

USAID/Mexico

Operational Plan

FY 2006

June 15, 2006

Please Note:

The attached RESULTS INFORMATION is from the FY 2006 Operational Plan and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

The Operational Plan is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

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Program Performance Summary FY 2005: The significant and key modernizing public sector returns achieved by Mexico since 2000 have been the result of a growing partnership on shared development issues between the Government of Mexico (GOM), Mexican private institutions, and USAID. USAID's work has made an important, tangible impact on top U.S. foreign policy objectives and realized what experienced observers of U.S.-Mexican relations describe as an unprecedented increase in cooperation between Mexico and the United States. Since the signing of the North American Free Trade Agreement (NAFTA) in 1994, Mexico has become our second largest trading partner, and is among the top ten export markets for more than 40 U.S. states. In 2004, it was ranked as the 10th largest economy in the world. As President Bush has stated, NAFTA "is a recognition that the United States has no more important relationship in the world than the one we have with Mexico...Good neighbors work together and benefit from each other's successes."

In 2004 with a population of over 100 million, the GOM estimated gross domestic product per capita at \$6,884. However, not all Mexicans are reaping the benefits that this extensive trade, growing international presence, and close U.S. partnership might offer. More than 26 million Mexicans live on less than \$2 a day, or have annual income of less than \$730. Given Mexico's proximity to the United States, its geopolitical importance in the region, and Mexican immigration to the United States, it is in the U.S. interest to support Mexico's economic and political reform agenda and to promote competitiveness and economic growth.

The election of President Vicente Fox in July 2000 began a new era for Mexico, ending 71 years of one-party rule. Since taking office, the Fox Administration has initiated a number of ground-breaking programs to reduce poverty, improve accountability and governance, protect natural resources, and expand the benefits of trade to more Mexicans. The new presidential campaign is now well under way in preparation for July 2006. Despite the political posturing and gridlock that has stopped some efforts at the federal level, Mexican states with administrations across all party lines are increasing reform efforts and requesting assistance from USAID. For example, 26 Mexican states have requested USAID assistance in justice reform, but the mission had only enough funding to work with the federal government and six states in FY 2005. Thus, Mexican states are now providing an important additional avenue of reform for Mexico, with reform at the state level perhaps offering the most direct impact on the lives of Mexicans.

THE USAID PROGRAM

The USAID program is designed to help the United States and Mexico collaboratively address shared problems and issues. With close economic and social ties, a common U.S.-Mexico development agenda has emerged that includes improving public administration, transparency and accountability; improving competitiveness, encouraging trade and investment; increasing environmental protection; strengthening the small and micro enterprise sector; preventing infectious diseases; and increasing partnerships between U.S. and Mexican private and public organizations. USAID started full implementation of the new strategic plan in FY 2005, as part of the regional strategy approved for Central America and Mexico (CAM). During FY 2005, many activities were completed and closed out under the old strategy. The Mexico strategy has four areas of focus: economic growth, including access to finance, competitiveness, and natural resource management; accountable governance and rule of law; infectious disease prevention and control; and educational exchange and scholarships.

Challenges. Addressing inequalities in Mexico has been a declared policy priority of President Vicente Fox's administration since taking office in 2000. The Fox Administration has pursued a policy of "socially responsible humanism," which promotes private sector-led growth, complemented by an explicit poverty reduction strategy ("Contigo, or "With You") and an emphasis on improving government transparency and accountability. Yet, despite key advances and successes achieved in President Fox's transparency and accountability agenda, economic inequality declines have not significantly reduced Mexico's stark contrast between rich and poor. The World Bank Country Brief notes that Mexico continues to have great income inequality, with the richest tenth earning over 40% of total income, while the poorest tenth earns only 1.1 percent. Additionally, despite the gains of NAFTA, Mexico's competitiveness globally has continued to lose ground steadily as evidenced by the World Economic Forum competitiveness rankings

declining from 48th to 55th place out of 117 countries from 2004 to 2005.

