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FOREIGN AID: A REPORT CARD FOR THE PROPOSED FY 1992 PROGRAM

Roy L. Prosterman and Timothy Hanstad

May 1991

RURAL DEVELOPMENT INSTITUTE

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Our Twelfth Grading of the Proposed U.S. Foreign Economic Assistance Program, as Embodied in the Agency for International Development's Congressional Presentation

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***The Rural Development Institute** is an independent, non-profit operating foundation which serves to support and disseminate, with modest private funding, the work of the authors of the present paper on the issues of poverty, hunger and development in the less-developed countries, with particular attention to the rural sector where the bulk of the population usually lives. A persisting concern of the authors, who are at the University of Washington School of Law in Seattle and who also act as Executive Director and Deputy Director of the Institute, has been the quality and effectiveness of foreign aid in addressing these issues. The present monograph represents the twelfth in a series of endeavors to assess the probable effectiveness of the bilateral U.S. aid program in addressing the needs of the poor majority as mandated by Congress in the Foreign Assistance Act. This report-card assessment draws in part on fieldwork by one or both of the authors in a number of the aid-receiving countries, including India, Bangladesh, Pakistan, Egypt, the Philippines, Indonesia, Costa Rica, El Salvador, Nicaragua, the Dominican Republic, and Portugal. This is the seventh in a series of published monographs on Foreign Aid and Development issued by the Rural Development Institute.*

The "grading" process evolved out of author Prosterman's work with a number of Senators and Representatives on foreign-aid legislation, especially his work in drafting the Magnuson-Humphrey-Packwood amendment, adopted in 1975 and now section 102(b)(4) of the Foreign Assistance Act. This established a series of criteria for the allocation of U.S. aid, and led to requests by legislators on both sides of the aisle that he undertake a regular, wholly-independent evaluation of how well AID was meeting the entire congressional mandate. This periodic evaluation process has now overlapped four administrations, those of Presidents Ford, Carter, Reagan and Bush.

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EXECUTIVE SUMMARY

This grading report is a project-by-project, report-card evaluation of U.S. foreign economic aid programs as proposed to be funded in the Agency for International Development's (AID) Fiscal Year 1992 Congressional Presentation. It is our twelfth such grading measuring the effectiveness of these economic aid programs in reaching the poor and promoting equitable growth in recipient countries, as mandated by the Foreign Assistance Act.

The results of the report card are mixed. We conclude that AID is spending only 36 cents on the dollar of the evaluated economic-assistance funds on undertakings that are likely to benefit the poor; that in some less-developed countries, little or nothing of each aid dollar is spent for such effective undertakings; and that new initiatives coming out of AID/Washington threaten to worsen the situation. However, we also conclude that AID has a demonstrated capacity to do much better; that in some countries AID is spending over 85 cents on the dollar on projects likely to significantly benefit the poor; and that a small number of specific congressional and administrative initiatives could significantly improve AID's performance.

The central paradox is that although less than two-fifths of the proposed U.S. economic aid appears likely to be spent in ways that effectively help the poor, as the governing legislation requires, AID clearly has the capability to design and implement projects that significantly benefit the poor. This is reflected in the vast differences in program quality from country to country. If this capability to design and implement quality projects were more fully realized and AID's current level of resources were properly focused and targeted on interventions that benefit the poor, these resources could help several hundred million people in the Third World become productive, healthy and largely self-sufficient between now and 2000. Such targeted interventions would set the stage for continuing economic growth which is both broadly participatory and sustainable.

Wrenching change by Congress is *not*, in our judgment, necessary in order to better focus AID's programs on the poor. We would reject both the Administration's call, in proposed legislation, to drastically change the program direction mandated by the Foreign Assistance Act, and those other voices that would question even the existence of a bilateral aid program in anything like its present scope. Needed, instead, are a small number of specific congressional initiatives and administrative adjustments, all readily realizable. A series of recommendations to achieve the desired result are made throughout the text and recapitulated in a final section.

INTRODUCTION

This report card presents a grade-based, project-by-project evaluation of American economic aid programs as proposed to be funded in AID's Fiscal Year (FY) 1992 Congressional Presentation. It is our twelfth such grading measuring how well these economic aid programs follow the congressional standards for foreign aid, with their strong emphasis on basic human needs and equitable growth for the poor majority in the less-developed countries.

By one measure, the overall weighted "grade" for all FY 1992 evaluated Development Assistance outlays, plus all FY 1992 evaluated ESF outlays for countries also receiving Development Assistance is a grade-point of 2.09 on a 4.0 scale. This overall grade is somewhat improved from that given the programs graded subsequent to FY 1983, but still remains more than four-tenths of a grade-point below the 2.56 overall grade given the FY 1982 program. By another measure, the proportion of every dollar that AID proposes to use for projects likely to significantly benefit the poor majority in aid-receiving countries, the program is again modestly improved, though it still appears that AID would use only 36¢ of every dollar in ways likely to benefit the poor majority.

The issue of foreign-aid's effectiveness in reaching the poor looms large in a year in which a great debate is being joined over the Administration's proposal to drastically change the mandated direction of the program, and in which perhaps even the existence of the bilateral aid program -- in anything like its present scope -- is being called into question. We do not wish our findings, however, to add weight to the suggestions that the solution is a new aid program, or even no aid program. That would be throwing out the baby with the bath water. For the central paradox is that, although less than two-fifths of the proposed U.S. economic aid appears likely to be spent in ways that effectively help the poor (as the governing legislation requires), AID clearly *has* the capability to design and implement projects that significantly benefit the poor. Indeed, as recently as FY 1982 (see Table 3 below) AID was using *60¢* out of every dollar of aid we evaluated in ways likely to significantly benefit the poor.

This capability of designing and carrying out projects that significantly benefit the poor is further reflected in the vast differences in program quality from country to country. At one end of the scale are countries, such as Peru, Zaire, and Nepal, where that capability is largely realized, as reflected in grades of 3.0 or higher, and in the indication that 85 percent or more of the money that AID commits to those countries in FY 1992 will be spent on projects that genuinely help the poor. At the opposite end are countries, such as Tanzania, Panama, Burundi and Swaziland, where the grade falls below 1.6 and that percentage declines to zero.

Our field experience persuades us that these differences are due largely to what local AID mission directors decide to push for. The recipient governments are generally open to a range of possibilities, especially where the aid is in outright grant form, as U.S. aid now overwhelmingly is.

A secondary cause is the decision in Washington -- usually made at the State Department, not at AID -- to use substantial amounts of the scarce economic aid resource as "cash transfer" or general "policy-based assistance," largely useless for grassroots development purposes. AID is not the IMF; and the resources it commands, while inadequate to make any significant dent in the debt problem or at the macroeconomic level, *are demonstrably sufficient, when properly focused and targeted on the poor, to help several hundred million people in the Third World become productive, healthy and largely self-sufficient between now and 2000. Such targeted interventions can set the stage for continuing economic growth which is both broadly participatory and sustainable.*

AID/Washington could provide far greater guidance to country missions, consistent with the governing legislation, but thus far has failed to do so. Indeed, new "initiatives" and other material contained in the FY 1992 Congressional Presentation seem calculated to move AID's programs further *away* from the legislative standards and from assistance to the poor. This may be in part because AID anticipates passage of the drastically revised foreign-assistance program that has been proposed in legislation submitted by the Administration. But that legislation *is not law yet*, and AID's present acts in anticipation of it suggest that -- if Congress wishes the aid program to continue to be guided by an anti-poverty goal -- not only should the new legislation be rejected, but that this be done in a way which clearly reaffirms the present standards of the Foreign Assistance Act and AID's obligation to adhere to them.

What *is* needed is not wrenching change, but a small number of specific "second generation" administrative and congressional initiatives -- some of the latter via the committee-oversight process, others via additions to the Foreign Assistance Act -- that will refine the Act's present approach and help to bring *all* country programs up to the standards of today's better country programs over the next several years.

A series of recommendations to achieve this result are made throughout the text, and the principal recommendations are recapitulated and expanded in a final section, after the discussion of the present program.

Among the key improvements that are needed:

- Make an initial, minimum commitment quickly to increase at least to one-half the proportion of U.S. economic assistance resources used in a manner likely to reach the poor and to have a substantial effect on their ability to share in economic growth. Make further increases beyond that as rapidly as possible.

- Help achieve this goal by continuing to increase the amount of Development Assistance relative to the amount of much lower-quality ESF going simultaneously to the same countries.

- Increase the field staff and reduce the overly burdensome reporting requirements on AID. If poverty-targeted projects are to be successful, AID must have operating funds for more field staff, and that staff must be freed from overly burdensome paperwork to spend more time in the field.

- Wherever policy-based assistance *is* to be given, focus on sectoral policy changes targeted on the poor, and use resulting local currencies for specific projects relevant to the poor.

- Compromise on the current issue of "functional accounts" within Development Assistance by assigning 75% (or some similar percentage) of Development Assistance funds to the specific functional accounts, while allowing the remainder to be used for any purpose that is proper under the Development Assistance chapter.

BACKGROUND

Since Fiscal Year 1977 we have evaluated the principal elements of the U.S. bilateral foreign-assistance program on a project-by-project, or outlay-by-outlay basis. Each project[1] is gauged in terms of its aptness to meet the congressionally mandated standards as those projects or outlays proposed to be funded in the coming fiscal year are set before Congress each year in the Agency for International Development

[1]We shall frequently use the term "project" in the broad sense of each individually characterized outlay, except where the context requires us to make a distinction between project assistance for purposes of specific undertakings in agriculture, health, etc., and non-project assistance for such non-focused uses as general balance-of-payments support or commodity import programs.

(AID) Congressional Presentation.[2] The congressional standards emphasize that foreign economic aid should be used to promote poverty alleviation and self-sustaining economic growth with an equitable distribution of benefits. The program was evaluated annually from Fiscal Years 1977 to 1983, then in 1985, 1987, 1989, 1991, and now for Fiscal Year 1992. The present monograph evaluates (i) Development Assistance (DA) funds, (ii) Economic Support Fund resources (ESF)[3] going simultaneously to countries that also receive Development Assistance, and (iii) for the third time, ESF going to countries that receive only ESF and no Development Assistance funds,[4] as AID has proposed to obligate these three categories of resources for FY 1991 in its Congressional Presentation. ESF-only resources going to *Egypt*, the principal developing-country recipient of such funds, are separately assessed and not included here.[5] ESF-only resources going to *Israel* have not been included, because with a per capita GNP over $8,000, we regard it as a developed country, and a special situation.

Our grading assessments, while focused on the Congressional Presentation (and prior "Congressional Notice" sheets and project descriptions from earlier fiscal years), are done against the background of extensive fieldwork carried out in 20 countries since the late 1960s and often involving project review on the ground, as well as our familiarity with the development literature and first-hand familiarity with much of the legislative history of the changes made in the Foreign Assistance Act (FAA) in 1973 and subsequent years.[6] *Indeed, our grading process began because several members of Congress involved in those changes on both sides of the aisle asked author*

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[2]The Congressional Presentation is to be made in February of the year preceding the indicated fiscal year.

[3]ESF resources, as distinct from Development Assistance resources, are foreign economic aid resources which are allocated to countries with "special economic, political or security conditions" involving U.S. national interests in amounts which "could not be justified solely under the development assistance portion of the foreign aid program" (Foreign Assistance Act, sec. 531(a)).

[4]ESF going to countries that receive only ESF and no Development Assistance will be referred to as "ESF-only" resources and ESF going to countries that also receive Development Assistance will be referred to as "simultaneous ESF."

[5]See Prosterman and Hanstad, "Observations on the U.S. Economic Aid Program to Egypt as Proposed for FY 1992," April 26, 1991; Prosterman and Hanstad, "Observations on the U.S. Economic Aid Program to Egypt," RDI Bulletin #2, July 9, 1990; Prosterman & Hanstad, "Recent Observations on Egyptian Development and U.S. Aid," August 21, 1989; and Prosterman & Riedinger, *Egyptian Development and U.S. Aid: A 6-Year Report*, RDI Monographs on Foreign Aid and Development #2, Nov. 1985. These documents are available from the Rural Development Institute.

[6]Our fieldwork and research is done entirely *pro bono*, with funding support given by foundations and individuals through the University of Washington, the Washington Law School Foundation, and the Rural Development Institute. We receive no salary, stipend or fee from any government or government agency.

Prosterman if he would help them assess AID's compliance with the new legislative standards for foreign aid. In effect, our assessment is from a "Congress' eye" point of view. It attempts to reflect what judgments a senator, representative or staff person might make of the expenditures proposed in the Congressional Presentation vis-à-vis the legislative mandate, if they had the time and opportunity to gain extensive background on the program over a period of two decades and to review the Congressional Presentation item-by-item against that background. These assessments, made over a 15-year period, also afford a useful opportunity to view trends over time when a consistent set of evaluation criteria is applied.

