

## Donor Coordination

A hallmark of the reconstruction effort in Central America has been the extent of donor consensus and coordination from the earliest days following the disaster. Within six weeks of the onset of Hurricane Mitch, the Inter-American Development Bank (IDB) sponsored an emergency donor meeting in Washington, D.C. The December 10-11 meeting provided a forum for the donor community to hear directly from the heads of state of the Central American countries and to receive presentations from the World Bank and U.N. Development Program of the first comprehensive data on hurricane-related damages and replacement costs. This information was crucial in establishing the order of magnitude of the financial response that would be necessary and provided donors the preliminary information needed to fashion a response.

*"All the Central American leaders with whom I have visited have told me that if reconstruction is managed in the right way, if it clearly benefits all segments of society in a transparent way, if it carves out new roles for local government and voluntary organizations, if it reflects the necessity of protecting the environment, then this region will emerge in stronger shape than before the storm."*

**President William Jefferson Clinton,  
Remarks to the Legislative  
Assembly of El Salvador  
March 10, 1999**

The Consultative Group Meeting on the Reconstruction and Transformation of Central America, Stockholm, May 1999

The Inter-American Development Bank hosted the Consultative Group meeting, which brought together over 50 donor nations and international organizations. Central American leaders discussed the impact of Hurricane Mitch and presented their national reconstruction plans. All of the delegations stressed how the tragedy of the hurricane also represented the opportunity to rebuild a better Central America.

The Consultative Group offered a different format that allowed for the involvement of a number of non-governmental organizations as members of the official delegations or as observers. NGO representatives participated in a separate plenary session prior to the conference and attended three thematic workshops that dealt with the issues of environment and social vulnerability, decentralization and local government, and transparency and accountability.

The U.S. government was pleased to be able to announce its intention to provide \$567 million in assistance to the countries of Central America. This pledge was made possible as a result of the strong bipartisan effort in Congress to provide supplemental assistance in the form of the Central America and Caribbean Emergency Disaster Recovery Fund (CACEDRF), approved by Congress and signed into law by the president on May 21, 1999. U.S. assistance was part of an overall donor effort totaling over \$9 billion in assistance pledged. (See table on page 61.)

Beyond identifying reconstruction costs and pledges of international support, the donor community continued the discussion that had begun in December about

not only what reconstruction would entail, but how the reconstruction process could serve to transform the region. The guiding principles of that discussion were outlined in the U.S. government statement:

*Building Back Better: "First, in the area of environmental security, we intend to stress the use of good land-use planning, environmental and geological analysis and incorporate them into planning across the different sectors..."*

*Attention to Equity Issues: "Second, reconstruction must include attention to equity issues. The poor suffered the greatest loss in the hurricane. Reconstruction programs must open up to ensure that economic and social opportunities reach those who are marginalized.... Reducing poverty and inequity also reduces the vulnerability to future disasters."*

*Decentralization: "Third, we will emphasize decentralization and local government. We must work closely and cooperatively with our host governments, with local governments, and with civil society."*

*Accountability: "Fourth, we want accountability. We agree, all of us, that the greatest threat to the success of the reconstruction will be whether or not assistance is used in a transparent and accountable fashion."*

*Donor Coordination: "Finally, we need to be able to monitor the course of reconstruction through the adoption of appropriate follow-up mechanisms."*

These guiding principles were shared by other donors and the governments of the affected countries. This broad consensus made possible the issuance of the Stockholm Declaration, which recommended an approach to the entire reconstruction process and the role of the international community in following up on these commitments.

### **The Group of Five and the Madrid Conference, September 1999**

The Group of Five (G-5), consisting of the countries of Canada, Germany, Spain, Sweden and the United States, were identified in the Stockholm Declaration as the donors asked to initiate a follow-up process for monitoring the Stockholm commitments.

Meeting in Spain in September 1999, representatives from the five countries agreed to an approach that called for donor coordination to remain focused at the country-level, with the principal donors -- including the international financial institutions and other international organizations -- all invited to participate in the establishment of a monitoring mechanism.

The central idea of this mechanism was to establish a regular forum for engaging the host country government and civil society on a regular basis to discuss the progress of reconstruction implementation in accordance with principles outlined at Stockholm.

At the country level, G-5 representatives along with any other interested donor representatives would engage a host-government established commission. The membership of this commission was to be decided by the governments themselves and should ensure the participation of civil society in the work of this commission. It is expected that this group will convene every three months. To ensure the continuity of this effort, it was agreed that each G-5 country would act as the Secretariat of this process for a period of six months at a time, taking the lead in coordinating the donor follow-up efforts in each country. The United States will chair the Secretariat from October 2000 through March 2001.

### **Donor Coordination on the Ground**

The G-5 effort is now under way. Donor meetings have been coordinated by Spain and governments have designated the appropriate counterparts and established mechanisms for consultations with civil society.

The most important donor coordination efforts continue to take place at the country level. Prior to the establishment of the G-5 mechanism, donors had already been meeting on an ongoing basis since before the hurricane. Existing donor coordination mechanisms have been adapted to address the change in circumstances produced by Mitch.