USAID is supporting key Mexican reforms that will reverse the trend of declining competitiveness through reform of the criminal justice system, increasing transparency and promoting good governance, helping states and municipalities better access the capital markets to rebuild decaying infrastructure and infrastructure damaged by hurricanes during the past year, improving education and health care available for the general population, and providing access for farmers to more profitable markets. In addition, USAID is working to strengthen Mexican competitiveness by launching an effort to reduce the barriers to doing business in Mexico. There is a unique opportunity now, over the next few years, given receptivity from many corners of Mexican political and economic society, to sharpen a focus on competitiveness. USAID's key challenge remains securing sufficient funding to keep up with Mexican "demand" and maximize opportunities for impact now on key U.S. foreign policy objectives.

Achievements.

USAID is working with Mexico to create stronger, more democratic institutions and societies. FY 2005 saw the continued results USAID achieved with a wide range of political and economic actors in Mexico, particularly in justice reform, human rights, and the transparency and good governance arena. Important progress was made in combating trafficking in persons (TIP) when USAID efforts helped the Mexican Senate reach consensus on the need to pass a federal anti-TIP law. USAID's program in FY 2005 continued to contribute significantly to the Mexican reform effort, increasing government transparency by assisting the GOM to establish a plain language initiative in Mexico, the first in any Latin American country. USAID efforts also helped to launch 176 citizen charter programs in 62 different federal agencies in Mexico, making government more accessible and transparent. USAID also helped the State of Nuevo Leon implement the first oral, adversarial code of criminal procedure in Mexico with impressive results: trials that used to last for months now last only a few days. Following this general model, other Mexican states are starting moves to reform their codes. Preparing the way for justice reform, USAID provided training in oral, adversarial procedures to more than 10,200 judges, prosecutors, defense attorneys, mediators and human rights advocates. At the same time, the USAID mediation project has significantly expanded access to justice for poor Mexicans. By the end of FY 2005, the project had assisted 15 Mexican states in setting 12 new mediation centers to increase the total to 30 centers. Thousands of civil cases in areas ranging from commercial law to family law have been successfully mediated and demand is on the rise in Mexico for this method of increasing access to justice.

USAID is also working to increase economic prosperity with greater equity in Mexico. USAID's work with certified timber producers has improved processing efficiency to ensure production of higher grade wood so that, in the state of Durango alone, producers have increased their incomes by 50%. To increase access to financial services for the poor, the USAID microfinance program through WOCCU helped participating Mexican microfinance institutions expand their client base by nearly 140,000 clients during FY 2005.

To provide the technical capacity and expertise necessary to increase economic prosperity with greater equity in Mexico, the Presidential Initiative "Training, Internships, Exchanges, and Scholarships" (TIES) continued to draw significant interest in 2004, adding 15 partnerships to the 30 between U.S. and Mexican universities already under way, for a total of 45 partnerships. Contributions from higher education institutions and the private sector exceed USAID funding for these projects, which are making real, significant contributions to Mexican competitiveness in a variety of areas.

- Twelve U.S. and Mexican universities are collaborating to improve environmental education, environmental quality and public health by reducing toxic pollutants on the border.
- U.S. and Mexican universities are collaborating in water resource management projects jointly-funded by Mexican state and federal governments and private users to address water supply issues in Mexico.
- Because of quality control problems, Mexicans working in automotive plants in Saltillo near the U.S.-Mexico border were in danger of losing their jobs to the movement of plants to China and other emerging markets and had few other alternatives for employment. Through a TIES partnership focused on technical training for maquiladora workers, 100 have received quality control training and have new jobs working in

control systems for factories, and quality control in the maquila industry has improved.

- Small dairy producers in central Mexico have received training and assistance that has improved their cheese production techniques, including increased productivity, increased market opportunities and added value for rural producers' products.