The legislative standards upon which we focus were adopted with broad bipartisan support beginning in 1973. They make the first goal of the U.S. development-assistance program "the alleviation of the worst physical manifestations of poverty among the world's poor majority" (FAA, sec. 101(a)), and call for concentrating development assistance "in countries which will make the most effective use of such assistance to help satisfy basic human needs of poor people through equitable growth" (sec. 102(b)(4)). The standards also call for assessing the commitment and progress of recipient countries by utilizing criteria that include, but are not limited to, six named: "increase in agricultural productivity per unit of land through small-farm, labor-intensive agriculture," "reduction of infant mortality," "control of population growth," "promotion of greater equality of income distribution," "reduction of rates of unemployment and underemployment," and "increase in literacy" (id., (A) through (F)). They go on to recognize, concomitantly, "the desirability of overcoming the worst aspects of absolute poverty by the end of this century by, among other measures, substantially lowering infant mortality and birth rates, and increasing life expectancy, food production, literacy, and employment" (sec. 102(c)).

The standards recur in a series of four functional areas, spelled out in sections 103-106 of the FAA, under which nearly all Development Assistance is to be allocated.[7] The first functional area, described in section 103, is "Agriculture, Rural Development, and Nutrition." Section 103 states: "Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor," id. at (b)(1). "Population and Health" is the second functional area and specific directions for projects in that area are contained in section 104, which states that "[l]arge families in developing countries are the result of complex social and economic factors which change relatively slowly among the poor majority least affected by economic progress, as

[7]AID, in the FY 1992 Congressional Presentation, for the first time has chosen not to frame the request in terms of the functional accounts, although the current guiding legislation requires that Development Assistance be allocated to these specific functional accounts.

well as the result of a lack of effective birth control," id. at (a), and "In order to contribute to improvements in the health of the greatest number of poor people in developing countries," the President is authorized to furnish assistance under this section, id. at (c). Guidance for undertakings in the third functional area, "Education and Human Resources Development," is located in section 105, which states: "Assistance under this section shall be used primarily to expand and strengthen nonformal education methods, especially those designed to improve productive skills of rural families and the urban poor...; to increase the relevance of formal education systems to the poor, especially at the primary level...; and to strengthen the management capabilities of institutions which enable the poor to participate in development," id. at (b)(1). The final functional area, "Energy, Private Voluntary Organizations, and Selected Development Activities," is described in section 106, which again has reiterated references to the needs of the poor, and calls for "research on and development and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103" (the latter, of course, mandating a focus on the "rural poor"), id. at (b)(2).

Section 102(b) provides additional guidelines on how to achieve the goals set out in this policy section. Section 102(b)(12) states that "United States bilateral development assistance should be concentrated on projects which do not involve large-scale capital transfers." The next subsection, 102(b)(13), states that "United States encouragement of policy reforms is necessary if developing countries are to achieve economic growth *with equity*" (emphasis added).

The emphasis on targeting U.S. development assistance on the poor majority is reiterated in section 128(a) of the Foreign Assistance Act, which states that "The President . . . shall strengthen United States efforts to assure that a substantial percentage of development assistance under this chapter directly improves the lives of the poor majority, with special emphasis on those individuals living in absolute poverty."

In response to our program assessments, AID has acknowledged this congressional mandate to emphasize poverty alleviation and economic growth that is equitably distributed as recently as June 1990. In a response to a draft of our grading report last year, the Assistant Administrator for Program and Policy Coordination conceded that the congressional mandate to AID is to use the resources the agency administers in ways that help the poor majority. He states: "Reduction of poverty, a central theme of your assessment, is the ultimate goal of AID's program."[8] We consider it very significant that AID recognizes this is the standard by which its activities should be measured, and that is what we attempt to do in this report.

In addition to grading Development Assistance, we have regularly used the same grading process to show how well and to what extent proposed ESF resources are likely to meet the purposes set for Development Assistance. Section 531(a) of the Foreign Assistance Act, providing the authority for the Economic Support Fund, states that *"To the maximum extent feasible, the President shall provide assistance under this chapter consistent with the policy directions, purposes and programs of part I of this Act,"* that is, those which govern Development Assistance. We thus assess ESF as well for its degree of compliance with the development-assistance standards. *The mandate is a logical one: long-term "security" or "stability" -- which is what ESF is supposed to promote -- in virtually all country settings will require effective "development" that meets the basic needs of the poor majority* ("Security *is* development," as Robert McNamara once said).

In addition to grading Development Assistance and ESF for FY 1992 we also grade funds for the Multilateral Assistance Initiative (MAI) for the Philippines. We treat these funds as Development Assistance, because Title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, mandates that at least 75% of the funds for the MAI for FY 1991 are to be used "for project and sector activities consistent with the purposes of sections 103 through 106" of the Foreign Assistance Act -- again, those allocating Development Assistance.

Our grades are on a traditional 4 point scale, with a "+" and "-" added to permit grading at (rounded) one-third point intervals. (A = 4.0; A- = 3.7; B+ = 3.3; B = 3.0; B- = 2.7; C+ = 2.3; C = 2.0; C- = 1.7; D+ = 1.3; D = 1.0; D- = 0.7; F+ = 0.3; and F = 0.) As with all standard grading, they are appropriately weighted, based on the dollar amount proposed to be obligated in the coming fiscal year for each project or other proposed outlay.

The significance assigned to each grade may be briefly expressed as follows: "A" projects seem likely to fully implement the intent of Congress as expressed in the guiding legislation mentioned above, and to have a clear, significant impact on the poor majority; "B" projects represent a reasonable effort at implementation, but have

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[8]Printed in full in last year's report, Prosterman & Hanstad, *Foreign Aid: An Assessment of the Proposed FY 1991 Program*, RDI Monographs on Foreign Aid and Development #5, June 1990, at p. 65.

drawbacks likely to limit their impact; "C" projects are only marginally relevant to implementing the legislative intent, although some benefit may be gained by the poor majority; "D" projects are unsatisfactory as an effort to implement the legislative intent, being unlikely to produce any benefit for the poor majority; and "F" projects are not only unsatisfactory, but likely to be injurious, through encouraging a recipient country to pursue clearly ill-conceived development goals and to waste its resources on programs that are irrelevant to the lives of the poor majority, indeed that may even widen the gap between the poor and a small minority of the well-off within that society.

Judgments are made not only in terms of the specific nature and country setting of each project but also in terms of factors, such as cost-per-family-benefited, which determine the prospective replicability of the project benefits for other similarly-situated members of the poor majority[9] in that country. A more concrete sense of the assessment process may be gained from our description of some 36 illustrative projects, their grades, and the reason for those grades below, starting at page 38.

It should again be emphasized that we are assessing projects as they are placed before Congress -- in terms of aptness of *conception,* in relation to the congressionally-mandated standards -- not in terms of ultimate *execution* in the field. (Although, in our experience, our judgments of projects as conceived have almost always been nearly the same as our assessments of those projects on the occasions that we have later seen them executed in the field.)

Further discussion of the assessment process can be found in our memorandum on "Grading Bureaucratic Compliance: Some Background on How the Grading Assessments are Made," included in Subcommittee on Foreign Assistance of the Senate Committee on Appropriations, *Hearings on H.R. 4473, Foreign Assistance and Related Programs Appropriations for Fiscal Year 1980,* pp. 915-1005, 96th Cong., 1st Sess. (1979).

THE REPORT CARD: OVERALL GRADE

Outlay-by-outlay and country-by-country grades for FY 1991 will be found in Annex A.

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[9]This phrase is not hyperbole. Aside from Africa, where a majority of the population is below the poverty line in most countries, AID's own report on "Creating Possibilities for Poverty Reduction" (FY 1992 CP at pp. 124-27) shows that 10 countries receiving U.S. aid -- four in Asia and six in Latin America and the Caribbean, with a total population of nearly 1.1 billion -- have either a majority of their total population or a majority of their rural population below the poverty line.

One measurement we have made since FY 1977 has been the over-all grade-point average for all Development Assistance funds. This overall grade-point is calculated as the dollar-weighted result of the grades we give to each individual proposed *Development Assistance* outlay (virtually all taking the form of specific projects) on a 4-point grading scale. A second, parallel measurement has been the number of cents out of each development-assistance dollar which is proposed to go for individual outlays which we regard as representing a reasonable effort to help the poor in accordance with the legislative standards. A reasonable effort to help the poor is reflected in a grade of 2.7 or better (B- or above) given to such specific proposed outlays. For FY 1992 we have reviewed AID's description of, and graded 472 proposed development-assistance projects, as characterized in the accompanying footnote,[10] representing total funding requests of $1.677 billion. The two measurements since FY 1977 yield the results shown in Table 1.

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[10]We have reviewed and graded all development-assistance projects (including African Development Fund and Special Assistance Initiative for the Philippines projects) requested to be funded, provided they carry a proposed obligation figure of $1,000,000 or more, with minor exceptions noted below.

As in the past, we have excluded from our grading the proposed funds for American Schools and Hospitals Abroad, International Disaster Assistance, and the Housing Guaranty Reserve. In addition, we have excluded $30 million of Afghanistan Resistance development assistance because, as in the past, AID has not made project sheets available. Of the remaining development assistance funds we excluded from our FY 1992 grading proposed funds for the American Institute for Free Labor Development and for the Asian American Free Labor Institute, because of our own work in association with the former (even though that work is *pro bono,* with only expenses reimbursed). For FY 1992, 79 development assistance projects of over $1 million with a total funding of $225 million were not graded because no project sheet was available.

AID is proposing $560 million in Special Assistance Initiative funds for FY 1992, funds that do not fall under the Development Assistance nor the Economic Support Fund Accounts. $400 million of these Special Initiative funds are to be allocated to Eastern Europe. We excluded this $400 million from our grading because we consider the Eastern European countries to be developed and a special case. For this reason we also excluded $19.2 million of DA funds (and $6 million of ESF) to Europe/Near East Regional because the bulk of those funds were aimed at Eastern Europe.

The other $160 million of Special Assistance Initiative funds is for the Philippine Multilateral Assistance Initiative. We grade these funds (designated as AI funds in the Annex) and treat them as Development Assistance since 75% are required to be spent for such purposes.

The 472 projects we have graded in FY 1992 account for a total of $1.677 billion out of $2.184 billion requested (apart from the just indicated exceptions) for projects under Development Assistance and the Philippine MAI. Thus, the present monograph reflects our evaluation of projects accounting for about 77% of the requested funds in these categories for FY 1992. For Development Assistance plus simultaneous ESF, the combined percentage graded is 79%.

TABLE 1: DEVELOPMENT ASSISTANCE

	Grade	Cents per dollar going to "A" or "B" projects
FY 77:	2.43	51¢
FY 78:	2.46	52¢
FY 79:	2.57	55¢
FY 80:	2.54	53¢
FY 81:	2.58	56¢
FY 82:	2.64	64¢
FY 83:	2.45	51¢
FY 85:	2.20	38¢
FY 87:	2.40	52¢
FY 89:	2.30	45¢
FY 91:	2.23	45¢
FY 92:	2.35	48¢

(No assessment was made for FY 1984, FY 1986, FY 1988, or FY 1990.)

The development-assistance program, considered alone, has improved somewhat from FY 1991 on both measures, and compares favorably to its low-point in FY 1985. However, the FY 1992 development-assistance program, on both measures, is significantly below the degree of apparent compliance with the legislative standards reached in FY 1982, and even below the level of FY 1987. Indeed, even though the development-assistance program has improved somewhat from last fiscal year, its marks are lower than eight of the eleven previous gradings. Moreover, we would consider AID's performance via-à-vis the Foreign Assistance Act standards inadequate at *all* times, and under all administrations, during this 15-year period. At the same time, we need to recognize that roughly half of each development-assistance dollar does go to projects that are substantially relevant to the needs of the poor -- and that AID does have a demonstrated capacity, discussed below, to do far better -- and thus should beware of possible drastic responses that might "throw out the baby with the bath-water."

In addition to Development Assistance we have, as noted previously, assessed ESF that is intended to go simultaneously to countries also receiving Development Assistance. Before FY 1981 such resources *could not be given to* the same countries that received Development Assistance. (We did not grade simultaneous ESF in FY 1981, when it was only $116 million.) Beginning with FY 1982, however, we have graded simultaneous ESF. For FY 1992 we have graded 55 such proposed

ESF outlays, representing funding requests of $630 million.[11] The results are shown in Table 2, in terms of our two measurements.

TABLE 2: SIMULTANEOUS ESF

	Grade	Cents per dollar going to "A" or "B" projects
FY 82:	1.80	19¢
FY 83:	1.64	10¢
FY 85:	1.39	7¢
FY 87:	1.57	11¢
FY 89:	1.59 [1.54][12]	8¢ [7¢][12]
FY 91:	1.49 [1.54]	12¢ [10¢]
FY 92:	1.38 [1.48]	4¢ [5¢]

(Again, no assessment was made in FY 1984, FY 1986, FY 1988 or FY 1990.)

Table 2 shows that both in terms of overall grade and in terms of cents-per-dollar going to "A" or "B" projects, simultaneous ESF is at its *lowest point* since we started grading ESF ten years ago. The overall grade for simultaneous ESF is more than four-tenths of a grade point below its high-mark in FY 1982, which was only a 1.80. The decrease in cents-per-dollar of simultaneous ESF funds going to "A" or "B" projects is even more dramatic. The proportion of simultaneous ESF resources requested for projects that are substantially relevant to the needs of the poor (those receiving an "A" or "B") in FY 1982 was nearly *5 times* as much as the proportion for this fiscal year.