Where appropriate, new entities, such as the government of Honduras' Reconstruction Cabinet, have been formed and have become the principal interlocutor for the donors. USAID has played a lead role in the local G-5 effort by organizing regular meetings of the G-5 donors (now expanded to a Group of 8 with the addition of Japan, the IDB, and UNDP) at the technical level to help develop the agenda and provide input for the G-8 donor group at the ambassador level and for their interaction with the Reconstruction Cabinet. The G-5/G-8 donor group has played a major role in focusing the attention of the Reconstruction Cabinet on engaging civil society and addressing accountability. Recognizing that donor coordination is most effective at the sector level, sector or thematic meetings of key donors focused on macro-economic support, roads and bridges, economic reactivation, housing, municipal development, health, education, disaster preparedness/mitigation, and accountability/transparency, among others, have been meeting regularly and engaging key GOH and civil society counterparts. The G-8 donors at the technical level (heads of development assistance agencies) are supporting dialogue on the Stockholm principles in each sector or thematic working group and helping the group apply the principles to their sectoral objectives and assistance program. The GOH has also recently named representatives at the technical level to joint Honduran/donor task forces for each of the Stockholm principles. These groups will be responsible for identifying indicators and mechanisms for measuring progress in applying the Stockholm principles in the reconstruction and transformation of Honduras.

In Nicaragua, the six emergency committees that were formed immediately following the hurricane completed their work for Stockholm and their mandate ended. In August 1999, President Aleman named a National Council for Social and Economic Planning to lead Nicaragua's reconstruction and to coordinate follow-up to Stockholm with civil society and donors. The 20 members come from private sector business and agricultural organizations, workers unions, universities, political parties and the Civil Coordinator for Emergency and Reconstruction, which includes hundreds of local NGOs. Dr. Luis Duran, who currently serves as the technical secretary to the presidency, was named the national coordinator of the coun-

cil. The council had its first meeting on November 8, and its second meeting November 11 when some members withdrew in protest over the arrest of the controller general.

On another track, the Group of 5 met several times through the summer working through the Secretariat of External Cooperation to consult with the GON and civil society. A team of three consultants - - one nominated from the donors, one from the government, and one from civil society - - is preparing recommendations on the indicators for follow-up to Stockholm. Their report is expected in early December.

In Guatemala, the GOG has established the "Stockholm Monitoring commission," chaired by SEGEPLAN, the planning ministry. The commission is made up of interested bilateral donors, multilateral donors, and key GOG agencies, civil society and NGO groups that attended the CG meeting in Stockholm. The commission has set a goal of meeting at least twice a year. The main focus of the commission is to reduce social/ecological vulnerability and implementation of the GOG's Mitch Reconstruction Plan. To further this objective, the commission is forming four technical coordinating groups: (1) Disaster Preparedness and Mitigation, (2) Watershed Management, (3) Health, (4) Agricultural Recovery.

The Watershed Management group has been meeting on a monthly basis and is co-chaired by the minister of agriculture and the USAID Mission Director. Watershed Management Working Group membership includes the GOG's Ministry of Agriculture; the meteorological service INSIVUMEH; the planning ministry SEGEPLAN; the national coffee growers association ANACAFE; local PVOs DEFENSORES, CECI, and Solar Foundation; and among international donors are USAID, IDB, UNDP, CARE, CRS, CHF, and the Embassy of Japan.

The Disaster Preparedness and Mitigation technical group is also functioning, and an implementation unit formed among participating GOG agencies and donors is now meeting on a weekly basis. Membership includes Guatemala's national emergency management agency CONRED, SEGEPLAN, INSIVUMEH, UNICEF, UNDP, and USAID. Technical groups for Health and Agricultural Recovery are just being formed, and have yet to establish an implementation routine.

In El Salvador, the government of El Salvador worked closely with UNDP to coordinate a series of roundtable discussions throughout the country to help in the development of their reconstruction plan. Donors were able to participate in these discussions and develop their programs. These roundtables brought together donor, government and civil society representatives. The conclusions of this process were the basis for the Salvadoran government's report for the Stockholm CG.

Donor coordination continues through several fora. The G-5 has expanded (G5 + 5) to include representatives from other international organizations (including IDB and UNDP) and the Japanese government. This group continues to meet on a periodic basis to improve mechanisms for coordination. UNDP has been tasked with facilitating this coordination by establishing a common format for reporting what each donor is doing and the location of its activities.

# **Principal Donors for Central America Reconstruction and Transformation\***

*Source: IDB*

Donor.....	Amount Pledged
Austria .....	\$ 47,900,000
Canada .....	\$ 112,000,000
Denmark .....	\$ 189,200,000
Finland .....	\$ 40,300,000
Germany .....	\$ 202,200,000 <sup>T</sup>
Italy .....	\$ 20,000,000
Japan .....	\$ 249,600,000
Mexico .....	\$ 32,000,000
Netherlands .....	\$ 42,000,000
Norway .....	\$ 104,000,000 <sup>T</sup>
Spain .....	\$ 681,600,000 <sup>T</sup>
Sweden .....	\$ 184,500,000
Switzerland .....	\$ 59,600,000
Taiwan .....	\$ 48,700,000 <sup>T</sup>
United States .....	\$ 568,600,000
EC .....	\$ 284,300,000
IDB .....	\$2,739,700,000
World Bank .....	\$1,554,000,000

\* Unofficial estimate of new funds as pledged in May 1999. Does not include debt relief.