- As an offshoot from the successful TIES project to replicate the successful U.S. Small Business Administration's Small Business Development Center (SBDC) model in Mexico, more than 40 SBDCs have been created in Mexico. The partnership is working with GOM to establish and secure financing for a robust nationwide SBDC network similar to the U.S. model. This would develop a dynamic entrepreneurial class that will in turn employ many more people and ultimately, increase Mexico's workforce and competitiveness and reduce incentives for migration.

Finally, Georgetown University's CASS program sent another class of more than 40 young Mexicans from poor, rural and indigenous areas to the U.S. for study at community colleges. Nineteen of these recipients are teachers from schools in poor, indigenous, rural areas of Mexico, who will return to their teaching positions on completion of their one year teacher training program. The other scholarship recipients will also return to Mexico at the end of their programs, and use their new skills to get a better job, realize a better quality of life and become leaders in their communities.

Supporting the creation of more democratic institutions and increased economic prosperity, USAID also realized important results contributing towards improved social and environmental conditions. USAID's work in the Selva Lacandon, a high biodiversity region in Chiapas, helped identify illegal settlements within a protected area, and then negotiate resettlement, thus avoiding a potential conflict. USAID's partners have also certified management practices for 21 coffee farms allowing these producers to sell to certified coffee buyers at a higher price. Thereby increasing the number of hectares recognized for using environmentally friendly cultivation practices by 145%. In addition, to insure that lessons learned from USAID's work are most effectively contributing to resolving Mexico's environmental management challenge, a Memorandum of Understanding (MOU) was signed with the Mexican Environment Secretariat (SEMARNAT) for work with the Mexican Forestry Commission (CONAFOR), the Protected Area Commission (CONANP) and with the Mexican Environmental Protection Program (PROFEPA). Finally, the USAID fire management program worked with CONAFOR to train representatives from all 13 regional offices plus personnel from other agencies in fire behavior and basic fire management. In energy, USAID assistance to the Secretariat of Energy (SENER) helped in the design and implementation of off-grid renewable energy programs for four Mexican states. Three of the four states plan to commit \$2 million each toward the program.

Contributing to improved health conditions in Mexico, more than 500 health workers were trained in TB detection, treatment, and control during the year. This represented an acceleration in program activities and increased coverage. In addition, USAID support for the AIDS Responsibility Project in Mexico spurred the formation of a formal business council of nine prominent U.S. companies in FY 2004 to encourage better corporate policies and reduce stigma in the workplace for HIV/AIDS victims. This success was amplified during FY 2005 as a total of 24 corporations, including Federal Express, Eli Lilly, Merck/Sharp/Dome, and Banamex (Citigroup), representing more than 300,000 employees, committed to eradicating HIV/AIDS-related stigma in the workplace.

Global Development and public/private alliances. The Mission participated in 53 alliances during FY 2005. (Please note that in the GDA report in the Annual Report application we have entered one alliance for TIES, to represent the 45 alliances under that one SO.) Under current plans, and pending funds availability, The Mission plans to have a total of at least 60 alliances in place by the end of FY 2006. Most of these alliances are incorporated under existing contracts, cooperative agreements or grants so that they do not significantly increase the Mission's management burden.

The Mission's principal alliance program is TIES. In FY 2005, 15 new alliances were signed with U.S. and Mexican universities or other institutions of higher learning for the new total of 45 noted above. These partnerships leverage, on average \$1.10 for every \$1 contributed by USAID, and represent 15 U.S. and 17 Mexican states plus the District of Columbia and Mexico's Federal District. Some of the leveraged funds come from private sector contributions to U.S. and Mexican institutions of higher

learning. In FY 2006, USAID will complete establishment of 10 new alliances under TIES.

Under the Health SO, USAID has started an alliance with the AIDS Responsibility Project and private sector corporations from both the United States and Mexico to form a business council to promote workforce policies supportive of employees and their families living with HIV/AIDS. Under the Economic Growth SO, a USAID-funded remittances alliance with the World Council of Credit Unions (WOCCU) and Mexico's largest credit union, Caja Popular Mexicana, has achieved significant progress, with more than \$9.2 Million in remittances transfers having passed through its credit union branches.