The overall difference in quality between Development Assistance projects and simultaneous ESF projects has never been greater. The overall Development Assistance program grade is nearly one full grade-point higher than the overall simultaneous ESF grade. Even more striking, the ratio of cents-per-dollar going to "A" and "B" projects for Development Assistance versus the simultaneous-ESF cents-

[11]This compares with total simultaneous ESF requested of $746 million (apart from $30 million in ESF for Afghanistan Resistance, for which AID does not provide project sheets). The amount of simultaneous ESF graded constitutes 84% of the total. For the remainder, as for ungraded Development Assistance, we either lacked adequate descriptions to make an assessment or the funding request was for less than $1 million.

[12]Brackets indicate corresponding numbers when all graded ESF projects (ESF-only as well as simultaneous ESF) are included.

per-dollar going to "A" or "B" projects has shrunk from 1:3.4 in FY 1982, and 1:3.8 as recently as FY 1991, to an abysmally low 1:12.3 this fiscal year. Fortunately, the overall amount of resources going to simultaneous ESF in comparison to the resources going to Development Assistance has declined substantially.

This poor performance for ESF funds *is by no means inevitable*. Our separate assessments of the $815-million-a-year ESF-only program for Egypt have found, in most recent years, something in the range of *28¢ to 39¢* out of each dollar going for specific outlays that substantially benefit the poor. In the case of Egypt there has been a significant congressional focus on the program -- because of its size and importance -- and an insistence that there be improvement from a pre-1981 "compliance level" that *was* 8¢ or less on the dollar.[13]

The *combined* result for development assistance and simultaneous ESF is as shown in Table 3. This covers a total of 527 separate outlays graded for FY 1992, comprising $2.306 billion.

TABLE 3: COMBINED ASSESSMENT

	Grade	Cents per dollar going to "A" or "B" projects
FY 82:	2.56	60¢
FY 83:	2.19	38¢
FY 85:	1.82	24¢
FY 87:	1.95	29¢
FY 89:	2.00 [1.94][14]	28¢ [26¢][14]
FY 91:	1.95 [1.91]	32¢ [29¢]
FY 92:	2.09 [2.02]	36¢ [31¢]

Development-Assistance-only measurements for FY 1979-81 (as indicated in Table 1) fell within the narrow range of 2.54-2.58 and 53¢-56¢. *The combined grade for economic assistance (Development Assistance together with simultaneous ESF) for FY 1992, although showing a welcome improvement from the graded years*

[13]See "Observations on the U.S. Economic Aid program to Egypt as Proposed for FY 1992," "Observations on the U.S. Economic Aid Program to Egypt," "Recent Observations on Egyptian Development and U.S. Aid," and *Egyptian Development and U.S. Aid,* supra, footnote 5.

[14]Brackets indicate corresponding numbers when all graded ESF projects (simultaneous ESF as well as ESF-only) are included.

subsequent to FY 1983, still represents a decline of more than four-tenths of a grade-point relative to FY 1982 and the immediately prior years, and a reduction in the proportion of resources going to projects of reasonably-high quality from 50-60% down to 36%. Arithmetically, the improvement in the combined grade arises from the combination of the improved Development Assistance grade, and the decline in amount of (lower-quality) ESF relative to (higher-quality) DA.

In addition, in FY 1992 for the third time, we have graded ESF-only funds (exclusive of Egypt and Israel) -- ESF going to countries that do *not* simultaneously receive development assistance. We have graded $429 million of such outlays.[15] They fare better than the simultaneous ESF category, receiving a 1.63, with 5¢ out of each dollar in resources going for outlays given an "A" or "B" (2.7 or better). *Again our comments as to the non-inevitability of these poor ESF grades, made in relation to the Egypt program, seem appropriate.*

The combined result for the entire bilateral economic assistance program -- including ESF-only countries except for Egypt and Israel (a grand total of $2.735 billion assessed for FY 1992) is a weighted grade of 2.02 with 31¢ on the dollar going for projects given an "A" or "B."

THE REPORT CARD: SOME QUALITATIVE POINTS

In addition to the quantified analysis discussed in more detail below, there are a series of more qualitative comments about the bilateral U.S. aid program -- some derived from the CP, some from our own separate observations in the field -- that deserve to be made:

1. *AID's operating expenses budget should be increased.* The operating expenses account (OE) is clearly insufficient to maintain the necessary number of people in the field. A special strength of the U.S. aid program has long been its "Point Four" aspect, derived from technical expertise brought to bear in the field. It is our observation in the field that, by and large, direct-hire U.S. citizen employees of AID have *far* more influence and impact than local employees or contracted providers of technical assistance; yet mission after mission is under intense budgetary pressure to cut its U.S. field staff. The cuts disproportionately reduce the discretionary time available for AID mission staff to design and oversee administration-intensive projects

[15]Out of $434 million, or 99% of the total.

-- on the whole, the best projects -- since there is a core of mission administration and paperwork that still must be done. The FY 1992 CP requests a 30-person reduction in U.S. direct-hire field staff, while less expensive Washington staff increases by 32. Altogether, the percentage of all direct-hire U.S. staff that will be located in the field declines from 36.9% to 35.9%. The decline in U.S. direct-hire field staff over the past 10 years, since FY 1982, has been from 1,475 to 1,151, while AID/Washington personnel has actually *gone up,* from 1,926 to 2,053 (in FY 1982, field personnel were 43.4% of the total).

> ***Recommendation:*** *The OE account should be substantially increased, linked with a quantitative requirement channeling the entire increase into increased direct-hire U.S.-national field staff. At the same time, Congress should make every effort to free that staff from overly burdensome paperwork.*

2. *The four new AID "initiatives" described in the Administrator's report and major elements in the "Poverty Reduction" report reflect an approach largely askew from the main tasks of AID as laid down by Congress.* In recent years, the CP has taken to announcing "criteria," "initiatives" or "objectives" for AID's future operations that largely ignore what Congress has legislated in the Foreign Assistance Act[16] This is not only bad from the perspective of having an economic assistance program that improves the lives of the poor majority, but bad in principle as a reflection of the executive-branch bureaucracy ignoring the will of Congress and the law of the land. The situation here is made worse by the fact that no private citizen or organization is likely to have standing to bring such matters before the federal judiciary for resolution, so that the task of ensuring obedience to the law in this instance devolves upon Congress, and Congress alone.

In FY 1992, sections of the CP including the "Statement of the Administrator" (pp. 9-13), the report on "Creating Possibilities for Poverty Reduction" (pp. 121-144; issued in response to a mandate of the FY 1990 Foreign Assistance Appropriation Act), and the Europe/Near East Regional Overview -- as well as the failure in the CP to allocate DA funds into the separate functional accounts -- indicate an apparent intention to remake the aid program in a new image, different from that specified in the Foreign Assistance Act (FAA). Perhaps the CP's authors anticipated that the new foreign-aid bill offered by the Administration would eventually become law. *But it is not law yet,* and until it is AID is obligated to follow the FAA as it now stands.

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[16]See our discussion of the Asia/Near East program "Overview" in *Foreign Aid: An Assessment of the Proposed FY 1991 Program,* supra, at pp. 15-17.

Thus, the Administrator's statement includes the description of AID's four major new "initiatives" announced in December 1990. Two of the initiatives appear to represent substantial departures from the essential FAA focus on reducing poverty; one seems idiosyncratic and without content; one is administrative, and could make a positive contribution, depending on what it is that one is administering:

- The "Business and Development Partnership" initiative (FY 1992 CP, p. 12) appears designed essentially for U.S. export-promotion. Although there is passing reference to "broad-based" economic growth, there is no indication, here or elsewhere in the CP, of any targeting of programs on the poor majority, or of any concern for the far-from automatic distributive consequences of growth. "Capital projects" relevant to "U.S. trade competitiveness" appear to have the central role, even though section 102(b)(12) of the Foreign Assistance Act states that "United States bilateral development assistance should be concentrated on projects which do not involve large-scale capital transfers." What we are almost certain to get is a replay of the failed aid of the late 1950s and the 1960s -- superhighways, steel mills, airports, harbor complexes, cement plants and railroads, generating few jobs, with little linkage to the economic activities and sources of livelihood of the poor; essentially a program of "trickle down." Implementation of this new AID initiative, which would turn at least this portion of the U.S. aid program into an annex of the Export-Import Bank, or a copy of the heavily criticized, self-serving Japanese aid program,[17] will neither meet the criteria of the FAA nor command the support of the American public.

- The "Democracy Initiative" (CP, p. 12) may sound more promising, but it turns out on closer analysis to be likewise askew from the central purposes of the FAA. We cannot do everything with the limited aid resource, and the kind of central-government revamping which this largely supports (as distinct from grassroots programs to organize people for empowerment in their villages, which AID has always supported, directly, and especially indirectly via PVO's) is much better carried out by the National Endowment for Democracy. Foreign aid principally promotes democracy through promoting the economic underpinnings of democracy, and this is

[17]Paradoxically, there are indications that the Japanese foreign aid program, which has been criticized for being entirely self-serving, existing only to promote Japanese exports, and involving heavy capital projects unrelated to important development needs, is changing in response to that international criticism. This is paradoxical because a primary reason behind the recent push, by some, for AID to involve itself more in heavy capital projects and promoting U.S. exports *is* that the Japanese have been doing it for years and are not likely to stop. This "if you can't beat 'em, join 'em" argument, if it wins out, will not only weaken the U.S. economic assistance program, but will reduce U.S. credibility to urge the Japanese to further improve their program.

where AID's expertise lies. There is further discussion of this issue with respect to some of AID's new "democratic institutions" projects at page 48 below.

- The "Family and Development Initiative" (CP, p.13) appears bereft of substantive content.

- The "Strategic Management" initiative (CP, p. 13) could make a positive contribution by having AID "do fewer things, and ... do them well." But everything depends, in the final analysis, on the *things* being done. Are they steel mills and superhighways being built under the first of the new "initiatives," or are they micro-enterprise credit and farm-to-market roads being provided under an aid program genuinely in tune with the needs of the poor majority?

There are parallel, disturbing elements in the report on "Creating Possibilities for Poverty Reduction," which AID includes in the CP in response to a congressional mandate. Thus, one finds immediately after the quotation of AID's new "Mission Statement" the following (CP, p.123): "Thus, our approach to poverty reduction ranges from health, education and nutrition to *export promotion, infrastructure development* and *support for democracy"* (emphasis added). The first three items are clearly part of what are normally thought of as poverty-reduction programs. The last three items are not. They are, instead, extracted from Administrator Roskens' new "initiatives," and represent a potentially large diversion of financial and administrative resources for purposes peripheral to the central anti-poverty goal.

The conceptual problem is perhaps highlighted by a later comment (CP, p. 123): "Our commitment to reducing poverty includes increasing people's incomes as well as improving the health, education and nutritional status of the populations of developing countries." But just increasing *any* person's income will not necessarily reduce poverty; increasing the income *of the poor* will do so. The statement comes perilously close, we believe, to classic trickle-down sentiments, failing to recognize *that growth alone has not substantially ameliorated poverty* in settings where a small minority of the already well-to-do were able to reap virtually all of the "free market" advantages. Examples of such settings where economic growth has *not* been the cure for poverty include Brazil, Central America, and Pakistan. In Central America, the Kissinger Commission noted that despite an annual 5.3% real growth rate for almost three decades, from 1950 to 1978, "the gulf between the rich and the mass of the very poor remained," and that "the fruits of the long period of economic expansion were distributed in a flagrantly inequitable manner." In Pakistan, the country section of AID's 1991 CP itself, at page 198, tells us: "Pakistan's economy has been the fastest growing in south Asia, averaging about 5% annual growth since 1975. Yet social indicators lag. Only 25% of the population (and 6% of rural females) are literate, infant mortality is over 100 per 1,000 live births, and the population growth rate, at 3.1%, is one of the highest in south Asia."

The Europe/Near East Regional Overview contains similar material, reiterating its FY 1991 CP theme of "open markets and open societies" (FY 1992 CP, p. 557). Of the six subgoals described as being promoted, at least three, "international trade and investment," "democratic pluralism" and "private sector growth," clearly fail to focus assistance on the poor, and appear largely to parallel the first two new "initiatives" described in the Administrator's statement That the "growth" referred to is not to be targeted on the poor is reflected in the extraordinary next sentence of the Overview: "This strategy offers the best prospects for self-sustaining economic development *and subsequent* reduction of poverty" (emphasis added). The whole mind-set appears to be one of disjointed processes, in which, first, there is general growth of a modern "private sector" in which the poor have little participation, and, later on, some of the results of that growth trickle down and reach the poor. *This is a discredited theory of development, and it is one wholly rejected in the present FAA.*

> ***Recommendation:*** *If the existing standards of the Foreign Assistance Act are to be retained, AID should be closely questioned by the congressional oversight committees as to the intended future direction of its programs, with special reference to the new emphasis on "export promotion," "infrastructure development" and other "capital projects," and the apparent adherence to untargeted "growth" strategies. The delineation between the role of Congress in formulating foreign-aid policies and the role of the executive branch in implementing those policies which Congress has formulated -- not in formulating and carrying out different policies in the absence of authorizing legislation -- should be reaffirmed.*

3. *"Privatization" or "user fee" plans for basic services may hurt the poor.* AID is considering approaches to medical and other social services in a number of countries that would put programs on a "pay as you go" basis, either through privatization or user fees. Such approaches may work if *those who can afford it* pay while subsidies are more carefully *targeted* on those who cannot afford to pay. However, the dangers are suggested in a recent World Bank study,[16] which concludes that a proposal to impose user fees for medical clinics in the rural areas

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[16]Living Standards Measurement Study Working Paper No. 46, *Measuring the Willingness to Pay for Social Services in Developing Countries* (World Bank, 1988).

of the Cote d'Ivoire "is likely to have highly regressive welfare effects." Specifically, the study showed the policy would "increase the welfare and medical care utilization of individuals in the top half of the income distribution, while reducing the welfare and medical care utilization of individuals in the bottom half of the income distribution."

