

THE WORLD BANK/IFC/M.I.G.A.

**OFFICE MEMORANDUM**

DATE: June 10, 1998

TO: See Distribution Below

FROM: *CK for*  
Lars Vidaeus, GEF Executive Coordinator

EXTENSION: 34188

SUBJECT: **Mexico: PDF Block A Request for GEF Medium Size Project  
Sustainable Hill-side Management**

Please find attached a PDF Block A Request for Mexico: Sustainable Hill-side Management. The concept paper for this request was reviewed by the GEF Targetted Research Committee and cleared as consistent with the guidance received from Council for targetted research proposals. Comments received from the Research Committee have been incorporated into this Block A request. We would appreciate your comments by June 17, 1998. Thank you.

**Distribution:**

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**BLOCK A PDF**



**PART I - ELIGIBILITY**

<p><b>1. Project name:</b> Sustainable hill-side management ( State of Oaxaca, Mexico)</p>	<p><b>2. GEF Implementing Agency:</b> The World Bank</p>
<p><b>3. Country or countries in which the project is being implemented:</b> México. State of Oaxaca. indigenous areas from the Cuicateca, Mazateca and Mixe rural communities.</p>	<p><b>4. Country eligibility:</b> México ratified the Conventions on Climate Change and on Biological Diversity on March 11, 1993 and meets all other eligibility requirements.</p>
<p><b>5. GEF focal area(s), and/or cross-cutting issues:</b> a) Climate change, b) Biodiversity Cross-cutting area: Land degradation</p>	<p><b>6. Operational program/Short-term measure:</b> This proposal falls within: a) Targeted Research, focused on carbon sequestration; b) the Forest and Mountain ecosystems (OP3/4).</p>
<p><b>7. Project linkage to national priorities, action plans, and programs:</b></p> <ul style="list-style-type: none"> <li>• Cuicateca, Mazateca and Mixe regions, covering a total surface area of 11,629 km<sup>2</sup>, are the major indigenous zones of the State of Oaxaca. Seventy-five percent of the 370,000 total population is indigenous, from 57 "municipios", with a high density on the steep slopes of this mountainous region. Eighty-six percent of the active population, located in 66,526 farming units, is directly involved in crop and animal production (217,957 ha), and particularly in the "milpa" cropping system (64,000 ha). The "milpa" system, developed on sloping lands ("milpa de ladera") is a complex mixed cropping system based upon maize crop in association with bean, chile, calabasse, potato, "chilacayote" etc.. This system has a strategic importance for Mexican food security. Eighty percent of the total maize produced for human consumption in México (i.e. 7.2 million tons, out of a total national maize production of 18 millions) comes from milpa systems. Milpa represents a total of about 7 million ha across the country and thirty two percent of the total cultivated land area in Mexico.</li> <li>• However, traditional milpa land management, based upon deforestation and burning ("roza-tumba-quema") degrades heavily the environment, particularly under current human population pressures which do not allow enough time for regeneration of native vegetation and land quality. These unsustainable practices result in heavy deforestation, particularly along steep slopes harboring globally important forest remnants with high endemism and rich in biodiversity. According to WWF, these southern Mexican dry forests are the richest tropical dry forests in the world with high level of regional and local endemism. In addition, this region of Oaxaca is one of the centers of germplasm origin and diversification for maize species. In addition to the continued loss of these globally important ecosystems, the degradation spiral results in indigenous areas of Oaxaca increasingly suffering from decrease of farmers income, rural poverty, malnutrition, human health problems, poor levels of education and high rate of migration to urban environments, creating slums settlements.</li> <li>• <b>National priorities.</b> The Government of Mexico (GOM) is firmly committed to address the issue of rural poverty and environmental degradation at its roots and, with financial and technical support from the World Bank, GOM is currently developing a "Project of Sustainable Rural Development in Marginal Areas" (PSRDMA), with a special focus on improvement of land productivity through sustainable land management practices. The Project will be initially launched in four States (Oaxaca, and the Huasteca region from Veracruz, San Luis Potosi, and Hidalgo), and will be delivered through community-based</li> </ul>	

leadership. Building on the results of this initial phase, the GOM expects to expand this community-led program to a total of 24 indigenous areas of the country within the next 8 years (1998-2005).