The Mission is preparing new Annual Program Statements in the areas of health and democracy for FY 2006 expressing plans to enter into at least four new alliances.

Synergies. USAID programs are realizing important synergies across SOs. The TIES requests for applications for new partnerships are crafted with the SO Teams to encourage partnerships that not only address the U.S.-Mexico common development agenda, but to also focus on efforts that support the Mission's strategic objectives. In addition, the SO Teams are working with existing TIES partnerships to take advantage of synergies and common themes. TIES is also starting work with the Environment Team to possibly offer scholarships to disadvantaged students in communities in targeted watersheds, offering training in natural resource management and planning. The microfinance project is working with TIES partnerships that created 40 small business center (using the U.S. Small Business Association model) services to access important advice and services for microfinance clients. The Environment Team is working with TIES projects to address water related issues in targeted watersheds. USAID's municipal finance team is helping states affected by the year's hurricanes to issue less expensive debt and restore and upgrade infrastructure.

Beneficiaries. The beneficiaries of the current program range from poor families who are most likely to contract TB and will be receiving improved care; poor, indigenous youth worried about opportunities for themselves and their communities in the future; women concerned with resolving family and community disputes; and indigenous groups trying to manage their land in more sustainable ways; to high risk groups learning how to prevent HIV/AIDS and address stigma and discrimination with the general population and workplace. Beneficiaries include the poor and middle class men and women who live near PEMEX facilities and can breathe cleaner air, those in isolated villages that are receiving electricity from renewable energy sources, and the population in general that will benefit from more transparent and accountable federal, state, and local government institutions. They are also the male and female micro entrepreneurs who will have greater access to financial services to expand their businesses. U.S. citizens also will be indirect beneficiaries in several ways. Some will be less at risk from infectious diseases and from smoke from forest fires. Others will have closer academic applied research ties with Mexican institutions and individuals. Still others will benefit from the maintenance of natural resource areas that provide tourist income and an essential winter habitat for a wide variety of bird species and Monarch butterflies. U.S. companies interested in investing in Mexico will find an improved business climate as a result of progress in justice reform and increased transparency in government processes.

Gender. Gender considerations are important, and vary widely by program area. In health, HIV/AIDS prevention efforts take gender into account in order to effectively target high risk groups and slow the spread of HIV/AIDS to the general population. For example, most women are now infected through the risky behavior of their male partners, which points to the need for better prevention among men in order to prevent new infections in women. In the democracy program, Mission and Washington initiatives support increasing the participation of women in political parties as well as studies to insure gender equity in traditional indigenous municipal governance systems (known as "usos y costumbres" in Spanish). In addition, the Mission is working with women's groups in Ciudad Juarez to address the problem of domestic violence and to improve the ability of the justice system in the state of Chihuahua to deal with this serious problem. This type of grassroots activity is important in gathering Mexican support for efforts to improve the situation of women in Mexico and reform the justice system. The ultimate beneficiaries of microfinance activities are mostly women entrepreneurs. Biodiversity conservation activities have stimulated more equitable inclusion of women in conservation efforts and have specifically targeted the participation of women in resource planning and eco-tourism activities. Fifty percent of the scholarships

provided under TIES are to disadvantaged women and indigenous girls.

