessment, establishing a new environmental law and implementing regulations that will correct current weaknesses in policies for natural resource management and environmental protection. USAID will promote the adoption of policies for the sustained use of the national forests and management of key watersheds. Special emphasis will be placed on the approval of market-oriented policies that enhance the generation of income from sound natural resource management.

In the education sector, USAID will work with selected NGOs to build coalitions within the broader civil society to advocate for greater government commitment and investment to reform basic education. This initiative includes working with local institutions to introduce transparency and better accountability through the decentralization of basic education.

Possible Adjustments to Plans: As this strategic objective was just recently approved, no adjustments to plans are anticipated at this time.

Other Donor Programs: The IDB and World Bank have over $100 million in funds for basic education improvements. USAID will be working closely with them in developing appropriate policy reforms and ensuring civil society participation in the reform process. The IDB has expressed strong interest in participating in USAID's competitiveness strategy activities with the Dominican public and private sectors. Spain, Germany and the European Union are providing funding in natural resources, reforestation and dry forest management. The World Bank and IDB are financing major irrigation projects as well as the expansion of the electric power system.

Principal Contractors, Grantees or Agencies: Grantees and contractors include the Santo Domingo Technological Institute, the Foundation for Economy and Development; UCLA, the University of Wisconsin and Georgia State University; the Harvard Institute for International Development, the Boston Institute for Developing Economies, Chemonics International, Inc., Monitor Company, Austin & Associates, Global Consulting, Winrock International, Enersol, The Nature Conservancy, the Mother and Teacher Catholic University, and Action for Education.

Selected Performance Measures:	Baseline (1997)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Number of identified policy reforms approved by Dominican Government (not cumulative)	0	4	6	4	4
Number of wind and micro-hydro demonstration systems installed in the country as a result of USAID funding	2 (1996)	34	60	(Indicator replaced)	
Number of farmers participating in conservation activities in project areas	360 (1994)	5,055	5,500	(Indicator replaced)	
National rural electrification plan developed	0		0	1	1
Country environmental assessment completed	0		0	1	1

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Dominican Republic
TITLE AND NUMBER: Increased Use of Sustainable Basic Health Services and Practices, 517-002
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,800,000 (DA), $2,900,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $4,300,000 (DA), $4,649,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1993 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Recognizing that basic health services, especially those provided by the public sector, are not adequately reaching the poor, the Dominican government has initiated a process of sector reform and decentralization. While capacity at the provincial and municipal levels is being strengthened through sector loans and technical assistance, the translation of these investments into better care and improved health status has yet to be felt. In addition, the country continues to suffer the impact of Hurricane Georges. The number of monthly malaria cases reported early in the year were triple the levels seen in 1998. Thousands of Dominican families lost access to potable water and sanitation systems. After three years without a case of measles, an estimated 200 confirmed cases have been reported in 1999. Finally, the Dominican Republic continues to struggle with changing the behavior of a young, sexually active population to reduce HIV transmission and unintended pregnancy. A reported 54% of adolescent boys are sexually active, averaging 3.3 partners over the last year. Nearly 30% of adolescent girls and young women are reported to have abandoned their studies as a result of pregnancy or marriage.

To address this situation, USAID's strategic objective in health responds to both immediate needs for preventive services and institution strengthening strategies to tackle structural, systemic problems of the public health system. USAID works closely with both governmental and non-governmental organizations as partners to improve basic health services, including reproductive health, HIV/AIDS prevention, and child survival. This strategic objective aims to reduce transmission of HIV and other infectious diseases, reduce unintended pregnancy, and increase utilization of basic services such as immunization, pre-natal care, growth monitoring and well-baby care. Using CSD, USAID is promoting policy reforms and pilot demonstrations to improve immunization coverage and community-based Integrated Management of Childhood Illness (IMCI). USAID expects to see increased Dominican government expenditures on preventive and primary care, implementation of decentralization and empowerment at the local level and a redefinition of the role of the Ministry of Health as a normative body.

USAID's health strategic objective contributes to the U.S. national interests of health and infectious diseases, as well as population. It is also an important contributor to the strategic goal of economic development. The Dominican Republic is one of the epicenters for HIV/AIDS infection in the Caribbean. This coupled with the high rate of travel by Dominicans and U.S. tourists between the two countries increases the risk of HIV/AIDS and other infectious diseases. USAID's health program also contributes to equitable access to basic health services, a key Summit of the America's initiative.

Key Results: HIV/AIDS/STI services are being offered at 117 delivery points (111% of target) benefiting such underserved populations as sugarcane plantations, youth, family planning users, industrial zone workers, and people living with HIV. In reproductive health, 417 peer educators (185% of target) were trained to provide adolescent reproductive health information and services to youth, parents, teachers and community leaders. The percent of families served with potable water systems in 117 communities increased from 33% to 47% (118% of target), thereby reducing diarrhea and water-borne diseases. Finally, in addition to the adoption of three new models (150% of target) for preventive health practices, the Ministry of Health has decentralized health services to the provincial level.

Performance and Prospects: HIV prevalence projections for the year 2000 forecast national seroprevalence at 2.5%, a significant decline over earlier estimations of 4.5%. Although this promising news needs to be validated with more in-depth studies, it suggests that prevention interventions of the past several years have had an impact on the rate of infection. During 1999, USAID supported the development of a new National AIDS Strategy with participation from a broad spectrum of stakeholders. The strategy was presented and discussed at a National Health Forum to gain multi-sectoral support to fight against this epidemic. In addition to working at the community level to provide educational services to both the general population and high-risk populations, USAID's HIV/AIDS prevention program expanded its scope to include support and services to individuals and families affected by the disease. During the past year, a local nongovernmental organization has formed self-help groups that have reached 515 HIV+ persons and 754 family members. At the policy level, another local organization conducted training for state court justices and attorney generals on the AIDS law. USAID is also supporting voluntary counseling and testing in public maternity hospitals and prepackaged treatment for sexually transmitted infections. The results of these two pilot activities will be assessed to expand the number of sites and incorporate the protocols into national norms.

Continued expansion of post-partum reproductive health services reached fourteen maternity hospitals in 1999, an increase over ten the previous year. As part of an effort to increase access and quality of reproductive health services offered by the Dominican Social Security Institute, USAID introduced a Performance Improvement (PI) approach, which is a methodology used to identify problems in the performance of primary care providers, the causes of these problems, and the interventions that can be applied to address these causes. Early results in using this approach show a 62% increase in client satisfaction and a 200% increase in provider knowledge. These promising results have heightened Ministry of Health interest in adopting the PI approach nation wide. In addition to community-based and clinical reproductive health services provided by NGOs, USAID funded a demonstration project whereby three NGOs were contracted to provide training, logistics and medical services at the provincial levels. The lessons from this project will help further public-private collaborations sought under the reform program. At the policy level, a seminar on population projections for 80 members of Congress was held during National Population Week. The event raised awareness on the critical aspects of demographic changes occurring among the Dominican population.

USAID also launched a national communication strategy, called Proyecto Si (Project Yes), to improve self-esteem and change adult attitudes toward youth. In 1999, youth committees were formed in three major cities to develop strategic plans on applying this strategy to local conditions. During the next year, activities are being planned in three priority areas: health, recreation and employment.

Using CSD, USAID is endorsing its "Total Community Participation" model to establish sustainable water and sanitation systems for rural and peri-urban communities. USAID is providing technical assistance to the Dominican Water Authority to adopt the model for all systems built or rehabilitated by the Dominican government.

Over this past year, USAID provided technical assistance to the Dominican government to develop a monitoring and evaluation system for health reform. This system clearly outlines the key objectives of the reforms with indicators that will be tracked. The development of this monitoring and evaluation system was a highly collaborative effort that has assisted consensus building and opened the debate to all stakeholders. In addition, using CSD USAID is working in four provinces to develop models for decentralization. Using a participatory self-assessment approach, the provinces have defined their weaknesses in management, supervision, quality control and public/private partnership. Based on these assessments, each province has developed a plan to improve performance. The lessons learned from their experiences will be diffused to the other 30 municipal and provincial health directorates. USAID will continue to assist in the decentralization effort at the provincial level and provide support for health policy advocacy and analysis.

Possible Adjustments to Plans: In FY 2000 a new reproductive health activity will be developed to ensure continued provision of services to specific, vulnerable segments of the population. This activity will address the sustainability of NGO partners and reinforce the health reform process.

Other Donor Programs: In the area of sector reform, USAID's funding complements large multi-year loans from the World Bank and the Inter-American Development Bank that total over $100 million. Loans have also been secured in the water sector to continue to expand access and rebuild damaged systems from Hurricane Georges. USAID, UNAIDS and the EU are coordinating assistance to the GODR in producing situational and response analyses for HIV/AIDS. In the areas of HIV prevention and reproductive health, collaboration with UNAIDS, UNICEF, and UNFPA remains critical to maximize scarce UN resources and implement policy reforms. USAID works very closely at the technical level with PAHO, especially in the areas of reform and decentralization, adolescent reproductive health, immunization and integrated management of childhood illness. In the past year USAID has begun formalizing a Japanese-US Common Agenda platform in the Dominican Republic with the Japanese government. The Japanese have agreed to fund two Grassroots Grants to USAID-supported NGOs and a possible Child Health Grant for vaccines in 2000. Finally, a German-financed reproductive health project planned in 1996 will finally commence in 2000 in the eastern part of the island.

Principal Contractors, Grantees, or Agencies: Current grantees and contractors include the Academy for Educational Development, Development Associates, Entrena and ABT Associates.

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Number of delivery points offering STI/HIV/AIDS services	94 (1997)	117	(indicator replaced)		

Number of volunteers trained to provide adolescent reproductive health information and services	50 (1994)	417	527	(indicator replaced)	
Percent of families served with potable water systems in target areas	26%	47%	44%	(indicator replaced)	
New Indicators:					
Total health expenditure incurred in prevention program	6.2%	--	N/A	7%	8%
Married women (15-49) using a modern contraceptive method	59%	--	64%	65%	67%
Sexually active population practicing low risk behavior for HIV/AIDS/STI					
Men	67%	--	68%	70%	71%
Women	72%	--	83%	84%	85%
Children 12-23 months of age vaccinated with diphtheria, pertussis and tetanus	58%	--	61%	62%	63%

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Dominican Republic
TITLE AND NUMBER: More Participatory, Representative and Better Functioning Democracy Achieved, 517-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,285,000 (DA), $3,000,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $3,686,000 (DA), $4,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: Although the Dominican Republic cannot yet be termed a consolidated democracy, elections have resulted in the transfer of political power over the past two decades. The 1996 presidential and 1998 congressional and municipal elections were held with a high degree of transparency. However, given the prevalence of clientelism within the political parties, together with the general weakness of most state institutions, this strategic objective continues to focus on enhancing the capacity of civil society, increasing local capacity to monitor elections, and strengthening the rule of law and respect for human rights. Civil society groups need to acquire greater expertise in advocating for, and monitoring progress toward, the consolidation of democratic gains in the electoral process, the independence of the judiciary, and the modernization of the legislature and local governments. In addressing these problems, all Dominicans will benefit from a strengthened democratic system and a lively, active civil society better able to defend political and civil liberties against authoritarian encroachments.

USAID's democracy and governance strategic objective addresses the U.S. Embassy's top priority national interests of democracy and human rights, and law enforcement. Strengthening democratic institutions assures adherence to the rule of law and respect for human rights. It also contributes to the reduction in criminal activity detrimental to the United States, including drug trafficking and money laundering. Promoting the rule of law also expands opportunities for U.S. commercial interests and protects U.S. citizens in property and investment disputes. Effective government institutions and respect for human rights promote increased economic and social stability, while also discouraging migration to the United States. Strengthening democracy, promoting and protecting human rights, invigorating society and community participation, and combating corruption are all Summit of the Americas initiatives that this strategic objective strongly supports.

Key Results: The Dominican Republic's Freedom House score improved from "partly free" to "free". The Supreme Court replaced over two-thirds of all lower-court judges using rigorous written and oral exams, public hearings, background checks and extensive consultations with community groups. Women now comprise 34% of all judges, including one-third of the Supreme Court. The large number of poll monitoring volunteers (11,000 volunteers, 110% of target) and the unquestionable legitimacy of the Congressional and municipal election outcomes reflected growing civil society support for more genuine and competitive electoral processes. Finally, close to half of all Dominican adults (2,020,000

citizens) participated in the USAID-funded Democratic Initiatives Project, with 57% of these participants being women.

Performance and Prospects: Since USAID began supporting justice sector reforms and modernization beginning in 1997, remarkable advances have been made in strengthening judicial organizations and rule of law. Modest USAID resources have successfully catalyzed Dominican state and civil society funded initiatives to modernize the criminal justice system while deepening independence of the Judiciary from special interests. Strong coordination between key Dominican government officials and an active and lively civil society has defended the justice sector reform agenda from anti-reform backlashes. The achievements of the past two years are by regional standards unprecedented. Key achievements over the last year include: a Judicial Career Law enacted; an Inspector General of Tribunal organization created; National District Public Ministry (National Prosecutors) offices modernized; a Career Law for prosecutors drafted based on best regional practices and presented to the Executive for approval; a state funded Public Defense organization created; a Public Defense system bill drafted and presented to Congress for enactment; a modern adversarial system based Criminal Code and Criminal Procedures Codes drafted in an extraordinary joint venture between government and civil society; 22 trial courts and all prosecutor offices in the National District with improved administration; time to trial was cut in half in the National District and is projected to be reduced further with the introduction of a USAID-funded automated criminal case tracking system; and a community based conciliation and mediation center was designed and established with program assistance and GODR funding and is the model for a future national system. This and other alternative dispute mechanisms have reduced the inflow of criminal cases by more than half in the National District. Accordingly, through 2002 the program will build upon these impressive achievements.

The efforts of the USAID-funded local organization, Citizen Participation, to recruit, train, and certify electoral observers, and to maintain their now customary high standards in conducting quick and parallel counts, represented a major contribution to the totally legitimate and unquestioned Congressional and municipal elections in all 115 municipal districts. Citizen Participation incorporated 11,000 Dominicans in its electoral observations. Over half of the volunteers were women. More than one hundred NGOs assisted directly in the observation process, together with more than twenty groups of various religious denominations. The technical staff used on election day for data input and processing consisted almost exclusively of hundreds of boys and girls between the ages of 14 and 17, thus freeing up the adults to attend the polls. In preparation for the presidential elections in 2000, USAID is supporting Citizen Participation in its comprehensive electoral observation program. Activities include observation of political parties' primary elections, publication of an electoral Code of Ethics, compilation of biographies of electoral board members, and training campaigns for 6,000 pollwatchers. This civic movement is collaborating with the USAID-funded Democratic Initiatives (DI) project - which supports civic education among community groups - in a two-part national campaign to encourage the examination of political platforms during the elections and the implementation of those platforms after the elections are held.

Dominican civil society has taken firm steps toward consolidating those spaces where organizations and institutions can voice concerns, develop action plans, and exchange lessons learned. Two events that took place last year - both sponsored by the DI project - serve as prime examples of how USAID partners continue to expand the number of involved, engaged citizens: 1) Conscientious Vote Day -- 256 NGOs countrywide participated in a day of workshops around the issue of citizen rights and duties in the light of the upcoming elections; and, 2) Our Ideal Municipality - fifteen community organizations, in collaboration with several hundred NGOs, held over 300 workshops around the topic of citizen participation in municipal development. Both events required ample preparation of printed materials, training of facilitators, massive media campaigns, and close monitoring of all activities to guarantee optimal use of resources nationwide. Approximately 35,000 people participated in these two events, which in turn paved the way for further NGO action around issues of citizens' rights (e.g., local participation) and responsibilities (e.g., elections). Through the DI project, USAID will continue to foster participatory grassroots democracy through activities to educate and motivate Dominican citizens in the practice of democratic values and civic responsibilities. USAID is promoting civic education among high-school students in rural and urban areas in cooperation with the Department of State's Public Affairs Office and the Civic Education Center of Los Angeles. Under this activity, USAID has also undertaken a new initiative that seeks an inclusive dialogue among government policy-makers, the private business sector, and grassroots and community groups on the topics of economic and educational reform, environmental protection, and resource management.

Possible Adjustments to Plans: Progress has been made towards a true separation of state powers, one of the major structural changes required to achieve a consolidated democracy. Civil society must now widen its expertise in the areas of public advocacy, policy dialogue, respect for human rights and participatory decision-making.

Other Donor Programs: The IDB is providing $40 million for a land registry and valuation program. The World Bank has contributed nearly $180,000 for justice reform. France and Spain have also contributed to improving the justice system. The IDB is providing funds for civil society advocacy efforts. The European Union is expected to provide funds for

democracy and governance programs over the next few years.

Principal Contractors, Grantees or Agencies: Current contractors and grantees include the National Center for State Courts, Chemonics International, Florida International University, Casals and Associates, the Foundation for Institutionality and Justice, Citizen Participation, the Interamerican Institute for Human Rights, and the Mother and Teacher Pontifical Catholic University.

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Average number of months for case disposition in criminal courts (National District)	13.8	6.5	6.5	6.0	5.5
Number of cases where service is provided by certified public defenders	800 M=443 W=357	1,301 M=834 W=467	2,000	4,000	8,000
Percent of citizens participating in USAID-funded Democratic Initiative Project activities		48.6% M=864,300 F=1,145,700 (baseline)	53%	55%	55%
Number of citizens involved in monitoring elected officials at national and local levels*	5,000	10,000	N/A	6,000	8,000

*The number of pollwatchers for the 1998 elections was set at 10,000 due to the large number of poll sites needed for congressional and municipal elections. Presidential elections for 2000 require fewer sites and, therefore, fewer observers.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Dominican Republic
TITLE AND NUMBER: Hurricane Georges Reconstruction, 517-005
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2001

Summary: On September 22, 1998, Hurricane Georges entered the Dominican Republic from the southeast with winds of up to 120 miles per hour. Over a twelve-hour period, it wreaked havoc across the country. Heavy winds severely damaged the eastern region, while the southwest suffered from extensive flood damage. At least 280 people have been confirmed dead. Total direct losses are estimated at $2 billion and total economic losses at $3.3 billion. All socio-economic areas suffered: approximately $474 million in agricultural infrastructure and production losses; $380 million in destroyed and damaged homes; $46 million in electricity losses; $34 million lost in educational infrastructure; rural health care centers damaged and destroyed; hospitals suffered major damages; water systems were made inoperable; communicable and water-borne diseases increased; and thousands of homeless people sought shelter. Over a million Dominicans are estimated to be at risk in terms of their health due to the hurricane. The purpose of this Special Objective is to mitigate damages from Hurricane Georges. This program will focus on those in most need in the areas hardest hit by the hurricane, principally in the southwest, east and the National District.

Key Results: Five key intermediate results are necessary to achieve this objective: 1) Mitigation of Health Risks: Number of people in targeted communities who will be provided with access to rebuilt potable water systems and sanitation systems; 2) Restoration of Shelter: Number of homes in targeted communities that will be built or repaired; 3) Restoration of Food Supply Levels: 300,000 Dominicans will receive emergency food by 1999; 4) Reactivation of Economic Activities: Number of small farmers in targeted areas receiving assistance to rehabilitate their farms and improve their livestock and agricultural productivity practices; and 5) Disasters Mitigated: Number of hectares of land

treated with improved soil conservation and management practices in affected areas, including reforestation.

During 1999, USAID funds were used for agricultural rehabilitation, the provision of temporary shelters, and emergency food assistance. A total of 700 m2 of land was leveled to install sawmills, 3,000 meters of roads were rehabilitated, and 1,200 meters of roads were built in order to extract trees felled during the hurricane. To provide temporary shelters, a total of 2,916 houses and 2,432 latrines were repaired or reconstructed. Also, a total of 16,500 MTs of P.L. 480, Title II emergency food (which included rice, beans, vegetable oil, fortified cereal products, wheat and peas) was distributed to 330,000 Dominicans through the World Food Program and the Red Cross. In addition, a total of 100,000 MTs of U.S. Department of Agriculture (USDA) Section 416(b) wheat was delivered and sold to local millers. The funds generated from the sale of this wheat (valued at approximately $16 million) are being used to rehabilitate small and medium scale farming and livestock operations throughout the country. To date, nine projects have been approved totaling approximately $8 million. These initial projects focus on rehabilitating coffee, cocoa and sugar cane producing areas, replanting lost crops, agroforestry/reforestation, replacing livestock, and rehabilitating rice-processing factories.

Performance and Prospects: In May 1999, $29 million of the Central American and Caribbean Emergency Disaster Relief Funds (CACEDRF) was allotted for hurricane reconstruction in the Dominican Republic to mitigate the damage caused by Hurricane Georges. In August 1999, USAID/DR signed a bilateral agreement with the Dominican government that obligated the $29 million. USAID/DR is currently sub-obligating these funds through various contractors and NGOs. USAID is using $6.8 million of the CACEDRF to reduce the health risks of hurricane victims. These funds are for activities aimed to reduce the general population's risks linked to vector-borne and infectious diseases, to provide access to potable water, and to rebuild sanitation systems in impacted communities. Assistance is also being used to reinforce a decentralized, epidemiological surveillance system to control hurricane-related diseases and to set-up a Nutritional Surveillance System in response to the increased risk for malnutrition. A total of $7.8 million is being used to assist hurricane victims in repairing and reconstructing their houses. $7.3 million is being used to reactivate economic opportunities of needy people affected by Hurricane Georges. Most of these people are small farmers who lost their crops and face the grim prospect of resuming farming activities under difficult economic conditions on severely degraded soils. In addition, planned activities will support the self-help efforts of microentrepreneurs who need technical assistance and training to undertake or resume their income-producing activities. In the energy sector, approaches focus on water pumping for villages and provisions of electricity and communication services for rural schools and community commercial centers. A total of $4.4 million of the Central American and Caribbean Emergency Disaster Relief Funds is being used to address environmental concerns and to contribute to disaster mitigation efforts. Assistance focuses on stabilizing soils where erosion threatens infrastructure and agriculture and reducing fire risk from hurricane-damaged timber. Efforts also focus on establishing an improved disaster coordination mechanism among the various GODR agencies and civil groups so that disaster response is more timely and efficient. This effort includes strengthening the capability and readiness of non-governmental and community-based organizations so they can help Dominican communities prevent, mitigate and prepare for future disasters.

As was the case with Hurricane David in 1979, well-intentioned hurricane relief can easily become paternalistic and foster dependency if proper design and planning efforts are not undertaken. Reconstruction assistance provided under this program ensures customer ownership and the fostering of joint nongovernmental organization and Dominican government efforts.

Possible Adjustments to Plans: Given the short period of time to implement the Reconstruction Program, one possible change to plans may be an adjustment of funding between sectors, depending on how quickly activities are being implemented.

Other Donor Programs: The IDB and World Bank are providing soft loans to the Dominican government of $117 million and $110 million respectively to assist in the reconstruction effort. Funds from the World Bank are for school reconstruction, roads and bridges, irrigation and water management, and municipal health services. IDB funding will be used for reconstruction of roads and bridges, urban water systems, electricity lines, social spending, community rehabilitation, and disaster mitigation planning. The International Monetary Fund provided an emergency credit line of $55 million. The European Union is providing $42 million, mostly for infrastructure rehabilitation, and small amounts in light construction materials, water purification and emergency relief. Spain provided $21 million for loans for humanitarian aid, small businesses, agriculture, and communications. The United Nations is providing $12 million for social, community and agricultural development.

Principal Contractors, Grantees, or Agencies: Grantees, contractors and participating agencies include the Pan American Health Organization, John Snow International, Cooperative Housing Foundation, National Rural Electrification Cooperative Association, International Resource Group, ENTRENA, S.A., the U.S. Peace Corps, U.S. Army Corps of

Engineers, and the U.S. Department of Agriculture.

Selected Performance Measures:	Baseline (1998)	Target (2000)	Target (2001)
Percentage of homes in benefited communities provided with adequate water supplies	0%	(indicator replaced)	
Percentage of homes in benefited communities provided adequate health care services	0%	(indicator replaced)	
Number of Dominicans receiving Title II emergency food [1]	0	300,000	

Selected Performance Measures:	Baseline (1998)	Target (1999)	Target (2000)	Target (2001)
Number of people in targeted communities who will be provided with access to rebuilt potable water systems and sanitation systems (cumulative)	0	37,000	57,000	92,000
Number of homes in targeted communities that will be built or repaired (cumulative)	0	0	2,000	5,000
Number of small farmers in targeted areas receiving assistance to rehabilitate their farms and improve their livestock and agricultural productivity practices [2]	0	TBD	TBD	TBD
Number of hectares of land treated with improved soil conservation and management practices in affected areas, including reforestation [3]	0	TBD	TBD	TBD

[1] This indicator does not have a 2001 target because the food distribution program is expected to end in 2000.
[2] Proposals are currently being received. Firm targets will be provided within a month.
[3] Proposals are currently being received. Firm targets will be provided within a month.

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Dominican Republic

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	8,292	5,998	7,200	9,786
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	2,470	9,085	2,900	4,649
CACEDRF	0	29,000	0	0
INC	0	0	0	0
Economic Support funds	2,500	2,300	3,000	4,000
P.L. 480 Title II	0	10,827	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**13,262**	**57,210**	**13,100**	**18,435**
Operating Expenses	1,671	2,370	2,308	2,436
Trust Funds	750	187	325	0
Total Operating Costs	**2,421**	**2,557**	**2,633**	**2,436**

Note: FY 2000 OE - $300,000 Hurricane Supplemental

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	6	6	7	6
Other U.S. Citizen	0	0	2	2
FSN/TCN	45	41	44	44
Subtotal OE Funded	**51**	**47**	**53**	**52**
Program Funded*				

U.S. Citizen	4	4	8	8
FSN/TCN	11	11	25	25
Subtotal Program Funded	**15**	**15**	**33**	**33**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**66**	**62**	**86**	**85**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
517-001 Policies Adopted that Promote Good Governance							
- DA	1,300	0	500	0	0	0	1,800
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
517-002 Increased Use of Sustainable Health Care Practices							
- DA	0	4,300	0	0	0	0	4,300
- DFA	0	0	0	0	0	0	0
- CSD	0	4,349	0	0	300	0	4,649
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
517-003 Better Functioning Democracy							
- DA	0	0	0	3,686	0	0	3,686
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	4,000	0	0	4,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	1,300	4,300	500	3,686	0	0	9,786
- DFA	0	0	0	0	0	0	0

- CSD	0	4,349	0	0	300	0	4,649
- ESF	0	0	0	4,000	0	0	4,000
- P.L. 480/II	0	0	0	0	0	0	0

The United States Agency for International Development

ECUADOR

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

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Introduction

U.S. assistance to Ecuador is playing a critical role in serving several key areas of U.S. national interest. These include the consolidation of the Ecuador-Peru Peace Accords; strengthening of the judicial system to reduce corruption and improve the investment climate; improved management of natural resources to secure a sustainable environment; and reduction of drug trafficking and money laundering resulting from Ecuador's strategic location between Colombia and Peru.

The Development Challenge

USAID's program is addressing many of the economic, political, health and environmental problems that have been confronting Ecuador over the past few decades. These include widespread corruption, stagnant economic growth, extreme poverty, rapid population growth, high unemployment and poor income distribution (which is considered the worst in the Andean region). Ecuador's inability to resolve these problems has put its fragile democracy at risk. The country's poor majority, in particular the indigenous peoples of the highlands, have become increasingly organized and vocal in expressing their demands. Additionally, as the landless poor seek to meet their basic economic needs through unsustainable methods, unique biological diversity is further threatened.

Unfortunately, as a result of the current economic and banking crisis in Ecuador (which has had a greater negative impact on the country than the Great Depression did in 1929 did on the U.S.), these problems have worsened in 1999. As economic activity decreased by 7-8% and the currency depreciated by 195%, per-capita income in dollar terms plummeted by 32% during the year. Unemployment increased from 9% to 17% and underemployment increased from 49% to 55%. Consumer based poverty indicators show an increase from 34% in 1995 to 46% in 1998, or about six million people. Rural poverty increased the most from 56% in 1995 to 69% in 1998, while urban poverty increased from 19% to 30% in the same period. Of the six million poor, roughly two million live in extreme poverty, i.e. they could not meet their basic nutritional requirements even if their entire incomes were spent on food. Additionally, income distribution in Ecuador is among the worst in the Andean region, with roughly 80% of the income share of GDP accruing to approximately 20% of the population. The general populace has watched in awe as 1.6 billion dollars of Government of Ecuador (GOE) funds were used to bail out banks that failed as a result of corrupt practices and mismanagement. Weak democratic institutions, particularly the justice sector, have permitted widespread, endemic corruption and tax evasion to continue unabated. This has fueled random displays of public discontent among the country's poor and led to significant increases in crime rates, particularly on the coast. Combined, these factors have put Ecuador's fragile democracy at risk.

As Ecuador's fiscal deficit reached 6.2% of GDP in 1999 and the GOE delayed paying salaries to public school teachers and health workers, frequent strikes closed down public schools and hospitals. The money supply increased at an annual rate of 170% to pay back depositors of failed banks. In March of 1999, the GOE froze bank deposits to avoid hyperinflation. Despite the crisis, the Ecuadorian Congress only begrudgingly increased the value-added tax from 10%

to 12% and barely managed to approve the 2000 budget proposal. All efforts to privatize state-owned major utilities have been basically put on hold by Congress. This situation has seriously impeded efforts by the GOE to achieve a Stand-by Agreement with the International Monetary Fund (IMF). The absence of an IMF agreement has blocked one billion dollars in financing from the International Development Fund (IDB), International Bank for Reconstruction and Development (IBRD) and the Andean Development Corporation (CAF), and effectively stopped renegotiations of Paris Club Debt (including U.S. debt) in the amount of $498 million. The country's debt to domestic and foreign creditors excee ded 124% of GDP and debt servicing reached 54% of the national budget. In October, the GOE defaulted on all of its debt payments unilaterally declaring a debt moratoria on its Brady and Euro Bonds, and restructured by decree domestic debt payments to the Ecuadorian private sector. The country's external debt increased to $17 billion during 1999. After debt servicing, military expenditures and federal salaries, little or nothing was left in the budget for badly needed social sector programs in education and health.

By the end of 1999, President Mahuad's acceptance rating was at 9%. Unresolved economic, financial and political problems led to massive protests that resulted in his departure from office on January 22, 2000. The Congress subsequently ratified the Vice-President, Gustavo Noboa, as President. In this challenging context, USAID is targeting economic assistance to helping Ecuador to overcome the current crisis: judicial and financial sector transparency and anti-corruption, border region development with Peru and consolidation of the 1998 Peace Accords; key environmental policy reforms; poverty alleviation and volcano disaster relief. The support for the Ecuador-Peru Peace Accords is an emerging challenge as the GOE has requested that USAID play a leadership role with other donors in fostering border integration. These increased demands on a drastically downsized Mission, along with the phase out of assistance in microenterprise, health care and urban environmental protection in FY 2000, are major challenges USAID/Ecuador will have to meet during FY 2001.

Other Donors

USAID provides about 12% of donor assistance to Ecuador and ranks fourth among multi- and bilateral donors. The bulk of other donor funding (grant and loan) is provided by the IDB (industry, environment, health, potable water, education, microenterprise and democracy), the CAF (infrastructure and banking), the World Bank (industry, environment, education, health, potable water and democracy), Japan (energy and health) and Spain (transportation and telecommunications). USAID assistance plays a catalytic role by influencing the planning, design and implementation of other donor programs and by leveraging the significant assistance they are able to provide. For example, through a modest ESF-funded institutional strengthening program with the Deposit Guarantee Agency (DGA), USAID has successfully engaged the IDB and the World Bank to start negotiating a $10 million dollar technical assistance loan to restructure the country's banking system. This activity significantly improved U.S. coordination and leverage with the IMF, IDB and the World Bank.

The United States Agency for International Development

Ecuador

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

In FY 2001, the USAID program will focus on key activities in the strategic areas of democracy, Ecuador-Peru regional development, environment, and family planning. USAID's partners, which are largely non-governmental organizations, will work with the GOE to ensure that needed reforms are adopted and implemented. Specifically, USAID will:

- Promote a more fair and effective criminal justice system that reduces systemic and deep-rooted corruption and increases judicial access and legal defense;
- Support the Ecuador-Peru Peace Accords through improvement of social and economic conditions of border area inhabitants;
- Promote biodiversity conservation policies and models that will be replicated by the GOE and other donors; and
- Support long-term financial sustainability of family planning services.

ACTIVITY DATA SHEET

PROGRAM: Ecuador
TITLE AND NUMBER: Biodiversity Conserved in Selected Protected Areas and Their Buffer Zones, 518-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,500,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $6,096,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: With only 2% of South America's geographical area, Ecuador contains numerous habitats of globally and regionally outstanding biological value. This environment, however, is seriously threatened, since Ecuador has the highest population density, the third highest population growth, and one of the lowest per capita GNP incomes in South America. Ecuador suffers the highest rate of deforestation among the Amazonian countries (1.2% or over 200,000 hectares per year) as a result of agricultural expansion by landless poor, timber extraction, and petroleum production. The purpose of this Strategic Objective (SO) is to conserve the biodiversity in selected protected areas and their buffer zones and to develop models for replication throughout Ecuador. With the replication of these models by the Government of Ecuador (GOE) and other donors, ultimate beneficiaries will be the majority of the nation's poor, especially women, children and Ecuador's indigenous communities who directly depend on sustainable use of natural resources.

Key Results: Key intermediate results will be a strengthened capacity of targeted non-governmental organizations (NGOs) and civil society organizations (CSOs) active in biodiversity conservation; the adoption of economically viable natural resources management (NRM) practices; and key policies and legal frameworks introduced and/or implemented to conserve biodiversity. It is estimated that total funding for conservation activities implemented by key partners (NGOs/CSOs) will have increased from $1.1 million in FY 1997, to $3.8 million in FY 2003 and that the administrative and financial capabilities of these partners will have been significantly strengthened. By the end of FY 2003, 2,205,900 hectares of land in selected protected areas and their buffer zones will be under participatory natural resources management plans. Also, 341,000 hectares of community land will be under legal title in the buffer zones outside of

selected protected areas.

Performance and Prospects: With USAID support, some critical steps towards improved NRM and biodiversity protection have been taken. Of particular significance is the development of the national legal framework that enables the demarcation of community lands. The paralegal program has trained and assisted local people in community law and legal advocacy on issues such as land titling and natural resource access rights. Partner NGOs have developed coalitions of community groups, local governments and private enterprises that will be better able to influence GOE policy and achieve economic sustainability of natural resources while preserving Ecuador's biodiversity. Ecuadorian NGO partners have been strengthened. Activities in the Cotacachi-Cayapas (RECC), Antisana, and the Cayambe-Coca (RECAY) Ecological Reserves are strengthening secondary-level organizations to test and extend models of sustainable biological resource use. Resource management plans have been completed for 938,300 hectares in and around the ecological reserves. Indigenous communities have received formal, legal title for 24,000 hectares of ancestral lands, also located in and around the ecological reserves. Agroforestry/garden plots have been implemented in communities in the buffer zones. Commercialization activities are now producing significant results as community forestry initiatives are helping local communities in the RECC buffer zone to obtain an increase in profits from sustainable forestry operations, ecotourism, cheese making, and handicraft activities. USAID successfully sponsored the establishment of an endowment fund through water-user fees collected for the management and protection of RECAY/REA, which is the major source of water for greater metropolitan Quito. Community park guards are bolstering the weak park protection system with assistance from USAID partners and second-level organizations. The Galapagos Marine Reserve has been designated as a protected biological area. The Special Law for the Galapagos Islands, which, among other important aspects, prohibits commercial fishing within forty miles of most parts of the islands and empowers local institutions to take the leadership in the affairs of the archipelago, was approved by the Ecuadorian Congress and published in the Official Register. Since its approval in Congress however, nineteen months have gone by without implementing regulations signed by President Mahuad. The main reason for the delay is the opposition pressure from commercial fishermen who want to fish within the forty-mile radius of the Galapagos Marine Reserve. Because the general framework for the Galapagos Regulations has not yet been signed, specific regulations to control immigration, quarantine of products brought to the islands, etc could not be presented to the President and the enforcement of the new Galapagos Legislation is more difficult and, in some areas, impossible.

Relations between scientists at the research station and local fishermen in the Galapagos have greatly improved and a result of this is the discussion, development and approval of the Galapagos Marine Reserve Management Plan. In addition, USAID contributed to the establishment of a capital fund for the benefit of the Charles Darwin Foundation in the Galapagos Islands to guide the development of the sustainable, scientifically based, participatory management of the Galapagos ecosystem. USAID is also assisting the Ministry of the Environment to establish policies, strategies and legislation for sustainable forestry development and biodiversity conservation in Ecuador.

USAID will continue ongoing activities in the protected and buffer zone areas of the RECC and the RECAY/REA to develop replicable models. Ecuadorian partner 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 and efforts 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. Also, it is expected that stakeholders will implement the Galapagos Marine Reserve Management Plan.

Possible Adjustments to Plans: None contemplated.

Other Donor Programs: Host country, other donor and NGO contributions to achieve the SO total over $2 million. Complementary contributions include World Bank and IDB funds exceeding $28 million. The World Bank, through its Global Environmental Facility, is financing a biodiversity protection project, which complements USAID-supported activities in the Galapagos, RECC and RECAY. In addition, the IDB is financing a feasibility study that may lead to a loan of up to $15 million for environmental activities in the Galapagos. Although USAID provides only a small proportion of total donor assistance in this sector, USAID environmental activities are on the cutting edge and lay the groundwork for other major donors. For example, the IDB is capitalizing on the solid waste management and quarantine studies previously supported by USAID in the Galapagos to expand this activity.

Principal Contractors, Grantees or Agencies: USAID funding is provided principally to U.S. and Ecuadorian NGOs. Key partners include CARE/Ecuador, The Nature Conservancy (TNC), and the Charles Darwin Foundation. Both CARE and

TNC have developed strong working relationships with Ecuadorian partners (e.g. EcoCiencia, Jatun Sacha, Antisana Foundation, Rumicocha Ecological Foundation, Arco Iris Foundation, and Natura Foundation) which, in turn, work with local customers, e.g. 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.

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Hectares of land in selected areas and their buffer zones under participatory NRM plans	(1996) 70,000	844,400	1,203,400	1,341,300	1,389,300
Increased number of hectares under legal title in the buffer zones outside of selected protected areas	(1998) 13,000	13,000	23,000	33,000	41,000
Key policies, legal frameworks and enforcement mechanisms to improve biodiversity conservation prepared, modified and introduced	(1997) 6	20	20	23	25

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Ecuador
TITLE AND NUMBER: : Increased Use of Sustainable Family Planning/Maternal Child Health Services, 518-002
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $6,800,000 (DA), $550,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2001

Summary: This SO was scheduled for phase-out at the end of FY 2000. However, a one-year limited extension of SO 2 "Increased use of sustainable family planning/maternal child health services" to the end of FY2001 was approved by AA/LAC on October 15, 1999, in order to continue supporting the two largest family planning NGOs in Ecuador, Association for Ecuadorian Family Well Being (APROFE) and Medical Center for Orientation and Family Planning (CEMOPLAF). This one-year extension may become insufficient to achieve full sustainability of targets by 2001, in the wake of the sharp depreciation of the exchange rate by 195% in 1999 and the inflation rate that reached 61%. Health activities under SO 2 will come to an end by September 30, 2000 as planned, including bilateral assistance to the Ministry of Health (MOH), CARE and Center for the Studies of Population and Social Development (CEPAR) Cooperative Agreements.

The purpose of extending assistance under this SO is to increase the use of sustainable, voluntary Family Planning (FP) and Maternal Child Health (MCH) services. Children under five and fertile-aged women represent the principal beneficiaries of this SO. By the year 2001, approximately two million women and children will have benefited from services developed, improved and/or expanded with USAID assistance over a 25-year period.

Key Results: Key results in FY 2001 will be the increased sustainability of FP NGO partners, and improved quality and access to FP services. Cost recovery will permit 90% financial self-sufficiency for APROFE and CEMOPLAF. Couple years of protection (CYP) provided by APROFE and CEMOPLAF will have increased from 279,117 in FY 1994, to an estimated 750,000 in FY 2001.

Performance and Prospects: In the areas of FP and population, USAID continues to be the major donor and therefore a critical actor in achieving reduced fertility, increased contraceptive use to prevent unwanted pregnancies, and improved women's health, especially through NGO service providers. In FP, activities will focus on support to the network of 41 private clinics operated by USAID's two Ecuadorian NGO partners, thereby preserving USAID's considerable investment over the past three decades and ensuring the continued provision of quality FP and MCH services through the private sector. To achieve the self-sustainability of these programs and to better serve the poor, USAID will assist partners in the

areas of cost-effective service delivery, commodity management, effective marketing of products and services, and in the cross subsidization of health and family planning services. Our NGO FP partners have reached high levels of cost recovery, while remaining focused on access provision to less affluent and underserved populations of women. In 1999, these NGOs reached an average of over 80% cost recovery. USAID support for these NGOs through the year 2001 will enable them to achieve an average of 90% financial self-reliance. Additionally, significant increases in their program income should ensure their financial sustainability over the long term.

In the health sector, USAID support for self-sustaining models of decentralized health care succeeded in both increasing the use of improved MCH/Child survival services, as well as providing several viable models of health reform. CARE/APOLO support to several local NGOs has been the major contribution to these results during 1998-1999, with notable success in 1999 to coordinate these efforts with World Bank, IDB, Ministry of Health and municipalities. This should guarantee continuation and expansion of models after phasing-out of USG assistance in health at the end of FY 2000.

Possible Adjustments to Plans: Based on AA/LAC approval of extension of SO 2 thru September 2001, APROFE and CEMOPLAF are actively working to offset the sharp depreciation of the currency by introducing innovative marketing programs and reducing its cost structure for the provision of FP services. These organizations are analyzing the impact that the recent GOE decision to substitute the Ecuadorian Sucre with the US Dollar will have on sustainability fund targets through 2001.

Other Donor Programs: Due to the FY 2000 phase-out of USAID support in the health sector, donor coordination has become a key component of USAID activities, thereby sustaining and replicating our program investments. The major donor in this sector is the World Bank, through two large loans: $45 million for health sector modernization, emphasizing decentralized health networks; and an ongoing $70 million loan for strengthening the MOH and for supporting the construction of health, water and sanitation facilities; and a national nutrition program. UNFPA and UNICEF are major contributors to MCH programs and limited financial resources also come from the IDB, especially for the Social Security hospital system. Major bilateral assistance to the sector comes from Japan, with lesser amounts from the Governments of Canada, Holland, Belgium and Spain. USAID has been a leading source of technical assistance, along with the Pan American Health Organization (PAHO) and the World Bank. USAID technical assistance and pilot interventions have served as catalysts for leveraging inputs of World Bank and IDB funds. In FY 2001 these Banks will fund at least 3 major pilot activities initiated by USAID.

Principal Contractors, Grantees, or Agencies: USAID will implement FP activities through two local NGOs, and 2-3 key field support contractors. In family planning, major partners are two Ecuadorian family planning NGOs, APROFE and CEMOPLAF, with critical inputs related to social marketing, operations research and logistics management provided by Johns Hopkins University (both JHPIEGO and the Population Communications Services Program), and John Snow Inc.

Selected Performance Measures:	Baseline (1994)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Number of visits (000) women and children using improved MCH services per year	0	479	454	604	N/A[2]
Contraceptive Prevalence Rate	56.8[1]	62	59.6	66.5	67
Cost recovery level (%)					
(APROFE)	69.2[1]	84	94.1	90	92
(CEMOPLAF)	66.5[1]	74	72.2	80	83
Couple Years of Protection provided by APROFE and CEMOPLAF	279,117	452,884	428,825	700,000	750,000

[1] Baseline established in FY 1996.
[2] Completion date of MCH activities is September 30, 2000.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Ecuador
TITLE AND NUMBER: More Effective and Fair Criminal Justice System, 518-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $1,450,000 (DA), $1,500,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,000,000 (DA), $6,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE**: FY 2003

Summary: A new Democracy SO was designed during FY 1999 to respond to the changes in the conditions favoring justice reform resulting from the inauguration of a reformist President in August 1998, a justice-oriented Constitution which came into effect the same month, and the recent creation of key justice sector institutions. The new SO seeks to contribute to the rule of law in Ecuador by assisting public sector justice institutions with the active participation of Civil Society Organizations (CSOs) to establish a more effective and fair criminal justice system that better fights corruption.

Many Latin American countries are attempting, with varying degrees of success to change from inquisitory to more accusatory justice systems because of the greater efficacy and fairness of accusatory systems that establish a clear distinction between the roles of investigators, prosecutors, and judges. USAID contributed during FY 1999 to important developments in this regard. In 1999 the Ecuadorian Congress approved a new Criminal Procedures Code that was largely defective, particularly in impeding the effective investigation of complex crimes of corruption by prohibiting confidential investigations. USAID, with the collaboration of the U.S. Department of Justice, substantially contributed to a presidential veto of 118 of the 365 articles of the Code and proposed technical amendments to strengthen it. Since the Ecuadorian Congress could not override the veto, the revised code was automatically approved, and will provide a solid foundation to begin implementation of a new USAID program. Moreover, with these changes the code would be one of the most advanced in Latin American by providing the basis for effective, confidential investigations. This Code, combined with adequate training, technical assistance, enforcement techniques, and support from civil society is essential for the establishment of an effective criminal justice system in Ecuador. USAID also promoted a strengthened relationship between the Prosecutor General's Office and the National Judicial Police, both of whom expressed their commitment to work together in criminal investigations. USAID funded an Ecuadorian lawyer for more than a year to work closely with the Public Ministry and Police as follow-up to four DOJ assessments of the sector, and to study the proposed reforms of the CPC. He provided an understanding of local law and reform conditions to the DOJ resident legal expert, who recently arrived in Ecuador to analyze the Code and to provide technical assistance and training to prosecutors and police. USAID also established an NGO fund to support criminal justice reform initiatives of NGO/public sector alliances; and became the only donor to provide technical assistance to the GOE for addressing the worst banking crisis in the history of Ecuador. Critical ESF funds were used for strengthening the Deposit Guarantee Agency's technical capacity to manage bank assets under its receivership.

The unfolding of the justice reform movement during 1999 has been mixed. On the positive side, political will seems to exist in cases of highly visible corruption (e.g. the jailing of the most powerful banker for the fraudulent use of public finances) and the overhaul through a Presidential veto of a major part of the defective Criminal Procedures Code approved by Congress. On the negative side, there have been political manipulations of the justice system (e.g. the politically motivated selection of judges), and the approval by Congress, with virtually no debate, of a Criminal Procedures Code that, as passed by the Congress, would have impeded effective confidential investigations. Furthermore, public attention was diverted from the technical improvements of the Code, introduced by the USAID-supported Presidential veto, because of the last minute insertion by the President of a highly controversial article perceived as politically motivated and as favoring a corrupt former President. This politicization constitutes one more obstacle to overcome in attempting to change the mentality of the judges towards a more accusatory system. USAID will closely monitor the program during FY 2000 to assess the level of political will and the overall progress of the program in order to make a final decision on whether or not conditions exist to proceed with the program, reorient it, or change to another Democracy objective.

Key Results: The SO has three key results to be achieved by FY 2003. The first is to improve the capacity of government to combat public and private sector corruption. To achieve this, an anti-corruption task force enabling a team approach to investigations will be established by the end of FY 2000, and judges will be collaborating with the task force and accepting cases for trial by FY 2001. The first task force already has been established to investigate financial fraud. It is composed of police investigators, prosecutors, and a technical consultant who have received specialized training in financial crime investigative techniques, as well as working-team approaches to conduct investigations. The second is the introduction of accusatory principles and oral procedures into the Ecuadorian court system. To achieve this, at least 40% of the training of court personnel responsible for implementing the new Criminal Procedures Code (CPC) will be

completed by the end of FY 2000, and three courts will be using oral procedures by the end of FY 2001. The third is to strengthen constituencies and coalitions among public and private institutions participating in priority reforms. The outcome of these coalitions will be the institutionalization of the public legal defense system between the public and private sectors.

Performance and Prospects: Funding in FY 1999 for activities led to the achievement of several benchmarks that improved prospects for future success. The establishment by the Prosecutor General's Office of a "Financial Crimes Task Force" played a key role in jailing one of the most powerful bankers for the fraudulent use of public finances. The new CPC, which now includes important modifications proposed by the Presidency, will allow effective investigation of criminal cases. This presidential veto indicates political will by some important reformers within the GOE to carry out justice reform. An agreement was signed between the Prosecutor General and the National Judicial Police to cooperate in crime investigations. NGO services and access to justice for women's and indigenous groups underwent a significant expansion and institutionalization during FY 1999. A total of 32,432 victims of domestic violence accessed legal services; and 660 families used ADR and related legal services. In addition, financial sustainability of the three most active and influential justice sector NGOs was improved. A recent evaluation report concluded that training and technical assistance provided to these NGOs have been effective and that these organizations will be prepared in FY 2000 to work without USAID financial support.

As stated earlier, the new Code (with the inclusion of changes proposed in the presidential veto) will provide a solid foundation to begin implementation of the USAID Program. The Code includes several necessary elements that allow effective investigation of crimes. The eighteen-month transition period allows sufficient time for key players - prosecutors, police, and judges- to prepare for its implementation. A group of prominent justice sector leaders are willing to join forces to introduce additional reforms to the Code during this transition period. The breakthrough in establishing a working relationship between prosecutors and the police who will form anti-corruption task forces will improve efforts to fight corruption. The National Judiciary Council that is responsible for the training and the disciplinary oversight of judges has demonstrated positive results during its initial period in action. It has disciplined corrupt judges and demonstrated its willingness to collaborate in the training of judges under the new CPC, the introduction of oral proceedings, and the improvement of its systems to sanction corrupt practices within the judiciary. The Prosecutor General has started to coordinate anti-corruption efforts with the other relevant investigative agencies. In addition, the Justice Sector Integral Reform Plan was updated to prioritize criminal justice as one of the areas targeted by the GOE for international financing by other donors. The support of other donors is needed for follow-on to USAID pilot efforts. Finally, the timely assistance of international experts in the area of financial transparency that were selected from the SEGIR Buy-In, led to the development of asset restructuring and disposition manuals, urgent advice on information systems, and preparatory work for due diligence for the Deposit Guarantee Agency.

The success of the program also depends on appropriations in the national budget to the Prosecutor General's Office. Without this support, it cannot carry out its new responsibilities. Also, the program requires from the GOE its support of key officials (e.g. Prosecutor General, Director of the National Judicial Council.) The establishment of a Justice Sector Reform Committee, or another mechanism to lead and/or coordinate the implementation of the new criminal justice system in the country, is also essential to the success of USAID's efforts.

Possible Adjustments to Plans: Future work with Ecuador's Congress to approve necessary legislation will have to be defined with the legislators and the input (regarding the content of the reforms) from the U.S. Department of Justice (USDOJ)'s representative in Ecuador.

Other Donor Programs: The World Bank's $10.5 million program in civil justice reform will terminate next year. The WB is planning to send a Mission to Ecuador in March 2000 to design a new program. WB and USAID officials will discuss possible cooperating activities and the inclusion of criminal justice into the WB agenda. USAID is closely coordinating related activities with the IDB $2.5 million program that includes support for the institutional strengthening of the Prosecutor General's office and judicial training. The UNDP is defining its strategy and USAID has had extensive conversations with its representative to promote the inclusion of related criminal justice sector efforts. The Swiss Agency for Development and Cooperation (SDC) is about to define its strategy and is discussing with USAID relevant cooperation. There are good prospects to promote the involvement of the Andean Development Corporation (CAF) in the financing of reforms in the justice sector. The activity in financial transparency has established the basis for future financing of a $12 million dollar loan from the World Bank that will be used for due diligence on $3 billion dollars of bank assets in the DGA.

Principal Contractors, Grantees or Agencies: Development assistance for the Prosecutor General's Office is being carried out under a joint agreement with the Offices of OPDAT and ICITAP (Department of Justice). USAID's main partner in

the justice sector is the Esquel Foundation that works closely with the National Justice Sector NGO Network. This NGO has successfully created alliances of NGOs with public sector institutions. A competitive selection process for an institutional contractor that can implement a training program for judges is being carried out during this FY 2000. Public sector partners include the Supreme Court (CSJ), the National Judiciary Council (CNJ), the Public Ministry, the Judicial Police, and the National Congress. BARENTS GROUP LLC is carrying out technical assistance for the DGA.

Selected Performance Measures:

Process Indicators[1]	Baseline	Actual (1999)
Increased number of convictions in corruption cases:		
-- Anti-corruption task force established	0 (1998)	1
Number of courts using oral Procedures		
-- Congressional Passage of the new Code	Not passed	Passed
Increased number of government-supported public defenders		
-- Study on institutionalization of public defense service	Non existent	TORs completed

[1] Targets established for FY 1999 were met. Targets for the other process Indicators defined for FY 2000 and 2001 are stated in notes (2), (3) and (4) below.

Term Indicators	Baseline (1999)	Target (2000)	Target (2001)
Increased number of convictions Corruption cases	1 [2]	N/A	Baseline
Number of courts using oral Procedures	0[3]	0[3]	3
Increased number of government-supported public defenders	8	0[4]	0

[2] Baseline has been established for anti-corruption cases under direct jurisdiction of the Supreme Court. FY 2001 will establish baseline for all other anti-corruption cases managed in Superior and 1st instance penal courts of the province of Pichincha. In addition, process indicators will include: (a) joint training of prosecutors, police and judges undertaken in FY 2000; (b) judges collaborating with task forces accepting cases for trial in FY 2001; and (c) a baseline for lst instance penal courts to be established by a consultant in late 2000.
[3] The new Constitution mandates that all courts throughout the country be using oral procedures by 2003. FY 2000 will formulate an implementation law or equivalent for the new Criminal Justice system and FY 2001 will complete training of 40% of court personnel in 3 cities.
[4] This indicator has as its goal the institutionalization of CSO defense services and an increase in the number of state-supported public defenders, from the present 8 to a total of 80 by FY 2003. The study will be completed in FY 2000 laying out institutionalization alternatives and by FY 2001 the GOE will adopt one option of the study.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Ecuador
TITLE AND NUMBER: Improved Sustainable Capacity of Selected Public and Private Institutions to Prevent/Control Pollution, 518-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2000

Summary: Ecuador's urban growth rate--one of the highest in the hemisphere--is placing increased demands on national and municipal governments for critical environmental services and improved pollution prevention. The largely unmanaged growth in many cities, particularly coastal cities such as Guayaquil, Duran, Machala, Esmeraldas and others,

has caused significant increases in both household and industrial contamination, resulting in serious environmental degradation and human health hazards. This environmental degradation affects the quality of life and economic productivity of large segments of the Ecuadorian population, particularly the poor who live in marginal neighborhoods without access to clean water, adequate sewerage disposal, or garbage and waste collection. They are thus exposed to serious health risks. The problem of inadequate services is frequently compounded by these communities' proximity to industrial areas whose pollution goes largely uncontrolled, adding to already high toxicity levels.

The purpose of assistance under this Special Objective (SpO) is to improve the sustainable capacity of selected public and private institutions to prevent pollution. Ecuador's increasing urban and peri-urban residents who lack access to potable water, sanitary systems and a pollution-free, residential and work environment, benefit from these activities.

Key Results: Key results in FY 2000 will be the number of industrial plants implementing cleaner production technology in their production processes; and, the number of municipalities adopting cleaner production policies and/or improved solid waste management practices. It is estimated that 100 industrial plants will have implemented cleaner production techniques; and, 25 municipalities will have adopted solid waste management practices.

Promotion efforts have greatly expanded public awareness on cleaner production initiatives and their implementation, as demonstrated by the openness of industrialists to espouse the initiatives, the introduction of environmental concerns in university curricula, and the interest of the business community in receiving more information and assistance in these areas. Therefore, other related results are the number of municipalities, universities, entities and industrial firms provided with information necessary to initiate cleaner production options and technologies; to address international trade environmental concerns, and: to better manage urban environmental problems. It is estimated that 209 municipalities, 35 universities, 200 entities and 400 industrial firms will have been provided with such information by the end of FY 2000

Performance and Prospects: Recent efforts have focussed on ensuring the sustainability of past USAID investments, which sought to strengthen the technical, fund-raising and income-generation capabilities of Oikos Corporation, an Ecuadorian NGO active in promoting scientific, technical and educational approaches for environmental management. As USAID support is phased out, this final funding is needed to ensure that partner organizations begin to stand on their own. Oikos Corporation will continue working with various chambers of industries to improve production techniques, while reducing pollution and costs. In addition, Oikos assistance to municipalities in the adoption of cleaner production policies and improved solid waste management practices will continue. Oikos Corporation has developed innovative approaches to involve the population in pollution prevention and reduction measures, and has been effective in promoting debate at the national level regarding priorities for pollution prevention and control. The cleaner production and energy efficiency strategy which Oikos Corporation uses to implement its activities has been very effective in convincing an increasing number of Ecuadorian industries to adopt cleaner production technologies and energy efficiency practices. The sustainability of Oikos Corporation activities supported by USAID is enhanced through user fees Oikos Corporation charges for the services it provides to industries and municipalities. In addition, Oikos has in place a sustainability plan which maps out specific steps for reducing its dependence on USAID funding and increasing its own contribution, as well as those obtained from other sources.

Funds have also been provided to enable municipalities to identify and prioritize environmental problems, adopt practical, low-cost solutions, and to seek the collaboration of the private sector. Models are being developed in selected coastal cities and in the Amazonian region to manage solid waste through concessions with environmental micro-enterprises. USAID efforts to strengthen the administrative and accounting capabilities of selected municipalities and environmental micro-enterprises will contribute to their long-term institutional and financial self-sustainability.

Possible Adjustments to Plans: None are contemplated at this time.

Other Donor Programs: Oikos Corporation has received small amounts of assistance from other donors for pollution prevention activities, principally UNIDO, UNDP, and IDB. It is anticipated that the USAID-supported program for environmental assessments of industries will be continued by Oikos Corporation with German and Swiss support. Host country and NGO contributions to achieve this objective total over $1,500,000.

Principal Contractors, Grantees, or Agencies: USAID implements pollution prevention activities primarily through Oikos Corporation.

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)

Number of industrial plants implementing cleaner production technologies in their production processes	(1995) 3	34	80	100
Number of municipalities adopting cleaner Production policies and/or solid waste management practices	(1996) 1	11	13	25

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Ecuador
TITLE AND NUMBER: Increased Access to Financial Services by Micro-entrepreneurs, 518-005
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE**: FY 2000

Summary: Experience worldwide shows that micro-entrepreneurs represent a vast pool of hardworking people who, given access to minimal resources, can evolve into a formidable force contributing to job creation, poverty alleviation, democratic stability, and economic growth. The World Bank's 1995 Ecuador Poverty Report and other studies on the sector show that, in Ecuador, this pool of micro-entrepreneurs and potential entrepreneurs is over 1.1 million people, who have between 400,000-450,000 microenterprise businesses. Over half of these are women. USAID has designed activities to bring quality financial services to the poor, thereby helping them to build stronger enterprises which ultimately improve their incomes and quality of life. Two principal problem areas are targeted: outreach and financial sustainability. Outreach aims at providing large numbers of poor people, especially the very poor and women, access to quality financial services. Financial sustainability refers to the creation and/or strengthening of existing institutions that become independent of continuing inputs from government, international agencies or charitable organizations.

Key Results: Key results will be new licensed, for-profit financial institutions serving the needs of micro-entrepreneurs; upgraded micro-credit delivery systems of selected financial institutions and NGOs; and strengthened institutions implementing village banking programs. By the end of FY 2000, at least one, formal financial institution will be serving the needs of micro-entrepreneurs through credit and savings programs, the quality of financial services by partner financial institutions and NGOs will have improved significantly, and an estimated 754 village banks will have been established against a baseline of 80 in FY 1996.

Performance and Prospects: Micro-credit activities were initiated in FY 1996, with a major USAID contribution to two U.S. PVOs for equity investments in a fully private bank, Banco Solidario, established for the purpose of serving Ecuador's microenterprise sector. Through FY 1999, Banco Solidario improved its delivery of financial services to micro-entrepreneurs, through its ten branch offices in suburban Quito, Guayaquil and other, smaller cities. USAID equity investments, made through Seed Capital Development Fund (SCDF) and CARE, permitted Banco Solidario to meet its capitalization targets of $18.0 million required by the Superintendency of Banks. As of September 1999, its microcredit portfolio had grown to 14,000 active clients. Village banking activities with our partners Catholic Relief Services, Project Hope and Foundation for International Community Assistance (FINCA) created 361 new village banks, benefiting an additional 8,000 poor women. These partners have continued experiencing significant growth and have moved toward achieving financial self-sustainability. The planned target of 100% self-sustainability by FY 2000 appears realistic. USAID has also conducted an analysis of the formal banking system and has identified several formal, commercial banks interested in microenterprise lending as a means of significantly expanding sources of credit to the microenterprise sector. Technical assistance and training has been provided to selected banks, one of them, Banco del Pichincha through Credife, which started micro-lending operations in March 1999.

Through FY 1999-2000, USAID will continue to provide technical assistance and training to Banco Solidario and has invested through SCDF in an International Guarantee Trust Fund called LA-CIF, that will provide loan guarantees to microenterprise borrowers in Ecuador. During FY 2000 USAID will also continue to work with the formal banking system (Credife Desarrollo Microempresarial) by providing a matching fund for technical assistance, enabling an expansion of this important additional source of credit to the microenterprise sector. In FY 1999, USAID also provided

additional funding to village banking aimed at establishing a network of NGOs with sustainable anti-poverty lending programs in different geographical areas of the country.

Possible Adjustments to Plans: On January 9, 2000 the President of Ecuador announced a program to substitute the Ecuadorian "Sucre" with the US dollar as a principal currency in the country. USAID will be meeting with its counterparts to analyze the impact of this reform and the possibility of adjusting the targets for this program.

Other Donor Programs: USAID's total $1.9 million equity investment in Banco Solidario played an important catalytic role, leveraging some $3.2 million in additional equity for this bank from other donors, namely the Andean Development Corporation ($500,000), ProFund ($1.7 million) and Accion International ($1 million). A key partner, Seed Capital Development Fund, played a role in obtaining a portion of this financing. The only other large donor in this sector is the IDB, which operated two lines of credit in the amounts of $16 million and $2.5 million for credit and technical assistance, respectively, through the National Financial Corporation. USAID played an important catalytic role, leveraging an estimated $3 million from the IDB to continue its support for the entry of formal, commercial banks into the microenterprise sector. The World Council of Credit Unions indirectly serves the microenterprise sector, providing technical assistance worth $500,000 annually to 19 credit unions, whose members include micro-entrepreneurs.

Principal Contractors, Grantees, or Agencies: USAID's assistance to microentrepreneurs is being implemented primarily through U.S. and Ecuadorian NGOs. Technical assistance has been provided by Accion International, CARE, Development Alternatives Inc., and Carana Associates. Equity financing mechanisms for Ecuadorian microcredit financial institutions have been developed with CARE and Seed Capital Development Fund. Village banking activities are undertaken with U.S. PVOs Catholic Relief Services, FINCA, and Project HOPE.

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)
Increase in the number of Microentrepreneurs assisted by USAID partner organizations (cumulative, disaggregated by gender)	1,300 men 1,000 women	6,400 men 15,100 women	10,700 men 23,500 women	15,800 men 34,200 women

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Ecuador
TITLE AND NUMBER: Northern Ecuador Border Development, 518-xxx
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,000,000 (Plan Colombia)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Initial
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: Consolidation of the legitimate government presence of municipalities along Ecuador's northern border, taking into consideration their role as political authority and service provider, will help prevent Colombian narco-traffickers and coca and poppy growers from moving their operations into this region. The Clinton Administration is proposing additional funding for a regional counter-narcotics program under the Plan Colombia FY 2000 Supplemental. In anticipation of this request, USAID/Ecuador is proposing this objective. As pressure is increased to end illicit drug activities in the Department of Putumayo in Colombia, maintaining a stable buffer zone between the two countries becomes a regional priority. Assistance will target priority communities in the Sucumbios Province, with concentration in the cantons of Putumayo and Lago Agrio. The activity objective is to safeguard regional stability by strengthening local governance, and meeting the basic needs of the population by implementing quick impact, high visibility activities such as health, water and sanitation. Microcredit opportunities for income generation will also be explored.

The northern border of Ecuador, where it forms an international boundary with Colombia, is currently the "R & R" site for the Colombia FARC rebels. The principal formal government presence is that of the military. Since the signing of the peace accords with Peru in October 1998, the Ecuadorian military has focused its border protection efforts along the Colombia border. Their "containment" role has met with mixed reactions from the local population, many of whom make

a living off of active cross-border trade (both legitimate and illegal) with Colombia. This has been even more the case during the past year as Ecuador's economy has gone into a tailspin. With formal unemployment rising to 19%, and underemployment to over 50%, more and more people are seeking economic opportunities through informal cross-border commerce. The underemployed population has become more mobile, moving back and forth across the northern border in search of any and all income generating activities that present themselves. With the economic growth rate dropping to an estimated negative 7-8% in 1999, and the inflation rate reaching 61% (the highest in Latin America), Ecuador's vulnerable economy is ripe for "takeover" by those who offer alternative sources of income, at whatever price.

Portions of the northern region are much more developed than the long-disputed Ecuadorian border with Peru, thus making it particularly attractive and accessible for cross-border commerce. More remote sections in the north, however, are basically abandoned, thus making uncontrolled border crossings easy. This combination of extreme underdevelopment and a permeable border has proven very attractive to the Colombian guerillas that are known to come and go at will. Like the municipalities along the southern border, those along the Colombia border are weak in their political organization and ability to service the local population, particularly in the most sensitive Province of Sucumbios, bordering Colombia's Putumayo Department. Problems affecting the majority of the population include inadequate access to clean water and sanitation, minimal solid waste disposal, limited and highly unstable employment opportunities, and accelerated destruction of the area's natural resource base. Improvement in these conditions will be key to creating a legitimate presence and authority that serves as a buffer against the incursion of Colombian traffickers who have never regarded the border as a constraint to their transnational activities.

The major threat to Ecuador from Colombian cross border incursions related to illicit drug production or trafficking, as well as guerrilla intrusions, is in the border Province of Sucumbios, both due to its remoteness, poverty levels and already weak loyalty to the national government. Besides being located directly across from the "hot zone" of Putumayo, Colombia, Sucumbios Province is one of the poorest, most rural and lacking in social services of any province in the country. Of its total population of 144,000, living in an area nearly as large as the country of El Salvador, two-thirds live in 4 municipalities (cantons) bordering Colombia. These include the municipalities of Lago Agrio, the provincial capital with 65,000 people; geographically large Putumayo, with only 8,000 people; and the smaller in area municipalities of Cascales and Sucumbios to the west-- together having some 20,000 population. In these cantons, the population is nearly 70% rural and 90% living below the poverty level -- that is, with an estimated per capita income of only a few hundred dollars -- and unable to purchase the basic marketbasket of goods. With Ecuador's average per capita income for 1999 already projected to drop 32% to $1,101 as a result of the deepening economic crisis, the extreme vulnerability of the entire northern border to illegitimate economic activity cannot be overstated.

Key Results: Health, Water, Sanitation and Solid Waste Management Systems - 10,000 persons with new improved water and sanitation solutions, 5-10 new or rehabilitated water systems functioning, 25,000 persons benefiting from improved garbage collection and solid waste disposal, and 50,000 people benefiting from new health services; and Local Government Strengthening - 2-4 municipalities strengthened, 2-4 local development committees functioning, 2-4 municipal water and sanitation boards formed or strengthened.

Performance and Prospects:

- Health, Water and Sanitation Services: The Mission has a long and successful history of implementing projects in this sector, from construction of rural water systems, to training of health promoters. Most recently, through a Regional Housing and Urban Development program, more efficient models of municipal waste disposal and recycling, combined with micro-enterprises in these cities, have proven very successful and can be replicated or expanded in the northern border cities of Lago Agrio and Puerto el Carmen de Putumayo. The Peru-Ecuador border program of $1.5 million, just initiated is concentrating on health, water and sanitation services, using cost and technical models fully compatible with needs on the northern border. The planned northern border activity would build or improve water systems and sanitation units benefiting 10,000 persons, solid waste disposal benefiting as many as 25,000 and health services improvements for up to 50,000
- Local Government Strengthening: Decentralization of authority and responsibility, combined with effective functioning of local government and incorporation of their citizen's participation in planning of services, provides both better services and strengthened democracy. The commitment of both GOE policy and donor resources to these tasks will be essential to effectively carrying out the other activities described above. Local government capacity building will be an integral part of many of the activities described above, not mainly a stand-alone activity. Implementation mechanisms will likely be through NGOs, rather than directly with municipalities, given the complexities of handling USAID funds through several local government units. This program will provide extensive technical assistance and training to local level officials to strengthen and develop management skills. Local development committees, made up of civil society and governmental representatives, will fully participate

in the decision-making process. The focus will be on how to strengthen municipalities' capacity to plan and implement projects that respond to the needs of their population, thereby contributing to effective decentralization as well.

Possible Adjustments to Plans: While the initial focus of activities will be social services infrastructure related to health, water and sanitation, and strengthening local government capacity and consequent legitimacy with the people it serves, the program will be designed to accommodate additional activities that could exploit micro-enterprise opportunities such as small loans to improve income or generate employment. The Mission has excellent experience with micro-finance and village banking through three US NGOs now working in this field in Ecuador. Urban commercial areas of Lago Agrio and possibly Putumayo would be the focus of these activities, which may require more time and funding than is currently available.

Other Donor Programs: There is little current donor activity in this area of Ecuador, precisely because of the difficulties of working here, and the increasing security concerns in recent years. The German Agency for Technical Cooperation's (GTZ's) aid program has been providing some funding and technical assistance in Lago Agrio, complimentary to our solid waste program. USAID itself has also supported a local NGO health and family planning clinic in Lago Agrio.

It is worth noting however that Sucumbios Province also borders on Peru, and as such, is one of the eight Ecuadorian provinces included in the Ecuador-Peru Binational Peace Plan. The GOE is seeking major funding for projects in this province as part of its presentation to donors at the postponed Consultative Group meeting now scheduled for late March. For example, more than $2.5 million is requested for water and sanitation projects in Sucumbios, and additional major funding for health, education and productive infrastructure. Once donor pledges to Sucumbios under the Binational Plan are firmed up, USAID will further coordinate interventions in these areas as appropriate.

Principal Contractors, Grantees, or Agencies: TBD, through open competition among US NGOs.

Selected Performance Measures: As USAID/Ecuador plans for this program, it will develop a number of indicators to measure the results of these activities will be developed. The following is a preliminary, illustrative list of these indicators:

- Increased availability of social services will be measured by (a) number of persons benefiting from new/improved water, sanitation, solid waste and health services; (b)number of improved water systems, sanitation units; (c) garbage collection programs; and (d) number of health services and facilities improved or constructed; and
- Local government strengthening results will include (a) number of municipalities strengthened in their capacity to develop and implement development projects; (b) number of local development committees with effective participation in planning and prioritizing development needs; and (c) number of municipalities with functioning Departments of Water and Environment capable of managing an/or maintaining water/sanitation and solid waste activities as well as environmental protection activities.

Note: If micro-finance activities are added, indicators would include number of new income generating opportunities; number of village banks established and number of micro-enterpreneurs receiving credit.

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Ecuador

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	7,800	11,755	11,750	8,096
Plan Colombia	0	0	3,000	0
Child Survival & Disease Fund	1,000	1,950	550	0
CACEDRF	0	0	0	0
INC	0	0	0	0
Economic Support funds	1,000	1,200	1,500	6,000
P.L. 480 Title II	0	642	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**9,800**	**15,547**	**16,800**	**14,096**
Operating Expenses	2,743	2,293	1,969	1,700
Trust Funds	0	0	0	0
Total Operating Costs	**2,743**	**2,293**	**1,969**	**1,700**

Note: Administration has submitted a Supplemental Plan Colombia request that includes $3 million for Ecuador in FY 2000.

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	7	5	3	3
Other U.S. Citizen	1	0	0	0
FSN/TCN	48	41	21	15

Subtotal OE Funded	**56**	**46**	**24**	**18**
Program Funded*				
U.S. Citizen	1	1	0	0
FSN/TCN	15	11	8	6
Subtotal Program Funded	**16**	**12**	**8**	**6**
Other				
TAACS	1	0	0	0
Fellows	0	0	0	0
IDIs	0	0	0	0
Subtotal Other	**1**	**0**	**0**	**0**
Total Work Force	**73**	**58**	**32**	**24**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
518-001 Biodiversity conserved in selected protected areas and their buffer zones							
- DA	0	0	6,096	0	0	0	6,096
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
518-002 Increased use of sustainable family planning/maternal child health services							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
518-003 More effective and fair criminal justice system							
- DA	0	0	0	2,000	0	0	2,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	6,000	0	0	6,000
- P.L. 480/II	0	0	0	0	0	0	0

Totals							
- DA	0	0	6,096	2,000	0	0	8,096
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	6,000	0	0	6,000
- P.L. 480/II	0	0	0	0	0	0	0

The United States Agency for International Development

EL SALVADOR

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
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Introduction

U.S interests in El Salvador include facilitating regional cooperation in the fight against international crime, the expansion of economic opportunities for U.S. companies, regional integration and environmental protection. Recent history has demonstrated the impact that political and economic instability in El Salvador can have on its neighbors, including the United States. El Salvador alone has sent more illegal immigrants to the United States than all of Europe, Asia and Africa. USAID support for sustainable development is designed to give Salvadorans a stake in a peaceful and prosperous future.

USAID support for sustainable development and the alleviation of poverty is designed to prevent renewed instability by giving Salvadorans a stake in a peaceful and prosperous future. USAID is one of the principal U.S. Government agencies supporting the U.S. foreign policy objectives - as defined the U.S. Embassy's Mission Performance Plan (MPP) - in the areas of economic development, democracy, health, population and environment.

The Development Challenge

While El Salvador continues to progress toward the consolidation of democracy and alleviation of poverty, graduation from U.S. assistance is not imminent. Many facets of rural poverty still grip the nation. Nationally, 35 infants die for every 1,000 live births, a rate three times that of Costa Rica. The literacy rate is the fourth lowest in the hemisphere; fewer than 50% of Salvadorans graduate from sixth grade. The highest population density in the hemisphere (among countries with over 500,000 citizens) exacerbates already severe environmental degradation. Virtually all natural surface water is contaminated with sewage, agricultural runoff, industrial waste and sediment -- with consequent impacts on human health and environmental stability. A rural birth rate of 31.2 per 1,000 people (27.2 nationally) and lack of economic opportunity in rural areas are major forces behind the high rural-urban migration rate, and contribute to the high annual exodus to the United States of 20,000-25,000 legal and illegal immigrants. A 1997 study found that 26% of Salvadoran adolescents, the highest percentage in Latin America, had parents who lived in other countries.