4. *Greater "flexibility" for AID will not help the poor majority.* One argument that seems to come from AID is "just give us more flexibility (as by eliminating the functional accounts) and we'll do a better job in helping the poor." That this is not likely to be true is reflected in what AID says about the direction it *wants* to go, as reflected in the discussion in point 2, above. But two other items of evidence in the present assessment tend to provide confirmation. First, the widening gap between the relevance, to the poor, of what AID is doing under the generally "directive" Development Assistance account, and what AID is doing under the non-directive ESF account: in FY 1992, 48¢ on the dollar of DA is proposed to go to projects from which the poor are likely to benefit, while the figure for ESF is only 4¢. The former is up, the latter down. Second, if it is said that ESF is sufficiently "different," and that the responsibility of this poor performance is partly the State Department's, we may look within the DA account itself. Clearly, going to a "non-directive" format (elimination of the functional accounts) for Africa has not, through greater "flexibility", led to any improvement of the program there. Rather, the added "flexibility" has been consistent with a substantial *decline* in the Africa program's relevance to the poor (see page 35, below), so that it is now the weakest of the regional programs, worse than the "inflexible" programs for Asia, Latin America, the Near East, or those Centrally Funded.

> ***Recommendations:*** *If benefiting the poor with economic-aid resources is the objective, two broad consequences would seem to follow -- the quantity of DA should be steadily increased relative to ESF, and efforts to totally eliminate the functional accounts should be rejected.*
>
> *However, in our estimation, some compromise may be possible. For example, we would support allocating a total of, say, 75% of all DA funds to the "functional accounts," while the remaining 25% were permitted to be spent for any purpose allowable under the Development Assistance chapter (or somewhat different percentages might be chosen). This would give AID the "flexibility" it needs while protecting DA against more severe depredations.*

5. *Policy-based allocations can be improved.* To the extent that resources are used for cash transfer in return for policy reform, whether under ESF or DA (here principally for Africa under DFA) they can be made more relevant to the needs of the poor, as the discussion under "Selected Projects" below reflects. This can be done -- and in several cases has been done -- by focusing not on macroeconomic policy reforms (where bilateral U.S. resources are not likely to add significantly to the weight of the World Bank and IMF in any event), but on *sectoral* policy reforms of a kind likely to benefit the poor. Complementing this approach, local currencies generated by the resulting cash transfer should then be "projectized" for uses relevant to the poor.

> ***Recommendations:*** *The congressional oversight committees should urge movement in this direction, and should indicate that they will review AID's proposals for "cash transfer" in FY 1993 with these improvements in mind.*
>
> *Further, AID should -- and should be encouraged to -- add such a targeted policy reform and local-currency component to its remaining commodity-import programs. Such CIP lends itself equally well to this approach.*

6. *India is receiving only $22 million of DA.* The country with the largest number of very poor people on our planet, India, is to receive only $22 million in DA (and no ESF) under AID's FY 1992 proposal. (It will also receive $77.6 million of P.L. 480 food shipments.) India has shown significantly greater progress than its smaller neighbors, Pakistan and Bangladesh, in terms of such basic indicators as infant-and-child-deaths and birth rates, and with its much larger absolute number of poor people, should receive significantly more U.S. economic aid than they do, not less (Bangladesh is to get $62 million in DA, Pakistan $25 million in DA, plus $100 million in ESF).[19] Pakistan's aid allocation *has* decreased significantly since FY 1990, and this seems warranted by that country's lagging performance in grassroots development -- measured not only in high infant-and-child deaths and birth rates, but in such terms as poor small-farmer tenure and productivity and low female literacy. But India's allocation should increase substantially.

> ***Recommendation:*** *The congressional oversight committees should press AID officials strongly as to their reasons for giving India less Development Assistance than, for example Guinea, a country of just over 7 million. If their reasoning is*

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[19]Bangladesh gets roughly the same amount of P.L. 480 as India, and Pakistan gets none.

unpersuasive, AID should be instructed to substantially increase the allocation to India.

7. *AID has now accepted an adequate infant and child mortality target.* Last year, the Asia/Near East volume of the CP stated that AID's infant mortality target is "not more than 75 deaths per 1000 live births," a goal that was wholly out of step with the significantly lower 50 per 1000 target -- and the corresponding 70 per 1000 under-5 mortality rate -- that had been accepted by virtually the entire development community. This year's CP, happily, appears to indicate that AID has now accepted the goal of "Reduction of under-5 child mortality rates by one-third or to a level of 70 per 1,000 live births, whichever is the greatest reduction" that was adopted by the 1990 World Summit for Children (CP, p. 122). Concomitantly, AID's activities in the Health and Child Survival areas should be enhanced, as recommended under point 8, below.

8. *There must be a greater push on childhood immunization.* It is clear that immunization is one important area where AID should be doing more. Just two examples of inaction or inadequate action:

- In Guinea, the IMR is a very high 147 per 1000, and apparently *fewer than 10%* of children 12- 23 months old (CP, p. 288) have been immunized against any of the childhood diseases. Yet in AID's development assistance program of $26 million (for a country of only 7.3 million people) there is *no* health, child survival or immunization activity. (This also raises a question as to accuracy of the data in the congressionally mandated report on "Creating Possibilities for Poverty Reduction," which indicates that AID's "program activities" in Guinea include Child Survival; CP, p. 138.)

- In El Salvador, only 60-65% of children are immunized against any one of the major childhood diseases (the percentage immunized against all is undoubtedly lower), even though over the last 10 years the United States has given over $2.1 billion in ESF and DA to a country of only 5.3 million (equivalent to almost $2,000 in aid per 5-person family). Surely AID can afford a sufficient push to get this basic job done.

Recommendation: *Substantial additional funds should be allocated by Congress to Health and to Child Survival in FY 1992 and succeeding years, at the expense of the catch-all Selected Development Activities account, with instructions to AID to use the additive resources to accomplish the goal of immunization for substantially all (at least 80-90% of) aid-*

receiving developing-country children as soon after 1991 as possible, and for other programs required to achieve the newly accepted goal of a 70 or lower under-5 mortality rate in all recipient countries. (For use of a 90% goal for immunization, see the Philippine *Targeted Child Survival* project, described below.)

9. *Does AID really have a major interest in land tenure insecurity and agrarian structure?* The CP, in explaining AID's programs, states that in Latin America and the Caribbean tenure insecurity and agrarian structure are "major issue[s] of interest" (p. 58). We certainly agree that for any agency concerned with development issues in this hemisphere (or in other regions) tenure insecurity and agrarian structure *should* be major issues of interest. The Kissinger Commission clearly made this point in the Central American context; and the World Bank reiterates it in a much broader geographic setting in its *World Development Report 1990.* Ownership of agricultural land is highly skewed in much of Latin America and a large proportion of agricultural families do not own the land they work. They thus lack incentives to make long-term improvements that would make the land more productive and its production more sustainable. Providing land assets to landless farmers brings numerous additional benefits, relating to poverty-alleviation, private-sector agricultural growth, political stability, grass-roots empowerment and the growth of democracy.[20] U.S. support, through foreign aid, for reform of land tenure systems played a major role in the post-war development of Japan, Taiwan and South Korea.

However, AID's claim of "major interest" in the issues of tenure insecurity and agrarian structure is unsupported by their actions. These issues are not addressed directly by *any* AID project in the Latin American or Caribbean countries for which obligations are planned in FY 1992. In El Salvador, modest AID support for a major agrarian reform initiated in the early 1980s is winding down and, in fact, AID has been unwilling to release resources that would allow the government to buy up tens of thousands of hectares of *voluntarily-offered* land for distribution to campesinos who are still landless. Nor does it appear that land-tenure reform plays a role in any of AID's policy-based assistance activities. If AID does have a "major interest" in this area, it is not reflected in their program.

Recommendations: *Congress should direct modest resources on a continuing basis to the important area of land-tenure*

[20]See Roy L. Prosterman, Timothy M. Hanstad, and Mary N. Temple, "Issues for the Near Future" in Prosterman, Temple and Hanstad, *Agrarian Reform and Grassroots Development: Ten Case Studies,* Lynne Reinner Publishers, 1990.

reform. In addition, AID's policy-based programs in the agricultural sector should be advertent to the need, wherever it exists, for policy changes on the land-tenure issue.

THE REPORT CARD: SOME SALIENT DETAIL

Additional details of the assessment for FY 1992, with comparison of prior years, are presented in the tables that follow.

In these tables, most grade figures are rounded only to the nearest one-tenth of a point; except where otherwise noted, all dollar figures are in millions; and, except for Tables 9 and 10, the dollar figures reflect the amounts *graded* by us. Most of these tables relate to *Development Assistance*, since that facilitates direct comparison with FY 1981 and prior years, but, as noted, there are some time series, and some data shown for FY 1989, FY 1991 and FY 1992, incorporating simultaneous ESF and ESF-only figures. Further discussion of the results of our assessments follows the tabular presentation.

TABLE 4: DISTRIBUTION OF RESULTS FOR DEVELOPMENT ASSISTANCE BY GRADE, FY 1992 (WITH COMPARISON OF FY 1977-1991)

Total $ value & percentage of projects receiving a grade of:[21]

(millions)	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 85	FY 87	FY 89	FY 91	FY 92
A $:	201.5	291.3	343.0	254.2	268.8	309.9	191.1	192.8	188.7	174.1	180.2	219.9
%:	24	29	30	21	20	20	19	14	16	14	13	13
B $:	230.5	235.8	294.8	396.0	470.6	662.2	328.6	316.6	420.9	382.6	431.7	586.4
%:	27	23	25	33	36	44	32	24	36	31	31	35
C $:	208.4	264.4	300.8	369.1	386.9	348.9	300.4	419.9	415.7	399.2	387.5	500.3
%:	24	26	26	30	29	23	30	31	35	32	28	30
D $:	167.4	168.5	193.0	178.3	165.9	188.7	163.7	362.6	103.4	257.1	314.5	339.2
%:	20	17	17	15	13	12	16	27	9	20	23	20
F $:	47.9	47.4	23.9	18.3	24.8	10.0	30.8	45.5	50.6	49.4	68.5	35.8
%:	6	5	2	2	2	1	3	3	4	4	5	2

A plus B projects as a % of total $ value

FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 85	FY 87	FY 89	FY 91	FY 92
51	52	55	53	56	64	51	38	52	45	45	48

Note: Percentage totals may not sum to unit because of rounding.

[21] For FY 78-92, each category includes the "+" and "-" grades, except that neither "A+" nor "F-" is employed as a grade. In the first year of grading, FY 77, "+" and "-" grades were not used.

TABLE 5: DISTRIBUTION OF RESULTS FOR DEVELOPMENT ASSISTANCE BY REGION, FY 1992 (WITH COMPARISON OF FY 1977-91)

		$ Value of Projects Graded (millions)	Weighted Grade
Africa	FY 92	635.0	2.0
	FY 91	427.9	2.0
	FY 89	381.1	2.0
	FY 87	277.5	2.3
	FY 85	280.7	2.4
	FY 83	264.6	2.4
	FY 82	471.5	2.8
	FY 81	350.2	2.5
	FY 80	235.7	2.5
	FY 79	224.8	2.8
	FY 78	130.0	2.9
	FY 77	150.0	2.6

		$ Value of Projects Graded	Weighted Grade
Asia	FY 92	185.8	2.1

		$ Value of Projects Graded	Weighted Grade
Europe/ Near East	FY 92	112.4	2.8

(continued)

(continued)

TABLE 5: DISTRIBUTION OF RESULTS FOR DEVELOPMENT ASSISTANCE BY REGION, FY 1992 (WITH COMPARISON OF FY 1977-91)

		$ Value of Projects Graded	Weighted Grade
Asia/ Near East	FY 92[22]	298.2	2.4
	FY 91	385.7	1.9
	FY 89	282.9	2.3
	FY 87	312.8	2.3
	FY 85[23]	457.9	2.2
	FY 83[23]	372.7	2.2
	FY 82[23]	551.4	2.5
	FY 81[23]	521.9	2.7
	FY 80[23]	545.8	2.6
	FY 79[23]	486.9	2.4
	FY 78[23]	422.1	2.3
	FY 77[23]	410.9	2.4

		$ Value of Projects Graded	Weighted Grade
Latin America	FY 92	294.5	2.5
	FY 91	227.1	2.5
	FY 89	279.5	2.3
	FY 87	328.9	2.3
	FY 85	351.9	1.8
	FY 83	175.4	2.9
	FY 82	164.7	3.1
	FY 81	229.8	2.9
	FY 80	179.7	2.7
	FY 79	205.3	2.8
	FY 78	226.6	2.5
	FY 77	175.4	2.5

[22]The Asia and Near East programs were split into two separate bureaus for FY 1992, Asia and Europe/Near East. Their separate grades are shown above, but those two grades are combined here for comparative purposes.