FY 2006 Program

SO: 523-008 Sustainable and Effective Institutional Capacity Developed to Diagnose, Control, and Monitor Tuberculosis in Target Areas

Prevent & Control Infectious Diseases Of Major Importance

Prevent & Control Infectious Diseases Of Major Importance:

FY 2006 Program

SO: 523-010 Enhanced Capacity of Participating Mexican Scholars and Institutions to Respond to the Common Development Agenda

Improve Quality of Workforce through Vocational/Technical Education

Improve Quality of Workforce through Vocational/Technical Training (\$2,062,000 DA). Approximately 47 more disadvantaged Mexican youth and teachers are being awarded scholarships to U.S. community colleges and technical institutions. This brings the total number of community college scholarships to date to 153. The second group of scholarship recipients will return to Mexico, with 19 teachers returning to their schools with new skills and knowledge appropriate to Mexico's changing economy and 21 other scholars returning and receiving assistance with reintegration into their communities and job placement services. Principal contractor: Georgetown University/Cooperative Association of States for Scholarships (CASS).

Increase Capacity of Higher Education to Contribute to Development

Increase Capacity of Higher Education to Contribute to Development (\$2,045,000 DA, \$2,893,000 ESF). At least 10 new university partnerships are being competitively selected, bringing the total number of TIES university partnerships to 55. All universities involved in TIES partnerships will combine master's degree training in the United States and Mexico with faculty and student exchanges, joint research and pilot projects. The universities and the private sector continue to provide at least \$1 for every \$1 provided by USAID and demonstrate that the partnership will continue after the end of the USAID grant. By the end of the year, a total of 350 students will have benefited from scholarships. Principal contractor: Association Liaison Office.

FY 2007 Program

SO: 523-010 Enhanced Capacity of Participating Mexican Scholars and Institutions to Respond to the Common Development Agenda

Improve Quality of Workforce through Vocational/Technical Education

Improve Quality of Workforce through Vocational/Technical Training (\$1,389,000 DA). Georgetown University/CASS will award 47 additional community college scholarships, bringing the total to 200. Twenty-two young students will be assisted with reintegration in their communities and job placement through a job fair and 20 indigenous teachers will return to their schools in rural areas. Principal contractor: Georgetown University/CASS.

Increase Capacity of Higher Education to Contribute to Development

Increase the Capacity of Higher Education to Contribute to Development (\$500,000 DA, \$2,800,000 ESF). Funds available will not allow USAID to sponsor creation of additional partnerships within the 2003-2008 Strategy. Resources will provide the last years of funding for those partnerships already awarded. Principal contractor: Association Liaison Office.

FY 2006 Program

SO: 523-021 Ruling Justly: More Responsive, Transparent Governance

Protect Human Rights

Protect Human Rights (\$500,000 ESF). USAID strengthens human rights NGOs working on criminal justice reforms and supporting victims of crime and human rights abuse. Principal contractor: Management Systems International (MSI).

Strengthen Civil Society

Strengthen Civil Society (\$2,000,000 ESF). USAID will provide technical assistance and training to strengthen the management, policy making and multi-stakeholder dialogue capacities of Mexican civil society to serve as better advocates for citizens and watch dogs of government. Principal contractor: Partners for Democratic Change and others to be announced.

Strengthen Democratic Political Parties

Strengthen Democratic Political Parties (\$400,000 ESF). USAID provides technical assistance to political parties to increase internal democratic decision-making, promote increased diversity of political participation, and continue training programs for young political leaders. Principal contractor: the International Republican Institute and the National Democratic Institute.

Strengthen Public Sector Executive Function

Strengthen Public Sector Executive Function (\$640,000 DA, \$283,000 ESF). With DA, USAID provides assistance to the federal Government of Mexico (GOM) to strengthen its good governance program and replicate good governance models to Mexican states. With ESF, USAID works with a university and civil society to implement the methodology of a national customer satisfaction index and coordinate citizen and business oversight of the quality and delivery of government services. USAID provides assistance to a network of journalists to support the adoption of ethics codes and professional guidelines, and support civil society efforts to oversee the administration of freedom of information laws. USAID also is transferring its successful anti-corruption web portal www.atlatl.com.mx to a Mexican NGO and its satellite-based auditor training program to a Mexican university. USAID will support oversight of the executive branch to ensure continued focus on citizen-oriented government. Principal contractor: Casals and Associates.