In late 1998, flooding and landslides in El Salvador caused by Hurricane Mitch resulted in 239 persons dead or missing, and 55,864 displaced. Twelve of the country's fourteen departments suffered significant damage, but the hardest hit areas are located in low-lying coastal zones. The Government of El Salvador (GOES) estimates the total damage at $282 million. While El Salvador was spared the widespread destruction wrought upon Honduras and Nicaragua, the storm exposed the fragility of El Salvador's environment and highlighted the devastating impact of natural disasters on the rural poor.

In June 1999, Francisco Flores was sworn in as El Salvador's new democratically elected president. While President Flores represents the same political party as his two predecessors, his administration - composed largely of young, dynamic technocrats - espouses progressive policy positions that mirror USAID's objectives, particularly in rural poverty alleviation and government decentralization.

Nonetheless, while the March 1999 presidential election was free, fair and transparent -- and there is every indication that the forthcoming March 2000 municipal and legislative elections will be also -- low voter turnout indicates that other factors, including lack of political party credibility, still discourage greater voter participation. Moreover, the high rate of violent crime continues to be a major concern, reflecting weaknesses in the rule of law, and the new administration's first months have been plagued by strikes by teachers, health and judicial sector employees.

In FY 1999, USAID continued to implement its six-year rural poverty alleviation strategy by pursuing four inter-dependent strategic objectives in economic growth, democracy, health and water. In April 1999, the Assistant Administrator for Latin America and the Caribbean approved a new, two-year special objective to respond to Hurricane Mitch reconstruction needs.

This new objective, with a projected funding level of $25.3 million, is targeted at reducing the vulnerability of the rural poor to natural disasters in 10 coastal municipalities that sustained the greatest damage due to flooding. This program will stimulate economic activity in the target area -- one of the poorest regions in the country -- through road rehabilitation, expansion of the electrical grid and introduction of high-value crops. Basic community services - including housing, schools, and water and sanitation services - are being restored or upgraded. Measures are also being taken to mitigate the impact of future flooding through improved watershed management and enhanced disaster preparedness among national and municipal institutions and rural communities.

The design and implementation of this objective reflects extensive and ongoing consultations with and participation by affected communities, elected leaders and local organizations. It also builds on the U.S. Government's response to the emergency and initial rehabilitation needs of the affected population, and provides a coordinating framework for reconstruction assistance from six other U.S. Government agencies.

Implementation of this new objective has moved ahead briskly. Construction and rehabilitation of houses, schools, wells and latrines, and introduction of high-value crops and disaster mitigation practices are well underway. Rehabilitation of rural roads and construction of electrical distribution lines will begin in early 2000.

Achievements in other parts of USAID's program have been equally impressive. Several of these, captured by the 1998 National Family Health Survey, show that infant and child mortality rates and malarial cases have dropped dramatically over the past 20 years -- largely a result of USAID's leadership as the largest donor in the health sector. Numerous other survey data illustrate the gains achieved. For example, between 1993 and 1998, 99,000 more people have potable water and 82,000 more have sanitary latrines; acute respiratory infections decreased from 59.4% to 33.4%; the total fertility rate dropped from 3.83 to 3.54 children per woman, and bouts of diarrhea nationwide decreased by more than four percent. USAID's emphasis on decentralizing the health sector is also showing results: the Ministry of Health hired, trained and fielded 240 additional rural health promoters with USAID assistance, and contracted five non-governmental organizations (NGOs) to provide basic health services to about 80,000 rural residents. These actions are expected to expand health service coverage of rural communities from 67% to 87% over the next three years.

Other efforts at decentralization and modernization of government operations are also producing positive results. In his first 30 days in office, President Flores swept aside an impasse over control of water services, turning over ownership and management of a large, USAID-financed water system to the six municipalities it serves. The GOES has expressed its intent to devolve ownership and management of other water systems to local authorities, and is exploring opportunities for decentralizing management of other government services. USAID is supporting the pension superintendent's efforts to include public sector day laborers - the poorest public sector workers - in the national labor database, facilitating their entry into the recently privatized pension system. Meanwhile, the privatized telecommunications industry is expanding and improving services in rural areas. Progress in reaching rural poor households with electric power will depend on new mechanisms for targeting subsidies for rural consumers.

El Salvador's external debt was one of the lowest in Central America, both in absolute terms ($2.756 billion) and as a percent of gross domestic product (22%). Multilateral creditors hold 68% of the debt. Debt to the U.S. Government was $322 million after the United States, in 1993, forgave $471 million under the Enterprise for the Americas Initiative and rescheduled another $155 million.

Other Donors

The United States continues to be the largest bilateral donor in El Salvador, followed by Japan, Germany, Spain, the Netherlands, Canada and Sweden. In 1997, bilateral official development assistance to El Salvador was $233.96 million,

of which the United States disbursed $89.0 million. The Inter-American Development Bank (IDB) remains the largest multilateral donor, and is focused on social sector reforms, local development, the environment, promoting private investment and improving public sector efficiency. However, many of the IDB's loan programs have stalled having failed to win the approval of the Legislative Assembly. Other multilateral donors include the United Nations, the European Union and the World Bank. The U.S. Government is an active participant - along with all the major donors, civil society and the GOES -- in efforts to coordinate donor assistance pledged for post-hurricane reconstruction.

USAID is cultivating closer coordination and collaborative activities with the Japanese Government. This effort was spurred by a November 1999 meeting in El Salvador of U.S. ambassadors and the USAID/El Salvador mission director with their Japanese counterparts in which opportunities for collaboration were explored. It also builds upon USAID's positive past experience working with the Japanese Government in El Salvador on the Common Agenda.

The United States Agency for International Development

El Salvador

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

In FY 2001, USAID will continue to pursue its six-year rural poverty reduction strategy begun in FY 1997. It will expand access and opportunities for poor, rural families to participate in and benefit from El Salvador's growing economy. One activity will work with cooperatives and other rural organizations to promote the cultivation and marketing of high value non-traditional crops. Another activity will support policy reforms to privatize, decentralize and develop policy options to combat rural poverty. Others will expand access by the poor to credit through microfinance lending and provide targeted training opportunities that support the overall strategy. Building on past successes in the education sector, USAID will work with local NGOs and government institutions to increase the awareness of child-raising practices and improve the skills of those who care for young children. Finally, USAID will complete assistance to communities that received land under the Peace Accords to parcel the land and secure individual titles for their members.

USAID will deepen democracy in El Salvador by helping Salvadorans to develop more inclusive and effective democratic processes. A new activity to strengthen local government and citizen participation will begin in FY 2001, building on ongoing assistance to 28 municipalities. By FY 2001, the criminal codes enacted in 1998 will be fully operational and USAID will begin to turn attention to reform of the commercial and civil codes. With funding from the Hurricane Mitch reconstruction supplemental, USAID will be assisting the Salvadoran government to establish an office of government ethics to improve transparency and accountability in the public sector. Other ongoing activities will strengthen citizen involvement in local and national government.

USAID will help Salvadorans expand the coverage of health services in rural areas, especially for women and children, and enhance the sustainability of those services. USAID will continue to support the Government of El Salvador and non-governmental organization health providers to provide basic preventive health care services to reduce child and maternal mortality in rural areas. These approaches will be complemented by policy reform to encourage greater attention to the needs of rural areas and to implement more cost-effective approaches to delivering health care.

USAID will work with the Government of El Salvador and private institutions to increase access to clean water by rural residents. USAID will support efforts primarily at the municipal and community levels to strengthen municipal management of watersheds, increase citizen involvement in addressing water problems and protect water sources. These actions will be complemented by targeted support for policy reforms at the national level to support decentralization of local water resource management, improve wastewater management, and establish and enforce water quality standards. In addition, community-based water distribution systems will be installed or rehabilitated, and complemented by health education to reduce water-borne illnesses. USAID is also exploring opportunities to enhance the linkage between water-related and agricultural activities, with special attention to integrated pest management.

In June 2001 USAID will complete all activities related to the special objective for Hurricane Mitch reconstruction. These interventions, along with anticipated assistance from other donors, will have established a foundation for economic activity, improved the quality of life, and reduced the rural population's vulnerability to natural disasters in this impoverished region.

ACTIVITY DATA SHEET

PROGRAM: El Salvador
TITLE AND NUMBER: Expanded Access and Economic Opportunity for El Salvador's Rural Poor Families, 519-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $9,036,000 (DA), $3,500,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $9,500,000 (DA), $3,250,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: The long years of conflict and economic stagnation that El Salvador experienced in the 1970s and 1980s severely deteriorated living standards for the country's urban and rural poor. In contrast, the peace process and ambitious economic and social sector reforms consolidated during the 1990s have raised incomes, reduced unemployment, and expanded access to higher quality primary education. Since the chief beneficiaries of economic growth and social spending in El Salvador have been the urban poor, USAID now directs its programs to expand access to financial services, markets, education, and infrastructure for rural households so that they may better participate in and benefit from the strengthened Salvadoran economy.

USAID policy dialogue emphasizes that the Government of El Salvador (GOES) must do more to distribute the benefits of economic growth to the rural poor, especially through infrastructure investment and greater availability of social services in rural areas. Hence, USAID's other activities complement these policy reform objectives by giving rural poor households better access to credit, technology, education and training in order to help raise their incomes. USAID seeks to strengthen service providers that work with the rural poor, with the objective of expanding household income opportunities and making service provision sustainable. For example, USAID works with NGOs and credit cooperatives to increase access by the rural poor to credit and secure savings, and to technology and marketing services. USAID is also collaborating with the Salvadoran Institute for Protection of Minors in a new initiative to expand access to early childhood education in rural areas, and is providing small grants to rural communities for vital infrastructure such as roads, bridges, schools and health clinics.

Key Results: USAID is working to achieve five key intermediate results, essential to expand opportunity and access for rural poor families. These results are based on increasing access to (1) education and training; (2) secure land titles; (3) marketing, technology, and financial services for rural producers; 4) infrastructure; and (5) a supportive policy environment.

Performance and Prospects: Performance over the past year has reached expectations. By the end of 1999, three new activities - in agriculture, microfinance and early childhood education - are operational and beginning to show results.

USAID is contributing to several significant policy reforms. On the rural infrastructure side, USAID is assisting the GOES to define a strategy that seeks to provide electricity to unserved rural communities, and to better target subsidies for energy consumption so that they reach the country's poorest households. USAID is working with local governments and the national assembly to develop reform proposals for local revenue generation, as a means of financing infrastructure investment. USAID has also contributed to the development of new banking laws. One result is that the national legislature has consulted broadly with nonbank microfinance institutions to develop a proposed law to integrate them into the formal banking sector. Once the law is passed, USAID plans to support the Superintendent of Banks in development of norms and procedures relating to microfinance institutions. USAID provided support to the Superintendent of Pensions to incorporate public sector day workers into the labor history database, to facilitate their participation in the newly privatized pension system.

Policy reforms facilitate USAID activities that work directly with rural producers. USAID-supported microfinance institutions have opened access to credit for more than 37,000 borrowers, from predominantly rural and poor households, a result which will more than double by the end of the strategy period. Since 1997, USAID partners have provided marketing and technology services to 54,336 producers. A total of 1,328 group title properties received by Peace Accords land recipients have now been subdivided, and 21,771 individual titles have been legalized. By 2001, all Peace Accords land beneficiaries will have secure individual titles to their properties. In rural areas, testing shows improved educational attainment has resulted from USAID investments in textbooks, curriculum and teacher training over the past decade. Since 1997, USAID has assisted 110 communities in the construction of small infrastructure projects identified by the local population. During FY 2000, USAID will award grants to up to 50 additional rural poor communities to obtain priority infrastructure works.

Possible Adjustments to Plans: No changes to the current strategy are being considered. The mission plans to evaluate its

human capacity development activity this fiscal year, and anticipates that some changes to the design may be recommended.

Other Donor Programs: Active programs of the InterAmerican Development Bank and the World Bank provide significant resources to El Salvador in education, infrastructure, land registry, microfinance and economic policy. Many bilateral donors are also present. USAID assistance is directed to: (1) providing seed financing in innovative areas where other donors are not yet present, but which have great potential (e.g., early childhood, formalization of microfinance NGOs); and (2) helping to leverage the efforts of players outside the central government to participate more fully in rural development, in particular local government and sustainable local NGOs. USAID coordinates with the aforementioned donors to support the GOES in setting a policy framework that is conducive to reducing rural poverty.

Principal Contractors, Grantees or Agencies: Current grantees and contractors include the U.S. firms Chemonics, Harvard Institute for International Development, Development Alternatives Inc., Development Associates, Technoserve and DevTech Systems Inc.; GOES agencies such as the Salvadoran Institute for the Protection of Minors, the Ministry of Education and the Ministry of Agriculture; and an array of local and U.S.-based NGOs, including CARE, Catholic Relief Services, the Cooperative League of the USA, the World Council of Credit Unions, the Foundation of Entrepreneurs for Educational Development and the Ungo Foundation. Partners for USAID's new early childhood activity include UNICEF and the Metropolitan Community College (Omaha).

Selected Performance Measures:	Baseline	Actual (1999)	Target (2000)	Target (2001)
Rural population with children ages 7-10 attending school	79.4% (1995)	81.0% (1998)	85.5%	86.8%
Number of male/female customers receiving services (i.e. management, agricultural technical assistance, bulk input supply, processing or produce marketing)	28,594 m 7,856 f (1996)	39,478 m 14,858 f (9/1999)	43,000 m 14,500 f	46,000 m 15,500 f
Number of rural active borrowers	24,936 (1996)	37,027 (3/1999)	62,750	73,000

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: El Salvador
TITLE AND NUMBER: More Inclusive and Effective Democratic Processes; 519-002
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,800,000 (DA), $1,500,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $4,800,000 (DA), $1,500,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: By the beginning of the strategy period in 1997, most of the structural and organizational changes to key democratic institutions mandated by the Peace Accords had been effected -- the Office of the Human Rights Ombudsman and a new national civilian police force were established, and reforms to the appointment process and terms of office for Supreme Court magistrates had significantly depoliticized the judicial branch and strengthened its independence. These structural changes alone, however, merely set the stage for the much more profound transformation of El Salvador's legal and political system, which will take at least the next decade to achieve. USAID is supporting Salvadoran efforts to strengthen democratic processes, increase citizen participation and improve the quality of governance. USAID is directing its efforts toward ensuring that all Salvadorans, especially women and children, have access to effective legal and judicial protection.

Key Results: USAID considers four key intermediate results as necessary for achieving this objective: (1) in the area of legal protection, significant improvements in the level of citizen confidence in the judicial system, resulting from an improved legal framework and reduced average processing time for criminal cases; (2) in 28 selected municipalities, establishment of broadly representative local development committees, preparation of community development plans,

and an increase of at least 50% in local tax revenues invested in public works or other priorities established in the community development plan; (3) establishment of a new civil registry and issuance of new identity/voter registration cards to 3,000,000 adult Salvadorans; and (4) a more vibrant, better informed and active civil society involved in national and local decision-making processes.

Performance and Prospects: Performance has generally kept pace with targets established for USAID's municipal development and citizen participation activities, the establishment of the new civil registry, and judicial training to facilitate implementing reforms to criminal legislation and more expedient case processing.

USAID catalyzed support for the drafting and passage of important criminal justice system reforms. To facilitate implementation of the new criminal procedures and sentencing codes and to expand citizen access to them, USAID helped purchase equipment to establish public defender and prosecutor offices in each of the country's 14 departments. USAID also delivered specialized training for judges, prosecutors and public defenders in formulating oral trial arguments, the interviewing of witnesses and in following trial court procedures (e.g., timeliness and adherence to scientific use of evidence). From June 1998 through May 1999 the Public Defender's Office provided over 27,000 individuals with free legal counsel, up from 10,000 for the same period during 1997-1998. The Public Defender's Office has attributed this increase to the new criminal procedure code and more active use of conciliation methods.

During 1999, USAID continued to strengthen democratic local governance. USAID assisted in the formation of local committees to design and implement local development plans in concert with municipal authorities. Ten additional municipalities began receiving assistance from USAID in 1999. In all of the 28 municipalities where USAID provides technical assistance for municipal services administration, mayors held at least one public forum to present and discuss the 1999 budget and are consulting on priorities more regularly with their constituents.

Upon appointment of a new National Registrar in late 1997, USAID and the United Nations Development Program (UNDP) agreed to co-finance the technical design studies required prior to purchasing equipment and launching the new civil registry system. In July 1998, the technical study was completed and approved by the National Registrar. Currently, USAID, through a grant to the UNDP, is assisting the Government of El Salvador (GOES) with the establishment of the National Citizen Registry and the Single Identity Document by helping the RNPN with the construction of the historical data base -- a first step in an effort to issue an estimated 2,000,000 new identity/voter registration cards in 2001.

Civil society cannot function effectively without access to information, the participation of a broad range of citizens, and the opportunity to participate in the policy-making process. USAID is therefore working with the Legislative Assembly to make the legislative process accessible to citizens. During 1998, USAID assisted the legislature to develop a modernization plan -- one element of which is the creation of departmental offices to facilitate public access to the legislature. The first of these offices, located in Chalatenango Department, opened in January 1999 and the second one was inaugurated in the San Miguel Department in November 1999. USAID is also providing technical assistance to establish the equivalent of a congressional budget office.

The fight against corruption and achievement of transparency in public sector has prompted USAID to fund activities with non-governmental organizations (NGOs) and the GOES. USAID initiated an advocacy training program for local NGOs and has trained public and private sector leaders in anti-corruption strategies. An anti-corruption working group with both public and private sector membership has been formed and will receive USAID support for its advocacy and public awareness activities.

Possible Adjustments to Plans: No adjustments to the current strategy are planned. However, the Assistant Administrator for the Latin American and Caribbean Bureau has approved USAID/El Salvador's use of Economic Support Funds to include law enforcement agency personnel (i.e., National Civilian Police) in training activities within the democracy strategy. This authorization enables USAID to more effectively support the implementation of the new criminal codes through joint training of all judicial sector players - judges, prosecutors, public defenders and police - to increase their understanding of the law, clarify their respective roles and improve their coordination in implementation of the law. USAID will also assist the GOES, using funds from the Hurricane Mitch supplemental allocated to the Department of State for international narcotics and law enforcement, to establish an office of government ethics to increase public sector transparency and accountability.

Other Donor Programs: The Inter-American Development Bank (IDB) and Spain continue to contribute significantly to judicial reform, along with a World Bank program. The IDB, the German aid agency (GTZ), and the UNDP all have active local development programs. The United States and Japan continue to identify and fund projects designed to strengthen civil society under the Common Agenda.

Principal Contractors, Grantees, or Agencies: The principal grantees and contractors in the judicial sector include Chemonics, DPK Consulting and the National Center for State Courts. The Research Triangle Institute and DevTech Systems Inc. are implementing USAID's activities in local governance. In both of these areas, USAID is also financing an inter-agency agreement with the Department of State for targeted training and study tours in the United States and speaker series on judicial, human rights and local governance topics. The State University of New York and Florida International University are providing assistance to strengthen the Legislative Assembly. The International Foundation for Electoral Systems is conducting studies for the design of the civil registry. Management Systems International is assisting USAID with the refinement and tracking of performance indicators.

Selected Performance Measures:	Baseline (1996)	Actual (1999)	Target (2000)	Target (2001)
Average criminal case Processing time, in months	16	4*	12	3
Local development/municipal service delivery plans, in number of municipalities	0	18	25	25
Increase in locally-generated tax revenues (in 18 municipalities)	0%	65%*	50%	50%
New identity/voter registration cards issued	0	0	0	2.0 mill.

* Actual results surpassed the targets set for 2000. USAID is reviewing the targets for 2000 and 2001 for these indicators.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: El Salvador
TITLE AND NUMBER: Sustainable Improvements in Health of Women and Children, 519-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,822,000 (DA), $7,145,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $5,627,000 (DA), $6,888,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: USAID is helping to improve the health of women of reproductive age and children under age five by increasing the use and sustainability of appropriate health practices and services. USAID's support for health and population activities in El Salvador spans several decades and is associated with a steady improvement in health and population indicators. Now, USAID is expanding geographically the coverage of health services, especially for women and children, and seeking mechanisms to enhance their long-term viability while reducing the dependency on donor funding. New health reform efforts are also being encouraged and supported that will create an enhanced institutional, legal and financial basis for achieving and sustaining improved health status among these vulnerable groups.

Key Results: Three key intermediate results contribute to achieving this objective:

- Child Survival: USAID programs reduce mortality and morbidity in children under the age of five through support to the Ministry of Health (MOH) and to NGOs in order to provide primary health services such as vaccinations, growth monitoring, nutrition, prenatal care and the prevention and treatment of preventable diseases.
- Reproductive Health: USAID programs reduce reproductive health problems through improved safe motherhood and birth outcomes. Families receive assistance to have fewer unplanned and mis-timed pregnancies. USAID is also providing assistance to prevent sexually transmitted infections and HIV/AIDS.
- Policy: To improve health for women and children, USAID works with the Salvadoran government and other donors to enhance the policy environment to support long-term changes. The policy component supports

sector-wide reforms, including decentralization and increasing community participation in health services policies and practices at the local level.

Performance and Prospects: USAID has financed major health and demographic surveys every five years in El Salvador since the late 1970s. The 1993 and 1998 National Family Health Surveys (FESAL) showed marked improvement in the health status of Salvadorans: infant mortality dropped from 41 to 35 per 1,000 live births. For child mortality, the FESAL showed a decrease from 12 to eight per 1,000 live births. Contraceptive prevalence increased from 53% to 59.8%. Acute respiratory infections decreased from 59.4% to 33.4%. The total fertility rate dropped from 3.83 to 3.54 children per woman. Prenatal visits increased from 68.7% in 1993 to 76.0% in 1998, with a higher number of women seeking prenatal care in their first pregnancy trimester (from 45.7% in 1993 to 75.2% in 1998). The FESAL recorded more than a doubling of rural households with piped water systems - from 14% to 30%. Diarrhea incidence nationally decreased from 24.4% in 1993 to 20.2% in 1998. As the health sector's leading donor for over 20 years and virtually its only donor during El Salvador's 12 years of civil conflict, USAID can take the credit for much of these improvements.

USAID plays an important leading role in coordinating, developing and implementing activities that support the health reform process. USAID will continue to provide financial and technical assistance to develop new health legislation that ensures equitable service provision, especially for the rural poor. USAID will assist the MOH to develop a more effective and affordable health care delivery system, and will support the efforts of the presidentially-appointed National Health Council to develop a plan for reform of the nation's health care system by the end of 2000.

An assessment of the MOH National Tuberculosis Program, conducted in close coordination with the Pan American Health Organization (PAHO), resulted in a $2 million, three-year infectious disease program to reinforce and improve tuberculosis control that began in mid-1999. In addition, USAID is working with PAHO, the Centers for Disease Control and the MOH to design a new post-Hurricane Mitch program, to begin in early 2000 which will strengthen MOH disease surveillance, laboratory and epidemiological capacity. USAID supports the MOH in implementing, developing and strengthening programs to prevent the spread of sexually-transmitted infections and HIV/AIDS. USAID is also coordinating with USAID's regional HIV/AIDS activity to support implementation of El Salvador's National Strategic Plan for HIV/AIDS.

To ensure the coverage of child survival and reproductive health services in those areas previously assisted by USAID-funded NGOs, the MOH with USAID assistance, hired and trained 240 new health promoters to expand service delivery to the rural population. To complement this effort, the MOH in 1999 also contracted with five NGOs to provide additional rural health services is those areas not directly served by the MOH.

Possible Adjustments to Plans: No adjustments to the current strategy are planned.

Other Donor Programs: Three other major donors besides USAID work in the health policy and reform area: PAHO, the Inter-American Development Bank (IDB) and the German aid agency (GTZ). PAHO and GTZ concentrate mostly on supporting the MOH's decentralization process in limited geographic regions. PAHO also supports the MOH's implementation of the Integrated Management of Childhood Diseases initiative and other aspects of child health and emerging diseases. A $21 million, 25-year IDB loan, which was expected to be approved by the GOES in 1998, is still pending ratification by the Legislative Assembly. The European Union is developing complementary activities to improve access to potable water and sanitation services for rural people. The Government of Japan is also implementing activities to address water quality and distribution, and sanitation. UNICEF supplies essential medicines and is the lead donor on food fortification and micronutrient issues. In the area of reproductive health, the United Nations Fund for Population Activities (UNFPA) supported the development and adoption of the National Reproductive Health Plan. UNICEF programs continue to target adolescents with information including HIV prevention and, together with PAHO, educating Salvadorans on domestic violence and women's role in society. The European Union and GTZ also support reproductive health programs in El Salvador.

Principal Contractors, Grantees or Agencies: Current grantees, contractors and/or technical assistance recipients include the MOH, CARE International, Primary Providers' Training and Education in Reproductive Health (PRIME), Management Sciences for Health (MSH) and Basic Support for Institutionalizing Child Survival (BASICS), the Salvadoran Demographic Association, and other local NGOs.

Selected Performance Measures:	Baseline (1993)	Actual (1998)	Target (2000)*	Target (2002)**
Maternal mortality (Per 100,000 live births)	158	120	120	90

Infant mortality rate (Per 1, 000 live births)	41	35	30	19
Child mortality rate (Per 1,000 children under 5)	12	8	9	6
Total fertility	3.85	3.58	3.58	3.1

* data are collected every five years in the regular health and demographic survey, hence data in this column reflect the targets for 2000, which are the same as for 1998 and 1999
** although the activity will be completed in 2002, the data will be collected in the year 2003 Family Health Survey

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: El Salvador
TITLE AND NUMBER: Increased Access by Rural Households to Clean Water, 519-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,700,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $4,000,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: USAID is increasing access by rural households to clean water by focusing and integrating water and watershed-related activities from all of USAID/El Salvador's strategic objectives on protection and conservation of water sources and development of local capacity to manage decentralized water systems. The water provided must be of acceptable quality and quantity, the water delivery systems must be operational and efficient, and municipalities (or local private operators) must be able to manage and regulate water source protection and water distribution effectively. Funds provided directly for this objective are used primarily for environmental aspects of the objective such as education, watershed planning and protection, and development of policies and regulations. While the strategy is national in scope, the primary focus is on community and municipal-level interventions in three critical watersheds that transcend the boundaries of 18 municipalities.

Key Results: Under this objective, USAID will: (1) improve the quality of water sources by increasing the area covered by sound agricultural practices and improved waste management practices; (2) increase the number of efficiently operating water systems in the project area from 8 to 82; (3) increase the effectiveness of citizen actions to address water issues, leading to an increase in the number of changes based on citizen action from 43 to 300; and (4) increase municipal government participation in the management of local water resources by assisting municipalities to enact at least 36 local ordinances related to the water sector and encouraging municipalities to invest at least 25% of their resources in water-related projects.

Performance and Prospects: USAID signed a cooperative agreement with CARE, the principal implementing partner, in mid-1999. In addition to initiating its own actions, CARE has signed sub-agreements with three local non-governmental organizations (NGOs) and memoranda of understanding with local governments that will assist with implementation.

USAID is considering additional interventions to accelerate the achievement of performance targets, particularly in the areas of wastewater treatment and solid-waste recycling. Wastewater treatment systems (oxidation lagoons, for example) will reduce the amount of raw sewage being dumped into rivers that flow through the flood-prone coastal area. The wastewater treatment systems will also serve as educational tools to help steer public opinion and national policy towards treatment of domestic sewage. USAID may also finance small grants to communities or local NGOs for solid-waste recycling programs, capitalizing on local initiative and identification of creative solutions to contamination problems. Solid-waste recycling has the added benefits of generating rural income and employment and reduces the need for landfills. In addition, USAID will be financing small grants for community-based infrastructure projects such as low-cost rural water delivery and storage systems.

The target area for this objective includes much of the low-lying coastal area where damage from Hurricane Mitch was most severe. The emergency gave watershed protection and water purification programs greater visibility in late 1998

and accentuated the importance of caring for watersheds and assuring sustainable supplies of clean water. USAID's environmental education activities - with collaboration and counterpart funding from the Ministry of Environment -- began work immediately to provide chlorine and teach communities how to purify drinking water. In December 1998, CARE, operating with emergency funding, began a six-month effort to rehabilitate latrines, and clean and upgrade wells and water systems in the affected area. The impact of these interventions can be seen in the low incidence of serious illnesses following the flooding, and a dramatic rise in awareness of water issues. A survey of awareness of causes and solutions to water problems conducted in February 1999 registered awareness rates of 91%, up from 16% the previous year and well beyond the FY 2002 target of 86%. These rates are almost certain to decline as the emergency becomes less immediate. However, USAID and its partners hope to build on this achievement, to sustain awareness and changes in behaviors.

In environmental policy, the USAID provided technical assistance to develop regulations to implement the 1998 Environmental Framework Law and provided guidance for preparation of additional regulations that will be needed in the future. USAID is also working closely with the Government of El Salvador (GOES), the Legislative Assembly, the Inter-American Development Bank (IDB) and municipal and community organizations to build support for the development and passage of a new water law which meets the needs of the water sector. In 1999 the Enterprise for the Americas Initiative in El Salvador approved 15 new grants to local NGOs and community development groups for environmental protection and child survival projects. Since 1994, the Enterprise for the Americas has funded 288 projects with a total value of more than $20 million.

Possible Adjustments to Plans: No adjustments are planned.

Other Donor Programs: The IDB is the largest multilateral donor in the water sector. The IDB's newest loan for the water sector, approved at $55 million, awaits ratification by the Legislative Assembly. That particular loan requires that the Salvadoran government pass a new water law that will modernize and decentralize authorities in the water sector. The loan will also be an important source of financing for construction or rehabilitation of water systems that serve small municipalities and rural areas. USAID expects the loan and the new water law to be ratified by the Legislative Assembly within the year.

The European Union, Sweden, Germany, Japan and Spain all implement activities through the Government of El Salvador or NGOs to install, rehabilitate and construct water supply and sewage systems in rural areas and ex-conflictive zones. The Food and Agriculture Organization, the World Food Program and the Pan American Health Organization also support interventions to increase access to water supply and sanitation services as well as to strengthen water resource management in rural areas. A UNICEF environmental education program features water and sanitation as one of its themes.

Principal Contractors, Grantees, or Agencies: CARE is the principal implementing organization under the objective. CARE works with three local NGOs with expertise in watershed management, participatory development, strengthening local government and improved performance of water delivery systems. World Vision is also working under a cooperative agreement to protect watersheds in Ahuachapan Department.

Selected Performance Measures:	Baseline (1997/1998)	Actual (1999)	Target (2000)	Target (2001)
Rural households in target areas with water that meets quality and time standards, by gender of head of household	(1997) 30%m 26%f	38%m 39%f	46%m 45%f	55%m 55%f
Rural households nationally with water that meets quality and time standards, by gender of head of household	(1997) 41%m 38%f	39%m* 39%f	48%m 47%f	52%m 52%f
Increased use of improved agricultural and conservation practices, in number of hectares	(1998)			
-- soil conservation	4,055	4,423	4,500	4,800
-- organic cropping	815	931	1,100	1,200
-- integrated pest management	811	1,047	1,100	1,200

* several water systems have been reported not operating

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: El Salvador
TITLE AND NUMBER: Assist El Salvador to Make The Transition from War to Peace, 519-006
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Terminated
INITIAL OBLIGATION: FY 1992 **ESTIMATED COMPLETION DATE**: FY 1997

Summary: The formal signing of the Peace Accords on January 16, 1992, marked an historic turning point for El Salvador and an end to nearly 12 years of armed conflict. Immediately following the signing of the Peace Accords, USAID initiated a five-year, $300 million (including host-country-owned local currency), program to support peace and national reconstruction. The program was implemented primarily through the Secretariat for National Reconstruction (SRN), the principal Government of El Salvador (GOES) institution for post-war reconstruction. The first two years of the program focused on the reintegration of combatants from the FMLN and government military personnel into civilian life. From 1994 through 1997, USAID concentrated efforts on addressing the long-term social and economic needs of the 115 municipalities located in the ex-conflictive zone. More than 130 non-governmental organizations (NGOs) have assisted in the implementation of 84 separate activities benefiting the 1.4 million people located in the ex-conflictive areas.

The strategic objective played a significant part in ensuring the timely completion of the Peace Accords, focusing not only on the reintegration of ex-combatants and displaced civilians, but also on the reconstruction of social and productive infrastructures in areas most severely damaged during the conflict. It also set the foundation for the mission's present efforts to reduce rural poverty and promote broader-based economic growth.

This strategic objective, and all activities under it, ended by September 30, 1997.

Key Results: This strategic objective addressed four areas: (1) reactivation of factors of production (land, labor and capital); (2) re-establishment of basic services and infrastructure; (3) strengthened local-level democratic institutions and civic participation; and (4) reintegration of ex-combatants.

Performance and Prospects: USAID's contribution to the fulfillment of the Peace Accords has been substantial. The United Nations refers to the GOES's National Reconstruction Plan as a model for countries making the difficult transition from war to peace. USAID, through its National Reconstruction Program (NRP), was the largest contributor to the Plan. The USAID not only met, but often exceeded the challenges it set out to achieve in 1992.

Peace is a substantial and integral part of Salvadoran society today. The FMLN transformed itself from an insurgent movement to a powerful political party, sharing control of the legislature with the ARENA party. Over 45% of the population lives in municipalities which the FMLN, alone or in coalition, was elected to govern. Ex-combatants from both sides of the conflict struggle to advance economically, sharing their challenge with a broad segment of Salvadoran society confronting an equally difficult economic environment. Organized civil and military conflict are a thing of the past. In the ex-conflictive zones, as well as in the broader society, potable water, rural roads, electricity, and health and educational services are still in short supply, but they exist in far greater abundance than during the war years.

According to an independent survey, families in the NRP target area saw a 33% increase in their incomes as a result of credit and technical assistance received over a two-year period. The families represent slightly less than three quarters of target population. Similarly, a report prepared for the U.N. Development Program (UNDP), states "...that total household income has risen most dramatically in the eastern department of La Unión and in the former conflictive zones of Chalatenango, Cabañas, San Vicente and Usulután. Morazán, another former conflictive zone, has also experienced a rise in nominal total household income that exceeds the national average..."

Prior to the war, these conflictive areas had historically been among the poorest and least served by the central government. The geographically focused approach of the NRP has done much to redress this previous lack of

government attention and investment. Although still poor, the ex-conflictive areas of the country now compete favorably, or at least on a par, with the other rural areas of El Salvador in terms of economic growth.

Regarding training, more than 107,000 people, ex-combatants and civilians alike, received either training or technical assistance in agriculture and small business development. In 1997, alone, over 6,000 people, 27% of them women, were trained, which is double the target for that year. Contrary to widespread expectations of total failure, over 40% of microenterprises created under the microenterprise program for middle-level officers were still functioning in 1998. In addition, over the five years, 93,937 loans were provided to beneficiaries to increase crop production and establish or expand microenterprise businesses during the program life.

USAID's assistance to the Peace Accords-mandated land transfer program ensured that over 36,000 eligible beneficiaries received title to land individually or in groups. USAID then played a central role in securing the full cancellation of the land transfer program debt and in ensuring that program beneficiaries held their land free and clear of all debt. In addition, in 1997, 1,277 beneficiaries on 29 properties received individual title under a pilot land parcelling activity which continues under the economic growth strategic objective.

An estimated 1.1 million people living in the NRP zone benefited from more than 2,900 small-scale infrastructure activities. These infrastructure projects include new and rebuilt schools, health clinics, and potable water systems, improved roads and bridges and hundreds of miles of new rural electrical service.

Over the five-year life of project, USAID channeled nearly $100 million in resources through 137 NGOs to support a wide array of ex-combatant and civilian development activities. The final evaluation of USAID's assistance to the Peace Accords noted, "the use of NGOs as executing institutions greatly facilitated the implementation of the NRP, and was essential for providing access to program services by the target population, a large percentage of which is located in remote, war-torn areas." This assistance to NGOs also strengthened their rural organizational base, improving their advocacy capacity to articulate and act in representation of rural clients. In addition, USAID made a significant contribution to building participatory democracy by supporting and promoting 1,378 municipal open town meetings held nationwide with over 175,000 Salvadorans participating.

In the past five years, USAID assisted in the successful re-insertion of ex-combatants into the mainstream of society through the following activities: more than 21,000 ex-combatants received vocational and academic training while approximately 17,000 received agricultural and microenterprise credit. In total, there were 36,059 ex-combatants and squatters who received land under the land transfer program and about 9,000 people wounded during the war were rehabilitated. In 1997, the last year of this strategic objective, USAID continued to turn out impressive results including rehabilitation services for 1,247 war-wounded.

Possible Adjustments to Plans: None

Other Donor Programs: Other donors provided more than $900 million to the peace process. Japan was the second largest donor, contributing $207 million in loans and grants, followed by the Inter-American Development Bank ($145 million) and the European Union ($90 million). The European Union's contribution does not include substantial contributions from member countries. Germany, for example, contributed $29 million. In addition, a number of international and domestic NGOs contributed their own resources to the program.

Principal Contractors, Grantees, or Agencies: The GOES's Secretariat for National Reconstruction managed most of USAID's assistance under this objective by channeling funds through U.S. and Salvadoran NGOs and government institutions for specific activities.

Selected Performance Measures:	Baseline (1992)	Actual* (1997)	Actual* (1997)
People trained	3,960 (m) 600 (f)	43,392 (m) 10,723 (f)	75,387 (m) 32,358 (f)
Clients receiving credit	6,650 (m) 6,200 (f)	58,123 (m) 28,871 (f)	65,061 (m) 29,265 (f)
Ex-Combatants receiving rehabilitation services	1,400	8,375	9,193
Ex-Combatants and squatters receiving land **	1,400	8,375	9,193

m = male; f = female
* cumulative
** USAID-financed activities only

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: El Salvador
TITLE AND NUMBER: Reduced Vulnerability of the Rural Poor to Natural Disasters in Targeted Areas, 519-007
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2001

Summary: In late October 1998 Hurricane Mitch pounded the Honduran coast, and generated intense rainfall across Central America. By November 1, the level of precipitation reached its maximum as Mitch, down-graded to a tropical storm, stalled over the region. In El Salvador, this extreme precipitation fell on highly deforested land, already saturated by abnormally high rainfall in the month of October, triggering widespread flooding and landslides. The Government of El Salvador (GOES) reported that 239 people died or are missing and damage estimates, including indirect trade losses, totaled $132.5 million. The hardest hit areas were in low-lying coastal zones, particularly in the floodplain of the Lempa and San Miguel Grande rivers.

This special objective responds to the reconstruction needs of the 10 municipalities where damage from flooding was most severe. The focus of this assistance is on reducing the vulnerability of the rural poor to natural disasters in one of the poorest regions in the country. This assistance follows on the response by USAID, the U.S. Department of Agriculture and the Department of Defense to the emergency and initial rehabilitation needs of the affected population. Assistance during the current reconstruction phase from the Office of Foreign Disaster Assistance, regional USAID programs and six other U.S. Government agencies - U.S. Geological Survey, National Oceanic and Atmospheric Administration, Environmental Protection Agency, U.S. Department of Agriculture, the Centers for Disease Control and the Federal Emergency Management Agency -- complements and is coordinated with this special objective.

Key Results: In these municipalities, USAID is: 1) stimulating economic activity through the rehabilitation of 113 kilometers of rural roads, expansion of the electricity distribution grid by 80 kilometers and introduction of high-value crops; 2) 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 approximately eight water systems, 850 wells and 2,200 latrines; and 3) mitigating the environmental impact of future natural disasters through attention to environmental management and disaster preparedness planning at the community, municipal and national levels.

Performance and Prospects: This special objective was approved by the Assistant Administrator on April 14, 1999. Implementation began with the signing of two cooperative agreements - with the Cooperative Housing Foundation (CHF) and CARE -- on June 17 and a bilateral agreement with the GOES on July 2. The implementing partners moved quickly to initiate activities, despite the rains of May-October and renewed flooding in the target area.

By November 30, 1999, CHF had begun construction of 14 new houses and had signed agreements with two local NGOs and one international NGO, Habitat for Humanity International, for the construction of 419 more houses. Five schools are under construction and four more are being designed. The Cooperative League of the USA (CLUSA) - a sub-grantee to CHF -- assisted farmers to plant 624 hectares of high-value crops.

In the aftermath of the storm, USAID had signed an emergency $1 million cooperative agreement with CARE International to carry out a six-month water rehabilitation activity. With these funds, CARE rehabilitated 4,750 latrines, cleaned and rehabilitated 4,626 wells, upgraded 980 of the wells to reduce contamination from flooding, and constructed nine water systems to serve 9,800 people. Under this objective, CARE is continuing this effort. By the end of November, CARE had upgraded 318 more wells and constructed 425 more latrines.

During this same period, CHF planted over 71,000 trees to protect micro-watersheds, began reforestation of 17 hectares of mangroves and planted grasses and other plants on 1,000 meters of the earthen levees along the Lempa River to

protect them from erosion. CHF, working through Partners of the Americas, complemented these watershed management interventions with the training of 12 communities, thus far, in disaster preparedness and the review of municipal disaster plans. The U.S. Army Corps of Engineers, working under a participating agency service agreement, will re-enforce these efforts with the development of a master flood control plan for the target area.

The road rehabilitation and electricity components - which require more extensive engineering designs and rigorous procurement procedures - will be underway by early 2000. Both are still on schedule; the road rehabilitation and the construction of the new electricity lines will be completed by June 2001. Meanwhile, the National Confederation of Peasants is working under a cooperative agreement to install 420 solar panels in communities that are not on the electrical grid.

Possible Adjustments to Plans: No adjustments are planned.

Other Donor Programs: Japan, Germany, Spain and Sweden are the principal other bilateral donors providing assistance for post-Hurricane Mitch reconstruction. The Inter-American Development Bank, the World Bank, the European Union, the World Food Program (WFP) and the United Nations Development Program are the major multilateral organizations involved in the reconstruction effort. American Red Cross and Catholic Relief Service, along with other international NGOs and church groups, are also providing additional resources to assist with reconstruction. In most cases, the assistance promised by these organizations is in the early stages of implementation or still at planning stage. Notable exceptions include the food-for-work programs administered by the WFP and the rapid response by the international NGOs.

Principal Contractors, Grantees, or Agencies: The Cooperative Housing Foundation - with its principal sub-grantees, CLUSA and Partners of the Americas - is implementing activities in housing, schools, agriculture, disaster preparedness, environmental management and small infrastructure. CARE is implementing the component on water and sanitation. The Ministry of Public Works and the Ministry of Foreign Affairs' Technical Secretariat for External Financing are implementing the rural roads and electrification components, respectively. Other implementing organizations include the U.S. Army Corps of Engineers and the National Confederation of Peasants.

Selected Performance Measures:	Baseline (April 1999)	Actual (1999)	Target (2000)	Target (2001)
Number of Mitch affected farmers assisted[1]	0	1,194	4,000	5,000
Kilometers of rural roads rehabilitated[2]	0	0	30	113
Small infrastructure projects and schools[3] constructed, in number	0	0	50	120
Number of communities trained in disaster preparedness[4]	0	4	80	100
Number of hectares of land under conservation measures	0	17	150	350

[1]Over 9,500 farmers were affected in the target area.
[2]Nationally, 2,653 kms. of rural roads were damaged by Hurricane Mitch.
[3]Over 280 schools, 100 in the target area, were damaged as result of the storm.
[4]There are approximately 150 rural communities in the target areas that were affected by Hurricane Mitch.

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

El Salvador

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	23,152	20,050	19,358	23,927
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	10,881	11,378	10,645	10,138
CACEDRF	0	22,100	0	0
INC	0	0	0	0
Economic Support funds	1,000	2,000	1,500	1,500
P.L. 480 Title II	1,623	3,284	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**36,656**	**58,812**	**31,503**	**35,565**
Operating Expenses	2,782	2,295	3,092	5,000
Trust Funds	3,298	3,348	2,000	0
Total Operating Costs	**6,080**	**5,643**	**5,092**	**5,000**

Note:
FY 2000 OE - $85,000 Hurricane Supplemental

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	17	14	14	15
Other U.S. Citizen	1	1	1	1
FSN/TCN	104	89	83	76

Subtotal OE Funded	**122**	**104**	**98**	**92**
Program Funded*				
U.S. Citizen	2	1	1	1
FSN/TCN	23	20	22	21
Subtotal Program Funded	**25**	**21**	**23**	**22**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs	1	0	0	0
Subtotal Other	**1**	**0**	**0**	**0**
Total Work Force	**148**	**125**	**121**	**114**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
519-001, Expanded access and economic opportunity for rural families in poverty							
- DA	7,200	0	1,000	0	1,300	0	9,500
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	3,250	0	3,250
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
519-002, More inclusive and effective democratic processes							
- DA	0	0	0	4,800	0	0	4,800
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	1,500	0	0	1,500
- P.L. 480/II	0	0	0	0	0	0	0
519-003 Sustainable improvement in health of women and children achieved							
- DA	0	5,627	0	0	0	0	5,627
- DFA	0	0	0	0	0	0	0
- CSD	0	6,888	0	0	0	0	6,888
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0

519-004, Increased access by rural households to clean water							
- DA	0	0	4,000	0	0	0	4,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
519-007, Reduced vulnerability of the rural poor to natural disasters in targeted areas							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	7,200	5,627	5,000	4,800	1,300	0	23,927
- DFA	0	0	0	0	0	0	0
- CSD	0	6,888	0	0	3,250	0	10,138
- ESF	0	0	0	1,500	0	0	1,500
- P.L. 480/II	0	0	0	0	0	0	0

The United States Agency for International Development

GUATEMALA

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

Guatemala is into its fourth year of implementing the historic peace accords signed December 29, 1996. The Peace Accords provide the framework for transforming Guatemala into a more participatory, pluralistic and equitable society. While there have been dramatic advances, particularly during the first two years following the signing of the Accords, the United Nations Monitoring Commission on Guatemala (MINUGUA) reports little progress was made in 1999 to meet key fiscal and justice sector reforms. The April 1998 murder of Bishop Juan Gerardi remains unsolved raising national and international concerns over impunity and the inability of the justice system to investigate and prosecute criminal cases. The limited follow-up on the recommendations flowing from the Historical Clarification Report has disappointed human rights groups in Guatemala and elsewhere. A May 1999 national referendum rejected a Congressionally approved set of constitutional reforms to help institutionalize the peace process. National elections in late 1999 witnessed the overwhelming victory for the opposition Guatemala Republican Front (FRG) which was supported at the local, departmental, and national levels. The new FRG Administration has pledged to continue support for the peace process.

The Mission Performance Plan (MPP) lists the principal U.S. national interests in Guatemala, in priority order, as maintaining regional stability, further democratization, economic liberalization, better control of international crime, slowing emigration and protecting the environment. A wide range of U.S. interests are served by supporting the peace process. The consolidation of democracy in Guatemala contributes to long-term growth and stability in the country as well as the region, which is of increasing trade and investment importance to the United States. Guatemala has 35% of the total population of Central America and a similar percent of regional economic production. Successful post-conflict recovery and reintegration supports other major U.S. interests, such as controlling illegal immigration and narcotics trafficking and creating a stronger trading partner, as well as addressing the global issues of environmental protection, global climate change, rapid population growth, and the improvement of human health.

The U.S. will continue to play a key role in Guatemala's disaster efforts. The USG provided over $9.5 million in emergency food, medical supplies and equipment, construction materials, and Department of Defense helicopter as an immediate response to Hurricane Mitch that struck in November 1998. The USG contributed another $30 million to early rehabilitation. USAID followed this response in July 1999 with a $25 million grant to the Government of Guatemala (GOG) under the Central American and Caribbean Emergency Disaster Relief Fund (CACDRF) and $3 million in emergency child survival funds. The two-year Hurricane Mitch Special Objective addresses near and medium term needs in the areas of disaster preparedness, agricultural recovery, and community disease prevention.

The Development Challenge

While Guatemala is the largest Central American country in terms of population (11 million) and economic activity (1999 gross domestic product GDP $18.5 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 75% 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. The country's social indicators are among the worst in the hemisphere, and national averages mask even sharper inequalities between ethnic groups and gender. Overall adult literacy is estimated at 65%, but literacy among Mayan women is estimated as low as 30%. Less than half of rural Guatemalans have access to running water, only a quarter have access to electricity and less than one in ten 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.

Implementing 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 restoring public confidence in the judicial institutions and establishing the rule of law. A key element of the GOG efforts to address one of the most fundamental sources of conflict was the law establishing the Land Fund, which provides a market-based mechanism for land purchases and titling. Although slowed by Hurricane Mitch, the Government's increased budget allocations for social sectors and a comprehensive education reform plan that emphasizes multicultural, multilingual, and multiethnic education are beginning to address major disparities in the delivery of social services. Setbacks on the road to achieving lasting peace continue. Rising crime and random violence fuel concern as does the lack of an integrated national policy on public security. The proposed fiscal package that is needed to sustain the upward trend in revenue collections called for in the Accords awaits action by the new Administration.

U.S. assistance to date has played a key role in four areas of the peace process: (1) demobilization, reinsertion, and reconciliation; (2) integrated human capacity development; (3) sustainable productive investment; and, (4) modernization and strengthening of the state. U.S. assistance strengthens fragile democratic institutions and supports justice sector reform while promoting respect for human rights. USAID is also helping to increase income opportunities and access to social services for the rural poor while encouraging sound environmental management. Our support in the coming years will closely track the new Administration's efforts to move the peace process forward and deepen reforms.

The requirements 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. Increased donor funding is essential to complement domestic financing given the estimated $2.3 billion cost of implementing the Accords between 1997-2000 and the need to extend the Peace Accord implementation calendar. Additionally, the burden of financing Hurricane Mitch-related reconstruction is estimated to be $550 million. Thus, Guatemala is not considered a candidate for graduation from U.S. assistance in the near term.

Other Donors

The United States continues to be the largest bilateral donor, having pledged $260 million of the total $1.9 billion in donor pledges in support of the Peace Accords over the four-year period 1997-2000. Other important bilateral donors Spain ($168 million), Germany ($65 million), Norway, and Sweden are supporting Peace Accords activities mainly in community development, modernization of the state and the judiciary, and infrastructure. Major multinational donors include the Inter-American Development Bank ($945 million), the World Bank ($400 million), Central American Bank for Economic Integration, the United Nations Agencies, and the European Union with programs supporting demobilization and reinsertion, emergency assistance to affected populations, community development, integrated human development, income generation activities, infrastructure, and modernization of the state. International donors have 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.

The United States Agency for International Development

Guatemala

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

We are extending our Peace Program through FY 2003. Our programs 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 more fully participate in democratic development. In addition to the Peace Program, supported with Economic Support Funds (ESF), and the new Hurricane Mitch Special Objective under the CACDRF, USAID provides a range of sustainable development activities to Guatemala in five focus areas. These areas include: democratic development, improved access and quality of education services, improved health for rural women and children, increased rural incomes and food security, and sustainable natural resource management. Geographically, USAID programs target the departments most affected by the civil conflict and highest levels of poverty. The proposed mix of $17.83 million Development Assistance, $7.31 million Child Survival and Disease Program Funds, $20 million of Economic Support Funds, and $24.0 million P.L. 480 Title II in FY 2001 will enable the United States to pursue its highest-priority objectives and help address the root causes of Guatemala's longstanding armed conflict, among them, persistent and widespread poverty and social exclusion and support the new Guatemalan administration in furthering the Peace Process.

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: More Inclusive and Responsive Democracy, 520-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,300,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $3,000,000 (DA)
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 Peace Accords at the end of 1996. Three years later, despite some progress, many Peace Accord commitments remain unfulfilled. This SO seeks to advance the peace process and deepen democracy by strengthening democratic institutions and expanding effective participation in political life, especially among Mayans and women. USAID's programs are poised to support and encourage the new government and civil society to work together to address key issues. The ultimate beneficiaries will be those individuals and groups that have been largely excluded from participation in the past.

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 policy related to women, the indigenous, and the rule of law; (3) Increased citizen participation in strengthened local governments by supporting greater citizen involvement in local decision-making and municipal development activities; and (4) Improved quality of public policy through a strengthened national legislature, achieved by improved technical analysis and outreach capabilities of the Congress.

Performance and Prospects: Performance during the past year has met expectations. With Peace ESF, the USAID justice

activity has promoted greater access to justice, in different parts of the country and is gaining acceptance by the government and other donors of our justice center approach. The Clerk of Courts office in Guatemala City - in its first year of operation -has reduced "lost" cases from over 1,000 to just one. It has succeeded in promoting an equitable and transparent case distribution system, reducing the potential for corruption, relieving congestion and permitting the generation of much needed judicial statistics. The USAID-inspired "justice center" concept serves to integrate the key actors at the local level and promote modern mechanisms of administration of justice. Nevertheless, the justice system still requires major reform including better coordination at the policy level among key institutions in order to address its inability to provide timely and effective justice.

USAID seeks to strengthen CSOs and provide them with opportunities to engage state actors on national issues. Most notable in 1999 were the efforts to develop a coalition of CSOs (Kuchuj-Voz Ciudadana) to ensure continuation of the peace process under the new government by influencing the platforms of major political parties and promoting a better informed citizenry. The original 13 USAID-supported CSOs grew to over 25 working together to become a voice in the political dialogue leading up to the elections. The coalition worked with other CSOs to obtain political parties' commitment to an agenda to promote the peace process, compiled the first-ever database on the candidates and fielded over 100 Election Day observers. The challenge for the coalition in the future is to determine what role it will play after the elections. USAID also initiated an innovative "Non-Violence Against Women" activity at the end of 1999 that will work at both the local and national policy level.

USAID's local government activity began in 1999 to strengthen the relationship between the local community and local authorities and foster dialogue on national policies affecting municipalities and their citizens. Focusing on municipalities in the department of Quiche, one of the areas hardest hit during the internal conflict, local partners have initiated diagnostic studies and community participation activities. Newly elected mayors and key staff received training during this critical period of transition. A pre-investment fund is being developed to finance feasibility studies and support projects developed through a participatory planning process. USAID's ongoing Special Development Fund, supported with Peace ESF, promotes democratic participation in over 50 small community groups every year mostly in ex-conflictive areas through small development projects (e.g. bridges, road, and school buildings).

USAID is working to improve public policy through a strengthened national legislature. Supporting implementation of the Guatemalan Congress' Modernization Plan, USAID helped develop a legislative intern program, under which volunteer students help draft technical studies and bills. Twenty-six volunteers are now paid professionals of the Congress. The compilation of a computerized data base of the over 12,000 laws approved since 1871, along with development of a de-legislation methodology has resulted in the formal rescission of 557 laws. Three regional legislative outreach offices (among the first in Latin America) established outside the capital city provide civic education, constituent services and other activities and events designed to promote closer relations between members of Congress and their electorate.

USAID supported the Supreme Electoral Tribunal (TSE) voter registration drive (that added almost 300,000 to the voter rolls), the training of electoral workers, and a "get out the vote" campaign. Complementing this, USAID's local government activity also supported debates (average attendance over 400) among mayoral candidates in over 85 municipalities, which focused on a "citizens agenda" developed by local groups. These activities contributed to reversing the historical slide in voter participation rates, with almost 54% of eligible voters participating in the first round of elections.

Possible Adjustments to Plans: No major adjustments in the democracy program are anticipated for the near future. USAID is in the middle of a seven-year strategy, and will primarily strengthen existing activities to ensure they support an evolving democracy sector in Guatemala. These will be enforced by a greater emphasis on promoting human rights and national reconciliation.

Other Donor Programs: Until recently, USAID has been the lead donor in supporting democratic initiatives, particularly in justice sector reform. Other donors have recently become more involved in supporting Guatemala's justice modernization, with the IDB and the World Bank having signed major programs at the end of 1998. Local government and community development organizations also receive support from several donors, including UNDP, German Technical Cooperation (GTZ) and the IDB. The EU, the OAS, Canada, Sweden, Norway, Spain and Holland also have investments in this sector. The United Nations Verification Mission for Guatemala (MINUGUA) continues to be engaged in human rights verification.

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 and the National

Congress. Activities are managed by a mix of U.S. partners (Checchi, Inc., Creative Associates, Inc., the University of Texas at Austin and Development Alternatives Inc.) and local CSOs.

Major Results Indicators: Performance indicators for this program are in part derived from a national survey that tracks trends in public values and attitudes deemed essential for democratic consolidation and sustainability. The first two indices measure the legitimacy of key democratic institutions and support for civil liberties.

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
System support index*	40% (1993)	N/A	40.1%	N/A	46-48%
Democratic liberties index*	55% (1993)	N/A	60-62%	N/A	63-65%
% of convictions supported by evidence (Xela and Zacapa)	59-67% (1996)	N/A	75-95%	80-100%	85-100%
CSO public advocacy effectiveness	23.8% (1998)	N/A	29.3%	32.3%	36.3%
# of studies completed that support legislative initiatives	3 (1996)	24	46	45	50

* Biannual Democratic Indicators Monitoring Survey (DIMS)

NOTE: Activities under USAID's Democracy SO described herein are partially funded by ESF provided through the Peace Special Objective.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: Better Educated Rural Society, 520-002
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,535,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,535,000 (CSD)
STATUS: New/Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2003

Summary: Since the signing of the Peace Accords in December 1996, a tremendous increase in primary school enrollment has been achieved, largely in rural areas, due to improved access through the Ministry of Education (MOE)'s Community Managed School Program (PRONADE). However, the education system still is characterized by deficits in coverage and quality, as well as centralized decision-making, urban concentration of resources and ethnic and gender inequities. Net primary enrollment nationally is 77%. An estimated 400,000 rural school-age children still are without schooling. In rural areas only two of every ten children attend school, and of these, only about 20% graduate from sixth grade. Half of all Guatemalan school-age children are indigenous, though only 20% attend schools where at least one teacher speaks their mother tongue. Illiteracy affects over 30% of the country's population and more than 65% of rural Mayan women cannot read or write. Due to the inadequacies of the education system, there are one million more illiterate adults every nine years.

The purpose of this strategic objective is to increase educational access, raise educational quality, and enhance the capacity and commitment of the Ministry of Education and civil society to carry out strategies that recognize the cultural and linguistic pluralism of the country. Because of the glaring inequities in the education system cited above, USAID has chosen to focus its assistance on targeted interventions to one segment of the population whose needs are not being met by the current system. The direct beneficiaries of USAID assistance include Mayan school-aged children in the Department of Quiche. The indirect beneficiaries include teachers who will be trained in bilingual education programs as well as the future generations of indigenous children who are more likely to be educated because of their parents' improved access to education through the literacy programs supported through USAID's Peace Special Objective.

Key Results: (1) Increased access to intercultural and bilingual primary education for Quiche through teacher training, development of multicultural materials and methodologies and increased parent participation; (2) Greater access to education services for rural communities; and (3) Reformed educational policies and strategies that enhance gender and cultural pluralism.

Performance and Prospects: USAID's intercultural bilingual primary education program in the Quiche Department began implementation in 1999. Under a Cooperative Agreement with World Learning, USAID, the MOE, and local nongovernmental organizations (NGOs) have initiated implementation of strategies to strengthen teacher training, develop instructional methodologies and materials, and increase parents' participation in schooling for 70,000 Mayan children. These actions will be complemented by programs planned to begin next year that strengthen teacher training through the application of education technologies and provide scholarships for 2,500 rural girls to attend primary school.

To support education reforms called for in the Peace Accords, USAID is pursuing a three-pronged approach to strengthen gender equity and cultural pluralism. First, USAID will provide assistance to the MOE to implement selected education reform policies and strategies that improve girl's education and cultural pluralism in the primary school system. Second, USAID will enhance the capacity of key civil society organizations to develop a constituency for education policy change and promote reforms that address the needs of the indigenous. And finally, USAID will work directly with rural communities to promote community participation in schooling and prepare and motivate community members to exercise their rights and responsibilities in education processes.

Adult literacy and an indigenous scholarship program funded through USAID's Peace Special Objective complement the activities focused specifically on primary education. During 1999 Save the Children began implementation of an integrated community literacy activity that focuses on training rural community members, especially women and youth, in Mayan and Spanish reading, writing, and numeracy skills linked to community development strategies. The skills training is being provided by local NGOs trained in an innovative methodology designed to reach over 250,000 new literates, most of whom are K'iche' speakers. Studies suggest that children of better educated parents are much more likely to be enrolled and continue their schooling. Similarly, many of the 1,070 indigenous recipients of university scholarships are undertaking degree program in careers related to education, including intercultural bilingual education and rural health education. We expect many of these fully bilingual/biliterate graduates to fill teacher positions in rural schools, supporting ongoing Ministry of Education efforts to expand access to bilingual educational services.

USAID also is assisting more than 340 community education promoters who work in refugee and other remote communities to become accredited primary school teachers. One hundred twenty promoters received their accreditation this year. Three local NGOs are providing the professionalization programs for the promoters.

Possible Adjustments to Plans: None anticipated.

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 resources directed toward this objective (during the period 1997-2002) approximate $120 million with USAID being the largest single donor and contributing about 25% of the total.

Principal Contractors, Grantees, or Agencies: Grantees and contractors include Rafael Landivar University, Save the Children, Juarez and Associates, World Learning, and local NGOs.

Selected Performance Measures:	Baseline (1997)	Actual (1998)	Actual (1999)	Target (2000)	Target (2001)
Gross primary enrollment ratio in Quiche*					
(girls)	62.1%	64.7%	79.1%	89%	94%
(boys)	79.6%	82.0%	97.3%	103%	105%
Number of literate persons trained by USAID-supported programs**	0	N/A	18,500	100,000	175,000

Number of indigenous university graduates/ number of indigenous scholarship recipients**	0/0	8/806	18/1252	400/1300	750/1350

* The baseline and targets have been adjusted to reflect (1) new population estimates based on the 1994 National Census and (2) the rapid increase in enrollment through the government's efforts to provide universal access to the first three grades of schooling by 2000 as mandated in the Peace Accords. The indicator measures the number of children of any age who are attending Quiche primary schools divided by the total primary school-age (7-12) population in Quiche. Percents may exceed 100% if there are more children enrolled in primary school than the total school-age population (for example 13-15 year olds enrolled in primary).

** These results are supported through the Peace Special Objective. University graduates/scholarships: 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. There is a time lag between initial enrollment and graduation from the degree programs.

Note: Activities under USAID's Education SO described herein are partially funded by ESF provided through the Peace Special Objective.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: Better Health for Rural Women and Children, 520-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $4,500,000 (DA), $5,275,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $8,500,000 (DA), $5,275,000 (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 the indigenous, reflects women's inadequate access to reproductive health services. This SO 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 SO 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 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 advocacy for reproductive rights 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 GOG's Health Sector Reform initiated in 1996 is proving successful. Coverage of health services greatly increased during 1999, especially in the poorest and most remote rural areas of Guatemala. Countrywide, about 3.5 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). The new model of health services is based on a public-private partnership, whereby the MOH regulates the system and provides financial resources and supplies, and NGOs provide

the human capital and local expertise. The activities 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. USAID provides technical assistance, training and selected supplies.

Although many outbreaks of infectious diseases were expected after Hurricane Mitch, the MOH, with support from the national and international community, was able to contain the spread of disease for the most part and mobilized its resources in a highly professional manner. Currently, the Centers for Disease Control (CDC) is providing support to the MOH and selected NGOs to strengthen local health providers to prevent and treat diarrheal diseases, malaria and dengue, and the Pan American Health Organization (PAHO) is providing support to local and central levels of the MOH to increase immunization coverage. The progress shown from 1995 to 1998-1999 in lowering the infant mortality rate and increasing contraceptive prevalence and immunization coverage was very impressive. New more ambitious targets have been set for 2002.

Possible Adjustments to Plans: No major adjustments to the approved strategy are anticipated.

Other Donor Programs: The 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 contributing 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), Project Concern International, the Population Council, Management Sciences for Health, and a local pharmaceutical distributor (IPROFASA). Current long-term partners operating under USAID/W 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).

Selected Performance Measures:	Baseline (1995)	Actual (1998)	Target (1999)	Target (2000)	Target (2002)
Infant Mortality Rate per 1,000 live births	51	--	45	--	41
Total Fertility Rate	5.1	--	5.0	--	4.8
Contraceptive Prevalence Rate	31%	--	38%	--	41%
% of Children 12-23 Months Fully Immunized	43%	--	60%	--	70%
% of Children < 5 Years Treated for Pneumonia	41%	--	37%	--	45%
% of Children < 5 Years Using Oral Rehydration Therapy or Increased Liquid Intake During Diarrheal Disease	51%	--	59%	--	65%
Couple Years of Protection	390,300 (1996)	451,657	465,207	479,163	503,121 (2001)

Note: Demographic Health Survey reporting 1995, 1999, and 2002 only. New targets have been set for 2002.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: Increased Rural Household Income and Food Security, 520-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,350,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $4,830,000 (DA)
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 percent of indigenous children under 5 years of age are chronically malnourished. This is strongly linked with the fact that the indigenous and rural populations have the greatest likelihood of 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.

The primary objective of this SO 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. Many of the target communities were also those most affected by the civil conflict. The direct beneficiaries of actions under this SO 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: P.L. 480 Title II typically provides approximately one-third of the resources needed to carry out USAID's integrated strategy. The programs implemented by the P.L. 480 Title II Cooperating Sponsors (CARE, Catholic Relief Services, and SHARE) continue to form the primary basis for outreach to the rural poor under this strategic objective. During FY99, they provided a monthly food ration and health education to 74,215 mothers and 106,868 children. They also provided a series of sustainable agriculture and microenterprise services to their families. In early 2000, Save the Children will begin Title II activities that will benefit an additional 28,000 people in the Ixil Triangle area.

With funding provided through the Peace Special Objective, USAID is continuing to expand activities in the target geographic area which is the most physically remote, has the least amount of infrastructure, where most of the civil conflict occurred, and where poverty and child malnutrition levels are the highest in the country. USAID continues to work with the Cooperative Housing Foundation (CHF) and the Canadian Center for Studies and International Cooperation (CECI) in two particularly remote areas that suffered heavily during the civil conflict. In 1999, USAID expanded its partner base by executing new agreements with the Nontraditional Exporters Guild (AGEXPRONT) for the Industry for Peace (INDUPAZ) initiative, and the Salesians Missions for an innovative farmer training program with the Q'eq'chi indigenous group.

USAID continues to work closely with the Rural Development Bank and selected partners to provide technical and financial assistance to microentrepreneurs and a major expansion of efforts is expected in 2000. USAID is continuing support to the National Coffee Association (ANACAFE) to help small coffee farmer organizations obtain access to loans and technical assistance in their communities. Small farmer organic coffee exports continue to grow as a result of USAID support to ANACAFE. A new agreement signed with CARE in 1999 will support sustainable agriculture in key watersheds of Alta Verapaz.

A major contract should be in place in early 2000 with a U.S. for-profit firm to manage a program to support Guatemalan microenterprise NGO efforts to expand in the target geographic area as well as assist the Ministry of Agriculture expand their support for a privatized agricultural extension service. USAID is also working closely with two larger Guatemalan microenterprise NGOs to help expand credit and technical service delivery for microentrepreneurs to target areas. In early 2000 USAID will sign a Development Credit Authority (DCA) agreement with the Guatemalan private Coffee Bank that will leverage $5 million of their own funds for lending in the target geographic area.

Possible Adjustments to Plans: None.

Other Donor Programs: USAID coordinates closely with the World Food Programme on food aid issues: the World Bank on land titling, watershed management issues and activities in the Peten; the Interamerican Development Bank on activities in the Peten, Huehuetenango, the Ixcan and watershed management issues; the International Fund for Agricultural Development (IFAD) and GTZ on activities in Quiche and Alta Verapaz; and the European Union on activities in the Peten. 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: Current implementing organizations supporting this SO are: Cooperative Housing Foundation (CHF), Canadian Center for Studies and International Cooperation (CECI), CARE, National Coffee Association (ANACAFE), Catholic Relief Services (CRS), the Salesians Missions, the Guatemalan Nontraditional Exporters Association (AGEXPRONT), SHARE, Feed the Children, and Save the Children (early 2000).

Selected Performance Measures:	Baseline (1997)	Actual (1998)	Actual (1999)	Target (2000)	Target (2001)
Small farmers in target areas with secure land titles	0	N/A	3,973	5,300	8,000
Small farmers use sustainable agricultural practices	0	4,000	17,500	19,500	23,000
Microentrepreneurs assisted to meet financial/technical needs	0	5,000	12,500	17,400	23,400
Increased public/private investment in the focus areas	0	N/A	$1.7 mill.	$3 mill.	$4 mill.
Percent of children under the age of five years who are malnourished in food aid program	Share 37.0% CARE 52.1% CRS 63%	33.3% 46.9% 56.7%	N/A 40% N/A	27% 38% 46%	24% 34% 39%

NOTE: Activities under USAID's Income SO described herein are partially funded with Peace ESF and Title II.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: Improved Natural Resources Management and Conservation of Biodiversity, 520-005
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,000,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $4,000,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **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 1.5 million-hectare reserve has thin fragile soils in which farmers practice slash and burn agriculture which adds to environmental degradation. In 1992, 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 a National System of Parks and Reserves (SIGAP) as a strategic foundation for long term sustainable development. SIGAP comprise 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 non-timber 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: Accomplishments met or surpassed targets for 1999. Significant advances related to park management were made and deforestation rates fell significantly in key units of the MBR. For the first time, there were no major setbacks related to forest fires. Moreover, there were no large invasions of park lands. Thus, unlike previous years, there was not significant loss of habitat this year. Non-USAID funding for counterpart organizations increased significantly; 40 agreements were signed to facilitate community participation in natural resource management and conservation; 640 land titling deeds were granted to families; and, 51% of the target population adopted one or more of the sustainable practices promoted by the program.

The performance is attributed to a maturing program and the fact that the Government of Guatemala (GOG) demonstrated unprecedented leadership, commitment and coordination in promoting a more sustainable development path for the MBR focusing on tourism and forestry, rather than production of corn and cattle as in the past. The GOG also facilitated processes for enhanced participation of civil society organizations in MBR planning and management, exemplified by agreements with local NGOs for co-administration of parks. Progress was made in generating a unified policy related to oil activities in fragile lands and protected areas.

On the policy front, USAID supported the National Commission of the Environment (CONAMA) to improve enforcement and application of laws and regulations concerning settlement and infrastructure within protected areas. With USAID technical support, CONAMA, the National Council of Protected Areas (CONAP), the Ministry of Agriculture (MAGA) and the Ministry of Energy and Mines (MEM) agreed upon the content of the "Environmental Policy for Exploration, Exploitation and Transport of Petroleum and Natural Gas." A new regulation for Environmental Impact Assessments and audits and a National Climate Change Action Plan and National Biodiversity Strategy were developed under CONAMA leadership. Under CONAP's leadership, 24 MBR communities are participating in the development and implementation of sustainable forest management agreements on 390,000 hectares in the MBR's Multiple Use Zone. An additional 20 communities are working with CONAP under other types of formal agreements to help stabilize land use and decrease forest conversion in the rest of the MBR. CONAP's fire prevention and management plan helped reduce the area affected by fires in 1999 to less than 10% of that affected in 1998. Also, a concerted effort is being made to ensure inclusion of women in income-generating activities, credit, and organizational assistance.

Possible Adjustments to Plans: USAID's current agreement with the GOG ends December 2001. Independent consultants are helping USAID review the existing program strategy and results to date, document lessons learned, and develop alternatives for a new agreement to be negotiated with the GOG in June 2000. Prospects for future support in the environmental policy arena will also be assessed and a new indicator to track progress on policy dialogue presented. A new focus is expected on institutional strengthening in the areas of policy reform and in improved resource management. Special attention will be given to improving program effectiveness; working with partners to develop and apply a unified petroleum policy and best management practices; promoting transparency and increased participation of all stakeholders, especially civil society, in the development and application of environmental policies regulations; and meeting key Peace Accord objectives related to the environment.

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.

Principal Contractors, Grantees, or Agencies: Implementing organizations include: the Government of Guatemala's National Environmental Commission (CONAMA), the National Council for Protected Areas (CONAP), CARE International, Center for Tropical Agriculture Investigations and Studies (CATIE), Department of Energy/Oak Ridge National Laboratories, Conservation International, The Nature Conservancy, Rodale, and local NGO partners (Centro Maya, Defensores de la Naturaleza, Kanan Caax, and Naturaleza para la Vida). New or additional partners may also be selected to implement activities now under design.

Selected Performance Measures:	Baseline (1997)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
% of target population adopting improved ag. practices	35	36	51	56	60
Hectares of threatened forest lands conserved	(1993) 170,000	(1997) 520,000	670,000	N/A	700,000
Hectares (millions) officially protected	1.95	2.11	2.15	2.16	2.17
Hectares under contract/ concession for sustainable forest management	(1994) 7,000	99,000	300,000	400,000	525,000
Sustainable productive enterprises established in communities	6	31	40	50	60

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: Support the Implementation of the Peace Accords, 520-006
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $20,000,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $20,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2003

Summary: Social, economic and political exclusion affecting more than half the Guatemalan population gave rise to the civil conflict that plagued the country for more than three decades. Committed Guatemalan leadership, backed by strong international support and the participation of key Guatemalan civil society actors led to the negotiated settlement in December 1996. The Peace Accords establish a framework for transforming Guatemala into a more participatory, pluralistic and equitable society. They call for fundamental reforms to the structure of government, the justice system, tax policy, and to social service delivery schemes. This special objective provides direct support to the Government of Guatemala (GOG) and private organizations, including an array of local nongovernmental organizations (NGOs), to assist them in meeting key commitments of the Accords. War affected populations in the formerly conflictive and resettlement zones are the primary beneficiaries of this program. The entire population of Guatemala, however, benefits from the dividends of achieving a lasting peace and more stable democracy.

Key Results: USAID's special objective focuses on four key elements of the Peace Accords: (1) advancing national reconciliation; (2) developing human capacity (educational skills) required for broader participation; (3) broadening access to factors of production in exconflictive areas; and (4) modernizing State institutions (e.g., the justice system, tax administration, congress, and local governments) to achieve rapid implementation of the Peace Accords.

Performance and Prospects: USAID's initial funding under this objective provided assistance crucial to the successful demobilization and reinsertion of 5,000 excombatants, to the establishment and operation of special commissions charged with developing more detailed implementation plans for social and justice sector reforms, and to the construction of infrastructure vital to linking resettled or war-affected populations with urban centers. USAID (as the single largest bilateral donor) contributed to financing the Historical Clarification Commission (HCC) and to the dissemination of its findings, which is now available in five Mayan languages. In response to the HCC recommendations in 1999, USAID designed and launched a program to provide direct assistance to communities most affected by the violence and human rights violations. Administered by the International Organization on Migration, this program has thus far awarded grants

to ten local NGOs for activities in 100 communities, including the Guatemalan Forensic Anthropological Foundation (FAFG) which is carrying out exhumations. By 2000 year end, we expect 40 exhumations to have been initiated or completed. Program activities funded are those identified and prioritized by the communities, which in nearly all cases include mental health services, and educational assistance for orphaned youths.