- The proposed GEF medium size project (MSP) would be implemented in conjunction with PSRDMA activities in three indigenous localities in the State of Oaxaca. The GEF MSP would support implementation of activities designed to address global environmental objectives and would complement the main PSRDMA focus of promoting sustainable agricultural practices. Specifically, the proposed GEF MSP would support: a) a targeted research component to explore carbon sequestration impacts associated with proposed sustainable agricultural practices; and b) a biodiversity related component to promote preservation and maintenance of indigenous knowledge relevant to *in situ* and *ex situ* conservation and sustainable use of genetic diversity within agro-biodiversity systems.
- The proposed GEF medium size project (MSP) would be implemented in close collaboration and complementarity with on-going international programs, in particular a) the UNDP-funded program "Alternative to Slash-and-Burn" which welcomes the development by this MSP of specific below-ground carbon stocks assessment at farmers field and micro-watershed levels (ASB Report of the 6th Annual Review Meeting, August 1997), b) the GEF-funded project on maize land races *ex-situ* conservation and improvement complemented by this MSP *in-situ* and *ex-situ* approach, and c) the UNEP environmental impact assessment developed for the overall Central American Region.

8. **GEF national operational focal point and date of country endorsement:** *Secretaria de Hacienda y Credito Publico*, Subdirección de Proyectos Ambientales y de Desarrollo Urbano  
Submitted: November 12, 1997 Acknowledged: December 1, 1997 Endorsed: May, 15, 1998

9. **Project rationale and objectives:**

The proposed GOM program to promote sustainable rural development in marginal areas (PSRDMA) focuses on stimulating agricultural productivity on a sustainable long-term basis through the adoption of land-use practices that will reduce land degradation. These activities constitute the national baseline for GEF purposes. The rationale for GEF involvement in the proposed medium size project is to test on a pilot basis how global environmental objectives could be integrated into such a sustainable development program, both in the climate change and biodiversity focal areas.

The rationale and objectives of the 5-year proposed MSP activities are provided below:

- Targeted Research on Carbon Sequestration:** The FCCC recognizes that a potentially significant role could be played by carbon sequestration in both developed and developing countries. However, continuing scientific uncertainties have precluded the definition of clear operational rules for the design and implementation of carbon sequestration projects. If some of these scientific questions could be resolved, then there would be an enormous potential for linking climate change investments with the objectives of the CBD and of national policy makers interested in sustainable development. The proposed targeted research component would generate field data on actual carbon sequestration associated with different production regimes associated to the milapa system, contributing to greater clarity on these broader scientific questions. It would also generate valuable information on the social variables involved in working effectively with indigenous and rural communities so that sustainable land-use systems, which integrate carbon sequestration objectives, are adopted in practice. The results of the proposed targeted research component could therefore provide input into a potential GEF set of actions in the area of carbon sequestration.
- Biodiversity Component:** Proposed MSP activities would respond to OP3/4 objectives related to preserving indigenous knowledge in traditional uses of biodiversity for medicinal, artisanal, and nutritional purposes, and to conserving critical sites in the wild necessary for the continuous growth and reproduction of this biodiversity.

**10. Expected outcomes:****a) Targeted Research on carbon sequestration:**

- a better understanding of how to work with local indigenous communities to develop sustainable management practices with high carbon sequestration potential;
- a better understanding of the practical feasibility of monitoring carbon sequestration in soils and crops at the small farmer level in relation to the milpa system;
- specific data on carbon sequestration in soils and crops collected at the field level, disaggregated by different production systems;
- identification of practical considerations related to carbon sequestration in the small farmer agricultural landscape that should be included in a future potential Carbon Sequestration Operational Program.