<sup>T</sup> Type of assistance not specified.

## **Accountability**

From the outset of the reconstruction effort, there has been no greater concern than with the issue of accountability of the uses of reconstruction assistance. In a region that has been plagued with a sad history of misuse of past assistance rendered in the wake of natural disasters, leaders from the region immediately recognized the need for a break with this legacy.

### **USAID Safeguards**

The U.S. approach to accountability operates at several different levels. First, USAID procedures include safeguards against the misuse of U.S.-funded activities. Where possible USAID works on a reimbursable basis, which allows the agency to review all costs before payment is made. With other groups, USAID will make incremental advances against an agreed-upon work plan and then review expenditures before providing the next advance. Finally, USAID requires financial audits of the activities undertaken. Under reconstruction, exceptional efforts are being made to verify all work progress and compliance with standards on a concurrent basis with implementation through frequent site inspections.

### **Additional Funds for the USAID Inspector General and the General Accounting Office**

In addition to these requirements, Congress provided an additional \$1.5 million to the USAID Office of the Inspector General for additional oversight activities. The Inspector General developed an audit strategy designed to increase safeguards and to provide additional assurances, and appropriate training in some cases, so that reconstruction assistance is used in the manner intended.

### **Supporting Host Country Accountability Systems**

USAID's accountability strategy builds on previous activities designed to strengthen Central American host country accountability systems. In the past, USAID provided assistance and training to the controller general in Honduras and in Nicaragua. USAID/El Salvador has worked on reform of El Salvador's Court of Accounts and USAID's regional inspector general recently certified that this entity had established acceptable procedures making the court eligible to carry out USAID-funded audits.

In Honduras, on January 26, 1999, USAID provided \$300,000 in local currency equivalent so that the controller general can now contract with international firms to assist in the audit of line ministry operations involved in reconstruction. The GOH has contracted with three firms (Price Waterhouse, Coopers, KPMG Peat Marwick, and Deloitte and Touché) to do this work. USAID/Honduras will provide follow-on support for this initiative with CACEDRF funds.

In Nicaragua, as part of its ongoing development assistance program, USAID has a \$3.9 million agreement with Casals & Associates that, in addition to other components to strengthen civil society, assists with accounting modules and improved audit capability in the Contraloria General and Finanzas and a public information campaign on transparency and anti-corruption involving a number of local NGOs.

## Working with Other Donors

In collaboration with the Inter-American Development Bank, USAID is working with the government of Honduras and the government of Nicaragua to establish new mechanisms to provide financial oversight and quality control of reconstruction assistance while improving the ability of these countries to procure goods and services in a more transparent fashion.

After discussions between the government, IDB and USAID, the government of Honduras has asked the IDB to move forward with a four-part program that will create an independent *inspectoría de proyectos*, which will be able to oversee management of and inspect all reconstruction projects, funded either by donors or with national funds. The project will also assist in the implementation of an efficient and transparent procurement process by providing assistance to key implementing entities through international firms, provide training in the national procurement system, and reform the procurement system. USAID has agreed to assist in financing elements of this program with up to \$2.5 million in CACEDRF funds and has been working with other donors to help make this a multidonor effort. The government of Honduras formally agreed to a framework establishing this program in signing an Aide Memoire with the IDB on November 23, 1999.

## From "The Stockholm Declaration"

*"...At this second meeting of the Consultative Group, held in Stockholm 25-28 May 1999, the Governments of Central America and the international community have committed themselves to sharing the responsibility for achieving the reconstruction and the transformation of the countries concerned, thus establishing a long-term partnership guided by the priorities defined by the Central American countries and based on the following goals and principles:*

*Reduce the social and ecological vulnerability of the region, as the overriding goal.*

*Reconstruct and transform Central America on the basis of an integrated approach of transparency and good governance.*

*Consolidate democracy and good governance, reinforcing the process of decentralization of governmental functions and powers, with the active participation of civil society.*

*Promote respect for human rights as a permanent objective. The promotion of equality between women and men, the rights of children, of ethnic groups and other minorities should be given special attention.*

*Coordinate donor efforts, guided by priorities set by the recipient countries.*

*Intensify efforts to reduce the external debt burden of the countries of the region.*

*...This Declaration reflects the mutual understanding reached at this second meeting of the Consultative Group and will provide invaluable guidance for common efforts for the reconstruction and transformation of Central America. The historical importance of this meeting is expressed by the high-level representation from both Central American governments and the international community. With the challenges and prospects of the new Millennium ahead of us, we welcome this Declaration as a substantial support towards securing a better future for present and coming generations of the peoples of Central America.*