Land and access to land is one of the chief sources of conflict in Guatemala. Recognizing this, USAID helped to capitalize a Land Fund to finance land purchases, to establish a GOG entity to help mediate land conflicts (CONTIERRA), and to support joint GOG-NGO efforts to accelerate the land titling process and give farmers clear legal title to lands they had worked and/or purchased. Through this assistance, 2,938 families or an estimated of 17,628 people have been assisted, 640 titles have been granted to farmers, and another 2,746 deeds have been awarded with final title soon to be conveyed. Separately, with peace program support, over 300,000 hectares of land have been legally designated for environmentally sustainable agroforestry which is managed by, and benefits, communities and cooperatives in areas bordering the Maya Biosphere Reserve.

Ethnicity and gender determines disparities in nearly all social and economic indicators in Guatemala. The difference between Mayans and Ladinos in terms of literacy and higher education is especially pronounced. In 1996, it was estimated that 70% of Mayan women were illiterate and no more than 3 of every 100 university graduates were of Mayan descent. To help address this gap, USAID's peace program helped establish a university fellowship program for Mayan leaders. Currently, 1,070 individuals (48% women) are enrolled in major Guatemalan universities in critical careers such as legal translators, intercultural/bilingual education, nursing, and business administration. In addition, 120 of 250 candidates selected by their communities have completed their studies and have been certified as bilingual teachers. The remaining candidates will complete their professional training and receive their certification within the next year. USAID also awarded a competitively let grant to Save the Children Federation to support literacy efforts of local private organizations in the most remote regions of Guatemala. The first grants are being awarded this year and will provide literacy training to an estimated 250,000 individuals by the end of 2002, focusing primarily on indigenous women and youths. At present, 18,500 youth and adults are participating in the USAID-supported literacy program.

USAID's modernization of the state program supports fiscal reform and improved tax administration, strengthening of local government, legislative development, and judicial reform. With USAID assistance, the GOG developed and has executed the first phase of a comprehensive plan for overhauling tax administration and improving revenue collection - a sine qua non for fulfilling the Peace Accord commitments. The recently established Superintendent of Tax Administration has increased tax collections through greater enforcement of the value-added tax and performing more regular inspections. However, this is insufficient to meet increased social sector spending targets and further reforms are under study by a Fiscal Pact Commission.

Peace funding, combined with support provided through USAID/Guatemala's Democracy Strategic Objective, has supported efforts to increase informed citizen participation and ensure effective institutional support relating to electoral events, such as the referendum held in May 1999 and the most recent national elections. USAID's funding for justice reform helped GOG authorities to improve and expand access to services through better coordination and improved case-intake systems. During 1999, the number of "justice centers" assisted was expanded to six to include Nebaj, as well as Escuintla, Quetzaltenango, Zacapa, San Benito and Santa Eulalia. The newly appointed Supreme Court, selected through a much more open participatory process, has pledged to deepen and accelerate the reform process and address the issue of judicial corruption.

With implementation of the Peace Accords entering its fourth year, most observers agree that the road ahead will be more difficult, as the memories of the more recent conflict diminish and citizen expectations for greater prosperity and increased social services grow. Moreover, the GOG faces the more difficult task of implementing reforms (as compared to establishing the legal framework for reform), as well as pushing ahead on the more intransigent and controversial issues such as fiscal reform. The newly elected Administration has pledged its support for deepening the reform process and tackling these issues. USAID and other donor financial support will be crucial in FY 2000 and beyond. Our programs will provide the GOG with the requisite technical support to implement its fiscal reform program, to modernize the justice sector, to fully implement the land bank and titling program, and to provide opportunities and resources to enable the war-affected communities and the Mayan population to more fully participate in the democratic development of Guatemala. We will also intensify our efforts to support national reconciliation. We will help to build the institutions and awareness essential to ensuring Guatemalans never again face the human rights violations of the past.

Possible Adjustments to Plans: The Special Objective was originally planned to end in FY 2000. However, a re-calendarization of Peace Accord targets was agreed upon in consultation with the United Nations Monitoring Mission. As described herein, USAID plans to continue its support for the Peace Accord implementation with obligations through

FY 2003.

Other Donor Programs: The GOG's estimate of the cost of financing Peace Accord commitments through CY 2000 is approximately $2.3 billion. The 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, establishment of a new civilian police force, justice sector reform, strengthening of civil society organizations, and direct assistance to war-affected communities. A Consultative Group meeting planned for later in 2000 with the new Government will serve to define future program priorities and financial needs.

Principal Contractors, Grantees, or Agencies: USAID's program supports reform and service delivery programs being carried out by all three branches of the Guatemalan Government. Our implementing partners include the United Nations Development Program, the International Organization for Migration, international and U.S. NGO's (e.g., CARE, Conservation International, the Cooperative Housing Foundation and the Canadian Center for Studies and International Cooperation), the University of Texas, and numerous Guatemalan universities, private foundations and NGOs.

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Social sector investment as % of GDP	(1995) 2.51%	3.28%	3.48%	3.78%	4.0%
Tax revenue as % of GDP	(1995) 7.6%	9.3%	9.5%	11.4%	11.7
Cumulative number of recommendations from Peace Commissions supported	(1997) 0	4	5	7	10
# of people benefiting from completed land transactions	(1997) 0	8,615	17,628	19,000	22,000
# of people benefiting from community infrastructure	(1997) 45,000	N/A	122,500	180,000	N/A
Adults illiteracy rates reduced	(1997) 35%	32.6%	31%	30%	29%

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Guatemala
TITLE AND NUMBER: Rural Economy Recovers from Mitch and is Less Vulnerable to Disasters, 520-007
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2002

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 just under 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 Special Objective (SpO). U.S. grant assistance under the SpO 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. Beneficiares include communities, small farmers, and microentrepreneurs most directly affected by Hurricane Mitch. All Guatemalans will benefit from improved national, departamental, 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: This special objective was approved by USAID in May 1999, and the $28 million special objective agreement was signed with the Government of Guatemala (GOG) on July 22, 1999. Key GOG ministries, including Agriculture (MAGA), Planning (SEGEPLAN), Health (MOH) and CONRED, played primary roles in the collaborative development of the agreement.

Construction of gabions (riprap) along the Motagua River Basin to protect homes and farm lands from future flooding has been initiated. Agreements signed with USACE, CARE, CRS, the National Coffee Association (ANACAFE), and the Cooperative Housing Foundation (CHF) support a range of activities to reactivate agricultural production in the areas most directly affected by Mitch. An Agriculture Recovery and Watershed Coordination Committee co-chaired by the USAID Mission and MAGA, is ensuring coordination of USAID and other donor activities.

Progress to date in all three IRs has been limited largely to start up. CARE and CRS have begun contacting target communities, and NOAA, under its IAA, has initiated equipment installation to replace damaged weather stations. Riverbank protection work has progressed, and CARE has initiated contracting of tree seedlings for reforestation. Both CARE and CRS have identified target communities for water systems and have begun system planning , and CDC has begun identifying target communities for the malaria control bed net program.

USG agencies (NOAA, USGS and FEMA), as well as CARE and CRS, is also providing technical assistance, training and equipment to strengthen disaster preparedness and mitigation capabilities of communities as well as national level institutions. The Disaster Preparedness and Mitigation Working Group, which meets weekly, is ensuring coordination of USG-assistance with other donors. NOAA's National Weather Service replaced ten key weather stations with new equipment, and provided training to CONRED personnel in flood forecasting and on early warning systems.

Lastly, community disease prevention activities such as water and sanitation education and vector control are being targeted on affected communities through agreements with the Centers for Disease Control (CDC), CARE and CRS. Development of the baseline for the health impact survey tool to be used for measuring effectiveness of disease prevention has been underway since October 1999.

All partners are fully mobilized and well positioned to meet targets established for the program. Within the coming year, 25 community-level disaster coordination committees will be established with each developing an emergency management plan, and disaster communications and early warning within the CONRED system will be strengthened through IAA (NOAA and USGS) support and USAID assistance to the development of a national Geographic Information System. Five kilometers of riverbank will be protected, 7,500 hectares of land will be reforested, 5,000 small farmers will rehabilitate their farmland, 13,000 micro-entrepreneurs will receive credit, and 280 kilometers of road will be rehabilitated. Twenty high malaria incidence communities will be selected for bed net distribution, 46 community water systems and 300 wells will be reconstructed and/or rehabilitated, and an emergency plan for dengue control will be developed and disseminated in high risk areas.

Possible Adjustments to Plans: None anticipated.

Other Donor Programs: Major donors include the InterAmerican Development Bank, UNDP, Spain, Sweden, Japan and the European Union. 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.

Principal Contractors, Grantees, or Agencies: Guatemalan grantees include MAGA, ANACAFE, and Del Valle University, and USG agencies and PVOs involved in the direct implementation include USACE, USGS, NOAA, USDA, DOD, FEMA, CDC, CARE, CRS, and CHF.

Selected Performance Measures:	Baseline/Actual (1999)	Target (2000)	Target (2001)
Emergency action plans completed			
National	0	0	1
Departmental	0	3	6
Local	0	15	30
River, land, and small scale irrigation system rehabilitation			
Kilometers of riverbank	2	3	7
Rural road repair in Ixcan, Quiche, and Alta Verapaz			
Kilometers of road	10	130	280
Household water and sanitation programs established in selected communities.			
% increase in latrine use and hygiene practices	0	Baseline	35%

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Guatemala

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	15,750	16,400	13,150	20,330
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	7,588	11,135	7,810	7,810
CACEDRF	0	25,000	0	0
INC	0	0	0	0
Economic Support funds	25,000	25,000	20,000	20,000
P.L. 480 Title II	12,481	23,990	18,616	18,770
P.L 480 Title III	0	0	0	0
Total Program Funds	**60,819**	**101,525**	**59,576**	**66,910**
Operating Expenses	2,023	2,065	2,494	4,700
Trust Funds	2,500	2,500	2,056	0
Total Operating Costs	**4,523**	**4,565**	**4,550**	**4,700**

Note: FY 2000 OE - $70,000 Hurricane Supplemental

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	15	13	15	15
Other U.S. Citizen	1	1	1	1
FSN/TCN	90	97	86	83

Subtotal OE Funded	**106**	**111**	**102**	**99**
Program Funded*				
U.S. Citizen	5	9	12	9
FSN/TCN	33	37	44	44
Subtotal Program Funded	**38**	**46**	**56**	**53**
Other				
TAACS	2	2	2	2
Fellows	0	0	1	1
IDIs	0	0	0	0
Subtotal Other	**2**	**2**	**3**	**3**
Total Work Force	**146**	**159**	**161**	**155**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

**Workforce data includes staffing for the Regional Central America Program (G-CAP).

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
520-001 More Inclusive and Responsive Democracy							
- DA	0	0	0	3,000	0	0	3,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
520-002 Better Educated Rural Society							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	2,535	0	2,535
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
520-003 Better Health for Rural Women & Children							
- DA	0	8,500	0	0	0	0	8,500
- DFA	0	0	0	0	0	0	0
- CSD	0	5,275	0	0	0	0	5,275
- ESF	0	0	0	0	0	0	0

- P.L. 480/II	0	0	0	0	0	0	0
520-004 Increased Rural Household Income and Food Security							
- DA	4,830	0	0	0	0	0	4,830
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	18,770	18,770
520-005 Improved Natural Resources Management & Conservation of Biodiversity							
- DA	0	0	4,000	0	0	0	4,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
520-006 Support the Implementation of the Peace Accords							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	9,000	0	0	6,000	5,000	0	20,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	4,830	8,500	4,000	3,000	0	0	20,330
- DFA	0	0	0	0	0	0	0
- CSD	0	5,275	0	0	2,535	0	7,810
- ESF	9,000	0	0	6,000	5,000	0	20,000
- P.L. 480/II	0	0	0	0	0	18,770	18,770

The United States Agency for International Development

GUYANA

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
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Introduction

While Guyana has made important strides in moving to a market economy and developing sound democratic structures, it continues to face enormous development challenges and remains one of the poorest countries in the hemisphere. Although USAID's financial resources are modest, they are making a significant contribution to Guyana's development by focusing on two critical, but interconnecting, areas of U.S. national interest: fostering economic growth in a transitional economy and adherence to democratic principles and human rights. Advances in these two areas will lead to greater internal and regional stability and help counter the narcotics transshipment problem that has escalated significantly in the past year.

After several years of over 7% growth, Guyana experienced an economic downturn (-1.8%) in 1998 but moved modestly forward to grow at 2.9% in 1999. Guyana received approval for significant debt relief through the Heavily Indebted Poor Country (HIPC) Initiative and Paris Club negotiations. However, positive momentum in the economy was countered by a lengthy public service strike that led to a virtual shutdown in parts of the urban economy. The subsequent arbitration award for civil service wages, a 66% increase over two years, has caused great concern in the IMF regarding Guyana's adherence to appropriate macroeconomic policies. The World Bank and IMF have insisted that civil service reform is essential to maintain structural adjustment conditions, but such reform will be a source of racial and political tension.

The December 1997 elections continue to define the negative political engagement between the People's Progressive Party (PPP) and the People's National Congress (PNC) as the PPP victory remains contested by PNC. To help resolve this impasse, the Caribbean Community brokered an accord between the two major parties which includes a shortening of the PPP's term to three years, conducting inter-party dialogue, completing a constitutional reform process and conducting a national election in January 2001. Limited progress has been made. However, the resignation of President Janet Jagan in August and the appointment of former Finance Minister Bharrat Jagdeo as her successor has created renewed optimism among Guyanese that change is possible.

The Development Challenge

Guyana's development problems remain formidable. Its 780,000 people live on a narrow band of coastline and its natural resources lie in the sparsely populated, densely forested and difficult to reach hinterlands. Guyana is still a young democracy with fragile government, civil society and private sector institutions. Years of out-migration of some of the most talented Guyanese, including skilled teachers, have left the country with a limited trained human resource base. With the second highest HIV seroprevalence in the region, Guyana faces increased losses of its young people who are essential for the country's growth and prosperity.

Lack of political stability, a favorable investment climate and adequate infrastructure have impeded expansion of domestic businesses and foreign investment. To counter this stagnation and potential losses of preferential European

markets, Guyana must aggressively pursue value-added investments and alternative markets for its agricultural and natural resources exports. Political stability is essential to attract and retain such investment. Thus advancements in democracy and economic growth are very closely linked. The most positive trend in this regard is the growing voice of the private sector and civil society, which in the past year have played an increasingly important role in brokering compromises among the political parties, and between labor and Government.

USAID's program enhances the skills and tools required to strengthen Government institutions, the private sector and NGOs. U.S. support for Guyanese women leaders willing to bridge racial and political barriers, technical assistance to the constitutional reform process, and encouragement of multi-donor support for private sector organizations are helping to increase Guyana's prospects for meeting these challenges.

Other Donors

In terms of actual disbursements, donor assistance to Guyana in 1999 totaled approximately $72 million. With combined disbursements of USAID assistance, Section 416 (b) and PL480 Title I, the U.S. remains the largest bilateral donor. Macroeconomic assistance is provided by the Inter--American Development Bank, IMF and World Bank, focusing largely on balance of payments support and public sector investments. Local currency generated by USDA's commodity import program helps leverage 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 areas such as health, education, water, and environment, which complement that of multilateral programs. Bilateral donors are increasingly looking for private sector and NGO funding opportunities and jointly fund major efforts such as elections and constitutional reform.

The United States Agency for International Development

Guyana

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

The elections of 2001 will be a defining moment for Guyana. If they are free, fair and transparent and if the results are accepted by the major political parties, it will signal a commitment to political stability and investment. If the results are disputed, as occurred in the aftermath of the 1997 elections, political instability will continue to drive away foreign investment and Guyana will remain one of the poorest countries in the hemisphere. USAID's democracy and governance program will be working closely to strengthen the Elections Commission to ensure that logistical arrangements and verification systems are in place for the elections, and that there is agreement among the major parties on these arrangements.

USAID will also provide technical assistance to create and pilot an alternative dispute resolution model for Guyana to relieve the continuing case backlog in the court system. Two key Government-funded positions in the Supreme Court Registry will ensure that streamlined and computerized systems developed in FY 2001 will be implemented and monitored to create greater efficiency, effectiveness and public confidence in the court system.

USAID's program will continue to strengthen civil society organizations addressing issues affecting women, youth, and indigenous peoples to increase membership, develop sound positions on issues of importance to their members, and effectively advocate those positions. Assistance to women's organizations in particular will help them play a greater role in decision--making and act as a force for positive cross party/cross race dialogue. Support to NGOs raising HIV/AIDS awareness will serve as a catalyst for addressing this growing problem.

Under the Economic Growth Strategic Objective, USAID will continue providing technical assistance and training to private sector organizations to strengthen them individually, and more importantly, to enhance their ability to advocate for economic and social transformation and, more recently for political accommodation. In an election year, the role of the Private Sector Commission (PSC) will be critical, given its recent successes as a non-partisan mediator between the major political parties and between the Government and labor. Most potential investors, particularly foreign investors, may adopt a wait-and-see position until after the national election. However, during the period prior to the 2001 election, USAID will help position the Ministry of Trade, Tourism and Industry, the Ministry of Finance and private sector organizations for a proactive strategy to attract investment. USAID will also assist the Government and the private sector in completing the investment strategy and promulgating an investment code, assessing and then addressing its WTO obligations, strengthening the Ministry of Trade and its investment arm, GO-INVEST, and the Tourism Association. USAID will work with fledgling private sector organizations to increase the range and quality of member services, access relevant business and trade information, develop new markets and implement sustainable business plans.

ACTIVITY DATA SHEET

PROGRAM: Guyana
TITLE AND NUMBER: Expanded Economic Opportunities For The Urban And Rural Poor,504-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $1,400,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,100,000 (DA)
STATUS: Continuing

INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The purpose of this strategic objective is to continue to strengthen the business environment in order to bring about more equitable growth. The activities will benefit all Guyanese but the greatest proportional benefit will accrue to the most disadvantaged groups because of emphasis on equity. The SO recognizes that both the public and private sectors have critical roles to play if Guyana is to achieve economic growth with equity. 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 were agreed upon to achieve this objective: (1) increased capacity to implement economic policy for more equitable growth; (2) improved climate for private investment; (3) strengthened capacity of private sector to influence public policy; and (4) increased services available to support small and microenterprises.

Performance and Prospects: A stakeholders' retreat with participation from government ministries, semi-autonomous government agencies, and representatives from the private sector, microenterprise, women's and indigenous organizations, initiated the active involvement of USAID's economic growth partners as they helped develop the first year work plan and performance monitoring plan. Since the implementation of the activities six months ago, four areas have demonstrated significant progress. First, through increased dialogue between the private and public sectors, working relationships have improved tremendously, resulting in the Government's acceptance of the private sector's need for an investment strategy and code, the highest priority in USAID's first year workplan. In the first step in strengthening private sector organizations, technical assistance to the Forest Products Association, Manufacturers Association, Tourism Association and four Chambers of Commerce resulted in the participatory development of the organizations' first long-term strategic plans. In-depth interviews with more than 120 Guyanese businessmen provided exceptional insights into the needs of members and potential association services. The coded results of these interviews will be shared with other donors working in private sector development. In order to increase knowledge and raise awareness of the opportunities and challenges of a liberalized trade environment, a publicly advertised WTO/FTAA seminar was organized. Instead of an anticipated 40 people, registration had to be closed at 140 participants. It was well covered by the media, raising the profile of trade issues and their implication for Guyana's future competitiveness. Continued technical assistance to the leading microlending institution, developed by USAID over the past several years, has expanded its credit services and increased its microenterprise loans from 2,500 in 1998 to 4,000 in 1999, with approximately 75% of loans made to low income women.

USAID's strategic objective will continue to support both the private and public sectors to ensure that an acceptable investment code is promulgated within the next year. In addition, the expected strengthened institutional capacity of individual private sector organizations would allow them to become increasingly effective in advocating on important national issues. The merger of two investment promotion agencies, GO-INVEST and Guyana Export Promotion Council, based on recommendations made under USAID's recently completed Building Equity and Economic Participation (BEEP) project, should lead to improved assistance and services to prospective investors and exporters, and greater ability to attract foreign investment. The ongoing research on new markets and products to expand microenterprise opportunities, coupled with the identification and expansion of additional institutions providing services to microenterprises, should increase access to credit and other non-financial services, especially for those working with the indigenous population and women's groups.

Possible Adjustments 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 IDB which provide the macro framework for economic and policy reform. Other key donors providing assistance in economic growth and reform include the European Union, Canada and the United Kingdom. Their focus is moving to private sector workforce training and microenterprise development. USAID has served as a catalyst to encourage multi-donor coordination and support to strengthen the analytical capabilities of the Private Sector Commission, the umbrella association for private sector organizations. The Commission continues to play a critical role in the private sector/Government economic dialogue, and an increasingly important role as brokers in the political arena as well. However, the Commission needs analytical, organizational and financial depth in order to continue to play this critical role.

The Government of Guyana's planned voluntary reduction of the civil service, supported by the World Bank and IMF, could result in over 2,000 persons becoming unemployed early in 2000 with a further 2000 person reduction later in the 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 Chemonics International Inc., in association with Management Systems International.

Selected Performance Measures:	Baseline (2000)	Target (2001)	Target (2002)
Growth in membership (number of firms) of private sector organizations	413	435	460
Percentage of WTO obligations met	*		
Steps taken toward implementation of an investment code	Investment strategy in place	Investment code finalized and passed	Investment code disseminated and enforced
Number of individuals receiving microcredit loans	(actual) 4,000	4,300	4,500

* Baseline data being collected

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Guyana
TITLE AND NUMBER: More Responsive and Participatory Governance and Rule of Law, 504-002
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $1,800,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,400,000 (DA)
STATUS: New*
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2003

Summary: Guyana's democratic institutions and processes are still nascent. Over the past five years, USAID has been helping to build Guyana's democratic foundation through the recently completed Guyana Justice Improvement Project, the Guyana Strengthening Democracy Project and the public-private sector participatory process that emerged in formulating the National Development Strategy. The results anticipated under USAID's new Democracy and Rule of Law Strategic Objective build upon this foundation. USAID and its democracy partners are recognized for their accomplishments in democracy building and opening up the "space" for introducing new ideas for resolving conflicts and implementing new democratic processes. USAID and its partners have excellent access to and working relationships with key public and private sector leaders. However, much remains to be accomplished. Each of the five results of the new strategy is directed to strengthening key institutions and processes that are required for a vibrant, responsive and participatory democracy. These include the judiciary, Parliament and the Parliamentary Counsel's office, the Elections Commission, local government and civil society organizations.

Key Results: (a) Improved and more informed law-making and regulatory processes; (b) increased capacity to adjudicate cases in a timely manner; (c) sustained institutional capacity to conduct free and fair elections; (d) civil society influence on public policy; and (e) strengthened local governance.

Performance and Prospects: After extensive negotiations with the Government of Guyana, a Limited Scope Grant Agreement for the new USAID Democracy and Rule of Law strategic objective was signed, followed by competitive procurement process which recently culminated in the award of a cooperative agreement to begin in February 2000.

Since the new strategic objective builds upon the foundation of the previous one, in order to avoid a gap in critical democracy assistance, USAID/Guyana extended the National Democratic Institute's (NDI) Guyana Strengthening

Democracy grant until the end of January 2000. NDI's activities in this period made a significant contribution in two SO areas in which USAID had already established expertise and key contacts: (1) Improved and More Informed Law-making Processes (Constitutional Reform); and (2) Civil Society Influences Public Policy (Women's Empowerment).

Constitutional Reform: Protracted discussions between the People's Progressive Party (PPP), and the People's National Congress (PNC), the main opposition party, about the composition of the Constitutional Reform Commission (CRC), delayed the constitutional reform process. However, once the CRC was put in place, USAID played an extremely influential technical assistance role through the provision of constitutional experts, comparative constitutional materials and public information and outreach on constitutional issues. There was particular focus on the areas of electoral systems, fundamental rights, protection of women's rights, systems of government, political accommodation and nation building. Numerous recommendations made by the CRC reflect discussions held with these experts, and new ideas, such as the notion of a Constitutional court, were introduced and discussed. Assistance was also provided to CRC members representing civil society (50 percent of the members) in getting feedback from their constituency in order to formulate recommendations for the CRC's report. The CRC was able to come to consensus on some issues, reached majority votes on others and was divided on many of the contentious issues, including electoral reform. However, ideas coming from the constitutional experts particularly from the South African experience and models for protection of women's rights, were extremely influential, evidenced by the strong fundamental rights section of the CRC's report, which was approved by consensus. Wide exposure to best practices about constitutional reform began a continuing public education process. A constitutional resource collection was developed and distributed to libraries, town hall and other community gathering places throughout the country. Information from these collections has been used by the media in articles and editorials on various constitutional issues, raising the awareness of these issues among a much wider audience of Guyanese.

Prospects are excellent for USAID and its NGO partners to make a significant contribution to Guyana's two most important democracy building activities, Constitutional Reform and preparation for the January 2001 national elections. USAID/Guyana's experience and assistance in democracy building over the past several years can ensure that the appropriate tools and expertise will be available to help Guyana move forward on these two major activities. While civil society organizations are still fragile, this year they played an increasingly proactive role in defusing politically charged situations. USAID will continue to support the substantive involvement of civil society in constitutional reform and the election process and is optimistic about their role as a positive force for political change. However, neither USAID nor other donors can provide the political will for parties to act in the best interests of Guyana, rather than in their party's self-interest.

National Development Strategy:USAID and CIDA jointly funded the revitalization of the National Development Strategy (NDS) process. In a year-long exercise the original NDS draft was reviewed and revised with significant public sector and civil society participation. This effort provided an opportunity for a more visible leadership role for members of the opposition party as co-chairs and heads of technical subcommittees. Early indications from the opposition have been favorable and, if the recommendations are accepted, the NDS will serve as a long-term planning tool for Guyana's development.

Fostering Women's Engagement in Public Policy: Guyanese women have demonstrated their willingness to work on issues across racial and party lines. In order to foster such collaborative efforts, USAID supported the creation of the Women's Millennium Caucus (WMC), spearheaded by members of the Guyanese delegation to the 1998 Vital Voices of the Americas Conference. The WMC is committed to breaking down the lines of division in Guyana and increasing women's political participation. The launch of the WMC provided an opportunity for a National Consultation, convening a wide range of women's organizations from across Guyana to develop an agenda for change. Follow-up media activities helped to carry this message to a much wider audience of Guyanese women. In addition, USAID sponsored ten Guyanese women to attend the Vital Voices of the Caribbean conference where they played a leadership role as a delegation in addressing issues of regional concern and in participating in the Beijing +5 planning process.

Possible Adjustments to Plans: None at this time.

Other Donor Programs: There is a strong commitment to donor cooperation and collaboration in Guyana, particularly among bilateral donors. USAID continues to be the only donor providing a broad-based program in democracy and the rule of law. Since political stability in Guyana is fundamental to the success of all development assistance efforts, donors have a keen interest in helping to promote such stability. Funding for the work of the Constitutional Reform Commission was an example of exceptional donor collaboration with participation from all the bilateral donors, the OAS and UNDP. USAID anticipates similar collaboration and support from donors for the 2001 elections.

Principal Contractors, Grantees, or Agencies: A cooperative agreement with the National Democratic Institute (NDI),

working with IFES and the Carter Center, was signed to implement the new democracy and rule of law strategic objective.

Selected Performance Measures:	Baseline (2000)	Target (2001)	Target (2002)
Citizens provide input into the law making process	X#	X#	
Strengthened management capacity of the courts	Baseline index	%	
Free & fair 2001 election conducted by the Elections Commission	Strategy formulated & action plan developed	Free and fair election conducted	
Increased organizational capacity of targeted NGOs	Index & baseline developed	% met	

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* In order to avoid a gap in activities during a time when critical democracy issues were being discussed, the NDI Guyana Strengthening Democracy grant was extended to implement a focused set of activities which advanced the activities in the new results framework. Fiscal Year 1999 funding includes: $400,000 for NDI Guyana Strengthening Democracy grant activities, $130,000 to complete the Guyana Justice Improvement Project law consolidation activity, and $956,377 for the new grant agreement signed with the Government of Guyana for the More Participatory and Responsive Democracy and Rule of Law strategic objective.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Guyana
TITLE AND NUMBER: Improved HIV/AIDS Awareness, Knowledge And Applied Prevention Strategies, 504-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $200,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $500,000 (CSD)
STATUS: New
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: UNAIDS estimates that Guyana now has the second highest HIV prevalence rates (between 3% and 5%) in the Latin America and Caribbean Region, next to Haiti. Although the Government of Guyana has developed an HIV/AIDS Program Strategic Plan, it has neither the funding nor the technical expertise to address the epidemic alone. Donor assistance to date has been limited. With the first free and fair elections in 1992, non-governmental organizations have only recently begun to emerge as advocates and service providers following many years of authoritarian rule and suppression of civil society. There is widespread ignorance about HIV/AIDS and many misleading myths circulating about its transmission and prevention. Clear, accurate information and education on HIV/AIDS prevention is the first step in raising awareness of the seriousness of the disease and the need to adopt prevention strategies. A core group of NGOs has taken up the challenge with virtually no donor support. They need technical assistance and training to enable them to realize their role as HIV/AIDS prevention educators and advocates.

USAID's HIV/AIDS program has three components: (1) support for HIV/AIDS prevention information, education and communication; (2) institutional and technical strengthening of NGOs working on HIV/AIDS prevention; and (3) condom social marketing. At the initial stage prevention activities will target youth broadly, as well as other high-risk groups that may be contributing disproportionately to the growth of Guyana's epidemic. A core group of indigenous NGOs will work with community-based organizations, civil society and confessional associations, both in sensitizing them to the realities of the epidemic and involving them in HIV/AIDS prevention activities. USAID also plans to support the development of a condom social marketing program in the private sector to help meet the growing demand for condoms.

Key Results: (1) Strengthened NGO capacity to deliver HIV/AIDS programs to targeted groups; (2) Increased knowledge of HIV/AIDS in targeted groups; (3) Increased use of HIV/AIDS prevention strategies in targeted groups.

Performance and Prospects: Funding for this Special Objective has just been approved; therefore, activities have not begun. However, prospects for achieving results are good since the few NGOs active in HIV prevention are extremely committed and have been in the vanguard of addressing this crisis. With very limited funds and expertise, they have been working hard to raise Guyanese awareness of HIV/AIDS, particularly among youth. They recently staged a very successful HIV/AIDS march involving government officials, youth and civil society and have been working with the HIV/AIDS Secretariat to use the media to help promote prevention messages. With technical assistance and training, NGOs offer the best prospects for expanding outreach capacity, promoting interpersonal prevention messages and providing effective counseling to address this growing epidemic. Activities should begin in the second quarter of FY 2000.

Possible Adjustments to Plans: None at this time.

Other Donor Programs: Awareness of the serious nature of the HIV/AIDS epidemic is rising. However, concerted donor efforts have been slow in materializing. PAHO/WHO took the leading role in working with the Government and indigenous NGOs to develop the National AIDS Programme Strategic Plan which provides the framework for Government and donor assistance. The leading donors addressing HIV/AIDS in Guyana are PAHO/WHO, UNICEF, UNDP and UNAIDS. Last year an HIV/AIDS Theme Group was developed consisting of donors, representatives from the Ministry of Health, AIDS Secretariat, National AIDS Committee and NGOs working on HIV/AIDS issues. To date, bilateral donors (the European Union, British and Canadians) have funded HIV/AIDS activities as part of their regional efforts but have no Guyana specific programs. Greater donor funding and involvement will be necessary to address and arrest the 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).

Selected Performance Measures:	Baseline (2000)	Target (2001)	Target (2002)
HIV/AIDS technical capacity of targeted NGOs strengthened	Index of indicators of technical capacity and weighted score		
Knowledge of HIV prevention methods increased	(survey) % of increase		
Common local misconceptions about AIDS reduced	(survey) % of decrease		

* Indicators to be verified during design

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Guyana

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	3,185	2,300	3,200	4,500
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	200	500
CACEDRF	0	0	0	0
INC	0	0	0	0
Economic Support funds	0	0	0	0
P.L. 480 Title II	0	584	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**3,185**	**2,884**	**3,400**	**5,000**
Operating Expenses	309	310	304	340
Trust Funds	0	0	0	0
Total Operating Costs	**309**	**310**	**304**	**340**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	1	1	1	1
Other U.S. Citizen	0	1	1	1
FSN/TCN	3	3	3	3
Subtotal OE Funded	**4**	**5**	**5**	**5**

Program Funded*				
U.S. Citizen	0	0	1	1
FSN/TCN	2	2	2	2
Subtotal Program Funded	**2**	**2**	**3**	**3**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**6**	**7**	**8**	**8**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
Expanded Opportunities for the Urban and Rural Poor, 504-001							
- DA	2,100	0	0	0	0	0	2,100
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
More Responsive and Participatory Governance and Rule of Law, 504-002							
- DA	0	0	0	2,400	0	0	2,400
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Improved HIV/AIDS Awareness, Knowledge & Applied Prevention Strategies, 504-003							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	500	0	0	0	0	500

- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	2,100	0	0	2,400	0	0	4,500
- DFA	0	0	0	0	0	0	0
- CSD	0	500	0	0	0	0	500
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0

The United States Agency for International Development

HAITI

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

The U.S. assistance program in Haiti is focused on supporting Haitian efforts to alleviate poverty while reinforcing the foundations for a democratic society. USAID's program seeks to increase incomes, slow environmental degradation, and improve educational performance, while reducing fertility, infant and child mortality and malnutrition. The program also strengthens democratization through a rule of law program, police training, support to elections, development of civil society and, once an elected parliament is seated, building support for parliamentary government through civil society and local government activities. The USAID program directly supports the U.S. national interests identified in the State Department's Mission Performance Plan (MPP) for Haiti.

Haiti's move toward democracy and economic growth continues to be buffeted by political struggles among the country's political actors. Some optimism was registered in March 1999 when President Preval was able to negotiate an interim government with a coalition of political parties. While the agreement did not restore the constitutional structures of the state, it installed a regime with a stated commitment to holding new local and parliamentary elections and leading the country out of its political crisis. Unfortunately, uncertainty over whether those elections will take place and a deteriorating security situation have undercut investor confidence and thereby slowed economic growth. Key economic reforms such as privatization and improvements in the investment climate have been stalled as key decision makers await the outcome of upcoming elections.

The Development Challenge

Haiti's difficulties in establishing a stable and responsive government seriously hinder its capacity to address its profound development needs. An estimated 65% of Haiti's people live below the absolute poverty line - i.e., are unable to meet minimum daily caloric requirements. Illiteracy and fertility rates remain high, as well as malnutrition among children under 5 years of age. The Haitian justice system is seriously under-resourced and unable to meet the minimal needs of the general population or business community. Haiti had succeeded, until recently, in managing its fiscal and monetary policies within the framework of the International Monetary Fund's structural/financial reform programs. Modest economic growth of 2.2% was seen in 1999, and inflation held steady at 8%. Unfortunately, toward the end of the year, a worrisome loosening of fiscal controls, due in part to demand for higher salaries for civil servants and much needed road infrastructure improvements, caused inflation to edge up to 10% and has raised concerns about accelerated inflation and currency devaluation in 2000.

Despite the unfavorable political environment, development activities continue to deliver positive results: micro-credit programs supported by USAID have grown dramatically, now reaching 18,000 customers a year; the contraceptive prevalence rate in USAID program areas reached 25% in 1998, compared to the national average 13%; and civil society, an essential element in building a healthy democratic society, has seen the emergence of thousands of local groups that

are grappling with local needs and advocating non-violent, open and fair elections. In both the education and health sectors, USAID has negotiated new agreements with the Government of Haiti (GOH) to strengthen its capacity in these two key social sectors and enhance the collaboration between the public and private sector service providers. Unfortunately, the vibrancy seen at the local level is not indicative of the health of Haiti's democratic development. USAID's efforts in support of elections, justice reforms, and police training have seen only modest successes and occasional disappointments. The government appointed by President Preval announced that it would go forward with new elections for local authorities and Parliamentarians as part of its mandate to move Haiti back to constitutional government. Unfortunately, the date for these elections has been postponed twice, first from November 1999 to December 1999, and then again to the current date of March 19, 2000. The difficult logistical demands associated with the elections are proving to be strong challenges to the Provisional Electoral Council in its efforts to meet the March 2000 election date.

Other Donors

Donor grants declined from $293.1 million in FY 1996 to $222.6 and $192.8 million in FYs 1998 and 1999 (estimated), respectively. Similarly, loan disbursements (gross) tapered off from $121.5 million in FY 1996 to $97.4 and $97.1 million in FYs 1998 and 1999 (estimated), respectively. The net amount of public funds disbursed to the Haitian public sector declined by $135.0 million between FYs 1996 and 1999-going from $402.1 to $266.2 million, or a 33.4 decline. In FY 1999, preliminary figures show that the United States was Haiti's second largest disbursing donor: $114.4 million, compared to $131.2 by the EU, $77 million by the IDB, #32.7 million by Canada, and $26.7 million by the IBRD. Other major donors included the IMF, the United Nations agencies, France and Japan.

The United States Agency for International Development

Haiti

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

Most of USAID's resources will continue to be focused on the needs of Haiti's rural areas where 65% of the population still live. There will be, however, a new thrust focusing on the secondary cities of Cap Haitian and Jacmel and the areas around them in an effort to stimulate investment and economic growth outside of Port-au-Prince.

Programs focused on increasing incomes will continue to expand the growth of micro-finance lending, launch a redesigned hillside agricultural program, and, within the hillside program, expand support to agricultural marketing efforts, especially for export crops such as mangos, coffee and cocoa.

In the health sector, support to direct service providers in the public and private sector will continue, albeit at a reduced level and reaching fewer beneficiaries, with an emphasis on child survival activities, reproductive health services, and family planning. A new effort to strengthen the capacity of the Ministry of Health will build mechanisms to sustain the public-private partnership for health services delivery for the longer-term.

The education program will continue to develop networks of quality schools that receive materials, teacher and school director training, and distance education programs. USAID will also a new effort by the Ministry to improve public-private collaboration in the sector in order to improve school and teaching quality in both public and private primary schools nationwide.

In the justice, democracy and governance area, reforms in the justice sector will be pursued through technical assistance to the Ministry of Justice, training, legal assistance programs and a police/community relations effort. USAID plans to support the anticipated presidential elections in the fall of 2000 through technical assistance and materials. Assuming the March 2000 elections go well, USAID plans to expand civil society and governance programs and to promote decentralization and participatory governance at the local level.

Special objectives focusing on streamlined government, police training and Hurricane Georges reconstruction will continue to support reforms in the civil service, training of the national police force, and Hurricane Georges recovery efforts and disaster preparedness programs respectively.

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Sustainably Increased Income for the Poor, 521-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $13,560,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $11,977,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Sixty-five percent of the Haitian population lives in rural areas, and more than 80% of the rural population live below the poverty line. The majority attempt to eke out a living from the severely eroded slopes of the steep hills that cover much of Haiti. Because farm holdings generally are neither large enough nor fertile enough for successful

subsistence farming, rural emigrants flow to Port-au-Prince and swell the already large ranks of the unemployed there. Limited access to credit and technology, a complicated legal system that makes land titling difficult and deters land improvements, low rates of private investment, and the lack of public investment in basic infrastructure in rural and urban areas all contribute to low productivity and incomes.

USAID's strategic objective (SO) "Sustainable Increased Income for the Poor" aims to induce growth at the farm and micro-enterprise levels and in the formal sector. In the near term (1999-2001), USAID will target major segments of the poor population by increasing income of small hillside farmers and informal sector partners; program beneficiaries are expected to see their incomes increase by 10%. Market-driven models of income generation -- including increased agricultural productivity, informal sector credit and saving mobilization plans, and assistance to high potential zones outside Port-au-Prince - that are also environ-mentally-sustainable will build the foundation for long-term growth. By aiding the private sector in particular, and civil society in general, to better articulate the principal constraints to private investment in the Haitian economy and to advocate for needed reforms, it is expected that private investment will climb from 6% of Gross Domestic Product (GDP) in 1999 to 10% by 2004.

Key Results: Four major results are essential to achieving this SO: 1) Increased environmentally sustainable agricultural productivity through increased production, processing/storage, and marketing of high-value crops such as coffee and cocoa, using appropriate soil conservation practices; 2) Small and micro-entrepreneurs economically empowered by delivering services through a net-work of financial institutions and integrated technical assistance in business development support, 3) Investment climate improved through appropriate macroeconomic and structural reforms, titling of informal urban property, and support to the private sector and to civil society to effectively advocate for economic reform and improved services; and 4) Strengthened zones of high potential growth through a secondary cities program that channels and coordinates the Mission's multisectoral activities in selected regions outside Port-au-Prince so that economic growth and private sector job creation can be expanded.

Performance and Prospects: The USAID program continues to lead in improving agricultural productivity and income through the promotion of value-added activities, identification of new markets for tree crops, distribution of improved planting materials, and promotion of bio-intensive gardening. A total of 194,000 farmers, 20% of them women, have participated in these activities and have seen their incomes increase by 20%. An increased focus on group marketing and farmers' group strengthening has allowed many independent growers to market their produce cooperatively and to reap higher profits. Up to $400,000 in increased value was created as competition caused by our program stimulated price increases for the same products sold through competing marketing channels. The mango-grafting program continues after a very successful debut: over 12,000 mango trees were grafted in 1999 with a survival rate of more than 98%. As a result of past efforts of the hillside program, mangos are becoming Haiti's biggest export crop.

The hillside program has worked extensively with 83 community-based organizations to strengthen their capability to market farmers' products. The Mission continues to provide technical support to the Federation of Associations of Native Coffee Tree Growers in exporting more containers of the specialty "Haitian Bleu" coffee to U.S. and European buyers.

The Mission has initiated the design of a new hillside program to replace the Productive Land Use System (PLUS) project, set to end in December 2000. The new program will replicate best practices models on the Haitian hillside (especially within Secondary City regions) that will substantially increase incomes for farm households through the use of market-driven, farmer-centered, and environmentally sustainable agricultural technologies. This new program will be fully operational in early 2001.

The USAID micro-finance program continues to expand the outreach of services to small borrowers through commercial banks, micro-finance institutions and cooperatives. Some 11,000 customers are being reached through the $1.65 million Small and Micro-enterprise Guarantee Fund, whose outstanding loans now total $5.2 million. Some 200 village banks in rural areas are being reached whose clientele is 90% women. Through technical assistance to micro-finance institutions, including cooperatives, 7,636 clients benefit. There is a growing effort to assist small institutions involved in micro-finance to use best practices and focus on financial self-sustainability. New financial products are being developed in response to customers' needs. Efforts are also being made to bring together USAID and other donors involved in the sector to address issues of regulation, interest rates, technical assistance coordination, training and exchange of information on customers. As a result of USAID's direct efforts, commercial bank involvement in micro-credit has increased substantially and micro-enterprise loans are now available to informal sector clients in peri-urban areas. The number of loans is expected to increase by 25% in 2000 and 2001.

Our support to microenterprise development and economic growth in secondary cities through our artisans project will continue. With technical assistance from Aid to Artisans, Haitian artisans (concentrated in targeted secondary cities) are

developing new product lines to meet the demands of an increasingly sophisticated domestic market and a quality-conscious international market. Sales volume is expected to increase by 25% in 2000 and 2001.

USAID has continued to focus on the privatization of key parastatals, on reinforcing the ability of private sector groups to articulate and advocate for reform of policies, regulations and bureaucratic practices that hinder private investment, and on striking down laws and regulations that restrict the mobilization of informal urban property into potential capital. Aggressive marketing efforts are attracting major cruise line's interest in Haiti as a tourist destination and will increase tourist visits to Haiti by 10% in 2000.

A grant to Haiti's leading private sector/civic group has allowed that organization to undertake an ambitious program of conferences with international speakers and smaller seminars in the provincial capitals around critical economic issues, as well as a series of seminars aimed specifically at media professionals' coverage of economic and electoral issues.

Draft legislation to formalize informal urban property rights has been completed and vetted with local groups, the legal community, interested private-sector groups, legislators and Government of Haiti (GOH) officials. With the value of the informal property and homes in Port-au-Prince and the three next largest cities exceeding $2 billion, the formalization of even a fraction of that mass of potential capital will contribute significantly to new investment and jobs in the Haitian economy. Anticipating installation of a new Parliament, the consortium of the Center for Free Enterprise and Democracy (CLED) and the Peru-based Institute for Liberty and Democracy (ILD) has moved forward with the parallel situational analysis of urban micro-enterprise.

A secondary cities lending fund will remove financial impediments to regional development by small and medium enterprises, and support local public/private partnerships in addressing issues of urban management, environmental protection, energy, water supply, and management of infrastructure such as the rehabilitation of roads linking secondary cities to areas of great tourist and agricultural production potential.

Possible Adjustments to Plans: Assuming successful local and Parliamentary elections in March 2000, the Mission hopes to increase funding for activities advocating an improved investment climate, and to increase efforts under the secondary cities initiative.

Other Donor Programs: The Inter-American Development Bank (IDB), International Bank for Reconstruction and Development (IBRD), European Union (EU), Canadian Government, and United Nations Development Program (UNDP) are involved in institutional reform, improvement of the climate for private investment, and support to the agricultural sector. Subject to a new Parliament to ratify their credits to the GOH, the IDB, IBRD and the EU each plan to invest over $100 million in support of activities that impact this SO. USAID's Agribusiness Guarantee Fund has already leveraged an additional $4.5 million from the European Investment Bank. The GOH has programmed P.L. 480 Title III local currency in support of irrigation interventions and secondary road rehabilitation ($10 million per year).

Principal Contractors, Grantees or Agencies: Under the Program for the Recovery of the Economy in Transition: Development Alternatives Inc., Société Finançière Haitienne de Développement (SOFIHDES), Foundation for International Community Assistance, CLED, CLED/ILD, and the Center for International Private Enterprise in conjunction with national and regional business associations. Under the Agriculturally Sustainable Systems and Environmental Transformation (ASSET) program: Southeast Consortium for International Development (SECID), Cooperative for American Relief Everywhere (CARE), Pan American Development Foundation (PADF), and Inter-American Institute for Cooperation on Agriculture (IICA) in partnership with many indigenous Non Governmental Organizations (NGOs).

Selected Performance Measures:	Baseline (1998)	Target (1999)	Target (2000)	Target (2001)
Percentage increase in real income in project targeted areas	--	--	--	5
Gross domestic private investment As a percentage of GDD	5.7%	6%	7%	7.5%

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Environmental Degradation Slowed, 521-002
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $4,475,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $3,550,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Haiti is increasingly losing its productive potential. Due to the loss of its vegetative cover, it is also beginning a process of desertification. Only 1.5% of Haiti's natural forest remains and 25 to 30 of its watersheds are denuded. In many areas of the country, deforestation and soil erosion have made farming difficult. Many are forced to move to towns and cities in search of work, stressing already weak city services such as water, sanitation and power. Villages, towns, and cities all over Haiti need help to plan how they will manage their environment for the future. Deforestation of Haiti's mountainous countryside has resulted in extensive soil erosion, drastically reducing agricultural productivity and damaging productive infrastructure such as dams, irrigation systems, roads, and coastal marine ecosystems. The growing gap between fuel-wood supply and demand is exacerbating environmental degradation as peasants cut the few remaining trees for income-producing charcoal.

USAID's objective is to slow the disas-trous pace of environmental degradation in Haiti. The direct beneficiaries include small agricultural producers, urban slum dwellers, urban charcoal users, and residents along several strategic watersheds. In the strategy period, direct interventions are expected to improve environmental practices in soil and water conservation, land/waste management, and energy efficiency for almost 450,000 households and businesses as well as result in the planting of 35 million additional trees.

Key Results: Community participation is at the heart of the environmental program. The program has been instrumental in bringing communities and organizations together to develop a National Environmental Action Plan (NEAP) that is now being translated into local action initiatives by community organizations. The program is also working in two key watersheds to enhance farm production, reverse deforestation, improve water supplies, and manage natural resources. The program is introducing new plant varieties (cassava, plantain, etc.) and helping farmers to increase yields of existing crops, including citrus, legumes, fruits, vegetables and spices. A 17% increase in yield has been reported this past year.

Some 18 tree nurseries are producing about 7 million seedlings a year for fruit and wood species that, when planted, help conserve soil. Coffee plantations, which once flourished in Haiti, are being reestablished. The Haitian Environmental Foundation (HEF) is making information about environmental problems and solutions is provided to the public through radio, television, newspapers, schools, youth groups, the internet and training courses.

Performance and Prospects: USAID promotes conservation and sustainable use of natural resources in order to reverse Haiti's march toward becoming the first "eco-catastrophe" in the Western Hemisphere. The USAID program continues to lead in soil conservation and tree-planting efforts to protect the environment, with over 180,000 hillside farmers and coffee growers planting 7 million multipurpose and coffee trees in 1999 and practicing soil and water conservation techniques. These practices slow soil erosion and increase water retention through community and farmer action. Residents are building 19 water systems and 150 rooftop cisterns to provide water for crops and household use.

The HEF has been launched. It will support private sector and civil society initiatives and will reinforce GOH environmental priorities. The HEF is expected to administer a portfolio valued at more than US $5 million by 2001.

Possible Adjustments to Plans: None.

Other Donor Programs: The IDB, IBRD, Canada, and the EU have substantial investments planned (approximately $345 million, $65 million, $48 million, and $40 million, respectively) to support environmental activities (including water and energy sectors) in Haiti. Due to the political crisis in Haiti, disbursement of funds channeled through the central government (i.e. loans) has been significantly delayed. The IBRD, UNDP and Canada have been active in supporting the NEAP. The IBRD park program ($22.5 million) was built on USAID lessons learned in Park Macaya and successes in hillside agriculture (i.e., PLUS Project).

Principal Contractors, Grantees, or Agencies: Winrock International, CARE, PADF, SECID, and IICA. All these institutions work in partnership with many indigenous NGOs.

Selected Performance Measures:	Baseline (1998)	Target (1999)	Target (2000)	Target (2001)
Number of hectares of land under improved natural resource management practices in target regions Unit: number of hectares (thousands)	7.8	18	21.05	23.52
Number of farmers using at least one improved agricultural practice Unit: number of farmers (thousands)	166	187.5	193	208
Annual number of tree seedlings planted or grafted Unit: number of trees (millions)	6.8	7	7.2	7.5

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Healthier Families of Desired Size, 521-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $19,940,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $15,798,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Although most Haitians want fewer children, according to the most recent Demographic and Health Survey (DHS, 1995) and other studies, the population continues to grow at the high annual rate of 2.3 percent. At the current total fertility rate (TFR), Haitian women will give birth to an average of 4.8 children during their reproductive years. Today's population of eight million is expected to double by the year 2027. If all unwanted births were avoided, the TFR would be three -- nearly two children less than the actual rate. About 10% of Haiti's urban population are infected with Human Immuno Virus (HIV) and almost half the women of reproductive age currently have an untreated sexually transmitted infection (STI). Haiti has the highest child mortality rate in the Western Hemisphere. One in eight children will not live to the age of five, and one in three children is chronically malnourished. Maternal mortality is estimated at 1,000 per 100,000 live births.

According to official statistics, 60% of the population has access to health services but for practical purposes only 25% has access to family-planning services. Only eight specialized institutions, concentrated mostly in the capital city, offer more than three modern contraceptive methods and 78% of health facilities do not offer assistance for childbirth. Services offered do not adequately address the behavior and health care needs of young adults aged 12-24 who make up one-third of the population. Child survival programs are equally deficient. Full childhood immunization coverage is only 30%, one in five children receive no immunizations by age one, and only 31% of diarrhea cases are treated with oral rehydration solution.

The empowerment of Haitian women is key to attaining sustainable improvements in the health sector as well as others. The unique needs of the role of women will be significant in crafting approaches to effect positive changes.

USAID's strategic objective (SO) in the health sector aims to improve the health and well-being of Haiti's children and to address the country's rapid population growth rate. Cost-effective child survival interventions that reduce infant and child mortality and morbidity and reproductive health services that permit women and men to delay or space births are essential to achieving desired family size and health. USAID-financed health programs in Haiti cover a population of 4.7 million people, with USAID funds directly contributing to over half of the country's family planning (modern methods) acceptors. Within this population, food assisted health and nutrition activities target 151,000 vulnerable mothers and their malnourished children. Food supplementation, growth monitoring, health/nutrition education to mothers and community outreach are program activities under the food aid program.

Key Results: The key intermediate results anticipated for this objective include: (1) increased use of quality child survival

and nutrition services to reduce infant and child mortality rates; (2) increased use of quality reproductive health services to increase contraceptive prevalence; (3) women empowered so that more girls complete primary school and more women have access to economic opportunities; and (4) youth better prepared for and men more engaged in responsible family life by modifying sexual behavior. A cross-cutting factor affecting each of the four above is improved public policy environment for child survival and reproductive health, including greater and more effective involvement of civil advocacy groups in public health issues.

Performance and Prospects: This SO builds on the recommendations of the 1994 International Conference on Population and Development and focuses on improving child, maternal and reproductive health services. Interventions target the major causes of infant mortality in Haiti (diarrhea, fever, acute respiratory infections, malaria, measles, malnutrition) as well as maternal health needs (prenatal, delivery and postnatal care), and reproductive health care (family-planning information and services, HIV/AIDS prevention, and STI prevention, detection and treatment). Despite challenges and constraints, USAID's 34 current NGO partners have succeeded in expanding access to many quality services to 4.7 million beneficiaries nationwide. The 1998 contraceptive prevalence rate (modern methods) in USAID program areas was twice the national average (25.2% vs. 13%); in FY 2001, the Contraceptive Prevalence Rate (CPR) for all methods is expected to increase to 31% in USAID-financed sites.

Phase II HS-2004, set to begin in early 2000, applies lessons learned from Phase I and focuses on increasing access and improving the quality of child health and reproductive health services provided by a network of local NGO and private-sector service-delivery institutions. Support to improve services will be complemented with support for national systems critical to informed decision-making, judicious planning and optimal utilization of scarce resources. Thus, the phase II program has two major components. The first envisions support for institution-strengthening and service delivery to a network of NGO and commercial-sector health institutions that provide child health and reproductive health services. This component focuses on assisting local institutions to expand access and to improve efficiency in order to achieve a greater level of financial autonomy by the year 2004. The second component calls for support for three linchpin systems necessary for effective decentralization and deconcentration of all health services - both public and private sector -- throughout the country: (i) financial management; (ii) contraceptive and essential drugs management and logistics; and, (iii) health and management information systems.

Possible Adjustments to Plans: USAID's health activities are implemented primarily by NGO and private voluntary organization (PVO) partners; only about 15% of funds are used to support GOH entities and/or activities. USAID does not envision significant revisions in strategy or activity implementation and anticipates that the current strategy -- through which private-sector service-delivery capacities are strengthened and the public-sector oversight and regulatory roles reinforced -- will continue for the foreseeable future.

Other Donor Programs: Key donors in the health sector are the IDB, EU, IBRD and UNICEF. Other players include the World Health Organization and United Nations Population Fund. Parliament must approve loan programs financed by the World Bank and Inter American Development Bank, both of which have provided significant resources for the sector in the past. There will be a lapse in Bank funding beginning in 2000, until such time as elections seat a new Parliament that can ratify new loans. Fiscal implications may be severe, and USAID could face pressure to finance health sector gaps left by key donors. Donors in food aid and food security are the World Food Program, the EU and the Canadian International Development Agency. The Japanese and Taiwanese also contribute modest food aid. Representatives of all donors occasionally meet with top officials of the Ministry of Public Health and Population to coordinate activities, exchange information, and discuss critical sector and policy issues.

Principal Contractors, Grantees or Agencies: In FY2001 USAID will administer its reproductive health/child survival program primarily through an institutional contractor (procurement pending), which in turn negotiates sub-grants and contracts with U.S. PVOs and Haitian NGOs. Additionally, USAID plans to provide direct assistance to the GOH for health-systems support described above. Food aid assisted health and nutritional programs are currently implemented to U.S. PVOs: CARE, Catholic Relief Services, World Vision and a local Haitian firm, International Maritime Transport, was contracted for warehousing services.

Selected Performance Measures:	Baseline*	Target (1999)	Target (2000)	Target (2001)
Total Fertility Rate	4.8	--	4.6	4.5
Infant Mortality Rate (< 12 mos. of age)	74/100	--	69/1000	66/1000
Child Mortality Rate (< 5 years of age)	131/100	--	126/1000	121/100

Malnutrition rate (children < 5 years)	29.4%	27%	26%	25%

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Increased Human Capacity, 521-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $5,035,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $5,027,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Both the quality and quantity of education services in Haiti are inadequate. Only about 40 percent of adults over age 16 are literate, and only about 65% of children aged 6-12 are enrolled in school. Non-enrollment is more acute in the rural areas where only 23% of children are in school. At the secondary level, the enrollment rate is 22% with 55% of these students located in the Port-au-Prince area. Only 29% of students complete grades 1-6, and only 3.8% of children who enter the primary cycle finish secondary school. Repetition rates are about 12% per grade and the dropout rate about 15%. Half of the primary school students are over-age.

The education system in Haiti is predominantly private, both in terms of provision of services and financing. Private education represents about 89% of primary school enrollment and 82% of secondary enrollment. Public schools cater to about 10% of the school-age population and are located largely in urban areas. In 1996, private spending on educational services amounted to about 12.5% of GDP, while public spending was 2.5%. Of the 2.5% of GDP spent by the government on education, 20% is allocated to rural areas where 65% of the population lives. The quality in both the public and private sectors is far inferior to other countries in the hemisphere.

USAID's strategy seeks to alleviate poverty by improving the capacity of Haitians to seize or create economic opportunities. The Human Capacity SO aims to improve the quality of instruction and administrative efficiency in primary schools, with an emphasis on schools located in rural and poor urban areas, and to bring greater coherence to the primary education sector as a whole by supporting GOH efforts to set norms and standards. Many of USAID's target schools also benefit from P.L. 480 Title II resources, both in kind and monetized. The objective of the Title II intervention is to increase student attendance and retention rates by using the school feeding program as an incentive for parents to keep their children in school and to alleviate short-term hunger. Local currency, generated from Title II monetization, provides funding for enhancing community participation in improving education through the establishment of Parent Teachers Associations (PTAs) and other local support committees as well as implementing health and nutritional activities in the schools. The SO also supports endeavors to spread educational opportunities through distance learning in primary schools and increasing public access to the internet and other means of modern communication. The SO also provides food assistance to orphanages and institution-building assistance to a local umbrella organization that raises funds and other in-kind support for institutions that address the needs of orphans and other at-risk children.

Key Results: The SO will be reached by achieving three intermediate results (IRs). The first, "Improved quality of primary education," entails ameliorating the quality of instruction in 1,000 primary schools through the inservice training of 3,354 teachers and 559 school directors and distance education radio lessons in math and Creole for 500,000 pupils. Improved quality will also be achieved through the school feeding program that reaches 500,000 children and through increased community involvement and support for primary schools. The SO is also strengthening the complementary roles of the public sector (regulatory role, addressing demand issues) and the private sector (responds to supply issues). The second IR, "Improved quality of services for orphans and at-risk children," and will be achieved by providing support to a Haitian non-governmental organization, the Haitian Chamber for Needy Children (CENH), which effectively leverages and coordinates donor assistance to institutions that serve the needs of orphans and other at-risk children. CENH currently liaises with 151 orphanage members and aims to increase this number by more than 25% annually. The third IR, "Improved access to information and communication technology," relies principally on private-sector enterprise for impact by strengthening existing private-sector service providers and by developing rural telecommunication centers in secondary cities. It is expected that the present base of about 3,700 Internet subscribers will double each year through 2004.

Performance and Prospects: Performance over the past year has been satisfactory, yet some constraints have been noted.

USAID negotiated an Agreement with the Ministry of Education (MOE) to support concrete measures for strengthening public-private sector collaboration and complementarity. These include creation of a National Partnership Commission and elaboration of an MOE/USAID Work Plan to begin to address urgent issues in the sector such as accreditation procedures or criteria for award of government subsidies. New clusters of primary schools were identified and included in USAID's model Education 2004 project, but it has become increasingly difficult to find schools that meet the minimum criteria for project participation. Nonetheless, preliminary data indicate students at USAID-supported schools, located in seven of the country's nine departments, are performing better than control schools. The upcoming final evaluation of USAID's Enhancing Food Security portfolio should shed light on the contribution and impact of P.L. 480 Title II resources to the overall goal of improving the quality of education. The orphanages' umbrella organization, CENH, successfully channeled about $100,000 in donor funds and various in-kind contributions to several member orphanages throughout the country in 1999. Technical assistance programs for the country's Internet Service Providers (ISPs) and for a national "neutral" regulatory entity (the Network for Sustainable Development in Haiti - RDDH) were elaborated but activities have been delayed pending resolution of regulatory problems encountered by the country's largest ISP.

Possible Adjustments to Plans: None at this time.

Other Donor Programs: The Inter-American Development Bank funds teacher training, curriculum development, and textbook distribution for the public sector. A joint IDB-World Bank project will finance school construction, teacher training, textbook distribution in both the public and private sec-tors. Timely implementation of the joint project may be jeopardized if there is no Parliament to ratify it in 2000. The European Union provides budgetary support for institutional strengthening at the central and regional MOE offices, and the French Cooperation funds a training program for MOE central and regional technical staff. The Canadian International Development Agency funds a project in the Artibonite Department that provides teacher training, school rehabilitation, and community support to schools. The Japanese International Cooperation Agency is presently negotiating with the MOE to provide support for teacher training schools in the city of Gonaives (Artibonite Department).

Principal Contractors, Grantees, or Agencies: Academy for Educational Development; CARE International; Catholic Relief Services; Haitian Chamber for Needy Children; Haitian Foundation for Private Education (FONHEP).

Selected Performance Measures:	Baseline (1998)	Target (1999)	Target (2000)	Target (2001)
Percentage of school children completing primary school (passed primary school exam)	64%	72%*	73%*	74%

* These targets are tentative and will be confirmed or modified during the first quarter 2000 SO team meeting. The 1999 target was 66%, and the 2000 target was 67%. However, recent surveys indicate that 1999 actual is 72% (to be confirmed). PMP to be corrected accordingly.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: More Genuinely Inclusive Democratic Governance Attained, 521-005
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $10,490,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $9,148,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Although Haiti has taken steps along the road to democracy, its citizens are not yet convinced that elected officials represent public views and interests. Many believe that the judicial system is deeply flawed, lacks independence and is susceptible to widespread corruption and inequity. Prospective foreign and local investors express the need for a strengthened rule of law that provides a stable legal environment for commercial activities, protects property and promotes trade.

This SO aims to increase Haitian citizens' participation in governance at all levels: elections, justice, national and local government and civil society. All of Haiti's citizens should benefit from achievement of this objective and are, therefore considered, our ultimate customers. It is the people who have identified their top priority need -- for genuine inclusion in democratic governance. There are, however, important subsets of individuals who are more closely linked to USAID's activities and, as a result, are considered primary customers.

Key Results: There are four key results leading to more genuinely inclusive democratic governance: (1) civil society organizations that positively influence policies; (2) elections that are more credible; (3) more responsive governance by elected officials; and (4) people increasingly treated according to the rule of law.

Performance and Prospects: The current program builds upon activities initiated since the return of constitutional government in 1995. It focuses on the problem of ensuring greater and more meaningful inclusion of citizens in the process of democratic governance. A significant portion of our program was adversely affected by President Préval's decision to dissolve Parliament and local governments in January 1999. The Parliament lost its constitutional challenge to this action in the High Court. The officials elected to local government posts never sought judicial recourse, but most were reinstated under contracts with the executive. We anticipate a return to normal constitutional functions after the parliamentary and local governments elections planned for the spring of 2000.

It is notable that civil society still plays a very active role. The Mayors' Federation was very active in its attempt to resist the exertion of executive control. Three regional centers were opened to serve as apolitical fora for civic action, and other civil society organizations are continuing to hold organized dialogues on policy issues.

USAID will continue to assist Haitians in holding free and fair elections, strengthening election administration and supporting international and domestic monitoring to deter fraud, with special emphasis on voluntary citizen observers and broad support to political parties. USAID will also focus on strengthening the capabilities of the electoral council. USAID will continue to work with organizations in all development sectors to strengthen their advocacy skills so that they may positively influence government policies and oversee public institutions. Networks and coalitions of civic organizations with common interests in areas such as the environment, business, education, economic growth, and health are being forged.

USAID's planned efforts in justice will focus on improving the administration of justice through training of judicial and legal personnel, providing legal assistance for the poor to ensure their access to justice, working with the judiciary at the local level to improve case management, and improving police/community relations. USAID is encouraging a Haitian human rights monitoring and oversight capability through the UN to ensure that abuses of human rights are monitored, docu-mented and publicized, and that greater deterrents to abuse are established.

Possible Adjustments to Plans: In the expectation of successful elections in March 2000, the Mission plans to launch new Parliamentary and local government support activities in FY 2001, as well as expand our efforts to strengthen Haitian civil society.

Other Donor Programs: Donors coordinate closely in the democracy arena in routine meetings by sub-sector. In terms of justice programs, including human rights, police and prisons, Canada, the EU, France and the United Nations (UN) are the principal donors. USAID regularly collaborates with these donors to ensure complementarity of program implementation, planning, and policy discussions. USAID will exert influence in the development of UN/MICAH's plans to support the justice sector. In elections, the UNDP coordinates among the donors, including France, Canada, Organization of American States and the EU. In the broader area of governance, UNDP coordinates the donors, including USAID, the IDB, the World Bank, EU, Canada and France.

USAID's partners in the democracy program include the GOH, (the MOJ and the Electoral Board) and a broad range of civil society organizations (Haitian NGOs, bar associations, law schools, citizen groups, popular move-ments), and rural and inner-city low-income people are directly involved.

Principal Contractors, Grantees, or Agencies: National Democratic Institute; International Foundation for Electoral Systems; U.S. Department of Justice's Overseas Prosecutorial Development, Assistance and Training program (OPDAT); Management Services International; Associates in Rural Development; and numerous local and U.S. NGOs.

Selected Performance Measures:	Baseline (1998)	Target (1999)	Target (2000)	Target (2001)

# of cases in which an organized dialogue on policy issues is carried out by civil society organizations and national public institutions	14	20	24	28
Increased acceptance of election results by electoral players **	--	--	2=moderate resistance	2=moderate resistance
# of targeted communes providing services determined in consultation with representatives of local citizens and civil society organizations	10	10	10	25
% of appeals, from target jurisdictions, in which higher courts uphold original decisions	--	baseline TBD	--	--

**The baseline study for this indicator is nearly completed. It will be based on a numerical scale for acceptance that takes into account the election's acceptance in terms of international monitors, etc., as opposed to local acceptance.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Streamlined Government 521-006
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1991 **ESTIMATED COMPLETION DATE**: FY 2003

Summary: The aim of the Special Objective (SpO) "Streamlined Government" is to contribute to the maintenance and improvement of the macroeconomic environment by encouraging government reform through privatization of state-owned enterprises (SOEs), civil service downsizing (CSD), civil service reform (CSR) in general, and improvement of GOH public resource management. Although the pace of improvement was slower than expected during FY 1999, the GOH has made some advances in these areas.

Key Results: USAID's Streamlined Government SpO has four expected results: (1) reduced size of para-public sector; (2) reduced size of civil service; (3) civil service reform implemented; and (4) improved management of GOH revenue. While USAID has been providing funding for these activities since FY 1991 under the Policy and Administrative Reform project, the SpO itself was created in FY 1998 under USAID's Country Strategy for FYs 1999-2004.

Performance and Prospects: In FY 1999, USAID continued to work with the GOH, IMF and other donors to consol-i-date the FY 1998 civil service downsizing results and to focus on civiol service reform. Working jointly with donors, USAID supported GOH efforts in the:

- update and implementa-tion of exist-ing procedures and regula-tions to hire civil servants;
- introduction of efficiency-based sectoral salary in-creases for civil servants;
- creation and operation of a short-term training program for both departing civil servants and employees of privatized SOEs.

Regarding the administrative reform of the public sector, in April 1999 the mandate of the National Commission for Administrative Reform (CNRA) was renewed and expanded. As a result, the CNRA has two main objectives:

- Coordinate and ensure that public-sector administrative and civil-service reform are implemented, and
- Develop and coordinate the policy for the decentralization of the administration of the State.

To accomplish those two objectives, the CNRA in April 1999 developed a Program of Action for the period May 1999 to

May 2000. The program involves five types of activities:

1. Confirmation and promotion of the administrative reform
2. Strengthening of the public administration institutions
3. Reform of civil service
4. Training of civil service managers
5. Complementary studies: decentralization of government institutions and modernization of autonomous public enterprises.

CNRA's progress on the above five points has been uneven. Most, but not all, of the planning and study stages has been completed and documents presenting key recommendations have been finalized. The main task in the months ahead will be the implementation of the recommendations for civil service reform and decentralization.

In November 1998 USAID awarded a $4.5 million contract to implement a training program for former public-sector employees who opted for early departure from the public payroll. The two sessions held thus far have involved 617 participants against anticipated involvement of 2,000 former civil service employees. Training areas include computer skills, management, accounting, secretarial skills and others.

As to privatization, with USAID-financing the GOH privatization board (CMEP) in 1997 and 1998 selected, under IBRD rules, three consortia, all led by U.S. firms, to prepare bid documents and related materials for the privatization of the Port-au-Prince seaport, Port-au-Prince airport and the telephone company. All the technical documentation has been ready for some months, including information memoranda for potential investors and requests-for-bid documents; the electricity company will reach the same stage by January 2000. However, although there might be some procedural progress on privatization, by and large the privatization process has stalled due to a lack of political will to move ahead with the bidding and negotiation process. Similarly, the GOH has begun to have second thoughts regarding the privatization of the virtually bankrupt state-owned bank, the Banque Nationale de Crédit (BNC), and now talks of restructuring it rather than privatizing it.

Through the third quarter of FY 1999, the GOH was meeting all the fiscal targets established under the FY 1999 Shadow Program with the IMF. The fiscal situation deteriorated dramatically in the last quarter as GOH expenditures expanded. Further deterioration seems likely in election year 2000.

Overall, given the slow pace of GOH progress regarding the activities of this special objective, it is possible that activities relating to civil service reform and privatization will continue in FY 2001.

Other Donor Programs: Donor support of the GOH structural economic reform program has been significant since late 1994. Donors' commitment to the areas of CSD, CSR and privatization has always been significant. For example, the IMF FY 1999 Shadow Program calls for consolidation of CSD results achieved to date and further privatization progress. It is noteworthy that many donor loans have not moved forward due to the lack of a Parliament.

Principal Contractors, Grantees, or Agencies: The World Bank received a $3.5 million grant to procure the technical assistance needed by CMEP to execute the seaport, airport and Téléco privatizations. Under the IBRD privatization grant, Nathan Associates and consortia led by Citibank and Sterling Merchant Finance have counseled CMEP in the execution of the seaport, airport and telecommunication privatization transactions, respectively. A Haitian financial/management firm (subsidiary of Price Water-house/Canada) has been executing the technical assistance contract to assist the GOH to implement its CSD program. The Training and Technical Education Center has won the contract to design and administer the GOH short-term training program for departing employees of the Haitian civil service and para-public sector.

Selected Performance Measures:	Baseline (1998)	Target (1999)	Target (2000)	Target (2001)	
Size of para-public sector (% of GDP)	--	4.2	4.1	4.0	
Tax revenue as % of GDP	(1995) 7.6%	9.3%	9.5%	11.4%	11.7
Number of civil services employees Retained annually	--	500	1,500	end	

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Strengthened Haitian National Police, 521-007
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $6,500,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $4,500,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1994 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: : Under his Special Objective, "Police Better Protect and Serve Haitians Nationwide," the U.S. Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP) supports USG efforts to improve law enforcement in Haiti through planning, implementing and coordinating efforts to meet key training and development needs of the Haitian National Police (HNP). U.S. policy and goals related to the HNP aim to enhance what is becoming a credible, responsive civilian law enforcement agency that delivers basic law enforcement services pursuant to the rule of law, is accountable to the public, and subscribes to internationally accepted standards of human rights.

Many of the deficiencies in police capabilities can be attributed to inadequate numbers of supervisory personnel, insufficient logistical capabilities, which lead to too few officers in rural areas, and problems in managing personnel and finance. ICITAP's support has been for technical assistance, training and equipment in an effort to address these deficiencies. Complicating ICITAP's efforts has been a very high attrition rate among newly deployed police officers.

Key Results: The key result leading to the fulfillment of the SO "Police Better Protect and Serve Haitians Nationwide" is that people feel that the HNP is doing a good job maintaining law and order.

Performance and Prospects: In FY1999, ICITAP/Haiti trained 956 HNP officers of all ranks through: basic recruit training; instructor development training; advanced in-service courses, tactical units (i.e., SWAT and crowd control), specialized training, judicial police for specialized investigative training, specialized training to Scientific Police Bureau and/or forensics officers, and joint judiciary/police seminars. All basic training courses this year (this is the largest training component) were taught by ICITAP-trained personnel of the HNP with no ICITAP supervision. ICITAP also provides ongoing technical assistance in personnel systems development, planning, accountability, and general management for the academy. Some commodities assistance, most notably radio communications system between the rural areas and the center, was also provided this year.

ICITAP has worked in close collaboration with the Haitian Secretary of State for Public Security of the Ministry of Justice, the HNP Director-General, the Chief Inspector General and their respective staffs to develop a new 5-Year HNP Development Plan.

ICITAP will continue to assist the GOH to improve and formalize HNP management, including HNP executives, managers and supervisors, to guide and direct all aspects of the HNP operations to ensure it can fulfill its law enforcement mission. Management issues being addressed include acquisition, deployment and preservation of human and physical resources, including in rural areas. ICITAP has a major interest in assisting the GOH in formulation of policy related to the new rural police, including authorities to be delegated, jurisdictions and career paths.

ICITAP is also assisting the GOH in strengthening the HNP in both patrol and investigative operational capabilities and to improve the delivery of law enforcement services. Areas important to Haitians such as theft and property crimes are emphasized along with transnational criminal issues such as auto theft, contraband and narcotics. These activities are helping to establish a predictable environment of community-wide safety and security. ICITAP hopes to inculcate a system of "community policing" in Haiti, whereby police will serve in a more pro-active, preventive capacity in their respective communities. An earlier USAID effort toward police/community relations could serve as a basis for this effort. It is also assisting the GOH to institutionalize a sustainable law enforcement training capability to continue the professionalization of the HNP at all levels. Funding is also being provided to assist in equipping a new rural police.