[23]The Asia and Near East regions were also separate before FY 87. For closer comparability with the more recent figures, we combined the figures for the Asia and Near East regions for all years before FY 87.

(continued)

TABLE 5: DISTRIBUTION OF RESULTS FOR DEVELOPMENT ASSISTANCE BY REGION, FY 1992 (WITH COMPARISON OF FY 1977-91)

		$ Value of Projects Graded	Weighted Grade
Centrally Funded	FY 92	449.0	2.7
	FY 91	342.1	2.7
	FY 89	319.0	2.7
	FY 87	258.4	2.7
	FY 85	247.2	2.6
	FY 83	201.9	2.5
	FY 82	332.1	2.3
	FY 81	215.2	2.2
	FY 80	235.5	2.3
	FY 79	238.4	2.5
	FY 78	175.6	2.5
	FY 77	119.3	2.6

		Weighted Grade
Over-all:	FY 92	2.35
	FY 91	2.23
	FY 89	2.30
	FY 87	2.40
	FY 85	2.20
	FY 83	2.45
	FY 82	2.64
	FY 81	2.58
	FY 80	2.54
	FY 79	2.57
	FY 78	2.46
	FY 77	2.43

TABLE 6: DISTRIBUTION OF RESULTS BY "GRADE" AND REGION, FOR DEVELOPMENT ASSISTANCE AND ESF ACCOUNTS, FY 1992

(dollars per grade in '000s)

	A	B	C	D	F
Africa					
tot ESF	0	0	0	13,270	0
DA	34,800	170,752	214,869	194,211	20,395
Total	34,800	170,752	214,869	207,481	20,395
Latin America					
tot ESF	0	4,700	316,500	348,100	0
DA	45,011	126,936	71,219	48,261	3,100
Total	45,011	131,636	387,719	396,361	3,100
Asia					
tot ESF	0	2,500	0	15,000	0
DA	17,169	47,160	71,132	41,267	9,023
Total	17,169	49,660	71,132	56,267	9,023
Europe/Near East					
tot ESF	20,000	21,300	98,200	190,000	29,000
DA	37,500	32,500	31,000	10,000	1,400
Total	57,500	53,800	129,200	200,000	30,400
Cent. Funded					
(no ESF)					
DA	85,445	209,025	112,119	40,509	1,900
Total	85,445	209,025	112,119	40,509	1,900
World[24]					
tot ESF	20,000	28,000	414,700	566,370	29,000
	(2%)	(3%)	(39%)	(54%)	(3%)
DA	219,925	586,373	500,339	334,248	35,818
	(13%)	(35%)	(30%)	(20%)	(2%)
Total	239,925	614,373	915,039	900,618	64,818
	(9%)	(22%)	(33%)	(33%)	(2%)

[24]For FY 1991 the respective percentages for ESF, DA and combined, by grade, were: A = 3 / 13 / 9; B = 6 / 31 / 20; C = 41 / 28 / 34; D = 43 / 23 / 32 and F = 7 / 5 / 6.

TABLE 7: THE RANKING OF PROGRAMS COUNTRY-BY-COUNTRY FOR FY 1992

(1) Based on Development Assistance Only (with 3 or more graded projects)

Country	
Pakistan	3.48
Nicaragua	3.41
Peru	3.38
Zaire	3.17
El Salvador	3.01
Haiti	3.01
Nepal	3.01
Ghana	2.90
Morocco	2.87
Dominican Republic	2.83
Bolivia	2.83
Guatemala	2.81
Cameroon	2.76
Rwanda	2.68
Chad	2.60
Mali	2.53
Indonesia	2.47
Zambia	2.46
Costa Rica	2.44
Senegal	2.44
Jamaica	2.40
Honduras	2.35
Kenya	2.35
India	2.34
Guinea	2.30
Uganda	2.26
Thailand	2.25
Madagascar	2.24
Belize	2.22
Niger	2.13
Sri Lanka	2.03
Philippines	2.01
Malawi	1.84
Mozambique	1.72
Bangladesh	1.61
South Africa	1.61
Swaziland	1.56
Burundi	1.51
Panama	1.46
Tanzania	1.40

(continued)

(continued)

TABLE 7: THE RANKING OF PROGRAMS COUNTRY-BY-COUNTRY FOR FY 1992

(2) Ranking of Country Programs When Development Assistance and Simultaneous ESF are Both Included
(for clarity, grades for those countries receiving ESF in addition to Development Assistance are underlined in the following)

Peru	3.38
Zaire	3.17
Nepal	3.01
Ghana	2.90
Morocco	2.87
Cameroon	2.76
Rwanda	2.68
Chad	2.60
Mali	2.53
Zambia	2.46
Dominican Republic	2.35
Kenya	2.35
Thailand	2.35
India	2.34
Indonesia	2.32
Bolivia	2.32
Guinea	2.30
Senegal	2.29
Haiti	2.28
Pakistan	2.26
Uganda	2.26
Madagascar	2.24
Belize	2.22
Costa Rica	2.22
Niger	2.13
Sri Lanka	2.03
Jamaica	1.95
Guatemala	1.90
Malawi	1.84
El Salvador	1.80
Mozambique	1.72
Philippines	1.67
Honduras	1.62
Bangladesh	1.61
South Africa	1.61
Nicaragua	1.57
Swaziland	1.56
Burundi	1.51
Panama	1.46
Tanzania	1.40

(continued)

(continued)

TABLE 7: THE RANKING OF PROGRAMS COUNTRY-BY-COUNTRY FOR FY 1992

(3) ESF - Only Countries (with at least $10 million of graded projects)

West Bank/Gaza	3.70
Morocco	2.74
Jordan	2.24
Portugal	1.70
Oman	1.00
Turkey	1.00

TABLE 8: CHANGES IN COUNTRY RANKINGS, FY 1991 TO FY 1992[25]

Development Assistance

Biggest Improvements	FY 91	FY 92	Gain
Senegal	1.15	2.44	+1.29
Dominican Republic	1.65	2.83	+1.18
Pakistan	2.59	3.48	+0.89
Zaire	2.34	3.17	+0.83
Philippines	1.22	2.01	+0.79
Malawi	1.24	1.84	+0.60
Biggest Declines			**Decline**
Morocco	3.60	2.87	-0.73

Countries Receiving Both Development Assistance and Simultaneous ESF

Biggest Improvements	FY 91	FY 92	Gain
Senegal	1.29	2.29	+1.00
Dominican Republic	1.55	2.35	+0.80
Philippines	0.99	1.67	+0.68
Biggest Declines			**Decline**
No large declines			

[25]At least 3 graded projects each year.

TABLE 9
ECONOMIC ASSISTANCE PROGRAM TRENDS
FY 1979-92

(dollars in '000's)	1979 Request	1980 Request	1981 Request	1982 Original Request	1982 Revised[26] Request	1983 Request	1984 Request	1985 Request	1987 Request	1989 Request	1991 Request	1992 Request
1. Development Assistance[27]	1,213,948	1,438,879	1,527,600	1,970,600	1,506,868	1,392,000	1,445,000	1,683,199	1,627,000	1,650,000	1,968,500[28]	2,237,000[27]
2. ESF	1,904,400	1,995,100	2,080,500	2,431,500	2,581,500	2,886,000	2,949,000	3,438,100	4,093,800	3,281,000	3,344,000[29]	3,223,000[30]
3. ESF (ex-Egypt & Israel)[30]	369,400	460,100	545,500	896,500	1,046,500	1,351,000	1,414,000	1,838,100	2,078,800	1,266,000	1,329,000	1,213,000
3A. Simultaneous ESF	--	--	116,500	270,000	270,000	758,000	706,000	1,410,600	1,595,350	1,075,500	959,700	776,400
3B. ESF-Only	--	460,100	429,000	626,500	776,500	603,000	708,000	427,500	483,450	190,500	369,300	436,600
4. Special Assistance Initiatives For E. Europe	--	--	--	--	--	--	--	--	--	--	300,000	400,000
(1):(3)	3.3:1	3.1:1	2.8:1	2.2:1	1.4:1	1:1	1:1	0.9:1	0.8:1	1.3:1	1.5:1	1.8:1
(1):(3A)	--	--	13.1:1	7.3:1	5.6:1	1.9:1	2:1	1.2:1	1:1	1.5:1	2.1:1	2.9:1

[26]The revised request for FY 1982 was graded.

[27]Includes Functional Development Assistance plus the Sahel program, thus excluding American Schools and Hospitals Abroad, and International Disaster Assistance for all years; included here is a modest amount of funding in the functional categories that is excluded from the grading process. See above. For FY 1985 funds for the Housing Guaranty Reserve and Economic Policy Initiative for Africa are also excluded, as are funds for the Housing Guaranty Reserve for FY 1987, 1989 and 1991. Apart from this, <u>all</u> funding is included here whether or not information for grading was available.

[28]Includes Development Programs, Development Fund for Africa, and $200,000 for FY 1991 and $160,000 for FY 1992 from Special Assistance Initiatives (AI) (only the Philippine MAI portion).

[29]Does not include a small amount of Deob./Reob.

[30]For FY 1992, Egypt 815,000, Israel, 1,200,000 in ESF.

TABLE 10: NUMBER OF COUNTRIES AND UNDERTAKINGS ($1 MILLION OR MORE) RECEIVING DEVELOPMENT-ASSISTANCE FUNDS

	Number of Countries with Development-Assistance Programs	Number of Development-Assistance Undertakings of $1 Million or More
FY 1977	50	151
FY 1978	45	222
FY 1979	56	283
FY 1980	53	304
FY 1981	53	348
FY 1982	49	361
FY 1983	47	336
FY 1985	50	356
FY 1987	56	415
FY 1989	63	396
FY 1991	61	451
FY 1992	65	593[31]

For simultaneous ESF countries, the additional data for FY 1987, FY 1989, FY 1991 and FY 1992 are:

	Countries	ESF Undertakings of $1 million or more
FY 1987	26	69
FY 1989	33	77
FY 1991	22	85
FY 1992	16	76[32]

In addition, in FY 1992 there were 12 ESF-only countries (not counting Egypt and Israel) with 22 undertakings of $1 million or more.

[31]For FY 1992, this includes 472 graded undertakings and 79 undertakings of $1 million or more for which no grade was assigned because no project sheet was available and 42 projects, most in Eastern Europe, that were not graded for reasons described supra, at footnote 10.

[32]55 graded and 21 not graded for FY 1992.

A number of additional comments may be offered as to the data in the foregoing tables. We have already reflected in Table 1 our assessment that the FY 1992 *Development-Assistance* program has improved from FY 1991 in terms of the percentage of funds going towards "A" or "B" projects, but it is still well below its zenith in the FY 1982 program.

From Table 4 it can be seen that the percentage of development-assistance funds going to "A" projects remains at the FY 1991 level of 13%, lower than the levels for all other years since the grading began. The proportion of funds going to "B" projects, however, realized an increase (from 31% to 35%). In another positive development, the resources going to "D" and "F" projects, which had been increasing since the FY 1985 evaluation, decreased from 28% of proposed funding in FY 1991 to 22% this year. Although these are steps in the right direction there is still a long way to go, even to reach the best year's performance (FY 1982), which we would still consider somewhat inadequate. One way of viewing the difference between the best year's performance in FY 1982 and the present year's performance is to note that the relative proportion of development-assistance resources going to best versus worst projects ("A" plus "B" versus "D" plus "F") has gone from 64:13, or nearly 5:1 in FY 1982, to 48:22, or 2.2:1 in FY 1992.

Table 5 suggests, unfortunately, that the overall grade for the Africa program remains at the lowest level (2.0) since the grading began. At least as of FY 1992, the additional flexibility that the Development Fund for Africa affords AID has not led to an increase in program quality, and indeed the program grade has declined by three-tenths of a point since FY 1987.

This table shows the grade for Latin America remaining at 2.5, its highest level since FY 1983, and hints that the quality of what was the Asia/Near East Bureau program has improved. The combined Asia/Near East program received the lowest grade (1.9) last year in FY 1991 since the grading began. Since last year the Asia/Near East Bureau has been separated into two Bureaus: Asia/Private Enterprise, which we refer to as Asia, and Europe/Near East. This year, the separate Asia program receives a 2.1, two-tenths of a grade-point higher than the combined Asia/Near East program in FY 1991. The portion of the Europe/Near East program which we graded (we did not grade the Eastern Europe portion of the program because we consider the Eastern European countries to be developed and a special case) fared considerably better, receiving a 2.8. This is a full five-tenths of a grade-point higher than the combined development-assistance grade of those same Near East countries last year. The overall grade of the Asia/Private Enterprise and Europe/Near East Bureaus combined is a 2.4, five-tenths of a grade-point higher than the erstwhile Asia/Near East Bureau last fiscal year.