## **Congressional Concerns for Accountability**

### **From P.L. 106-31 Emergency Supplemental Act of 1999:**

#### *USAID Inspector General:*

*Provided further, That up to \$1,500,000 of the funds appropriated by this paragraph may be transferred to 'Operating Expenses of the Agency for International Development Office of Inspector General', to remain available until expended, to be used for costs of audits, inspections, and other activities associated with the expenditure of the funds appropriated by this paragraph:*

#### *General Accounting Office*

*Provided further, That up to \$500,000 of the funds appropriated by this paragraph shall be made available to the Comptroller General for purposes of monitoring the provision of assistance using funds appropriated by this paragraph.*

### **From the Joint Explanatory Statement of the Committee of Conference, House Re- port 106-143:**

*The conferees continue to seek to prevent any misuse of U.S. foreign aid and have, therefore, made available funds from this account for the AID Inspector General and the General Accounting Office. In addition, the conferees believe that AID and GAO should help recipient governments play a central role in ensuring that this emergency assistance is utilized properly. The conferees encourage AID to support the efforts of recipient governments to engage independent private sector organizations to help improve institutional capability to resist corrupt practices and to report on the possible misuse of funds.*

The government of Nicaragua has agreed to a similar program and discussions continue with the IDB and USAID on how best to proceed.

USAID/Nicaragua is prepared to support this and other accountability efforts with \$1 million in CACEDRF funds.

### **Working with USC Partners**

USAID transferred \$5.6 million of CACEDRF to the State Department's Bureau of International Narcotics and Law Enforcement (INL) to provide additional assistance in the area of accountability. INL has begun a series of activities at both regional and country levels.

The regional activities include: workshops to examine how far implementation of the Inter-American Convention against Corruption has progressed in each country and what steps remain to be taken; training of investigative journalists on press responsibility and reporting on corruption; and technical assistance on customs integrity to develop codes of conduct and improved risk assessment mechanisms.

The country activities vary, based upon post input on country needs. They include projects such as strengthening the Economic Crimes Division of the Nicaraguan National Police, strengthening the Honduran and Salvadoran Public Ministries' Anti-Corruption Units, and providing training and equipment for Guatemala's polygraph unit.



## USAID's U.S. Government Partner Agencies

In the aftermath of Hurricane Mitch, President Clinton asked members of his Cabinet to mobilize their agency program and professional experience to assist the countries of Central America and the Caribbean. The supplemental bill passed by congress included over \$100 million to be used by 13 USC agencies. Through the end of September 1999 these agencies and USAID worked with Congress to develop the Inter-Agency Agreements (IAAs) and a Memorandum of Agreement (MOA) needed to allow funding and work to begin. During this period, interagency teams went to the field to develop their year-one work plans while many events were held both in Central America and the Caribbean to maintain private sector interest in "building back better."

These USAID-USG agency partnerships are premised on mutual institutional and human resource strengths. USG agencies are providing added programs, insight and staff to USAID-developed, country-specific reconstruction plans. USG agency staff, either temporarily based in countries, or through short visits, will work with communities and governments on mutually agreed-upon goals. All USG reconstruction programming, with few exceptions, is programmed to end by December 31, 2001.

Initial USG agency program descriptions were developed with participation from local communities, governments and USAID missions.

- **HEALTH AND HUMAN SERVICES/CENTERS FOR DISEASE CONTROL** HHS/CDC's traditional role to study infectious disease outbreaks, control their spread, and devise appropriate prevention will contribute to the reconstruction effort through a variety of activities involving the improved capacity of institutions to respond to infectious and preventable disease. Program elements include: rehabilitation of disease surveillance and active use of information for public health decisions; increased availability of trained epidemiologists in the region and the training of other levels of health workers by these epidemiologists; rehabilitation of infectious disease and environmental health laboratory capacity; and institutionalization of capacity of ministries of Health to design and implement community-based prevention and control of disease programs. CDC will also work in collaboration with the Pan American Health Organization to implement this program. It is expected that a sub-grant of \$2 million will be made to PAHO/Washington. \$15 million.
- **ENVIRONMENTAL PROTECTION AGENCY** EPA will contribute to the reconstruction effort by improved capacity of institutions responsible for providing safe drinking water in targeted rural and key urban and peri-urban areas in El Salvador, Nicaragua and Honduras. EPA will work to strengthen and improve the capacity of national and regional laboratories responsible for surveillance and testing of drinking water quality; evaluate and recommend improvements to existing drinking water treatment plants and their distribution systems; 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; strengthen the capacity of public officials, local groups and water utilities to protect source water from con-

tamination; and reduce the vulnerability of drinking water infrastructure to natural disasters and accidents by assisting the laboratories and treatment plants to improve or develop a response system to natural disasters. EPA will work with regional organizations to promote cross-border strategies and ensure long-term sustainability. \$2 million.