**b) Biodiversity Conservation:**

- preservation of indigenous knowledge and traditions related to use of biodiversity for medicinal, artisanal, and nutritional purposes;
- preservation of a wide spectrum of genetic diversity in the agro-biodiversity systems of the participating indigenous communities (both *in situ* through conservation of wild relatives and *ex situ* through maintenance of domesticated varieties).

**11. Planned activities to achieve outcomes:**

After approval, the planned activities will be as follows:

**a) Targetted Research on Carbon Sequestration:**

- Establishment of a work team with representatives of major stakeholders;
- Development of a spatial stratification of the three regions, on the basis of major landscape forms and cropping/production systems;
- Selection of villages and groups of cooperating farmers: subject to the results of the zoning work, it is tentatively foreseen to identify 12 villages, localized in 3-4 micro-catchments (about 300 ha each), where specific technology development will be carried on-farm out by groups of 10-15 farmers ("campesinos experimentadores" or innovative farmers) from each village;
- Instrumentation of selected fields and micro-catchment for low-cost soil erosion and run-off measurements;
- Development of collaborative field works (farmers x scientists x extensionists), including the methodology for adaptation and diffusion of site specific sustainable land management practices in the milpa system;
- Education and capacity building of extensionists and farm leaders with respect to applied agroecology, environmental assessment, and community-based sustainable land management;
- Development of indicators for low-cost monitoring and evaluation of environmental impacts of improved "milpa" system, with special focus on soil organic matter/carbon balance at the farm and micro-catchments levels;
- Measurement of impacts compared with a baseline scenario (without PSRDMA intervention), including deforestation rate;
- Integration and dissemination of the results of the works at PSRDMA level and beyond (field visits, video, radio, booklets).

**b) Biodiversity Conservation:**

- Identification of the spectrum of wild and domesticated species traditionally used by indigenous communities for medicinal, artisanal, and nutritional purposes;
- Development of a data-base of indigenous knowledge related to this agro-biodiversity;
- Development of appropriate land-use practices to conserve the full spectrum of this genetic diversity;
- Identification of incentives and mechanisms to conserve this agro-biodiversity and indigenous knowledge.

To implement these activities the financial requirements are the following:

The national baseline development program aiming at improving the well-being of small-holders in indigenous areas, including by the introduction of alternative "milpa" cropping systems, is fully supported by the "Project of Sustainable Rural Development in Marginal Areas" (PSRDMA). For the indigenous areas of Oaxaca, the total project cost of the activities related to the four components, Productive Improvements,

Community Development, Technical support, and Institutional strengthening , amounts US \$ 27.5 million, 75% being financed by the World Bank. The estimated cost of the GEF medium size project totals about \$1 million, of which about \$651,000 represents incremental costs to be financed by GEF. \$370,000 to be financed by GOM.

**12. Stakeholders involved in project:**

Four groups of stakeholders have been identified as follows:

- Groups of collaborative farmers;
- Group of locally (Oaxaca) based environmental NGOs, led by the NGO "MESOFILO";
- The Regional Committee of Sustainable Rural Development, which is the executing body of the PSRDMA at the local level, constituted from representative of farmers organizations from the three indigenous regions, and a representative of all Oaxaca State and federal organizations directly involved in the PSRDMA, such as SAGAR, INI, SEMARNAP, INIFAP, INCA-Rural, FIRCO;
- The organizations and services with direct involvement in the development of rural strategy in Mexico, such as SAGAR (Direction of the Regional Programs), the College of Post-Graduate Studies in Chapingo (CPC) which includes an interdisciplinary group of scientists, including sociologists, anthropologists and agriculturists.

The project will be coordinated by an Oversight Committee composed of eight members designated by the stakeholders identified above: farmers groups (3), NGO "MESOFILO" (1), SAGAR (1), INIFAP (1), extension services, (1), and INI ("Instituto Nacional Indigenista") (1). A representative of the College of Post-graduate Studies in Chapingo (CPC) would serve as executive secretary of the OC.