Strengthen the Justice Sector

Strengthen the Justice Sector (\$2,310,000 DA, \$1,883,000 ESF). With DA, USAID supports justice reform in six target states and at the federal level to implement oral, adversarial codes of criminal procedure. With ESF, USAID supports legal education programs and build the capacity of NGOs, business associations, and academics to promote public education about oral, adversarial criminal justice reforms and that provide citizen watchdog services and administer alternative dispute resolution and restorative justice programs, especially for former detainees and gang members. Principal contractor: MSI.

Support Democratic Local Government & Decentralization

Support Democratic Local Government and Decentralization (\$450,000 DA, \$1,050,000 ESF). USAID is increasing access to credit and capital market participation and facilitating cross border dialogue and cooperation on issues such as economic development, health care services and public safety. USAID supports the Mexican business sector and civil society in carrying out the World Bank's "Doing Business"

project to identify constraints to a competitive business environment at the sub-national level. They will also strengthen citizen oversight to fight corruption and ensure the effective administration of citizen-oriented government at sub-national levels. Principal contractors: Casals and Associates, Evensen Dodge, and others to be announced.

FY 2007 Program

SO: 523-021 Ruling Justly: More Responsive, Transparent Governance

Protect Human Rights

Protect Human Rights (\$300,000 ESF): USAID will continue to support human rights NGOs to serve as effective advocates for victims of crime and human rights abuse and to provide oversight of criminal justice reforms. Principal contractor: MSI.

Strengthen Civil Society

Strengthen Civil Society (\$2,000,000 ESF): USAID will continue to strengthen the management, policy making and multi-stakeholder dialogue capacities of Mexican civil society to serve as better advocates for citizens. Implementer to be determined through a competitive process.

Strengthen Public Sector Executive Function

Strengthen Public Sector Executive Function (\$300,000 DA, \$100,000 ESF): With DA, USAID will work with the federal government and Mexican states on good governance initiatives. With ESF, USAID will continue support for oversight by civil society, business, and academia of the quality and delivery of government services to citizens. Principal contractor: Casals and Associates.

Strengthen the Justice Sector

Strengthen the Justice Sector (\$1,700,000 DA, 2,700,000 ESF): With DA, USAID will continue to support criminal justice reform in target states and at the federal level. With ESF, USAID will continue to support legal education programs and build the capacity of NGOs, business associations, and academics to promote public education about new oral, adversarial criminal justice reforms and that provide citizen watchdog services over the criminal justice system. Principal contractor: MSI.

Support Democratic Local Government & Decentralization

Support Democratic Local Government and Decentralization (\$1,100,000 ESF): USAID will continue to work with the business sector, civil society, and academics to promote greater competitiveness through the World Bank's "Doing Business" project; strengthen citizen oversight to fight corruption and ensure the effective administration of citizen-oriented government at sub-national levels; and increase capital market participation. Principal contractors: Casals and Associates, Evensen Dodge, and others to be announced.

FY 2006 Program

SO: 523-022 Economic Freedom: Open, Diversified, Expanding Economies

Improve Sustainable Management Of Natural Resources & Biodiversity

Improve Sustainable Management Of Natural Resources and Biodiversity (\$3,777,000 DA). USAID is supporting community decision making and more effective institutional coordination in addressing the needs of high-biodiversity areas by supporting management plans within communities, institutions and government agencies. USAID collaborates with the Government of Mexico (GOM) on activities in

forestry, protected area management and environmental protection, increasing linkages between USAID's sites and Mexico's national environmental priorities. USAID provides technical assistance to communities for environmentally sound economic growth in the following areas: strategic management of timber; production of wood products; fire management planning and capacity development; and income producing opportunities including coffee, cacao, and sustainable tourism. Better overall coordination in these key areas supports recovery efforts from the hurricanes that severely impacted Mexico in 2005, and helps reduce the risk of future disasters. Principal contractors and grantees: Conservation International, The Nature Conservancy, World Wildlife Fund, Chemonics International, Rainforest Alliance, US Forest Service, and Mexican Nature Conservation Fund.