- **FEDERAL EMERGENCY MANAGEMENT AGENCY** FEMA, collaborating closely with USAID's Office of U.S. Foreign Disaster Assistance (OFDA), will assess disaster mitigation, preparedness, and response capabilities and identify specific assistance needs in Central America, Haiti, and the Dominican Republic. FEMA interventions will complement ongoing and planned OFDA disaster mitigation/preparedness programs, as well as disaster mitigation/preparedness activities of other USC supplemental agencies (U.S. Geological Survey, National Oceanic and Atmospheric Administration, U.S. Army Corps of Engineers, Housing and Urban Development) and other donor programs (e.g., IDB, WB, OAS, PAHO, UNDP). \$3 million.
- **HOUSING AND URBAN DEVELOPMENT** HUD's program will focus on four activities: 1) enhancing municipal government capacity by adapting the participatory planning components of its Empowerment Zones/ Empowerment Communities (EZ/EC) program to provide technical and financial assistance to key affected municipalities; 2) improving the availability of financing for low-income families who presently have no access to finance through public and private insurance. This will complement the work of the IDB, other housing finance donors, mainstream lending institutions and NGOs to increase resources for low-income housing. To expedite resources delivery, in Honduras HUD will provide pilot seed capital and technical assistance to establish a locally managed revolving loan fund for low-income housing; 3) improving building technology and construction by providing information on affordable, informal-sector building technologies and training on uniform administration and enforcement of a basic safety code. HUD also will strengthen networks to coordinate and exchange information on building techniques and technologies, and assist in stimulating joint ventures in housing and building technologies to promote local production, while supplying needed goods and materials available locally and in the United States; and 4) enhancing regional activities through exchanges and discussions with other countries, as well as with U.S. partners. \$10 million.
- **ORGANIZATION OF AMERICAN STATES and U.S. DEPARTMENT OF STATE--POLITICAL MILITARY AFFAIRS, OFFICE OF HUMANITARIAN DEMINING** USAID signed a Memorandum of Agreement for \$2 million with the U.S. Department of State on September 10, 1999, to support clearance of landmines and other unexploded ordnance in Nicaragua and Honduras. In turn, the State Department signed a Memorandum of Agreement with the OAS in November to implement the program through the ongoing Inter American Defense Board demining program, as part of a multidonor effort.

The damage caused by Mitch exacerbated an already dangerous hazard of landmines primarily along the Honduras-Nicaragua border where an estimated 82,000 landmines remain from the Sandinista era. Demining activity in both Nicaragua and Honduras returned to a normal tempo within about a month after Hurricane Mitch, using funds in place under predecessor agreements since 1995. The Nicaraguan National Emergency Demining Plan went into effect in

November 1998 and was completed in June 1999 using four demining fronts equipped with metal detectors and four mine detection dog teams.

Unfortunately, the work to be completed expanded dramatically by the hurricane as river bridges and fords were destroyed and an undetermined number of mines caught up in flood waters were washed away from their original locations. The effect was more dramatic in Nicaragua, as areas other than the limited border are affected by the presence of antipersonnel landmines. Landmines buried in the mountainous border regions moved into the central plateau previously thought to be mine-free. The USAID grant is funding establishment of a 100-person operational unit (known as Front No. 5) in Nicaragua to conduct demining operations, under international supervision, in the Northern Atlantic Autonomous Region (RAAN) of Nicaragua. To date, the Central American personnel have been selected, and public awareness campaigns continue. Areas of focus include high-tension electrical transmission towers, bridges, forestry observation towers and several border-crossing areas.

Of the \$2 million, some \$250,000 is allocated for Honduras, where a relatively small but difficult border area remains to be demined in the Choluteca area. The program includes repair or replacement of a helicopter turbine and several wheeled vehicles damaged/destroyed or prematurely worn out as a result of usage during Mitch, public awareness campaigns and mine victim assistance efforts, as well as logistics and administrative and supervisory support.

- **OVERSEAS PRIVATE INVESTMENT CORPORATION** OPIC will mobilize and facilitate long-term U.S. private sector investment in the development of Central American economies, particularly in areas most affected by Hurricane Mitch. Key sectors of the economy in the region have been identified by OPIC as top priority in its outreach efforts, including infrastructure, housing, agriculture, energy, manufacturing, and tourism. In each of the sectors that OPIC has targeted, the focus will be to remove constraints that impede the mobilization and activation of reconstruction activities, including the lack of credit. OPIC will include present clients that have particular interests in each of the identified sectors. OPIC leverages its investments with that of the private sector. Typically, for every \$100 in financing that OPIC commits to a project, \$368 is invested from other sources. \$1 million.
- **PEACE CORPS** The Peace Corps will provide volunteers, including up to 150 Crisis Corps volunteers, to support disaster mitigation and preparedness activities in the Dominican Republic, Eastern Caribbean, El Salvador, Guatemala, Honduras, and Nicaragua. These volunteers will be in addition to the more than 600 Peace Corps volunteers currently serving in these countries. They will work in the critical areas of water sanitation, construction, agriculture and health, and provide training and extension opportunities to individuals and groups to help them recover from the impacts of the storms. The Peace Corps will work at the local level and support the hardest-hit families in the poorest communities to promote the efficient use of resources for sustainable household and community development. The volunteers will be trained in community-based disaster preparedness and mitigation activities so they can work with their host country counterparts and other community organizations to help people better prepare for future events. The project will develop training materials for volunteers and their counterparts and provide the necessary equipment and support staff to meet the needs of the expanded programming. The Peace Corps will make special efforts to avoid any diminution of its current activities that

support reconstruction, including municipal management, soil conservation and environmental awareness, agro-forestry, watershed protection and management, and water and sanitation education. The project will cover the added costs of operating in environments greatly altered by the hurricanes. \$6 million.