Possible Adjustments to Plans: Although ICITAP is in the final stages of a five-year plan, it will need to continue its activities over the next five years focusing primarily on three major themes, including: (1) specialized training; (2) police management; and (3) operational issues. The specialized training program will support the long-term development plans of the HNP by continued teaching of management and leadership skills as well as the continued professionalization of the police at all levels of the institution. It is quite likely that this training will include supervision courses for new rural police. In addition, human rights training for officers at all levels as well as training on womens' rights and domestic

violence will be included in both the initial training program and the continuing education program.

Other Donor Programs: ICITAP coordinates its activities with other international donors to maximize the impact of available resources. The French are working exclusively with the judicial police, including training in the following areas: developing a criminal investigation and record system; establishing a medical examiner's office; and, strengthening a unit that will investigate dangerous crimes committed by gangs. Canadian support mostly in mid-level management training as well as work with the judicial police in crime scene analysis. They also provide training and technical assistance in areas such as logistics and motorpools. The UNDP has five technical advisors who work with local commissariats and headquarters while the United Nations Civil Police mentors the new police.

Principal Contractors, Grantees, or Agencies: U.S. Department of Justice (OPDAT and ICITAP).

Selected Performance Measures:	Baseline (1998)	Target (1999)	Target (2000)	Target (2001)
% of people who feel that the HNP is doing a good job at maintaining law and order.	74%	75%	76%	77%
Number of classroom hours provided by Haitian instructors	632	88	480	240
% of police facilities with a functioning 2-way radio communication to the center	65%	80%	100%	100%
HNP's Operating budget reflects all requested operating costs	Yes	Yes	Yes	Yes

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Haiti
TITLE AND NUMBER: Hurricane Georges Recovery, 521-009
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2001

Summary: : On the night of September 22-23, 1998, Hurricane Georges swept across Haiti, damaging millions of dollars worth of crops, infrastructure and housing in its path. In addition, heavy rains fell on the major watersheds in the southern part of the country, causing severe flooding. There were approximately 400 casualties with an estimated $180 million in damage, including indirect and secondary losses. The perverse synergy of overwhelming poverty, a degraded environment, and lack of infrastructure makes Haiti a "disaster prone" country. Nearly every year, large segments of the population suffer from either prolonged drought, frequent floods, or mud slides. 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 coping capacity necessary to deal with natural disasters. This coping capacity must be strengthened to mitigate future damage and to protect the results from this and other programs. USAID is implementing an ambitious hurricane recovery program that will enhance the capacity of affected communities to recover from the economic impact of Hurricane Georges as well as adequately prepare for future natural disasters.

The crux of this program is community self-help. Activities will emphasize the application of true consultation and participation with civil society and local government in order to strengthen their ability to work with each other to solve community problems. Activities in 350 targeted communities that were affected by Hurricane Georges will embrace this principle from planning through implementation, including monitoring and evaluation. Community participation in the identification, design and implementation of local activities ensures their sustainability. Lessons learned from previous programs indicate that community participation, especially on the part of women, is essential to the success of any

program. Activities will focus on the southeastern region of Haiti, where the greatest damage occurred and where USAID has ongoing programs in coffee production, hillside agriculture, and artisan support.

Key Results: This two-year reconstruction program is using the $9.8 million of the Central American and Caribbean Emergency Disaster Recovery Fund designated for Haiti to allow the populations in affected communities to rebuild their livelihoods through activities that will improve the capacity for agricultural production, restore damaged infrastructure, and reduce environmental impacts. It will also enhance their capacity to mitigate and prepare for future natural disasters. USAID-funded activities are repairing 35 kms of strategically selected farm-to-market roads; rehabilitating irrigation systems to bring at least 1,000 hectares back into production; supporting improved soil and water conservation practices on 1,300 hectares of land in strategic watersheds; making 700 metric tons of improved commercial-quality seeds available to small farmers; repairing/rebuilding 20 schools and 40 potable water systems; and providing technical assistance to at least 350 communities to enhance their disaster preparedness and mitigation capacity through training, workshops, and development of disaster mitigation and preparedness plans.

Performance and Prospects: The Hurricane Georges Special Objective was approved by USAID in 1999. The first few months of the program focused on design and early implementation. USAID has awarded a cooperative agreement to the Pan American Development Foundation to implement this multifaceted program in an integrated manner. Sub-agreements with U.S. and local NGOs, many of which have extensive experience working in Haiti, complete the package. Community-based organizations work at the village and community levels. Based on damage assessments and problem identification and prioritization at the village level, communities are implementing an assortment of agricultural, infrastructure and environmental interventions specifically tailored to their circumstances and needs. Restoration of food production and the farmers' capacity to resist future storms are being addressed through the provision of higher-yield crop varieties, production and multiplication of seeds, and provision of technical assistance and technology transfer. Local communities have prioritized and selected small projects that will rehabilitate farm-to-market roads, irrigation and drainage canals, soil and water retention structures as well as schools and potable water systems. In many areas hit by the hurricane, fields belonging to farmers who used sound soil management practices suffered far less damage. USAID is therefore emphasizing the protection and improved management of hillsides in its recovery program. Activities include terracing, improved crop cover and construction of weirs, rock walls, and gully plugs. In all cases, local capacities to better respond to the impact of future disasters will have been reinforced through training to communities in damage assessment, vulnerability analysis, preparedness, and public information dissemination.

Possible Adjustments to Plans: There are no planned adjustments to this objective.

Other Donor Programs: The Inter-American Development Bank has pledged $8 million for reconstruction activities. The International Monetary Fund provided the Government of Haiti with $20 million in additional budget support in order to assist the government to absorb costs associated with hurricane relief and to compensate for lost revenue due to reduced economic activity. The Pan American Health Organization is providing technical assistance in the preparation of a framework for a national disaster management plan. The United Nations Development Program and the European Union are providing assistance for medium- and long-term capacity building such as disaster management training, office supplies and equipment to enhance the capacity of the Haitian Directorate of Civil Protection.

Principal Contractors, Grantees, or Agencies: Achievement of the Hurricane Georges recovery program objective will rely on several U.S.-based and local NGOs (including CARE, Catholic Relief Services, Plan, World Vision and Winrock International) under the cooperative agreement with the PADF. Many of these NGOs are the same grantees who now implement USAID activities under the Mission's income and environmental strategic objectives and have extensive experience working in Haiti. The Southeast Consortium for International Development will conduct ongoing monitoring and evaluation of the program. The Organization for the Rehabilitation of the Environment (ORE), a Haitian NGO, will help to replace the stock of corn, beans and other planting material, including banana, yam and cassava, with high-yielding varieties. ORE is receiving technical assistance from the Center for Tropical Agriculture, an international agricultural research institute. The program includes support from other USG agencies such as the U.S. Department of Agriculture and the U.S. Federal Emergency Management Agency, as designated under the 1999 Emergency Supplemental Appropriations Act. The U.S. Army Corps of Engineers will conduct river basin reconnaissance studies, prepare manuals and provide technical assistance to USAID and its partners on emergency preparedness planning and infrastructure reconstruction. The U.S. Peace Corps is also conducting disaster-preparedness capacity building through training of volunteers and their counterparts.

Selected Performance Measures:	Baseline (1998)	Target (1999)	Target (2000)	Target (2001)

Increase in annual household income in targeted areas	TBD	TBD	TBD	TBD
Percentage of communities more resilient To natural disasters (it will have to be Determined which percentage of communities Would result in attaining the objective)	TBD	TBD	TBD	TBD
ORE institutional capacity to produce Seeds strengthened	TBD	TBD	TBD	TBD
# of kilometer of irrigation canal repaired	TBD	TBD	TBD	TBD
# of hectares returned to irrigation	TBD	TBD	TBD	TBD

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Haiti

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	0	0	0	
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
CACEDRF	0	9,800	0	0
INC	0	0	0	0
Economic Support funds	70,021	70,000	60,000	50,000
P.L. 480 Title II	24,908	16,981	25,792	25,982
P.L 480 Title III	10,000	10,000	0	0
Total Program Funds	**104,929**	**106,781**	**85,792**	**75,982**
Operating Expenses	4,733	5,134	4,838	4,800
Trust Funds	0	0	0	
Total Operating Costs	**4,733**	**5,134**	**4,838**	**4,800**

Note:
FY 2000 OE - $174,562 Hurricane Supplemental

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	20	17	16	17
Other U.S. Citizen	2	2	3	3
FSN/TCN	91	87	90	91

Subtotal OE Funded	**113**	**106**	**109**	**111**
Program Funded*				
U.S. Citizen	5	8	14	14
FSN/TCN	35	45	51	51
Subtotal Program Funded	**40**	**53**	**65**	**65**
Other				
TAACS	1	2	2	2
Fellows	0	1	1	1
IDIs	0	1	1	0
Subtotal Other	**1**	**4**	**4**	**3**
Total Work Force	**154**	**163**	**178**	**179**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
521-001 Sustainably Increased Income for the Poor							
- DA	0	0	0	0	0	0	0
- ESF	11,977	0	0	0	0	0	11,977
- P.L. 480/II	0	0	0	0	0	0	0
521-002 Environmental Degradation Slowed							
- DA	0	0	0	0	0	0	0
- ESF	0	0	3,550	0	0	0	3,550
- P.L. 480/II	0	0	0	0	0	0	0
521-003 Healthier Families of Desired Size							
- DA	0	0	0	0	0	0	0
- ESF	0	15,798	0	0	0	0	15,798
- P.L. 480/II	0	0	0	0	0	11,340	11,340
521-004 Increased Human Capacity							
- DA	0	0	0	0	0	0	0
- ESF	0	0	0	0	5,027	0	5,027
- P.L. 480/II	0	0	0	0	0	14,642	14,642
521-005 More Genuinely Inclusive Democratic Governance							
- DA	0	0	0	0	0	0	0

- ESF	0	0	0	9,148	0	0	9,148
- P.L. 480/II	0	0	0	0	0	0	0
521-006 Streamlined Government							
- DA	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
521-007 Strengthened Haitian National Police							
- DA	0	0	0	0	0	0	0
- ESF	0	0	0	4,500	0	0	4,500
- P.L. 480/II	0	0	0	0	0	0	0
521-009 Hurricane Georges Recovery							
- DA	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- ESF	11,977	15,798	3,550	13,648	5,027	0	50,000
- P.L. 480/II	0	0	0	0	0	25,982	25,982

The United States Agency for International Development

HONDURAS

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

U.S. assistance to Honduras is now focused heavily on helping the country recover from the devastation of Hurricane Mitch and on the process of reconstruction and economic reactivation required to meet the needs of those most severely affected by the hurricane. U.S. interests in Honduras are driven by its proximity to the United States, strong links between the U.S. and Honduran people, trade and investment opportunities, high levels of illegal immigration, narcotics transit, global environmental and health threats and general foreign policy interests in building stable democracies that protect human rights. Rapid recovery and reconstruction after the hurricane will help reduce growing levels of immigration to the United States by restoring economic growth, expanding employment, and improving the overall quality of life. U.S. assistance also promotes U.S. global interests by protecting biodiversity and tropical rain forests, controlling the spread of HIV/AIDS, and reducing population growth. USAID programs in administration of justice, municipal development, and improved accountability and transparency in reconstruction help promote democratization.

The Development Challenge

Hurricane Mitch's staggering levels of destruction and dislocation throughout the country currently represent the most pressing development challenge facing Honduras. 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 regard to its development efforts, making U.S. assistance to Honduras a priority for the foreseeable future. A year after the hurricane, thousands of dislocated families are still without permanent shelter, the transportation network is operating on the basis of temporary fixes, and the economy is only beginning to reactivate (1999 GDP growth was -3%). The critical agriculture sector (18% of GDP and 70% of Honduran exports) is beginning to recover, but additional credit resources and technical assistance are required to rebuild productive infrastructure, reclaim land, and invest in improved methods, seeds, and alternative crops. Basic infrastructure (e.g. water and sanitation, roads, bridges) along with critical social infrastructure (e.g. schools and health clinics) lost or damaged during the storm still must be reconstructed in many parts of the country. Environmental devastation in watersheds and along riverbeds will take years of careful management and reconstruction to address. Honduras also needs to establish systems and improve institutions to prepare for and deal effectively with future emergencies and disasters. The reconstruction process faces serious constraints related to the institutional capacity of Honduran institutions and the bureaucratic requirements of donors and implementing entities in effectively targeting resources to meet the most critical reconstruction needs. The scope of damage and the nature of reconstruction needs also requires that reconstruction efforts be phased over the next few years. Moreover, a major challenge for the Honduran government and the donor community is to develop mechanisms for transparency and accountability to prevent corruption associated with large flows of international financial assistance.

Honduras is the fourth poorest country in Latin America with per capita annual income below $750 and a poverty rate

above 65%. Efforts to stimulate rapid economic growth must include attention to the needs of small entrepreneurs and farmers who lack adequate access to land, technology, financial services, and markets. The government faces policy challenges in the aftermath of the hurricane that will test its commitment to free-market solutions and poverty alleviation. Debt relief via a three-year moratorium on bilateral debt service (valued at $327 million) plus assistance in paying off multilateral debt, will help conserve government resources for hurricane reconstruction efforts and social investment. Micro-finance and rural credit institutions, whose portfolios were affected by client losses, have been initially recapitalized to meet their clients' reconstruction needs, recover their losses, and reach out to others in need; further expansion of these programs to hurricane-affected areas is required.

Poor management of protected areas and watersheds contributed to the level of damage and destruction caused by Hurricane Mitch as 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. Environmental groups are few and relatively weak, though growing in number and strength.

Many more Hondurans should have direct access to basic education and vocational training to allow them to develop the skills they need to gain employment, provide for their families and create an informed citizenry. While the national literacy rate is 74%, recent improvements in primary education have not yet had a major impact on the adult labor force, less than 50% of whom have completed primary school. Repetition rates in the primary system are relatively high, and rural children generally drop out of school when they reach adolescence. Only one-third of primary school graduates can find places in middle school (grades 7-9), with a complete lack of access in many rural municipalities. This situation--combined with the scarcity of vocational schools in the country--leaves students, particularly in rural areas, with few options for continuing education after primary school. The family dislocation caused by Hurricane Mitch, on top of the damage to classrooms and loss of supplies, has complicated efforts to meet Honduran educational needs and will likely increase drop-out rates.

Hurricane Mitch placed further demands on weak health care systems that attempt to meet the needs of a poor country with a population growing at 2.7% a year. Before Mitch, access to water and sanitation had reached over 60% of the populace in rural areas and a high percentage in municipal urban areas. Increased access to potable water and improved sanitation were major contributing factors to a 20% decline in infant and child mortality. The decline was achieved through reduced diarrheal diseases, coupled with increased treatment of diarrhea with oral rehydration therapy and through 95% vaccination rates. Pre-Mitch, diarrheal disease had dropped from the first to the third most important cause of infant mortality. Since Hurricane Mitch destroyed or damaged an estimated 42% of rural water/sanitation systems, only 35% of rural families now have access to safe sources. Most urban municipal water and sanitation systems were also damaged or destroyed. Consequently, diarrheal disease has again become a leading health problem. Infant mortality remains at 40 deaths per 1000 live births, and over 25% of the surviving infants are seriously malnourished during the second year. Sustainable improvements in family health will require reducing fertility, infant and maternal mortality, malnutrition, and the spread of disease by improving delivery and increasing use of health care services.

Honduran democratic institutions must be strengthened to assure protection of human rights and allow for greater citizen participation in decision making. Past decentralization efforts have created capable local governments that can play a major role in the reconstruction of the country and in meeting the needs of their constituents for basic services and productive infrastructure. However, these municipalities have been stretched in meeting the immediate needs of their citizens, cleaning up hurricane damage, and coordinating relief and reconstruction efforts. They require financing for repairing infrastructure and restoring basic services and will need assistance in planning reconstruction efforts. Rule of law in Honduras is undermined by an archaic, inefficient, unfair inquisitional court system (e.g., 90% of prisoners have not been tried or sentenced). In December, 1999, the Honduran Congress passed a new criminal procedures code that, over time, will bring increased transparency and efficiency to the system. Honduras will need major assistance to train personnel and prepare for implementation of the new code in early 2002. This effort must be accompanied by administrative reforms in the courts. The Public Ministry, the prosecutorial arm of the judicial system, will play an important role under the new Criminal Procedure Code and will need continued assistance to improve its effectiveness and prosecute corruption. Many fear that corruption will negatively affect the reconstruction effort as major contracts are awarded for infrastructure. The GOH has stated that it plans to take action to assure that reconstruction funds are used most effectively and appropriately. In this regard, USAID will support the strengthening of the Honduran Controller General's capability to audit international funding. Donors are also working with the government to establish a Project Inspector that will bring in an international firm to assure adequate inspection and monitoring of financial transactions and engineering oversight.

Other Donors

The major multilateral lenders in Honduras are the IDB (public infrastructure, government reform, education); World Bank (balance of payment support, public infrastructure, government reform, education); IMF (balance of payment support); European Union, led by Spain; and Central American Bank for Economic Integration (CABEI). The U.S. is now the largest bilateral donor, ahead of Japan which is financing infrastructure, health, education, and agriculture projects. USAID is coordinating closely with other donors on the reconstruction effort, with the World Bank, IDB, Japan and Sweden heavily involved in major transportation infrastructure projects (highways, bridges) and social infrastructure (schools, clinics). Donor coordination groups in each sector deal with reconstruction issues and ensure attention to the Stockholm principles of accountability/ transparency, decentralization, civil society participation, environment, democracy, and poverty alleviation.

The United States Agency for International Development

Honduras

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

The USAID program for FY 2001 reflects the continuing orientation toward hurricane reconstruction needs that focus largely on public health, infrastructure, economic reactivation, education, shelter, environmental management, disaster mitigation, and accountability. The GOH is committed to using reconstruction as an opportunity to transform the country, not merely to replace what was lost. Therefore the United States has an opportunity to help ensure that the reconstruction process deepens Honduras' commitment to free markets, democratic principles, and economic growth with equity. Additional resources provided through Hurricane Mitch supplemental legislation allow USAID to finance a comprehensive reconstruction program with major impact. This effort is complemented by ongoing development assistance resources that must extend beyond FY 2001 to cover follow-on activities required to assure the sustainability of activities supported with supplemental funds, especially in watershed management, economic reactivation and disaster preparedness.

USAID programs play a major role in spurring economic reactivation of small and medium entrepreneurs and agricultural producers by improving access to financial and technical assistance and encouraging a healthy investment climate. Expert assistance is provided to policymakers who must deal with the complex issues of post-Mitch economic recovery and poverty reduction. USAID is also financing rapid rehabilitation of rural roads and bridges to spur rural economic recovery and provide employment. Assistance to promote sustainable forest management contributes to protection of key watersheds. Expanded support for NGO environmental programs and municipalities also helps improve management of watersheds and protected areas and helps farmers use proven technologies for hillside agriculture that prevent erosion and landslides.

Municipalities are the focus of much of USAID's reconstruction thrust due to their proven responsiveness to citizen needs. Major funding for rehabilitation of municipal and rural water and sanitation systems, plus new systems for relocated populations, strengthen the ability of municipalities to meet the basic needs of their citizens and reduce the potential for the spread of disease. USAID will also be completing targeted efforts to meet the shelter needs of dislocated people. Intensive disaster preparedness and mitigation efforts focused on municipalities will be part of urban planning and training efforts and will include infrastructure construction.

In the health sector, USAID will be moving to complete a major effort to repair water and sanitation systems. Support for control of infectious diseases is expanding and child survival interventions, family planning and AIDS prevention efforts continue. Food assistance helps meet nutritional needs in the poorest areas of the country and provide support for local development efforts through food-for-work programs. Health efforts increasingly focus on policy issues and improving the transparency and efficiency of public health systems.

Expanding alternative delivery systems for basic education helps meet needs of dislocated populations and accelerated support to vocational centers improves skills needed for reconstruction and reactivation.

Efforts to assure accountability and transparency during reconstruction will continue through mechanisms to monitor and audit reconstruction implementation. USAID will help Honduras prepare for the implementation of the new Criminal Procedures Code which creates an oral, adversarial system that is both more transparent and fair. This effort will be complemented by USAID support for significant improvements in efficiency of the judicial system.

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: Economic Reactivation Meeting the Needs of the Poor, 522-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,900,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $3,290,000 (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. Estimates of economic damages range beyond $4 billion. Those most severely affected were the poor majority already living a marginal existence. Flooding throughout the country caused whole towns, neighborhoods, businesses, crops and livestock to be washed away or covered with water and mud. Many businesses and agricultural producers of all sizes lost everything or sustained major damage. The financial sector was dealt a severe blow as many borrowers--both agricultural and micro and small enterprises--became insolvent overnight. Unemployment increased as small businesses collapsed and 70-80% of agricultural production was destroyed. Economic growth projections were adjusted downward in the aftermath of the hurricane, and the decline in agricultural and forestry exports has negative implications for the national poverty rate and unemployment. In this context, maintaining monetary and fiscal policies which are conducive to economic growth is extremely difficult.

Key Results: Economic reactivation to meet the needs of the poor is a critical objective in the Mission's overall strategy. Programs are targeted to achieve the following key results: (1) 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: Policy efforts are focused initially on policies (and regulatory procedures) associated with economic recovery, including a special emphasis to increase income and employment opportunities for the poor. Strengthened cultural norms of free markets and entrepreneurship are needed to bring these reforms about. USAID provides operational and technical support to the National Unit for Technical Support (UNAT) which provides economic analysis and policy advice to the Government of Honduras' Reconstruction Cabinet, as well as to the Economic and Social Cabinets. UNAT was responsible for developing and overseeing the national reconstruction plan that was presented to donors at the April 1999 Consultative Group meeting in Sweden and continues to play a critical role in monitoring the implementation of the reconstruction plan. Operational and technical support is also provided to public sector agricultural and trade institutions involved in policy development, implementation and monitoring and to private sector and NGO groups focused on economic and sectoral policies. A major policy focus has been the development of a regulatory framework for microfinance institutions. USAID continues to finance two semi-annual surveys (a household income and employment survey and an agricultural production survey) which are critical for monitoring the impact of economic reactivation programs. Through various fora, classes, and publications, USAID activities will help inform the public about the effects of various economic policies and their impact on the poor, and help to create greater support among both decision-makers and the general public for economic policies that promote growth and equity.

USAID activities expand both business and financial services to small businesses and agricultural producers, especially in those areas hit hardest by Hurricane Mitch, plus in and around dynamic secondary cities of Honduras where economic potential and ability to reach the poor are judged to be greatest. USAID helps micro-finance and small business institutions provide technical assistance to assist their clientele in recovering from losses and damages caused by Hurricane Mitch and provide clients with the management and technical assistance, including improved market information, they need to improve their productivity and competitiveness. A major focus of USAID activities in responding to post-Mitch needs involves providing new credit resources to microfinance and small business institutions to stabilize their loan portfolios and expand financial services to microenterprises. USAID will help microfinance and small business institutions adapt to a new regulatory framework, once approved, and help them develop new financial products and services such as safe and reliable savings instruments, credit/debit cards, equity investments, insurance, and linkages with formal capital markets. In addition, USAID will continue to support the development and implementation of the regulatory framework for microfinance institutions and credit cooperatives and may finance operations research and special studies to improve microfinance institutions and services.

Possible Adjustments to Plans: This economic reactivation effort has been redesigned to respond to the specific needs created by Hurricane Mitch and to maximize the flexibility needed to meet changing situations. Some follow-up financing will be needed for NGO programs focused on small farmers and businesses that have been funded with Hurricane Mitch supplemental resources.

Other Donor Programs: USAID has worked closely with bilateral and multilateral donors, and with the GOH and private sector partners, in carrying out sectoral needs assessments in the aftermath of Mitch and in developing a new economic growth and recovery strategy. USAID's operational and technical support to UNAT has been instrumental in helping the GOH establish priorities and facilitate effective donor coordination. The World Bank and IMF together have committed $266 million in soft loans for balance-of-payments support. The IDB reprogrammed over $110 million for reconstruction after Hurricane Mitch and approved another $220 million in loans and $1.5 million in grants in 1999. In addition, the IDB approved $12 million for a Central American micro-finance recovery fund to complement USAID regional funding of $5 million, of which $3 million was allocated to Honduras. USAID continues to coordinate closely with other donors working in this area of reactivation of productive sectors, including Spain, Japan, Sweden, and the EU.

Principal Contractors, Grantees or Agencies: Microenterprise and small business credit and business services will be provided by Honduran microenterprise NGOs and through the formal banking and credit union system. A U.S. institutional contractor, Chemonics, works with key GOH and private sector partners on economic policy concerns. Primary government counterparts are the National Unit for Technical Support (UNAT), the Economic Cabinet, and its respective ministries or agencies.

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Percent of Honduran micro & small businesses with access to financial services.	33%	35%	41%	44%	50%
Restored employment levels in the agricultural, industrial and trade sectors	(1990) 1.1 m	1.57 m	1.57 m	1.65 m	1.73 m.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: Sustainable Management of Watersheds, Forests, and Protected Areas, 522-002
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $1,200,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $4,200,000 (DA)
STATUS: Continuing (upgraded and revised to respond to needs created by Hurricane Mitch)
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2005

Summary: This objective is focused on improving sustainable management of the natural environment and protection of biodiversity. Poor management of protected areas and watersheds contributed to the level of damage and destruction caused by Hurricane Mitch as 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. Environmental groups are few and relatively weak, though growing in number and strength. While the 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 government 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 NGOs working directly in watersheds and protected areas, and 2) improved forestry and watershed management in targeted areas, including 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"), a Honduran environmental NGO. Several sub-grants link U.S. environmental NGOs, such as the Wildlife Conservation Society and the RARE 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 help, protected areas under improved environmental management have increased from one covering 5,000 hectares in 1993 to 15 areas covering 192,000 hectares in 1998.

During the past decade, USAID's Forestry Development Project (FDP) had a major impact on Honduras' forestry sector by helping to move it from unmanaged state control of forest exploitation to improved public and private harvesting practices and an open standing timber sales system. This program has now been oriented toward improved watershed management that complements supplemental-funded activities through NGOs and municipalities. It is implemented through the National School of Forestry Science (ESNACIFOR), whose training program is aimed at teaching forestry practices which directly contribute to proper management of Honduras' watersheds. The program emphasizes 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 provides participants with the appropriate knowledge to help them request and/or enforce legal and technical actions regarding protection of the watersheds. The program will mainly be targeted to local governments and community organizations to strengthen their capacity and knowledge and thus to help increase their participation in watershed management. Furthermore, since the support and assistance of qualified technicians is critical to proper watershed management, the training program will also concentrate efforts in improving foresters' capacity in this area. ESNACIFOR will also establish a unit responsible for providing technical assistance and support to the Municipal Environmental Units (UMAs) and regional associations of municipalities. ESNACIFOR's assistance to municipalities will be carried out in any of the following ways: (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's technicians; and (3) water quality analysis of samples collected by the municipalities themselves. Field activities will be directly executed by ESNACIFOR in the Island of Guanaja, the Río Calán watershed in Siguatepeque, and ESNACIFOR's pine forest. This field work will not only contribute to the effective watershed management of these selected areas but also will serve to support training activities by functioning as on-the-ground models. Additionally, because uncontrolled fires expose the mineral soil and increase the area's vulnerability to both water and wind erosion, USAID funds may be used to support ESNACIFOR's fire prevention and fire control activities, including the use of prescribed burns.

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. This watershed management program 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. For these partnerships to have full and lasting impact, however, they will require support for a longer period than is possible under supplemental funding. The important foundation created with supplemental funds in economically important watersheds was significantly damaged by Mitch and must be restabilized and built upon through follow-up activities to really accomplish significant rehabilitation of deteriorated areas, prevent future erosion, and assure water resources for the future. This follow-on implementation phase will be perhaps more critical to making a real difference in these watersheds than the emergency rehabilitation, planning and development phase funded by supplemental funds which will produce watershed management plans and provide training for key actors involved in watershed management. These follow-up activities will fund the actual implementation of plans developed with the initial funding (supplemental funds will be used to help implement existing municipal watershed plans developed under previous USAID and other donor programs). 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, and result in successful efforts to bring about sustained and real impact.

Other Donor Programs: Close technical cooperation between USAID, the World Bank, the United Nations Development Program (UNDP), GTZ, FAO, other donors, and environmental NGOs is helping the GOH to fulfill its proper role as a guardian of the Honduran environment.

Principal Contractors, Grantees, or Agencies: U.S. organizations: Biodiversity Support Program Consortium. Honduran organization: Fundacion VIDA, which also supports linkages between various U.S. environmental organizations and Honduran NGOs. The Mission also coordinates closely with USAID's Regional Environmental Program (PROARCA),

Parks in Peril Project, and Partnership for Biodiversity Project. Key government counterparts are the National School of Forestry Science (ESNACIFOR) and municipal governments in targeted watersheds.

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Number of protected areas under effective environmental management	(1994) 1	17	20	21	22
Hectares of protected areas under effective environmental management	(1990) 5,000	187,767	190,262	227,000	230,000
Increased number of hectares with improved watershed management practices	(1999) 150			1,200	2,900

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: Sustainable Improvements in Family Health, 522-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,533,000 (DA), $4,900,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $7,936,000 (DA), $5,940,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2005

Summary: Hurricane Mitch has created conditions that threaten the progress Honduras has made toward sustainable improvements in family health. Improved child survival--achieved in part by USAID's 10-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.

Prior to Mitch, Honduras faced major challenges to family health that were 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. Primary beneficiaries of this SO 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; as well as the approximately 128,000 children and adults who receive nutrition supplements; 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 supports 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 program, assistance to private and public family planning programs, and a P.L. 480 Title II food security program.

Key Results: Efforts to improve the responsiveness of Honduran health systems to emerging needs in the aftermath of Hurricane Mitch and to contribute to sustainable family health are focused on the following results: 1) rehabilitation of hurricane-damaged rural water and sanitation systems and construction of new systems for resettled populations; 2) increased use of malaria, dengue, and tuberculosis prevention and control services to reduce current infection levels and prevent epidemics; 3) sustained use of child survival services via health reform and rehabilitation of facilities; 4) increased use of reproductive health services, including family planning; 5) improved rural access to reproductive health services through the Ministry of Health and non-governmental organizations; 6) improved sustainability of the NGO family planning organization, ASHONPLAFA; 7) increased use of STI/HIV prevention practices; and 8) improved

household food security in Title II target areas. A current policy focus is to improve transparency and efficiency in public health systems.

Performance and Prospects: With vaccination rates for children under one year exceeding 94%, Honduras has the best record in Latin America. Infant mortality (measured by indirect method) has declined from 85 per 1,000 live births (1979) to 42 (1993). The proportion of children (age 12-23 months) who are seriously malnourished declined from 30% (1987) to 27% (1996). The P.L. 480 Title II program, implemented through CARE, focuses on improving nutritional status and food security in the neediest regions of the country. Related USAID activities, which increase incomes and education levels of the poor, contribute directly to improved family health. Recent data indicate that the spread of HIV/AIDS has started to slow, though growth is still substantial and Honduras has more infections than any other country in Central America. The national AIDS prevention program promotes preventive practices, including early detection and treatment of sexually transmitted diseases and condom use. USAID supports AIDS prevention activities of Honduran NGOs and the MOH. The total fertility rate declined from 5.1 children per women (1991) to 4.9 (1993-95), while couple-years of contraception protection increased from 311,724 (1996) to 366,587 (1997). Total contraceptive prevalence in women increased from 47% (1991) to 50% (1996). The use of modern methods of contraception increased from 35% (1991-92) to 41% (1996). USAID's family planning activities with the MOH and Honduran Family Planning Association (ASHONPLAFA) are expanding access to quality services, with the goals of increased use of modern family planning methods and greater financial self-sufficiency of the family planning NGO. 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 and by negative publicity and unfounded press statements by strong and vocal religious groups.

The GOH is committed to a series of quality and efficiency improvement measures 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%.

Possible Adjustments to Plans: Under a new health reform activity starting in 2000, USAID will assist the GOH to: a) improve the quality and efficiency of its public sector primary health services; b) improve health policy to increase equitable access to primary health care; c) increase public and private sector resources for primary health care; and d) address transparency and accountability issues in the public health system.

Other Donor Programs: USAID coordinates with the IDB on AIDS prevention assistance and interventions, and with the programs of Japan, Sweden, United Nations Children's Fund, Pan American Health Organization (PAHO), European Union, and Spanish Technical Cooperation on child survival interventions. USAID also coordinates closely with PAHO on health reconstruction plans. With regard to food aid, USAID participates in regular meetings of a 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, Futures Group, Johns Hopkins University, Centers for Disease Control and Prevention (CDC), Partnership for Child Health, World Relief and Save the Children. Honduran organizations: Honduran Family Planning Association (ASHONPLAFA), Health Promotion Foundation (FFS), the Program for the Development of Women and Children (PRODIM) and Preach and Heal (PREDISAN).

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Infant mortality per 1,000 live births	('91-95) 36	*	*	('96-00) 33	33
Maternal mortality per 100,000 live births	('90) 182	108	108	108	('01-04) 105
Severe malnutrition among children (12-23 months)	('96) 27.2%	*	*	22.6%	('03) 19%
Total fertility rate (average number of live births per women)	('93-95) 4.9	*	*	('97-99) 4.5	('02-04) 4.1

Percentage of rural residents with access to potable water at "A" level returned to at least pre-Mitch levels	(1998 Pre-Mitch) 13%	(post-Mitch) 7.6%	10%	28%	('01) 38%
Reduced malaria cases	(# of 1999 cases**)			malaria down by 10%	further reduction

* data will come from the National Epidemiology and Family Health Survey in 2001
** data through the end of 1999 is not yet available

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: Strengthened Rule of Law, Accountability, and Respect for Human Rights, 522-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $1,500,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $1,800,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2005

Summary: Corruption and inefficiency have been major problems for the nation's judicial system and reduce citizen confidence in the rule of law. Archaic judicial laws and judicial bottlenecks also deprive Hondurans of their human rights -- over 90% of those in prison have never been sentenced and many serve more than their sentence before their case is 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 be able to carry out their duties competently. A number of improvements in court administration are underway, but the court system is still inefficient. The Attorney General's Office, under previous strong leadership, 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 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 in December, 1999. The Code creates the legislative framework for the approved two-year transition from a written, inquisitorial system to an oral, adversarial system with greater transparency. Both the court and the Attorney General's Office will need extensive support to make this transition.

Within this context of a relatively weak capacity to stem fraud and corruption through normal judicial channels, and a history of allegations of serious corruption at all levels, accountability and transparency have been major elements of USAID's supplemental-funded reconstruction efforts. These efforts will need longer-term attention to be sustainable.

All Hondurans benefit from strengthened rule of law, respect for human rights and increased accountability, especially the politically, socially, and economically disadvantaged and those who historically have suffered from a corrupt and ineffectual justice system.

Key Results: Efforts to strengthen rule of law, accountability, and respect for human rights are focused on: 1) increased transparency and efficiency in the judicial system, 2) increased prosecution and adjudication of corruption cases; and 3) increased civil society, citizen, and elite support for judicial reform and government transparency and accountability.

Performance and Prospects: The rule of law program supports the Public Ministry, justice sector reforms, strengthening of 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 is passed by the Congress and signed into law, USAID will help provide the training and technical assistance to put the new code 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. USAID is also supporting administrative

reforms and case tracking systems to improve the speed and efficiency of judicial processes in both the Public Ministry and the courts.

The Public Ministry, established in 1993, is recognized as an effective force against corruption and impunity. Cases adjudicated by the courts involve, for the first time, accusations against high-level civilian and military officials. The number of cases prosecuted by the Public Ministry for corruption and crimes against women, minorities, and the environment has increased seven-fold since 1994, while adjudication of these cases has increased eight-fold since 1995.

Possible Adjustments to Plans: The preparations for implementation of the Criminal Procedures Code will be constantly monitored to determine where additional effort is required.

USAID/Honduras recognizes that transparency and accountability efforts initiated with Hurricane Mitch supplemental funds require a longer time frame than available with supplemental funds to have lasting impact. USAID is making important investments in building the capability of institutions and organizations to counter corruption that could have long-term impact with additional support. Funding for follow-up programming to supplemental-funded accountability efforts has been requested for FY-2001.

Other Donor Programs: USAID coordinates administration of justice programs with international donors such as the IDB, Spanish cooperation, and UNDP, as well as with Honduran agencies such as the Judiciary and Public Ministry who provide in excess of 25% counterpart financing for most justice sector programs.

Principal Contractors, Grantees, or Agencies: U.S. organizations: National Center for State Courts, DPK Consulting, and one more U.S. institutional contractor to be determined. Honduran organizations: Honduran national court system, Public Ministry, FOPRIDEH, National Autonomous University of Honduras, and University of San Pedro Sula. USAID also works with the Honduran Congress, Bar Association, law schools, and the Public Defenders on judicial reform issues.

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Reform of criminal procedures code to institute oral adversarial system	Napoleonic code	New code drafted	congress passed reform	prepare for implementation	prepare for implementation
Criminal cases prosecuted by the Public Ministry	(1994) 275	*	5,590	6,244	6,244
Criminal cases adjudicated by the courts	(1995) 258	*	1,368	2,676	2,676
Court officials investigated by Court Inspector General and sanctioned by the Court:					
a) Investigated	401 (1995)	1,104	825	1,031	1,031
b) Sanctioned	64 (1995)	186	120	150	150

* reliable data on actual cases is not available for 1998

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: Critical Hurricane Reconstruction Needs Met, 522-005
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: This special objective focuses supplemental funds on the key reconstruction challenges facing Honduras in the

aftermath of Hurricane Mitch. Hurricane Mitch destroyed the homes, farms, and businesses of thousands of Hondurans. Credit and technical assistance are needed for microentrepreneurs, small and medium farmers and entrepreneurs to rebuild productive infrastructure and become productive again. Rural roads and bridges must be rebuilt so Hondurans can bring in the inputs they need and transport their production to markets. Land flooded by the hurricane must be reclaimed and protected. Watersheds devastated by the hurricane must be rehabilitated and effectively managed to prevent future erosion. Geographic information critical for reconstructing infrastructure and preventing future disasters must be gathered and shared. Municipal governments must be strengthened to play a critical role in reconstruction and recover from the financial problems caused by responding to Mitch. Water and sanitation infrastructure that was destroyed throughout the country must be rebuilt. Critical primary health services are needed in areas affected by the hurricane. Permanent housing is needed for thousands of dislocated families, along with basic infrastructure, and transitional or temporary housing is needed until those permanent units are available. School facilities must be repaired and constructed for relocated families. Rapid expansion of alternative basic education and vocational programs are required to meet the needs of dislocated students and develop skills needed for reconstruction. Disaster mitigation infrastructure, including storm drains and levees, must be built and disaster preparedness systems put into place to prevent future disasters of this scale. To prevent corruption associated with major flows of foreign assistance, mechanisms for accountability and transparency must be developed and implemented.

Key Results: This Hurricane Reconstruction Special Objective is focused on a series of key Intermediate Results: (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 reconstruction accountability and transparency.

Performance and Prospects: To promote economic reactivation, USAID is financing the recapitalization of microfinance institutions so they can provide short- and medium-term credit to micro and small businesses with increased needs in the post-Mitch economy. 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 will help farmers reclaim damaged land, provide early warning for future floods, and construct priority infrastructure to protect productive agricultural systems. USAID is also financing repairs and reconstruction of 2,000 kilometers of unpaved farm-to-market roads and 1,400 linear meters of two-lane concrete bridges in the six departments most affected by the hurricane: Atlántida, Choluteca, Colón, Olancho, Valle, and Yoro.

A large portion of USAID's reconstruction assistance that focused on protecting public health supports the repair of urban and rural water and sanitation systems to assure potable water, safely dispose of sewage, and prevent disease. USAID is financing the repairs to hurricane-affected health centers and replacing equipment in these centers, as well as supporting the Ministry of Health training programs that focus on maternal-child health and improved disease prevention, surveillance and control to help improve health conditions in Mitch-affected areas.

To meet the education needs of displaced students, USAID is financing the rapid expansion of distance learning centers such as the Ministry of Education's "Education for All" (EDUCATODOS) program. USAID also supports the accelerated development of vocational centers and the rehabilitation of damaged schools to help meet the education needs of Mitch-affected families.

To meet urgent housing needs, USAID has provided grants to the International Organization for Migration (IOM) to build and administer 13 transitional shelters in nine municipalities. These shelters allowed some 4,000 homeless families (approximately 20,000 people) to vacate public buildings, including schools, thus allowing classes to begin on schedule. USAID is helping many of these families move to permanent housing by directly financing NGO programs that build permanent housing in Mitch-affected areas and providing water and sanitation services and storm drains for resettled communities. These programs should assure that all homeless families in transitional shelters are relocated in permanent homes and communities.

In the area of environment and disaster mitigation, USAID is financing watershed rehabilitation and the creation of information systems for natural resource management and disaster preparedness. USAID will fund training and technical assistance on land use control and improved forestry management in upper watersheds and work with the USGS on the installation of streamflow monitoring stations and development of 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 and risk management, and construction of storm drains will 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 also provides technical assistance and training to municipalities on issues related to reconstruction, restored financial health and increased revenue, urban development strategies, risk management and disaster mitigation, municipal administration, and internal controls.

USAID will assist in the transparent and accountable use of reconstruction funds by supporting the establishment of independent oversight mechanisms for Honduran Government implementing agencies, strengthening the capacity of the Honduran Controller General, strengthening the monitoring capability of civil society, financing external RIG audits, fortifying internal USAID oversight capacity and supporting accountability and transparency activities at the municipal level.

Food-for-Work reconstruction efforts have been channeled through CARE, Catholic Relief Services (CRS), and the World Food Program (WFP). These organizations have coordinated their efforts to carefully time and target food aid until pre-Mitch self-sufficiency levels are obtained. Most food aid is implemented through Food-for-Work Programs focusing on rehabilitation of rural and municipal infrastructure and/or housing.

Possible Adjustments to Plans: The USAID/Honduras reconstruction program was developed to meet the most pressing reconstruction needs of Honduras through December, 2001. Most activities are projected to accomplish their results prior to that date. However, some programs may need additional time to complete all planned activities. Construction activities, in particular, may require an additional dry season in early 2002 to complete all planned work.

In addition, as noted in the Activity Data Sheets of the Mission's ongoing Strategic Objectives, some activities that initiated with supplemental funds will require follow-up funding to assure the sustainability and long-term impact of those programs. In particular, the work with small farmers and businesses, watershed management, disaster preparedness and mitigation, and accountability may require additional funding.

Other Donor Programs: USAID has worked closely with bilateral and multilateral donors, as well as with the GOH and private sector partners, to carry out sectoral needs assessments in the aftermath of Mitch and in developing a reconstruction strategy. USAID's operational and technical support to UNAT has been instrumental in helping the GOH establish priorities and facilitating effective donor coordination. A donor coordination mechanism growing out of the Stockholm Consultative Group meeting has been meeting regularly and is organized by sector at the working level.

The IDB and World Bank are planning major infrastructure programs, including repairs to the principal transportation network and repair of major levees. Key bilateral donors, especially the Swedes and Japanese, are also involved in replacing important bridges on the primary transportation network. 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, UNDP) have become involved in municipal development activities in secondary and smaller cities throughout Honduras. The Pan-American Health Organization is carrying out a collaborative program with the U.S. Center for Disease Control (CDC) focused on disease surveillance.

Various other USG agencies are also using supplemental funds provided through USAID for complementary reconstruction programs. The USGS is carrying out a comprehensive program of developing geographic information, risk assessments and early warning systems and is also working closely with NOAA and the U.S. Army Corps of Engineers (USACE) in this work. USACE will also provide technical assistance on infrastructure design and will help oversee the construction of priority river basin infrastructure. The DOT is carrying out a port assessment and FEMA is working with USAID's Office of Foreign Disaster Assistance (OFDA) to focus on disaster preparedness and mitigation efforts. The USDA will be working closely with USAID in watershed management and land reclamation activities as well as food safety issues. HUD will be focused on municipal planning and housing issues in Tegucigalpa and San Pedro Sula, along with assistance to NGOs related to housing finance. EPA will provide assistance on water quality issues and the CDC will provide assistance in developing disease surveillance and information systems. OPIC and EXIM Bank will use supplemental resources to promote investment. The State Department's INL Bureau is implementing anti-corruption activities and OAS is carrying out de-mining efforts. 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, or Agencies: Much of the urban water and sanitation, municipal storm drains and other disaster mitigation infrastructure, rural road and bridge construction, and school repair work will be carried out through host country contracting implemented by the Honduran Social Investment Fund (FHIS) using U.S. or local private sector

firms. The National Autonomous Water and Sanitation Service (SANAA) is the key implementor for rural and some urban water and sanitation activities. Many activities in agriculture credit and technology transfer, housing, watershed management, health, and education are being carried out by U.S. and local NGOs. A U.S. contractor will coordinate watershed activities. Transitional housing programs are being implemented by the International Organization for Migration (IOM). The American Institute for Research (AIR) is managing expansion of education programs and a U.S. institutional contractor will be selected for the vocational program. International audit firms are involved in accountability/transparency efforts. A U.S. contractor will manage a cross-cutting program of reconstruction through community-based NGOs.

Selected Performance Measures:	Baseline (post-Mitch)	Target (2000)	Target (2001)
Farm-to-market roads reconstructed	0	300 km	2000 km
Increased microenterprise loans in Mitch-affected areas	0	10,418	31,050
Rural water systems repaired	0	439	919
Urban water systems rehabilitated, expanded, or constructed	0	18	106
Health centers re-equipped	0	0	41
Permanent housing units constructed	0	1,800	2,800
Classrooms repaired/constructed	0	400	700
Construction of new vocational centers	0	2	10
Hectares under sustainable ag/forest management in key watersheds	0/0	700/10,000	2,700/27,000
Streamflow gauges installed or upgraded	0	15	23
Municipal disaster preparedness plans developed	0	30	40
Urban development strategies developed	0	30	40
Municipal storm drainage systems completed			

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: Improved Opportunity to Obtain Basic Education and Skills, 522-006
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,500,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,500,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2005

Summary: Improving the educational level of Hondurans contributes in critical ways to all USAID objectives in Honduras. A skilled and educated workforce helps to spur economic development and to improve Honduras' competitive position in global markets. Education has proven to be a major factor in promoting improved health practices and family planning. And an educated citizenry is important to developing effective participation in decisionmaking, citizen oversight, and a functioning democracy.

The national literacy rate in Honduras is 74% (female/74.5%, male/73.5%), up from 68% in 1988. Overall rural literacy is 63%, compared to nearly 90% in the two major cities. Recent improvements in primary education have not yet had a major impact on the adult labor force, less than 50% of whom have completed primary school. The average level of

schooling among adults is only 4.9 years, yet only 3.9 years in rural areas. A decade ago, less than 50% of the youth completed primary school (6th grade). Now the level is slightly more than 71% (female/72%, male/70%). The total number of primary school graduates increased by 80% between 1985 and 1996. Repetition rates in the primary education system are relatively high (10-15%). Furthermore, rural children generally drop out of school when they reach adolescence. Only a third of the primary school graduates can find places in middle school (grades 7-9), which have gross enrollment rates of only 37%. Urban areas enroll more than 90% of the students while there is a complete lack of access to middle schools in many rural municipalities. This situation, combined with the scarcity of vocational schools in the country, leaves students, particularly in rural areas, with few options for continuing education after primary school.

Family dislocation caused by Hurricane Mitch, as well as damage to classrooms and loss of supplies, have complicated efforts to address the educational needs of all Hondurans. The MOE has taken several steps to address areas of long-term need in the education sector. Basic education was extended to include grades 7-9. The MOE made the commitment to improve the coverage, quality and efficiency of middle schools and to decentralize the education system to respond to local needs. The MOE successfully sought additional donor assistance to improve the quality, equity and efficiency of education. USAID assistance in the education sector will benefit more than one million school children seeking to achieve their full economic potential as adults, as well as out-of-school youth and young adults needing alternative basic and vocational education in order to improve their productivity and income.

Key Results: Efforts to increase opportunities to obtain basic education and skills include activities to achieve the following results: 1) expansion of alternative basic education programs; 2) policy changes and programs to improve quality of basic education, reduce repetition, and decentralize; and 3) expansion of vocational education.

Performance and Prospects: Through the Basic Education and Skills Training (BEST) Project, USAID assists the MOE EDUCATODOS ("Education-For-All") program which allows out-of-school youth and adults to obtain access to grades 1-9 through alternative delivery systems. This program was awarded honorable mention for literacy and basic education programs by UNESCO in 1998. Currently, the program is developing educational materials to expand the program to grades 7-9 of the traditional school-based basic education system. Development and testing of experimental strategies and interventions for reducing repetition rates will also be supported. USAID will also continue to work on improving educational policy through the strategy period with initial focus on developing and testing of experimental strategies for reducing repetition rates in early grades and on developing curriculum and basic education materials for grades 7-9. Policy efforts will focus on decentralization within the education system to improve the efficiency of the system and responsiveness to educational needs. Other policy issues that may receive USAID support include teacher training programs to encourage more progressive teaching strategies, and criterion- referenced evaluation systems to assist teachers in making pass/fail decisions.

USAID education programming will also complement supplemental-funded vocational center construction that will promote development of up to 30 vocational training schools over the next few years that will graduate an estimated 3,000 students per year, compared to 1,085 in 1996. Vocational education has proven its capability of providing unemployed and underemployed youth with skills that improve their marketability in the labor market. "Education for All" materials are used in the vocational schools to help those students who dropped out of school before obtaining the level of basic education needed for their vocational program. Graduates from USAID-assisted vocational centers earn average income increases of approximately $1,000 per year in a country with annual per capita incomes of less than $750.

Possible Adjustments to Plans: USAID's program is responding to the immediate needs of the MOE in the aftermath of Hurricane Mitch in coordination with other donors. Delays in full implementation of the World Bank's basic education project may require more significant USAID involvement in this area.

Other Donor Programs: A World Bank project, funded with Germany, addresses many key areas critical to the improvement of formal primary education in Honduras, including teacher training, textbook printing, school construction for primary grades (1-6) and local community participation in school management and operations. A new activity of the IDB works to expand access to middle schools (grades 7-9) in the formal system through construction of new classrooms for these grades to be added onto existing primary schools. Current projects with the World Bank, IDB, and the German Development Agency provide more than $60 million in loans and grants, but implementation is slow.

Principal Contractors, Grantees, or Agencies: Ministry of Education, Advisory Council for Human Resource Development (CADERH), Maduro Foundation for Education (FEREMA).

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)	Target (2001)

Number of grade levels passed by students in alternative basic education programs	Total: 900 Female: 400 (1993)	41,242 20,024	55,000 27,500	65,000 32,500	100,000 50,000
Graduates from PVO and municipal training centers employed	Total: 1,085 Female: 360 (1996)	878 156	1,100 400	1,500 600	3,000 1,050

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Honduras
TITLE AND NUMBER: More Responsive and Effective Municipal Government, 522-007
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,500,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,100,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2005

Summary: Municipal governments must play a central role in the Honduran reconstruction effort since these governments represent the most direct linkage to the people, and subsequently, are the best equipped to acknowledge the specific needs of citizens in their locale. Citizens find their local governments more responsive to their needs and can exercise oversight of their municipal officials.

Immediately after Hurricane Mitch, municipalities played a critical role in providing shelter for dislocated people, delivering emergency supplies and food, undertaking clean-up activities, and developing plans for permanent relocation of people in shelters. At the same time, municipal financial situations have deteriorated. These governing bodies continue attempting to meet the needs of their constituents, devastated by the effects of the hurricane, while simultaneously facing diminishing levels of income. The effects of the hurricane and national legislation which deferred tax payments that local businesses pay to municipalities are the major contributing factors to the municipal financial crisis. Municipal infrastructure throughout the country was destroyed or damaged, especially water and sanitation systems and local road networks. 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 35-40 secondary cities benefits approximately 50% of all Hondurans (approx. 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 government in responding to citizen needs focus on the following results: 1) improved capacity to respond to citizen needs; 2) rehabilitation of hurricane-damaged municipal water and sanitation systems and construction of new systems for resettled populations; 3) increased coverage of basic services (water, sewer, refuse collection) by municipalities; 4) restored municipal financial health after Hurricane Mitch and increased income; 5) improved citizen participation in local government decision-making, and 6) improved disaster preparedness and disaster mitigation infrastructure.

Performance and Prospects: USAID's municipal development program works 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. The activity works through the Honduran Municipal Association to address national policy issues and develop priorities for project activities. Technical assistance to municipalities for planning, financial management, and financing options is provided through a local non-governmental association specialized in local government issues and other mechanisms. Training for local government officials is provided through a specialized program of study through a local university. Funds for water, sanitation, and solid waste infrastructure projects are provided in support of overall project objectives. Activities under the ongoing municipal development program support a much larger program of water and sanitation

infrastructure repair and reconstruction funded with Hurricane Mitch supplemental resources.

In the aftermath of Hurricane Mitch, policy reform, technical assistance, and training efforts will be oriented toward managing recovery efforts in areas such as land-use planning and disaster mitigation; improving municipal involvement in public health measures; financing clean-up and infrastructure repairs; developing appropriate municipal initiatives to spur economic recovery; and building new communities of resettled populations. Disaster mitigation efforts, in addition to focusing on technical assistance and training in risk management for municipal governments and communities, will be heavily focused on construction of storm drainage systems to reduce flooding after major rains. Technical assistance will be provided for developing and strengthening public works departments to manage and maintain the water and sanitation infrastructure under repair or construction, along with new storm drainage systems. Technical assistance will also focus on municipal involvement in employment generation focused on repair of rural roads and urban housing. Related USAID activities which improve the income, education and health of the poor also enable them to participate more effectively in democratic processes.

Average participation at open town meetings grew from 20 in 1991 to 217 individuals per meeting by 1998. Local government is becoming more responsive to citizens' needs. For example, the proportion of municipal budgets going to capital projects increased from 14% in 1991 to 45% in 1998. As a result, municipal population simultaneously provided with water, sewerage and refuse collection increased from 13% in 1991 to 30% in 1998.

Possible Adjustments to Plans: USAID municipal development efforts have been heavily focused on secondary cities. Some additional emphasis to help address needs of smaller municipalities - through pairing with larger municipalities, training efforts, and NGO support - will be included in the program. The program will also begin to focus more on long-term financing issues for municipal investment and help develop the potential to access private capital markets. Disaster preparedness and risk management/mitigation planning and training initially funded with Hurricane Mitch supplemental funds will require follow-up funding to assure sustainability and continuity after municipal elections. Construction of storm drainage systems not funded during the period of supplemental funding will be picked up under the continuing municipal development program.

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 IDB and World Bank have reprogrammed planned lending for the largest cities and smaller donors and NGOs are targeting rural municipalities. Various bilateral donors, especially the Spanish and Swedes, have become involved in municipal development activities since Hurricane Mitch. The GOH has supported the project through loan funds for infrastructure improvements obtained through the Central American Bank for Economic Integration (CABEI) and, in the past, through passage of major decentralization legislation.

Principal Contractors, Grantees, or Agencies: Major Honduran partners include the Honduran Association of Municipalities, Foundation for Municipal Development, Central American Technological University, and Honduran Social Investment Fund. The U.S. Geological Survey and Army Corps of Engineers are providing technical assistance for land-use planning and infrastructure, and the Department of Housing and Urban Development is providing technical assistance on housing and shelter issues.

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Real municipal income increase over 1997 levels					
- Larger municipalities	15% ('97)	-11.08%	5%	5%	3%
- Smaller municipalities	6%	+ 2.53%	3%	3%	2%
Increased municipal coverage of public services (water, sewerage, refuse collection) (maintain % of urban residents receiving three services in participating municipalities as population increases)					
- Larger municipalities	30% ('97)	28%	32%	32%	32%
- Smaller municipalities	6% ('97)	15%	12%	12%	12%

Increased number of people attending town mtgs in participating municipalities					
- Larger municipalities	20 (1991)	217	215	220	225
- Smaller municipalities	97 (1996)	210	135	140	145

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Honduras

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	10,085	17,545	12,633	19,326
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	7,517	22,840	7,400	8,440
CACEDRF	0	291,000	0	0
INC	0	0	0	0
Economic Support funds	0	0	0	0
P.L. 480 Title II	5,114	42,455	7,346	5,100
P.L 480 Title III	0	0	0	0
Total Program Funds	**22,716**	**373,840**	**27,379**	**32,866**
Operating Expenses	1,800	1,958	3,040	2,789
Trust Funds	1,360	1,400	1,200	1,200
Total Operating Costs	**3,160**	**3,358**	**4,240**	**3,989**

Note:
FY 2000 OE - $1,137,500 Hurricane Supplemental

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	12	11	14	14
Other U.S. Citizen	1	5	7	7
FSN/TCN	74	73	81	81

Subtotal OE Funded	**87**	**89**	**102**	**102**
Program Funded*				
U.S. Citizen	7	8	17	17
FSN/TCN	23	25	28	28
Subtotal Program Funded	**30**	**33**	**45**	**45**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**117**	**122**	**147**	**147**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
522-001: Economic reactivation meeting the needs of the poor							
- DA	3,290	0	0	0	0	0	3,290
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
522-002: Sustainable management of watersheds, forests, and protected areas							
- DA	0	0	4,200	0	0	0	4,200
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
522-003: Sustainable improvements in family health							
- DA	0	7,936	0	0	0	0	7,936

- DFA	0	0	0	0	0	0	0
- CSD	0	5,940	0	0	0	0	5,940
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	5,100	5,100
522-004: Strengthened rule of law, accountability, and respect for human rights							
- DA	0	0	0	1,800	0	0	1,800
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
522-007: More responsive and effective municipal government							
- DA	0	0	0	2,100	0	0	2,100
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
522-006: Improved opportunity to obtain basic education and skills							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	2,500	0	2,500
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	3,290	7,936	4,200	3,900	0	0	19,326
- DFA	0	0	0	0	0	0	0
- CSD	0	5,940	0	0	2,500	0	8,440
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	5,100	5,100

The United States Agency for International Development

JAMAICA

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

The United States has a strong interest in Jamaica's economic and political well-being because of its geographic proximity, trade and investment relations, commitment to interdiction of illegal drugs destined for the United States, and shared concerns regarding regional security and environmental threats. U.S. development assistance in Jamaica contributes directly to U.S. strategic goals. Ensuring a stable Jamaican economy protects existing U.S. markets and investments in Jamaica and fosters opportunities for expanding the market for U.S. exports. Promoting economic growth and employment generation in Jamaica also provides Jamaicans with viable economic alternatives to becoming victims of or participants in drug trafficking and illegal emigration.

The Development Challenge

Jamaica's greatest development challenges include jump-starting a stagnant economy beset by fiscal and financial crises; protecting a fragile but economically critical natural resource base; and improving the prospects of an entire generation of Jamaican youth placed at risk by low levels of educational attainment, high teen pregnancy rates, crime and violence. Between the mid-1980s and 1990, Jamaica had one of the highest rates of economic growth in the Caribbean basin. However, over the past 10 years, Jamaica's growth rate has been lower than every other country in the region, except Haiti. The last year in which the Jamaican economy grew was 1994, and GDP has declined over the past three years. Declining commodity prices, collapse of the financial sector, low productivity and poor economic management have resulted in an unemployment rate of over 15%, continued deterioration of living conditions, and sporadic social unrest. To better respond to the economic crisis, USAID has sharpened its strategy to achieve broad-based economic growth. Key components of the strategy now include reducing regulatory constraints while fostering competition, improving business skills and promoting increased private sector financing to the small and micro business sectors. Socio-economic conditions in Kingston's inner city communities are particularly poor, with much higher rates of unemployment, crime, drug use and poverty. In FY 2000, USAID will initiate a new program to generate employment, improve security and enhance community capacity for conflict resolution. Without a solution to the problems that face youth, the potential of Jamaica's future is compromised. Jamaica's education system, characterized by poor attendance, perennial underachievement, low secondary school enrollment and a high percentage of untrained teachers, is failing thousands of young Jamaicans. Fifty-two percent of primary school graduates are functionally illiterate and innumerate. Approximately 10,000 10-14 year olds are not enrolled in school and an additional 4,000 10-18 year-olds drop out each year. Moreover, despite a decline in fertility rates for all other age groups, the rate among 14-24 year-olds has risen from 107 live births per 1,000 women in 1993 to 112 in 1997, and 15-24 year-olds have among the highest infection rates for HIV/AIDS. To address these profound challenges, USAID is supporting an integrated program to improve primary-level education, with a focus on schools in low-income communities, enhance the life skills of at-risk, out-of-school adolescents and expand access to youth-friendly adolescent reproductive health services throughout the nation. AmongTo date, 14,000 at-risk youth, i.e., adolescents who have dropped out or are at risk of dropping out, have received remedial education to improve reading and math proficiency and training in vocational skills. Jamaica's economic dependence on tourism, mining and traditional agriculture has generated widespread degradation of the

country's natural resource base, threatening the very existence of these key industries. The concentration of population and economic activity in urban and coastal areas threatens natural habitats and natural resources of these critically important areas. In response to these threats, USAID efforts target increasing the capacity of the Government of Jamaica (GOJ) and local non-governmental organizations (NGOs) to manage and protect Jamaica's fragile terrestrial and marine resources. Activities include development and implementation of a national environmental policy framework and improvement of the country's wastewater management systems.

Exacerbating Jamaica's development challenge is a total public debt which, at $6.25 billion in FY 1998, exceeded the country's GDP of $5.775 million. Total debt servicing consumed 54.1% of the GOJ's annual budget in 1998, and public spending is expected in increase from 46% of the GDP in 1998 to an estimated 60% in 1999, primarily to service debt. Given the extent of Jamaica's development challenges and the benefit to the United States of ensuring the stability of our neighbors, USAID does not foresee program graduation in the near-term.

Other Donors

In FY 1998, USAID and the donor/lender community pledged over $150 million for development activities in Jamaica. The United Kingdom was the largest bilateral donor, followed by the United States, Japan, the Netherlands (GON), Germany, Canada and Italy. Multilateral donors/lenders include the World Bank (IBRD), European Union (EU), Caribbean Development Bank, Inter-American Development Bank (IDB), and United Nations agencies. Major activities supported by these donors/lenders include: the Social Investment Fund and public sector modernization (IBRD/EU); micro-enterprise development (GON, EU, IDB, IBRD, Canada); water supply/road infrastructure improvement (Japan); capacity building for environmental management and watershed and forestry management (Canada, IDB); support for parks and protected areas (EU); sewage and waste water treatment (EU, Japan, UNEP); primary and secondary school reform (IDB, IBRD); teacher education (Britain); and HIV/AIDS/STDs prevention (Germany, UNFPA, PAHO).

The United States Agency for International Development

Jamaica

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID's planned FY 2001 program will directly support Agency goals of promoting economic growth, protecting the environment, stabilizing world population and protecting human health and developing human resources.

Toward these goals, USAID's program will support broad-based economic growth and better governance by reducing business constraints and fostering conditions for competition; improving small and medium sized companies' business and technical skills; and increasing private financing to the micro and small business sectors. Activities will target the reduction of redundant bureaucratic requirements which impede business start-up and development, improving the environment for business competition (especially within the telecommunications sector) and improving capacity of local institutions to provide business skills training. In Kingston's blighted inner city communities, USAID will target improved economic and social conditions by working with local NGOs already in these areas to generate jobs, provide skills training and provide micro-enterprise credit and business support services. Improving community capacity for conflict resolution will be an important component of this activity. USAID's response to Jamaica's environmental threats will be delivered through an integrated "ridge-to-reef" resource management program that assists community-based NGOs implement activities that improve the quality of coastal waters and upland watersheds, e.g. agro-forestry, eco-tourism, appropriate on-site sanitation solutions and environmental audit programs. Other interventions will focus on improving the policy framework and wastewater/sewage management. USAID's efforts to improve reproductive health will focus on the high-risk adolescent population. Assistance will increase availability and access to youth-friendly reproductive health services; develop and disseminate educational materials and innovative approaches to encourage changes in high-risk behaviors; and strengthen reproductive health policies. To improve human capacity, USAID will continue to implement its primary education assistance program to improve literacy/numeracy levels of at-risk primary school students, develop a new education policy element and launch a new adolescent education program aimed at addressing the needs of the nation's 80,000 out of school youth.

ACTIVITY DATA SHEET

PROGRAM: Jamaica
TITLE AND NUMBER: Improved Business Environment for Developing the Small, Medium and Micro Enterprise Sectors, 532-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,000,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,500,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Jamaica's economy continues to deteriorate, with 1998 marking the third consecutive year of negative 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 the lack of government incentives to foster business development. High levels of crime and violence further undermine efforts to promote investment, employment and growth. Given USAID's limited resources, the Mission has made a strategic decision to focus its assistance on improving the business environment for small,

medium and micro enterprises (SMME)-building on past success-and in areas such as regulatory reform where USAID has a comparative advantage relative to other donors. Micro, small, and medium sized enterprises (SMMEs) are being severely affected by the recession. To turn the economy around, the environment in which businesses operate must be greatly improved. Currently, there are 41 government agencies working with the private sector. As a result, there are many overlapping bureaucratic requirements and procedures that inhibit trade and investment in Jamaica. In addition, key sectors of the economy, such as the telecommunications sector, have monopoly status that impacts on business performance. Mediocre product quality and poor services are also key impediments to the competitiveness and growth of enterprises. USAID's revised five-year strategic objective focus will be on improving the overall business and regulatory environment so micro, small and medium sized businesses in Jamaica can prosper and generate employment. The beneficiaries will primarily be those Jamaicans who gain employment, the general public who will have greater access to information technology and modern telecommunications, and the entrepreneurs whose business opportunities improve.

Key Results: Three key results must be achieved to meet the overall strategic objective: (1) reduced business constraints, while fostering competition--a reduction in the time SMMEs spend addressing government requirements and regulations is anticipated, as well as an increase in the number of cellular operators serving Jamaica; (2) improved small and medium sized company skills--an increase in the number of companies/organizations providing business services to SMMEs on a sustained basis is expected; and (3) increased private financing to the micro and small business sectors--both an increase in the number of loans to micro and small businesses and increase in the value of the loan portfolio is expected.

Performance and Prospects: The performance of USAID's micro-enterprise program was mixed in 1999. With more than 6,400 loans made, the program target was exceeded by 64 percent. However, the value of the loan portfolio, at approximately $1 million, fell short of the $32.5 million target. With the Government takeover of Workers Bank, the program's implementing institution, the portfolio was unable to expand. The micro-enterprise lending program was capped by a $1 million line of credit from the Bank of Jamaica. During FY2000, the government will divest control over the portfolio and the micro-enterprise loan program will be expanded both financially and geographically.

Under the Small Business Export Development program which ends in December 1999, exports for 1999 are projected to increase by 27% to $13.6 million. The number of jobs created fell 386 below its planned target of 1,530 due to downsizing by several companies as a result of the economic recession.

Possible Adjustments to Plans: During FY 2000, USAID will design new activities that will improve the overall operating environment for business in Jamaica to grow. The program will focus on (1) reducing regulatory constraints to doing business, (2) improving the skills of selected businesses to better allow them to compete in the global economy and (3) promoting increased private financing to the micro and small enterprise sectors. USAID will provide technical assistance and training to: (a) streamline the approval process and identify and eliminate bottlenecks in areas such as registering new businesses, obtaining business licenses, obtaining import permits, and clearing goods through the ports; (b) assist in broader competition and lowering costs in key sectors such as telecommunications; (c) improve product quality and the standard of services provided by SMMEs; and (d) expand micro and small business access to credit and strengthen the newly privatized institution.

Other Donor Programs: Other donors working in the area of economic growth with a focus on the SMME sectors include the Inter-American Development Bank, World Bank, United Nations Development Program, the Canadian Development Agency and the UK's Department for International Development.

Principal Contractors, Grantees or Agencies: Current and potential partners include Union Bank, the Financial Sector Adjustment Company, Jamaica Exporters Association, Planning Institute of Jamaica, the Jamaica Chamber of Commerce, CARANA, and FINTRAC.

Selected Performance Measures:	Baseline (1998)	Actual (1999)	Target (2000)	Target (2001)
Number of loans per year	2,949	6,423	8,500	17,000
Value of loan portfolio ($million)	1.0	1.0	3.0	6.0
Number of jobs created	1,391	1,144	1,512	1,361[1]

Illustrative indicators for new activities:

- % reduction of time for SMMEs to address government requirements and regulations
- Number of cellular operators
- Number of loans per year

- Value of loan portfolio

[1]The business creation figures are based on the ongoing Small Business Export Development activity. As assistance is provided, we anticipate that exports will increase but because of increased efficiencies, job creation will decrease in the short term. We anticipate employment increases in the years beyond 2001. It should be noted that we will be re-examining and developing new indicators to better reflect the development impact of USAID activities.

U.S. Finance Table (Microsoft Excel file)

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 2000 OBLIGATION AND ACCOUNT: $3,485,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $3,985,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Most of Jamaica's population and economic activity is 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 aggravate the situation. With more than fifty-percent of that terrain having slopes greater than twenty 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 the Mission'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: After only one year of implementation, 20 percent of targeted resource users have adopted environmentally sound practices introduced through USAID assistance. Among those resource users are hotels, farmers and households within targeted communities. Significant progress is reflected in the development of two policies which will have a positive impact on the environment--(1) a policy making hook-up to wastewater systems mandatory for businesses and households within a prescribed radius of the systems' waste conveyance network; and (2) a policy which supports public-private partnerships for wastewater systems management.

Performance and Prospects: Overall performance during FY 1999 met expectations. USAID- sponsored training and technical assistance contributed to a 30% increase in the percentage of effluent samples leaving the Negril wastewater treatment plant that met standards set by Jamaica's Natural Resources Conservation Authority (NRCA). National Water Commission (NWC) wastewater treatment plant workers in Negril, Ocho Rios and Montego Bay were trained in areas critical to efficient plant operation. In Negril, a public-private partnership between the NWC and community stakeholders (including local private sector and nongovernmental organization representatives) gave the community a significant role in managing the town's wastewater treatment plant, and in Ocho Rios stakeholders have put in place a similar arrangement for management of that town's new wastewater treatment plant. The institutional capacity of local environmental nongovernmental organizations (ENGOs) has been demonstrably improved, with eight of them carrying out on-the-ground environmental activities. In Negril, the Negril Coral Reef Preservation Society and the Negril Environmental Protection Trust took the lead in coastal water quality monitoring and are members of the town's wastewater management committee. Other ENGOs promoted the adoption of improved environmental practices in local

communities, including the construction of appropriate on-site solutions for waste disposal and organic farming. Five hotels that participated in a program that targets hotel adoption of environmental management systems have achieved international recognition through the Green Globe certification program. Negril Cabins was the first hotel in the world to receive certification.

Although water quality in Negril's coastal zone meets US-EPA standards for fecal coliform, the levels in some of the rivers flowing into the coastal waters are very high. The North and South Negril rivers have high nutrient and coliform rates due to agricultural run-off and informal settlements in the watershed and along the rivers. A new component of the Ridge to Reef program, scheduled to begin in late FY2000, will target specifically those threats to the environment which have their source in activities taking place in upland watersheds.

Progress toward creating a sound policy framework has also been encouraging. The GOJ has adopted a new national water policy which supports public-private partnerships for wastewater management, and another recently drafted policy will make it mandatory for NWC customers within a certain radius of the newly built wastewater system networks to hook up. The NWC has also raised its rate for wastewater collection and treatment which, at double the old rate, offers almost full recovery for the actual cost of the service.

Concerned with the lack of credit available for environmental improvements, USAID conducted a study of the demands for such financing in the hotel and manufacturing sectors and the rates of return on environmental investments. Based on the findings, USAID initiated preliminary discussions with local financial institutions. USAID will also continue to work with the GOJ on policies that provide economic incentives for the adoption of improved environmental practices.

Possible Adjustments to Plans: No adjustments are anticipated.

Other Donor Programs: USAID is collaborating closely with other donors under the auspices of two UNDP-led 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 IDB and the European Union are also supporting watershed management programs, and the EU and the German government support policy reforms in wastewater management. These other donors collectively spend approximately $5 million a year on the environment.

Principal Contractors, Grantees, or Agencies: Grantees include The Nature Conservancy, the GOJ's Natural Resources Conservation Authority and several local ENGOs, such as the Negril Environmental Protection Trust, Jamaica Conservation Development Trust, the Negril Chamber of Commerce and Discovery Bay Marine Laboratory. Associates in Rural Development is the primary contractor.

Selected Performance Measures:	Baseline (1998)	Actual (1999)	Target (2000)	Target (2001)
Targeted resource users adopting improved environmental practices(%)	0	20	30	40
Number of economic policies enacted by the GOJ	0	2	3	4
Effluent samples from targeted sewage treatment plants meeting GOJ effluent standards (%)	23	30	40	50

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Jamaica
TITLE AND NUMBER: Improved Reproductive Health of Youth, 532-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $1,145,000 (DA), $1,075,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,950,000 (DA), $2,525,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Jamaica has relatively good health indicators reflecting both an aging population due to declining fertility and mortality and changes in risks attributable to urbanization, industrialization and lifestyle. Non-communicable diseases, such as heart disease and cancer, account for approximately 60% of the total disease burden as measured by disability adjusted life years. Total fertility rates have declined significantly from a high of 6.7 births per woman (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 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 (10-19) account for 62 percent of all cases of obstetric complications reported by hospitals. There is also higher HIV seroprevalence (2.1%) among 20-24 year-old antenatal clinic attenders than among antenatal clinic attenders in general (1.6%). The seroprevalence and high fertility rate among this age group has serious implications for maternal to child transmission of HIV as well as for pediatric AIDS. USAID's response to these challenges is an adolescent reproductive health (ARH) program to increase adolescents' use of quality reproductive health and HIV/AIDS/sexually transmitted infection (HIV/AIDS/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. The purpose of this program is to improve the reproductive health of young Jamaicans between the ages of 10-24 and enhance their transition to adulthood.

Key Results: The number of infectious (primary and secondary) syphilis cases reported during the period from January to June 1999 was down by 40% compared to the same period in 1998. This decline indicates a significant decrease in high-risk behavior associated with the spread of all sexually transmitted diseases, including HIV/AIDS. It reflects increased use of protective condoms, decreased frequency of multiple partners and more individuals seeking early diagnosis and treatment of STIs.

Performance and Prospects: During the past year, an amendment to USAID's adolescent reproductive health program was approved and a contract to implement the program awarded. Progress has also been made to improve monitoring and surveillance under the ongoing HIV/AIDS/STI prevention and control activity. HIV seroprevalence among pregnant women attending prenatal clinics increased from 1.5% in 1998 to 1.6% in September 1999-representing a 7% rate of increase, down dramatically from the 68% annual rate of increase of the early 1990s. USAID activities aim to further decrease the rate of increase over the next five years. Major training activities were conducted to assist NGOs and Government of Jamaica (GOJ) agencies to deliver educational programs related to prevention of HIV/AIDS and other STIs to youth both in-school and out-of-school. Access to condoms increased by establishing an additional 585 non-traditional outlets. The cumulative figure for these outlets now stands at 2,000.