Reduce, Prevent & Mitigate Pollution

Reduce, Prevent and Mitigate Pollution (\$800,000 DA). USAID supports activities linking energy savings and water conservation in water-stressed areas along the U.S.-Mexico border, as well as activities in renewable energy and planning. Through its Methane to Markets Program, USAID facilitates the development of landfill gas projects, reduces emissions from hydrocarbon industries, and captures emissions from feedlot waste. USAID reduces pollution in Mexico City and Quintana Roo; promotes pollution control in key industries such as petroleum; and advocates for the use of cleaner production technologies in environmentally-important regions. Principal contractor: PA Consulting and the Alliance to Save Energy.

Strengthen The Financial Services Sector & Increase Access to Capital

Strengthen The Financial Services Sector and Increase Access to Capital (\$2,000,000 DA). USAID provides technical assistance to 12 microfinance institutions (MFIs), the Caja Popular Mexicano (CPM) and the Alianza Bancomún de la Frontera; USAID also provides small grants to MFIs developing new products and services, including those related to remittances and provides technical assistance to strengthen the Mexican bank regulatory authority, La Comisión Nacional Bancaria de Valores (CNBV); USAID is building consensus on policy and institutional reforms; and supporting micro business integration into value chains in emerging markets, linked where possible to sustainable productive activities already underway. Principal contractor: Development Alternatives, Inc., World Council of Credit Unions, and Catholic Relief Services.

FY 2007 Program

SO: 523-022 Economic Freedom: Open, Diversified, Expanding Economies

Improve Sustainable Management Of Natural Resources & Biodiversity

Improve Sustainable Management Of Natural Resources and Biodiversity (\$3,543,000 DA): USAID will continue to support the implementation of improved natural resource management plans in targeted regions, and advance income-producing ventures in forest products, coffee, cacao and ecotourism, and to improve Mexican planning and technical capacity to reduce the vulnerability to fires and natural disasters.

Reduce, Prevent & Mitigate Pollution

Reduce, Prevent and Mitigate Pollution (\$850,000 DA): USAID will continue energy and water conservation activities in key areas along the northern border and in Quintana Roo in order to demonstrate linkages between water and energy efficiency and increased savings and decreased pollution. The Regional Clean Production Centers' capacity building initiatives will help multiply the use of these practices in sectors where USAID is not involved. USAID will also continue to support national programs that promote renewable energy.

Strengthen The Financial Services Sector & Increase Access to Capital

Strengthen The Financial Services Sector and Increase Access to Capital (\$1,000,000 DA): USAID will provide target MFIs with technical assistance in expanding client outreach, developing new products, and improving financial health. USAID will provide technical assistance to improve MFI regulatory practices. The Mission will continue to develop the local support services industry and to inspire innovation in rural finance and remittance policies.

FY 2006 Program

SO: 523-023 Investing in People: Healthier, Better-Educated People

Prevent & Control Infectious Diseases Of Major Importance

Prevent and Control Infectious Diseases of Major Importance (\$1,020,000 CSH). USAID continues to collaborate with the Health Secretariat's National TB Program (NTP) network to control, prevent, and diagnose TB in priority areas including the U.S./Mexico border. In addition new and existing grants to U.S. and Mexican NGOs strengthen the capacity of local partners to carry out community-based TB control, including health worker training, social mobilization and TB/HIV co-infection detection and treatment. Implementation of DOTS activities to better control and treat tuberculosis and drug-resistant TB are being enhanced and USAID is also upgrading the diagnostic capabilities of state-level laboratories. Principal contractor and grantees: Project Concern International, the California-based Public Health Institute, the U.S.-Mexico Border Health Association, the University of Texas, El Paso and the Autonomous University of Ciudad Juárez, and the University of Texas Health Science Center, San Antonio, and the Autonomous University of Tamaulipas.