- **U.S. ARMY CORPS OF ENGINEERS** USACE will make the planning, engineering, environmental and construction resources of the entire Corps of Engineers available to the USAID field offices and the U. S. federal agencies assisting in the recovery effort. All efforts will be accomplished in an interagency environment. For assigned tasks, USACE will use available data and specialized capabilities of other agencies such as USGS, USDA or NOAA, as well as that of host nations and ensure there is no duplication of effort. Technology transfer to Central American institutions will be an integral part of all efforts. Illustrative activities include river basin rehabilitation/watershed reconstruction planning; flood control and response to flood emergencies; landslide stabilization; assessments of damaged and destroyed infrastructure (major bridges, roads, levees); water resource infrastructure rehabilitation; and design and management of construction projects. Utilizing a Memorandum of Agreement USACE will enter into specific Participating Agency Service Agreements (PASAs) with each mission with an approximate total value of \$10 million.
  
- **U.S. DEPARTMENT OF AGRICULTURE** USDA is supporting two reconstruction programs: environmental management/disaster mitigation and economic reactivation of the agricultural sector. The environmental program entails watershed protection, agricultural land reclamation, and increased local capacity for natural disaster mitigation. Options will be developed to reclaim formally productive lands while exigencies will be corrected and training offered in emergency watershed protection. Additionally, assistance and training will be offered in land reclamation, soil and water conservation, reforestation, agro-forestry, land-use planning, and watershed management. The economic reactivation program will establish agricultural health systems to reduce hurricane-induced risks to animal and plant health and food safety systems, and by strengthening capacity to carry out regional Central American food security analysis. These systems will reduce hurricane-induced agricultural health risks to levels consistent with World Trade Organization (WTO) sanitary and phytosanitary standards, and provide safety recommendations for good agricultural practices. USDA will work to strengthen regional food security analyses' capacity to guide public and private sector decisions on agricultural investments. In Central America, both USDA programs will work in Honduras, Nicaragua, Guatemala, and El Salvador, while the reactivation program also will be working in the Caribbean in St. Kitts and Nevis and Antigua and Barbuda. \$13 million.
  
- **U.S. DEPARTMENT OF COMMERCE** DOC's reconstruction effort will: support the development of hydrometeorological predictive systems; support the development of capacity in coastal communities for disaster preparation; and encourage disaster-resilient economic revitalization. It is anticipated that DOC assistance will contribute to forecast and early warning systems, reconstruction planning and the protection of human life and property. Most activities will take place in Honduras, Nicaragua or the Central American Region, with Guatemala, El Salvador and the Dominican Republic receiving targeted assistance. Illustrative activities include reconstruction and improvement of weather forecast and early disaster warning systems; providing geo-spatial

infrastructure (geodetic network) and water-level reference frameworks (tide gauge network); providing initial climate forecast information; training coastal area "extension agents"; promoting insurance instruments and other market incentives for appropriate land uses; and promoting regional trade and investment forums and conferences to promote disaster minimization as good business. Activities will be closely coordinated with the hurricane reconstruction activities of other USG agencies (USAID/OFDA, Army Corps of Engineers, US Department of Agriculture, and U.S. Geological Survey) and USAID missions. \$17.1 million.

- **U.S. DEPARTMENT OF TRANSPORTATION** A Differential Global Positioning System (DGPS), or navigational aids system, will be installed and become operational within five months after activities are initiated. The system, which would make use of four U.S. Coast Guard DGPS radio beacons, would be state-of-the-art, weather-immune, and operational on a 24-hour-a-day basis. The ports of Cortez and San Lorenzo in Honduras and Corinto and Cabezas in Nicaragua have been selected to receive DGPS systems based on an endorsement by the board of directors of the Central American Commission on Maritime Transportation (COCATRAM). The program will include a number of elements, consisting of on-site location and installation plans for DGPS Transmitter Facilities acquiring and transporting, assembling and testing equipment and software. Personnel will be trained. A port reconstruction assessment will be initiated and vulnerability analysis of key transport infrastructure will be undertaken within Central America with the aim of developing regional emergency response plans to mitigate the effects of future disasters. \$1.992 million.
  