CPC will be responsible for executing the GEF medium size project and managing GEF funds. It will provide scientific input to ensure the credibility of targeted research results. CPC has established a number of professional partnerships with universities overseas, to facilitate a flow of information and expertise between educational establishments. CPC will continue this practice in carrying out the proposed GEF medium size project.

## 2. PART II - INFORMATION ON BLOCK A/PDF ACTIVITIES

**13. Objective**

- To complete the design of a project plan (i.e., project brief) for the development and initial implementation of a management and monitoring plan for the proposed Sustainable hill-side management project.

**14. Activities**

To promote a sustainable change in land management practices in indigenous areas requires the full participation of local communities in all stages of the project. Therefore, communities and major stakeholders, such as scientists and local NGOs, will participate in the completion of the project brief through the following activities:

*Activity 1. Performing a local communities analysis survey: the change of ancestral land management practices, deeply rooted in traditional experience and beliefs, will not occur unless the project reflects an in-depth understanding of farmers' expectations. This indigenous communities analysis survey will provide those elements for the preparation of the project plan (i.e., project brief), and will complement the available literature on traditional farming practices, such as "Medio Ambiente y Tecnologías Indígenas en el Sur de Oaxaca" (Centro de Ecología y Desarrollo, 1994).*

The local community survey will be carried out by trained community members and independent researchers who will select local communities and sites representative of the three region, and will develop the appropriate questionnaires. The interviewers will inquire about the following issues:

- Current land resources use and management practices in the regions;
- Goods and services that are obtained from the land resources, including existing biodiversity;
- Interviewees' views on the quality/productivity of these resources, including their assessment of the restrictions (socio-economic, bio-physical, institutional, legal etc.) that constrain the use of these resources;
- Interviewees' expectations with respect to improve land management, including social viability, economic profitability, and technical feasibility of the proposed technologies;

**Activity 2. Developing a preliminary geographical stratification** The indigenous communities survey will complement baseline information nationally and locally available to include both the expectations of farmers with respect to land management, and the diversity of land issues resulting from biophysical and human conditions specific to the three regions under consideration in this project. On the basis of these information, a preliminary spatial stratification of the three region will be done, to pre-identify the specific conditions with highest potential for carbon sequestration and biodiversity conservation. This preliminary spatial stratification will be completed during implementation of the project brief (see Section 11, Paragraph a).

**Activity 3. Establishing the research design and methodological guidelines for C sequestration measurements:** A 2 day scientific workshop will be held in Oaxaca to establish the research plan and to agree on the appropriate methodology to assess C balance assessment at field, farm and micro-watershed levels. This workshop will be attended by experts from CPC, INIFAP, CONACYT, CIMMYT, CIRAD/ORSTOM, UNDP/ASB ("Alternative to Slash and Burn"), UNEP, the Foundation Rockefeller. First, the workshop will identify the major improved land and crop management practices to be tested at field level. Second, the workshop will select the more suitable methodology of C measurements, taking stock of existing methodology and experience gained by the attendees and their partners, such as the recent results of below-ground C stocks measurements and C modelling developed by ASB cooperators in 116 sites (Report of the 6th Annual Review Meeting, Bogor, Indonesia, August 1997). The expected outcomes of the workshop will be the development of a draft research design appropriate to the selected sites, including the improved cropping systems to be tested, the methodology of C stock assessment, the list of variables to be monitored, the periodicity of measurements, and the required ground equipment and specific analytical means to complement existing facilities.

**Activity 4. Vetting of project plan in public meetings:** once community members have understood the project, three public meetings (required to cover the Mixe, Cuicateca, and Mazateca regions) will be held to recollect the views and perceptions of participants about the project. Following the meetings one workshop will be organized to develop the project brief. Developing a final draft of the project plan (i.e., project brief) through a four-day workshop: community members and project researchers will discuss the outcomes of the public meetings and develop the project plan.