Table 6 gives a further break-down for the economic-assistance program for FY 1992, as in the previous table covering not only Development Assistance but ESF (both for those countries receiving ESF simultaneously with Development Assistance, and those receiving ESF only). The world comparisons underline that ESF is of much lower overall quality than Development Assistance in relation to the poverty-fighting goals of the Foreign Assistance Act. *Fully 57% of global ESF goes to "D" and "F" projects, and only 5% to "A" and "B" projects.* This poor performance of ESF excludes ESF to Egypt[33] which, as noted earlier, clearly demonstrates the non-inevitability of such an extreme outcome, with 28 - 39% in most recent years going to "A" and "B" projects.

Table 7 (with some further comparison in Table 8) continues to offer, in our view, one of the most fundamental indictments of the inadequacy of AID's efforts to comply with the statutory standards. Year after year in our grading, whether considering Development Assistance resources by themselves or including simultaneous ESF, we have found an enormous gap between the "compliance level" of the best country programs and that of the worst country programs. For Development Assistance considered alone (countries with three or more graded projects), the quality range in FY 1992 runs the gamut from 1.40 (Tanzania) to 3.48 (Pakistan). When including simultaneous ESF, the range is from 1.40 to 3.38 (Peru).

From our extensive experience out in the field, we are clear that this enormous compliance-gap between countries generally has little to do with anything that the recipient country insists upon (and, in any event, insistence on outlays that are far outside the legislative bounds should evoke a reply from the Mission Director that Congress has indicated that such is not a proper expenditure of resources). Rather, it is generally the AID Mission Director who -- within a broad range of options that he or she possesses -- lobbies the local government diligently and usually successfully for those projects he or she wishes to fund. It is AID/Washington's failure to effectively communicate down to the field, during a period now spanning 15 years, what the legislative standards mean and what is expected of the country missions that has led, in large part, to this continuing erratic performances from one country to the next. On the other hand, AID/Washington, when they invoke standards must invoke the standards of the Foreign Assistance Act, not a set of requirements largely in conflict with the these congressional standards. (On the latter, see the discussion under point 2, starting at page 15 above.)

[33]Again, our assessment here includes neither ESF to Egypt nor that to Israel, the latter essentially a developed country.

We also note that country programs which receive an overall grade of 3.0 or better have increased from four in FY 1991 to seven currently (or from two to three if ESF is included).

Table 9 (which covers *all* requested funding for Development Assistance and ESF activities, with minor exclusions, whether or not we have graded the particular amount) reveals certain quantitative trends since FY 1987 that are encouraging. Compared with FY 1987, total economic assistance funding requests -- ex-Egypt and Israel -- are slightly greater, if the Special Assistance Initiative for Eastern Europe is included. Excluding the latter, aid requested for the "traditional" countries is down from $3.705 billion in FY 1987 to $3.450 billion in FY 1991, a decline of about 7%. But the *mix* of the traditional-country aid request has changed significantly. Development Assistance was 44% of the total for the traditional countries (ex-Egypt and Israel) in FY 1987, and is now up to *65%*; simultaneous ESF is down from 43% to *23%*; and ESF going to countries that receive only such funds is down marginally from 13% to 12%.

Viewed by itself, the Development Assistance request (including the Philippine MAI in the total) is up 37% since FY 1987. A further desirable net result of the changes since FY 1987 is that the *ratio of Development Assistance to ESF* (ex-Egypt and Israel) for FY 1992 stands at 1.8:1, the highest such ratio since the original budget request for FY 1982 (and up from a nadir of 0.8:1 in FY 1987), while the *ratio of development assistance to ESF simultaneously given to the same countries* stands at 2.9:1, the highest such ratio since the revised FY 1982 budget request (and up from the low point of 1:1 in FY 1987).

Since Development Assistance, overall, has consistently had a much higher "compliance level" than ESF, such shifts in favor of Development Assistance should continue to occur, although it would be even more desirable if this were accompanied by further improvements in the quality of the development-assistance effort.

A final point to be made here relates to AID's method of presenting the Development Assistance account. In the CP, *all* "Operating Expenses" (for FY 1992, $488.8 million) are characterized as Development Assistance -- though we do not include them in the foregoing discussion -- and *none* as ESF. This is misleading, and artificially enlarges the DA account relative to ESF.

> ***Recommendation:*** *The congressional oversight committees should request AID henceforth to show "Operating Expenses" as allocated among DA, ESF (including Egypt, though perhaps*

not Israel) and the SAI for Eastern Europe in approximate proportion to the program funds requested under each of those headings.

Finally, we note Table 10, which reflects the fact that Development Assistance in FY 1992 will be spread among the largest number of countries (65) since our grading began -- much too large a number, in our judgment (apart from minimal, show-the-flag programs which might instead be run "out of the Ambassador's desk drawer"), given the relatively small resources disposed of. The available resources also continue to be divided among what we consider an excessively large number of over-$1 million projects. Simultaneous ESF on the other hand, shows better country-concentration and somewhat better project-concentration of the shrinking simultaneous ESF resources. The ESF figures, of course, indicate that there is no automatic correlation between larger programs and more effective programs. AID must strive both to increase the quality of projects *and* to concentrate its resources on fewer projects in fewer countries.

Recommendation: *Aid should focus both on a more limited number of countries and a smaller number of projects.*

SELECTED PROJECTS

This year we have briefly described most of the 4.0 projects, and virtually all 0.3 and 0.0 projects -- those at either end of the grading spectrum -- as well as offering descriptions of some illustrative projects at various points in between.

Some "A" projects: "A" projects -- those receiving a 4.0 or 3.7 -- are those projects proposed for funding in the Congressional Presentation which seem likely to fully implement the intent of Congress as expressed in the guiding legislation and to have a clear, significant impact on the poor majority.

Centrally Funded -- Food Technology and Enterprise, 936-5120 (FY 92, $1.0 million), 4.0: This project, formerly more aptly named *Nutrition for Economic Recovery and Growth,* has life-of-project DA funding of $10 million. It is global in scope and focused specifically on the possible adverse impact of government austerity and multilateral structural-adjustment programs "on nutritional status, particularly among the poorest of the poor." The project will "assist decision makers in the developing world to collaborate with international banks to develop and manage structural adjustment and bilateral assistance programs which address economic reforms *while also ensuring adequate nutritional status and food security*" (emphasis added). It will also include a series of pilot-project interventions to evaluate the influence, effectiveness, and impact of these macro and micro-economic programs and policies on household and community food consumption and nutritional outcomes.

The project document suggests the "austerity and structural adjustment programs in developing countries can have an adverse impact on nutritional status, especially among the poorest of the poor. With some courage, this project takes on this extremely important issue. It is to be hoped that the findings will be taken into account not only in AID policy-reform measures, but in those of the World Bank and IMF as well.

Niger -- Integrated Child Survival, 683-0270 (FY 92, $2.65 million), **4.0**: This is one of a series of AID Child Survival projects around the world supported by a special addition to section 104 of the Foreign Assistance Act that Congress adopted in 1985. Most of these Child Survival projects receive "A" or "A-" grades. This project in Niger has planned life-of-project funding of $7.0 million. In a setting of high infant and child mortality, where the five leading causes of death for children can be avoided or treated with simple, inexpensive, preventative measures, vaccinations or medications, this project aims to assist Niger's Ministry of Public Health in improving both the coverage and quality of child survival services. The costs for an enhanced, integrated approach to child survival that focuses on timely and efficient delivery of preventive and primary health care services are less than $2 per beneficiary.

Bolivia -- Community and Child Health, 511-0594 (FY 92, $2.25 million), **4.0:** This project with $16.5 million life-of-project of Development Assistance funds is designed to improve the health status of children under the age of five, and pregnant and lactating women. The project consists of three components: National Immunization Program support, National Diarrheal Disease Control program support, and a District Integrated Child Survival program which will provide a broad range of child survival interventions. The project will benefit infants and women in the targeted districts at a cost of about $20 per beneficiary.

Other projects, variously funded from Child Survival, Health, and Development Fund for Africa, are similar to the Niger and Bolivia projects just described, and likewise receive a 4.0:

Philippines -- Targeted Child Survival Program, 492-0406 (FY 92, $12.5 million; life-of-project, $50.0 million), **4.0**: This project seeks, *inter alia,* 90% immunization coverage for children under *one* year of age.

Nicaragua -- Expanded Program of Immunization, 524-0321 (FY 92, $1.0 million), **4.0**: This project seeks 80-90 percent immunization coverage of children for polio, diphtheria, tuberculosis, and measles and an 80% tetanus toxoid immunization rate for women of childbearing age.

Malawi -- Promoting Health interventions for Child Survival, 612-0231 (FY 92, $2.775 million; life-of-project, $20.443 million), **4.0**: In another very high mortality setting, this project will include safe water and sanitation as well as child survival interventions.

Indonesia (497-0359), Nigeria (620-ACSI), and Nepal (367-0157) also have child survival projects that rate a 4.0.

Centrally Funded -- Diarrheal Disease Research and Coordination, 936-5986 (FY 92, $3.55 million), **4.0**: This centrally-funded project with planned life-of-project funding of $18.1 million focuses on diarrheal disease control largely through oral rehydration therapy (ORT), one of the four emphasis interventions which form the basis of AID's Child Survival Strategy (the other three being immunization, nutrition, and birth spacing). Despite tremendous progress in the 1980s in the expanded use of oral rehydration therapy, diarrheal diseases remain one of the world's most important public health problems, killing more than four million children each year in developing countries. This project is a further effort to prevent future child deaths with low-cost interventions.

Pakistan -- Malaria Control II, 391-0472 (FY 92, $3.0 million), **4.0**: AID will spend $66 million, all but $5 million of it out of ESF, with approximately equal amounts from the Pakistani government, to continue control of malaria. Twenty-one million cases of malaria are expected to be avoided during the life of the project, for an AID cost of about $3 and an over-all cost of about $6 per case prevented. This project illustrates two further points: first, ESF *can* be applied to highly-useful projects, although it rarely is; and second, even in a country setting which in many ways is not welcoming of projects that help the poor majority, *some* such projects can still normally be identified and funded if the local AID mission tries hard enough to find them. Pakistan, with its high proportion of non-landowning farmers, restrictions upon women, and other prevailing negative policies, is clearly not a "welcoming" setting for many kinds of programs oriented towards the poor, yet there are some good projects, and there could be more.

Africa Regional -- Onchocerciasis Control Program, 698-0485 (FY 92, $2.5 million), 4.0: This project is the fourth phase of AID's successful onchocerciasis (river blindness) program to control the blackfly -- the onchocerciasis vector. So far, transmission has been interrupted in 90% of the targeted areas in 6 African countries, with people returning to previously abandoned farm lands. In addition to controlling the blackfly and treating existing infections, a small portion of the program has been devoted to a search for a drug to cure or prevent the disease.

In this multi-donor program over 130 million hectares will be ridded of onchocerciasis and thus 21.5 million people will be protected from the disease. AID's portion ($15 million for life-of-project) will provide benefits at a remarkably low cost of 70¢ per person. The reduced incidence of the disease in these targeted areas, will be a major achievement in both health improvement and in agricultural productivity.

Centrally Funded -- Women's and Infants' Nutrition (WIN): A Family Focus, 936-5117 (FY 92, $1.55 million), 4.0: With life-of-project funding of $25 million, from DA, this project begins with the important recognition that "Sixty percent of all infant and young child deaths are related to malnutrition."

This project's important purpose is to help formulate and implement means for improvement in infant and young child nutrition, and new approaches to improve the nutritional status of adolescent girls and women of childbearing age. It includes a large number of project designs and monitoring systems in place, and development of an even larger number (76 and 78, respectively) of lactation management programs and infant feeding/weaning/diarrheal management programs.

Nicaragua -- Water and Sanitization, 524-0327 (FY 92, $5.0 million), 4.0: For life-of-project funding of $25 million in DA, this project (similar to the Guatemala project below) will provide potable water, latrines, and a health education program to 60,000 families in small, rural communities throughout Nicaragua. As in the Guatemalan project, the rural communities will be actively involved in the construction of the latrines and water systems, and local committees will handle maintenance and cost recovery mechanisms.

Lack of potable water and waste disposal systems are key factors in the incidence of diarrheal diseases, a major killer in developing countries. Yet, only 11 percent of Nicaragua's rural population has access to potable water and only 16 percent has access to sanitation services. The figures for Guatemala are 14 percent and 12 percent, respectively. These projects will lead to decreased morbidity and mortality from water-borne diseases; and the projects will especially benefit women, who will devote less time to collecting water.

Guatemala -- Highlands Water and Sanitation, 520-0399 (FY 92, $1.1 million), 4.0: For life-of-project funding of $15 million in DA, this project will provide potable water and latrines, as well as a basic health education program, for rural Guatemalans living in small communities in the Western Highlands. Community water committees will be established to operate and maintain the potable water systems, and the latrines will be at household level, supporting sustainability. Costs will be about $68 per beneficiary (equivalent to $340 per 5 person family), indicating replicability.