- **U.S. DEPARTMENT OF STATE DEPARTMENT - BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT** INL will implement the following three initiatives to discourage illegal migration to the United States, drug trafficking, and corruption: 1) the Illegal Migration Initiative will provide host country immigration officials, including Costa Rica, with tools and training to identify and track alien smugglers and other criminals, and provide potential immigrants with information from the U.S. Immigration and Naturalization Service on conditions they will encounter en route and as illegal aliens in the United States; 2) the Commercial Freight Tracking Initiative will assist local governments in establishing commercial freight inspection stations and offices at major border checkpoints. Projects include installing a computerized system to collect data on freight transit, and training local counternarcotics police in the use of software, computer equipment, and commercial freight inspection techniques; and 3) the Anti-Corruption Initiative will provide training in investigative techniques and case management to selected government institutions involved in anti-corruption activities. The first step is to assess the enabling legislation and capabilities of host governments to fight corruption. The initiative will be managed in-country to ensure coordination with other related activities and will eventually supplement training with equipment for office and investigative operations to ensure institutional sustainability. Each embassy will have an interagency advisory team with experts in justice, police internal affairs, investigative training, and narcotics affairs to oversee this initiative. Regional initiatives also include training for the press on accountability, workshops with government officials on preventive measures against corruption, and customs integrity training. \$10 million.

- **U.S. EXPORT-IMPORT BANK** The Ex-Im Bank has been working with the Central American Bank for Economic Integration (CABEI) on a joint initiative to provide medium-term financing to Central American countries. Under this structure, U.S. banks will provide funding to CABEI for on-lending to Central American entities for the purchase of U.S. goods and services. The funding for Ex-Im Bank's program will be used to cover the budget costs of approximately \$70 million in trade financing. In addition, the funding will support Ex-Im Bank financing activities in these countries directly with purchases as well as through other entities. Ex-Im Bank outreach efforts will be conducted in the region to inform potential purchasers, host country government agencies, local cooperatives, and local banks of the financing programs available through Ex-Im Bank. In addition, Ex-Im Bank will prepare Spanish-language fact sheets on programs for businesses and governmental agencies. In the United States, Ex-Im Bank will participate in seminars with other U.S. government agencies, including the Department of Commerce, to emphasize the opportunities available for U.S. firms in Central America and the Caribbean. Information about Ex-Im Bank's export credit insurance, direct loans, working capital guaranties, and loan guaranty products will be made available on the Ex-Im Bank web site. The web site is accessible through hyperlinks with other U.S. government agencies. \$10 million.
- **U.S. GEOLOGICAL SURVEY** USGS will support the reconstruction effort by 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. It is anticipated that USGS-provided data will contribute to reconstruction planning, infrastructure design, the refinement of Central American building and land-use practices, the proper management of natural resources, and the protection of key ecosystems. Most of the activities will occur in Honduras and Nicaragua, with Guatemala and El Salvador receiving targeted assistance. A Central American regional activity will promote cross-border strategies for disaster preparedness. Illustrative activities include improving access to topographical base maps and acquiring and distributing aerial photographs and satellite imagery for affected countries; using Geographic Information Systems, developing national hydrologic databases; developing data and information sites with nodes in each affected nation; producing flood-risk maps; developing, installing, and/or rehabilitating at least 25 new national stream-flow gauging stations in the four affected Central American countries; preparing landslide and volcano hazard maps; preparing damage assessments and restoration plans for shrimp farms, shrimp populations, and mangrove habitat; and establishing information and training centers in the most affected countries. Activities will be closely coordinated with the activities of other USG agencies (e.g., Army Corps of Engineers, NOAA, USDA) and USAID missions. \$13.25 million.

## PREPARING FOR THE FUTURE

One of the most important activities of the past year was incorporating the lessons learned from Hurricanes Mitch and George into USAID planning – not only for reconstruction but to ensure that the region is better protected and less vulnerable during future hurricane seasons.

With supplemental funds, USAID has programmed over \$109 million of the \$623 million hurricane supplemental for natural disaster mitigation and preparedness programs: about \$95 million for Central America and about \$14 million for the Caribbean. Missions, the Department of Defense, OFDA and USDA funded \$312 million for immediate disaster relief. More than a dozen USG partner agencies will use their expertise to support economic and social recovery, and improve the region's resiliency to future natural disasters.

USAID mission directors will coordinate all USG agency mitigation and preparedness programs. Programs will look at natural hazard vulnerability and risk assessments; risk management planning; land use and river basin development planning; improved construction technologies for disaster resistant housing; development of disaster early warning systems; critical watershed protection; flood control; landslide stabilization; strengthening health surveillance and readiness systems; improving resiliency of transport systems to natural disasters public awareness campaigns; and development of capacity (at regional, national, and local levels) for disaster mitigation, preparedness and response.

### Key Disaster Mitigation Partnerships

- USAID's Office of U.S. Foreign Disaster Assistance – support for risk management planning, public awareness campaigns, and capacity building of regional, national and community disaster management organizations for mitigation and preparedness. OFDA's support includes a new three-year \$11 million Presidential Initiative for disaster mitigation and preparedness for Central America that is not part of the hurricane supplemental, in addition to other ongoing OFDA programs. OFDA collaborates with the U.S. Southern Command (SOUTHCOM) in contingency planning, pre-positioning of relief commodities, hurricane pre-deployment rotations, and training in disaster response, mitigation and preparedness.
- U.S. Army Corps of Engineers – support for river basin rehabilitation, flood control, landslide stabilization, infrastructure reconstruction, and disaster preparedness.
- U.S. Department of Agriculture – support for critical watershed stabilization, watershed management, rural housing rehabilitation, and community-level disaster preparedness.
- U.S. Department of Commerce – support for climate prediction, flood forecasting, flood warning systems, disaster-resistant construction practices in coastal zones, and municipal disaster preparedness.