**Activity 5. Establishing an executive Oversight Committee and analysing/defining appropriate institutional responsibilities for the implementation phase.**

#### **15. Activities to be financed by the PDF:**

The PDF Block A grant funding will be used to supplement human/financial resources available from CPC and from the stakeholders (item 12.) . The principal cost will be for implementation of public meetings and workshops, coordinated by facilitators with community workshop experience. A local consultant charged with day-to-day implementation will be responsible for the preparation of the final project brief. The consultant will work with the oversight of CPC. The PDF will cover the costs of collecting information and site visits, including short consultancies by experts in specific fields. Emphasis will be placed on public participation. PDF funds will also finance the translation of the project plan into local languages, where appropriate, and the preparation of final drafts that will be distributed to facilitate discussion (see item 18 for details).

**16. Expected outputs and completion dates:**

The main two outputs of this initiative will be: (i) stakeholder analysis and preliminary geographical stratification (completed three months after receipt of funds); (ii) methodology of C stock measurements, and (iii) project brief (completed four months after receipt of funds). Other outputs include:

- Increased knowledge about the stakeholders in each of the three indigenous areas, local resource use patterns and conflict.
- Increased knowledge on the spectrum of genetic diversity in the current agro-biodiversity systems.
- Increased awareness and consensus on the goal and objectives of the Sustainable hill-side management project
- Established executive Oversight Committee and agreement on project implementation responsibilities.

**17. Other possible contributors/donors and amounts:**

SAGAR, INIFAP, INI and other State and Federal organizations involved in PSRDMA, as well as private organizations such as local NGOs and farmers organizations will contribute staff time, use of materials, equipment and supplementary information. In 1997-98 PSRDMA is investing the equivalent of US \$80,700 and US\$ 119,100 respectively for improved natural resources management and capacity building in the three indigenous areas (Mixe, Cuicateca, and Mazateca), out of which US\$ 10,000 will contribute directly to the activities 1 and 4. In addition, UNDP/Alternative to Slash and Burn, will provide important methodological guidance and scientific back-up (Dr. Cheryl Palm-Sanchez) to implement Carbon balance measurementst at field and micro-watershed levels.

**18. Total budget and information on how costs will be met (including the Block A grant):**

Description	Block A	PDSRMA	Total (\$US)
<b>Personnel</b>			
Project Brief Coordinator 4 months @ 1,500	6,000		6,000
GIS expert 3 months @ 1,000	3,000		3,000
(3) Public Meetings and (2) Workshops Coordinator 3 month @ 1,000	3,000		3,000
Survey Coordinator 3 months @ 1,000		3,000	3,000
4 Survey/Research assistants 3 months @ 500	5,000	1,000	6,000
Questionnaire expert.		1,000	1,000
<b>Public Meetings and Workshop</b>			
Public Meeting Facilities	500	1,000	1,500
Workshop Facilities	1,500	1,000	2,500
<b>Additional Support</b>			
Travel, housing and food	2,000	1,000	3,000
Materials, telephone, fax, mail	2,000	2,000	4,000
Final report preparation, translation and distribution	2,000		2,000
<b>Total (\$US)</b>	<b>25,000</b>	<b>10,000</b>	<b>35,000</b>

## PART III - INFORMATION ON THE APPLICANT INSTITUTION

<p><b>19. Name:</b> "Colegio de Postgraduados de Chapingo" (CPC)</p>	<p><b>20. Date of establishment, membership, and leadership:</b> February 22, 1959; Director: Dr. Angel Lagunes Tejeda Faculty: 406, including 138 scientists. Project Leader: Dr Leobardo Jimenez Sanchez (Resume attached).</p>
<p><b>21. Mandate/terms of reference:</b></p> <p>Created in 1959 by GO as a parastatal, CPC became in January 4, 1979, a public autonomous institution registered on 1/17/79 in Texcoco (Mexico). The institution is regulated by a Charter, recently updated (March 1998, see attached). The mission of CPC is to contribute to rural development through postgraduate education, research and provision of services and technical assistance in the areas of agriculture, animal husbandry and forestry. Since 1960, about 3,000 students have been graduated, originated from Mexico, Central America and South America. In addition to the academic campus (100 ha) located in Montecillo (36.5 km from downtown Mexico DF), CPC manages 5 experimental stations disseminated across the country. Up-to-date scientific equipment and laboratories are operational, including services of direct relevance for this project such as Remote sensing and GIS, national data base on soil, land use, land cover, hydrology, climate etc. In 1993, CPC was restructured into four institutes to better respond to student demand: Institute of Genetic Resources and Productivity, Institute of Natural resources, Institute of Socio-Economics, Institute of Statistics and Information. CPC is governed by a Board of Directors, with representative from SAGAR, SEMARNAP, INI etc. and representatives of the four institutes. The performance and quality of CPC' activities and programs are assessed by a Technical Council, chaired by the Director General. CPC is currently managing several nationally and internationally funded research and development programs.</p>	<p><b>22. Sources of revenue:</b></p> <p>The annual budget is US\$27.5 million. The income comes from Federal sources (about 80%), services and project activities (about 20%).</p>