Linkages with the Ministry of Education were strengthened through a collaborative activity that brought together a creative arts NGO, nurses and school guidance counselors. The NGO trained and assisted the nurses and counselors to use innovative, interactive creative arts methods to teach students about sexually transmitted infections and create a comfortable environment for talking about this sensitive subject matter.

Possible Adjustments to Plans: No adjustments are anticipated.

Other Donor Programs: USAID is the lead donor in the area of reproductive health focusing on adolescents as well as HIV/AIDS/STIs. The United Nations Family Planning Program (UNFPA), the only other donor at present implementing programs in adolescent reproductive health, has designed a three-year, $780,000 project to be implemented in three sites. USAID also collaborates with the Pan American Health Organization and the German Technical Cooperation programs which provide limited support to ARH-related activities.

Principal Contractors, Grantees or Agencies: Current grantees and contractors include the Futures Group International, the Academy for Educational Development, Family Health International, Pathfinder International and JHPIEGO Corporation. GOJ entities include the Ministry of Health (Epidemiology Unit) and the National Family Planning Board.

Selected Performance Measures:	Baseline (1998)	Actual (1999)	Target (2000)	Target (2001)
HIV seroprevalence (%) among high risk STI clinic attenders (by age group)[1]				
a) 15-19	5.6	3.1	4.6	4.9
b) 20-24	5.6	6.4	6.4	6.8
c) all age groups	7.1	7.2	7.7	8.3

HIV seroprevalence (%) among antenatal clinic attenders (by age group)[1]				
a) 15-19	2.5	1.0	1.83	1.96
b) 20-24	0.6	2.1	1.45	1.55
c) all age groups	1.5	1.61	1.72	1.84
Policy Environment Score[2]	54.1	55.1	58	60

[1]Given the epidemiology of HIV/AIDS transmission, USAID does not expect HIV seroprevalence to decrease over the life of this activity. Rather, this program aims to slow the rate at which HIV is being spread, as captured by annual targets that increase at a decreasing rate. In fact, the rate of increase for HIV seroprevalence has decreased from around 68% in the early 1990s to 7% in the last few years-an achievement which Ministry of Health officials attribute to USAID/GOJ-supported HIV/AIDS/STI prevention and control activities.

While the data and targets for "all age groups" show a fairly stable level of increase in HIV seroprevalence (an approximately 7% rate of increase), HIV seroprevalence for the age-disaggregated populations drops sharply between 1998 and 1999, with targets for 2000 and 2001 assuming an upward trend. Ministry of Health officials explain that data used in 1998-the first year of reporting age-disaggregated data-may have been skewed because they were collected from a parish with a high prevalence. The methodology was refined in 1999, resulting in data which provide a more accurate picture. The 2000 targets were derived by using an average of the 1998 and 1999 data.

[2]This score measures the degree to which the policy environment is supportive of effective reproductive health policies and programs. The score is an average percentage based on responses to an annual questionnaire by hospital department heads, reproductive health directors, donor agency officers, STD specialists, etc.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Jamaica
TITLE AND NUMBER: Increased Numeracy and Literacy among Targeted Jamaican Youth, 532-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $680,000 (DA), $2,282,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,700,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Jamaica's education system continues to struggle from the effects of economic stagnation and fiscal deficits of recent years. This has led to 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 have led to poor attendance (although access to education is universal) and poor performance on standardized tests. Approximately 50% of students at grade 4 do not meet the minimum standards of reading competency. Scores in mathematics are equally poor, and performance in both areas continues to decline through grade 6. In addition, approximately 80,000 adolescents are either not in school or at risk of dropping out of school. Approximately 10,000 adolescents aged 10-14 are not enrolled in school and 4,000 10-18 year-olds drop out of school each year.

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 either dropped out or are at risk of dropping out of school, USAID works with local NGOs to provide remedial education and training for reinstatement in school and to improve their social and job skills.

The purpose of this program is to improve the quality, equity and efficiency of Jamaica's educational system, strengthen civil society participation and improve the prospects of those youth who have fallen out or are at risk of falling out of the system. The direct beneficiaries are primary school students in selected schools and their teachers, principals and School

Board members. Parents who become involved through the breakfast feeding programs and who receive information/guidance on methods for encouraging learning at home will also benefit from the program. Approximately 14,000 "at-risk" adolescents and the NGOs that work with them are also beneficiaries.

Key Results: 700 primary school teachers and 72 principals have been trained to teach the new primary school curriculum (revised, with the assistance of USAID and the Inter-American Development Bank, for the first time in almost 20 years). Approximately 14,000 at-risk youth, i.e., 10-18 year-olds who have dropped out or are at risk or dropping out of school, have received remedial education to improve reading and math proficiency and training in vocational skills.

Performance and Prospects: During the past year, full-scale implementation of USAID's primary education assistance program began. Activities included the selection of the 72 project schools (out of 894 primary schools) and completion of diagnostic assessments of these schools; training of 700 teachers and 72 principals in the new primary school curriculum; initiating breakfast programs in eight schools which by next year will reach approximately 1,000 students; and establishment of an Educational Management Information System (EMIS) that includes performance data (e.g. language/arts and math test scores), connects various data sources and provides feed-back to schools so that programs may be adjusted as needed. The EMIS will also improve school administrative systems.

Targeting those youth who are outside of the formal school system, USAID continued to strengthen the managerial capacity of NGOs to deliver services to at-risk youth, ages 10-14 years. The services include remedial education to improve reading and math proficiency, developing skills such as carpentry and sewing, and personal and family counseling. Approximately 14,000 youth have benefited from this program. Several of the NGOs have been quite successful in getting street children back into school (approximately 37-40% of participating children) and maintaining high retention rates in their programs.

Possible Adjustments to Plans: Potential new interventions to address policy constraints that impact on the effectiveness and efficiency of the education system will be designed in the coming year. The current program activity which targets at-risk adolescents will be evaluated in FY2000 and a follow-on activity will be designed for implementation in FY 2001.

Other Donor Programs: The Inter-American Development Bank (IDB) is providing a major education sector loan ($28 million) to improve primary education. Areas of focus include the quality of teaching, institutional strengthening and improving school infrastructure. The British Department for International Development (DFID) intends to provide support (US$4.9 million) to 48 rural poor schools in the areas of teacher education; resource materials; school management and institutional strengthening. DFID's Caribbean Debt Initiative provides assistance ($7-$8 million) in the areas of physical infrastructure and resource materials.

Principal Contractors, Grantees, or Agencies: Principal contractors include Development Associates Incorporated and Juarez and Associates Incorporated. Other development partners are the Ministry of Education & Culture; the Youth Unit of the Ministry of Local Government, Youth and Community Development; the National Council on Education; and local NGOs.

Selected Performance Measures:	Baseline (1999)		Actual (1999)		Target (2000)		Target (2001)	
Percent of students meeting near mastery criteria in mathematics:	Gr. 3	Gr. 6	Gr. 3	Gr. 6	Gr. 3	Gr. 6	Gr. 3	Gr. 6
Girls	50.0	16.0	N/A	N/A	54.0	18.0	58.0	20.0
Boys	32.9	7.0	N/A	N/A	39.0	10.0	43.0	25.0
Percent of students meeting near mastery criteria in language arts:	Gr. 3	Gr. 6	Gr. 3	Gr. 6	Gr. 3	Gr. 6	Gr. 3	Gr. 6
Girls	75.0	45.0	N/A	N/A	77.0	48.0	80.0	52.0
Boys	53.0	19.0	N/A	N/A	55.0	22.0	60.0	25.0

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Jamaica
TITLE AND NUMBER: Improved Economic and Social Conditions in Targeted Inner City Communities, 532-007
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $1,200,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $1,500,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Violent crime is one of the principal deterrents to growth and investment in Jamaica. Furthermore, it affects the quality of life and sense of personal security of the citizens. With over 800 murders last year, Jamaica has the highest murder rate in the region. Urban communities are particularly affected, with more than 50% of violent crimes concentrated in the Kingston/St. Andrew metropolitan area. The harsh conditions of poverty, including a lack of economic opportunities, poor housing and community infrastructure, and inadequate access to quality education and health care, lure the communities' youth toward crime. In addition, drug trafficking has become a major problem in these communities. Furthermore, there is a lack of trust in the police and courts as purveyors of the law. Corruption is widespread and police often alienate inner city residents. They are not perceived to be carrying out the law fairly, nor to offer security and protection to citizens. The result is a very harsh type of vigilantism wherein citizens look to local "dons" for security and protection rather than to the legal system. Recent successes in American cities have demonstrated that crime can be reduced through a combination of community policing, job creation and job placement. USAID's five-year Special Objective (SpO) activity will target improved economic and social conditions in targeted inner city communities. The purpose of this activity is to improve income and reduce conflict in Kingston's inner city communities. The direct beneficiaries will be inner city individuals and communities.

Key Results: Two key results must be achieved to accomplish the special objective: (1) increased employment and entrepreneurship opportunities, and (2) improved community capacity for conflict resolution.

Performance and Prospects: This new Special Objective activity will start late in FY 2000. By reducing crime and improving community relations in the inner city, this SpO seeks to improve the area's business/investment environment. By their nature, these activities are high-risk. USAID, in collaboration with other donors, will work with NGOs (particularly those with successful track records in these volatile communities), the private sector and financial institutions to create partnerships that will (1) create and expand small and micro enterprises in the inner city; (2) improve the productive skills (technical and vocational) of inner city residents; and (3) develop a strong private sector commitment to the improvement of inner city communities. Working with NGOs, CBOs and community youth groups, USAID will assist community residents to resolve conflict by using alternative dispute resolution techniques. USAID 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.

Possible Adjustments to Plans: Adjustments will be made as the program is further defined.

Other Donor Programs: The Office of the Prime Minister, through the Government of Jamaica's (GOJ's) Poverty Eradication Programme, has the overall coordinating role in this area. The Planning Institute of Jamaica is the main economic and social planning agency of the government and a central player in the development of the GOJ Inner City Renewal Project. USAID will work closely with the GOJ, including the Ministry of Community Development and the Ministry of Security and Justice, as well as the InterAmerican Development Bank (IDB), Canada, and the British Department for International Development (DFID) who are also working with community based organizations in the inner city.

Principal Contractors, Grantees, or Agencies: Potential partners include the Kingston Restoration Company, St. Patrick's Foundation and Food for the Poor, the Dispute Resolution Foundation and the University of the West Indies. USAID will explore opportunities with U.S. community-based organizations to share successful approaches to overcoming obstacles of inner city life.

Selected Performance Measures: The activity design (now underway) involves bringing together NGOs, church leaders, government officials, representatives of companies carrying out business in these communities and residents. As part of this design process, USAID will define indicators and obtain baseline data to measure progress towards results it expects to achieve. Illustrative indicators include:

- number of jobs created/filled by inner city residents;

- number of new or expanded inner city enterprises;
- number of schools adopting conflict resolution programs; and
- incidence of crime in target communities.

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Jamaica

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	7,590	6,120	7,310	9,435
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	3,450	3,926	3,357	5,225
CACEDRF	0	0	0	0
INC	0	0	0	0
Economic Support funds	0	0	1,200	1,500
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**11,040**	**10,046**	**11,867**	**16,160**
Operating Expenses	1,120	1,577	2,183	3,600
Trust Funds	2,240	2,664	720	0
Total Operating Costs	**3,360**	**4,240**	**2,903**	**3,600**

Note: FY 2000 OE - $27,500 Hurricane Supplemental to support implementation of CA Regional Reconstruction activities.

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	6	10	9	9
Other U.S. Citizen	2	1	3	1
FSN/TCN	39	35	52	52
Subtotal OE Funded	**47**	**46**	**64**	**62**

Program Funded*				
U.S. Citizen	2	1	0	0
FSN/TCN	7	5	13	13
Subtotal Program Funded	**9**	**6**	**13**	**13**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**56**	**52**	**77**	**75**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
532-001 Improved Business Environment for Developing the Small, Medium and Micro Enterprise Sectors							
- DA	2,500	0	0	0	0	0	2,500
- DFA	0	0		0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
532-002 Improved Quality of Key Natural Resources in Selected Areas that are both Environmentally and Economically Significant (Ridge to Reef Program)							
- DA	0	0	3,985	0	0	0	3,985
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
532-003 Improved Reproductive Health of Youth							
- DA	0	2,950	0	0	0	0	2,950
- DFA	0	0	0	0	0	0	0
- CSD	0	2,525	0	0	0	0	2,525
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
532-004 Increased Numeracy and Literacy Among Targeted Jamaican Youth							

- DA	0	0	0	0	0	0	0
- DFA	0	0		0	0	0	0
- CSD	0	0	0	0	2,700	0	2,700
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
532-007: Improved Economic and Social Conditions in Targeted Inner City Communities							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	1,500	1,500
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	2,500	2,950	3,985	0	0	0	9,435
- DFA	0	0	0	0	0	0	0
- CSD	0	2,525	0	0	2,700	0	5,225
- ESF	0	0	0	0	0	1,500	1,500
- P.L. 480/II	0	0	0	0	0	0	0

The United States Agency for International Development

MEXICO

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

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Introduction

Mexico is a central foreign policy interest to the United States. Our 2,000-mile shared border creates an unusually wide variety of problems and sensitive political issues, which directly affect U.S. citizens. The two countries are economically interdependent. Under NAFTA, trade with Mexico has grown to account for almost 10% of all U.S. exports. The United States is Mexico's predominant trading partner, accounting for $79 billion in imports. The complex United States-Mexico bilateral relationship requires collaborative sustainable development responses to shared problems. In addition, lessons learned from joint development activities have value that extends beyond Mexico's borders. USAID has launched a new program, with collaboration from Mexico, that transfers the best models of development to Central America and other regions.

The U.S. has a direct and vital interest in Mexico's political and economic stability; its ability to control illegal drugs and related crime; protection of Mexico's natural resources; and the health and economic well-being of its people. USAID's programs directly address these major issues of U.S. foreign policy.

The Development Challenge

Although Mexico is recovering in macro-economic terms from the 1995 peso crash and the 1998 Asia economic crisis, its poverty levels and income distribution have worsened. Since 1995, there has been an estimated 60% drop in real wages. Around half of Mexico's 100 million people are now estimated to be living below the poverty line. The banking crisis that began in 1995 continues to constrain Mexico's ability to finance its own growth.

Mexico's economy cannot generate enough new jobs for its growing workforce. The informal (unsalaried) economy has grown at least 30% since 1995, suggesting that microenterprise is now an important source of employment and income for a significant proportion of Mexico's poor. A strong microenterprise sector could help create jobs and income needed to reduce the economic pressures which drive increasing migration to other countries, particularly the U.S. However, lack of strong institutional support severely constrains the growth potential of the microenterprise sector.

Mexico is experiencing fundamental democratic change, as evidenced in free and fair elections and the continued decentralization of governing authority from the federal to local levels. USAID supports Mexican initiatives in the areas of justice, local governance and legislative strengthening.

Deforestation and environmental degradation rates in Mexico are among the world's highest. USAID supports Mexican programs to protect biodiversity and critical ecosystems. This includes a special joint effort to address the causes and prevention of wildfires which caused massive loss of Mexico's forested land, and sent smoke pollution across the U.S. border in 1998.

As one of the world's top greenhouse gas emitters, Mexico is a high priority for the U.S. Government's (USG) Global Climate Change mitigation policies. The manufacturing sector is raising demand for energy faster than Mexico can meet it. However, public policies do not yet encourage efficient energy use. USAID is promoting widespread adoption and replication of economically viable renewable energy systems, as well as energy efficient, non-polluting technologies for industries, municipalities and agriculture.

Under the Government of Mexico's decentralization policy, the burden of planning and funding health programs has devolved to the states. USAID's HIV/AIDS program works with both the national and state-level governments, as well as non-governmental organizations (NGOs), to help create policies which address the growing HIV/AIDS problem cost-effectively; and to support strategic planning in priority states.

USAID's recently approved tuberculosis (TB) strategy responds to USG and GOM concern over the growing incidence of TB, particularly along the border. This program works at the Federal and State levels to promote improved planning, coordination, and increased use of modern technologies for TB detection, diagnosis and treatment in Mexico's decentralized health system. U.S. NGOs will complement GOM TB programs along the border.

Other Donors

The largest bilateral donor in Mexico is Japan, followed by Germany, Spain, France and the United. States. The World Bank and Inter-American Development Bank (IDB) together contribute about $1 billion annually to the Mexican economy. These funds are channeled to the budgets of various Mexican Government ministries to support poverty alleviation and social services. The Government of Mexico does not encourage direct donor collaboration. However, many of the models designed and tested by USAID (especially in environment and energy) have been replicated on a larger scale by GOM ministries, using either government funds or multilateral development bank funding. USAID is working actively to leverage other bilateral donor funds. For example, discussions are underway with the Japanese and the Italians to support HIV/AIDS programs at the State level, complementing existing USAID activities. Specific program collaboration has already been achieved with Japan for the USAID funded Parks in Peril program. USAID will build on experience and lessons learned from World Bank and IDB projects in order to carry out its new microenterprise strategy. In spite of the program's relatively small dollar size, USAID plays a highly effective leadership role among donors in catalyzing development change.

The United States Agency for International Development

Mexico

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID has had notable success in implementing the five-year country strategy approved in 1998. To consolidate and build on these gains, during Fiscal Year 2000, the Mission will re-orient selected programs to focus on approaches which have the greatest impact; and fill program or policy gaps which have been identified.

USAID's tested models for environmental and energy conservation are already being replicated by the GOM and major international donors, such as the World Bank. While much remains to be done to achieve the USAID's environmental and energy SOs, USAID is exploring ways in which environmental and energy activities might be better coordinated or integrated in order to better achieve USG policy objectives for GCC mitigation. The areas under consideration include: protecting the environment and forests; developing the framework for carbon sequestration projects; and exploring new renewable energy technologies. As USAID follows these lines of inquiry, care will be taken to align USAID, GOM and private sector priorities.

Just one and one-half years from the time of approval, USAID's new democracy and governance strategy is producing excellent results. USAID technical assistance helped Mexican NGOs develop an effective, national elections monitoring capacity. USAID's pilot program to strengthen local governance is so successful that additional municipalities want to participate. A multi-party group of Mexican legislators is steering technical assistance from the State University of New York that contributes to Congress' modernization goals. A series of successful bilateral border conferences led to requests from leading Mexican jurists for further technical assistance in court administration. Strengthened court administration is critical to Mexico's ability to control crime and drug trafficking.

Migration from Central America to the United States through Mexico has a direct bearing on Mexico's ability to fight the HIV/AIDS epidemic. Therefore, starting in FY 2000, steps are being taken to better coordinate and integrate Mexico's HIV/AIDS activities with work in Central American countries. In Fiscal Year 2001, these changes should lead to greater effectiveness of the Mexico national and state-level HIV/AIDS programs assisted by USAID.

The TB program has just started. During Fiscal Year 2000, the implementation, planning and design of the highest priority activities is being carried out. As with HIV/AIDS, the impact of migration and TB requires that the program coordinate and integrate its activities with Central America. In addition, the program will work closely with the U.S. border states and U.S. agencies.

USAID will begin to help microenterprise financial institutions access new sources of capital for lending, creating or strengthening service delivery institutions in the urban and rural areas to ensure the sustainability and replicability of USAID's model programs for environmental and energy conservation, and to determine how microenterprise support could increase economic opportunity for the poor who might otherwise be forced to migrate for jobs.

USAID has initiated a cooperation program with the Mexican assistance program to transfer success stories of United States - Mexican development to Central America and other regions. Operating under two agreements signed at the Secretary of State level, this program is assisting the Hurricane Mitch-impacted countries of Central America with environmental cleanup, wildfire prevention and watershed protection activities. Reproductive health, tuberculosis and HIV/AIDS programs are also planned.

ACTIVITY DATA SHEET

PROGRAM: Mexico
TITLE AND NUMBER: Environmentally Sound Natural Resource and Energy Use Increased, 523-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Closed
INITIAL OBLIGATION: FY 1990 **ESTIMATED COMPLETION DATE:** FY 1998

Summary: The objective of this strategic objective was to increase conservation and sustainable use of natural resources in priority natural areas and to reduce greenhouse gas emissions from wasteful energy use, pollution, and deforestation. During February-March, 1998, discussions with LAC/RSD/E and G/ENV lead to a split in this single Mexico environment SO into separate Strategic Objectives - one focused on the "green" programs (currently SO 1 Critical Ecosystems and Biological Resources Conserved) and one focusing on "brown" programs (SO 2 Carbon Dioxide Emissions and pollution reduced). This decision was made largely to comply with technical audit requirements as well as to provide the increased rigor needed for performance indicator reporting.

Cumulative Key Results Prior to the SO Split:

- Through 1997, sustainable USAID energy activities prevented the emission of 146,000 metric tons of CO2.
- During 1990-1996, average annual deforestation rates in target areas decreased from 1.3 to 0.9%.
- Park Management Systems were improved in 8 parks (15 million acres), turning "paper parks" into functional, sustainable reserves.
- The Mexico Conservation Fund (FMCN), a national endowment to support biodiversity projects was created and became a model national environment fund in Latin America.
- The Mexico country studies program supported the development of Mexico's climate change mitigation action plan, led to the creation of a national climate office, and strengthened Mexico's position in climate change activities.
- The Mexico TNC Parks-in-Peril Program was replicated throughout the GOM National Protected Areas System, and in other LAC countries.

Performance for FY 1998: The USAID/Mexico strategy for Global Climate Change related environment program, consisting of a new SO 1 Biodiversity and SO 2 Energy were developed from the existing program to more effectively continue the work in their respective fields. The strategy was established by consolidating Intermediate Results and elevating them to the SO level. Considerable work and several coordination sessions were held with partner organizations. These sessions allowed USAID/Mexico to progress a long way in the development of revised indicators and work plans that lead to definitive results frameworks under the two separate SOs. The strategies were approved in September 1998. **Specific FY 1998 program performance was presented in the FY 2000 Congressional Presentation ADSs under each respective SO (523-006-01 and 523-007-01).**

Principal Contractors, Grantees or Agencies prior to the SO Split: World Wildlife Fund;The Nature Conservancy; Conservation International (CI); PRONATURA; FMCN; FIDE; CFE; FIRCO; IIE; DDF; CONAE, Hagler Bailly, Sandia National Laboratories; Universidad Nacional de Autonoma de Mexico (UNAM); and the EEAF.

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 2000 OBLIGATION AND ACCOUNT: $1,400,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $1,200,000 (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, falling only

behind Brazil, according to the World Health Organization (WHO). The scope of the HIV/AIDS problem continues to present a serious challenge to health policies and prevention efforts in Mexico. The Secretariat of Health recently decentralized its health system, giving autonomy and responsibility for health policy and budget allocation to the states. The states must now tailor their programs to local realities; local authorities and citizens will need to assume responsibility for policy and quality of services. USAID's efforts support the national program by assisting the states in their new responsibility for funding, management, and integration of HIV/AIDS and Sexually Transmitted Infection (STI) programs. USAID assistance will help the national program and target states to: assess their current and projected situations with respect to HIV/AIDS and STIs, identify the most vulnerable populations, and design financially-viable programs focused on prevention, rather than on new drug regimens. The emphasis is on participatory strategic planning and strengthened linkages between government and civil society.

While government is responsible for establishing a national strategy and guidelines for combating HIV/AIDS, civil society participation is essential in formulating the strategy and implementing programs, especially among hard to reach populations outside the reach of government services. Taking into consideration number of cases, current level of response and socio-economic conditions in each state, National AIDS Prevention Council (CONASIDA) selected the states of Yucatan, Guerrero, Mexico (along with the Federal District), Puebla, Veracruz, Jalisco, and Oaxaca to initiate activities. Effective collaboration will require political will on the part of decision-makers and strengthened NGO capacity, as well as coordinated actions between governmental and NGO partners.

Key Results: Aside from USAID/Mexico's efforts to increase the annual budget for HIV/AID/STI in various states, there has been a dynamic community response to preventing HIV/AIDS in two of the most seriously affected Mexican states. Multisectoral strategic planning groups are now operative in Yucatan and Guerrero and are drawing on technical assistance provided by the USAID-funded Policy project to formulate strategic plans and analyze resource allocation for HIV/AIDS/STIs. NGO capacity building activities exceeded program expectations in FY 1999. Workshops in external communication and relations were held with 64 NGOs. More than 80% of the NGOs participating in the workshops improved their strategic plans to include external relations and alliances with other organizations, exceeding the original goal of 75%. In addition, more than 80% of the participating NGOs also initiated collaborations with organizations not traditionally engaged in HIV/AIDS work, again exceeding the goal of 75%.

Performance and Prospects: Multisectoral planning groups consolidated their work in two states, while designing strategic plans with tailored, technical assistance from the USAID-funded policy project. Groups in three additional states are expected to be functioning by 2001. The successful development of participatory, state-level planning groups is not only innovative within the health sector in Mexico, it is also helping to strengthen the democratic process and build a community response to HIV/AIDS. NGOs improved internal functioning and outreach to other NGOs and to the public sector. NGO strengthening activities with the international HIV/AIDS Alliance are proceeding on schedule with work in two additional states to be consolidated by 2001. With technical assistance from Family Health International, CONASIDA is developing the first national guidelines for STIs and conducting studies on STI prevalence, drug resistance, and female condom acceptability, which will lead to prevention, diagnosis and treatment protocols. Results from a facility-based survey on quality of care will be available in March 2000 and will form the basis for targeted improvement and measurement of quality of care in HIV/AIDS/STIs in Secretariat of Health facilities in all target states in 2001-2002.

Mexico constitutes an important landbridge for migration from Latin America into the United States. People on the move can spread disease and are at the same time especially vulnerable to contracting it. In the context of international cooperation, Mexico is working with Central American countries and international donors to formulate a regional approach to HIV/AIDS prevention in populations who cross borders, focusing on "hot spots" rather than whole countries in order to enhance impact. If additional funds are made available, USAID will support activities aimed at diagnosis, intervention and evaluation of the cross border HIV/AIDS threat.

Possible Adjustments to Plans: USAID is actively seeking stronger ties with potential donors in the area of HIV/AIDS. As new donors enter, we will make adjustments as needed to our program so that impact and coverage are maximized. If additional funding is available, USAID/Mexico will widen its approach to include funding for the design, implementation and evaluation of activities for a coordinated regional approach to HIV/AIDS prevention among mobile populations.

Other Donor Programs: USAID/Mexico is pursuing active outreach to other donors for work in AIDS in Mexico. While USAID has been the principal donor in Mexico since the beginning of the epidemic, our proactive outreach efforts are now bringing new players into the arena, notably the Japanese.

In the area of prevention, various donors have supported efforts which complement USAID's. These include the World

Bank-funded regional project for Latin America; the joint United Nations Programme on HIV/AIDS (UNAIDS); the Pan American Health Organization (PAHO); and the MacArthur Foundation which supports NGO strengthening in selected states as well as a small program for prevention of AIDS among women in Mexico and other Latin American countries. USAID/Mexico has actively pursued donor funding from Japan using the Common Agenda mechanism as its entrée. As a result, Japan has agreed to provide equipment and supplies valued at $800,000 over four years. However, USAID continues to be far and away the largest donor in this field.

Principal Contractors, Grantees, or Agencies: Current contractors and grantees include the International HIV/AIDS Alliance, working on NGO strengthening; Family Health International, providing technical assistance on development of national guidelines for STIs and their integration into HIV/AIDS programs; The Futures Group International, working in multisectoral strategic planning; Macro International, charged with monitoring and evaluation; CONASIDA, the National AIDS Prevention Council with normative and supervisory authority over state programs; the Mexican Health Foundation, analyzing resource allocation in the context of health reform/decentralization, and the National Institute of Public Health (INSP) carrying out research on quality of care and migration issues.

Selected Performance Measures:	Actual* (1998)	Target (1999)	Target (2000)	Target (2001)
Number of target states** with an increase in annual budget for HIV/AIDS/STI	0	1	1	2
Proportion of individuals presenting with specific STIs in Ministry of Health primary health facilities who are managed in an appropriate way	<20%***	Data available March 00		
Number of target states with on-going public-private collaborations****	0	2	4	6

*The baseline for this indicator is a proxy figure. Actual figures will be available in March 00 following completion of a facility-based assessment in eight states.

**Target states include Guerrero, Yucatan, State of Mexico, Federal District, Oaxaca, Veracruz, Puebla and Jalisco. This is an important indicator of an improved policy environment and program sustainability.

***This indicator is a valid measure of local recognition of and mobilization against HIV/AIDS/STI, an important factor in program sustainability.

****Actual 1998 figures are also program baselines.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Mexico
TITLE AND NUMBER: More Democratic Processes Adopted in Key Government Institutions, 523-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $725,000 (DA), $2,000,000 (ESF), $500,000 (INC)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $750,000 (DA), $2,700,000 (ESF), $500,000 (INC)
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2003

Summary: Mexico's traditional political structures are undergoing rapid transformations to more open, democratic, effective and transparent government. USAID supports the initiatives that Mexico's government and citizens are undertaking in key sectors. USAID is implementing activities in the areas of local governance, legislative strengthening, and rule of law.

USAID's rule of law activities support Mexican initiatives to make the administration of justice more efficient, effective and accessible. USAID is supporting a detailed diagnostic of the Mexican court system that will provide recommendations for improved court administration and prosecution of cases. USAID also supports improved judicial education and professionalization of judges through a sub-grant to the National Autonomous University's (UNAM) Legal Research Institute. A judicial exchange activity provides a unique forum where U.S. and Mexican judges discuss legal and administrative issues of mutual interest, which further stimulates Mexico's justice reform efforts. USAID has also supported the establishment of a pilot center for court annexed alternative dispute resolution in the state of Jalisco.

Through recent reforms, the pluralistic Chamber of Deputies (lower house in the federal legislature) has demonstrated a commitment to update and streamline its administration, develop new procedures for debate and consensus-building, and strengthen its ability to legislate independently of the executive branch. At the Mexican Congress' request, a USAID partner, the State University of New York (SUNY), is working with legislators, committee chairmen, and the permanent institutions of the Chamber to provide technical assistance to meet the most urgent institutional strengthening needs.

The federal government continues to decentralize authority and funds to local levels, but Mexico's municipalities continue to seek support to effectively meet growing citizen expectations. USAID supports local government strengthening projects in target municipalities through partnerships with U.S. cities in coordination with the International City Managers Association (ICMA). ICMA provides technical assistance to improve municipal administration and service delivery and strengthen existing municipal associations as decentralization advocates. This successful model is increasing local government capacity to deliver services and citizen participation in local decision-making.

Key Results: As a result of the USAID-funded FY 1999 U.S.-Mexico judicial border conferences, 1) the Mexican federal and state courts have now requested technical assistance to improve court administration and judicial education, and 2) USAID was able to leverage World Bank technical support to the National University for development of a judicial reform diagnostic.

With USAID support a NGO in Guadalajara, the Center for Attention to Crime Victim's (CENAVID) opened and staffed a center for court-annexed mediation in the public defender's office of the state court of Jalisco. The center provides mediation services for family and civil law cases. Ten other state courts have requested technical assistance from CENAVID for assistance to open their own court-annexed mediation centers.

The Mexican Chamber of Deputies signed a Memorandum of Understanding with SUNY to conduct expert exchanges of technical assistance to strengthen the Congress' permanent institutions, including the new civil service.

These results illustrate the efficacy of initial judicial and legislative activities in identifying key committed Mexican partners and generating their interest in collaboration with USAID's partners. Building upon early activities, critical commitments were obtained from Mexican partners to work with USAID. Results of future activities will now be effectively monitored.

The U.S.-Mexico Partnership for Municipal Development is meeting expectations for more effective local governance in target areas; the pilot governance model has been developed as planned, and best practices are being shared with other Mexican municipalities and Municipal Associations to initiate the replication process.

Performance and Prospects: In FY 1999 USAID and nine Arizona cities provided six pilot municipalities in the state of Jalisco with technical assistance to increase local government effectiveness through improved service delivery and increased citizen participation in local decision-making. Training courses were delivered to citizens' organizations, focusing on local government functioning and the development of strategies for increased citizen participation. Best practices developed in and by the pilot municipalities are being disseminated in Jalisco and elsewhere in Mexico. By the end of 2001, targets for improved service delivery and increased citizen input in the Jalisco municipalities will be met or exceeded and will be replicated in other Mexican municipalities. Citizens will have worked with municipal authorities on key city policy issues. Municipal associations will have increased their capacity to advocate for decentralization at the federal level and to provide technical services to member cities at the local level. Federal and state reforms will continue to advance decentralization and promote municipal development, creating increasing demand for replication of best practices.

In the judicial arena, the successful series of U.S.-Mexico border conferences led to new technical exchanges through partnering between Mexican and U.S. courts. The National University of Mexico's (UNAM) pilot masters degree in judicial law was successfully implemented, and plans are underway to replicate the program through distance learning technology. UNAM began a national diagnostic of judicial and court performance to determine technical assistance needs for future judicial reform projects. The court-annexed mediation project responded effectively to a growing demand for

increased access to justice. As a result of all of these activities, Mexican court officials and judges are implementing improved practices for court administration, court technology, judicial research, judicial education and alternative dispute resolution. USAID is working to leverage funding for those projects from multi-lateral lending institutions. By the end of FY 2001, improvements in court administration, court technology and judicial education will be consolidated and replicated, having benefited from U.S.-Mexico court partnerships.

An MOU was signed by the ruling body of the Chamber of Deputies and SUNY for technical assistance to strengthen the Mexican Congress' permanent institutions. Observation tours of legislative support services for deputies and staff of the permanent institutions and legislators were conducted. Detailed work plans for continued assistance to these congressional institutions will be developed and implemented. The Congress' new Organic Law recently passed by the Chamber and the Senate calls for major administrative changes; SUNY has responded to requests to assist in critical training needs identified by the Congress as it adapts to internal procedures of the new law. By 2001, the Congress will have strengthened the administrative and technical effectiveness of its permanent structures and newly implemented permanent civil service.

This objective is at a crossroads. Critical Mexican commitments to USAID activities achieved during FY 1999 demonstrate the effectiveness of the program in successfully responding to the needs identified by Mexican partners. Effective response to increasing Mexican requests for focused technical assistance hinges on the availability of funds.

Possible Adjustments to Plans: After careful monitoring of the successes achieved during the first year of the strategy, USAID is now able to firmly establish results to be achieved in response to Mexican institution' requests in all sectors and to assess ways to maximize results achievements through refocused funding. Therefore, USAID expects to refine its programming based on this experience.

Other Donor Programs: USAID's local governance objectives are advanced by the Ford Foundation, the IDB and the World Bank. Congressional strengthening results are complemented by grants to local NGOs from the National Democratic Institute (NDI) and by the National Endowment for Democracy (NED). Rule of law results are also achieved by the U.S. Department of Justice, State Department and by a group of law enforcement agencies who work with Mexican law enforcement agencies and prosecutors, an essential complement to USAID's ROL activities. Many private international and Mexican foundations support improved access to justice and human rights in Mexico.

Principal Contractors, Grantees or Agencies: The International City/County Management Association (ICMA) implements local governance activities; the Research Foundation of the State University of New York (SUNY) implements congressional strengthening activities; the National Center for State Courts (NCSC) implements rule of law activities. Local NGOs support achievement of results in these three areas.

Selected Performance Measures:	Baseline (1998)	Target (1999)	Target (2000)	Target (2001)
Local Governance: Increased effective local governance, as reflected by increased citizen participation in local decision-making and increased service delivery	.4524	1	1.5	1.3

[1](Indicates the average score of 6 target municipalities on a 0 to 3 scale that measures 7 internationally accepted standards for effective local governance. Note, improvements in the methodology for the index use and program evaluation led to a change in calculation of the baseline, changing from the previously reported .5277 to the current .4524, and a slight change in targets.)

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Mexico
TITLE AND NUMBER: Critical Ecosystems and Biological Resources Conserved, 523-006
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $5,770,000 (DA)

PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $5,184,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2006

Summary: The high rate of degradation in Mexico is destroying the healthy natural resource base that is vital to support Mexico's growing economy and population. This natural resource degradation also threatens biodiversity throughout North America. This SO focuses on conservation of critical ecosystems through: strengthening local and national capacity to manage natural resources; improving the sustainability of land-use methodologies applied in and near critical areas; and working to change underlying policy and behavior constraints towards effective land management. Improved land use and conservation will help restrain population migration that is triggered by the shrinking natural resource base. In addition, the conservation of threatened areas combined with working in adjacent areas to improve resource use and better prevent and control fires will also help to sequester carbon or to reduce the emission of greenhouse gases, thus accomplishing a dual objective. The primary beneficiaries are 1) rural inhabitants who depend on and work with the natural resources in and around the critical ecosystems that have been targeted; 2) urban inhabitants that depend on the sustained ecosystems services from these areas (water purification, agricultural production, recreational opportunities); 3) US citizens whose own ecosystem services are linked either directly (watersheds, borderland, air, oceans) or indirectly (migratory species) to Mexico gain from the protection of biodiversity and critical ecosystems and the mitigation of global climate change.

USAID developed a unique bilateral agreement to address wildfires. The agreement was launched in response to the devastating wildfires in the spring 1998 that destroyed extensive areas of critical habitat and sent smoke and ash over much of the southern U.S. The fire program is integrated with USAID's ongoing efforts to address the key constraints to "on-the-ground" conservation in Mexico.

Key Results: The Mexican Conservation Fund (FMCN) has exceeded its capitalization goals for FY 1999 of $48 million and was recognized by the GEF as a model conservation fund. The FMCN, USAID and the GOM Environment Secretariat (SEMARNAP) worked jointly to complete the analysis of the fire damage in 1998 and will begin implementation of restoration projects under the National Wildfire Prevention Program in early calendar year 2000.

Performance and Prospects: USAID is supporting pilot activities that secure the long-term stability of parks and protected areas through increasing park management capability; developing sustainable funding mechanisms; and training in resource management and fire response. As a part of this goal, USAID is working with local communities to improve resource planning and use of sustainable technologies in targeted areas. Progress in these areas is on track in six critical ecosystems to date.

Targets for adequate management and numbers of people practicing sustainable development activities, (e.g. new fishing methodologies, improved waste management and sustainable forestry techniques) were met for the majority of core, critical areas. Despite problems in many program sites caused by the fires and floods in late 1998, the number of partners that meet their pre-determined management goals is expected to exceed our original expectation for FY 1999. The numbers of people participating in training and technical programs has exceeded the goals for FY 1999, in part because the fires and floods required accelerated technical strengthening, especially in fire response and prevention.

USAID's partner organizations that are working to improve legal and policy framework for conservation and land use have met their targets for advancing environmental policies. A key policy success has been the incorporation of the management plan developed through USAID's work with local fishermen in the village of Xcalak into the proposed regional zoning plan for the Costa Maya in Quintana Roo.

Through the ongoing work to coordinate the Fire Prevention and Rehabilitation Program, a close working relationship has developed between USAID, SEMARNAP and the FMCN. This close public-private linkage in Mexico will facilitate addressing environmental issues in addition to fire, and has significance well beyond the environment sector. As part of the fires program, the National Commission for Study and Use of Biodiversity (CONABIO) completed an analysis of the critical areas for post-fire restoration that resulted in a National Fire Prevention and Restoration plan announced by the President. Appropriate government and protected area experts are now reviewing specific site plans for those critical areas to ensure good integration with ongoing regional management goals. The FMCN is on target to implement its grants program in fire restoration in FY 2000 and continues to exceed performance expectations for its ongoing conservation grant program.

Possible Adjustments to Plans: This objective contributes to the conservation of forest resources and to improving climate change policies. In FY 2000, USAID will design a GCC strategy that will include efforts to mitigate carbon emissions from land-use change and forestry. USAID is exploring a role in strengthening the GOM and environmental

NGO capacity to develop projects and policies that will address this international issue. USAID is currently reviewing its portfolio to determine where conservation efforts can be better integrated with clean energy, microenterprise opportunities and community participation. As part of these processes, USAID is working with partners to ensure that program indicators reflect on-the-ground results.

Other Donor Programs: Multinational Development Banks (MDBs) are important indirect partners who provide counterpart or follow-on funding for expansion of USAID-supported pilot interventions. Over the life of the SO (through FY 2006) we expect that over $100 million in MDB funds will have been contributed toward USAID's targeted results. This includes $16.5 million from the Global Environment Fund to increase FMCN's total endowment, and an estimated $20 million from the World Bank to support SEMARNAP and protected areas management.

Principal Contractors, Grantees, or Agencies: The Nature Conservancy; Conservation International (CI); The University of Rhode Island; Partners in Flight; PRONATURA; FMCN, and SEMARNAP, and the U.S Forest Service.

Selected Performance Measures:	Baseline (1995)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Number of Critical Ecosystems, in Target Areas (11 total), with Adequate Management (Cumulative)	0	6	6	6	7
Number of Target Protected Areas Meeting Annual Management Goals (Non-cumulative)	0	4	5	6	6
Capitalization of the Mexican Nature Conservation Fund	0 (1992)	$45.05 million	$48 million	$48 million	$60 million

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Mexico
TITLE AND NUMBER: Carbon Dioxide Emissions and Pollution Reduced, 523-007
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,430,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,791,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1993 **ESTIMATED COMPLETION DATE**: FY 2006

Summary: Approximately 80% of the energy produced in Mexico is derived from fossil fuel sources (oil and natural gas). Due to the rapid growth of Mexican industry, the increasing consumption of energy directly contributes to increased greenhouse gas emissions. The contrasting challenges presented by this rapid growth include reducing pollution generated from industry and protecting the environment in a sustainable manner while maintaining high employment rates. USAID supports the GOM's economic and social development initiatives through the implementation of cost-effective programs for reducing greenhouse gas emissions.

This objective demonstrates the viability of proven, environmentally friendly technologies, such as energy efficiency; pollution prevention (Resource Management Systems - RMS); renewable energy and clean energy production. USAID facilitates the adoption and replication of energy-saving technologies that reduce carbon dioxide through demonstrative projects; strengthening local partners; and promoting policy changes. Small and medium industries and municipalities are the main beneficiaries of USAID's program.

Key Results: Carbon dioxide emissions expected to be prevented through selected efficient and renewable energy applications in USAID activities are 200,000 metric tons in FY 1999. Ninety-five (average) out of 100 industries and municipalities have adopted at least 60% of the energy efficiency, pollution prevention and renewable energy recommendations made through USAID supported energy/environment audits. The Mexico Renewable Energy Program, a program under USAID and Department of Energy that implements rural development programs using renewable energy systems, has installed approximately 345 photovoltaic systems in the last five years, benefiting some 100,000 Mexicans. Replicating this successful USAID pilot, FIRCO (Fideicomiso de Riesgo Compartido) is currently developing

a program to install 1,200 new photovoltaic and wind systems nationwide over the next four years, using World Bank funding. Policies that promote the adoption of these technologies have provided direct and indirect benefits to both industries and municipalities participating in this program, as well as end users of renewable energy systems.

Performance and Prospects: The first of two planned program phases has been successfully implemented within 82 firms and 100 rural communities. Technical assistance for reducing energy consumption was provided to the Federal Electricity Commission's (CFE) trust fund (FIDE) and to food, textile, electroplating, foundry, and chemical industries for reducing their consumption of energy.

During FY 1999, the program's second phase focused on widespread adoption of proven these technologies. This factor is the ultimate measure of program success or failure. As participating industries/municipalities and partner institutions have gained familiarity with the economical and environmental benefits provided by energy efficiency, pollution prevention, and renewable energy technologies, they have begun to implement new projects on their own, utilizing either internal financial resources or funds from other donors (i.e. IDB, World Bank). This implementation generally begins first within a specific technology or region and then spreads to new technologies or regions. Through this dissemination, other related institutions have become familiar with the merits of these technologies and are also initiating projects, as well. USAID's program is now focusing on continuing demonstration activities at industrial and municipal levels and with other USAID programs.

Possible Adjustments to Plans: The potential privatization of the Mexican power sector plays an important role in the objective's short-term strategy. The future role that energy efficiency and renewable energy activities would play in a privatized market may imply a redefinition of USAID's current strategy. USAID is initiating other key activities on clean energy generation that will strengthen the relationship with the GOM in terms of facilitating investments, developing policies, and programs to facilitate the emergence of competitive, restructured energy markets, promotion of U.S. exports, and capacity building and training.

Building on the knowledge developed through this SO (e.g., identifying opportunities for energy efficiency and renewable energy initiatives), USAID is developing a complementary GCC initiative. Given the strong link between energy generation/consumption and global climate change (GCC), USAID is also reviewing activities to increase their integration with this GCC strategy.

Other Donor Programs: The Federal Commission of Electricity (CFE) ($23.4 million) and Inter-American Development Bank (IDB $23.4 million) are implementing a five-year, national incentives and rebates program for energy efficiency, through the Commission for Saving Electrical Energy (FIDE). The World Bank and the Global Environment Facility are reviewing two proposals, one from FIRCO and another from the Secretariat of Energy, that will increase the installation rate of renewable energy systems based on USAID's successful model.

Principal Contractors, Grantees, or Agencies: Hagler-Bailly Consulting (RMS Program); U.S. Department of Energy's Sandia National Laboratories (Renewable Energy Program); the Mexican National Energy Savings Commission (CONAE); the Mexican Electrical Energy Savings Trust Fund (FIDE); the Mexican Center for Cleaner Production (CMPL); Association of Professionals and Technicians for Energy Applications (ATPAE); and the Mexican Shared Risk Trust Fund.

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Carbon dioxide emissions prevented through selected uses (per year) (estimated metric tons of CO_2)	0	376,550	200,000	200,000	200,000
Number of firms/municipalities adopting energy efficient technologies and practices (Cumulative)	0	82	95	100	120
Number of beneficiaries adopting renewable energy technologies and practices (Cumulative)	0	52,000	100,000	125,000	150,000

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Mexico
TITLE AND NUMBER: A Sustainable and Effective Institutional Capacity Developed to Diagnose, Control and Monitor Tuberculosis in Target Areas, 523-008
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,000,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $3,000,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Tuberculosis continues to be a major public health problem in Mexico, with 23,000 new cases officially reported in 1997. The increased reported number of new cases is in part due to increased emphasis placed on the disease by the Secretariat of Health, as well as the development of an improved system of notification and increased awareness by medical personnel since 1996. Tuberculosis is increasing among Mexicans 15 to 44 years of age. 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 epidemic facilitated by HIV/AIDS. The six Mexican states along the U.S. border report approximately 20 percent of the nation's cases and have morbidity and mortality rates higher than the Mexican national average. Several groups, including the U.S. Centers for Disease Control and Prevention (CDC), Ten Against TB, Project Concern International, and Project HOPE, among others, have undertaken collaborative activities along the U.S./Mexico border in an attempt to address this problem.

Reduction of 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 (DOTS) strategy to all health jurisdictions; and an efficient monitoring and evaluation system.

In February 1999, the Governments of Mexico and the United States signed a Memorandum of Understanding to enhance epidemiological surveillance and control of tuberculosis, and reaffirmed it in June 1999 at the U.S.-Mexico Binational Commission.

Key Results: The key results of USAID/Mexico's Tuberculosis Prevention and Control Program are: improved national and local political and administrative commitment to a tuberculosis control program; increased use of laboratory-based diagnosis to identify tuberculosis cases; improved directly observed therapy meeting strict case definitions; and improved mechanisms for monitoring program activities.

Performance and Prospects: USAID gathered a team of international experts to undertake an assessment of Mexico's current tuberculosis control effort in order to identify programmatic areas in which USAID support would be most beneficial, as well as to assist USAID in developing a multi-year plan of action. The TB design team collaborated with staff of the Secretary of Health at the national level in order to discuss TB program strategies and activities. Recognizing the importance of understanding the current context of the TB prevention, the team also observed TB control activities in several states on the U.S. border and in Oaxaca and conducted interviews (in Tijuana, Cuidad Juárez, Matamoros, and Oaxaca) with Mexican health officials at the national, state, jurisdiction and field levels, as well as with U.S. health officials and NGOs active in U.S./Mexico border states.

USAID and the Mexican Secretariat of Health developed a strategy for a program of cooperation on development of an institutional capacity to diagnose, control and monitor tuberculosis. This includes the upgrading of laboratory capacity, staff training, and improved treatment monitoring. USAID will partner with U.S. government agencies, international health organizations, and non-governmental organizations to assist the Mexican National Tuberculosis program to administer direct observation of a complete six-months course of short-course therapy to all new tuberculosis patients. The activity will also strengthen national and international referral systems. The states selected for project implementation in the first year are Baja California, Sonora, Chihuahua, Coahuila, Nuevo León, and Tamaulipas on the northern border; Chiapas, on the southern border with Central America; and Jalisco, Veracruz, Michoacán, Guerrero, Oaxaca, and San Luis Potosí.

Possible Adjustments to Plans: There are no planned adjustments to this objective.

Other Donor Programs: Other current donors to Mexico's National Tuberculosis Prevention and Control Program include the Pan American Health Organization (PAHO) and the National Committee for the Fight Against Tuberculosis and Respiratory Diseases, a Mexican NGO.

Principal Contractors, Grantees, or Agencies: USAID will work closely with the Mexican Secretariat of Health and U.S., international and local PVOs and contractors to implement activities in support of this strategic objective. Mexico partners include the Secretariat of Health, Division of Prevention and Control of Mycobacteriosis and the Office for the Coordination of Epidemiological Surveillance; the Secretariat of Health-State Administrations and their TB Services; the National Institute of Epidemiological Diagnosis and Reference (INDRE); and the other members of the National Tuberculosis Prevention and Control Program - IMSS, IMSS-Solidaridad, and ISSSTE. Potential U.S. partners include the Centers for Disease Control and Prevention (CDC), U.S. NGOs, such as Project Concern International and Project HOPE, Gorgas Institute, International Union Against Tuberculosis and Lung Diseases (IUATLD), and Ten Against TB.

Selected Performance Measures: Baseline, actual and target data will be prepared for the Performance Monitoring Plan, to be developed during the first quarter of 2000.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Mexico
TITLE AND NUMBER: More Equitable Economic Growth through Microenterprise 523-XXX
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $537,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $1,000,000 (DA)
STATUS: New
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE**: FY 2003

Summary: The number of Mexicans living below the poverty line is estimated at close to half the country's 100 million population. A drop of 40-60% in real wages since the peso crash of 1995, plus insufficient new employment generation, mean that lack of economic opportunity is creating severe financial pressures on large segments of the Mexican population. This pressure is reflected in rising numbers of people migrating both within and to other countries outside Mexico, e.g. the United States, in search of jobs to support their families. Growth of Mexico's informal (unsalaried) economy since 1995 suggests that microenterprise is now a primary source of income for poor Mexicans. Therefore, supporting the growth of microenterprise may help relieve some of the economic pressures which drive migration.

Microenterprise is a key to achieving USAID/Mexico's Strategic Objectives (SOs) in environment and energy conservation, as well. Only by providing poor people with viable income earning alternatives to destructive land use patterns, and helping them adopt more energy efficient technologies can USAID/Mexico's conservation models be replicated on a large enough scale to achieve the Mission's environmental Strategic Objectives (SO's).

Key Results: The Mission's analysis found almost no institutional base to support the growth of microenterprise in Mexico. There are a few Microenterprise Finance Institutions (MFIs) providing a small amount of credit. They consist mostly of small Non-Governmental Organizations (NGO's); with only a handful of MFI's being financially viable without foreign donor grants. Present, limited microenterprise lending is focused on the one-third of Mexico's microentrepeneurs at the subsistence level. There are no credit or other support services for the other two-thirds of poor microentrepeneurs above the subsistence level. Yet, this group is believed to have greater potential for creating more job and income opportunities for the poor; and for creating linkages to the formal economy through business expansion. The shortage of microenterprise support services institutions is particularly acute in the rural areas.

The proposed Special Objective (SpO) is: to strengthen the institutional base needed for sustainable microenterprise growth. To help reach this SpO, the strategy will achieve the following intermediate results: (1) Microenterprise finance institutions (MFIs) and other service providers define constraints to microenterprise growth and organize Mexican initiatives to address those problems; (2) MFI management and capitalization strengthened, in order to increase microenterprise access to credit and financial services; (3) Increased understanding of the role of microenterprise in the national economy, and its possible relationship to migration, as the basis for policy dialogue; (4) Models developed to

provide services to rural microenterprise, in support of USAID/Mexico's environmental and energy conservation SOs; and (5) A pre-feasibility study will be completed to guide the partner MFI's in possible future creation of a credit bureau to serve their specialized data needs.

Performance and Prospects: Prospects for success of the microenterprise strategy appear good. There is a small but dynamic group of MFI's and NGOs already working to improve the legal framework for microenterprise lending. These organizations have agreed to form a Working Group which will identify the key constraints to microenterprise growth in Mexico, and set priorities for joint action to eliminate such constraints. The Mission has identified 4-5 MFI's which are financially viable, and want help in strengthening their financial management capacity. The kinds of training and technical assistance USAID can provide will help these MFI's cut risk and costs that impede increased microenterprise lending. There is a critical shortage of capital for microenterprise lending, which USAID will try to address by developing mechanisms to tap savings deposits of the MFI's or other selected Mexican organizations. USAID/Mexico will need Development Credit Authority (DCA) to open the door to using savings for microenterprise lending.

Possible Adjustments to Plans: None anticipated.

Other Donor Programs: A World Bank pilot project in poor, rural areas will complement USAID's work, by providing experience with a model for delivering credit and other financial services to rural microenterprise. USAID will work with an Inter-American Development Bank (IDB)-funded regional institution to develop a curriculum for training Mexican MFI staffs in financial management and best practices. USAID will monitor two small, experimental projects funded by other donors, to determine whether a model is emerging for cost-effective business training for microentrepeneurs; and will provide informal assistance to disseminate the model, if appropriate. USAID will collaborate with 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 any organizations that could form part of a future core group of rural microenterprise support institutions.

Principal Contractors, Grantees, or Agencies: A Mexican Working Group of microenterprise service providers will give policy direction to the strategy. Day-to-day coordination of Working Group activities will be handled by a Mexican NGO dedicated to promotion of microenterprise, such as Pro Desarrollo. USAID/Mexico will contract competitively for a Long-Term Technical Advisor to manage the program, and provide on-going technical advice and management training to the Mexican Working Group and partner institutions. Short-term technical advisors will be contracted, either individually or through Indefinite Quantity Contract (IQC) mechanisms, to provide highly specialized training and technical assistance to the partner institutions. The Mission may also call on the Latin America and Caribbean Bureau's regional microenterprise project for appropriate technical assistance. USAID/Mexico will contract with qualified Mexican institutions to carry out migration studies and other key research.

Selected Performance Measures:	Baseline (2000)	Actual (2001)	Target (2002)	Target (2003)
MFIs with strengthened operating procedures and management controls.	0	3	2	1
Prefeasibility study completed on a credit bureau to serve MFI's	0	0	1	0
Mexican institution(s) providing financial management training to MFIs	0	1	1	0
Sources of new capital for MFIs accessed.	0	1	1	0
Models tested for providing support services to rural microenterprise.	0	0	2	2

Key research completed on migration-microenterprise relationship; microenterprise contribution to the Mexican economy; and institutional support for rural micro-enterprise.	0	1	1	1

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Mexico

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	8,977	6,882	9,462	9,725
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	400	2,050	4,400	4,200
CACEDRF	0	0	0	0
INC	500	1,000	500	500
Economic Support funds	1,000	1,500	2,000	2,700
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**10,877**	**11,432**	**16,362**	**17,125**
Operating Expenses	570	592	542	635
Trust Funds	0	0	0	0
Total Operating Costs	**570**	**592**	**542**	**635**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	2	2	2	2
Other U.S. Citizen	0	0	0	0
FSN/TCN	5	5	8	8
Subtotal OE Funded	**7**	**7**	**10**	**10**

Program Funded*				
U.S. Citizen	4	4	6	7
FSN/TCN	1	2	6	7
Subtotal Program Funded	**5**	**6**	**12**	**14**
Other				
TAACS	0	0	0	0
Fellows	1	2	1	1
IDIs	0	0	0	0
Subtotal Other	**1**	**2**	**1**	**1**
Total Work Force	**13**	**15**	**23**	**25**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
523-001 Critical Ecosystems and Biological Resources Conserved							
- DA	0	0	5,184	0	0	0	5,184
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- INL	0	0	0	0	0	0	0
523-002 Carbon Dioxide Emissions and Resources Conserved							
- DA	0	0	2,791	0	0	0	2,791
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- INL	0	0	0	0	0	0	0
523-003 Strengthened and More Responsive Democratic Institutions and Citizenry							
- DA	0	0	0	750	0	0	750
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	2,700	0	0	2,700
- INL	0	0	0	500	0	0	500
523-004 Enhanced Quality and Sustainability of HIV/AIDS/STI Services in Target Areas							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0

- CSD	0	1,200	0	0	0	0	1,200
- ESF	0	0	0	0	0	0	0
- INL	0	0	0	0	0	0	0
523-005 Sustainable and Effective Institutional Capacity Developed to Diagnose, Control and Monitor T/B in Target Areas							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	3,000	0	0	0	0	3,000
- ESF	0	0	0	0	0	0	0
- INL	0	0	0	0	0	0	0
523-006 New Microenteprise Activity							
- DA	1,000	0	0	0	0	0	1,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- INL	0	0	0	0	0	0	0
Totals							
- DA	1,000	0	7,975	750	0	0	9,725
- DFA	0	0	0	0	0	0	0
- CSD	0	4,200	0	0	0	0	4,200
- ESF	0	0	0	2,700	0	0	2,700
- INC	0	0	0	500	0	0	500

The United States Agency for International Development

NICARAGUA

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
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Introduction

U.S. assistance to Nicaragua contributes to our strategic goals by fully integrating Nicaragua in regional and global markets, consolidating democracy, and promoting economic growth and reconstruction. U.S. engagement in Nicaragua is an investment in regional stability and the security of our borders, particularly after the destructive flooding 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 and investment but also help stem the flow of illegal immigration to the United States. Post-Mitch conditions may spur more migration. Assisting Nicaragua to achieve a healthy democracy and rule of law contributes to a more level playing field for U.S. companies, the resolution of property cases, and improved security for U.S. citizens in Nicaragua. 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 protect vital hemispheric biodiversity and help prevent natural disasters in the future while assuring sustainable development. U.S. assistance to reactivate basic health and education services following Hurricane Mitch and reconstruction programs to help reinstate the livelihoods of affected families, respond to Nicaragua's humanitarian needs and will contribute to its future prosperity.

Development Challenge

In 1998, Hurricane Mitch hit Nicaragua, cutting the country's gross domestic product in half and killing more than 3,000 people. The areas most affected by Mitch, located in the north and northwest part of the country, coincide with the poorest regions of Nicaragua. The Atlantic region, with its large indigenous population, suffered flooding along the Rio Coco and its tributaries. Mitch caused extensive damage to roads and bridges. Much of the population had no potable water. Hundreds of schools were damaged or destroyed, and many that survived became temporary shelters for Mitch-affected families. More than 20,000 family homes were damaged or destroyed. With more than 25% of the country's cropland damaged and eroded by the flooding, small farmers suffered greatly. The U.S. Government responded with emergency disaster assistance, both material and cash, totaling about $20 million with emergency P.L. 480 Title II food included.

Following the emergency phase, USAID redirected approximately $8.5 million from its regular activities to jumpstart reconstruction activities principally in the health and agricultural sectors until the Central American and the Caribbean Emergency Disaster Recovery Fund (CACEDRF) supplementary funds were approved in late May 1999. With supplemental funds, USAID is now restoring primary health care services and rebuilding water and sanitation systems for small communities in areas affected by Mitch. USAID is helping some 100,000 rural households recover from the effects of Mitch through a variety of reconstruction programs. These include provision of agricultural inputs and technical assistance to farmers, repair of farm-to-market roads, protection of watersheds, and reclamation of cropland damaged by the floods. Communities will be better prepared to face future disasters after receiving training sponsored

by USAID at the same time the repair of containment structures, retaining walls, culverts, and restoration of river embankments, under the supervision of the U.S. Army Corps of Engineers, will mitigate against another tragedy. USAID will refurnish and re-equip at least 570 school rooms that were badly damaged or destroyed by Mitch. USAID is assisting 20 small to medium municipalities in the most severely affected areas of Nicaragua to repair basic infrastructure works key to restoring services to families.

Overall economic losses as a result of Mitch were estimated at $1.5 billion. GDP growth for 1998 dropped to four percent down from five percent in the previous year. With international flows, growth rebounded to about six percent in 1999. Moreover, despite debt forgiveness by the U.S. and other donors before and after Hurricane Mitch, Nicaragua still has an impossibly large external debt burden. Because additional debt forgiveness is required, Nicaragua is working to meet conditions for a Heavily Indebted Poor Countries (HIPC) initiative including the design of a national poverty reduction strategy and evidence of progress made in improved governance. The challenge now is to recover productive capacity, with emphasis on rebuilding damaged agriculture, shelter, water and transportation infrastructure, and to build for more sustainable development. To deal with the requirements of hurricane reconstruction and national transformation, the Government of Nicaragua (GON) sought $1.4 billion in assistance from the international donor community during the Consultative Group meeting in May 1999.

Hurricane Mitch demonstrated how vulnerable the country is to natural disasters. Though immediate efforts to assist households affected by the hurricane still continue, the country must devise programs to reduce the vulnerability of rural households especially to future natural disasters and unforeseen downturns in the market for primary commodities. Nicaragua needs donor support to 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 improve the mechanics of delivering services to the poor. Investments in health and education, credit and technology, will not only put the affected families back on their feet, but will in the long run assure that they will be able to recover faster when disasters strike again. 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.

The USG supports the GON's post-Mitch objective to safeguard reconstruction efforts through good governance and its guarantee that civil society will participate in national reconstruction programs. The challenge now for democracy in Nicaragua is to not regress during this difficult period of recovery, but rather to push forward on government accountability, transparency, efficiency, participation, and decentralization during the reconstruction period.

Other Donors

The international community responded generously to Nicaragua's appeal for donor support for its reconstruction and national transformation program. Indications are that major infrastructure needs in the transport, housing, electric and communications sectors will be covered by multilateral financial institutions, the European Union, and bilateral donors including Japan, Spain and Taiwan. The World Bank, United Nations agencies and numerous bilateral donors increased their funding for school and health center reconstruction and equipping as well as for new water and sanitation programs. There is an increase in donor emphasis on social sector programs following the various Consultative Group meetings. Food assistance also figures strongly in the transition period between emergency and recovery from Mitch damages in the agricultural sector. Though there are many donors financing agriculture and environmental recovery, the needs are overwhelming given the extent of the damages. The Inter-American Development Bank (IDB) has proposed programs in municipal strengthening for the Atlantic Coast and waste management for Managua, among other programs in the pipeline. The IDB is also taking the lead on developing a mechanism to assure that all reconstruction funds are handled in a transparent and responsible manner. Donors will be asked to contribute to financing this anti-corruption mechanism. Nicaragua plans to continue with its Economic Structural Adjustment Facility agreement with the International Monetary Fund (IMF) to ensure its participation in the HIPC initiative.

With CACEDRF supplemental funding included, the United States is likely to rank as the largest single bilateral donor to Nicaragua in 1999 with Japan as a close second. In 1998, Japan had emerged as the largest single bilateral donor, and third ranked overall, with only the IDB and World Bank providing higher levels of assistance according a report prepared by the IDB at the request of the GON in April 1999. The United Nations agencies and the U.S. ranked fourth and fifth, respectively, on the list of donors to Nicaragua in 1998.

Nicaragua

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID plans to continue with the core of its development program in Nicaragua in the areas of democracy, economic growth, and human investment. A new reconstruction objective was incorporated into the country strategic framework in 1999 to accommodate the strong USG response to the humanitarian and development needs resulting from Hurricane Mitch. Nearly all the regular USAID activities, and the entire reconstruction program, are being implemented in the departments most affected by Mitch. This geographic focus coincides with the area of highest poverty in Nicaragua. USAID is directing its reconstruction assistance to agricultural recovery, natural disaster mitigation, public health promotion and disease prevention, restoration of schools, public works, and microenterprise financing. Parallel activities under USAID's regular development program will reinforce reconstruction efforts and will achieve greater impact over the longer term.

Resources requested for FY 2001 are destined to fund USAID's on-going sustainable development program. Mitch reconstruction activities will be implemented through FY 2001 with CACEDRF funding provided in FY 1999. In the democracy area, USAID will strengthen democratic institutions through technical support for reform and modernization of the courts and national assembly. USAID will continue to work on improving the mechanism for settling property cases. USAID will increase support for human rights by developing NGO capabilities for dealing with human rights issues. By supporting the establishment of a fully functioning integrated financial management system, USAID contributes to efforts to combat corruption in government. USAID seeks to invigorate civil society through support to non-governmental organizations.

USAID will promote agricultural production and small businesses through provision of credit, technical assistance and policy reform, while assisting in the sound management of Nicaragua's natural resources. USAID has been successful in helping a number of vegetable farmer cooperatives to modernize, diversify and expand vegetable production. Under its FY 2001 program, USAID will continue to distribute a wide range of improved seeds as well as promote better production practices among farmers producing vegetables, shaded coffee, and basic grains. USAID's highly successful microfinance activities will continue through FY 2001 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.

In the areas of basic health and education, USAID programs will help improve the delivery of government services especially to rural areas. A decentralized approach will be taken to improve quality and accessibility of family health care, including comprehensive reproductive health services, at public health centers and posts. To combat malnutrition, USAID supported the launch in early 2000 of a nationwide program to fortify sugar with Vitamin A, and will continue similar efforts in FY 2001. USAID will support joint initiatives of the Ministry of Health and the Ministry of Education, Culture and Sports to implement health education in school on HIV/AIDS issues. USAID's basic education program will increase access to quality education and foster greater community and parent participation in the schools. Substantial progress was made enhancing curricular reforms in model schools supported by USAID. USAID will continue to help teachers master these new approaches while encouraging students to engage in more active learning.

ACTIVITY DATA SHEET

PROGRAM: Nicaragua
TITLE AND NUMBER: More Political Participation, Compromise, and Transparency, 524-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,000,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,000,000 (DA), $1,450,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Nicaraguan society is still highly polarized even though 1999 saw an agreement between the two dominant political parties concerning constitutional reforms that will strengthen their position at the expense of the smaller parties. The year also saw a bitter conflict between the Executive and the Controller General resulting in the jailing of the Controller, whom many view as the main corruption fighter. There was an increase in reported human rights violations, perhaps a reflection of the societal disruptions caused by Mitch, and we may adjust our human rights targets as a result. Conditionality for HIPC debt forgiveness may force the government to adopt truly modern standards of transparency and openness; the dispute with the Controller greatly heightened awareness of the corruption issue and brought the discussion of it to the mainstream in a way which will be very hard to reverse. Civil society continues to strengthen, although it must be given more systematic avenues of expression (public hearings, for example). Nicaragua still needs to decentralize power and further strengthen local governments. USAID program for this strategic objective strengthens democracy by helping the government resolve property cases, register voters, modernize the administration of justice and reform an archaic criminal justice system, and strengthen legislative and municipal government capabilities. The program also will protect human rights, empower civil society, help bring the government's information systems into the modern age and strengthen the Controller General.

Key Results: USAID is working on five key results to achieve this objective: 1) a measured increase in 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 with access to basic services such as garbage collection, sewer and water by the year 2000 compared to 52% in 1996; 4) human rights violations are reduced; and 5) citizen participation in local government decision-making increased.

Performance and Prospects: USAID facilitated achievement of a working consensus among the Court, the Assembly and the Attorney General on a high-level commission to review and recommend essential legislation for modernization of the justice sector. The Organic Law for the Public Ministry is being passed as part of the constitutional reforms, creating an independent Prosecutor's Office and allowing for modern criminal procedural reform. A new Criminal Code is on the floor of the Assembly now, and a law (Administrative Litigation) to remove de-facto immunity from Executive Branch agencies was drafted and is under discussion. A Public Defender's office was inaugurated and is functioning, although only in Managua. The Human Rights Ombudsman was appointed. Hurricane Mitch set back results in terms of percentage of the population with access to basic services, but the municipal strengthening activity continues to earn key support from mayors and has expanded beyond the original 14 communities. Civil society organizations now play a more obvious role in a public debate that focuses ever more on government ethics and corruption.

USAID will continue efforts to upgrade the efficiency, improve access and promote equity within the judicial system. In particular, the program will finance development of new codes such as administrative litigation, penal, criminal procedure, and the creation of an independent prosecutor's office (Public Ministry), plus training programs to assure proper implementation. It will continue to strengthen the public defender's office, the attorney general's office, the Public Ministry once formed, and court administration. It will continue to pursue a comprehensive system to protect human rights, by assisting the peace commissions in towns and cities and improving the capabilities of human rights non-governmental organizations (NGOs). USAID will continue to help improve the bond compensation mechanism for compensating owners or occupants of confiscated properties and support case resolution.

USAID will also continue efforts to improve public sector transparency as well as provision of more cost effective and better quality services, and to promote greater citizen participation in community affairs. The program emphasizes municipal development and decentralization by improving the capacity to deliver public services like water, sewer and garbage collection, helping local governments to increase locally-generated revenue and encouraging citizen participation in local decision-making by seeing that decisions are made more transparent and community views taken into account. It will improve the National Assembly committees' ability to research and draft legislation, train staff, foster better constituent relations, automate the information system and provide orientation to new deputies after the 2001 election. USAID will broaden support to civil society groups to enhance their influence over governmental

decision making and to promote basic human rights awareness and conflict resolution. The program will continue working on integrated financial management, placing emphasis on public awareness of anti-corruption, independent audits of government programs, and systematic ethics training for government employees. USAID envisions very modest levels of assistance for the Supreme Electoral Council for the 2001 national elections.

Possible Adjustments to Plans: None at this time.

Other Donor Programs: USAID takes the lead role in the rule of law, while Sweden, the United Nations (U.N.) and European Union (EU) continue to support courthouse construction and penitentiary system reform. Spain, Sweden, the U.N., the InterAmerican Development Bank (IDB) and World Bank have funded complementary activities in police training, legal reform, statistics, and judicial administration. In good governance, the Danes and Swedes have worked on improving municipal administration in towns other than those USAID covers, while the World Bank, IDB and EU have financed construction and rehabilitation projects. The IDB and Taiwan have helped the National Assembly with internal regulations and building construction, respectively. The World Bank, IDB and USAID joined in a multi-donor effort to carry out financial management reform. The Nordics and Germany have provided assistance to the Controller General, while the IDB is developing a program to improve skills of private sector auditors. A new major IDB initiative in government procurement reform is also planned.

Principal Contractors, Grantees, or Agencies: Nicaraguan: Select municipality governments, Association of Nicaraguan Municipalities (AMUNIC), Ministry of Finance (including the Office of Quantification of Claims and the Property Registry), Supreme Electoral Council, National Assembly, Courts, Public Defenders, Attorney General, the Comptroller General, and the Nicaraguan Development Center and other local NGOs. United States: Casals and Associates, Catholic Relief Services (CRS), the Planning Associates Development Collaborative (PADCO), State University of New York, Checchi & Company Consulting, Inc., and Florida International University (FIU).

Selected Performance Measures:	**Baseline**	**Actual (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Political System Support (biannual)	43% (1995)	53% (1997)	55%	----	55%
New Codes Adopted	none (1996)	Organic Law for Judicial Branch approved	Organic Law for Judicial Branch took effect	Organic Law for Public Ministry, Criminal Code.	Admin. Litigation; Criminal Procedure Code
Reported Human Rights Violations	573 (1996)	292	375	350	325
Meetings Held between Public and Mayors	5 (1996) 15 (1997)	56	60	65 *	---
Households with access to basic services	56% (1996)	65%	70%	75%*	---

* final year for indicator

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Nicaragua
TITLE AND NUMBER: Sustainable Growth in Small Producer Employment and Income, 524-002
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $8,650,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $13,038,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The USAID program for this Strategic Objective seeks to sustain the growth of incomes and employment opportunities of small producers through:1) helping small farmers diversify production and increase output in a sustainable way; 2) increasing small- and micro-businesses in rural and urban areas; and 3) fostering a more rational use of natural resources. The agriculture program finances technical assistance to small farmers through private voluntary organizations (PVOs) and Nicaraguan non-governmental organizations (NGOs) to encourage the adoption of environmentally sustainable agricultural practices. It also supports a national seed improvement program and a GON program to provide land titles to small farmers. Under this objective, USAID's microenterprise program provides technical assistance and training to strengthen credit unions, enabling them to provide financial services and mobilize savings in rural areas. It also provides the resources to expand micro-enterprise lending for value-added activities, including post harvest processing and storage, food processing, equipment manufacture and repair, and commercial services. USAID's natural resources management activities aim to protect biologically important ecosystems by strengthening protected area management and by introducing environmentally sustainable agricultural practices into the buffer zones surrounding the protected areas.

Key Results: Under this Strategic Objective, USAID will promote economic growth in rural areas especially in the agriculture sector. To this end, the mission established a seven percent growth rate target in agricultural GDP. Under the micro-enterprise program, USAID will have financed 78,000 microenterprise loans over a six-year period ending 2001. The target established under USAID's 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 Nicaraguan agriculture sector is slowly recovering from the impact of Hurricane Mitch, which struck with devastating force in October 1998. Mitch cut the growth rate in agricultural GDP from 8.3% in 1997 to 3.5% in 1998. Crop and forest production are expected to improve in 1999, however livestock and fisheries losses continue to have a dampening effect on agricultural GDP which is projected to grow at 4.8% in 1999. In response to Mitch, USAID received CACEDRF supplemental funds of which $60 million were programmed for economic reactivation and disaster mitigation activities under USAID's Special Objective for reconstruction. However, USAID's on-going sustainable development program has also contributed to this recovery effort, since many of its activities are in Mitch affected areas. Moreover, the measures that USAID promotes, such as crop diversification, improved soil and water conservation, the adoption of environmentally sound cultivation practices, and improved post-harvest storage, are precisely the types of interventions that are needed to help farmers and entrepreneurs recover from Mitch and to mitigate future disasters.