- U.S. Geological Survey – support for natural hazard vulnerability assessments, disaster risk management planning, information collection and management systems, and development of disaster early warning systems.
- Federal Emergency Management Agency – support for risk management planning, disaster awareness, and regional, national, and local-level disaster mitigation and preparedness.
- The Peace Corps – support for community and municipal disaster preparedness, tree planting and critical watershed stabilization.
- U.S. Department of Housing and Urban Development – support for housing building technologies and construction, land use planning, and zoning.
- U.S. Department of Transportation – support to reduce the vulnerability of transport networks to natural disasters.
- The Centers for Disease Control – support for disease surveillance and early warning system to ensure effective response to natural disasters.

### **Disaster Preparedness**

Missions have formed internal teams that work closely with local disaster preparedness groups. They have utilized expertise from OFDA, SOUTHCOM, FEMA and other USC agencies where possible. Some examples are:

--short-term disaster preparedness and mitigation plans for municipalities most vulnerable to further destruction;

--practical manuals prepared and training workshops conducted with smaller municipal governments on specific disaster mitigation measures; and,

--National civil defense entities are providing TV spots on the hurricane season, conducting drills with the Red Cross and ministers of Health and Public works, and publishing list of shelters.

### **COORDINATING WITH OTHER DONORS**

USAID/LAC mitigation programs are being coordinated with The World Bank, Inter-American Development Bank and other donors in conjunction with Central American and Caribbean governments and regional organizations (e.g., SICA/CCAD, CEPREDENAC and CEDERA).

- The World Bank is granting \$300,000 to the Center for the Prevention of Disasters in Central America (CEPREDENAC). The Inter-American Development Bank is matching the \$300,000 and providing an additional \$1.1 million from a Japanese Trust Fund.
- The three grants, totaling \$1.7 million, will be used to reduce or eliminate long-term and recurrent risks from natural disasters in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama from torrential rains, hurricanes,



forest fires, flooding, landslides and mudslides. The project is the result of a World Bank and IDB partnership.

USAID will join with FEMA to co-sponsor a special session on disaster preparedness at the IDB's annual meeting in March 2000.

**For more information, please visit our web page at:  
<http://hurricane.info.usaid.gov>.**

**For information on how to do business with USAID,  
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**CENTRAL AMERICA AND THE CARIBBEAN EMERGENCY DISASTER RECOVERY  
FUND (CACEDRF) MONIES: Status based on December 31, 1999 Reporting**

	APPROPRIATION (US\$ Million)	OBLIGATION
<b>TOTAL</b>	<b>621.0</b>	<b>488.79</b>
<u>Mitch</u>	<u>445.7</u>	<u>389.93</u>
El Salvador (24.8)*	22.1	22.0
Guatemala (25.0)	25.0	25.0
Honduras (291.0)	291.0	257.0
Nicaragua (94.1)	94.1	76.5
USAID/G-CAP (9.5)	13.5	9.43
(Costa Rica 5.0)		
<u>Georges</u>	<u>41.8</u>	<u>41.8</u>
Dominican Rep. (29.0)	29.0	29.0
Eastern Caribbean (3.0)	3.0	3.0
Haiti (9.8)	9.8	9.8
<u>Earthquake</u>	<u>10.0</u>	<u>9.5</u>
Colombia (10.0)	10.0	9.5
<u>LAC/RSD (Own Uses)</u>	<u>3.25</u>	<u>0.5</u>
<u>LAC/RSD-IAAs** (114.0)</u>	<u>103.942</u>	<u>44.0</u>
<u>Section 632(a) Trans.</u>	<u>41.492</u>	<u>12.870</u>
DOT	1.992	1.992
EX-IM Bank	10.0	1.768
OPIC	1.0	0.310
Peace Corps	6.0	3.6
State/Anti-Corruption	10.0	4.7
State/Landmines	2.0	0.0
HUD	10.0	0.0
GAO	0.5	0.5
<u>Section 632(b) Agr.</u>	<u>62.45</u>	<u>31.13</u>
Commerce/NOAA	16.0	8.0
USGS	13.25	6.63
HSS/CDC	15.0	7.5
USDA	13.0	6.5
EPA	2.0	1.0
FEMA	3.0	1.5
DOE	0.2	0.0
<u>Operating Exp. (USAID)</u>	<u>5.5</u>	<u>3.058</u>
<u>Operating Exp. (IG)</u>	<u>1.5</u>	Not Reported
<u>Other</u>		
OMB Reserve-Other		
Agencies	7.058	
USAID Residual	2.25	

\*Approved Special Objective levels for CACEDRF monies.

\*\*Inter-Agency Agreements, the process for which is managed by LAC/RSD.