### 23. Publications of CPC, INIFAP, SAGAR and others.

- *Comisión de Estudios Ambientales, 1997. Memorias del Simposio Internacional y de la Reunion Nacional sobre Agricultura Sostenible: una contribucion al desarrollo agricola integral, 484 pp.*
- *Ramos A. et alii, 1997. Uso de la labranza de conservacion en el sistema de produccion de maiz en la sierra Juarez de Oaxaca, INIFAP/Produce, 12pp.*
- *Alberti P. and E. Zapata M., Estrategia de sobrevivencia de mujeres campesinas e indigenas ante de la crisis económica, 278pp.*
- *Hernandez Xolocoizi E. et alii, 1995. La milpa en Yucatan, un sistema de produccion tradicional, 334pp*
- *Sanchez Quintanar C. et alii, 1995. El cambio en el desarrollo rural, 624 pp.*
- *Zarate Zarate R., 1995. Estado de degradacion de la tierra inducido por el hombre: un manual para su cartografia, 44pp.*
- *Nahmad S. et alii, 1994. Medio Ambiente y tecnologías indigenas en el Sur de Oaxaca. Centro de Ecologia y Desarrollo, 171pp.*
- *Martinez J., 1994: El conocimiento tradicional como estrategia para el manejo de los recursos naturales en areas degradadas de la region Mixteca, 69pp.*
- *Martinez T. et alii, 1994. Agricultura campesina. Orientaciones agrobiologicas y agronomicas sobre bases sociales tradicionales, 344pp*
- *Laird R.J., et alii, 1994. La investigacion en productividad de agrosistemas, 44pp.*
- *Laird R.J. et alii, 1991. La investigacion agronomica para el desarrollo de la agricultura tradicional, 180pp.*
- *CPC, 1991. Manual de conservacion del suelo y del agua, 3rd.Edition, 684pp.*
- *Estrada Lugo E.I., 1989. El Codice Florentino: su informacion etnobotanica, 400pp.*

### 24. Recent activities/programs, in particular those relevant to the GEF:

Recent projects already implemented by CPC and partners in the State of Oaxaca include:

- *Farming system research in Oaxaca State: survey of maize and coffee based cropping systems.*
- *Survey of rainfed and irrigated cropping systems developed by Mixe and Zapoteca rural communities.*
- *Inventory and ex-situ collection of maize land races originated in Oaxaca State (CIMMYT-INIFAP)*
- *Study of the impacts of legume cover crop, mulching and crop residues on soil fertility and soil moisture retention.*
- *Rural Communities action plans for sustainable natural resources management in the Mixe, Cuicateca and Mazteca areas.*
- *Detailed geographical survey and mapping of Sierra Juarez*
- *Inventory and analysis of sustainable traditional cropping systems in indigenous rural communities*
- *Thesis works: 1)Comparative analysis of social organization and decision-making process in indigenous rural communities ("sistemas de usos y costumbres") within the context current State and Federal laws and regulations; 2)Farmer knowledge and management of genetic resources, and the impacts of this management on biodiversity (Cornell Univ., Dept. of Plant Breeding)*