In early 1999, several of USAID's on-going activities responded to Mitch by using already programmed Development Assistance (DA) resources to distribute to Mitch-affected farmers nearly $1.65 million worth of seeds and agricultural equipment that were procured with funding from USAID's Office of Foreign Disaster Assistance (OFDA). Producers needed these seeds and equipment to reactivate their farms. While these relief activities required significant staff time, they presented opportunities which, in the longer run, will contribute to the achievement of the sustainable growth objective. For example, Mitch virtually wiped out vegetable production in northern Nicaragua, so there was a critical need for new seed. The emergency seed distribution program meant USAID could distribute a wide range of improved vegetable seeds, as well as to promote better vegetable production practices among participants in its regular programs. In addition, under its core program, USAID financed efforts of a number of farmer vegetable cooperatives to modernize, diversify, and expand their vegetable production. The success of these cooperatives is serving as a model to other vegetable producers. Some $1.7 million were provided for sub-grants to seven Nicaraguan organizations to expand and promote vegetable and shaded coffee production, and to introduce improved grain production techniques for the benefit of over 19,000 farmers.

The OFDA emergency program also enabled USAID's Seed Improvement Project to introduce improved maize and red bean seed varieties to farmers more quickly than would otherwise have been the case. USAID was also active during 1999 in guiding the formulation of national seed policy. In particular, the Seed Improvement Project was instrumental in securing the passage of a plant protection law vital to ensuring the intellectual property rights of plant breeders. This is the first step in an effort to harmonize seed laws throughout the region, a critical step in the development of a vibrant seed sector.

In 1999, a USAID-funded pilot project implemented by the Cooperative League of the U.S.A. (CLUSA) to promote organic and non-traditional agricultural products came to an end. That project directly benefited 3,500 producers, increasing their net incomes an average of 82% and generating over $6 million in sales from the production of non-traditional crops. In late FY 1999, USAID awarded two new cooperative agreements, one a follow-on award to CLUSA and the other to the World Relief Corporation. Both PVOs will be promoting improved technologies and

marketing practices to small farmers in Nicaragua, including in Mitch-affected areas, and together the two programs will benefit approximately 15,000 producers. Similarly, USAID's Land Titling Project that aims to strengthen the Ministry of Agriculture and Forestry's Land Market Unit and support sector studies needed to improve and accelerate the GON's land titling program, began at the end of FY 1999

This year saw the completion of microenterprise activities under USAID's PVO Co-Financing Project. Though USAID provided less than $7.5 million in grant funds during the life of the program, more than $64 million in loans were disbursed to over 62,000 beneficiaries. The average loan size was $243 and the portfolio default rate was only 5 percent. Another $11.6 million is being provided for rural and urban microenterprise development under USAID's continuing Small Producers Strategic Objective. Under this new effort, approximately 20,000 micro-entrepreneurs will obtain loans during the next three years. Support for the development of rural credit unions is another focus of USAID's growth objective. Currently, there are 23 credit unions participating, with a combined membership of 5,800 individuals, of whom nearly 50 percent are women. Under the credit union program, saving deposits have exceeded expectations, reaching over $5.3 million, while loan delinquency levels have fallen from 67.3% in May 1997 (the start of the activity) to 21.2% (as of June 1999).

USAID's natural resources management activities under this objective are also in transition. In FY 1999 the first phase of the Mombacho Volcano Cloud Forest Reserve program was completed. A local USAID partner, the Cocibolca Foundation, was given the legal mandate from the GON to administer the Mombacho Volcano Protected Area, making this Nicaragua's first example of a public/private sector partnership for park management. As a result of Cocibolca Foundation management, the park went from zero to thousands of paying visitors per year. USAID will expand this co-management model resulting in 10 well-managed protected areas generating income. A key component of the Mombacho activity was the introduction of shaded, organic coffee and cacao production into the buffer zone around the reserve. It clearly demonstrated the value of shaded coffee production for preserving bio-diversity, while at the same time doubling the income of the coffee and cacao farmers that are members of over 20 cooperatives involved in the program.

Possible Adjustments to Plans: USAID's implementing partners have made adjustments to their program in response to Hurricane Mitch. As implementation of USAID's Hurricane Mitch Reconstruction activities progresses, additional adjustments may be necessary.

Other Donor Programs: A wide range of donors is working in the agriculture, microenterprise, and natural resources sectors. Opportunities for collaboration are being taken. For example, USAID's land titling program will be collaborating very closely with a World Bank-funded project working on land tenure issues. Among other donors working in the agriculture sector, the European Union (EU) and Japan are working on broad rural development and agriculture support activities through the Rural Development Institute. Some donors joined USAID in supporting the GON's emergency basic grains planting program. Others are contributing to GON agricultural rehabilitation programs. USAID partner organizations have benefited from a basic grains marketing project financed by the EU. A joint IDB/USAID Microenterprise Recovery Fund has been created to help microenterprise credit institutions recover from Hurricane Mitch. The European Community and Central American Bank for Economic Integration (CABEI) also have projects for small and microenterprises. The Danish and German governments are providing a significant amount of aid for environmental conservation. The World Bank has designed a $6.4 million forestry program.

Principal Contractors, Grantees or Agencies: Winrock International; Development Alternatives Inc.; the World Relief Corporation; the Cooperative League of the United States of America; the GON PL-480 Secretariat; the World Council of Credit Unions; Foundation for Microenterprise Support (FAMA); Promujer; the Cocibolca Foundation; and the Alistar Foundation.

Selected Performance Measures:	**Baseline 1994**	**Actual 1998**	**Target 1999**	**Target 2000**	**Target 2001**
Growth rate of agriculture sector (GDP)	3.6%	3.5%	7.0%	7.0%	7.0%
Farmers accessing USAID services	7500	33,000	33,000	35,000	38,000
Cumulative number of microentrepreneurs receiving loans under USAID projects	7500 (1995)	54,205	55,000	58,000	78,000

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Nicaragua **TITLE AND NUMBER:** Better Educated, Healthier, and Smaller Families, 524-003 **PLANNED FY 2000 OBLIGATION AND ACCOUNT:** $3,300,000 (DA), $7,932,000 (CSD) **PROPOSED FY 2001 OBLIGATION AND ACCOUNT:** $5,200,000 (DA), $7,248,000 (CSD) **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. Despite the fact that Nicaragua's per capita income remains the second lowest in Latin America, preventive health care performance in Nicaragua has substantially improved. The government provides a greater percentage of its budget to health, and a greater percentage of its health budget to preventive care, than do other countries in the region. Infant mortality dropped over 30% in the past five years, moving Nicaragua from last to first place among its Central American neighbors, and the Total Fertility Rate has dropped by 15%, a unique achievement in Latin America. Similarly, notable progress has occurred in primary education since the Ministry of Education, Culture and Sports (MECD) instituted school autonomy and curriculum reform in the early 1990s. However, great challenges in the sector remain: 33% of children suffer from chronic malnutrition; 79% of rural poor lack access to potable water, a figure that remained unchanged between 1993 and 1998; net primary school enrollment in 1999 was only 75% (an increase of 2% since 1998); high repetition and drop-out rates lead to systemic inefficiencies; and urban/rural disparities in access and quality persist in both health and education. USAID will use Child Survival funds to fight childhood malnutrition and to improve access and quality of primary education, child survival and maternal health services. USAID will use DA funds to support family planning and related reproductive health programs using integrated, community-based models.

Key Results: USAID expects the following key results under this activity: 1) better nourished women and children; 2) increased use of child survival services and practices; 3) increased use of comprehensive reproductive health services; and 4) increased active student participation. The first two results will contribute to lowering infant mortality from 40 deaths per thousand in 1998 to 37 deaths per thousand in 2001. USAID expects total fertility to decrease from 3.9 children per woman in 1998 to 3.6 in 2001. USAID also expects at least a 5% increase this year 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: Before the devastation caused by Hurricane Mitch in November 1998, Nicaragua had made rapid advances in education and health, exceeding expectations in both sectors. The 1998 Demographic Health Survey (DHS) showed infant mortality dropped from 58/1000 in 1993 to 40/1000. Child immunization coverage rates sustained levels close to 90%. Fertility rates dropped from an average of 4.6 in 1993 to 3.9 children per woman in 1998 and Nicaragua's population growth rate dropped from 3.1% to 2.3%. Primary school completion rates rose from 22.8% in 1993 to 27% in 1997.

After the hurricane, USAID-supported local NGOs and US PVOs working in the sector rapidly re-directed their resources and program priorities to meet disaster relief needs. As a result of this rapid and effective response, we still expect to meet our previously existing program and performance targets. Malnutrition remains a serious problem, however, especially in rural areas. In January 2000, with USAID assistance, the Ministry of Health (MINSA) along with local sugar producers will launch a nationwide program to fortify sugar with Vitamin A, a low-cost intervention that will directly benefit the one-third of Nicaraguan children who suffer from Vitamin A deficiency. Nicaragua also has the fastest-growing HIV/AIDS problem in Central America; in November 1999, the MINSA and the MECD issued a joint declaration of cooperation to address the growing threat of HIV/AIDS. In their declaration, the two Ministries pledged to work together to implement health education in schools on HIV/AIDS issues. USAID enjoys close and effective working relationships with both the MINSA and MECD and is exploring ways of linking USAID assistance in both sectors to address this emerging health issue.

Under the first phase of its basic education program (1994-1999), USAID supported educational reforms which led to fundamental changes in the national primary school curriculum, teaching practices and instructional materials. The objective of the current activity is to increase access to quality education-with a special emphasis on rural multi-grade schools and bilingual education on the Atlantic Coast-and to foster increased community and parent participation in the schools. Under this second phase of the program, the number of urban, rural and bilingual Model Schools has expanded from 94 to 175, ensuring at least one Model School in every Nicaraguan municipality. The program is now

strengthening these Model Schools so that they become centers of excellence and can serve as demonstration and training sites for surrounding schools. Substantial progress occurred last year in supporting and enhancing curricular reforms in Model Schools by training teachers to master these new approaches. The degree to which students participated actively in the classroom, used instructional materials and were motivated to participate in student governments-a composite measure of the effectiveness of program interventions-increased almost 9% between 1998 and 1999, exceeding expectations by 4%.

USAID started the second phases of its maternal/child health and reproductive health programs in FY 1998. USAID's previous bilateral health program focused on improving central level MINSA capabilities to supervise and strengthen local level integrated care of women and children. The PROSALUD activity, a new health activity program, uses a decentralized approach that starts at the local level to improve quality and accessibility of care at public health centers and posts. This innovative effort works with local government, health and PVO officials to develop and implement joint work plans in project intervention areas that are complementary and coordinated, rather than parallel and duplicative. PROSALUD's technical focus on establishing fully functional health centers through upgrading personnel and facilities will reach a total population of 780,000 in the three target departments of Matagalpa, Boaco and Jinotega. Ironically, these rural poor populations also suffered some of the heaviest damage from Hurricane Mitch. USAID has also financed the expansion and transformation of Profamilia, a local NGO, from a family planning focus to its new role as the leading Nicaraguan private provider of a broad package of family health services, along with contraceptive social marketing, reproductive health and social services for youth. USAID-supported training for MINSA and the grantee Profamilia personnel in contraceptive technology and patient counseling techniques has improved supply and distribution of commodities as well as quality and effectiveness of patient care in both the public and private sectors.

Possible Adjustments to Plans: (1) USAID/Nicaragua has scheduled an assessment on HIV/AIDS in early February to define ways of addressing this emerging health issue; (2) USAID is exploring ways of assisting the MINSA in financial management and planning.

Other Donor Programs: Although USAID remains the largest bilateral donor in the sector, many other donors work in Nicaragua on activities directly supporting or complementing USAID's strategic focus. Indeed, MINSA currently receives funding from over 16 bilateral and multi-lateral donors for 26 on-going projects. IDB and World Bank remain major players. IDB's large municipal water and sanitation project starting this year will complement USAID's efforts under the Mitch supplemental to improve rural water and sanitation facilities, while one component of IDB's Atlantic Coast loan supports improved supervision of primary school teachers. The World Bank and Japan finance both hospital and school construction and renovation; the World Bank also funds teacher training and textbooks, supporting USAID's more intensive work on improving the quality of instruction in primary schools. Among the UN agencies, USAID works closely with the Panamerican Health Organization (PAHO) and the UN Fund for Population Activities (UNFPA) on health and family planning issues and with UNICEF on education. USAID funds Nicaragua's immunization program through a bilateral agreement with PAHO; USAID and UNFPA signed a tri-partite agreement this year with the MOH on contraceptive supplies. USAID funding to PAHO last year produced Nicaragua's first National Health Accounts, providing the most comprehensive information to date on total health resources and expenditures in both the public and private sectors. UNESCO/Holland and UNICEF support education planning, curriculum development and provide training. Among leading bilateral donors, Finland will support bilingual education on the Atlantic Coast under USAID's leadership while Sweden and the EU fund regional health departments, complementing USAID's PROSALUD project.

Principal Contractors, Grantees, or Agencies: U.S. contractor for the PROSALUD project is Management Sciences for Health; Academy for Educational Development is the contractor for BASE II. Leading Nicaraguan partners include the MINSA, MECD, and the Nicaraguan Association for the Promotion of Family Welfare (PROFAMILIA). International Agency Partners: IDB, World Bank, PAHO, UNFPA, and UNICEF.

Selected Performance Measures:	**Baseline (1993)**	**Actual (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Total fertility rate (children/woman)	4.6	3.9	3.8	3.7	3.6
Infant mortality rate (deaths per thousand)	58	40	39	38	37
Immunization coverage for children under one year of age	65%	90%	>90%	>90%	>90%
Active Student Participation Index	NA	23%	38%	33%	38%

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Nicaragua
TITLE: Rapid Reconstruction and Sustainable Recovery in Mitch-Affected Areas, 524-005
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: Hurricane Mitch was the worst natural disaster to hit the region in two centuries, pouring out record levels of rain, causing widespread flooding and landslides. USAID/Nicaragua's Special Objective (SPO) Rapid Reconstruction and Sustainable Recovery in Mitch-Affected Areas comprises its post-hurricane reconstruction plan. Reconstruction activities focus on five sectors: public health; economic reactivation; disaster mitigation and environmental planning; education; and local governments. Geographically, the focus is 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, micro-entrepreneurs, 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; and 5) basic infrastructure in selected Mitch-affected municipalities repaired. In addition to these key results, USAID expects that funds channeled through the Government of Nicaragua (GON) for reconstruction activities will be managed honestly and effectively.

Performance and Prospects: As of year end 1999, 82% of the CACEDRF funds obligated for this objective have been committed, generally to finance activities implemented by current partners, including US contractors, PVOs and local NGOs. Emergency P.L. 480 Title II commodities and OFDA funding filled critical needs between the time Mitch hit Nicaragua and the CACEDRF funds were approved. Future non-emergency P.L. 480 Title II resources will be used to best advantage in combination with reconstruction funds and child survival supplemental funds.

USAID is rebuilding water and sanitation systems for small communities. Simple water filters have been distributed to 39,000 families in 20 municipalities. USAID's Environmental Health Project (EHP) mechanism will provide water, sanitation and hygiene education technical assistance to NGOs and PVOs to build potable water and sanitation services for 100,000 people. Construction of deep wells, latrines, and sanitation systems will help prevent outbreaks of water-borne diseases. USAID will also develop a national campaign to improve maintenance of water and sanitation infrastructure. USAID distributed 58,000 mosquito nets impregnated with permethrine. This effort was especially beneficial to pregnant women and small children, who are more vulnerable to malaria and dengue.

USAID funding channeled through USPVOs and local NGOs supports a variety of initiatives to help restore economic livelihoods to 124,000 farmers, micro-entrepreneurs and rural laborers in Mitch-affected areas. USAID funding has already enabled the relocation of more than 350 families, survivors of the Posoltega mudslide, to begin farming on a 70 hectare parcel of land further away from the Casitas Volcano. USAID initiatives include promoting the adoption of environmentally sustainable agriculture practices, reclaiming and rehabilitating agriculture land and rehabilitation of farm-to-market roads. Over 20,000 people will receive minimum cash payments under the activity to rehabilitate some 1,000 kilometers of rural roads. USAID programs are also facilitating the introduction of new technologies and crop varieties for high-value products such as organic crops, fruits and vegetables, flowers, medicine herbs and other competitive crops to reduce farmers' vulnerabilities to both natural disasters and downturns in prices of basic grains. USAID partners are working on stream bank stabilization and watershed management to reduce soil erosion and control the flow of water run-off through reforestation with high value timber species and fruit trees. USAID also channels credit to Mitch-affected micro-entrepreneurs and agriculture producers through local NGOs and rural credit unions.

An important element of the USAID reconstruction program is the correction or mitigation of sites that pose a threat for future flooding or landslides. Some sites were identified early on by United States Department of Agriculture (USDA)

experts and one in Posoltega has already been mitigated by construction of a dike. USAID is also working through communities to improve the capacity of local residents and municipalities to prepare for and cope with natural disasters.

USAID is assisting schools on the Rio Coco River system, Posoltega, and the Nueva Vida resettlement near Managua. Some 570 Mitch-affected classrooms will be re-stocked with school supplies, instructional materials and classroom equipment, and re-furnished with school tables and chairs constructed by NGOs and community members. Teachers are being trained to address the special needs of students in Posoltega, where the mudslide left many children orphaned, and in Nueva Vida, now experiencing high rates of desertion, alcohol/drug use and gang involvement. Nueva Vida students will also be provided with practical, after-school work and learning alternatives addressing community needs.

USAID municipal autonomy and development activities have been extended to cover Mitch-affected communities. A total of 22 municipalities in seven particularly hard-hit departments (Esteli, Madriz, Nueva Segovia, Leon, Chinandega, Matagalpa, and Managua) will receive funding for small-scale repairs. Repair work on the dike in Posoltega was completed in mid-November 1999. Projects to repair other municipal infrastructure are expected to break ground in early 2000, including restoring the water drainage system in Leon; building a containment wall for the Rio Grande in Matagalpa; and re-paving streets in Tipitapa.

Possible Adjustments to Plans: None at this time.

Other Donor Programs: A rough calculation shows that the USG will provide approximately 10% of the amount committed by donors to support Nicaragua's reconstruction and national transformation. Other major contributors are Japan, the InterAmerican Development Bank (IDB), World Bank, EU, the Nordic countries and Spain.

Several donors have increased support for existing primary health care programs. With donors' help, the Ministry of Health is repairing one hospital, 46 health centers and 66 health posts, and building 16 health centers and 12 health posts. The Japanese supply medicines. The Swedes fund regional health departments adjacent to those supported by USAID. The World Bank, IDB and Japan fund hospital construction and renovation, other health infrastructure projects, and urban water/sanitation projects. A new $40 million World Bank and IDB health sector loan will finance infrastructure, supplies and facilities.

The GON is providing $16 million in agricultural credit for Mitch-affected farmers, while local NGOs offer credit to individual farmers and members of cooperatives. Other donors, including the Central American Bank for Economic Integration (CABEI), the German GTZ, the Swiss Development Cooperation (COSUDE), IDB and the UNDP, provide credit for small farmers and micro-entrepreneurs. USAID and its partners worked closely with the World Food Program in helping farmers obtain access to emergency food supplies and will be providing assistance to complement food-for-work efforts.

International recovery and reconstruction assistance to the education sector totals $21 million, including a $13.3 million World Bank loan to be used for textbooks and school supplies, desks and furniture, vehicles, and technical advice. A $17.7 million appropriation by the Nicaraguan National Assembly is pending. This appropriation would fund a three-year program of school construction, reconstruction and repair. GON funds are also being used for desks and furniture, vocational education equipment, and sports equipment. The Japanese International Cooperation Agency began construction of 130 new schools during 1999. European bilateral donors have provided smaller grants and in-kind donations. NGOs and private-sector sources provide reconstruction assistance to schools, including replacement furniture and school supplies.

With $3.8 million, the Nicaraguan Institute for Municipal Development (INIFOM) will fund road reconstruction and municipal infrastructure (markets, cemeteries, and parks). The GON budget includes $13.8 million for housing projects. The Emergency Social Investment Fund (FISE) provides assistance in rebuilding municipal infrastructure, and is seeking an additional $164 million for the 1999-2001 period. Sixty-five percent of this money would be directed to 47 municipalities, mostly in Mitch-affected areas. Protierra, a World Bank-funded project implemented by INIFOM, will work in the same geographic area. Protierra has invested in infrastructure in 50 affected municipalities, focussing on rural projects, such as wells and water systems, latrines, and road maintenance. A second phase is scheduled to begin in 2000.

Principal Contractors, Grantees or Agencies: Deloitte Touche Tohmatsu, Catholic Relief Services, CARE, World Relief Corporation, CLUSA, USDA, Save the Children, US Army Corps of Engineers, RAISE, AED, and FISE.

Selected Performance Measures:	**Baseline (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Cases of infectious diseases in target areas compared to pre-Mitch levels.				
Farmers, micro-entrepreneurs and laborers in Mitch-affected areas reached by USAID.	0	cumulative		124,000
Exigency and non-exigency threat conditions corrected.	0	cumulative		
Classrooms in Mitch-affected areas re-supplied, re-equipped and/or re-furnished.	0	cumulative		570
Municipal infrastructure sub-projects completed.	0	cumulative		20

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Nicaragua

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	14,843	16,600	14,950	20,238
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	8,717	11,940	7,932	7,248
CACEDRF	0	94,108	0	0
INC	0	0	0	0
Economic Support funds	1,000	1,500	0	1,450
P.L. 480 Title II	5,485	23,989	5,079	4,960
P.L 480 Title III	0	0	0	0
Total Program Funds	**30,045**	**148,137**	**27,961**	**33,896**
Operating Expenses	2,769	3,116	3,506	3,059
Trust Funds	200	50	0	0
Total Operating Costs	**2,969**	**3,166**	**3,506**	**3,059**

Note:
FY 2000 OE - $670,000 Hurricane Supplemental

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	15	13	13	13
Other U.S. Citizen	2	2	1	1
FSN/TCN	93	82	90	90

Subtotal OE Funded	**110**	**97**	**104**	**104**
Program Funded*				
U.S. Citizen	4	4	7	7
FSN/TCN	2	8	28	28
Subtotal Program Funded	**6**	**12**	**35**	**35**
Other				
TAACS	0	0	1	1
Fellows	1	1	1	1
IDIs	0	0	0	0
Subtotal Other	**1**	**1**	**2**	**2**
Total Work Force	**117**	**110**	**141**	**141**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
524-001 More political participation, compromise and transparency.							
- DA	0	0	0	2,000	0	0	2,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	1,450	0	0	1,450
- P.L. 480/II	0	0	0	0	0	0	0
524-002 Sustainable growth of small producers income and employment.							
- DA	10,038	0	3,000	0	0	0	13,038
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
524-003 Better educated, healthier and smaller families							
- DA	0	5,200	0	0	0	0	5,200
- DFA	0	0	0	0	0	0	0
- CSD	0	3,750	0	0	3,498	0	7,248
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
524-004 Special Objective							
- DA	0	0	0	0	0	0	0

- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	4,960	4,960
Totals							
- DA	10,038	5,200	3,000	2,000	0	0	20,238
- DFA	0	0	0	0	0	0	0
- CSD	0	3,750	0	0	3,498	0	7,248
- ESF	0	0	0	1,450	0	0	1,450
- P.L. 480/II	0	0	0	0	0	4,960	4,960

The United States Agency for International Development

PANAMA

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
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- Program/Sector Summary

Introduction

U.S. assistance to Panama contributes to the achievement of U.S. foreign policy objectives in the areas of economic growth, environment and democracy. 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 hydrology depends. USAID's assistance program also supports substantial improvements in the criminal and commercial justice systems of Panama, as 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 50 years, massive deforestation has reduced the forest cover in the Panama Canal Watershed in the process eroded its river valleys and lake shores. Increasing rates of population migration into the watershed, with concomitant urbanization and economic activities, threatens its environmental health. As a result, the fresh water supplies of the watershed are increasingly vulnerable to agricultural and industrial pollution, siltation, sedimentation and a consequent reduction in storage capacity of the 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 those of the fast growing population in the area. With USAID assistance, the Government of Panama (GOP) has embarked on a wide-ranging program to reverse the deterioration of natural resources in the PCW and encourage environmentally friendly activities in the area. USAID assistance has supported essential infrastructure and equipment management plans for the five national parks located in the watershed. USAID has also supported GOP efforts to establish a comprehensive monitoring program to measure changes in forest cover, hydrology, biodiversity and human settlements in the watershed. An Ecological Trust Fund that provides a permanent source of funds to finance environmental education and awareness activities offered by local 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 order to help them better protect and conserve the natural resources of the watershed.

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 assistance is also 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.

The current GOP external public debt is $5.6 billion. Servicing of the external debt is 11.3% of the public sector budget. The U.S. Government has no plans for debt relief.

Other Donors

USAID is the major donor active in the watershed. 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. To date, GOJ assistance has been modest. It has awarded a $240,000 grant to a local NGO to establish a training center. However, beginning in FY 2000, Japan plans to expand its training and technical assistance activities and to assist in reforestation activities.

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 selective activities focused on environmentally sustainable development. Planned activities in land administration complement watershed conservation.

The IDB has assisted the GOP to develop a National Environmental Strategy. The IDB recently approved a $15.8 million loan to the GOP to strengthen institutional management and implementing mechanisms to support community environmental mitigations. Assistance is also planned to aid in a process of conversion of destructive agricultural practices to environmentally friendly productive activities in the watershed. As stated earlier, the IDB is also the lead donor supporting a major GOP effort in the improvement of its criminal justice system. USAID administration of justice activities complement this effort.

The United States Agency for International Development

Panama

FY 2001 Program Description and Activity Data Sheets

FY 2001 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. During CY 1999, USAID developed a Strategic Plan that outlines the range of activities to be implemented beginning in FY 2000 within the framework of the two objectives indicated above. In FY 2001, USAID will continue to support the strengthening of GOP institutions responsible for the protection of the watershed and the sustainable management of natural resources in the PCW. To enhance the sustainability of protection of the watershed, USAID will continue to encourage and assist the participation of civil society, the private sector and local governments in the watershed in this effort. USAID will also provide assistance to the court systems, justice sector personnel and civil society organizations in order to increase fairness and efficiency in the justice sector.

ACTIVITY DATA SHEET

PROGRAM: Panama
TITLE AND NUMBER: Panama Sustainably Manages the Canal Watershed and Buffer Areas, 525-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,500,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $4,500,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: Numerous studies, including one conducted by USAID in 1994, have demonstrated the link between land use in the 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 newly-created 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 assume the responsibility for the management and protection of 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, including the urban populations of Panama City and Colon, 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: USAID has determined that four key intermediate 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 demonstrated successes in all aspects of the portfolio.

The GOP, with USAID assistance, made progress during FY 1999 towards improving institutional arrangements for effective management of the PCW. With USAID assitance, Inter-Institutional Commission for the Canal Watershed (IIC) was organized and recently began functioning. USAID continued to support the Ecological Trust Fund (FIDECO) which provided more than $700,000 to the GOP for the management of protected areas, and an equivalent amount to NGOs to support activities in sustainable agriculture, biodiversity conservation, ecotourism development and watershed management.

Continued support was provided through the Smithsonian Tropical Research Institute (STRI) to a team of Panamanian scientists to monitor the condition of the Panama Canal Watershed by tracking forest cover, hydrology and soils, biodiversity and human settlements. Presentations of the resulting information and negotiations with the National Environment Authority (ANAM), the Panama Canal Commission (PCC) and the Panama Canal Authority (PCA) has generated a heightened level of interest for incorporating the monitoring program into the Panamanian institutional framework. Eight positions were approved by ANAM for members of the monitoring team to become permanent staff, and ANAM continues to house the program at a site adjacent to its watershed management program. These counterpart institutions jointly designed a follow-on monitoring program for the year 2000. The program will be overseen by the IIC. This supervisory body, composed of both governmental and non-governmental entities, is legally charged with the responsibility of assuring the coordination of all public and private organizations involved in watershed management within the Panama Canal Watershed.

Support to the GOP for improved natural resource management in the PCW has continued. Regulations were developed with USAID assistance for the environmental law of Panama. Infrastructure development within the five national parks is near completion; park guard training has been completed; management plans have been written and have either been approved or are under public review for all the parks in the PCW. In addition, an innovative training program for tourist guides has been developed. Thirty participants, mostly from local communities and people of indigenous origin, were trained. This program was implemented in conjunction with private enterprises and several NGOs through a cost-sharing arrangement in which more than half of the course costs were covered by the private sector. Additionally, two major seminars were held on the co-management of protected areas and on cooperation among countries in Central America. Both seminars were attended by representatives from every country in Central America.

Local capacity to conserve natural resources and manage the watershed was increased through pilot agroforestry activities and support for the institutional consolidation of the Association of Panamanian Municipalities (AMUPA). Future activities are targeted to assist AMUPA to play a lead role in helping local governments implement the regional land-use plan and to help communities solve environmental problems such as solid waste disposal.

Possible Adjustments to Plans: While no specific adjustments to plans are contemplated at this time, USAID continuously strives to identify windows of opportunities in its work with the PCA, ANAM, local governments, NGOs and community groups to ensure that all appropriate actions are taken to promote USAID objectives. For example, the PCA has initiated preliminary studies to expand the PCW in order to increase the water supply available to operate the canal and to satisfy local Panamanian needs, especially the cities of Panama and Colon. Recently, the PCA approached USAID to explore possible assistance for this activity. USAID is actively considering this request, subject to the availability of funds, which may lead to adjustment to our current plans.

Other Donor Programs: The Inter-American Development Bank (IDB) and the World Bank (WB) have initiated activities that will enhance 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 modern National Environmental Strategy. The IDB is also implementing activities designed to strengthen comprehensive watershed management programs elsewhere in the country. Under the Common Agenda Initiative, Japan is assisting the GOP to establish a training center in the PCW. The center will provide environmental education and awareness training for residents of the watershed and buffer areas, including the cities of Panama and Colon, as well as training in forestry and agroforestry techniques. USAID is working closely with all of these donors to ensure complementarity of activities.

Principal Contractors, Grantees or Agencies: Current grantees and contractors include the Smithsonian Tropical Research Institute (STRI), the Academy for Educational Development (AED), the International Institute for Education (IIE), the International Executive Service Corps (IESC), Techno-Serve, and International Resources Group (IRG).

Selected Performance Measures:	Baseline	Actual (1999)	Target (2000)	Target (2001)

Landuse in the PCW Compatible with the Approved Regional Plan	57%	61%	63%	65%
Community based pilot Agroforestry activities On-going				
--Number of Agroforestry/ Agriculture Activities	4%	4%	5%	6%
--Percentage of Participants that are women	10%	10%	15%	20%
Inter-Institutional Commission (IIC) established and decision making mechanisms functioning	No	No	Yes	Yes

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Panama
TITLE AND NUMBER: Fair, Fast and Independent Criminal and Commercial Justice Systems Facilitated, 525-002
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $1,000,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $1,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1991 **ESTIMATED COMPLETION DATE**: FY 2006

Summary: The judicial system of Panama is an adversarial mixture of the inquisitory and accusatory systems known elsewhere in the world. It is inefficient, corrupt and non-transparent. It is difficult to understand or use for both Panamanians and non-Panamanians and is highly susceptible to manipulation. The inadequacies of the justice system have become increasingly prominent, seizing the attention of the public in headlines and editorials denouncing systemic slowness, inefficiency and lack of collaboration among the key justice institutions. Criticism has focused on the criminal system, but local and foreign businessmen have little confidence in the ability of the civil justice system to settle commercial disputes expeditiously and efficiently.

The criminal justice system continues to suffer serious, systemic weaknesses that have produced delayed, flawed or legally incorrect decisions. Major consequences of these weaknesses are increasing backlogs in cases and a prison population in which 65% of the prisoners held in preventive detention have never appeared before a judge. The courts are believed by many to be subject to manipulation, corruption and political influence. The commercial component of the system of civil law is no better. Court productivity is low and slow: approximately 60% of all cases in the system (the majority in civil courts) have been pending for over a year, and 40% have been pending for over three years.

The purpose of this SO is to support GOP efforts in facilitating fundamental change in the justice sector. A fair, timely and transparent justice system is necessary to ensure the economic health and political stability of the country. In particular, fundamental change to the justice system will improve the confidence of Panamanian citizens and U.S. and international businesses and investors which, in turn, will benefit efforts aimed at improving economic and social welfare within the country and facilitating the productive uses of formerly owned U.S. properties. Additionally, it will contribute to improving and strengthening the legal foundation upon which the institutional framework for sustainable PCW management and protection is based.

Key Results: USAID has identified four key intermediate results required to achieve this objective: (1) Access to justice improved and public pressure for judicial sector reform increased, (2) Commercial court systems functioning more effectively, (3) criminal court systems functioning more effectively, and (4) Collaboration between investigators and prosecutors Improved.

Performance and Prospects: Since Panama's return to democracy in 1990, efforts have been undertaken to re-establish independent Panamanian judicial institutions, strengthen judicial operations and modernize laws. When budget

stringency in 1995 forced USAID to reduce its presence worldwide, USAID eliminated its Democracy and Governance Strategic Objective and phase out its successful Administration of Justice project in 1997. When funding became less stringent, USAID reinitiated in FY 1998 work in the justice sector. To help define programmatic activities under the resumed program, USAID undertook a sector assessment that determined that major problems persist.

Prospects for making an impact have improved with the entry into the justice sector of substantial donor assistance from the IDB and Spain. USAID will complement IDB and Spanish efforts. USAID will focus in particular on NGO development, ethics, and well-defined areas in which our support can complement other donor's 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.

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 $18.9 million loan to the GOP. Other donors include the United Nations Development Program (UNDP), the Organization of American States (OAS) and the European Union (EU) with very modest programs and several small bilateral programs (the British, Germans, French and Spanish).

Principal Contractors, Grantees, or Agencies: U.S. contracts to be determined.

Selected Performance Measures:	Baseline	Actual (1999)	Target (2000)	Target (2001)
Number of Local NGOs actively involved in justice issues	8	9	10	12
Number of Judges and Prosecutors trained in aspects of New Commercial and Penal Codes	0	0	50	200

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Panama
TITLE AND NUMBER: To Facilitate the Smooth Transfer of the Panama Canal, as Provided in the 1977 Treaties, and the Productive Use of the Reverted Properties, 525-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Completed
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2000

Summary: A smooth transfer and efficient operation of the Canal and the productive use of related properties require adequate management structures. This Special Objective assisted Panama to: a) assume management and operation of the Canal in a smooth and seamless manner; b) generate economic activity to offset the negative impact on its economy due to job losses and income foregone, resulting from the progressive withdrawal of U.S. military forces; and c) effectively absorb and use substantial amounts of declared excess property by the U.S. military and the Panama Canal Commission.

The beneficiaries of the Special Objective are U.S. and other international users of the Panama Canal, as well as the Panamanian people, who depend on revenues derived from the U.S. military bases and the Panama Canal and its 8% to 15% contribution to Gross Domestic Product. This includes permanent Panama Canal Commission employees and U.S. military contract and concession employees, lower-income Panamanians who stand to benefit from the sale of reverted properties that generate resources for the Social Development Trust Fund and the Special Fund for Low-cost Housing.

Many Panamanians, particularly underprivileged groups, have improved their quality of life as a result of effective management of the Excess Property Program.

Key Results: The Mission has selected two indicators that most accurately depict performance during the reporting period. Job generation and investment have been increasing progressively. Some 333 jobs were created in 1997, 1,172 in 1998 and 2,853 in 1999, providing for an estimated $36.0 million in wages during this three-year period of which $28.0 million were generated in FY 1999. Investment expenditures were $139.6 million in 1998 and increased to $172.4 million in 1999. In addition, some 554 houses were sold and 35 reversion-related development contracts were executed during 1999, compared to 155 houses and 29 contracts executed in 1998.

Performance and Prospects: Overall performance of this Special Objective has been satisfactory. USAID was successful in significantly strengthening the PCA institutional capacity in two specific areas for Canal management, i.e., alternate dispute resolution in labor conflicts and integrated financial management. The Mission also helped the GOP to partially offset adverse effects from reduced jobs and expenditure levels resulting from the implementation of the Torrijos-Carter Canal Treaties. It provided assistance to institutionally strengthen the Authority for the Inter-Oceanic Region (ARI), which is the GOP entity charged with finding high-valued uses for host properties awarded by the United States Government to the Government of Panama. This has facilitated the productive use of reverted properties. In tandem with a private-sector consortium (Fundacion ANDE), USAID also fostered an improved economic policy climate, encouraging private investment and economic growth. On balance, targets for employment and investment expenditure have been virtually met. Investment expenditures and contracts executed have exceeded targets.

Possible Adjustments to Plans: Activities related to this SpO were completed on December 31, 1999.

Other Donor Programs: With the exception of the Inter-American Development Bank (IDB), there has been little other donor involvement in the reconversion of reverted military bases. IDB support dates back to 1993, when IDB approved a $7.6 million technical assistance loan to finance activities, plus environmental and urban studies. The primary focus of the IDB's $600,000 Technical Assistance (TA) grant to ARI through the Multilateral Investment Fund (MIF) in 1997 was on legal and environmental expertise to accelerate the sale of assets at Albrook Air Base and reverted bases on the Caribbean coast. In December 1999 the MIF approved $1,050,000 to support transfer of government-owned assets to private investors in Panama's Inter-Oceanic Region. The current MIF financing deepens and widens the previous operation. The IDB will also be providing a $24 million loan for the development of the "City of Knowledge", an educational complex being established in Fort Clayton, a reverted military base.

Principal Contractors, Grantees or Agencies: The major USAID/Panama contractors and grantees included the International Executive Service Corps (IESC), the Federal Mediation and Conciliation Service (FMCS), the Institute for International Education (IIE), the International Resources Group (IRG), Fundación ANDE, the Panama Canal Authority (PCA), and the Inter-Oceanic Regional Authority (ARI).

Selected Performance Measures:	Baseline[1]	Actual (1999)	Target (2000)[2]	Target (2001)
Jobs created in the Reverted areas (Cumulative #)	12,300	5,358	6,150	N/A
Total wages of the Newly employed In the reverted areas ($ million/yearly)	95	28.0	48.5	N/A
Value added of new Economic activity in Reverted areas	250	172.4	125.0	N/A
Toll revenues ($ million/yearly)	462.8	497.0	503.0	N/A
Transits	13,631	13,975	14,050	n/a

[1] Attributable to U.S. military presence on December 31, 1994.
[2] Equivalent to 50% of level attributable to U.S. military presence on December 31, 1994.

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Panama

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	3,182	4,598	3,500	4,500
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
CACEDRF	0	0	0	0
INC	0	0	0	0
Economic Support funds	0	425	1,000	1,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**3,182**	**5,023**	**4,500**	**5,500**
Operating Expenses	1,599	1,500	985	1,114
Trust Funds	0	0	0	0
Total Operating Costs	**1,599**	**1,500**	**985**	**1,114**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	2	1	2	2
Other U.S. Citizen	1	1	1	1
FSN/TCN	27	22	21	21
Subtotal OE Funded	**30**	**24**	**24**	**24**

Program Funded*				
U.S. Citizen	2	3	3	3
FSN/TCN**	18	23	21	21
Subtotal Program Funded	**20**	**26**	**24**	**24**
Other				
TAACS	0	0	0	0
Fellows	1	1	1	1
IDIs	0	0	0	0
Subtotal Other	**1**	**1**	**1**	**1**
Total Work Force	**51**	**51**	**49**	**49**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs).

** Includes 4 additional staff for 1998 and 1999 reported in an "other" column of 9/30 MSPS.

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
525-001 Panama Sustainably Manages the Canal Watershed and Buffer Areas							
- DA	0	0	3,630	0	870	0	4,500
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
525-002 Fairer and Faster Justice Systems Facilitated							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	1,000	0	0	1,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	3,630	0	870	0	4,500
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	1,000	0	0	1,000
- P.L. 480/II	0	0	0	0	0	0	0

The United States Agency for International Development

PARAGUAY

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

Paraguay is just emerging as a true, participatory democracy. The recent constitutional crisis and the bloody confrontations in March 1999 that caused the resignation and exile of the president marked a watershed for the country. The time is now appropriate to strengthen the incipient civil society movement and support major national reforms.

The USAID program is at the forefront of the U.S. Government (USG) efforts to strengthen and deepen Paraguay's young democracy. A limited USAID investment has yielded enormous results in electoral transparency and credibility, major judicial and Penal Code reforms, and a progressive civil-military dialogue. A process has been started for local governments to become more responsive to citizens' needs and more effective in public service delivery. The new Strategic Plan for FY 2001-2005 builds upon previous successes and includes new fundamental program focuses in civil society strengthening, the provision of basic services by local governments, and developing a serious national reform agenda on pressing national concerns.

The need to balance population growth and the appropriate use of the nation's natural resources are integrated into this plan. These program areas are also of high USG interest and are priority areas, along with democracy strengthening, in the U.S. Embassy's Mission's Performance Plan (MPP). USAID/Paraguay's strategy provides strong mutually re-enforcing programming across all three of these critical areas (democracy, reproductive health, and environment).

The Development Challenge

For the first time ever, civil society became fully involved in the democratic process as the events of March 1999 in effect constituted a popular revolution in favor of democratic rule and sealed the common citizen's commitment to this process in blood. The first phase of the transition to democracy, which occurred through a military coup in 1989 and was managed by an aging political elite during its first decade, has come to a close. A second generation of reforms, which will lead Paraguay into a more consolidated democracy and make it an equal partner among democratic nations of the hemisphere, has been initiated.

Democratization is 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 two major themes that link activities in the environment and reproductive health to the overall democracy program are: 1) that the decentralization of power and authority to local levels strengthens government accountability and

accessibility to citizens, and 2) that a vibrant, pluralistic civil society is the basis for democratic governance. Both of these approaches are embodied in the Mission's development philosophy and highlighted in all three of the Mission's Strategic Objectives (SOs).

During the new strategy period, the Mission intends to build upon its efforts in local government (this includes departmental and municipal governments); expand considerably its efforts with civil society; become more involved in national reform activities; expand family planning activities into a more encompassing reproductive health program; and conserve biodiversity located in internationally important ecoregions. USAID/Paraguay also plans to support the efforts to combat corruption and increase good governance practices. USAID/Paraguay's comparative advantages lie in its ability to develop state-of-the-art innovations that are replicable by other donors and in its close working relationships in civil society and local government. These areas of strength help the Mission maximize its impact and influence by taking into account institutional, economic, social, and political constraints. Through judicious use of its comparative advantages, USAID/Paraguay can continue to leverage its assistance to enhance the effects of its programs by working closely with other donors and partners in complementary areas. The volume of USAID/Paraguay's resources is small in comparison to those of multilateral and bilateral donors, but its efforts and results are well respected and have been replicated by others because of good partner relationships and identification of common approaches.

Although experiencing slow economic growth, Paraguay has a relatively low level of international debt and is current on debt payments. This is not a significant issue for U.S. concern. Nevertheless, the state of the country's democratic institutions -- such as, the Electoral Tribunal, key GOP Ministries, the Judicial System, recently formed local governments, as well as NGOs and political parties -- indicates that substantial time and effort are still required to complete the transition to a fully-functioning democracy. Paraguay is therefore not a candidate for graduation from U.S. development assistance in the near term.

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 with the decentralization of power and authority to local governments and with civil society. The Inter-American Development Bank (IDB), World Bank, United Nations Development Program (UNDP), and the Pan-American Health Organization (PAHO) are major multilateral contributors.

Unlike most other donors in country, USAID assistance does not go through the central government nor is it tied to bilateral cooperation agreements. This has allowed the Mission greater flexibility in program implementation and allowed key programs to move forward when other donors were stymied by the Government of Paraguay (GOP) red tape. USAID/Paraguay has taken the lead in encouraging the donor community to support democracy and has formed a major donors group on judicial reform issues. This is part of the Mission's strategy to close-out its activities in penal reforms and pass on training and follow-up responsibilities to other donors, while at the same time maintaining a leadership role in policy issues related to judicial reform.

In the area of the environment, other donors continue to be highly involved in the conservation of natural resource activities and work in close coordination with USAID. The UNDP is involved in the protection of ecosystems of regional and global importance in Paraguay. The Japanese International Cooperation Agency (JICA) is trying to diminish the severe deforestation problem that Paraguay faces with a reforestation project. The German Technical Cooperation Agency (GTZ) is implementing an effort to elaborate a national action plan for the protection of natural resources.

The GOP National Reproductive Health Council includes members from the public and private sectors and donor community. The Council is active in organizing and coordinating all population and family planning activities. USAID/Paraguay is an active member of the Council. The Mission is also coordinating activities with the Japanese Government under the U.S.-Japan Common Agenda to carry out joint activities in reproductive health.

The United States Agency for International Development

Paraguay

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID/Paraguay's experience with its current strategy has been successful. The Mission needs to continue to strengthen an active civil society to put pressure on the current political system to change and become responsive, and at the same time assist local governments in meeting demands for basic public service delivery. The most progressive and positive system changes are taking place at the local and regional level and deserve continued support. The Mission will also manage for results aimed at introducing major policy changes and instituting good governance practices that are receptive to civil society's needs.

By the end of its current strategy in FY 2000, the Mission expects to: 1) finalize the reform of the electoral code; 2) strengthen important segments of civil society through NGO advocacy; 3) pull political parties fully into the democratic process; 4) introduce municipal alternative dispute resolution centers which will enhance access to justice; 5) continue promoting the decentralization process and increase citizen involvement in decisions affecting their communities; 6) begin implementation of the new Penal Code and the Criminal Procedures Code; 7) expand the decentralized provision of health services that are based on voluntary family planning; and 8) protect important parks and reserves while developing economic alternatives to deforestation.

The Mission 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. The Mission's three Strategic 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. USAID/Paraguay will focus on geographical areas identified by a criteria mix of population density, poverty levels, and political representation. The Mission will concentrate on limited, demonstration projects that larger donors or the GOP itself can replicate. These efforts will assist a majority of the population identified to be living in poverty conditions.

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Improved Responsiveness and Accountability of Key Democratic Institutions, 526-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,700,000 (DA), $1,000,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT:none
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2000

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 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 Strategic 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 during the current Strategic Plan 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 and 1998 elections with an impressive nationwide turnout of 81%. The democratic values survey taken after the 1998 elections revealed that 75% of those surveyed believed that the elections were clean, compared to only 45% in regard to the 1993 elections.

Local governments are receiving training in administration, budgeting, and transparent financial management, and are part of a USAID-sponsored policy dialogue on decentralization. Citizen groups are playing a greater role in defining local priorities and are participating in community-wide public hearings.

Support has also been provided to enact a new Penal Code, which went into effect in 1998, and a Criminal Procedures Code, which went into effect in 1999. These are two of the four major legal reforms targeted by USAID that have modernized the judicial sector by moving from an inquisitorial, written system to an accusatorial, and oral process.

The civil-military dialogue support by the Mission 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: In September 1999, the Mission received approval of its new Strategic Plan that will begin in FY 2001.

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 mainly at designing new urban cadasters. The World Bank has a pending $20 million infrastructure loan to the Municipality of Asuncion. The Organization of American States (OAS) 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 (GTZ) is implementing a penal reform activity ($1.7 million) and a modernization of the Civil Registry ($4 million). Taiwan is lending $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: USAID implements activities through several U.S. and local organizations. U.S. principal contractors and grantees are the International Foundation for Electoral Systems (IFES), Development Alternatives Inc. (DAI), and the National Center for Courts (NCSC). Local NGOs and grantees include the Information and Resources Center for Development (CIRD), the Paraguayan Center for Economic Liberty and Social Justice (CEPPRO), and Alter Vida.

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
% of population that considers the elections clean.	45%	75%			
Number of target sub-national governments with joint community project implemented per year.	2	14	14	17	
Number of key legal reforms enacted by Congress	0	2	3	4	

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Improved Management of an Expanded Protected Areas System, 526-002
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $525,000
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2000

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 who use the land for unsustainable agriculture and livestock practices.

USAID is engaging 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 their institutional capacity and promoting the joint implementation of programs with local NGOs. The purpose of this special objective (SpO) is to improve both public and private management of Paraguay's protected areas.

Key Results: Under this Special Objective, new reserve areas with sustainable management plans have been developed by two local NGOs. 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 over the past year 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 these 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. In order 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 placed an additional 211,000 hectares under public protection in 1998 based on the USAID-sponsored plan for a national protected areas system. 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 GOP's first experience in managing a park with the private sector.

Environmental education remains a challenge and programs are currently being conducted in three key reserve areas. These have demonstrated a measurable positive impact in the reserves and in their buffer zones. Ten viable economic alternatives to traditional agricultural and livestock grazing have been implemented to demonstrate that deforestation in not the only way to earn profits from forested land. Some examples are: 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: New programming directions are reflected in the 2001 - 2005 recently approved Strategic Plan. Ecoregional conservation initiatives involving neighboring countries will be promoted.

Other Donor Programs: Other donors continue to be highly involved, in close coordination with USAID, in the conservation of natural resources activities in Paraguay. All donors are working directly with the GOP and in most cases also with local NGOs. The Global Environmental Facility (GEF) is 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 implements activities through The Nature Conservancy (TNC), World Wildlife Foundation (WWF), and two local NGOs, the Moises Bertoni Foundation and the Desdel Chaco Foundation.

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Number of models of biodiversity conservation and sustainable use of natural resources implemented.	2	4		5	6
Number of communities engaged in education and sustainable development activities.	1	4		7	10
Number of economic alternatives implemented on reserves.	6	21	25	30	

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Increased Use of Voluntary Family Planning Services, 526-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,000,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE**: FY 2000

Summary: In 1994, the Government of Paraguay (GOP) made reproductive health and family planning a priority. The Ministry of Health's reproductive health plan endorses reproductive health activities and establishes 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 is now struggling with major reforms in health, education, and family planning services.

The purpose of this special objective (SpO) 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 intermediate results were concluded to be necessary to achieve this SpO: (1) Expanding access to reproductive health services by offering these services through existing public and private facilities which do not currently provide them, rather than establishing new facilities; (2) Improving the quality of reproductive health and family planning services by establishing a range of modern family planning methods by providers with adequate technical and managerial skills; and (3) Having advanced towards the sustainability of family planning services.

Performance and Prospects: Performance over the past year 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 41% in 1996. This upward trend is expected to continue and reach the target of 50% prevalence by the end of FY 2000. Couple-years of protection is expanding as a result of contraceptives supplied by the Ministry of Health and the Paraguayan Center for Population Studies (CEPEP), the primary local 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/Paraguay'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 underserved 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 includes a basic package of selected family planning services for the

community and establishes minimum service delivery conditions which assure quality family planning. The number of quality service delivery points has been expanding quite rapidly.

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 underserved 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.

Possible Adjustments to Plans: The Mission's new Strategic Plan was approved in September 1999.

Other Donor Programs: USAID/Paraguay is assuming a leadership role in donor coordination and is leveraging additional resources toward key reproductive health results and is developing new approaches that can be followed by other partners. The World Bank has 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 (IDB) is planning a similar $38 million loan to provide a parallel range of services in five additional rural departments. USAID will carry out 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. PAHO also provides technical cooperation to the MOH for USAID/ LAC Bureau regional health initiatives. The Mission collaborates closely with PAHO on policy development.

The United Nations Fund for Population Activities (UNFPA) is a key partner in the strategic plan. 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 (IPPF) provides funding to its local affiliate, for both administrative and program costs and the German Technical Cooperation Agency (GTZ) provides support for a targeted adolescent reproductive health program.

The Japanese International Cooperation Agency (JICA) has been disbursing approximately $1.5 million per year to develop 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 (PSI), Access to Voluntary and Safe Contraception (AVSC), Johns Hopkins University (PCS-JHU), the University of North Carolina, and the Centers for Disease Control (CDC). Local organizations funded by the Mission are the Paraguayan Center for Population Studies (CEPEP), the Information and Resources Center for Development (CIRD), and Promotion for Health Improvement (PROMESA).

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Contraceptive prevalence for women 15-49 using modern methods	41%	49%		50%	
Couple years of contraceptive protection (Ministry of Health, PROMESA and CEPEP)	107,000	132,000	145,000	156,000	
Quality service delivery points providing services in priority regions	0		15	30	

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Key Democratic Governance Practices Instituted, 526-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $3,100,000 (DA), $3,500,000 (ESF)
STATUS: Continuation of current Strategic Plan FY 1997-2000. New Strategic Plan FY 2001-2005.
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE**: FY 2005

Summary: As this young democracy came to a crossroads in March 1999, for the first time it was an active civil society that tipped the political balance against reverting to authoritarian rule. Although the democratic system of government ultimately prevailed, these events and actions clearly demonstrate the continued fragility of Paraguayan democracy and the need to shore up its foundations to build future security and preserve stability in the region. Based upon USAID/Paraguay resources, its analysis of existing problems, and of the potential to achieve a significant and sustainable impact in Paraguay, the Mission has developed its current strategy aimed at strengthening the country's democracy.

The new Strategic Objective plans to build on and move beyond the Mission's current 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 SO are transparent, participative decision-making; open, clear government management practices; a strong, active civil society; improved and responsive delivery of public services; and serious, thoughtful discussions on basic democratic issues at national and local levels.

Key Results: Three key intermediate results will be achieved in the new Strategic Plan. 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: Under the new Strategic Plan, USAID/Paraguay hopes to increase the ability of targeted local governments to plan, manage, and generate additional resources, and thus improve their capacity to deliver services. The Mission will also work to improve local government capacity by strengthening local government organizations, and developing systems for improved management and technical skills. Additionally, the Mission will 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 towards 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 also seeks to increase the effectiveness and activity of citizens and civil society organizations so they can obtain needed services and influence national policy. This builds upon the Mission's current 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 will be achieved. In addition, civil society organizations (CSOs) will be better able to monitor and pressure for transparency and reduced corruption in government functions. The Mission 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 the Mission's current Strategic Plan, as well as focusing on the unique opportunities that are available due to circumstances surrounding the recent political upheaval and change in government. There is a critical need and urgency to engage the GOP in a national dialogue that leads to clear activities that are implemented. The Mission'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 the national interests.

Possible Adjustments to Plans: In September 1999, the Mission received approval of its new Strategic Plan that will begin in FY 2001.

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 mainly at designing new urban cadasters. The World Bank has a pending $20 million infrastructure loan to the Municipality of Asuncion. The Organization of American States (OAS) 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 (GTZ) is implementing a penal reform activity ($1.7 million) and a modernization of the Civil Registry ($4 million). Taiwan is lending $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: : USAID implements activities through several U.S. and local organizations. U.S. principal contractors and grantees are the International Foundation for Electoral Systems (IFES), Development Alternatives Inc. (DAI), and the National Center for Courts (NCSC). Local NGOs and grantees include the Information and Resources Center for Development (CIRD), the Paraguayan Center for Economic Liberty and Social Justice (CEPPRO), and Alter Vida.

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Percentage of population who express satisfaction with local government service delivery.		53	N/A	N/A	65
Number of civil society organizations showing improvements in the CSO index.		0	N/A	N/A	5

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Sustainable Management of Globally Important Ecoregions Improved, 526-005
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $1,000,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE**: FY 2005

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 who use the land for unsustainable agriculture and livestock practices. The new Environmental Strategic Objective will support both global and regional priorities. First it will support the Agency's global environmental objectives of biological diversity conservation and climate change amelioration by protecting forests and wetlands that store carbon. The SO will also strengthen and complement USAID/Bolivia's efforts to conserve the important ecosystems in the Chaco and the Pantanal, USAID/Brazil's and LAC's recent investments in the Pantanal and the Interior Atlantic Forest region, as well as the activities of Argentina with the Interior Atlantic Forest.

Key Results: Two key intermediate results will be achieved under the new Strategic Plan. 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, civil society organizations (CSOs), and municipal, central and departmental authorities with the required skills for competent participation in these efforts. 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. 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.

At the new Strategic Objective level, development of ecoregional conservation plans will include a series of stakeholder analyses, biodiversity and socio-economic assessments, international planning workshops, and inter-governmental review of ecoregional conservation plans. USAID/Paraguay will facilitate and ensure the dissemination of known and emerging lessons learned, including provided by other donor activities.

Many Paraguayan NGOs and CSOs still have limited capacity to be financially self-sufficient. Some of these institutions, however, own the potential and the interest in participating in this regional effort and effectively influencing in 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 better impact under this strategic objective.

Local governments also 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 towards the decentralization of power, USAID/Paraguay will assist in developing environmental leaders at departmental and municipal levels. NGOs and civil society strengthening are a current focus of USAID/Paraguay programming and will continue to be emphasized across the Mission's SOs.

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 Mission 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, bi-lateral treaties, and Mercosur agreements. These policy changes may include improving legislation for private land reserves, ensuring public participation in the environmental impact assessment process, and promoting legislative changes which allow citizens to bring suit against those ignoring environmental laws. The Mission will also encourage compliance with current environmental legislation and will convene an Environmental Donors Roundtable, similar to the one already operating in Bolivia, to ensure better coordination and to better leverage advocacy efforts for national government policies. USAID/Paraguay will also facilitate a policy dialogue at the regional level and support regional-level environmental legislation.

Possible Adjustments to Plans: New programming directions are reflected in the FY 2001 - FY 2005 recently approved Strategic Plan. Ecoregional conservation initiatives involving neighboring countries will be promoted.

Other Donor Programs: Other donors continue to be highly involved, in close coordination with USAID, in the conservation of natural resources activities in Paraguay. All donors are working directly with the GOP and in most cases also with local NGOs. The Global Environmental Facility (GEF) is 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 implements activities through The Nature Conservancy (TNC), World Wildlife Foundation (WWF), and two local NGOs, the Moises Bertoni Foundation and the Desdel Chaco Foundation.

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Number of ecoregional conservation plans developed, approved, and implemented with adequate Paraguayan participation.	0	0	N/A	N/A	1
Number of targeted NGOs and CSOs strengthened.	0	0	N/A	N/A	2

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Paraguay
TITLE AND NUMBER: Use of Voluntary Reproductive Health Services Increased, 526-006
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $3,900,000 (DA)
STATUS: Continuation of current Strategic Plan FY 1997-2000. New Strategic Plan FY 2001-2005.
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 (4.1). 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/Paraguay support. This decentralization of the provision of health services complements efforts to strengthen democratic processes, while effectively addressing health concerns.

The new Strategic Plan, while strengthening existing public and private family planning programs, envisions a larger program of reproductive health initiatives. It involves a multi-institutional approach that will augment delivery of both reproductive health and family planning services to rural and urban adolescents, single adults, and couples. In order to further strengthen its reproductive health program, the Mission will direct activities towards reducing Paraguay's maternal mortality rate through the provision of enhanced reproductive health services and maternal health care, thereby also improving neo-natal survival rates.

Key Results: Two intermediate results will be achieved under this Strategic Objective. 1) Decentralized community based health care will be provided. And 2) access to quality reproductive health services will be expanded.

Performance and Prospects: 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 49% in 1998. This upward trend is expected to continue and reach the target of 50% prevalence by the end of FY 2000. Couple years of protection (CYP) is expanding as a result of contraceptives supplied by the Government of Paraguay and the private sector. 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 underserved 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.

In its new Strategic Plan, USAID/Paraguay will build on its past programming, maintaining a focus on increasing access to and use of reproductive health services. USAID/Paraguay will also focus on improving decentralized community health care, increasing community participation, improving local-level management of health providers, and building NGO capacity. Technical assistance will be directed at services provided through local governments and the private sector, including continued support of health decentralization. The Mission will strengthen community outreach programs, including the development of a Reproductive Health-specific promotion campaign and will continue to enhance donor coordination. The Mission's Reproductive Health Strategic Objective is closely linked with its Democracy Strategic Objective, and activities will be mutually reinforcing.

With the implementation of health decentralization now in progress at all levels and the continued downward transfer of both authority and responsibility, the Mission 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) among all contractors should enable widespread coverage of the populated areas of Paraguay.

The MOH has recently finalized a new National Reproductive Health Plan for the country. USAID/Paraguay will, in coordination with national-level authorities, including the Technical Planning Secretary, the National Women's Secretary, the Ministry of Health (MOH) and others, support the effective implementation of this and other national-level policies throughout the country. However, local health councils will be an integral part of community participation

activities related to health planning. The Mission 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 appropriate 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.

The Mission also plans to 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.

Possible Adjustments to Plans: The Mission's new Strategic Plan was approved in September 1999.

Other Donor Programs: USAID/Paraguay is assuming a leadership role in donor coordination and is leveraging additional resources toward key reproductive health results and is developing new approaches that can be followed by other partners. The World Bank has 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 (IDB) is planning a similar $38 million loan to provide a parallel range of services in five additional rural departments. USAID will carry out 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. PAHO also provides technical cooperation to the MOH for regional health initiatives. The Mission collaborates closely with PAHO on policy development.

The United Nations Fund for Population Activities (UNFPA) is a key partner in the strategic plan. 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 (IPPF) provides funding to its local affiliate, for both administrative and program costs and the German Technical Cooperation Agency (GTZ) provides support for a targeted adolescent reproductive health program.

The Japanese International Cooperation Agency (JICA) has been disbursing approximately $1.5 million per year to develop 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 (PSI), Access to Voluntary and Safe Contraception (AVSC), Johns Hopkins University (PCS-JHU), the University of North Carolina, and the Centers for Disease Control (CDC). Local organizations funded by the Mission are the Paraguayan Center for Population Studies (CEPEP), the Information and Resources Center for Development (CIRD), and Promotion for Health Improvement (PROMESA).

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Contraceptive prevalence for women 15-49 using modern methods		49%	N/A	N/A	51%
Couple years of contraceptive protection (Ministry of Health, PROMESA and CEPEP)		132,000	N/A	N/A	167,000
Quality service delivery points providing services in priority regions		0	N/A	N/A	40

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Paraguay

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	5,625	4,694	5,225	8,000
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
CACEDRF	0	0	0	0
INC	0	0	0	0
Economic Support funds	500	1,300	1,000	3,500
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**6,125**	**5,994**	**6,225**	**11,500**
Operating Expenses	797	810	800	810
Trust Funds	0	0	0	0
Total Operating Costs	**797**	**810**	**800**	**810**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	2	2	2	2
Other U.S. Citizen	1	0	0	0
FSN/TCN	10	11	9	9
Subtotal OE Funded	**13**	**13**	**11**	**11**

Program Funded*				
U.S. Citizen	1	2	2	2
FSN/TCN	3	2	7	7
Subtotal Program Funded	**4**	**4**	**9**	**9**
Other				
TAACS	0	0	0	0
Fellows**	1	1	2	2
IDIs	0	0	0	0
Subtotal Other	**1**	**1**	**2**	**2**
Total Work Force	**18**	**18**	**22**	**22**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs).

** For FY 1999 Actual, OE-Funded Fellow reported in 9/39/99 MSPS.

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
526-004 Key democratic governance practices instituted							
- DA	0	0	0	3,100	0	0	3,100
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	3,500	0	0	3,500
- P.L. 480/II	0	0	0	0	0	0	0
526-005 Sustainable management of globally important ecoregions improved							
- DA	0	0	1,000	0	0	0	1,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
526-006 Use of voluntary reproductive health (RH) services increased							
- DA	0	3,900	0	0	0	0	3,900
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0

Totals

- DA	0	3,900	1,000	3,100	0	0	8,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	3,500	0	0	3,500
- P.L. 480/II	0	0	0	0	0	0	0

The United States Agency for International Development

PERU

Development Challenge

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- Program/Sector Summary

Introduction

The security and prosperity of the United States is closely tied to Peru, because of increasingly important U.S. political and economic interests and a host of related factors/issues (e.g. drug trafficking). USAID's Strategic Plan for 1997-2001 remains valid and is fully supportive of U.S. strategic goals in the Mission Performance Plan. The most important U.S. strategic goal in Peru is the promotion of democracy and human rights, which is central to the support the rule of law, long-term stability and economic prosperity. Other critical strategic goals include reduction of cultivation of illicit drug crops and the entry of illegal drugs into the United States from Peru; furthering regional stability by supporting the implementation of the Peru-Ecuador Peace Accord; encouraging broad-based economic growth; helping people realize their reproductive intentions, improving human health and reducing the spread of infectious diseases; and promoting sound environmental policies and sustainable use of natural resources.

The Development Challenge

Peru's successes have been particularly evident in several areas. First, its excellent cooperation with the United States in achieving shared counternarcotics goals has resulted in Peru receiving full narcotics certifications for the last four years; Peru achieved a net reduction in coca cultivation of 24 percent, or 12,300 hectares, in 1999. Since 1995, coca cultivation has decreased by a remarkable 66 percent. This outstanding result has been due to the successful U.S./Peru law enforcement effort to interdict the coca trade and USAID's alternative development assistance program, which has provided farmers with licit alternatives. Secondly, our support of the Peruvian Government's open market reforms, export promotion and encouragement of broad-based economic growth over the years has created an environment conducive to increased incomes and improved business opportunities making Peru's free market economy one of the most important ones in Latin America. The United States is now Peru's largest trading partner and foreign investor, e.g. the U.S. exports $2 billion in goods and services to Peru, and U.S. firms have invested approximately $4 - $5 billion since the early 1990's. USAID's assistance in poverty reduction, increased access to credit, improved markets and support of efforts to reduce Peru's debt burden have contributed heavily to creating this environment. Third, the resolution of the long-standing Peru-Ecuador conflict, leading to a Peace Accord, has resulted in a U.S. Government pledge to Peru of $20 million in Economic Support Funds (ESF) from FY 2000-2003. This funding will support border integration efforts, the implementation of initial activities to show tangible benefits in 50 border communities, the involvement of other donor assistance (Japan) in the same communities, and closer coordination with Ecuador.

Notwithstanding these successes, Peru remains at a critical crossroad, both politically and economically as it approaches national elections in April 2000 and continues to recover from the "El Niño" phenomenon and global financial crisis.

On the political side, actions by the Government of Peru (GOP) have resulted in a lack of political will to support key democratic reforms or even maintain the democratic status quo, and recent actions have demonstrated a further decline in support of autonomous democratic institutions. This resulted in a decision by USAID to revise the focus of its

democracy strategy leading up to the April 2000 elections, and to provide no further support to strengthen certain national institutions such as the courts, Congress and the electoral organizations. Yet, in spite of this situation, USAID's support for the municipal elections in 1998 resulted in significant increases in voter participation in highland areas usually known for their high levels of absenteeism, increases in women elected to municipal office, and highly successful election monitoring and supervision efforts. In addition, USAID strengthened the Office of the Human Rights Ombudsman by supporting an expansion of its geographical coverage through the establishment of seven field offices in the provinces; supported the efforts of the Pardon Commission and non-governmental organizations (NGOs), which resulted in 640 persons unjustly accused of terrorism being released from jail; and provided conciliation services in more than 86,000 cases in 1999.

On the economic side, Peru's remarkable economic accomplishments over the past several years (when Peru's Gross Domestic Product (GDP) grew at a robust growth rate of seven percent during 1993-1997) have been sorely tested when real economic growth achieved a flat 0.3 percent in 1998. The El Niño phenomenon resulted in declines in fish exports, disrupted agriculture and damaged infrastructure. Worsening terms of trade also contributed to the poor economic performance, as prices for minerals, fishmeal and coffee dropped. Financial turmoil in Asia, Russia and Brazil only added to the problem, leading to a sharp decline in privatization related foreign direct investment and significant outflows of short-term capital. Real GDP is expected to grow an estimated 2.5% - 3.0% in 1999 as recovery from "El Niño" and the global financial situation continues. As a result of these developments, the GOP's goal to further reduce poverty and eliminate serious inequities in income distribution could be affected; this situation suggests that the total population living in poverty and extreme poverty may have increased.

The lack of growth in the Peruvian economy had an obvious negative impact on USAID's own planned results, as revealed by lower sales and employment generation under its micro-enterprise and small producer program. Yet, in 1999 this program still created over 4,000 new full-time jobs, provided credit to more than 40,000 micro-entrepreneurs (mostly women) with credit and other assistance, and generated close to $10.6 million in sales. Furthermore, USAID's food assistance program addressed the needs of 1.8 million people in over 5,800 poor communities, provided 122,000 families with temporary employment and reached over 320,000 children with needed interventions. In fact, the impact of the economic slowdown on the extremely poor could have been much worse if it hadn't been for the Title II program.

While Peru is trying to eliminate barriers to improved health of its population, the current economic slowdown has limited available resources -- resulting in some reversals of previous positive trends. In addition, a lack of confidence in the national family planning program was created by ill-advised and poorly implemented sterilization activities. However, over the past year, the GOP has carried out a number of actions, (including the adoption and implementation of new family planning standards of practice in compliance with the Tiahrt Amendment), which, when coupled with rigorous monitoring by USAID and others, reveal that there has been significant progress in resolving previous problems. Furthermore, there have been some notable achievements in the sustainability of USAID interventions, e.g. there are 89 USAID supported Ministry of Health facilities certified as "model health centers" in priority areas of the country, vaccination rates continue to be high, and USAID supported health NGOs are increasing their efforts to financially support their operations.

In addition, Peru's rich natural resource base and biodiversity constantly require protection from urban growth, industrial pollution and other factors. To respond to this threat, USAID supported efforts are improving the environmental policy and regulatory framework, for the manufacturing and fisheries sectors, promoting private sector participation, and implementing innovative, replicable activities in biodiversity, environment health, and pollution prevention.

Furthermore, USAID's response to the challenges that girls face in completing primary schools, has already resulted in some important advances, e.g. establishment of a National Network for Girls' Education to increase consciousness about the importance of girls education, which in turn led to a successful conference with increased commitment from the business community to support it; the establishment of three new local networks; and the implementation of community and school-based activities.

Peru's long and medium term public external debt at the end of September 1999 totaled $19.7 billion, less than one third of GDP. Peru has reduced its burden on external public debt steadily since 1993.

In light of Peru's substantial development needs, which have only increased in magnitude due to the slowdown of the economy, all of the areas in which USAID is currently involved will require continued assistance over the medium term.

Other Donors

The net official development assistance to Peru during 1998 was $496 million, excluding debt relief. The U.S. was the largest bilateral donor, contributing $121 million (24% of the total), followed by Japan, Germany and Netherlands, whose assistance was focused mainly on basic infrastructure, rural and urban development and environment. Netherlands' future development cooperation to Peru will be focused only on environment. The World Bank (WB), Inter-American Development Bank (IDB) and European Union (EU) provided assistance in financial sector adjustment, basic infrastructure improvement, education and social development.

The United States Agency for International Development

Peru

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

The FY 2001 program will continue to focus on the needs of Peru's disadvantaged population - the poor, women, children, indigenous groups and ethnic minorities - to achieve the Mission's objectives of helping Peru to build a participatory democracy, reduce illicit coca production and poverty in target areas, improve health and family planning services, protect the environment and better manage the country's natural resources in targeted sectors, and provide new opportunities for girls education in target areas.

In the democracy area, USAID will focus on increased access to justice and protection of human rights, greater civil awareness, significant start-up investment in local government strengthening and, where possible, the initiation of judicial sector reform.

In broadening economic growth, USAID will continue to address the needs of almost two million people in several thousand poor communities and support the impact of ten fully functional economic corridors in the highlands and jungle areas. In addition, USAID's Title II food assistance program will maintain its support of the poorest, food insecure people of the jungle and highlands areas.

In the area of health, population and nutrition, USAID will continue to support activities in family planning, reproductive health, child survival, infectious diseases and HIV/AIDS prevention which are key to the impressive progress made in the health sector in Peru over the last decade, while at the same time ensuring that implementing agencies have the needed mechanisms in place to provide quality health care to the beneficiary population in the future.

In the environment area, USAID will implement new innovative, replicable activities in biodiversity, environmental health, and pollution prevention; maintain the impact of a clean production center for industry and strengthen private and public local institutions to consolidate Peru's environmental framework including the development of policies in sustainable forest management and protected area management.

In alternative development, USAID will maintain the momentum to reduce the illegal production of coca and sustain a licit economy for participating communities in target areas.

In girls' education, USAID will support the full implementation of community and school-based activities in Ayacucho, one of the areas identified with the greatest needs.

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE AND NUMBER: Broader Citizen Participation in Democratic Processes, 527-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,100,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $3,100,000 (DA), $2,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The strengthening of democracy in Peru requires an expansion of citizen participation in the decision-making processes that affect their lives, and an increase in GOP responsiveness to citizens' needs. Accordingly, USAID's democracy program targets individuals and community groups previously excluded from access to fair and equitable decision-making processes, particularly the justice system, e.g., indigenous groups, women, minorities and the poor.

Key Results: Through the efforts of the Pardon Commission and several non-governmental organizations supported by USAID, 640 persons unjustly accused of terrorism were released from jail, thus decreasing the number of incarcerated citizens "unjustly" accused of terrorism from 1,500 in 1995 to approximately 471 in 1999. The target for this performance measure was unattainable this year due to lack of a presidential decision on number of cases, and the fact that hundreds of new people were incarcerated because of old outstanding warrants for terrorist charges. Additionally 250 human rights promoters were trained in FY 1999; these and other promoters trained approximately 100,000 people in their communities. Furthermore, women elected to municipal office increased from 8.8% to 17.5% in Lima and from 8% to 24% nationwide. Women elected to municipal councils have improved their knowledge and skills in municipal management and several municipalities have created special committees or offices on women's issues within the local government structure. These and other activities contributed to the increase of citizens from disadvantaged groups, including women, who understand their basic rights and responsibilities. As of 1999 the percent of citizens who know where to go to protect their rights is 69%.

Performance and Prospects: In FY 1999 USAID continued focusing on electoral participation, human rights, decentralization, civic education and public accountability activities. USAID's support for the October 1998 municipal elections contributed to: (1) significant increases in voter turnout (from 62% in 1995 to 69.3% in 1998) in USAID-assisted highland areas usually characterized by high levels of absenteeism; (2) an increase in the number of women nominated as candidates for municipal elections by the principal political parties, surpassing the legal requirement of 25%; (3) a successful election monitoring effort with the fielding of nearly 7,000 observers -- many of whom were youth -- during the municipal elections; (4) a significant electoral supervision effort conducted by the Office of the Ombudsman during the municipal elections held in July 1999; (5) effective OAS-local NGO coordination on observation; and (6) a highly credible observation report issued by the local elections NGO *Transparencia*. Pre-electoral activities for the upcoming April 2000 general elections report the following achievements: (1) 91% of provincial committees for implementing voter education activities and electoral observation have been established nationwide by *Transparencia*; (2) a gender platform to be presented to the candidates for presidential and congressional elections has been prepared by the four NGOs implementing the Women's Political Participation Project (PROMUJER); and (3) approximately 49 regional TV stations are involved in a pilot experience conducted by the NGO *Instituto Dialogo y Propuestas* (IDS) to promote public debates on democracy issues during the electoral period.