Pakistan -- Primary Education Development, 391-0497 (FY 92, $20.0 million), 4.0: This large $210 million life-of-project undertaking, $44.75 from DA and $165.25 from ESF, will provide funds for training 7,000 teachers, physical improvements and construction of 2,300 primary schools, construction of 300 female teacher hostels, teaching/learning materials and equipment, including 1.4 million textbooks, research and experimentation, strengthening of primary administration and management, and female student and teacher scholarship incentives. Direct beneficiaries, primary school students who will benefit from increased access and improved quality in primary school, will benefit at a cost of about $182 each.

Numerous studies have shown the high social returns to investment in primary education.[34] Such returns are measured by comparing the higher lifetime productivity of education workers with the costs of education. But primary education also generates externalities that are difficult to measure. The indirect effects of primary education on health, nutrition, and fertility are significant. The children of literate mothers are healthier, better nourished, and have longer life expectancies than those of uneducated women, and studies have also shown that female literacy is linked to a drop in fertility rates.

In a setting such as Pakistan, where barely one-quarter of all girls and one-half of all boys of primary school age are enrolled in school, this project is highly appropriate and receives our highest grade.

Ghana -- Primary Education Program, 641-0119 (FY 92, $7.0 million), 4.0: This project shows that cash transfer, or "non-project assistance" can be given in ways

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[34]See *Financing Education in Developing Countries: An Exploration of Policy Options,* World Bank, 1986.

that provide direct, substantial benefits to the poor. In Ghana, only 69 percent of all six year-olds are even enrolled in primary school. The primary eduction sector suffers from inadequate funding, severe under-financing in comparison to higher education, lack of text books, overcentralization, and underqualified employees. This project, with life-of-project funds of $32 million of non-project assistance (sector grants) and $3 million of projectized assistance will address Ghana's problems in primary education, using sector grants to the government which will be disbursed in tranches upon completion of agreed-on policy reform measures in the primary education sector. These policy reforms will promote an increased allocation and better use of government resources towards primary education, and more equitable access to schooling. The sector grant resources will be sold in Ghana's foreign exchange auction program to generate local currency which will be "projectized" in activities (jointly agreed on by the government of Ghana and AID) that support primary eduction in Ghana. Ancillary support will be provided by the projectized hard currency component of the project.

The project is expected to increase primary school enrollment to 80 percent, and of those enrolled, 80 percent are projected to complete six years of primary education. Those benefiting from the $35 million project include 63,000 primary school educators, 1,400 supervisors, and approximately *2.1 million* children, the bulk of whom are poor.

The project shows that non-projectized assistance can be used in ways calculated to provide specific, direct benefits to the poor. It can do so by focusing on specific sectors (instead of broad, macroeconomic goals), aiming to achieve policy reforms within that sector which will directly benefit the poor, and generating local currencies which are then projectized in activities that support and compliment the sectoral policy reforms.

Haiti -- Tropical Fruit Production and Marketing, 521-0231 (FY 92, $1.0 million), **4.0**: For $5 million life-of-project funding, AID proposes to expand the production and marketing of selected tropical fruits which will fit the "small-farm, multi-crop, low-input production system that prevails throughout Haiti." Because the project focuses on increasing income of small farmers, does so in a setting where most farmers are owner-operators (assuring that the benefits won't be diverted to landlords or plantation owners), and the costs are clearly replicable at $67 per family benefited, this project receives a straight "A."

Senegal -- Southern Water Zone Management, 685-0295 (FY 92, $3.0 million), **3.7**: With life-of-project funding of $18.0 million from DA, this project will focus on land reclamation and small-scale water management improvements, in a setting predominantly of small farmers with ownership or owner-like tenure. Related research will improve local grain varieties and yields. Reclamation and protection of lowland rice areas, with associated dikes for rainfall retention, will costs about $50 per hectare, with much of the construction to be done by local communities. Simple wells with hand or diesel pumps will be constructed which will provide supplemental irrigation in upland areas, also using farmer's contributed off-season labor. Applied research will explore appropriate farming systems that have given 30-40% increases in yields during pilot work. This project appears to do the right thing in a welcoming (small-farm, secure tenure) setting, using appropriate technologies.

Dominican Republic -- Microenterprise Development, 517-0254 (FY 92, $1.483 million), **3.7:** Intended for life-of-project funding of $7.25 million from DA, this project will provide technical assistance and support to micro- and small enterprises, complementing a further $5 million equivalent to be allocated out of AID's local currency funds. Average size of loan is planned to be $416. In the concentration on very small enterprises, coordinate small size of loans, giving of related technical assistance, and leveraged and focused use of local currency, this appears to be an excellent undertaking. In order to merit an unqualified 4.0, however, we believe that a microenterprise credit program would have to hold loans to $300 or less, as recommended in the conference report language that accompanied the microenterprise earmark in the 1988 Continuing Resolution. Programs such as the Grameen Bank in Bangladesh and the Baden Kredit Kecamatan in Indonesia have demonstrated that loans of under *$100* can make an enormous difference, can be administered in very large numbers and can be almost universally repaid.

Centrally Funded -- Population Council Program, 936-3050 (FY 92, $4.0 million), **4.0:** This centrally funded project, with life-of-project DA funding of $20.899 million, will focus on development of new modern contraceptives and their introduction, including "development of contraceptive vaginal rings for regularly ovulating and breast-feeding women, luteinizing hormone-releasing hormone (LHRH) analogues for men, the levenorgestrel IUD, [and] subdermal implants including NORPLANT." Four to six new methods are planned to be available in later stages of clinical testing, and two to three to be actually introduced; in addition, there will be "probing studies" of five to ten potential new contraceptive products.

Experience in the field strongly indicates the need for additional modern contraceptive methods -- the multi-year NORPLANT implant alone could revolutionize contraceptive distribution and practice in many developing countries. This high-priority highly leveraged project, with its expansion of the range and availability of modern, scientific contraceptive methods, stands as a polar opposite to the *Natural*

Family Planning project with its naive promotion of "abstinence," a project which is described in our FY 1991 grading report at pp. 57-58.

Some "B" projects: "B" projects -- those receiving a 3.3, 3.0 or 2.7 -- fall within a range of undertakings that represent a reasonable effort to implement the intent of Congress as expressed in the New Directions legislation, but have drawbacks likely to limit their impact.

Indonesia -- Private Sector Family Planning, 497-0355 (FY 92, $2.327 million), **3.3:** With life-of-project funding of $20 million from DA, AID will help increase the involvement of the private sector in provision of family-planning services, including expanded use of family-planning, and expanded availability of new contraceptive technology, such as the use of implants (e.g., NORPLANT). Indonesia's family-planning program has been highly successful, with crude birth rate declining from around 44-46 per 1000 population in 1971 to 27 per 1000 now -- total fertility rate has declined from 5.5 to 3.3 -- and AID's continued support is very desirable.

The principal drawback is that mortality rates (IMR at about 70 per 1000 live births, and under-five mortality still over 100) while they have also substantially declined, are still at levels at which many couples fear for the survival of their children, so that social pressures from above rather than the full meeting of social and economic preconditions at the grass-roots have played a somewhat larger role in Indonesia's family-planning success than in most other countries with successful programs. This doesn't mean that family-planning availability should be limited; but it does, in our view, mean that it is important that the kinds of social and economic conditions that are reflected in still-fairly-high mortality rates should "catch up." Because of this shortcoming, the project receives a "B+" grade. By way of comparison, in a country such as Jamaica, where the birth rate has declined as much, or even more, but where much better grassroots "preconditions" are reflected in an IMR of 20 and an under-5 mortality rate in the mid-20s, we give AID's *Population and Family Planning Project Services II* a 3.7; but in Uganda, where births have actually gone *up,* IMR stands at 108 and under-5 mortality is above 170, while only 3% have accepted family planning (AID proposes to increase this to 9%), we give the *Child Spacing* project in this unwelcoming setting a 1.7.

Madagascar -- Sustainable Approaches to Viable Environmental Management, 687-0110 (FY 92, $4.0 million), **3.3:** AID plans to use $26.6 million life-of-project of DA funds to help the government of Madagascar implement the biodiversity and institutional strengthening components of an internationally-devised Environmental Action Plan. The project will test the hypothesis that local rural populations will alter their behavior from destruction to conservation of their environment if they see a relationship between their economic and social well-being to the conserved area, and if they are empowered to make the right decisions. To do this, the project will use $12 million of the project funds to award up to six large "protected area development grants" to local or international NGOs for priority protected areas and approximately 100 small "conservation action grants" to local NGOs, government units and individuals for locally initiated intersections in peripheral zones adjacent to protected areas. The remaining project funds will provide technical assistance, training, and commodity support to both governmental and non-governmental institutions active in the natural resources sector.

This environmental-management project receives a slightly higher grade than most other environmental or natural resource management projects because of its grassroots approach and emphasis on linking the short term social and economic well-being of the local populations with sound environmental practices. Much of the environmental degradation in developing countries results from rural families with insecure tenure and thus insufficient incentives to follow sustainable farming, woodcutting, or herding practices. This project aims to benefit 60,000 to 120,000 rural people through sustainable interactive development efforts. The costs-per-family-benefitted for these direct beneficiaries can be variously determined and range from $1,000 to $4,432 and for that reason the project does not receive an "A" grade. However, generations to come will benefit from natural resources that have not been destroyed, but used sustainably.

Cameroon -- Reform in the Agricultural Marketing Sector (PRAMS) II, 631-0086 and 631-0085, (FY 92, $4.0 million), 2.7: AID plans to spend $20 million of non-project assistance and $5 million of project assistance life-of-project to liberalize and privatize the currently government-controlled marketing of arabic coffee, robusta coffee, cocoa, and pesticides. The non-project assistance will be in the form of performance grants which AID will give to the government of Cameroon in exchange for policy changes which will remove marketing impediments and pricing constraints in these subsectors. The project assistance will be for technical assistance, presumably to strengthen the capacity of farmer cooperatives, and for studies and monitoring.

This project receives an acceptable grade because the policy reforms it intends to achieve will directly benefit small farmers, who will receive higher prices and will be more free to grow and market what they choose. In this respect, the non-project assistance portion is a good example of the types of policies we believe policy-based cash transfers should seek -- specific sectoral or sub-sectoral polices that directly benefit the poor. The project would have received a higher grade if it appeared there was an attempt to generate and projectize local currencies.

Some "C" Projects: "C" projects -- those receiving a 2.3, 2.0 or 1.7 -- appear only marginally relevant to implementing the congressional mandate, although some benefit may be gained by the poor majority.

As we move into the range of lower-graded projects, it should be kept in mind that superficially attractive-sounding undertakings may be of marginal value or even counterproductive for the poor majority, when looked at more carefully in terms of their country setting, the project's design, the past history of success or failure, costs per-family-benefited, and other important factors.

El Salvador -- Public Services Restoration/Rehabilitation, 519-0320 (FY 92, $8.167 million), **2.3:** This project with life-of-project funding of $75.0 million, divided about equally between ESF and DA, is primarily intended to make "major repairs and improvements" to public infrastructure that has deteriorated because of recession and war. It will "restore electrical power lines, wires, grade roads, and reconstruct telecommunication utilities," and also includes a potable water component.

Under the circumstances, and utilizing ESF, there is ample security-related reason for the repairs. The potable-water component, moreover, would represent a somewhat higher grade for about 3/8 of the funds. Our overall 2.3 or "C+" grade, however, is a reminder of the important point that the *original* infrastructure had relatively little *development* impact. *As the Kissinger Commission report clearly stated, despite substantial over-all expansion of the classic industrial-commercial kind in the region from 1950 to 1978, reflected in an annual 5.3% real growth rate, nonetheless "the gulf between the rich and the mass of the very poor remained," adding, in agreement with the Economic Commission for Latin America, "'the fruits of the long period of economic expansion were distributed in a flagrantly inequitable manner.'"* The same infrastructure, being restored, is likely to have just as marginal a development impact on the poor majority as originally, except for its probably marginal interactions with the very recent and partially completed reform programs. (But direct support for those programs, as in *Agrarian Reform Credit, Agrarian Reform Support,* and *Agrarian Reform Sector Financing,* is the highly relevant thing from the development point of view, and all three of those projects have, over time, received a straight 4.0. Regrettably, no new obligation for any of these projects is included in the FY 91 program.) On the other hand, the present infrastructure investment does not represent the diversion of large funds to build it "from scratch" (undertakings which might rate a "D" or lower), but rather the use of relatively smaller funds to restore it to functioning. Limited as the impact of that functioning may be on the poor majority, the leverage of such funding for restoration is sufficient, when combined with the inclusion of the desirable potable water component, to permit a "C+" rather than a lower grade.

Panama -- Improving Local Democracy, 525-0315 (FY 92, $1.5 million), 2.3: With life-of-project funding of $4.5 million, this is one of a series of "democratic institutions" undertakings that receive, collectively, significant attention in AID's proposed FY 1992 program. Funding for occasional projects of this kind in past years was specified to come, when not from ESF, out of either Education and Human Resources funding (FAA section 105) or Energy, Private Voluntary Organizations, and Selected Development Activities funding (FAA sec. 106), although no specific development-assistance funding source is named for any FY 1992 project. These projects appear generally peripheral to the purposes specified in sections 105 and 106, and largely to fall outside the ambit of AID's expertise, being seemingly more suitable to the National Endowment for Democracy (NED).