*In addition, it is also important to note that CPC and SAGAR/INIFAP are jointly working with public and private partners, such as INI and MESOFILO, which develop several activities and programs focused on capacity building of rural communities and sustainable natural resources management. All these organizations are represented in the oversight committee and will be part of the public meetings.*

**PART IV - INFORMATION TO BE COMPLETED BY IMPLEMENTING AGENCY**

25. **Project identification number:** 57772

26. **Implementing Agency contact person:**

Christine Kimes, Global Environment Coordinator

tel: (202) 473-3689 fax: (202) 614-0087 email: ckimes@worldbank.org

Christian Pieri, Task Manager

tel: (202) 4730358 fax: (202) 614-0165 email: cpieri@worldbank.org

27. **Project linkage to Implementing Agency program(s):**

*The WB CAS identifies i) sustainable growth including natural resource management and environmental protection, ii) social development through community organization and participation in the development of productive sectors such as agriculture and forestry and iii) modernization of the State to bring the decision-making closer to the beneficiaries as a strategic priority for assistance. The overarching objective of the CAS emphasizes the need for a broad-based improvement in welfare and reduction in the country's poverty rates. In keeping with these priorities, the WB is currently supporting the Project "Sustainable Rural Development in Marginal Areas" whose key objective is to improve the productivity of participating farmers through a community-based approach. Within this broad objective, the program emphasizes the agriculture sub-sector and has a regional focus in six indigenous areas, including the Mixe, Cuicateca, Mazateca regions in Oaxaca, due to the urgency to address issues of poverty alleviation and sustainable natural resources management in these marginal areas. The PSRDMA includes a broad range of activities at local and regional levels, such as productive investments in agriculture production, natural resources management, artisanal activities, processing activities; community development and capacity building. The PSRDMA is one of the first Adaptable Program Lending projects financed by the Bank; if performance benchmarks for phase I are satisfactorily met, project activities could be extended into 24 additional indigenous areas. PSRDMA is at the core of the Bank's Rural Focus Program in support of the Southern States Initiative being pursued with the Mexican Government. The proposed MSP is consistent with the broad CAS objectives enumerated above, and would complement the PSRDMA activities in the Oaxaca Region as it will establish a scientific basis for integrating carbon sequestration and biodiversity conservation into sustainable hill-side management. The PSRDMA is not currently financing such activities in the proposed indigenous areas, so there will be no duplication of funding between the proposed GEF MSP and the on-going PSRDMA.*

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SECRETARIA DE HACIENDA Y CREDITO PUBLICO

20 MAYO 1998

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Subdirección de Proyectos Ambientales y de Desarrollo Urbano

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Oficio No. 393. III. 4.- 139

México, D.F., a 15 de mayo de 1998.

**SR. OLIVIER LAFOURCADE**  
Representante en México del Banco Mundial  
Insurgentes Sur 1605, piso 24,  
Colonia San José Insurgentes  
C i u d a d

Hago referencia al Proyecto de **Manejo Sustentable de las Laderas en Microcuencas Indígenas del Estado de Oaxaca**, que será apoyado con recursos del Fondo del Medio Ambiente Mundial ( GEF ), y que será ejecutado por el Colegio de Posgraduados de México.

Sobre el particular, a través del presente me permito comunicar a usted que el proyecto de referencia cuenta con el aval de esta Secretaría de Hacienda y Crédito Público como Punto Focal del GEF, por lo que le solicito atentamente que por su amable conducto, se continúe con los trámites correspondientes ante el GEF con el objeto de contar con apoyo para el mencionado proyecto con categoría de Mediano Subsidio, a la brevedad posible.

Mucho le agradeceré nos mantenga informados del trámite que guarden estas gestiones, y sin otro particular por el momento, aprovecho la ocasión para reiterar a Usted las seguridades de mi más atenta y distinguida consideración.

A t e n t a m e n t e,  
SUFRAGIO EFECTIVO. NO REELECCION.  
El Director de Organismos Financieros Internacionales

Ricardo Ochoa