In the area of more equitable access to justice and improved human rights, the Office of the Ombudsman was strengthened and it's reputation enhanced through assistance in strategic planning, organizational development and staff training. Consequently the Ombudsman's geographic coverage expanded through the establishment of seven field offices in the provinces. The National Coordinator for Human Rights (NCHR) improved the linkage among its members, at least 50 human rights NGOs nationwide, through the implementation of a computer network; and the establishment of a data-base on torture victims as part of its public campaign against torture which began in June 1999 with the participation of local authorities and community members. In addition, USAID-sponsored legal clinics provided free legal and conciliation services to the poor in more than 86,000 cases, and 32 of the 40 legal clinics and conciliation centers registered to date with the Ministry of Justice have been supported by USAID. Under the decentralization program, a total of 8,000 mayors, municipal personnel, and community leaders have gained knowledge and skills to strengthen local governments and promote citizen participation, particularly through public assemblies. In the area of democratic and civic education, approximately 2,400 youth leaders were trained through USAID assistance, and at least 73,000 primary and secondary students from the cities of Lima and Ayacucho have been trained in democratic values and participation. Finally, USAID assistance to the Controller General´s office contributed to its improved capacity to carry out financial and performance audits.

Judicial reform is a critical concern that USAID is not currently addressing through its assistance to the government, due to the limited independence of the judiciary. Where possible, USAID will seek opportunities to promote judicial reform through support to NGOs and other means (e.g., seminars on the criminal procedures code and due process).

We are cautiously optimistic about the prospects for future success of USAID's interventions in the democracy and governance areas. In FY 2000, USAID will focus its assistance on the April 2000 presidential and congressional elections. This assistance will include voter education, electoral observation, and promotion of women's political participation and possibly some targeted technical assistance for electoral administration. USAID will also sponsor activities that foster public debate on key democracy issues, such as the importance of independent institutions and

decentralization. The mass media will play an important role in these and other efforts. In FY 2001, other areas of emphasis will continue to be: (1) greater access to justice and protection of human rights through continued support to the Ombudsman, human rights groups, and public and private sector organizations promoting legal defense and alternative dispute resolution, especially for the poor; (2) increased civic awareness, through programs of voter, human rights and civic education with a particular focus on key democracy issues; and (3) more accountable public institutions and more responsive local governments, through the training of municipal officials, empowerment of newly-elected women officials, and promotion of citizen participation and greater accountability.

Child Survival and Disease funds obligated in September 1999 will be used in FY 2000 to support the inclusion of democratic values in basic education curricula for primary schools in the rural areas of Ayacucho, focusing on girls.

Possible Adjustments to Plans: The April 2000 elections are widely believed to be critical for the future of democracy in Peru. USAID will continue to focus on support in the preparation for the elections, with the expectation that opportunities and priorities for USAID in democracy may change after the elections.

Other Donor Programs: USAID continues to be an important donor in the democracy sector. Other donors are becoming increasingly involved and interested in the sector, in part as a result of their participation in the Democracy Donors Group, which USAID helped, found. The Donor's Group is formed by the European Union, United Nations Development Program, German Technical Cooperation Agency, the Embassy of Finland, the Canadian International Development Agency, the Swiss Cooperation Agency and the Friedrich Ebert Foundation. This multi-donor group hosted its second joint event on political participation and citizens' expectations in November 1999, which served to promote a public debate among key opinion leaders on the importance of citizen's participation in a democratic process. During 1999, the donors group continued to concentrate and coordinate on two themes: elections, and strengthening of regional and local governance. The Donor community also provided 35% of the Ombudsman's 1999 budget to increase respect for human rights. Additional support will be provided to the NGO *Transparencia* for electoral observation and information services. Several donors are working in the area of local government as well. Total donor support to the sector (1997-1999) is estimated to be equivalent to $46 million. Finally, the GOP will provide approximately $1.7 million in counterpart funding to key institutions with which USAID works--the Ombudsman, Ministry of Justice, and Controller General's Office.

Principal Contractors, Grantees or Agencies: USAID implements democracy activities through several local NGOs, the Office of the Ombudsman, the Ministry of Justice, the Controller General's Office, a local educational institution, and a national association of municipalities.

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (2000)	Target (2001)
Valid votes cast as a percent of registered voters in presidential elections	(1995) 61%	69%[1]	70%	N/A
Number of incarcerated citizens who are "unjustly" accused of terrorism	(1995) 1,500	546	200	50
Percent of citizens from disadvantaged groups who know their basic rights/responsibilities	24%	26%	28%	30%
Percent of citizens who know where to go to protect their rights	58%	65%	70%	74%

[1]October 1998 Municipal elections

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE AND NUMBER: Increased Incomes of the Poor, 527-002

PLANNED FY 2000 OBLIGATION AND ACCOUNT: $7,200,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $7,900,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: Widespread poverty is perhaps the most intractable problem that Peru faces. Almost 50% of the population is considered poor, and close to 15 percent is classified as extremely poor. This strategic objective is aimed at providing opportunities to increase the economic well-being of the poor by: (1) improving the policy environment for broad-based economic growth; (2) expanding access to new markets; (3) improving production; (4) increasing productive and social investment in extremely poor areas; and (5) strengthening service delivery in poverty areas through NGOs. The objective is to achieve sustainable reductions in poverty over the medium-term through income and employment generating opportunities, while alleviating some of the consequences of extreme poverty, e.g. malnutrition. The targets of reduced poverty and improved food security are fully consistent with the Government of Peru (GOP) goals. Activities include a variety of interventions under the P.L. 480 Title II food assistance program, support to micro-enterprise and small producers, and an initiative for poverty reduction and alleviation in selected economic corridors that link poor districts with growing economic markets in intermediate cities. The beneficiaries are micro-entrepreneurs (who create employment opportunities for the poor), and poor people living primarily in the highland and jungle areas of Peru, where poverty is the most severe.

Key Results: Major achievements of USAID assistance include the creation of 4,800 jobs in 1998 and 4,000 jobs in 1999, half of which are for women; and the provision of financial services to more than 54,000 micro-entrepreneurs in 1998, the majority of which were women. The target for job creation in 1999 was unattainable due to a slowdown in the Peruvian economy. Moreover, USAID-assisted micro-entrepreneurs and small farmers increased their sales by $14 million in 1998 and by an additional $10 million in 1999. In addition, P.L. 480 interventions resulted in the graduation of more than 300,000 children from nutrition programs in 1998.

Performance and Prospects: The year 1999 was a difficult one for the Peruvian economy as a whole, and it had a direct impact on this SO, which attempted to foster economic growth. The ongoing recession dampened effective demand significantly. The results of the recession can readily be seen in the sales and employment generation figures for the Micro-enterprise and Small Producers Support (MSP) activity, which fell short of projections. Nevertheless, preliminary information indicates that an additional $10.6 million in sales and 4,000 new jobs were generated. In addition, MSP's technical assistance continued to reduce unit production costs of participating enterprises in garment manufacturing and improve yields of highland crops across the board. These measures helped to ameliorate the effects of the economic downturn. During 1999, more than 40,000 micro-entrepreneurs, mostly women, received credit from USAID-assisted NGOs. Future targets for this performance measure have been revised to be more consistent with interventions of the credit program. All of USAID's FY 1999 direct credit funds were used to finance anti-poverty lending activities, loans under $300. In addition to direct credit services, USAID also provided assistance to develop a set of common services that allow for improved economies of scale for NGOs and formal microenterprise financial institutions. This support also consists of training and technical assistance activities to introduce best practices among such institutions, strengthen their financial and administrative capacity, and achieve sustainability.

USAID's food assistance program continued to address the social and economic infrastructure needs of 1.8 million people in over 5,800 poor communities. During FY 1999, 122,000 families were provided with temporary employment, and more than 145,000 families improved their food production practices. Title II reached over 320,000 children and successfully carried out interventions designed to achieve a sustainable and healthy growth trend, including completion of vaccinations, education and training events for mothers, and monitoring of weight gains.

The Poverty Reduction and Alleviation (PRA) activity began in earnest in 1999, with the opening ofHurricane Mitch supplemental funds have been used to initiate a comprehensive approach to two Economic Service Centers in Puno and Huánuco. The activity is expected to be fully operative in ten economic corridors and showing genuine impact by early 2001 in the highland and jungle areas, which are extremely poor but hold tremendous market potential.

Future prospects for the strategic objective are encouraging because the strategies employed are both innovative and appropriate to the serious economic situations the country is facing, helping the poor to become less vulnerable to economic downturns and increasing their opportunities when the economic outlook improves. MSP, PRA and Title II are all integrated and targeted to the priority sectors - economic corridors which will increase synergy and help leverage the impact of our program interventions. In addition, despite a poor economic climate, USAID believes that together with the GOP and other donors, many of the strategic objective's target interventions will be met.

Possible Adjustments to Plans: The planned phase-out of Title II in 2008 will undoubtedly impact the scope and outreach capability of the food assistance program. Discussions are underway which may lead to slowing down the abrupt (40%) reduction in assistance planned for 2001. Increases in projected Title II resource levels would be to support nutrition activities, allowing for greater integration with other USAID strategic objectives.

Other Donor Programs: During 1999, Inter-American Development Bank (IDB) and the World Bank assistance were focused mainly on supporting the financial sector. In this regard, the IDB approved a $310.9 million loan for strengthening the financial system while the World Bank approved another $300 million for the same purpose. Additionally, the IDB co-financed with the Japanese a $200 million loan for a second stage of the multi-sectoral credit program. Japanese assistance approved a $286 million loan for irrigation, rural electrification and poverty alleviation activities. The European Union, German Technical Cooperation Agency (GTZ) and Canadian International Development Agency (CIDA) are also carrying out activities related to poverty alleviation, improving social infrastructure, promoting rural development and strengthening the productive capacity of the poor. Finally, a second-phase of the rural roads rehabilitation project is in preparation by the World Bank as a way to reduce transportation costs and increase access to markets.

Principal Contractors, Grantees, or Agencies: Principal implementing agencies of USAID-funded activities are: GOP Ministries of the Presidency, Industry and Commerce, Agriculture, and Health; the private sector Exporters' Association (ADEX) and Businessmen's Association (CONFIEP); Chemonics; U.S. PVOs Cooperative for American Relief Everywhere (CARE), Catholic Relief Service (CRS), Technoserve, Private Agencies Collaborating Together (PACT), Adventist Development and Relief Agency, International (ADRA); and the local NGOs, CARITAS and Projects in Health, Medicine and Agriculture (PRISMA).

Selected Performance Measures:	Baseline (1995)	Actual (1998)	Target (2000)	Target (2001)
Value of increases in sales of selected products (thousands $)	1,731	14,134	22,000	25,000
Employment generated	2,419	4,799	9,000	11,500
Number of micro-entrepreneurs and small farmers with access to credit	(1996) 6,900	54,180	50,000	70,000

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE AND NUMBER: Improved Health, including Family Planning, of High-Risk Populations, 527-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $13,500,000 (DA), $6,500,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $20,500,000 (DA), $9,250,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2003

Summary: Peru is working to surmount serious obstacles in order to improve the health of its population, and to reduce the dramatic gaps that exist in health indicators between the cities and rural areas. One obstacle is a stubborn economic recession that limits resources available for health services. Resources available to families and to the Government of Peru (GOP) for health activities are declining in some areas, leading to some reversals of previously positive trends. Another challenge is the rapidly expanding population of young Peruvians which is overburdening public services and requiring responses and programs different from those traditionally offered by providers. Another obstacle is a crisis of confidence in the national family planning program caused by ill-advised and poorly implemented sterilization activities in recent years. Peru continues to struggle against its cultural, socioeconomic, and topographic diversity, finding it difficult and costly to provide quality services to remote, poor, indigenous communities. Finally, Peru's varied physical and climatic environment make it home to an unusually large and diverse range of infectious diseases and other health hazards.

USAID supports a number of key strategic activities in the health sector, which in turn support the Agency's goal of world population stabilized and human health protected. The program also contributes primarily to the achievement of

the Mission Performance Plan (MPP) goal to reduce the spread of infectious diseases into, within and beyond the borders of Peru; develop improved methods for U.S. citizens to cope with tropical infectious diseases; and protect and improve human health in Peru. Secondly, it supports the MPP goal to help people realize their reproductive intentions and space their children in ways that promote the health of families, thus contributing to global population stabilization. USAID current activities place strong emphasis on women and children. Children under age five number 3.5 million-14% of the population, while women of child-bearing age total 6.6 million--26% of the population. Four of every ten Peruvians are in one of these two target groups. Some USAID activities benefited the entire Peruvian population of 24.8 million, as of 1998.

USAID seeks to achieve the following results: 1) People take appropriate preventive actions, that is, measures such as immunization, which prevent disease and have access to information on family planning services, which can reduce undesired pregnancies; 2) People take appropriate promotive actions, that is, measures such as good breastfeeding and weaning practices which help avoid disease and contribute to good nutrition; 3) People take appropriate curative actions, that is, measures such as oral rehydration therapy and referral of high-risk pregnancies; and 4) Sustainable institutions and operations are in place to continue programs when donor investments end.

Child Survival and Diseases (CSD) funds are used to provide support for improved management of GOP health facilities, including in-service staff training and upgrading of management systems such as budgeting and statistics; surveillance systems for infectious diseases; immunizations, research and other public health interventions. CSD funds also support work in the area of health care financing which is helping the GOP identify alternatives that will provide better care with lower public subsidies in the future. Development Assistance (DA) funds support family planning so that citizens can voluntarily exercise their right to voluntary family planning without coercion, and because Peruvian women suffer from high maternal and infant mortality associated with too many high risk and unwanted births. Finally, DA funds also support activities with NGOs in their efforts to reach out to grassroots communities with health information, services, and empowerment.

Key Results: USAID assistance contributed to the establishment of 89 "model health centers" certified by the Ministry of Health (MOH) in priority regions of the country. Immunization rates of infants increased from 95% in 1996 to 97.5% in 1998, notwithstanding the difficulties of El Niño. The number of people in priority zones trained in key primary health interventions rose to 19,750 in 1999. The number of condoms distributed or purchased through USAID-supported public and private sector channels increased from 14.6 million in 1997 to 46.3 million in 1999 for contraceptive purposes and HIV/AIDS prevention. Due to the excellent results achieved in this performance measure, future targets will be revised.

Performance and Prospects: GOP is recovering from an ill-advised misstep in its family planning program - a period of aggressive campaigns in which it was alleged that some women were pressured into receiving tubal ligations. Over the last year, the GOP ended the campaigns, investigated the reports of abuses of women's rights, prepared new medical standards of practice for all family planning methods in compliance with the Tiahrt Amendment, and trained field staff nationwide in the new procedures. Rigorous monitoring by USAID, the Peruvian Human Rights Ombudsman, the Population Council, and the MOH show that improper practices have now ended. Personnel who have received additional quality of care training and newly developed materials are providing improved quality of information on reproductive health to clients. However, contraceptive prevalence, which slipped during this crisis as clients lost confidence in service providers, has not yet fully recovered.

In other areas financed with Development Assistance (DA) funds, program performance has been strong. Qualitative assessments in rural USAID partner communities indicate that women's and men's knowledge about their reproductive health, as well as their use of family planning methods, continue to show impressive increases. Data also indicate impressive results in women's empowerment. In addition, USAID activities with ten NGOs providing reproductive health services, have gotten through the rocky start-up period and are producing solid results.

With USAID CSD funds, the MOH also implemented a modern cost-based programming and budgeting system in 20 of Peru's 24 health jurisdictions. Through the Maternal and Child Health In-Service Training Program, the number of USAID-supported MOH facilities certified as "model centers" (centers with strong health information services, community outreach, permanent education for staff, adequate infrastructure, and standardized clinical management) increased from 7 in 1997, to 70 in 1998, to 89 in 1999. The model centers include a system for continuous training of local health promoters and traditional birth attendants. Several epidemiological studies have been conducted and infection control systems implemented in pilot hospitals. In terms of financial sustainability, USAID-supported health NGOs increased the percentage of their total budget recovered by revenues to 40%, exceeding a 1998 target of 25%.

Prospects for significant change in health indicators is anticipated, and USAID will have detailed information on progress

within the sector based on the results of the Demographic Health Survey (DHS) to be carried out in the year 2000. In FY 2000, with CSD funds, USAID will focus its efforts on national level dissemination and replication of strategies in the management of obstetrical and neonatal emergencies; community outreach; and implementation of a system to provide up-to-date information on the trends in emerging and re-emerging infectious diseases, including application of surveillance, prevention and control methods adapted to regional scenarios. An area of continuing emphasis will be training MOH providers and supervisors in quality of health care issues. DA funds will be used to finance health care programs for adolescents. FY 2001 will be a year of fine tuning models that were introduced at the regional level and assuring that the implementing agencies have the administrative and supervisory mechanisms in place to continue to provide improved quality health care to the beneficiary populations without continuing USAID assistance.

Possible Adjustments to Plans: No adjustments are planned at this time.

Other Donor Programs: In 1999, USAID completed a study of donor assistance programmed between 1994-2005. The study identified 238 projects in various stages of completion for a total of $2.9 billion, of which USAID represents $341 million. Some of the other major donor investments are through international financial institutions and represent low-interest loans, rather than grant funds. USAID coordinates its activities closely with such agencies as United Nations Childrens Fund (UNICEF), the Pan American Health Organization (PAHO) and United Nations Population Fund (UNFPA). USAID also maintains a close relationship with other bilateral institutions such as Department for International Development (DFID) of the United Kingdom, the Dutch Embassy, the Canadian International Development Agency (CIDA), Germany's Technical Assistance Agency (GTZ) and the Japan International Cooperation Agency (JICA). USAID is also a member of numerous multi-institutional coordinating bodies in the areas of immunization, family planning and wider reproductive health, infectious diseases and gender.

Principal Contractors, Grantees or Agencies: USAID implements activities through several U.S. technical contractors, U.S-based PVOs and other non-profit organizations, U.S. universities, Peruvian NGOs, and the Peruvian MOH. Grants have also been made to UNICEF. Global Bureau Cooperating Agencies that receive Field Support funding for activities in Peru include CARE, Pathfinder, John Hopkins University, the Futures Group, and John Snow International.

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (2000)	Target (2001)
Number of facilities certified as model health centers in priority zones	4	70	89	89*
Percentage of infants fully vaccinated by age 1	(1991) 85	97.5	95	95
Millions of condoms distributed or sold through USAID-supported channels	12.2	45.6	35	35*
Number of people in priority zones trained in key primary health interventions	8,100	17,852	15,000	15,000*

* preliminary

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE AND NUMBER: Improved Environmental Management in Targeted Sectors, 527-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $4,100,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $5,400,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2003

Summary: Peru has an abundance of natural resources and its biodiversity is one of the richest of the world. However, Peru's environment is threatened by uncontrolled urban growth, industrial pollution and widespread poverty that frequently leads the poor to use environmentally destructive practices to survive. The purpose of this program is to

improve protection of the natural resource base, fragile ecosystems and biodiversity and to prevent or reduce urban and industrial pollution. This will be achieved by 1) strengthening the institutional capacity of the Government of Peru (GOP) and private sector; 2) increasing public support for environmental improvements; 3) testing and validating 15 innovative technologies through pilot projects; 4) adopting sustainable practices; and, 5) establishing sound policies and effective legislation. Large segments of the Peruvian population will ultimately benefit from enhanced conditions in the environmental and natural resource (ENR) sector resulting from an improved ENR legal, regulatory and policy framework; private sector participation; and validated innovative practices. In addition, pilot activities will directly benefit low-income populations where these programs will be implemented.

Key Results: With USAID support, the GOP has developed policies to improve environmental management including: the first environmental policy framework for the manufacturing industry, which emphasizes best practices for pollution prevention; a similar one for the fisheries sector; and the first guidelines for the environmental impact assessment. Two USAID-assisted industrial plants in the fisheries sector have already reduced pollution levels by 10% in 1998. In addition, in 1999 six industrial plants in various sectors (cement, brewery, paper, and fishmeal) adopted new pollution prevention practices that are reducing their pollution levels, making a total of eight plants that have adopted new technology.

Performance and Prospects: Sustainable Environmental and Natural Resource Management (SENREM), the first major activity under the current ENR strategy, is strengthening the National Environmental Council (CONAM) to assume its role as the main environmental policy making and inter-sector coordination agency in the country. SENREM is also strengthening the environmental policy and regulatory framework, promoting private sector participation, and implementing pilot interventions in biodiversity, pollution prevention, and environmental health. SENREM also supports GOP efforts to decentralize ENR management through the creation to date of five multi-sectorial Regional Environmental Committees. In FY 1999, SENREM helped CONAM form inter-sectoral technical committees for developing quality standards for air, water and noise; and establish maximum permissible limits for emissions in the manufacturing, fisheries, oil, electricity and transportation sectors. SENREM also played a key role in the development of the environmental framework legislation for the fisheries sector, and the guidelines for the development and application of environmental review and monitoring procedures in the manufacturing sector. SENREM efforts through FY 2001 will include assistance for developing specific environmental regulations for the cement, beer, paper and tanneries industries. In FY 2001, efforts will focus also on consolidating Peru's environmental framework.

SENREM activities in the areas of private sector advocacy and pilot projects continued making satisfactory progress during the year. One example of private sector increased involvement in environment is the launching, in FY 1999, of a private sector project aimed at extending environmental management systems to medium and small enterprises which provide services and inputs to the larger firms working towards International Standard Organization (ISO) 14000 certification. The Peruvian Society for Environmental Law (SPDA) published and presented publicly a research study with proposed legislation for oil drilling in protected areas. Another study on the adoption of individual transferable quotas for fish catches has been completed for publication and public presentation in the FY 2000. Both of these studies should lead to important GOP policy changes. The first annual Independent State of the Environment Report is complete with publication scheduled for February 2000. The "umbrella" organization of environmental networks and NGOs created last year to promote the participation of the private sector in environmental policy making has pursued an active schedule of meetings with the public sector and with its constituency.

Since 1998, 22 new pilot projects have been approved for implementation under SENREM. These pilot activities test and validate results-oriented, sustainable practices with strong likelihood of replication by the GOP, the private sector and other donors. The Paracas pilot activity, which tested and validated practices for preservation of raw material, reduction of pump water volume/raw fish ratio, pump water recirculation and general waste reduction, is showing an impact in the fishmeal industry, and a large number of other plants along the length of the Peruvian coast have adopted more efficient technologies. Beginning in FY 2000, SENREM activities in the area of clean production will be expanded to help the Peruvian private sector set up and operate a clean production center for the industry.

The new Biodiversity and Fragile Ecosystem Conservation and Management (BIOFOR) activity, approved in late FY 1998, got off to an impressive start by developing economic valuation criteria and completing other socio-economic studies for forest concessions; providing assistance leading to approval of a strategy for management of protected areas; beginning ecological economic zoning analysis for the entire Department of Madre de Dios and completing an inventory of non-governmental organizations with a presence at activity sites. BIOFOR also developed the basis for a training program in grant proposal preparation and management for the NGOs. In FY 2000, BIOFOR will launch a training and small grants program at sites surrounding six protected areas in various parts of Peru. In FY 2001, activities will continue supporting the GOP partner institution, the National Institute for Natural Resources (INRENA), and local institutions for

improving the management of national parks, for the creation of communal reserve for isolated indigenous people, and developing master plans for the Pacaya-Samiria National Reserve and Tingo Maria National Park.

In FY 2001, the Mission recently approved an activity in the area of environmental health which will work closely with the General Directorate of Environmental Health (DIGESA) in the Ministry of Health to help low-income Peruvians in high-risk urban communities enjoy longer and higher quality lives by reducing risks associated with exposure to urban and industrial pollutants.

Possible Adjustments to Plans: No adjustments are planned at this time.

Other Donor Programs: A small UNDP program, Agenda 21, is assisting CONAM to organize Regional Environmental Committees. The World Bank and Japan's International Cooperation Agency (JICA) continue to support rehabilitation of Lima's water and sewage systems. The Inter-American Development Bank is improving basic sanitation services in 36 cities throughout the country. The World Bank is also planning a $50 million loan for rural water, sanitation and health. The Swiss are providing environmental monitoring support to the Ministry of Industries and assisting CONAM to develop a clean production center. The Food & Agriculture Organization (FAO) is providing $1.8 million to develop a National Forestry Development Strategy and $2.0 million for Integrated Pest Management. FAO also supports several forest management and re-forestation activities, mostly in the highlands. The International Tropical Timber Organization supports nine forestry projects in Peru through INRENA and the National Program for Watershed Management. The World Bank, through its Global Environmental Facility, supports the protected areas fiduciary fund, the National Fund for Natural Protected Areas (PROFONANPE), that pays park guard salaries and covers infrastructure investment, as well as site-specific programs. Bilateral donors in biodiversity conservation include the Dutch, Germans, Canadians, Finns and the Swiss. PVO donors to biodiversity conservation in Peru include the World Wildlife Fund, The Nature Conservancy, Conservation International and Wildlife Conservation International.

Principal Contractors, Grantees, or Agencies: The main GOP counterpart agency for SENREM is CONAM. Principal contractors are the U.S. firm ABT Associates, and SPDA. The U.S. firm, International Resources Group, is the main contractor for BIOFOR, while the GOP implementing agency is INRENA. The new Environmental Health Activity works closely with DIGESA.

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (2000)	Target (2001)
Number of biologically important national parks that have achieved management improvements	0	5	3	5
Number of industrial plants in targeted sectors that have adopted new pollution prevention practices[1]	0	2	24	45
Number of targeted ENR policy and legislation overlaps, inconsistencies, or gaps eliminated	0	3	3	3

[1]cumulative targets

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE AND NUMBER: Reduce Illicit Coca Production in Target Areas of Peru, 527-005
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $26,000,000 (INC), $15,000,000 (Plan Colombia)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $25,000,000 (INC)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2008

Summary: During the last four 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. While a total of 76,000 hectares (66%) of the original 115,000 hectares of coca leaf have been reduced through end of 1999, Peru remains one of the world's leading producers of coca leaf and coca-based products. Production and trafficking of these products continue to cause serious political, economic, and social harm, while domestic drug abuse has increased significantly to around 3.5% of the population. In addition, deforestation, erosion and the disposal of toxic chemicals resulting from processing coca are causing ecological damage as well. The Alternative Development Program (ADP) helps increase employment and income from licit economic activities of farmers that reside in the program 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;[1] and (2) alternative development interventions to allow farmers to engage in licit and sustainable economic activities leading to sustained reduced coca leaf cultivation and production. The 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 the majority to voluntarily abandon coca cultivation.

Key Results: The ADP now benefits almost 400,000 people in approximately 1,600 communities in the six of the eleven coca-growing areas where most coca leaf is produced. Although preliminary, key results achieved in 1999 include a 24% net reduction (12,3000 hectares) in coca cultivation area with an estimated decrease of over 26,400 metric tons in coca leaf production. In addition, licit alternative crops supported in 1999 include 17,500 hectares of coffee, 7,000 hectares of cacao and another 3,100 hectares of other crops, all of which are under improved management models that generated over 8,100 new full-time equivalent jobs. Furthermore, living conditions of participating farmers improved significantly with the completion of 263 basic infrastructure works, e.g. health clinics, school rooms, water supply systems, and the rehabilitation of over 250 kilometers of feeder roads, and construction of 15 bridges, one airstrip and 10 kilometers of irrigation canals. Finally, over 1,900 micro-credits and 16,000 small commercial loans were approved, of which over 80% were awarded to farmers that had never had access to credit before.

Performance and Prospects: The ADP is implemented in the following coca-growing areas of Peru: the Central Huallaga, Upper Huallaga, Aguaytia, Pichis-Palcazu, and Apurímac River Valleys. The latter includes the special focus area of Palmapampa. 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, the ADP seeks to strengthen CONTRADROGAS, the primary GOP agency responsible for providing policy guidance and operational coordination to multi-donor alternative development initiatives. In late 1999, the GOP initiated an expansion of its involuntary coca eradication program to eliminate coca leaf production in the Upper Huallaga, Aguaytia and Apurimac River Valleys. The program calls for forced eradication of 2,000 hectares of coca per month. Based on preliminary data, the combination of interdiction, involuntary eradication and alternative development interventions in 1999 resulted in a net reduction of 24% (12,300 hectares) in coca producing areas and an estimated decrease of 26,400 metric tons in coca leaf production. Since the ADP's inception in May 1995, there has been a cumulative net coca reduction of 76,600 hectares (including preliminary data on results in 1999), representing a 66% decrease in coca area from the 1995 baseline level. This overall reduction caused a drop in potential coca leaf production of approximately 114,200 metric tons, and reduced potential cocaine hydrochloride production by 285 metric tons. There is little doubt that such reductions decreased the potential flow of illegal drugs to the United States and elsewhere significantly. Based on the above estimates, a total of 38,700 hectares remain devoted to coca cultivation, including 8,000 hectares that produce coca leaf for legal consumption in Peru. Other ADP achievements to date include 679 agreements signed by communities and farmer organizations to reduce coca hectares voluntarily and commit not to plant new coca (additional agreements will be signed over the next few months); completion of over 1,100 social infrastructure projects (schools, health clinics, potable water systems, etc.); rehabilitation of the Palmapampa airstrip and over 850 kilometers of farm-to-market roads, including 21 bridges; increased production and marketing of nearly 27,600 hectares of licit crops (coffee, cacao, palm heart, pineapple, etc.); development of 1,500 hectares for livestock and pastures; generation of approximately 15,800 new full-time equivalent jobs; establishment of a $10 million rural credit system with an NGO and a private bank, which has resulted in the approval of over 1,900 micro-credits (32% women) and over 1,600 small commercial loans respectively; and strengthening the capacity of 103 local governments to assist communities to carry out ADP efforts.

Prospects for ADP success is evidenced by: the GOP's political will in addressing the problem of illicit coca cultivation, production and trafficking, including an accelerated involuntary eradication program; the increasing international support being provided by the donor community to the GOP's Comprehensive Alternative Development, Prevention and Rehabilitation Program for 1999-2003, as a result of the Consultative Group on Alternative Development held in Brussels in November, 1998; the new ADP implementation strategy to streamline the management of U.S. Government support through "umbrella contracts"; and the increasing commitment and performance of the ADP-implementing

institutions, especially the private-sector entities under USAID agreements. Given the overall progress achieved to date, the ADP's 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.

Possible Adjustments to Plans: The GOP's involuntary coca eradication program may affect the implementation of some ADP interventions in Upper Huallaga and Aguaytia Valleys. Because of this, closer coordination between USAID and the GOP/USG agencies responsible for the involuntary eradication program is being carried out to determine additional resource needs for "safety net" assistance in areas where the economic and social impact of involuntary eradication could be highly disruptive. At the request of the GOP's coordinating organization, CONTRADROGAS, USAID is designing an ADP-funded "emergency program" that would prevent short-term malnutrition among children, implement labor-intensive activities to generate income, and supply micro-credits for small scale economic activities. Since such an emergency program would have to be implemented simultaneously with the ADP regular program, additional resources may be needed to finance it.

Other Donor Programs: Currently, USAID is regarded as the leader in alternative development, both in terms of strategy and funding. Other donors include the UN Drug Control Program (UNDCP), Netherlands, Switzerland, Germany, Canada and the United Kingdom. As a result of the November 1998 Consultative Group and in recognition of Peru's alternative development success, other donors pledged a total of $127 million for six coca producing areas not supported by USAID's ADP. Of this total, $21.1 million has been made available to support the GOP's CY1999 National Alternative Development Program. This included $14.9 million to finance new ADP interventions in non-USAID supported coca growing areas, including $0.79 million for social prevention and rehabilitation activities, plus $6.2 million for continued support to ongoing ADP activities. Major donors are UNDCP, Canada, Netherlands, Switzerland, and the United Kingdom. In addition, other donors' support for CY2000 is expected to be around $70.4 million, while the GOP has committed the equivalent of $85.5 million through FY 2003.

Principal Contractors, Grantees, or Agencies: The ADP is being implemented by CONTRADROGAS, several Special Projects of the GOP's National Development Institute (INADE); the GOP's Ministry of Transport and Communications; the San Martin Region Local Governments Association; the U.S. PVO Winrock International; the Center for Drug Education and Information (CEDRO); a Peruvian private bank; the private-sector Exporters Association; and a Peruvian NGO, PRISMA.

Selected Performance Measures:	Baseline (1995)	Actual (1998)	Target (2000)	Target (2001)
Hectares devoted to coca production	115,300	51,000	32,640	26,112
Coca leaf production (metric tons)	183,600	95,600	61,363	49,091
Community coca reduction agreements	0	581	850	1,006
Licit jobs generated in target areas	0	7,680	15,810	9,540

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Peru
TITLE AND NUMBER: Expanded Opportunities for Girls' Quality Basic Education in Target Areas, 527-006
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $500,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $1,100,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE**: FY 2003

Summary: Girls in Peru--particularly rural girls--face three 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. Some 53% of primary students are over-aged, and 70% of those reside in rural areas. Second, girls in rural areas are more likely than boys not to be promoted from grade to grade on an annual basis, putting them even further behind. Nationally, 15.5% of primary school students repeat grades. Third, a constellation of geographic, socio-cultural, economic and academic factors makes it harder for girls to stay in school through the years, especially in

rural areas. Educational quality is also an issue for children and families, and this is more pronounced in rural areas. Dated materials with themes that are irrelevant and even contradictory based on students' experiences, 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. Consequently, the dropout rate for girls is higher than the rate for boys, with the national rate hovering 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. Accordingly, USAID's support in primary education in Peru is focused on rural girls as the category of students most at-risk of not completing primary school. Among the many rural areas that are in need of support, USAID has chosen to work in three of the poorest departments (Ayacucho, Huancavelica and Apurímac) that were hard hit by terrorism over the past two decades. In those departments, children--particularly girls--have the least educational development. For example, the illiteracy rate among girls aged 15-17 is 13%, three times higher than that for boys, reflecting the exclusion that over 150,000 school-aged girls face in those areas. This objective contributes to USAID's Agency goal of Human Capacity Built through Education and Training and supports the Mission Performance Plan goal to encourage broad-based economic growth in Peru.

Key Results: The following key results are required to achieve this objective: 1) Increased consciousness of the importance of girls' quality education, particularly among rural girls, and the constraints affecting it; this calls for building a national constituency on the topic that can provide the national and local support needed to develop sustainable policies and the required commitment to implement them. 2) Community and school-based programs that address barriers to girls' education implemented in target areas; USAID is supporting pilot interventions in the geographic areas mentioned above. 3) Improved and sustainable local capacity to implement appropriate policies and programs that support quality education for girls; USAID is supporting key institutional actors in their efforts to improve educational opportunities for girls, transferring USAID's considerable experience in this area.

In 1998 a National Network for Girls' Education in Peru was established, with the participation of GOP sectoral ministries, NGOs, universities, the business community and donors. In 1999 three department networks were formed to promote policies and programs that support girl's education. Through the networks, informational materials have been disseminated to raise awareness and garner support.

Performance and Prospects: In spite of the early stage of development of this objective, there have been important advances towards the achievement of key results. The National Network for Girls' Education, established last year with the participation of the public sector and civil society, has been active in increasing consciousness about the importance of girls' education in Peru. The National Network sponsored a very successful and widely (cross-sectoral and multi-regional) attended First National Conference on Girls' Education in Rural areas. One result of the Conference was increased commitment from the business community to support girls' education. Negotiations are presently underway with CONFIEP (the National Association of Private Enterprises) to establish a fundraising committee in favor of girls' education. Moreover, a document called *Open Agenda for the Education of Rural Girls*, with specific policy recommendations to address identified barriers affecting girls' education, was developed with inputs from stakeholders at the central, regional and local level. The awareness raised at the Conference also prompted the establishment of three new local networks to promote girls' education in the departments of Ayacucho, San Martin and Amazonas. The National Network also initiated the distribution of a bulletin about girls' education issues aimed at opinion leaders and decision-makers. United Nations Children's Fund (UNICEF), a member of the Network, commissioned a document, *Chonta y Palmito: Paginas sobre Genero y Educacion*, that explores gender issues and offers approaches to manage them with children in jungle areas, which was widely distributed through the National Network. In addition, two studies to increase knowledge about girls' educational situation were presented to the public at Peru's National Education for All conference: a study that explores girls' classroom experiences in the Andean highlands (Puno) and a paper on girls' education in rural Amazon native communities.

In FY 2000 USAID will increase its community and school-based activities in Ayacucho, which will be in full implementation by 2001. Four community-based pilot projects developed by local communities will be addressing identified barriers to girls' education. A program to assist displaced, orphaned or abandoned children in Ayacucho will provide 1,500 youngsters between the ages of 7 to 19 (40% of which are girls) with quality education, other basic services, vocational training and job development. In addition, through a collaborative effort with UNICEF and the Ministry of Education (MOE), a program to address determinants of rural quality education for girls will be implemented in 500 indigenous communities. This program, will apply, in an integrated manner, interventions in the areas of early

stimulation; pre-primary education; teacher training; development of bilingual materials and methodologies; local and regional educational management; adult literacy; community education in life skills such as health and nutrition, environment, democratic principles and gender equity.

Possible Adjustments to Plans: No adjustments are called for at the present time.

Other Donor Programs: The World Bank and the IDB are assisting the MOE with educational reform that seeks to address both substantive issues of curriculum and teaching methodology and administrative reform of the system, mostly in urban and peri-urban areas. The Inter-American Development Bank (IDB) also supports the development of Wawa-Wasis (day care programs) and secondary education reform. UNICEF is very active in education in Peru, both through its own resources and through grants from the governments of Canada and Japan, in addition to the support provided by USAID.

Principal Contractors, Grantees, or Agencies: In addition to UNICEF, USAID implements its activities through a variety of U.S. PVOs and NGOs. Activities in awareness and community-based programs are implemented by the U.S. PVO Cooperative for American Relief Everywhere (CARE), under a sub-contract with the American Institute for Research. World Education is the contractor for the research on puberty and school participation. Field work is being done through the Peruvian NGO, the National Network for Women's Promotion. The U.S. PVO, Salesian Missions, is implementing the displaced children program activities. Two local Peruvian education NGOs, CIDE and TAREA, will provide technical assistance, training and materials to support democracy education within the girls' education projects.

Selected Performance Measures[1]:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Departmental networks established to promote policies and programs that support girls' education	0	1	3	7	8
Girls' age-appropriate enrollment for grade in primary schools in Ayacucho	20%	2	26.5%	29%	31.5%

[1]To be refined once the assessments are completed.
[2]Activity began in 1998.

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Peru

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	23,629	24,388	27,900	36,900
Plan Colombia	0	0	15,000	0
Child Survival & Disease Fund	7,048	9,457	7,000	10,350
CACEDRF	0	0	0	0
INC	14,000	32,800	26,000	25,000
Economic Support funds	12	300	0	2,000
P.L. 480 Title II	56,898	52,753	45,007	30,000
P.L 480 Title III	0	0	0	0
Total Program Funds	**101,587**	**119,698**	**120,907**	**104,250**
Operating Expenses	6,102	5,789	5,660	6,540
Trust Funds	0	0	0	0
Total Operating Costs	**6,102**	**5,789**	**5,660**	**6,540**

Note: Administration has submitted a Supplemental Plan Colombia request that includes $15,000,000 for Peru in FY 2000. The PL-480 level for FY 2001 is still under review.

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	17	19	18	17
Other U.S. Citizen	4	3	2	2
FSN/TCN	97	98	89	90

Subtotal OE Funded	**118**	**120**	**109**	**109**
Program Funded*				
U.S. Citizen	2	3	4	4
FSN/TCN	34	33	35	35
Subtotal Program Funded	**36**	**36**	**39**	**39**
Other				
TAACS	0	0	0	0
Fellows	1	1	0	0
IDIs	0	1	1	0
Subtotal Other	**1**	**2**	**1**	**0**
Total Work Force	**155**	**158**	**149**	**148**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
527-001 Broader Citizen Participation in Democratic Processes							
- DA	0	0	0	3,100	0	0	3,100
- Plan Col	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	2,000	0	0	2,000
- P.L. 480/II	0	0	0	0	0	0	0
527-002 Increased Incomes of the Poor							
- DA	7,900	0	0	0	0	0	7,900
- Plan Col	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	30,000	30,000
527-003 Improved health, including Family Planning of High Risk Populations							
- DA	0	20,500	0	0	0	0	20,500

- Plan Col	0	0	0	0	0	0	0
- CSD	0	9,250	0	0	0	0	9,250
- FSA	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
527-004 Improved Environmental Management in Targeted Sectors							
- DA	0	0	5,400	0	0	0	5,400
- Plan Col	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
527-005 Reduce Illicit Coca Production in Target Areas of Peru							
- DA	0	0	0	0	0	0	0
- Plan Col	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- INC	25,000	0	0	0	0	0	25,000
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
527-006 Expanded Opportunities for Girls' Basic Education							
- DA	0	0	0	0	0	0	0
- Plan Col	0	0	0	0	0	0	0
- CSD	0	0	0	0	1,100	0	1,100
- FSA	0	0	0	0	0	0	0
- INC	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	7,900	20,500	5,400	3,100	0	0	36,900
- Plan Col	0	0	0	0	0	0	0
- CSD	0	9,250	0	0	1,100	0	10,350
- FSA	0	0	0	0	0	0	0
- INC	25,000	0	0	0	0	0	25,000
- ESF	0	0	0	2,000	0	0	2,000
- P.L. 480/II	0	0	0	0	0	30,000	30,000

note: PL-480 level under review

CARIBBEAN REGIONAL

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

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Introduction

For the United States, the Caribbean constitutes our "third border." Its future will inevitably affect us. Its close proximity and importance as a tourist destination mean that unemployment, weak judicial systems, environmental degradation and natural disasters in the Caribbean directly affect the United States' well-being. The United States is 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. The U.S. is also concerned about narcotics trafficking in the region. The continued cooperation of Caribbean governments in drug interdiction and combating money laundering is a major U.S. policy objective. That cooperation is affected by the efficiency of legal systems and the ability of Caribbean governments to sustain effective efforts in the face of economic hardships and loss of traditional sources of income. Ensuring safety of U.S. tourists and stemming illegal immigration is another area of continuing U.S. concern. Deterioration in economic, social or political conditions in these small countries is leading to increased crime and increased illegal immigration to the United States. These U.S. foreign policy interests are reflected in the 1997 Bridgetown Barbados Summit accord, signed by President Clinton and Caribbean leaders. The Bridgetown Summit commits the United States and signatory Caribbean nations to a Plan of Action in the areas of trade and economic development; the environment; and justice and security. The Caribbean Regional Program responds to U.S. commitments and responsibilities under the Plan of Action.

The Development Challenge

The primary development challenge in the Caribbean is generating substantially higher rates of sustainable broad-based economic growth. These small island nations have small domestic economies and depend vitally on export revenues and tourism 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. As these preferential trade regimes are dismantled, serious displacements will occur. In countries such as St. Lucia and Dominica, these displacements will be substantial. The removal of trade preferences is compounded by the fact that these small island countries do not have adequate capacity to carry out policy and regulatory analysis required for implementation of FTAA and World Trade Organization (WTO) trade standards.

Heavy reliance on relatively few exports and tourism products and the relatively high costs of transportation and telecommunication services has further constrained growth, as has cumbersome and time-consuming bureaucratic red tape. Breaking into new export markets continues to be difficult for small and medium-sized Caribbean producers. Trade in services provides real opportunity for expansion, if bottlenecks are eliminated and modern information technology is adopted. Highly trained labor is often unavailable, and governmental red tape limits the private sector's ability to take full advantage of opportunities in the world marketplace. Even in the critically important tourism industry where comparative advantages are apparent, growth has been constrained by intense regional competition and the need for infrastructure investment.

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 used, and coastal zone management suffers from inadequate planning, regulation and enforcement. 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 a 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 tourist industry, and there is consensus on the importance of strengthening compliance with existing environmental laws and regulations, broadening the role of civil society, and improving public reporting on environmental issues.

Large civil and criminal backlogs exist in virtually all the Caribbean countries. Better information management, procedural and organizational reforms are needed to streamline court and registry procedures and improve efficiency of the legal system. Alternative Dispute Resolution (ADR) mechanisms including negotiation, mediation, and arbitration, could, if properly developed and used, 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 in St. Kitts & Nevis and Antigua & Barbuda is being addressed under a two-year special objective focused principally on restoring hospital services in St Kitts & Nevis and enhancing local capacity for disaster mitigation.

Other Donors

The other major donors providing support in the Caribbean region are the European Union (EU), the World Bank, the Inter-American Development Bank (IDB), 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.

The United States Agency for International Development

Caribbean Regional

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID/J-CAR's Caribbean Regional Program (CRP) is a five-year (FY2000 through FY2004) ESF-funded initiative that focuses on achieving three regional strategic objectives (SOs) and a special objective: SO1--increased employment and diversification in select non-traditional activities; SO2--improved environmental management by public and private entities; SO3--increased efficiency and fairness of legal systems; and a special objective (SpO)--Hurricane Georges recovery and reconstruction. These objectives are consistent with the Agency goals of broad-based economic growth, protecting the environment, building sustainable democracies (with a focus on rule of law) and humanitarian assistance.

Under SO1, USAID will support micro and small businesses by reducing barriers to increased production and marketing of goods (including non-traditional agricultural goods) as well as services (including tourism and information technology-related services). Illustrative activities include: fostering telecommunications reforms, reducing governmental red tape, technical skills training and improving access to business services and credit by small and medium-sized firms. Assistance will help countries in the region harmonize commercial laws and achieve FTAA readiness. USAID initiatives under SO2 will include developing community-based tourism, improving region-wide compliance with environmental regulations, strengthening environmental management organizations, expanding public awareness and public communications, and increasing private sector investment in environmental improvements. Under SO3, USAID activities will improve the administrative efficiency of Organization of Eastern Caribbean States (OECS) courts by improving case-flow management and introducing more efficient court reporting, and will introduce and expand the use of alternative dispute resolution mechanisms.

$7.0 million in Economic Support Funds is required to carry out the Caribbean Regional Program. No additional resources are planned in FY2000 or FY2001 under the Special Objective for Hurricane Georges recovery; all work is expected to be completed by September 2001.

ACTIVITY DATA SHEET

PROGRAM: Caribbean Regional
TITLE AND NUMBER: Hurricane Georges Reconstruction and Recovery in the Eastern Caribbean, 538-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: Hurricane Georges struck the Eastern Caribbean islands of St. Kitts & Nevis and Antigua & Barbuda during September 1998, causing severe damage to the social and economic infrastructure of both nations. The damage on St. Kitts & Nevis, estimated at $484 million, is valued at more than one and one half times the country's GDP, and Antigua & Barbuda also suffered extensive damage. Because both islands have minimal reserves, considerable external debt and reduced productive capacity, external assistance is needed to assist in their recovery. While the disaster relief stage has ended, the focus now is on reconstruction, rehabilitation and strengthening infrastructure to withstand future disasters.

The purpose of this Special Objective activity is to reduce the vulnerability of populations and economic activities in these two countries to natural disasters and to restore critical hospital services.

Key Results: To achieve this special objective, three key results must be accomplished: (1) critical hospital services in St. Kitts & Nevis must be restored; (2) the local capacity for disaster mitigation in both St. Kitts & Nevis and Antigua & Barbuda must be enhanced; and (3) access to credit by micro-businesses, small farmers and producers must be increased.

Performance and Prospects: Working through the Organization of Eastern Caribbean States (OECS) and the Pan American Health Organization (PAHO), USAID will support the construction of a pediatric ward and procure medical supplies and equipment. USAID will also work with the Organization of American States (OAS) to enhance local capacity for disaster mitigation. Design efforts are currently underway to define activities and identify implementing partners to reactivate economic activities for micro-businesses, small farmers, and producers. Agreements with PAHO and OAS are expected to be signed in January 2000 and implementation will get underway immediately thereafter.

Selected Performance Measures:	Baseline (1999)	Actual (1999)	Target (2000)	Target (2001)
Reconstructed, fully-operational pediatric ward in St Kitts' major hospital	TBD	N/A	underway	completed
National Disaster Mitigation Councils established and functioning	TBD	N/A	underway	completed
Building codes adopted and building practices improved	TBD	N/A	underway	completed

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Caribbean Regional
TITLE AND NUMBER: Increased Employment and Diversification in Select Non-Traditional Activities, 538-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,500,000 (ESF), $150,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,500,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: Many small Caribbean countries are facing severe economic and social stress due to the decline in banana production and the prospective loss or curtailment of existing European Union trade preferences. The most seriously affected countries include the Windward Islands (Dominica, St. Vincent and the Grenadines, St. Lucia, and Grenada) and Belize. These nations also fear social instability and potential violence arising out of the economic displacement of small farmers and those employed in supporting infrastructure in the banana industry, which comprise some 50% of their workforce. In addition, economic growth in the Caribbean has lagged seriously behind the Latin American region during the 1990s. Although this lag is on the order of one percent per year, in another 5-10 years, this differential will produce significantly lower living standards for the Caribbean and lower levels of tax revenues with which to address critical social needs. In the small, open economies of the Caribbean, growth can only be achieved as their policies and products, both goods and services, become increasingly competitive in the global market. The purpose of this strategic objective (SO1) is to increase employment and diversification in select non-traditional activities. The primary beneficiaries will be the people of the targeted Caribbean countries, with the greatest proportional benefits accruing to the individuals who are or would be displaced by economic restructuring. The program will cover the Caribbean region but will place special emphasis on small states that are affected by the loss/reduction of banana preferences. The program will be complemented by on-going bilateral programs in Jamaica, Haiti, the Dominican Republic and Guyana. Participation of countries with USAID missions will be limited and will need to demonstrate value added to the regional program.

Key Results: Achievement of SO1 (increased employment and diversification in select non-traditional activities) will depend on achievement of two key results: increased trade of select non-traditional products and services, and increased production of select diversified goods and services. To achieve the first result, USAID will seek to expand domestic and export markets for goods and services and reduce barriers to trade and investment. Toward the second result, USAID and partners will seek to improve financial and business services for small entrepreneurs and increase the number of

profitable small-scale diversified enterprises.

Performance and Prospects: This SO builds upon extensive consultation with partners and donors during the design process, as well as upon USAID's prior experience in the region. Success will depend on the ability of Caribbean states to understand and take advantage of global market trends in areas where there is regional competitive advantage.

Under this program, USAID will assist regional organizations and individual countries to achieve WTO compliance and FTAA readiness. Technical assistance will be provided to regional bodies to reduce barriers to investment and trade (including assistance to open up the regional telecom market to competition). USAID will also support selected institutions to increase their small and micro-enterprise lending and will collaborate with training institutions in the region and the private sector to identify short-term training needs. Other activities will assist small and medium-sized entrepreneurs to increase production and marketing of services (which unlike trade in goods is not dependent on transport costs and economies of scale, but on modern telecommunications and highly skilled human resources) and to increase production and marketing of competitive non-traditional agricultural commodities, e.g., organic produce. USAID also will provide targeted assistance in the tourism sector designed, for example, to develop and market sustainable tourism products and increase use of modern information technology to market individualized travel experiences.

Possible Adjustments to Plans: Adjustments may be made as the program is further defined.

Other Donor Programs: Three principal donors are providing support to this sector (which includes assistance on trade issues, economic diversification, and microenterprise and tourism development)-- the European Union, Canada and the United Kingdom. The World Bank and IDB (primarily through the Caribbean Development Bank) also support this sector, as does the Eastern Caribbean Central Bank (by providing export credits).

Principal Contractors, Grantees, or Agencies: USAID will utilize an institutional contractor to provide technical assistance and will support activities of regional institutions including Caribbean Community (CARICOM) and the OECS (e.g., support for the Regional Negotiating Machinery of CARICOM and for the Telecom Reform Project of OECS), micro finance lending institutions, various private sector groups, including trade associations, hotel and tourism associations, community and non-governmental organizations, local and regional training institutions and the University of the West Indies.

Selected Performance Measures:	Baseline (1999)	Actual (1999)	Target (2000)	Target (2001)
Employment rate in key sectors in which USAID is working	TBD	N/A	TBD	TBD
Value of inter-regional and external trade for CARICOM	TBD	N/A	TBD	TBD
Production levels of micro and small scale enterprises (including manufacturing, agriculture/forestry, tourism and services	TBD	N/A	TBD	TBD

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Caribbean Regional
TITLE AND NUMBER: Improved Environmental Management by Public and Private Entities[1], 538-005
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,500,000 (ESF), $270,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,500,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: The eco-systems which sustain Caribbean economies, whether based on agriculture, fisheries and/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 (uncontrolled fisheries, crop monoculture, heavy industry/mining, and mass tourism). The causes of ecosystem degradation may be direct (e.g., over-fishing, denuded hillsides) or indirect (e.g., raw sewage or pesticide residue runoff transported to streams, beaches and coral reefs). Ultimately the impacts on the

environment are a destruction of productive habitats and resources (e.g. worn out soil), loss of bio-diversity, multiplying waste disposal and human health problems, and deteriorating economies. The objective of USAID's regional environmental program is to improve environmental management by both public and private sector entities. Given the interdependence of terrestrial and marine resource utilization and economic development prospects, the program will seek to: (1) protect ecosystems which underwrite tourism growth and other high potential economic diversification; (2) address coastal environmental problems within a "ridge to reef" perspective; and (3) reduce land-based sources of coastal and marine pollution. The program will draw on the experiences and lessons learned from USAID's previous projects in the region, several initial pilot programs and studies, and from experiences of other USAID missions and partners. The principal beneficiaries will be the Caribbean people. The program will cover the Caribbean region but will place special emphasis on small states that are affected by loss/reduction of banana preferences: St. Lucia, St. Vincent and the Grenadines, Grenada, Dominica. Other Caribbean countries with bilateral USAID programs (Jamaica, Haiti, the Dominican Republic and Guyana) may also participate where there is clear complementarity between bilateral and regional programs.

Key Results: Three key results are deemed necessary to achieve this objective: (1) increased access to best environmental management practices; (2) implementation of improved environmental policies and compliance measures; and (3) strengthened organizational capacity to finance environmental improvements.

Performance and Prospects: The people of the Caribbean recognize the relationship between improved environmental management and their economic well-being. They also recognize that their interconnectedness, whether by virtue of ocean currents 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 number of pilot activities are now being carried out that set the stage for program implementation. One cross-cutting theme will be to identify and promote regional best practices in natural resource management, including: developing community-based tourism, implementing environmental policies, strengthening environmental compliance practices and procedures, expanding public communications, strengthening environmental management organizations, and increasing private sector investment in environmental improvements. Anticipated activities include introduction of financially viable technologies for reducing productive ecosystem degradation; support for ecologically sound enterprise development and employment opportunities; support for promulgation and implementation of economically sound, market-based policies, laws and regulations favoring improved environmental practices; and identifying alternative income sources to replace environmentally destructive practices among vulnerable populations. To ensure long-term financing for environmental improvements, especially within the tourism industry, the program will explore joint private/public/community-based organization/donor initiatives which may include tourists' voluntary contribution programs; and grants from major international private stakeholders (e.g. airlines, cruise lines, American Express, etc.).

Possible Adjustments to Plans: Adjustments may be made as the program is further defined.

Other Donor Programs: The EU and the Canadian International Development Agency (CIDA) are the other principal bilateral donors working to improve environmental management in the Caribbean, while the multilateral donors/lenders include the United Nations Environmental Program (UNEP), United Nations Development Program (UNDP), the World Bank (WB) and the Inter-American Development Bank (IDB). By activity areas, the EU, IDB and CIDA are the key supporters of activities in watershed management, forestry and agriculture; UNEP supports protected areas; UNEP, EU, IADB and CIDA have ongoing activities in coastal and marine resource management; the World Bank supports solid and liquid waste management; and all donor/lenders support institutional strengthening.

Principal Contractors, Grantees or Agencies: USAID will utilize an institutional contractor to provide technical assistance and will provide varying degrees of support to key nongovernmental organizations such as Caribbean Action for Sustainable Tourism (CAST), the Caribbean Conservation Association, the Caribbean Hotel Association, the Caribbean Tourism Organization, The Nature Conservancy, the Panos Institute, and the Caribbean Natural Resource Institute. In addition, the program will support regional organizations such as the OECS Natural Resource Management Unit, the Caribbean Environmental Health Institute and the University of the West Indies Center for Environment & Development.

Selected Performance Measures:	Baseline (1999)	Actual (1999)	Target (2000)	Target (2001)
Number of organizations adopting environmental sound best practices	TBD	N/A	TBD	TBD
Percent of target groups exposed to environmental information	TBD	N/A	TBD	TBD

Number of key policy and compliance initiatives progressing towards completion	TBD	N/A	TBD	TBD

[1]The activity title has been revised from last year's as a result of the CRP strategy development exercise undertaken this year.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Caribbean Regional
TITLE AND NUMBER: Increased Effectiveness and Efficiency of Judicial/Legal Systems in the Caribbean, 538-006
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $2,000,000 (ESF), $120,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,000,000 (ESF)
STATUS: New
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2004

Summary: The Caribbean's economic and social development depends on the efficiency and fairness of the justice system. Governmental partners in the Caribbean agree that the administration of law and the quality of justice that is rendered need to be improved. Large civil and criminal backlogs exist in virtually all the Caribbean countries and there is an urgent need to improve court efficiency and introduce alternative dispute resolution mechanisms. Trained personnel are often lacking because there is no ongoing and systematic training program for judges, magistrates and police prosecutors. Limited research capability and inadequate law libraries contribute further to this problem. Other legal system problems include a lack of capacity for periodically updating laws, incomplete and often inaccurate court transcripts (judges and magistrates continue to record proceedings in longhand), inconsistent sentencing, and inadequate case reporting and court administration. The sole regional bar association is in need of strengthening. Law clerkships are not available in the region, with the exception of Jamaica.

There is a widespread perception that the legal systems in the Caribbean are inefficient and ineffective. This is borne out by the fact that the average time for the presentation and resolution of a civil case before the courts is five years. Alternative dispute resolution systems are either non-existent or in an embryonic state. Consequently, respect for the rule of law is eroding. These problems have an impact on the drug trafficking and other illegal activities in the Caribbean. They also constrain compliance with new and existing environmental regulations and laws, and foreign and domestic investment. Entrepreneurs are reluctant to risk their capital in Caribbean countries, perceiving that the legal systems are incapable of providing decisions within a reasonable time frame.

The purpose of the regional justice program is to increase the efficiency and fairness of legal systems in the Caribbean. Given resource limitations and the diversity of legal systems among CARICOM nations, priority will be given to strengthening the legal systems in the Eastern Caribbean, and to coordinating at an operational level with other key donors to maximize use of resources and take advantage of comparative advantages. The OECS countries have a common law tradition. They also share a single Supreme Court (based in St. Lucia), with High Courts in each member state. The primary beneficiaries of this program will be the people of the Eastern Caribbean. However, other Caribbean countries and bilateral USAID programs (Guyana, Haiti, the Dominican Republic, and Jamaica) may also participate to the extent that bilateral and regional activities are complementary and mutually supportive.

Key Results: Three results are deemed necessary to achieve this objective: (1) improved efficiency of legal systems; (2) improved access to legal system information and training; and (3) revised and updated laws.

Performance and Prospects: Prospects are good that case backlog can be reduced by introducing streamlined court administration procedures and alternative dispute resolution mechanisms. Moreover, attorney generals and finance ministers in the region appear committed to introducing and supporting reforms. Anticipated activities to improve the effectiveness and efficiency will likely include: (1) introducing and expanding use of alternative dispute resolution mechanisms; (2) developing electronic means for judges to transcribe criminal and civil court proceedings to significantly speed up actions and improve court efficiency; and (3) providing training to judges and magistrates in specialized areas.

Possible Adjustments to Plans: Adjustments may be made as the program is further defined.

Other Donor Programs: There are four active donors in the administration of justice sector, the U.K. (DFID), Canada (CIDA), the EU and UNDP, with whom USAID is working. The Inter-American Development Bank (IDB) is developing a judicial reform initiative in the region that may include establishing a Center for Excellence in court administration. The IDB has been carrying out studies/diagnostics, and will be presenting recommendations to the Caribbean Group for Cooperation in Economic Development (CGCED) early next year. CIDA is also developing a judicial and legal reform project that will focus on Organization of Eastern Caribbean States (OECS) countries, while the U.K. is primarily supporting police training.

Principal Contractors, Grantees, or Agencies: USAID will utilize an institutional contractor and PASA arrangements with USG agencies (such as the U.S. Federal Mediation Council) to provide technical assistance. Key implementing partners will include the OECS Supreme Court based in St. Lucia (along with the high courts based in each of the OECS member states), the OECS Bar Association, the University of the West Indies and the Caribbean Law Institute.

Selected Performance Measures:	Baseline (1999)	Actual (1999)	Target (2000)	Target (2001)
Percent of backlogged cases cleared annually in the formal court system	TBD	N/A	TBD	TBD
Number of cases resolved using ADR mechanisms.	TBD	N/A	TBD	TBD
Time required for the presentation and resolution of cases	TBD	N/A	TBD	TBD

U.S. Finance Table (Microsoft Excel file)

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Caribbean Regional

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	0	800	540	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
CACEDRF	0	3,000	0	0
INC	0	0	0	0
Economic Support funds	2,000	700	7,000	7,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**2,000**	**4,500**	**7,540**	**7,000**
Operating Expenses	0	0	0	0
Trust Funds	0	0	0	0
Total Operating Costs	**0**	**0**	**0**	**0**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	0	0	0	0
Other U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal OE Funded	**0**	**0**	**0**	**0**
Program Funded*				
U.S. Citizen	0	0	1	1

FSN/TCN	0	0	6	6
Subtotal Program Funded	**0**	**0**	**7**	**7**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**0**	**0**	**7**	**7**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

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CENTRAL AMERICAN REGIONAL

Development Challenge

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Introduction

The regional Central American Program (CAP) is designed to strengthen Central American institutions and to promote the integration of the five Central American Common Market countries of Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica as well as participation by Belize and Panama on regional economic, environmental and health (HIV/AIDS) issues.

The 1994 Central American leaders created the Alliance for Sustainable Development (ALIDES) to increase trade and improve management of the region's rich biodiversity. President Clinton signed the Central America-USA Agreement (CONCAUSA) promising U.S. technical support for the implementation of the Alliance's Action Plan later that year. In May 1997, the U.S. and Central American President's met in San Jose, Costa Rica to reconfirm their commitments under CONCAUSA and the common objectives shared by the U.S. with it closest neighbors. In March 1999, the leaders met in Guatemala and again in May in Stockholm during a special Consultative Group meeting to discuss donor coordination in response to the devastation brought on by Hurricane Mitch. To all involved, reconstruction represents both a challenge and an opportunity for the countries to reinforce their shared regional commitments to economic integration, sound environmental management, sustainable development, and now disaster preparedness and mitigation.

Key U.S. goals and interests in the Central American region include: (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.

The Development Challenge

The Central American region encompasses seven small countries: Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama. The region's current population of over 34 million will reach 37 million by the year 2000 at the current 2.6% annual growth rate. Approximately half of all Central Americans live in rural areas and two-thirds live below the poverty line. The 1999 United Nations Human Development Index ranks Nicaragua, Guatemala, El Salvador and Honduras among the lowest countries falling into the "medium" human development category. 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 sustainable development in Central America, higher economic growth rates are required. Thus, growth must occur in an equitable manner that avoids the depletion of natural resources and must be accompanied by adequate investment in the human resources of the region, in order to be broadly based and sustainable. The region's ability to achieve more open markets, better protection of workers rights, increased labor productivity, and improved regional environmental management are limited by intra-regional trade barriers, sparse technical capacity,

weak and inconsistent legal frameworks, and rapid depletion of key natural resources in cross-border areas.

A key feature and success of the Central American program continues to be the direct involvement of Central American Ministers of Trade, Environment and Labor in supporting regional programs to overcome these limitations. The Central American Ministers of Trade are on track in implementing interim tariff reductions as they move toward a common, lower external tariff by 2000. USAID regional program support to modernize energy and telecommunications sector regulatory frameworks in Guatemala and El Salvador contributed to over $3.6 billion in private investments in the past three years. Additionally, USAID provides assistance to support the development and implementation of bilateral intellectual property rights (IPR) agreements. In June 1998, Nicaragua signed a bilateral IPR agreement with the United States. USAID has also helped establish a working group of the Ministers of Labor that is supporting efforts to modernize labor markets and initiate a program to combat child labor. Recognizing Central America's commitment to and leadership in sustainable development and the environment, the Administration selected the region in 1997 as a priority area for U.S. Global Climate Change assistance. The regional devastation in 1998 from tropical forest fires and Hurricane Mitch underscores the region's need to better manage its natural resource base and cope with future extreme climatic events. USAID support to the Central American Commission for Environment and Development (CCAD) is critical in coordinating national level resource management efforts at the regional level involving cross-border watershed/protected areas and cost-effective natural resource information analysis and use such as the recent information-sharing agreement between NASA and the CCAD.

USAID's Central American program is providing critical support to ensure that national efforts mesh, where appropriate, with regional integration and cross-border activities, especially in the areas of trade and environment. Under the Central American and the Caribbean Emergency Disaster Recovery Fund (CACEDRF), 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. The program will continue support for economic integration, opening of markets, energy and telecommunications privatization, and improved labor conditions to spur economic recovery and wider participation in economic growth.

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 (IDB).

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The regional program will increase the ability of Central American governments to participate in global markets by helping reform trade and investment policies, improve protection of worker rights, protect children from illegal child labor practices, encourage productivity-enhancing labor market policies, and increase private investment in energy/telecommunications services. In the environment, the program will support activities with regional economies of scale and cross-border impacts to consolidate a Central American system of protected areas and to harmonize environmental policies. The regional special objective will help local Central American organizations deliver HIV/AIDS awareness and prevention services.

The $10.2 million in Development Assistance and $3.7 million in Child Survival and other Disease Program Fund resources in FY 2001 will enable the United States to achieve its priority objectives in the region. FY 2001 is the final year of a five-year strategy for the region. A new strategic plan for the FY 2002-2006 period is currently under design.

ACTIVITY DATA SHEET

PROGRAM: Central American Regional
TITLE AND NUMBER: Increased Central American Participation in Global Markets, 596-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $3,200,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $3,200,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: This strategic objective responds both to USAID's Agency-Wide goal of broad-based economic growth and to Central America's acceptance of an outward-looking, export-led strategy as the best way to achieve rapid, sustainable, and equitable economic growth. It is consistent with U.S. foreign policy objectives and 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). While fully supportive of the FTAA, Central America's ability to participate in the FTAA is severely limited by its shortage of technical expertise to implement existing trade agreements and commitments, dismantle trade barriers, and enhance the region's trade competitiveness. USAID's Program Supporting Central American Participation in the FTAA (PROALCA) provides training and technical assistance to close these gaps. PROALCA aims to increase Central America's readiness to join and honor commitments made under free trade agreements, such as the FTAA and the North America Free Trade Area (NAFTA), and to accelerate regional integration into hemispheric and global markets. Only through greatly expanded trade will Central America attain the real economic growth rates required to effectively combat poverty in the region.

Key Results: (1) Improved trade and investment policies, including lower tariff rates, fewer nontariff barriers for both intra-regional 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 adoption of a more outward-oriented regional integration model characterized by lower tariffs, faster implementation of WTO commitments, and fewer non-tariff trade barriers. By January 2000 the region's governments will have completed their three-year phased reduction of their common external tariff from a range of 5-20% (5% minimum tariff on capital goods and raw materials and 20% maximum tariff on final goods) to a range of 0-15%. Reflecting a better policy framework, Central America's trade performance continues to improve. Over the last six years imports from the U.S. have more than doubled to over $10 billion which supports 200,000 U.S. jobs. Central America continues to actively participate in the FTAA process and chairs the negotiating group on resolution of trade disputes (Costa Rica) and chairs the consultative group on smaller economies (Guatemala). A free trade agreement (FTA) was reached between the Central American governments and Chile, and the marathon negotiations toward a FTA between Guatemala, El Salvador, Honduras and Mexico are nearing completion.

In 1999, with PROALCA support, Central America accelerated efforts to complete its WTO commitments, especially in the areas of customs valuation and trade-related aspects of intellectual property (TRIP). Regional trade regulations consistent with WTO standards and aimed at the expected requirements under the FTAA were developed and approved in the areas of technical standards, sanitary and phytosanitary standards, safeguards, unfair trade practices, and rules of origin. Work continues toward reaching a regional consensus in the areas of trade in services, investment and dispute resolution. PROALCA is supporting a recent initiative of the Central American Presidents in the areas of investment and dispute resolution.

According to the annual human rights reports from the region's U.S. Embassies, the region's overall performance in protecting core labor standards continues to improve albeit specific high profile workers rights disputes erupted in 1999 (banana workers in Guatemala and maquila issues in Honduras). At this moment, all countries in the region continue to remain off the Generalized System of Preferences (GSP) workers rights watch list, and all remain eligible for GSP trade benefits. Substantial communication between the region's trade and labor ministries has occurred through the joint USAID-IDB funded Labor Market Modernization Program, linking conceptually trade and labor issues as they relate to improving the region's competitiveness. A $1 million program combating the more abusive forms of child labor, approved in 1999, will focus on the plight of children from poverty stricken families.

USAID continues to support regulatory reform and restructuring and to facilitate private investment and develop competitive energy markets in the region. For example, technical support to the Superintendency of Telecommunications (SIT) in Guatemala was instrumental for opening up the sector to competition. As a result of this assistance there are now 24 registered operators that are authorized to offer long distance services, and long distance phone charges have declined dramatically.

Based on preliminary estimates, total private sector investment increased in the region by $1.0 billion in 1999, bringing total investment to $3.6 billion or 20% above the planned indicator for 1999. New private investment in Guatemala's and El Salvador's recently liberalized telecommunications sector is estimated at over $1 billion. In El Salvador, a U.S. firm successfully bid for two electrical generating companies and plans to make additional investments. The firm sees these investments as their entry-level platform for growth in Central America given the grid connections to Guatemala and Honduras.

Possible Adjustments to Plans: To meet the increased demand from the countries of the region, USAID plans to redirect funds under the current (1997-2001) strategy to increase private investment in energy and telecommunications. A new regional trade/investment/labor strategy for 2002-2006 is now being developed.

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 Hagler Bailly. Through USAID support and encouragement, SIECA negotiated a Memorandum of Understanding with the USPTO to cooperate toward strengthening intellectual property rights protection.

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Trade Openness (total trade as a percent of GDP)	(1994) 45%	52%	52%	54%	55%
Readiness to enter FTAs (composite Index with maximum of 5)	(1992) 2.7	3.5	3.4	3.5	3.6
Intra-Regional Trade as percent of GDP	(1994) 7.2	9.5%	8.2%	8.4%	8.5%
Private Investment in Energy and Telecommunications (U.S. dollars - cumulative). Note: for 1999 "actual" reported.	(1997) $0 billion	$2.6 billion	$3.6 billion	$4 billion	$5 billion

U.S. Finance Table (Microsoft Excel file)

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 2000 OBLIGATION AND ACCOUNT: $5,000,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $7,000,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2001

Summary: The economies of the Central American region still depend heavily on agricultural production which is threatened by a deteriorating natural resource base. The sustainability of this productive base requires concerted action at all levels to recognize the vital connection between productive soils, forest resources, ample water quantity and quality; and to maintain the rich genetic pool for pharmaceuticals and other scientific uses. The purpose of this strategic objective (SO) is to develop and consolidate a Central American system of protected areas by providing appropriate management models for terrestrial and coastal protected areas and to promote a strengthened regional regulatory and enforcement framework for environmental management. USAID's Central American Environment Program (PROARCA) under this SO supports the Central American Commission on Environment and Development (CCAD). The direct beneficiaries are those who live within and around the Central American protected areas, which is approximately one fourth of the region's population. The indirect beneficiaries are all the people of Central America (34 million), 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 over the past year has been good even as the region dug itself out from the environmental damage inflicted by Hurricane Mitch. All planned targets were met and in some cases surpassed. In 1999, the SO surpassed its target with the implementation of four sustainable mechanisms to protect the environment. For example, the Tri-national Alliance (Belize, Guatemala, and Honduras) of nongovernment organizations (NGOs) for the Gulf of Honduras (TRIGOH) with USAID support continued to make progress in forging relationships between environmental NGOs, government and the private sector. For their work in the Gulf they were awarded the prestigious 1999 international J. Paul Getty Wildlife Conservation Prize. This $100,000 prize was established in 1974 by the late J. Paul Getty to honor outstanding contributions to international conservation.

During 1999 sixteen additional areas were protected: nine in the Gulf of Fonseca/Honduras, two in Nicaragua, one in El Salvador, two in Belize, one in Costa Rica, and one in Guatemala were brought under improved management, bringing the total number of protected areas to date to twenty three for a total of 511,091 hectares. This achievement was made

possible through the multi-sectoral collaboration that USAID led in the Gulf of Fonseca for the declaration of the Mesoamerican Biological Corridor on the Honduran Pacific and the work done by the USAID terrestrial protected areas component during its second phase.

Three additional sites in Honduras, Costa Rica, and Panama have achieved an effective level of local governance. For example, in Bocas del Toro, Panama, a multi-sectoral structure (Advisory Council) has been established and strengthened to facilitate participation in decision-making regarding natural resources use. This Council is now in the process of reviewing the first draft of the management plan for the Isla Bastimentos National Marine Park and surrounding areas.

USAID's technical assistance through CCAD's Legislation Program (PROLEGIS) has helped Central American governments draft environmental laws and regulations including: the enforcement of the environmental law in El Salvador, regulations for the enforcement of the health code in Guatemala, forestry laws in El Salvador and in Nicaragua, a livestock sanitation law in Guatemala, and a biodiversity law in Nicaragua.

A post-Mitch Special Objective (SpO) was developed to strengthen regional land use management in cross border watersheds. This SpO will improve collection, analysis, and dissemination of information in the Río Lempa watershed.

Possible Adjustments to Plans: USAID/G-CAP plans to extend the current PROARCA through September 2001 to allow it to build on the successes demonstrated. Performance targets will be adjusted accordingly. USAID will design a new program consolidating lessons learned and best practices from PROARCA in 2000. This new regional environmental program will also include any new priorities outlined in the Central America Regional Strategy (2002-2006) that is being designed this year.

Other Donor Programs: International donor programs implemented under the auspices of the CCAD contribute to the establishment of the Mesoamerican Biological Corridor and work collaboratively to establish and strengthen the national protected areas systems and surrounding buffer zones that constitute the backbone of the corridor. Complementary regional programs include: Global Environment Facility ($10 million) (GEF) which supports the Central American Sustainable Development Fund (FOCADES); German International Technical Assistance Agency ($2.8 million) (GTZ), and World Wildlife Fund (WWF) support for Corridor programs; the European Union supports the Sustainable Development in Agricultural Frontiers program; Danish Agency for International Development (DANIDA) supports the Gulf of Fonseca coastal resources management program ($3 million); National Aeronautics Space Administration (NASA) supports satellite mapping; and, U.S. Environmental Protection Agency (EPA), PanAmerican Health Organization (PAHO), International-Regional Organization for Agricultural-Livestock Health (OIRSA) support the safe disposal of obsolete pesticides.

Principal Contractors, Grantees, or Agencies: Key implementing organizations include: 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 EPA.