Reduce Transmission & Impact Of HIV/AIDS

Reduce Transmission and Impact of HIV/AIDS (\$2,970,000 CSH). USAID continues promoting responsible behavior among the most-at-risk groups for HIV/AIDS in Mexico through behavior change communication interventions incorporating the ABC approach (abstinence, being faithful and correct condom use) to HIV/AIDS prevention. The results of a comprehensive survey of communication efforts to date and on behavior and HIV status among vulnerable populations are being used to improve communication interventions. Firms belonging to the National Business Council on HIV/AIDS (CONAES) are recruiting more Mexican companies to join the Council to implement anti-stigma and treatment programs in the workplace, increase the workers covered by such policies, and finance services received from Mexican NGOs. Training materials adapted for use in Mexico that deal with reduction of discrimination related to HIV/AIDS patients among healthcare workers are being tested with a view to incorporating such training in GOM national healthcare workers training programs. USAID will continue to play a key role in promoting multi-sector collaboration on HIV/AIDS along the U.S.-Mexico border, through entities such as the U.S.-Mexico Border Health Association. Finally, at least one new public-private alliance is being awarded with activities to target communities with high migration to the United States, and to expand geographic reach of the behavior change program. Principal contractor and grantees: Family Health International, Population Services International, and Futures Group.

FY 2007 Program

SO: 523-023 Investing in People: Healthier, Better-Educated People

Prevent & Control Infectious Diseases Of Major Importance

Prevent and Control Infectious Diseases Of Major Importance (\$1,520,000 CSH). Activities to widen implementation of the DOTS strategy will continue. Collaboration on the U.S.-Mexican border will be augmented.

Reduce Transmission & Impact Of HIV/AIDS

Reduce Transmission and Impact Of HIV/AIDS (\$2,200,000 CSH). USAID will continue support for behavior change activities aimed at the most-at-risk groups for HIV/AIDS in Mexico. The activities will include promotion of safer behaviors, including abstinence, fidelity, delay of sexual debut, and condom social marketing for most at risk groups. USAID will continue to support collaboration among Mexican and U.S. organizations in border states for prevention and control of HIV/AIDS. CONAES will be financing its own training and exchange of experiences in promoting stigma-free workplaces, thus enabling the Impulso non-governmental organization network to expand its services outside CONAES to other sectors of Mexican society.

Results Framework

523-008 Sustainable and Effective Institutional Capacity Developed to Diagnose, Control, and Monitor Tuberculosis in Target Areas

Program Title: Tuberculosis Control

IR 8.1: Improved national and local political and administrative commitment to a tuberculosis control program

IR 8.2: Increased use of laboratory-based diagnosis to identify tuberculosis cases

IR 8.3: Improved directly observed therapy meeting strict case definitions

IR 8.4: Improved mechanisms for monitoring program activities

523-010 Enhanced Capacity of Participating Mexican Scholars and Institutions to Respond to the Common Development Agenda

Program Title: Training, Internships, Education and Scholarships

IR 10.1: New university partnerships established and functioning

IR 10.2: University-trained scholars prepared to respond to CDA opportunities

IR 10.3: Community-college trained scholars prepared to respond to CDA opportunities

523-021 Ruling Justly: More Responsive, Transparent Governance

Program Title: Ruling Justly

IR 1.1: Strengthened Rule of Law

IR 1.2: More Accountable Policy Making and Implementation

523-022 Economic Freedom: Open, Diversified, Expanding Economies

Program Title: Economic Freedom

IR 2.3: Broader Access to Financial Markets and Services

IR 2.4: Improved Management and Conservation of Critical Watersheds

523-023 Investing in People: Healthier, Better-Educated People

Program Title: Investing in People

IR 3.3: HIV/AIDS and Other Infectious Diseases Contained and Impact Mitigated