Selected Performance Measures:	Baseline (1995)	Actual (1998)	Target (1999)	Target (2000)
Number of sustainable mechanisms implemented to protect regional environment	0	16	20	29
Number of USAID-assisted transboundary sites where local threats to key natural resources and the environment have been reduced	0	7	10	16
Number of protected and special management areas under improved management with assistance from USAID	0	7	23 (511,091 hectares)	44 (339,560 hectares)
Number of sites that have achieved an effective level of stewardship of the environment and natural resources	0	15	18	20
National environmental laws and regulations introduced to/approved by C.A. national legislatures/executives branches.	0	27	32	34

U.S. Finance Table (Microsoft Excel file)

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 2000 OBLIGATION AND ACCOUNT: $3,150,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $3,700,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2001

Summary: HIV/AIDS is a growing problem in Central America, where the rate of expansion varies within and across countries. Mapping of the epidemic shows steady growth along the highways and industrial corridors through the region. Although the North Coast of Honduras continues to have high rates of infection in the general adult population, as high as 14% in some sites, recent projections indicate that Guatemala's national infection rate could exceed Honduras' by 2010. The Central American epidemic continues to expand primarily through sexual behavior with multiple partners, with youth and men disproportionately affected. The unstable economic environment provoked by Hurricane Mitch has increased the vulnerability factors to the infection as men travel and leave their families behind; and women and children increasingly migrate through the isthmus, Mexico and to the United States. These challenges require a regional response. Another important reason for the epidemic's expansion is that it remains invisible to decision-makers. For example, many Hondurans do not realize that HIV/AIDS is the number two cause of death among women of reproductive age in their country. This results in a lack of commitment at the highest levels of government to integrate HIV/AIDS prevention into ongoing policy and programmatic activities.

The HIV/AIDS special objective's (SpO) purpose is to strengthen Central American organizations' capacities to deliver HIV/AIDS services and information. The SpO is organized under three different inter-related components: 1) promotion of policy dialogue/public awareness to improve HIV/STI policies and programs in Central America; 2) strengthening of nongovernment organizations (NGOs) capacity to deliver effective HIV prevention programs; and, 3) development of 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/STIs.

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) Encourage 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: Performance in the past year continued to exceed expectations for the policy and NGO activities. The CSM Component, following a realignment based on lessons learned, is also making major achievements. To date, over 25 policy changes have occurred. Foremost among the changes is the formal ratification of National HIV/AIDS Strategic Plans in Guatemala, El Salvador, Honduras, Nicaragua, and Panama. According to UNAIDS no other region can match this accomplishment. Other positive changes include new HIV/AIDS legislation in Honduras and the development of regulations for previously passed legislation in Nicaragua. The process of developing these plans has involved people living with HIV/AIDS and other socially stigmatized groups.

Additionally, the policy and NGO Components have been developing leaders and helping organize regional coalitions. One measure of an "Enhanced Central American Capacity" is the growing ability of Central Americans to provide technical support to other Central Americans. Other achievements include the formation of a Business Council for HIV/AIDS and a labor/management consortium in Panama, support from a regional labor council, and the formation of a regional media network for HIV/AIDS.

USAID in collaboration with UNAIDS and the Mexican National Institute of Health assisted the development of an initiative to prevent HIV transmission in mobile populations that cross borders with participation of the National AIDS Programs and NGOs of Mexico and Central America. Partly as a result of this effort, in June 1999, the UNAIDS' Program Coordinating Board designated the Caribbean and Central America as priorities for regional support. The mobile population's initiative received formal support from the recent ministerial-level Central American Health Sector meeting and is on the agenda for next year's presidential-level Tuxtla-Guiterrez meeting for cooperation between Mexico and Central America.

In response to a mid-program review, the NGO Component is focusing its technical and administrative strengthening activities on 15 NGOs to enhance the sustainability and quality of activities. A baseline assessment of these 15 NGOs helped them establish the targets for May 2000 that 93% would meet the criteria for the systematic approach to HIV interventions and 87% would meet the criteria for management and financial sustainability. The NGO Component has maintained involvement by the larger community of HIV/AIDS NGOs through a network of seven Information Centers that coordinate activities and disseminate updated and accurate information about HIV/AIDS in collaboration with government institutions, students and NGOs. Other activities involving the larger NGO network include 21 small grants and the Acción SIDA community prioritizing and planning process (with its own small grants) in El Salvador and Guatemala. This process is key to developing the skills necessary for priority setting, planning and strategic alliance building required for success, while modeling innovative interventions using a systematic program planning approach for behavior change.

The CSM Component underwent realignment in consultation with AID/W and bilateral missions to emphasize targeted interventions for high-risk groups, thereby bringing the strategy more closely in line with new USAID HIV prevention guidelines. This involved revising marketing campaigns and changing distribution networks to focus on nontraditional sales points in order to reach high-risk groups. Geographic coverage will extend to Panama and southern Mexico in 2000. Condom sales doubled over 1998.

Possible Adjustments to Plans: Following recommendation from the mid-project review, the policy and NGO components are preparing a proposal for an extension that will focus more heavily on regional issues and mobile populations that cross borders. This includes information sharing and dissemination; and regional networking among NGOs, policy leaders, business and labor groups, and the media.

Other Donor Programs: The demise of the WHO Global Programme on AIDS (GPA) left a funding and coordination gap in the region. UNAIDS has taken up much of the slack in the area of technical coordination, but it does not have the level of program resources that were available through the GPA. The Dutch, the only other truly regional donor, channel most of their support through a Costa Rican NGO. The Nordic Countries 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).

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
AIDS Policy Environment Score	(1996) 43.8	51.8*	--	54.3	--
Number of positive policy changes	(1996) 0	10	14	30	35
Number of person/days of technical assistance provided by Central American consultants	(1996) 0	416	800	1,400	1,600
% of outlets in high-risk urban areas carrying condoms	(1999) 33.3%	--	33.3%	36.1%	40.0%

* Bi-annual reporting.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: Central American Regional
TITLE AND NUMBER: Improved Regional Capacity to Mitigate Transnational Effects of Disasters, 596-004
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: Continuing
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2001

Summary: Extreme climate phenomena like Hurricane Mitch are likely to repeat themselves in Central America, and may even intensify under the effects of global climate change. That these phenomena are not anomalies is readily accepted among climate scientists in the region. Moreover, one of the lessons of Hurricane Mitch is that its intensity alone was not the cause of such widespread devastation. Man-made factors including poorly developed and maintained infrastructure, population pressures on forested areas, and poor watershed management aggravated the effects of Hurricane Mitch's intense rainfall. Another lesson of Mitch is that the storm and its after effects did not recognize borders. During its erratic trajectory across the region, the storm's voluminous runoff and floods, amplified by one country's poorly managed environment, poured across the boundaries of shared watersheds to wreak intensified devastation on its neighbor. The reconstruction of Central America's infrastructure must take this reality into account.

A more sound approach to sustainable development that incorporates strategies, concepts and policies aimed at mitigating the effects of disasters across the region is the purpose of the Regional Mitch Special Objective (SpO). Grant assistance under the Regional SpO will help the region better prepare itself to lesson the transnational effects of disasters. The two-year targeted program will assist the region's Mitch affected countries improve their collective capacity to manage transnational watersheds, improve standards for roads, and improve education in Costa Rica due to Mitch-related migration.

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; and (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.

Performance and Prospects: The initial regional SpO agreement for $4.5 million was approved by USAID in May 1999. Operationally, this SpO has several elements. First, $2.0 million of the special objective was signed by the Secretariat for Central American Integration (SICA) in September 1999 for the establishment of the transnational watershed management framework that focuses on the Rio Lempa watershed, a hydrologic basin shared between Guatemala, Honduras and El Salvador. To achieve this, SICA will work in tandem with USGS and NOAA. An additional $2.0 million was transferred from USAID/G-CAP to these agencies (USGS $0.9 million and NOAA $1.1 million). The counterpart within SICA is the Costa Rica-based Regional Committee for Hydrologic Resources (CRRH). Significant participation by the Regional Center for Natural Disaster Prevention in Central America (CEPREDENAC) is also planned.

Reduction of road network vulnerability to natural disasters through development of regional guidelines and standards will be led by SICA's Secretariat for Central American Economic Integration (SIECA), and its Technical Secretariat for Transportation (COMITRAN). A SpO agreement was signed with SIECA for $0.5 million in September 1999.

The SpO was modified in November 1999 to add the third result in response to Mitch-related migration in Costa Rica and for which an additional $5 million was added.

Possible Adjustments to Plans: A fourth intermediate result, strengthening regional policies that reduce energy system vulnerabilities to disaster in an environmentally sound way, is to be added in FY 2000 with an additional obligation of $4.2 million

Other Donor Programs: Spain, Canada, Germany, Sweden, and Japan

Principal Contractors, Grantees, or Agencies: SICA, CRRH, CEPREDENAC, SIECA, COMITRAN, USGS, NOAA.

Selected Performance Measures:	Baseline (1999)	Target (2000)	Target (2001)	Target (2002)
Watershed management plan developed	0	50%	100%	adopted
Assessment of road network completed, standards applied, and action plan completed	0	25%	100%	100%
Education infrastructure constructed/ rehabilitation (classrooms)	0	225	25	0

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

Central American Regional

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	9,375	9,249	8,200	10,200
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	3,900	2,700	3,150	3,700
CACEDRF	0	13,242	0	0
INC	0	0	0	0
Economic Support funds	0		0	0
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**13,275**	**25,191**	**11,350**	**13,900**
Operating Expenses	0	0	0	0
Trust Funds	0	0	0	0
Total Operating Costs	**0**	**0**	**0**	**0**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	0	0	0	0
Other U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal OE Funded	**0**	**0**	**0**	**0**
Program Funded*				
U.S. Citizen	0	0	0	0

FSN/TCN	0	0	0	0
Subtotal Program Funded	**0**	**0**	**0**	**0**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**0**	**0**	**0**	**0**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

**Workforce data for Central America Regional is contained in the worksheet for Guatemala.

Program/Sector Summary

LAC REGIONAL

Development Challenge

Other Donors

FY2001 Program /
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Introduction

The Summit of the Americas, beginning in Miami in 1994, continuing in Bolivia with the Sustainable Development Summit in December 1996, and culminating in Santiago in April 1998, has established the principal agenda of the U.S. Government's foreign policy for the region. The Miami Summit launched major initiatives to address the problems of poverty, quality and equity in basic education and health services, democratic governance, environmental threats and the continuing challenge of regional economic integration. The Santiago Summit deepened and strengthened these commitments with increasing emphasis on a second generation of reforms that are specifically aimed at reducing poverty and inequity, improving basic education, increasing economic opportunity through free trade, and strengthening the rule of law. USAID is involved in carrying out 17 of the 27 action items emerging from the Summit agenda. Our programs pay particular attention to: the improvement in the quality of basic education; greater availability of credit and other financial services; increased access by the poor to secure and marketable land titles; equitable participation in regional trade; and local government strengthening and decentralization.

The Development Challenge

In contrast to the Summit of the Americas agenda-setting process for the hemisphere, which is well orchestrated and built on consensus, several unexpected events have also influenced the mood of the region in a more negative way and have undercut the euphoria coming out of Santiago. USAID is redoubling its efforts to ensure that the momentum achieved in April will be maintained and even accelerated as a result of these crises.

As a result of the financial crisis, for the first time in a decade, there is a falling regional GDP. The high degree of volatility in international finance and trade has reduced the average growth rate in the region from a high of 5.4% in 1997 to 2.1% in 1998 and zero growth in 1999. Other discouraging signs include: low export prices; growing current account deficits; falling short-term capital inflows; and rising unemployment rates. Nevertheless, prospects for 2000 are improving given the signs of recovery in the last two quarters of 1999. Also on the positive side, inflation rates of approximately 10% are at their lowest ebb since the 1950s.

The impact of natural disasters on the Latin America region in 1998 has been devastating. El Nino hit the Andean sub-region especially severely with damages estimated at $7.5 billion. Fires in Mexico and Central America decimated 3.5 million hectares of land, and in Brazil the fire season was the worst on record. In September 1998, Hurricane Georges caused heavy damage to the Dominican Republic of about $1.35 billion; Hurricane Mitch, the most destructive of this century, pounded Central America in late October/early November causing losses of over $10 billion. Predictions are that Latin America will be more susceptible in the future to these natural events, making reconstruction efforts extremely important in mitigating future disasters. While USAID is providing the technical expertise for the overall hurricane reconstruction effort, the Agency is specifically charged with managing the $115 million being implemented by the other U.S. Government agencies.

The financial crisis and natural disasters have put increasing strain on the already fragile democratic institutions in the

region. Judicial systems, legislatures, political parties and, in some cases, the presidency remain weak. These institutions are increasingly challenged by the dramatic rise in criminal violence and continuing widespread corruption. In some countries the authority of democratic governments has been severely threatened.

Other Donors

In order to make the most effective use of scarce regional resources, the LAC Regional program typically works through regional institutions, who already have excellent contacts and the necessary political clout to bring about real policy reform. USAID also makes it a point to collaborate closely with other donors, both multilateral and bilateral, and in most instances are able to leverage additional resources. In the democracy arena, USAID was instrumental in the IDB's decision to organize an International Forum for Cooperation on Local Government and is financing the Executive Secretariat to stimulate policy dialogue among donors. Another example is in the micro-enterprise area, where USAID and IDB have signed a Memorandum of Understanding to provide technical assistance to non-governmental organizations that are capable of becoming regulated micro-finance institutions or to banks that want to expand their portfolio into micro-enterprise lending. Our $1.5 million is providing the grant funding for the $10 million IDB line of credit. We have also worked closely with IDB on the $17 million (USAID $5 million and IDB $12 million) Mitch Micro-enterprise Recovery Fund, announced by the First Lady in November 1998. Similarly in education, funds will be used for technical assistance, pilot and demonstration activities, applied research, and project design in support of the IDB's $5 billion Summit pledge. And lastly, with regard to bilateral donors, over the life of the program, Parks in Peril has leveraged over $45 million of non-USAID resources for park management, including $9.4 million in FY98 from European donors.

LAC Regional

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

Over the next few years, as a follow-up to the Summit of the Americas, USAID will be expanding critical initiatives in the areas of basic education, micro-enterprise, property registration, local government, anti-corruption, food safety, and economic integration.

The poverty alleviation strategic objective facilitates improved access of the poor to income-earning market opportunities through the creation of an enabling environment. In 2001, 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 WB and the IDB, to champion improved property registration systems that enhance security of rights and facilitate market access. In micro-finance, activities will consolidate the successful experiences to date by strengthening 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 sponsor activities that demonstrate mechanisms for improving access by the poor to higher-value product markets, such as e-commerce and certification systems.

USAID has approved a Special Objective--continued participation of LAC sub-regional trading blocs in the Free Trade Area of the Americas (FTAA) process. This objective will be achieved over the two-year period (FY 2000-FY 2001) during which the Western Hemisphere's 34 democratically elected governments will be negotiating the draft text for the FTAA Agreement. Under this objective, USAID will advance smaller economy and developing country compliance with 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 USG partners, especially the Department of State and other USG agencies that participate in the inter-agency Trade Policy Staff Committee chaired by the Office of the U.S. Trade Representative. As with the earlier strategic objective's trade liberalization component, this objective will emphasize technical assistance, training, and workshops for the LAC smaller economies and developing countries that are most challenged by the reforms they need to make in preparation for FTAA membership.

The environmental partnership program will work closely with USAID Missions, industry associations, and other stakeholders to promote the adoption of best management practices in the areas of clean production, resource use efficiency and sustainable resource management. The program will document through case studies the successful approaches used and their economic/business benefits, which will then be replicated in other sub-regions of the hemisphere. The program will also support more in-depth analysis and dialogue on FTAA cross-cutting trade and environmental issues (i.e., subsidies, investment policy, and tariffs on environmental technologies).

The LAC Regional bio-diversity and natural resource management activities have had significant impacts throughout the region. The Parks in Peril (PiP) program, implemented through The Nature Conservancy (TNC), has conserved over 30 million acres of natural habitat, containing some of the world's most important bio-diversity. In the process, numerous local NGOs have become significant voices in the conservation debates in their countries. In 2001, the LAC Regional program will launch 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 strengthening the network of national environmental trust funds in the region and promoting public participation in international agreements affecting natural resource management.

In FY 2001, the LAC Regional democracy program will continue to support Summit initiatives in anti-corruption, local

government, rule of law and women's rights. A new anti-corruption activity will be designed to increase sustainability through civil society participation, implementation of national action plans, and close donor coordination. The local government program will assist two sub-regional organizations that work to strengthen national municipal associations in Central and South America through networking and information exchange. The LAC Regional program will support expansion of jurisprudence on the rights of women in the hemisphere through support for the Inter-American Institute of Human Rights' training of women attorneys, and support regional cooperation in justice matters through the Justice Studies Center of the Americas. Lastly, a new civil society activity will build on the regional networks established through the Inter-American Democracy Network to increase citizen participation skills among organizations throughout the hemisphere.

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 local groups to galvanize support for educational reform. In addition, the LAC Regional program will work with these constituencies, LAC country leaders, and other donors in the region to set the policy reform agenda and improve educational performance in schools. The Summit-related areas that the LAC Regional program will continue to work in are: educational standards and assessment, decentralization and community involvement in schools, educational technology, early childhood education, teacher training, and pilot programs targeting disadvantaged, at-risk populations.

In the health sector, the LAC Regional program 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. With the active participation of local mayors, governors and civil society, the program will continue to refine a model for decentralized maternal health care that will increase access by the poorest women to quality attended deliveries. As the goal of eliminating measles from the region is attained, the LAC Regional program will place greater emphasis on harnessing the capacity of private sector health providers to achieve universal immunization as well as seek public sector commitment to 100% local financing. In concert with PAHO, vigorous efforts will be made, through the institutionalization of the Integrated Management of Childhood Illnesses strategy, to prevent 100,000 child deaths in the Americas by 2002. Finally, a new regional initiative in infectious diseases to combat antibiotic resistance will continue, and a regional activity in HIV/AIDS will be launched.

USAID with its partner agencies has launched a coordinated interagency hurricane recovery program addressing a broad range of the challenges created by the disasters of Mitch and Georges. Attention has focused on assuring that U.S. Government agencies' activities complement one another as well as USAID Mission programs to produce a unified USG effort in the seven most affected countries-Honduras, Nicaragua, Guatemala, El Salvador, Costa Rica, the Dominican Republic, and Haiti. In addition to supporting country reconstruction efforts, interagency activities are strengthening country capacities for early warning, preparedness, and response to future disasters. Examples of program objectives include support for: reconstruction and improvement of national weather and flood forecasting systems; upgrading of local emergency management agencies' capacity; improving health agencies' capacities to detect and respond to disaster-induced outbreaks of infectious diseases; reestablishment of food security and safety systems; rehabilitation of roads, bridges, water systems, and agricultural lands; and strengthening of accountability institutions.

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Progress Toward Resolving Key Market Issues Impeding Environmentally-Sound and Equitable Free Trade in the Hemisphere, 598-001
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $0
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $0
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: This Strategic Objective supports trade-induced economic expansion as a catalyst for sustaining economic growth and reducing poverty in the LAC region. USAID initiatives on trade liberalization are complemented by support for interventions that advance market participation and environmental sustainability. USAID collaborates closely with the State Department, the Office of the U.S. Trade Representative (USTR), USG agencies, and other partners that participate on the Interagency Trade Policy Staff Committee, while closely monitoring the reports of the Free Trade Area

of the Americas (FTAA) Negotiating Groups.

The purpose of this objective is to resolve key market issues impeding environmentally sound and equitable free trade. One of the action items from the 1998 Summit of the Americas' initiatives is to establish an agenda for strengthening property rights systems in the hemisphere where it is conservatively estimated that over 50% of rural properties and 20% of urban properties in developing countries are without title. USAID, as the lead agency to the USG, is implementing this action item which proposes a simplified system of property formalization with enhanced access for all elements of civil society. The direct beneficiaries of the program are the LAC smaller-economy countries, while emphasizing the equitable integration of small and medium-sized producers and enterprises into the Hemisphere's evolving socioeconomic system.

Key Results: To advance hemispheric economic integration and trade in an equitable and environmentally sustainable manner, this objective has achieved results in several key areas, including trade reforms implemented and civil society participation in trade negotiations increased; formal private property and financial systems in support of the poor strengthened; and improved trade-related environmental management policies and practices demonstrated. These results reflect progress in achieving governmental regulatory reforms in support of economic integration, strengthening the role of the private sector to compete in markets, and increasing the participation of the poor in two critical areas -- both property and financial markets.

Performance and Prospects: Performance over the past year has been as planned. USAID has strengthened the capacity of Caribbean Community and Common Market (CARICOM) country governments to participate in the FTAA process; advanced customs reforms in the Caribbean; advanced CARICOM progress toward adoption of a regional protocol on competition policy; and advanced compliance of CARICOM countries with World Trade Organization (WTO) Sanitary and Phytosanitary (SPS) obligations, including progress in implementing an agro-ecological certification system and a "farm-to-table" food safety system. USAID launched the Inter-Summit Property Systems Initiative (IPSI) to provide hemispheric leadership to establish improved systems for property titling to expand access to key productive resources including land and capital. Under IPSI, USAID supported Central America regional workshops on property registry modernization that led to the creation of a permanent council on registry reform and specific agreements on how to implement reforms (e.g., linking legal and physical data on property and privatization of registry services). A hemispheric dialogue was conducted on environmentally-sound trade expansion; best management practices were developed for shrimp aquaculture; a framework mining policy was elaborated; constraints to certified timber market development in Central America were assessed; IDB/USAID collaboration on Andean industrial cleaner production was advanced; sustainable tourism policy guidelines were produced; and hotel environmental management systems were improved in the Caribbean.

During the final year of this objective, USAID will: (1) achieve additional progress of CARICOM countries in meeting WTO obligations (particularly in meeting SPS obligations and implementing customs reforms); (2) implement the Inter-Summit Property Systems Initiative with an emphasis on regional activities to foster dissemination of information on best practices, evaluate critical bottlenecks to progress, and foster civil society participation; and (3) advance progress of selected countries toward adoption of key trade-related environmental policies and technologies.

Possible Adjustments to Plans: The results achieved and the experience gained under the objective have laid the foundation for developing a more targeted program of assistance in support of priority needs identified in the Summit of the Americas. To this end, FY 2000 is a transitional year in which USAID is closing out this objective and starting up two new Strategic Objectives (on poverty alleviation and environmental sustainability) and one new Special Objective (on economic integration). These new objectives are described in separate Activity Data Sheets.

Other Donor Programs: Trade liberalization activities are coordinated with other major donors through the FTAA Tripartite Committee comprised of the OAS Trade Unit, the regional division of the IDB, and the Economic Commission for Latin America and the Caribbean. USAID works closely with members of the Tripartite Committee on trade liberalization as well as the World Bank to support environmental initiatives in support of the Summit of the Americas and the Bolivia Summit on Sustainable Development. Also, the World Bank has an official support role on the property registration item in the Summit Plan of Action. The Government of El Salvador has agreed to be an official co-sponsor of property registration. More generally, the multilateral lending institutions, USAID's bilateral programs and other nations' bilateral development assistance programs have projects relating to property formalization. As the objective builds a stronger partnership with other donors, USAID is leveraging other donor resources. Trade/Environment initiatives have been coordinated closely with the IDB, WB, the United Nations Environment Program, and the OAS.

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, the Federal Trade Commission, U.S. Geological Survey, and U.S. Forest

Service. Other partners include the National Center for Food and Agricultural Policy, Institute for Liberty and Democracy, ACCION International, Dominica Marketing Board Corporation, North-South Center, Environmental Law Institute, and Hagler Bailly.

Selected Performance Measures	Baseline (1995)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
CARICOM countries adopting FTAA-consistent trade reforms	0	4	6	8	N/A
Environmental technologies advanced	0	4	7	4	N/A
Environmental policies advanced	0	4	4	4	N/A

U.S. Finance Table (Microsoft Excel file)

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 2000 OBLIGATION AND ACCOUNT: $2,900,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $2,900,000 (CSD)
STATUS: Continuing
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE**: FY 2001

Summary: Education policy reform is a timely issue on the hemispheric agenda. In fact, it was given the highest priority by the 34 heads of state who participated in the 1998 Summit of the Americas, where education was declared key to progress in the hemisphere. The region's dramatic shift to open economies, democratic politics, and decentralized government has changed the demand for education, requiring that schools produce a flexible workforce, foster technological change, prepare people for democratic citizenship, and expand social opportunities. These demands are not currently being met. While many more children are going to school now than in the 1960s, the quality, efficiency and equity of education for most are far too low. Large segments of society in the LAC region, particularly women, minorities and indigenous groups, do not have equal access to education and thus are not equipped to participate fully in the economic, social or political life of their country. 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 $3 billion--nearly one-third the total public expenditure on primary education in the region.

The Partnership for Educational Revitalization in the Americas (PERA) 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, as 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: 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, nongovernmental organizations (NGOs), the business community, donors and international organizations which has established a framework to identify, showcase and replicate the best educational policies and practices in the hemisphere. This forum encourages country-level reform in a variety of areas, including educational quality, finance, decentralization and equity. The creation of the U.S.-Brazil Partnership facilitated the development of a U.S. clearinghouse for the field of educational technologies, which provides a key mechanism for dialogue and network building among educators from both countries.

Accomplishments during the past year include: 1) initiating a Central American Task Force on Education, a blue-ribbon commission of 22 distinguished leaders drawn from business, government and the NGO community. It seeks to clarify the problems facing schools, identifying practical recommendations for change, and communicating its findings to the region's decision makers; 2) promoting greater public knowledge and greater accountability in education systems by documenting conditions, assessing programs, and making those results widely known; 3) organizing a regional seminar on improving the professionalism of teachers and administrators; and 4) shaping the education reform agenda for the hemisphere by catalyzing policy dialogue in regional and national seminars and conferences, supporting an ongoing series of educational studies and publications, and maintaining an Internet website as a means of sharing state-of-the-art research and best practices relevant to the education sector in developing countries.

Performance and Prospects: With a relatively small investment, USAID is effecting large changes in the manner in which national governments invest massive expenditures in education, resulting in dramatic efficiencies and savings. With modest investments in education policy reform in LAC countries, USAID is having a direct effect on both the development of influential constituencies to support policy reform and the delivery of quality primary education. Educational change is traditionally slow and can only be measured over the long term. The importance given to education at the Santiago Summit presented an opportunity for all countries within the region to focus on improving education in the hemisphere, and many of governments have embraced this challenge. We anticipate that there will be an increase in the number of countries progressing toward key education policy reforms, although the recent effects of Hurricanes Mitch and Georges, particularly within Central America, have dampened the momentum of the Summit. However, from disasters often come new opportunities, and several of the hardest-hit countries are reviewing different education models for their reconstruction phase. USAID will continue to support LAC education systems by providing technical assistance, pilots, demonstrations, and conferences to ensure that best practices and approaches are shared. We anticipate that, as a result of these activities, the hemisphere will move towards implementation of key education policy reforms.

Possible Adjustments to Plans: Promoting better education policy, broadening the constituency for education reform, strengthening local organizations working for educational improvement, and identifying and disseminating best practices remain the central objectives of PERA. In the future, more emphasis will be placed on closer collaboration with the IDB in the development of regional and bilateral education strategies and approaches, thus maximizing resources and leveraging education policy reform.

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 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 that 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 the U.S. Department of Education (USDOE). The USDOE is the lead agency in the U.S.-Brazil Partnership in Education; USAID is working with USDOE to facilitate the partnership's objectives to foster policy reform in Brazil.

Principal Contractors, Grantees, or Agencies: PERA is implemented through a cooperative agreement with a U.S.-based NGO, the Inter-American Dialogue. USAID also collaborates with the USDOE in the implementation of the U.S.-Brazil Partnership.

Selected Performance Measures:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Number of countries progressing towards implementation of key education reform policies at the national and or local level.	0	3	4	5	7
Education reform monitoring system established and operating efficiently in selected LAC countries.	0	5	7	8	10
Average number of all publications disseminated per year by PREAL affiliate In operation for six months or more *		1,922	300	450	450

* The demand for one publication was much greater than expected, resulting in high 1998 actual level.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: More Effective Delivery of Selected Health Services and Policy Interventions, 598-003
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $5,035,000 (CSD)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $687,000 (DA), $5,968,000 (CSD)
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. In regard to maternal deaths, 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 in the 14 USAID-presence countries in LAC with population, health, and nutrition programs, and other organizations providing health care. 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 Fund Account; there were a nominal amount of DA funds used to start up the health sector reform initiative.

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 has been as expected except for delays in initiation of the Anti-Microbial Resistance initiative because of an increased work load due to hurricane programs, and problems with PAHO's slow implementation of the maternal mortality initiative which have been resolved.

Vaccination coverage for infants with all antigens in the eight target countries (except Haiti) increased from at least 70% in 1996 to at least 90% in 1999 with a couple outliers (e.g. Bolivia, Peru and Ecuador). El Salvador, Honduras and Nicaragua have especially high coverage. In 1999, 97% of suspected cases of measles in the eight target countries for this initiative were investigated within 48 hours, meeting the standard set for surveillance. After a major outbreak in 1997 (almost 54,000 cases) only 2,700 cases of measles have been confirmed in the hemisphere during the first 47 weeks of 1999, reflecting the improvements in vaccination coverage and in surveillance. The Americas remain polio-free since 1992.

The IMCI Initiative had made substantial progress in seven of the eight target countries. Unfortunately, Guatemala has

not acted on their decision to adopt IMCI. 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; approximately 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 apply IMCI effectively using trained workers who have appropriate drugs available.

Increased utilization of effective maternal health services is one objective of the maternal mortality initiative. In Comayagua, Honduras, the Jose Maria Ochoa Health Center is converting from a health post into a full-blown safe-birthing facility as a pilot program to demonstrate the effectiveness of maternal mortality interventions. When the service delivery changes are finished, the facility will have the potential to relieve the 300% or more overcrowding of Comayagua Hospital by up to one-third of its current patient load of routine births, and will provide better care to about 1,500 rural mothers and children each year.

In Ecuador, there is an excellent example of the integration of lessons learned from the health sector reform initiative. The use of the National Health Accounts tool developed by the initiative increased the use of data for health reform policy and decision-making. The MOH used data to inform discussions within the health sector on equity, preventive versus curative care, and drug expenditure issues. The data were particularly important in informing discussions on reforming the health laws in Ecuador's National Constitution.

Since the anti-microbial resistance initiative was only initiated in July 1999, indicators, including baseline and targets, are still under development.

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. A model for decentralized maternal health care will be refined that will increase access by the poorest women to quality attended deliveries. As the goal of eliminating measles is attained, greater emphasis will be placed on harnessing the capacity of private sector health providers to achieve universal immunization as well as seek public sector commitment to 100% local financing. Through the institutionalization of the IMCI strategy, efforts will be made to prevent 100,000 child deaths in the Americas by 2002. The new anti-microbial resistance initiative will continue and a new initiative in HIV/AIDS will begin.

Possible Adjustments to Plans: Results of the mid-term evaluations initiated during FY 1999 will become available during FY 2000, and will be used to adjust activities in maternal mortality, IMCI, and health reform. A new HIV/AIDS initiative is planned to be launched.

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 IDB. USAID missions implement programs which assist countries to improve effective delivery of vaccinations, emergency obstetrical care, and services to manage diarrhea and acute respiratory infections in children, and to identify and implement country health sector reforms; and work with other donors (principally PAHO, UNICEF, World Bank and IDB), through national Inter-Agency Coordinating Committees, to coordinate such efforts for each country. The IMCI Program at PAHO also receives funding from Spanish and Dutch funding.

Principal Contractors, Grantees or Agencies: Grantees and contractors implementing this activity are: PAHO, University Research Corporation, The Partnership for Child Health, Abt Associates, Harvard University School of Public Health, and Management Sciences for Health.

Selected Performance Measures[1]:	Baseline (1996)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Vaccination:					
Target countries with:					
--at least 90% vaccination coverage among children under 1 against tuberculosis, polio, diphtheria, pertussis, and tetanus	2	3	7	7	8
--95% against measles	1	3	5	7	8
--90% tetanus toxoid (among women of childbearing age in high-risk areas)	0	3	6	7	8

Integrated Management of Childhood Illnesses: Target countries with 10% of health facilities delivering IMCI services	0	3	5	7	8
Maternal Mortality: Target countries with at least 20% of their hospital-reported maternal deaths audited.	0	4	4	7	10
Health Sector Reform: Target countries with reform processes that substantially integrate lessons learned from this initiative (methodologies and tools, information, monitoring, and exchanges) (% of target countries)	(1997) 0	0	30%	45%	50%
Anti-microbial Resistance: Indicators, Baseline and Targets are being developed.	--	--	--	--	--

[1]These indicators sum upwards from individual country indicators, looking at the number of target countries for each group of activities achieving a specific level or amount of improvement.

U.S. Finance Table (Microsoft Excel file)

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 2000 OBLIGATION AND ACCOUNT: $4,500,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $5,400,000 (DA)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2001

Summary: The LAC region contains nearly half of the world's biodiversity. Unfortunately, this biodiversity is being threatened by rapid population growth and increased demands for agricultural and grazing land, which are rapidly degrading key ecosystems, especially tropical rain forests. A cost-effective means to reduce this problem and protect significant portions of the Hemisphere's biodiversity is through management of key LAC parks and reserves. However, most LAC countries lack the resources and technical capacity to manage these protected areas successfully. The Parks in Peril (PiP) program--a partnership among USAID, The Nature Conservancy, local NGOs, and local government agencies--works to ensure the protection of 37 critically-threatened LAC national parks and reserves containing biodiverstiy 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, as well as PiP 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 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 accomplishment of four key results are leading to achievement of this objective. These results are: (1) on-site protection through the establishment of an adequate number of trained park guards, park infrastructure, and demarcated and patrolled boundaries; (2) strengthened local NGOs administratively and technically capable of effectively assisting governments in park management; (3) neighboring communities involved in park management and gaining tangible economic benefits from the conservation and protection of parks; and (4) significant non-USAID host country and other donor resources being acquired to adequately support park conservation long-term.

Performance and Prospects: PiP has had significant success in conserving some of the hemisphere's most important biological resources and is considered one of the most successful park-based conservation efforts in the world. An external evaluation 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 countries throughout the Latin America and the Caribbean region. In the process, numerous local NGOs have been strengthened to the point that they are significant voices in the conservation debates in their countries. Program achievements include:

- Significantly improved protection of 37 parks covering over 28 million acres in 15 countries. Of these, 19 PiP sites covering over 15 million acres have graduated from the program and are now independent, functioning protected areas.
- Over $60 million of non-USAID funds to date leveraged for park management, local NGO strengthening, and involvement of local communities to ensure long term park management.
- Twenty-six local conservation NGOs strengthened to the level of being effective technical and administrative organizations. Of these, sixteen 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.

The current PiP cooperative agreement with TNC is scheduled to end in 2001. At that time it is expected that 32 globally significant parks covering at least 24.3 million acres will be adequately managed. Key to the program's sustainability is the expectation that a combination of government agencies, selected local communities, and at least 27 local NGOs will have the capacity and commitment in place to assure the assisted parks' continued long term conservation past the end of USAID support. In addition, the program's success at improving site management and at developing the credibility of host country partners has and will continue to attract significant non-USAID resources from local governments, international NGOs, philanthropic foundations, and other donors.

Possible Adjustments to Plans: In 2001 USAID is considering launching with TNC a second phase of the PiP program. This phase will focus on developing a network of the partners and sites strengthened in the first phase with the purpose of creating and strengthening national systems of conservation areas and also promoting the effective management of cross-border critical areas.

Other Donor Programs: PiP has greatly increased the level and diversity of funding sources for LAC biodiversity conservation in the region. The PiP investment and the improved management capacity that results have helped attract substantial bilateral and multilateral investments in the conservation of sites in which PiP is active. For example: the Japanese government has invested in equipment in many PiP sites. Likewise, PiP sites have been the focus of Global Environment Facility (GEF) investments in strengthening local capacity for long-term protected area conservation. Two of the first GEF mid-size projects have been awarded to PiP sites, and TNC has been asked by partners to help them with additional mid- and full-size proposals to GEF totaling $50 million. Other bilateral and multilateral investors at PiP sites include the German Technical Corporation, the European Community, Spanish Technical Cooperation, Swiss Technical Cooperation, Inter-American Development Bank, and the United Nations Development Program.

Principal Contractors, Grantees, or Agencies: The Nature Conservancy, 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).

Selected Performance Measures:	Baseline[1] (1994)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Adequately[2] managed parks	4	17	20	25	32
Area (in millions of acres)	4.1	15	17.2	18	24.3
Effective[1] local NGOs	17	25	26	27	27
Host country funding (cumulative in millions)	$4.3	$14.2	$15.6	$17.3	$18.1

[1]After four years of initial USAID/Parks in Peril funding.
[2]Based on a number of performance criteria.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Reinforcement of Regional Trends that Deepen Democracy, 598-005
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $4,600,000 (DA), $7,000,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $5,000,000 (DA), $11,000,000 (ESF)
STATUS: Continuing
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: The purpose of this objective is to reinforce regional trends that deepen democracy by working with LAC Missions and by funding institutions, networks and exchanges that support emerging trends in democracy. While the majority of countries in Latin America and the Caribbean have made substantial progress in development of democratic institutions and practices in recent years, considerable challenges remain in fully consolidating democracy in the region. Some countries have experienced setbacks in democratic development, and, in other countries, processes of national reconciliation among opposing factions have proven to take longer than anticipated. Access to justice is still severely limited for most citizens, particularly the poor. Corruption continues to constrain economic growth and citizen confidence in government. With the advent of democracy, crime rates have also risen substantially and become a principal concern throughout the region. The LAC regional democracy strategic objective aims to support ongoing reforms and strengthen the capacity of democratic governments 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. Potential beneficiaries include participants in specific activities to strengthen human rights, civil society development and sub-national governments, as well as the general population in USAID-assisted countries who will benefit from the consolidation of democracy.

Key Results: In the area of democracy and human rights, three key intermediate results have been identified as necessary to achieve the objective: 1) The program seeks to strengthen regional mechanisms to promote human rights and the rule of law, by increasing training of "multiplier agents" and institutionalization of gender concerns in human rights programming. The program has advanced steadily in integrating gender concerns, with progress close to attaining 1999 targets. 2) The program aims to strengthen regional approaches to improve public sector legitimacy by promoting closer interaction among donors in anti-corruption and local government strengthening activities; increasing government accountability and transparency through the use of integrated financial management systems; and strengthening municipal associations. While complete data have yet to be collected regarding the scope of integrated financial management systems in the region, progress continues in expanding the use of these systems. 3) USAID works to strengthen regional mechanisms to promote pluralism by strengthening a regional network of civil society organizations (CSOs) and a regional office to support press freedom. The network has met its targets for increasing member CSOs' capabilities to carry out citizen participation activities on their own. With USAID support, the Office of the Special Rapporteur for Freedom of Expression has been created in the OAS and is being consolidated.

Performance and Prospects: There has been substantial progress in achieving the objective's three intermediate results over the past year.

Strengthened regional mechanisms to promote human rights and the rule of law: With LAC support, the Inter-American Institute of Human Rights (IIHR) made progress in integrating gender concerns into its programs, and will train women attorneys in the procedures of the Inter-American System of Human Rights in order to bring forth new cases and expand jurisprudence on the rights of women in the hemisphere. USAID is also supporting IIHR in its activities to advocate ratification of the Convention on Elimination of All Forms of Discrimination against Women. With USAID support, the development of the Justice Studies Center of the Americas has made significant progress. The OAS general assembly has approved the statutes for the Center, and its Board of Directors is under development. The Center, one of the action items of the 1998 Summit of the Americas, is designed to serve as a clearinghouse for information on major justice systems in the region; promote regional cooperation, research and analysis of justice systems; and improve the quality of information available to develop public policy related to the administration of justice. USAID will continue to provide start-up support for the Center.

Strengthened regional approaches to improve public sector legitimacy: In the aftermath of Hurricane Mitch, USAID is helping to ensure that accountability and transparency mechanisms are integrated into reconstruction efforts in Central America. Collaborating with other donors and USG agencies, USAID has promoted strengthened anti-corruption

institutions within host governments as well as independent oversight. The Anti-Corruption and Financial Management Activity made a substantial contribution to increasing government accountability throughout the hemisphere by continuing to facilitate the integration of financial management systems at national and sub-national levels. A new program will build upon the groundwork laid by this initiative and focus on increasing the sustainability of anti-corruption efforts by supporting civil society participation, encouraging the implementation of national action plans, and maintaining close donor coordination. USAID and its counterparts also contributed significantly to increasing donor interaction in strengthening local government by working closely with the IDB and other key donors to establish a donor consultative forum, the International Forum for Cooperation on Local Government in Latin America and the Caribbean. USAID will continue to support the forum's technical secretariat, which will help focus donor attention on needed improvements in local government training, impediments to more sustainable municipal financial systems, and more effective citizen participation in local and sub-national decision-making. The program will also 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 (CAPEL) 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: An evaluation of the activity with Partners of the Americas that supports the Inter-American Democracy Network demonstrated substantial increases in Network member organizations' capabilities to carry out citizen participation activities as a result of the activity. "Customers" (Network member NGOs) reported impacts in areas including assimilation of new methodologies for increasing citizen participation, institutional strengthening, and expansion of their contacts and visibility. A new initiative is expected to utilize the results of the evaluation to further define and focus the Network's strategy, expanding outreach to CSOs throughout the hemisphere; and increase their capability to foment citizen participation. USAID support for the Esquel Group Foundation in coordinating the Civil Society Task Force helped to establish the Task Force as an important venue for disseminating information to civil society groups with regional interests, and will continue to be an important vehicle for promoting greater inclusion of civil society in the Summit of the Americas process. With assistance from USAID, the Chilean NGO Corporación Participa will develop 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. USAID has also supported the creation and consolidation of the office of the Special Rapporteur for Freedom of Expression in the OAS Human Rights Commission.

Strengthened police and judicial systems: The regional democracy program also transfers funds to the U.S. Department of Justice to provide support for institutional strengthening of judicial and police systems in the region.

Possible Adjustments to Plans: During FY 2000 and FY 2001, activities in the areas of human rights, anti-corruption and civil society development will be ending and will be replaced by new initiatives. 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 Inter-American Democracy Network, the International City/County Management Association, the South America chapter of the International Union of Local Authorities, and the Federation of Municipalities of Central America. U.S. contractor: Casals & Associates. NGO partners include Partners of the Americas, and Latin American NGOs Conciencia and Poder Ciudadano (Argentina); Corporación Participa (Chile); and the Institute for Investigation and Political Self-Formation (INIAP, Guatemala). University partner: the Political Science Department of the University of the Andes (Colombia). A number of activities are also implemented jointly with the OAS.

Selected Performance Measures:	Baseline (1998)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Progress in integrating gender concerns into human rights programming[1]	Steps 1,2	Steps 1,2	Steps 3-5	Steps 6,7	Steps 6,7
Number of integrated financial management systems in use[2]	34	34	34	34	34

Number of NGOs assisted by the Inter-American Democracy Network that are encouraging civic activism[3]	48	48	60	70	70

[1]Progress in this indicator is identified by movement along a scale of steps which define desired advances by the Inter-American Institute of Human Rights in integration of gender concerns in its programming over a three-year period. This activity will come to an end in December 2000; thus, the 2001 target calls for maintenance of the levels attained in FY 2000. This indicator will be replaced by another that will measure progress under LAC's new human rights initiative.

[2]USAID's counterpart for the anti-corruption/accountability activity is currently collecting data that will allow this indicator to be defined more precisely in future, i.e., that will allow a more precise reporting of the extent of financial management systems in use in USAID-assisted countries. Following collection of these data, targets will be revised.

[3]The activity whose impact is measured in this indicator comes to an end in August 2000.

U.S. Finance Table (Microsoft Excel file)

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 2000 OBLIGATION AND ACCOUNT: $6,000,000 (DA), $4,000,000 (CSD)
PROPOSED FY 2001 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) funds 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, in response to needs of Nicaragua and Honduras in the wake of Hurricane Mitch, CASS trained men and women in reconstruction techniques, which enabled them to serve as technical advisors in the development of plans of action for their communities.

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. This year, the number of scholars employed in their area of expertise is expected to fall short of its original target 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 will continue with their studies and or seek better employment.
- 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 implement environmental programs that promote sustainable resource administration and waste management. 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. This year 20 rural health workers began their studies in the U.S. and another 20 Haitian professionals completed their programs in Health Care Management and returned home. Twenty Haitian educators completed their program in Education Administration and returned to their school districts where they will serve as catalyst for improving the quality of education at the primary school level. DA funding supported the training of 40 construction foremen and women from Nicaragua and Honduras and nearly 200 participants from 17 LAC countries in two-year programs focused on agriculture, environment, computer technology, and other relevant areas of study.

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 missions in the annual field of study survey which outlines the priority training needs for participating countries.

Two unique CASS activities are noteworthy: 1) the increased emphasis on improving the capacity of the deaf that includes holding a regional conference for deaf alumni and selecting 40 deaf students for long-term training; and 2) an increased application of the CASS long distance education program in leadership that has provided training to over 500 mid- and senior-level managers from 199 companies in Central America.

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 Contractors, Grantees, or Agencies: Georgetown University Center for Intercultural Education and

Development.

Selected Performance Measures:	Baseline	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Number of leaders and potential leaders successfully completed training	(1985)[1] 0	4,376	4,639	4,855	5,075
Returned Scholars employed in area of expertise and applying skills	(1995) 68%	75%	75%	75%	75%
Percent of returned scholars involved in community and/or professional activities.	(1995) 58%	80%	80%	80%	82%

[1]Previous baseline of 18,106 (1992) included CLASP II and ATIE participants. These programs ended in 1996 and 1998, respectively. The new baseline reflects only participants of the CASS program since its inception in 1985.

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Hurricane Reconstruction Services in the LAC Region Provided, 598-016
PLANNED FY 2000 OBLIGATION AND ACCOUNT: none
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: none
STATUS: New
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2002

Summary: Major hurricanes devastated Central America (Hurricane Mitch) and the Caribbean (Hurricane Georges) during September and October of 1998. 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 $10 billion. Responding to a request by the President, Congress approved in May 1999, $621 million in supplemental funding for the Central America and Caribbean Disaster Recovery Fund. In 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 purpose of this objective is to provide hurricane reconstruction services in the LAC region. The LAC Bureau coordinates sector and sub-sector working groups, established under the umbrella of the White House Interagency Working Group, to assist the other USG entities in developing their activities under the supplemental and in coordinating them with USAID Missions' programs. The majority of the assistance will be to the victims in those communities and regions of Honduras, Nicaragua, El Salvador, Guatemala, Dominican Republic and Haiti most affected by the Hurricanes. There will also be some regional activities that will include Costa Rica. Activities will focus on: disaster mitigation, preparedness and reconstruction; public health; economic reactivation; education; and housing.

In September, 1999, USAID signed 632(b) Interagency Agreements 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) Interagency Agreements involve close coordination and monitoring by USAID. The 632(b) activities are described in this data sheet. In addition, USAID signed 632(a) Interagency Agreements 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 will directly report to Congress. U.S. Army Corps of Engineers (USACE) activities are being implemented through individual agreements with the USAID Missions in the six countries, and these activities will

be reported on through the individual USAID Mission's bilateral programs.

Key Results: USG agencies have carried out assessments and developed their work plans with USAID Missions and local counterpart agencies to produce an overall coordinated USG effort. A focal area of work is watershed basins, where most of the flood damage occurred. Poor land use practices, deforestation, placement of housing and infrastructure in high-risk areas, and the lack of early warning systems, all contributed to the heavy destruction and loss of lives. USGS, NOAA, USACE, and USDA are collaborating together in many of the countries to establish an integrated watershed management program. They have identified key watershed basins they will work in, begun procuring equipment and producing digitized maps of the affected watersheds, and established cooperative links with local counterpart organizations. USGS and NOAA are working closely in the installation of monitoring equipment to establish an early warning hazard and climate-forecasting network. These networks will be integrated into the countries' emergency management systems with the assistance of FEMA. 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. USDA is initiating work on food security analyses (assisting governments to make better food aid programming and agricultural investment decisions), as well as food safety recommendations to reduce disaster-induced agriculture and food health risks. The HHS/CDC and Pan American Health Organization have teamed up and initiated assessments of local health institutions, and begun identifying in-country partners that will help implement institutional strengthening and monitoring/surveillance activities.

Performance and Prospects: USAID is coordinating all USG agency mitigation and preparedness programs. Programs will provide assistance in: natural hazard vulnerability and risk assessments; risk management planning; land use and river basin development planning; construction technologies for disaster-resistant housing; disaster early warning systems; critical watershed protection; flood control; landslide stabilization; health surveillance and readiness systems; public awareness; and capacity building (at regional, national, and local levels) for disaster mitigation preparedness and response. Below is a description of focal areas for each USG agency with which USAID has a 632(b) Interagency Agreement.

- Environmental Protection Agency ($2.0 million) - EPA is improving the capacity of institutions responsible for providing safe drinking water in targeted rural and key urban and peri-urban areas of El Salvador, Nicaragua and Honduras. EPA will: (1) work to strengthen and improve the capacity of national and regional laboratories responsible for surveillance and testing of drinking water quality; (2) evaluate and recommend improvements to existing drinking water treatment plants and their distribution systems; (3) strengthen the capacity of public utilities to operate efficiently and enhance coordination of major stakeholders in the water sector to foster more effective infrastructure planning and investment; (4) strengthen the capacity of public officials, local groups and water utilities to protect source water from contamination; and (5) reduce the vulnerability of drinking water infrastructure to natural disasters and accidents by assisting laboratories and treatment plants to improve or develop response systems to natural disasters.
- Federal Emergency Management Agency ($3.0 million) - FEMA, collaborating closely with USAID's Office of Foreign Disaster Assistance (OFDA), will assess disaster mitigation, preparedness, and response capabilities; and identify specific assistance needs in the affected countries. FEMA will also help integrate the early warning systems developed by other USG agencies into national emergency management systems.
- US Dept. of Agriculture ($13.0 million) - USDA is supporting two sets of activities: (1) environmental management/disaster mitigation, and (2) economic reactivation of the agricultural sector. The environmental/disaster mitigation activities entail: watershed protection and management; agricultural land reclamation; soil and water conservation; reforestation; agro-forestry; land-use planning; and increased local capacity for natural disaster mitigation. Economic reactivation activities will establish agricultural health systems to reduce disaster-induced risks to animal and plant health and strengthen capacity for regional food security analyses to guide public and private sector decisions on agricultural investments.
- US Dept. of Commerce ($17.1 million) - DOC's assistance will contribute to: reconstruction and improvement of weather forecasting and early disaster warning systems; development of geo-spatial infrastructure (geodetic network) and water-level reference frameworks (re-establish tide gauges within harbors); and provision of initial climate forecasting information. DOC is also aiding in economic reactivation by: promoting insurance instruments and other market incentives for appropriate land uses; and promoting regional trade and investment forums and conference to promote disaster minimization as good business.
- US Geological Survey ($14.15 million) - The USGS is installing or rehabilitating, as appropriate, stream gauges for early flood warning system; and providing critically needed maps, aerial photographs, satellite imagery, assessments of damage and potential risk from future floods and landslides, and baseline data for the management of critical watersheds and coastal ecosystems. The USGS-provided data will contribute to reconstruction

planning, infrastructure design, refinement of Central American building and land-use practices, proper management of natural resources, and protection of key ecosystems. Its data and disaster warning network will be integrated into emergency management networks that other USG agencies are working on in with host-country agencies.

- US Dept. of HHS/Centers for Disease Control & Prevention ($15 million) - HHS/CDC is helping to improve the response to infectious disease outbreaks and their spread. Activities include: rehabilitation of disease surveillance systems and strengthening capacities to use information for public health decisions; increasing availability of trained epidemiologists in the region; training of health workers by these epidemiologists; rehabilitation of infectious disease and environmental health laboratories; and strengthening the capacity of Ministries of Health to design and implement community-based disease prevention and control programs.

Possible Adjustments to Plans: No adjustments are planned at this time. However, an implementation review of each of the USG agencies' activities will be carried out in March-April 2000, with USAID and OMB examining progress to date to determine if adjustments to participating agencies' budgets need to be made.

Other Donor Programs: The Inter-American Development Bank and United Nations Development Program have facilitated donor coordination. In May 1999 a Consultative Group meeting was held in Stockholm to coordinate donor assistance. At the meeting the international community pledged over $7 billion in reconstruction assistance to Central America (see table below). USAID has been hosting inter-agency coordination meetings in each country to ensure that USG resources are effectively utilized for disaster mitigation, preparedness, and reconstruction activities, and to avoid duplication or competition amongst donors.

Donor Pledges for Central America Hurricane Reconstruction Activities

Austria	$47,900,000	Japan	$249,600,000	Switzerland	$59,600,000
Canada	$112,000,000	Mexico	$32,000,000	Taiwan	$48,700,000
Denmark	$189,200,000	Netherlands	$42,000,000	EC	$284,300,000
Finland	$40,300,000	Norway	$104,000,000	IDB	$2,739,700,000
Germany	$202,200,000	Spain	$681,600,000	World Bank	$1,554,000,000
Italy	$20,000,000	Sweden	$184,500,000		

Principal Contractors, Grantees, or Agencies: Those USG agencies with 632(b) Interagency Agreements with USAID include: U.S. Department of Agriculture, U.S. Geological Survey, Federal Emergency Management Agency, Environmental Protection Agency, U.S. Department of Commerce, and HHS/Centers for Disease Control and Prevention.

Selected Performance Measures:	Baseline (1999)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Countries with decreased vulnerability to communities from flooding and landslides in watershed basins through the establishment of monitoring and early-warning systems	0	N/A	0	3	5
Countries with improved emergency management systems and response capabilities in place	0	N/A	0	2	6
Countries with increased capacity to respond to infectious disease outbreaks and their spread	0	N/A	0	2	6

U.S. Finance Table (Microsoft Excel file)

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 2000 OBLIGATION AND ACCOUNT: $4,250,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $4,750,000 (DA)
STATUS: New
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE**: FY 2005

Summary: The strategic objective (SO) 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. While this is a new strategic objective, the property component is a continuation of the Inter-Summit Property Systems Initiative (IPSI) begun originally under the Hemispheric Free Trade SO.

The purpose of the SO 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 of the SO 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: In regard to property markets, the SO serves as a catalyst to improve property registration systems and to formalize the rights of the poor. Problem areas such as the property rights of indigenous populations, access of women to property rights and conflict resolution are being specifically targeted with USAID support. In regard to financial markets, the SO will build upon the successful experiences of the dozens of microfinance institutions (MFI) that extend credit and services to the poor. The SO will improve and broaden the understanding of how to strengthen MFI performance and ensure the long-term sustainability of the industry by helping to build or improve strong institutions that support MFIs, e.g., supervisory authorities. Finally, the SO, through the product market component, will foster improved marketing procedures and information systems relevant to increasing poorer farmers' access to high value niche markets both domestically and internationally.

Performance and Prospects: The OAS Office of Summit Follow-up is constructing a virtual office for IPSI (initiated under the Hemispheric Free Trade SO) to function as a vehicle for continual dialogue and information sharing among donors, governments and civil society. Its use has begun and its development will continue through mid-2000. In addition, US private sector and key NGOs are participating in a "discovery and dialogue" series with the goal of clarifying the design of reforms to better enable expanded market access and of promoting such reforms. Over the next year, IPSI's activities will expand to include other sub-regional events (e.g., South America), participation in the Summit Implementation Review Group Meeting, work with the USG toward a position for the upcoming Summit to be held in Canada in 2001, provide research and technical assistance on removing barriers to 'bankable' property rights (e.g., low-income housing), expand market-based access to farmland (e.g. rental markets), hold a high-level conference to promote the benefits of formalization of the rights of the poor and to leverage political and financial support for such (the Institute for Liberty and Democracy of Peru is instrumental in these last few activities). Finally, identify 'models' for protecting the rights of indigenous populations are planned.

In the areas of financial and product market access, specific activities are being developed. These activities will build upon and consolidate the successful experiences to date and will complement the work of our bilateral Missions and partners. In microfinance, USAID will identify cutting-edge technology and approaches and make related information available across the region and to a wide variety of institutions. The activities will focus on improving supervision and regulation of lending institutions, expanding support for institutions (e.g., credit bureaus) and the development of efficiency-enhancing technologies for MFI service administration. For example, with our support, ACCION International is already testing some specific techniques and tools as well as investigating new product areas (e.g., internet-based marketing and rural outreach). 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).

Possible Adjustments to Plans: None at this time.

Other Donor Programs: As part of the Summit of the Americas process, USAID will work 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 IDB. We also work closely with our bilateral

missions and other donors with mutual program interests in specific sub-regions e.g., the European Union in Central America is participating in our consensus-building activities on property registration.

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, and the Dominica Marketing Board Corporation.

Selected Performance Measures[1]:	Baseline (2000)	Target (2001)	Target (2002)
Property Markets:			
Best-practices Guidelines Adopted	0	2	3
Costs of Property Formalization Reduced	>$80/ha	>$40/ha but <$80/ha	<$40/ha
Financial Markets:			
Credit Bureaus Created or Improved	0	1	1
Legislation Passed or Regulations Enacted in Selected LAC Countries	0	1	1
Product Markets:			
To be defined			

[1] This is a new Strategic Objective so indicators, baselines and target levels are being defined and developed this year.

U.S. Finance Table (Microsoft Excel file)

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 2000 OBLIGATION AND ACCOUNT: $1,000,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $1,000,000 (DA)
STATUS: New
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE**: FY 2005

Summary: The US/LAC Environmental Partnership program is a follow-on to LAC's regional Trade/Environment program which promoted market-based "win/win" approaches to environmentally sound, sustainable trade. An integrated approach addressing policy, technology, and financing considerations contributed to: (a) industrial clean production in Andean countries; (b) sustainable shrimp aquaculture in Central America; (c) sustainable tourism in the Caribbean; and (d) sustainable forestry in Central and South America. The program also funded cross-cutting trade/environment assessments and trade/environment policy dialogue to enhance the understanding of trade/environment issues.

The purpose of the objective is to improve environmental performance of targeted LAC businesses and communities through replicable models, and in doing so, contribute to the alleviation of poverty and to environmentally sustainable economic development. The program envisions support for: (a) advancing key trade-related environment issues within the context of the Free Trade Area of the Americas economic integration process, (b) sustainable forestry, (c) industrial clean production, and (d) sound water resources management. The program places emphasis on market-based approaches and the engagement of the US for-profit private sector as development partners. The program addresses issues of regional importance, which are identified through the Summit of the Americas process. It complements USAID bilateral programs in the LAC region by the introduction of best management practices, regional policy and investment analysis, dissemination of replicable models and lessons learned, and strengthening of environmental business and market linkages.

Beneficiaries include: (a) targeted LAC governments whose capacity in policy and investment planning will be

improved; (b) targeted LAC businesses whose international competitiveness will be enhanced through both eco-efficiency and increased participation in eco-certified markets; and (c) targeted LAC communities who will benefit from reduced environmental contamination, improved water supply, and better natural resources management along with associated employment opportunities.

Key Results: The program has three intermediate results: environmental policy frameworks developed; environmental technologies and practices available; and environmental financing mechanisms available.

Performance and Prospects: Understanding of key trade-related environmental opportunities and issues within the FTAA economic integration process will be advanced. Best management practices, such as hotel environmental management systems, clean 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.

Possible Adjustments to Plans: No adjustments are envisioned as this is a new SO.

Other Donor Programs: The partnership program will collaborate with multilateral donors, bilateral donors and international technical cooperation agencies who are active in the LAC region in the partnership's four environment focus areas. These may include, but not be limited to, the Inter-American Development Bank, the World Bank, the United Nations Environment Program, the Organization of American States, the Pan-American Health Organization, and the Canadian International Development Agency.

Principal Contractors, Grantees, or Agencies: U.S. government agencies, U.S. private sector companies engaged in international development, U.S. environmental non-governmental organizations, and U.S. universities. The specific organizations will be identified during program design.

Selected Performance Measures:	Baseline* (2000)	Target* (2001)
Economic benefits of improved environmental management demonstrated		
Replicable models of improved environmental management developed and their adoption promoted		

* This is a new SO and targets have not yet been established.

U.S. Finance Table (Microsoft Excel file)

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 2000 OBLIGATION AND ACCOUNT: $1,000,000 (DA)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $1,000,000 (DA)
STATUS: New
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE**: FY 2001

Summary: This Special Objective will foster continued commitment of LAC smaller economies and developing countries to participate over the two-year (FY 2000-FY 2001) 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 USAID is closing out in FY. This objective will target 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 will support 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 will 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 will achieve results in three key areas: (1) helping LAC smaller economy 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: In implementing this objective, USAID will work closely with the State Department, Office of the U.S. Trade Representative, and the USG agencies participating in the Interagency Trade Policy Staff Committee. At the same time, USAID will closely monitor the progress of FTAA Negotiating Groups as well as the deliberations of the Committee on Civil Society, the Committee on Electronic Commerce, and the Consultative Group on Smaller Economies. The objective will focus on three issues: (1) WTO obligations-strengthening LAC country capacity to meet their obligations as members of the WTO: (2) Business Facilitation Measures, including accelerating implementation of priority customs reforms; and (3) Civil Society Participation-fostering increased participation of civil society in the FTAA process. Interventions will be supported that have a strong prospect of achieving a demonstration effect, that is, providing a model for other countries to emulate, using funding support leveraged from other donors.

Possible Adjustments to Plans: None anticipated.

Other Donor Programs: Trade liberalization activities are coordinated with other major donors through the FTAA Tripartite Committee comprised of the OAS Trade Unit, the regional division of the IDB, and the Economic Commission for Latin America and the Caribbean. USAID works closely with members of the Tripartite Committee on trade liberalization. Other relevant programs for assistance in trade policy education and training are the WTO and UNCTAD.

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, and Federal Trade Commission. Other partners include the National Center for Food and Agricultural Policy, the International Institute for Sustainable Development, and the Summit of the Americas Center.

Selected Performance Measures:	Baseline (2000)	Target (2000)	Target (2001)
WTO OBLIGATIONS			
Countries adopting FTAA-consistent trade reforms	8	11	15
Business Facilitation: Selected customs reforms	0	1	2
CIVIL SOCIETY PARTICIPATION: Number of Civil Society Submissions from LAC-assisted Countries	TBD	TBD	TBD

U.S. Finance Table (Microsoft Excel file)

ACTIVITY DATA SHEET

PROGRAM: LAC Regional
TITLE AND NUMBER: Peru-Ecuador Border Region Development , 598-XXX
PLANNED FY 2000 OBLIGATION AND ACCOUNT: $11,000,000 (ESF)
PROPOSED FY 2001 OBLIGATION AND ACCOUNT: $10,000,000 (ESF)
STATUS: Continuing

INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE**: FY 2005

Summary: In October 1998, after three and one half years of intense 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 in helping the parties to achieve peace. The final settlement was built on a series of agreements, including a treaty on commerce and navigation, a mutual security agreement, an agreement on completion of border demarcation, and a border integration agreement with a binational peace fund, designed to compensate difficult political concessions and investments to stimulate growth and improve living conditions in an area impoverished by years of conflict.

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 on both sides of the border, representing 12% of the combined total population of both countries. (NOTE: This is the total population of all Peru-Ecuador border provinces. Actual populations near the border are estimated at 10-15% of this total.) The border area is severely underdeveloped and 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 watersheds that form the beginning of the Amazon Region. This is an important biodiverse and ecological reserve that must be protected.

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.

Current economic and political factors in Peru and Ecuador were key considerations taken into account when the USG decided to provide significant support in the border region. Peru experienced an economic slowdown in 1998 and 1999 due to "El Niño" and the global financial crisis. As a result Peru's economy grew only 0.3% in 1998 and the most recent estimates place economic growth at around 3% in 1999. During 1999, Ecuador experienced the worst economic crisis in recent history. Growth dropped by an estimated 11% while underemployment and unemployment reached record levels. At the same time, the country had the highest inflation rate (78%) in the region. On January 21, Ecuador Vice President Gustavo Noboa replaced deposed President Jamil Mahuad. USG support in the border region will boost the Government's efforts to restore public confidence in its leadership. Moreover, successful border development activities will help both countries demonstrate their ability to deliver on promises and move the region forward.

The Peru-Ecuador Border Region Development activity is under the LAC Regional Congressional Presentation for reporting purposes. Funds are transferred to each Mission for implementation of selected activities. Both USAID Missions have developed a special objective (SpO) for country-level reporting to carry out this bi-national initiative. This data will be described in the Selected Performance Measures section. The Ecuador SpO was approved on May 28, 1999, while the Peru SpO was submitted for approval in early January and is being processed for a February approval.

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: As part of the peace negotiations, the Governments of Peru and Ecuador created a Binational Commission for Border Integration also referred to as the Good Neighborliness Commission. Progress has been made in establishing a Bi-National Executive Board and National Chapters in Peru and Ecuador. Under the Border Integration Agreement, mechanisms are being developed to manage and oversee a regional development program of investment totaling $3 billion.

USAID will support a number of activities under the Bi-National Plan for Development of the Border Region. The governments of Peru and Ecuador will present the Plan at the March 2000, Consultative Group (CG) meeting. These activities will be aimed at improving both social and economic conditions on both sides of the border to ensure lasting peace. Many of these activities will be replications of successful USAID-supported programs that are currently being

implemented in other parts of Peru and Ecuador. When the CG occurs, the USG will formally pledge an additional $40 million. As part of the $42 million life-of-project funding, the USG provided an initial $2 million (Peru - $500,000 and Ecuador - $1.5 million) in FY 99 for quick impact activities to demonstrate viability to other donors and leverage their funds for the border region.

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, sewerage, health posts, and classroom improvement). This initial activity, which is implemented by CARE/Peru, will benefit 2,500 poor families living in 50 border communities of Piura highlands. In the few months of implementation important progress has been achieved. An intersectoral coordination network, with broad participation at the provincial and district levels, has already been established. Participatory planning processes have been completed in 30 communities and five communities have already completed projects that include latrines, classrooms, potable water systems and a rural road. All fifty community projects will be completed in 2000. The successful methodology used to implement basic infrastructure has leveraged resources from other donors. The Japanese Government is financing additional community infrastructure projects in 9 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.

In 2001, USAID/Peru will work principally in the rural areas of the highlands and the eastern jungle, with an emphasis on geographic areas with high concentrations of indigenous populations. Activities will be targeted to improve the quality of life of border populations, while strengthening organizations to manage their own development processes. These activities will 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 (i.e., health surveillance systems, potable water, etc.) and area development plans (i.e., 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 Ecuador, an initial activity was developed and started in July 1999, to contribute to increased availability and access to social services, with emphasis on health, water and sanitation in six border cantons of Loja and El Oro Provinces. Specific activities include: 1) design and construction of potable water and household sanitary units in 10 communities; 2) design and implementation of solid waste collection and recycling systems in 5 communities; 3) health education interventions in schools and health centers, especially related to the improved water, sanitation, and solid waste activities; 4) strengthening of health delivery systems (e.g., minor construction, renovation and equipping small health facilities, disease prevention and control, and innovations in management, organization and community financing of health services); and 5) development of local community health boards with the participation of GOE organizations, municipalities, and community organizations.

In 2001, USAID/Ecuador will support border region activities in the Provinces of Loja and El Oro and the Cordillera of El Condor and Cutucu (between Macas and Gualaquiza in Morona Santiago Province). Activities will include: 1) improvement of health conditions with water, sanitation and solid waste systems interventions; 2) strengthening of local health boards' capacity to identify and respond to the needs of the population; 3) interventions to increase employment and the income-generating opportunities for micro- and small-scale entrepreneurs; 4) the creation of new village banks; 5) cross-border trade fairs for microentrepreneurs; 6) efforts to safeguard the border region's biodiversity and to conserve its natural resources; 7) strengthening and developing the capacity of local governments to implement and manage development projects in the areas of health, water, sanitation and environmental management; and 8) assistance to municipalities and communities in management, planning, monitoring and evaluation of activities carried out at the local level. These activities will work towards effective decentralization by effecting participation of civil society and improving the responsiveness of local governments to attend the demands of the populations.

Possible Adjustments to Plans: Based on new/amended design documentation, this objective will be adjusted as appropriate.

Other Donor Programs: The ten-year budget for the Binational 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 non-reimbursable resources. The International Financial Institutions will provide $1.5 billion in loans and the private sector will be asked to provide up to $800 million. The Bi-National Commission hopes to receive donor pledges of $180 million at the first Consultative Group meeting now scheduled for March, 2000.

The Bi-National Fund for Peace and Development has been established to promote and administer non-reimbursable contributions from the international community, along with counterpart contributions form the Governments of Peru and Ecuador. This fund will be managed by the Andean Development Corporation (CAF) to ensure transparency and accountability of donor and host government resources. The CAF will support the Bi-National Executive Board.

Principal Contractors, Grantees, or Agencies: The Border activity will be implemented through a number of public- and private-sector partners including local governments, community organizations, NGOs and central government sectoral organizations. CARE/Peru and CARE/Ecuador are implementing the initial activities in the border region.

Selected Performance Measures:	Baseline (1999)	Target (2000)	Target (2001)
Ecuador Activities[1]			
No. of persons who benefit from new/improved water, sanitation, and solid waste disposal	0	150,000	TBD
Health Services			
No. of new/improved potable water systems	0	11	TBD
No. of new/improved sanitation units	0	1,000	TBD
No. of new/improved garbage collection and recycling programs	0	5	TBD

Bi-National Plan Development Activities:	Baseline (2000)	Target (2001)
No. of households in partner communities in selected areas adopting improved NRM practices	TBD	TBD
No. of microentrepreneurs receiving microcredit	TBD	TBD
No. of local governments strengthened	TBD	TBD

Peru Activities[2]:	Baseline (1999)	Target (2000)	Target (2001)
No. of communities with small project(s) functioning and providing services	0	50	--
No. of local networks to promote development established and functioning	0	4[3]	--

Peru Bi-National Plan Development Activities Specific Performance Measures To Be Determined

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[1] Activities started at the end of FY 1999. No new activities were completed prior to the end of FY 1999. These activities are subject to modification in early 2000 and targets will be established after the $20 million border design process is completed.

[2] Activities started in FY 1999.

[3] Two networks were established in FY 1999.

U.S. Finance Table (Microsoft Excel file)

The United States Agency for International Development

LAC Regional

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	35,715	20,666	33,304	35,807
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	17,069	14,020	14,130	12,868
CACEDRF	0	116,750	0	0
INC	0	0	0	0
Economic Support funds	10,350	6,975	18,800	21,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**63,134**	**158,411**	**66,234**	**69,675**
Operating Expenses	268	286	826	245
Trust Funds	0	0	0	0
Total Operating Costs	**268**	**286**	**826**	**245**

Note:
FY 2000 OE - $541,300 Hurricane Supplemental; $45,000 Environmental Travel

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	72	65	63	63
Other U.S. Citizen	0	0	4	4
FSN/TCN	0	0	0	0
Subtotal OE Funded	**72**	**65**	**67**	**67**

Program Funded**				
U.S. Citizen	6	6	4	6
FSN/TCN	0	0	0	0
Subtotal Program Funded	**6**	**6**	**4**	**6**
Other				
TAACS	1	2	2	2
Fellows	2	5	4	4
IDIs	0	0	0	0
Subtotal Other	**3**	**7**	**6**	**6**
Total Work Force	**81**	**78**	**77**	**79**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

**Program funded U.S. Citizen category includes RSSAs/PASAs.

***For FYs 2000 and 2001, LAC/Washington USDH levels will be plussed-up by 1 with the passage of the Colombia Supplemental.

Program/Sector Summary

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
598-001 Progress Toward Resolving Key Market Issues Impeding Free Trade in the Hemisphere							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
598-002 Improved Human Resource Policies Adopted in Selected Latin American and Caribbean Countries							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	2,900	0	2,900
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
598-003 More Effective Delivery of Selected Health Services and Policy Interventions							

- DA	0	687	0	0	0	0	687
- DFA	0	0	0	0	0	0	0
- CSD	0	5,968	0	0	0	0	5,968
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
598-004 Protection of Selected LAC Parks and Reserves Important to Conserve Biological Diversity							
- DA	0	0	5,400	0	0	0	5,400
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
598-005 Reinforcement of Regional Trends that Deepen Democracy							
- DA	0	0	0	5,000	0	0	5,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	11,000	0	0	11,000
- P.L. 480/II	0	0	0	0	0	0	0
598-006 A Broad-base of Leaders in LAC Countries Equipped with Technical Skills, Training and Academic Ed.							
- DA	0	0	0	0	6,000	0	6,000
- DFA	0	0	0	0	0	0	0
- CSD	0	2,000	0	0	2,000	0	4,000
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
598-016 Hurricane Reconstruction Services in the LAC Region Provided							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0

- P.L. 480/II	0	0	0	0	0	0	0
598-017 Institutional Infrastructure Improved to Support Access of the Poor to Markets							
- DA	4,750	0	0	0	0	0	4,750
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
598-018 Environmental Performance of Targeted LAC Businesses and Communities Improved							
- DA	0	0	1,000	0	0	0	1,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
598-019 Continued Participation of LAC Sub-Regional Trading Blocs in the FTAA Process Achieved							
- DA	1,000	0	0	0	0	0	1,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
598-XXX Peru-Ecuador Border Region Development							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	10,000	10,000
- P.L. 480/II	0	0	0	0	0	0	0
Support to Regional Programs Managed by the Global Bureau							
- DA	7,550	0	0	3,000	0	0	10,550
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- CACDRF	0	0	0	0	0	0	0

- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Program Development & Support (PD&S)							
- DA	1,420	0	0	0	0	0	1,420
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	14,720	687	6,400	8,000	6,000	0	35,807
- DFA	0	0	0	0	0	0	0
- CSD	0	7,968	0	0	4,900	0	12,868
- CACDRF	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	11,000	0	10,000	21,000
- P.L. 480/II	0	0	0	0	0	0	0

G D P/Capita Growth Rate in LAC

1991 = 2%, 1992 = 1.4%, 1993 = 2.1%, 1994 = 3.5%, 1995 = -0.6%, 1996 = 2%, 1997 = 3.7%, 1998 = 0.4%, 1999 = -1.6%

Source: E C L A C

Net Andean Coca Production

Bolivia: 1995 = 48.6 thousand hectares, 1996 = 48.1 thousand hectares, 1997 = 45.8 thousand hectares, 1998 = 38 thousand hectares
Colombia: 1995 = 50.9 thousand hectares, 1996 = 67.2 thousand hectares, 1997 = 79.5 thousand hectares, 1998 = 101.8 thousand hectares
Peru: 1995 = 115.3 thousand hectares, 1996 = 94.4 thousand hectares, 1997 = 68.8 thousand hectares, 1998 = 51 thousand hectares