The present project is one of the better democracy projects, focusing on local institutions, which it seeks to strengthen through in-country training for local leaders, improvement of administration and services delivery, and advice on methods of collecting funds to meet local needs. (If the project were not only procedural and administrative, but had involved actual provision of needed local services like solid-waste disposal or road maintenance, the grade would have been significantly higher.) On the other hand, more typical "democracy" projects aimed at central-level institutions, without a special focus on the institutions most accessible to the poor -- usually concerned with overall improvement of one or more of the Judiciary, the Justice Ministry, the Legislature, the Electoral Tribunal and election process, Human Rights agencies, and the Media -- generally receive a lower, 1.7 grade. Such projects include, for example, *Strengthening Democratic Institutions* in Guatemala, *Caribbean Justice Improvement* in Caribbean Regional, and *Strengthening Democratic Institutions* in Bolivia. These "macro" projects in particular, it would seem, are more properly in the province of NED than that of AID. The move to take in the vast additional area of democratic political processes and functions under the umbrella of AID's programs will serve to diffuse resources and personnel, and seems inconsistent with the promised effort (CP, p. 13) "to do fewer things, and to do them well."

Honduras -- Rural Roads III, 522-0334 (FY 92, $2.0 million), 2.0: This project, scheduled for life-of-project funding of $15 million from DA, will construct and rehabilitate certain rural roads, and establish a labor-intensive program of maintenance for additional rural roads. Cost-per-kilometer for the three activities, as calculated from the original project sheet, will be, respectively, $23,000, $14,000 and under $2,000. In its focus on small-scale rural roads rather than "major highways and secondary roads" (where other donors are indicated to have concentrated) this project would receive a grade in the "B" range, except for two significant detracting factors that limit its replicable impact on the poor. First, additional families given access by new roads will apparently come at a cost of some $460 per family benefited -- a high cost for a rural roads project. Second is the important question of who stands to benefit, especially from improved access to markets. Given the highly skewed landownership patterns in Honduras, and the fact that approximately 55% of agricultural households cultivate land that they do not own, economic benefits can, unfortunately, be expected to be concentrated on a better-off landowning minority of the rural population. *Some* benefits will go to smallholders who produce a marketable surplus, and in broadened access (to the extent they can be afforded) to medical and other services. But the positive and replicable impact on the poor is likely to be sufficiently limited here to make a grade above "C" unjustified.

Zimbabwe -- Agribusiness and Agricultural Marketing Support Program, 613-0233 (FY 92, $5.5 million), 2.0: AID plans to allocate $15 million life-of-project DA funds for U.S. commodities to strengthen the marketing system for key export crops. Although we give most commodity import projects a 1.0 because we believe their direct developmental impact at the grass-roots is marginal, this project is an improved version in two respects. First, the project appears to have a policy reform component in that the dollar resources will only be released if the government of Zimbabwe makes certain policy changes in agricultural marketing. Second, the project involves local currency counterpart funds. These funds, which can be viewed as incremental development resources which do not require incremental U.S appropriations, will be used by the private sector and the government for small agribusiness expansion.

It seems that to the extent AID uses money for commodity import programs it should replicate this model -- adding policy reform (hopefully aimed to benefit the poor) and local currency components -- in order to have a larger developmental impact with the same amount of appropriated money.

Malawi -- Family Health Services, 612-0238 and 612-0241 (FY 92, $9.0 million), 1.7: Despite its title, this is principally a family-planning undertaking, on which AID plans to spend $16 million life-of-project. This includes $6 million of non-project assistance intended chiefly to bring about sector policy changes that will make family planning services more accessible, and $10 million in project assistance to directly support family planning information and services. Malawi, however, is an extremely unwelcoming setting for family planning. With an IMR of at least 130 per 1,000 and under-five mortality at an astronomical 258, and with only 31% of adult females literate, the social and economic preconditions for acceptance of family planning by any significant fraction of the population appear to be much further from being met than, for example, in Indonesia, whose family-planning program is discussed above. Moreover, there is presently no reason to believe that Malawi, with its extremely high crude birth rate of 52 per 1,000 population, and total fertility rate of 7.7 children per woman, will outperform expectations, because there is no "track record" of success as in Indonesia. Indeed, this project would probably have received a "1.3", except for the fact that non-project assistance may be used in part to persuade the government to shift additional budgetary resources to preventive health care apart from family planning services.

Some "D" Projects": "D" projects -- those receiving a 1.3, 1.0 or 0.7 -- are those which appear unsatisfactory as an effort to implement the legislative mandate, being unlikely to produce any benefit for the poor majority.

Africa Regional -- Human Resources Development Assistance, 698-0463 (FY 92, **$3.0 million), 1.3:** For $70 million life-of-project funding, the bulk of it in DA funds, this project will fund U.S., third-country, and in-country training to provide "qualified technical, scientific and managerial personnel and policy planners to strengthen African development institutions, enhance the growth of the private sector and increase the participation of women in development." The bulk of the resources are to be spent on training programs which are extremely expensive per beneficiary, and the project also appears to offer a good example of what is almost sure to be ineffective, top-down development. Advanced training of this nature is most likely to directly benefit the elite, and not the poor.

This project also sends the wrong message to African countries on how to allocate their education resources -- a message that can only exacerbate a terrible misallocation of education resources in many African countries. A recent World Bank study[35] shows that in 1980 the government expenditure per higher education student was an astounding 920 percent of per capita GNP in Anglophone Africa and 804 percent of per capita GNP in Francophone Africa. The corresponding government spending levels per primary education student were only 18 and 29 percent of per capita GNP, respectively. The message the United States should be communicating to African countries is to spend less educational resources on higher education. If money is spent in the educational sector it should be spent to improve the quality

[35] *Financing Education in Developing Countries*, World Bank, 1986.

and outreach of basic education programs, where social returns, according to the World Bank report, are twice as high.

Although this project is ill-advised it is an improved version of its predecessors and other similar training projects which we gave, and give, even lower grades. This project does give increased attention to less-expensive in-country and third-country training, instead of the much more expensive U.S. training (see for contrast, the *African Training for Leadership and Skills Project* on page 55). It also is more cost-effective in its U.S. training programs. Whereas the latter project spends between $48,500 and $100,000, on average, for each person trained in the U.S., this project spends about $15,600 for each person trained in the U.S. Finally, this project has expanded training opportunities for women. It sets an objective of providing African women 35 percent of the total training opportunities provided by the project.

Honduras -- Structural Adjustment Program, 522-0365 (FY 92 $43.0 million), 1.0: This project is presently planned to utilize life-of-project ESF funding of $200 million as a cash transfer for balance-of-payments assistance. It will also support macro-economic policy reforms in three areas: agriculture (with the objective of raising the sectoral growth rate), trade and investment (lower tariffs and privatization), and finance (channeling more credit to "efficient private activities"). Its immediate predecessors, *Economic Stabilization and Recovery I, II and III,* will have obligated a total of $300 million in FY 87-90, for a planned total of $500 million of cash transfer/policy-based assistance for this country of 5 million people during FY 87-96. First, it might be noted that there appears to be no special targeting of small farmers or the landless for agricultural-sector policy reforms; on the contrary, only "growth" seems to be sought, in an agricultural sector where roughly 55 percent of the families are agricultural laborers or tenant farmers who stand to receive little benefit from whatever growth may be achieved. Nor does there appear to be any special targeting of micro- or small enterprises, or of the informal sector, for the finance policy reforms. Moreover, it does not appear that local currencies generated will be used for any specific projectized benefit for the poor majority.

We have been strongly critical of the use of aid resources for only broad macroeconomic policy-based assistance, especially where there is no specific, focused, projectized benefit for the poor majority through the use of resulting local currencies. AID is not the IMF, and the attempt to make AID perform IMF-like functions can rapidly eat up the scarce U.S. economic-assistance resource as shown too clearly in this case. There are further variations in the grade we give such balance-of-payments support funding from one country setting to another, depending on such factors as whether the particular country is one that has clearly and successfully followed overall policies benefiting the poor, whether the specific policies being promoted carry special benefits for the poor, and on the degree to which, in some instances, local currencies generated by the dollar transfer may be used for categories of projects that do benefit the poor.

Some "F" projects: "F" projects -- those receiving a 0.3 or 0.0 -- are those we consider not just unsatisfactory, but likely to be genuinely malign, by encouraging a recipient country to pursue clearly ill-conceived development goals and to waste its resources on programs that are irrelevant to the lives of the poor majority. Indeed, these projects may even widen the gap between the poor and a small minority of the well-off within that society.

> ***Recommendation:*** *We believe that AID should delete funding for all of the following "F" projects. If this is not done, we urge that Congress -- via the committee process, or through formal provision in foreign-assistance authorization, appropriation or supplemental legislation -- mandate that the following projects not be funded.*

Philippines -- Agribusiness System Assistance, 492-0445 (FY 92, $23.0 million), 0.0: With planned life-of-project funding of $80 million, out of ESF, this ill-conceived project has the potential to do immense harm by focusing the Philippine government on the *wrong reforms* in the agricultural sector. Cash transfer and commodity imports, as well as local currency generated, are to be released in support of supposedly "key structural reforms" to be agreed on by the Philippine government, whose stated purpose will be "[t]o remove policy constraints to open market-led sector growth, sustainable increases in agricultural production and expanded private-sector investment in the rural economy." Nowhere in this purpose statement or elsewhere in the description of this large undertaking in the agricultural sector (though thankfully reduced from $180 million originally planned) is there anything congruent with sections 103(a)(1) and (b)(1) of the Foreign Assistance Act, which tell us that the goal of AID's agriculture and rural-development programs is to provide a more viable economic base for and increase the productivity and income of the *rural poor;* nor is there any recognition of the agricultural thrust of section 102(b)(4), with its focus on *small-farm* agriculture.

Even worse, the "potential reforms" that AID is pointing towards are then identified. These "include elimination of cartels and parastatals, tariff restrictions on agricultural trade, impediments to efficient inter/intra-island transport, market/price controls, input/output subsidies, and constraints to local financial resource mobilization/utilization." Nowhere on this list -- which takes in such peripheral issues as tariff restrictions and inter-island transport -- is there found any reference to the central issue affecting growth in the Philippine agricultural sector: the horrendous land-tenure situation, which excludes 60% or more of the families working in agriculture from ownership of the land they till, deprives them of motivation to invest in productivity-enhancing improvements, and bars them from effective participation in the benefits of any limited growth that may be achieved. Whatever growth *is* achieved via the proposed policy reforms in the absence of land reform, is overwhelmingly likely to be concentrated in the existing large-farm sector, increasing the resistance of plantation owners to land-reform measures, driving up the price of any land that may be acquired, and bringing few present benefits to agricultural laborers. Against the background of Congress' specific recognition of the importance of land reform to Philippine agricultural development is the appropriation of an earmarked $50 million in 1987, and given the specific *opportunity* that exists to press for effectuation of the thus-far-unimplemented June 1988 Philippine land-reform law, the proposed project should be viewed as an aberration.

Such a project underlines once more that AID must not and cannot seek *"growth"* unhinged from the concerns over equity, poverty and the poor majority which have informed its governing legislation since 1973.

Malawi -- Agricultural Sector Assistance Program, 612-0235 (FY 92, $4.0 million), 0.0: In this insensitive project, with planned life-of-project funding of $6 million of DA, AID plans principally to benefit the *large-plantation* sector, ignoring the requirements of sections 103 and 102(b)(4) of the Foreign Assistance Act that the focus be on helping *small-farm* agriculture and the *rural poor.* After naively noting that it is "the estate sector, which comprises much of the country's better quality land," the thrust here is stated to be the provision of non-project assistance "to promote legislative changes designed to improve estate land utilization." In fact, these large estate are on public lands which have been made available, through 99 year leases, for sugar, tobacco and tea production. Those who have benefited from these leases, and are now working the land so inefficiently, are generally powerful politicians and high-level civil servants (for detail, see University of Wisconsin LTC Paper 127, "Country Profiles of Land Tenure: Africa 1986").

It is, without any overstatement, an outrage that U.S. aid funds are proposed to be used to support and induce the more intensive cultivation of these largeholdings. At the same time, no consideration is given to the alternative and much more appropriate policy direction, under which the government of Malawi might be pressed to terminate these admittedly inefficient -- and palpably inequitable -- arrangements, and lease the lands rather to smallholders, giving them, instead, support for farming such crops. There are other countries in which small holders have an excellent record growing sugar, tobacco and tea; and even if such a shift to smallholder cultivation were somehow not feasible, AID's agricultural support should then go to the existing smallholder sector producing basic food crops, *not* to this tiny minority of rich farmers and corrupt politicians. If the awful precedent represented by this project were to stand, there would be no reason why the Foreign Assistance Act should prevent AID, in its discretion, from going on to directly fund the *latifundistas* of Guatemala, or the sugar-plantation owners of Negros.

We are at least gratified to see that the planned funding for this project has been cut sharply.

Dominican Republic -- Private Primary Education, 517-0251 (FY 92, $1.0 million), **0.0:** This is another badly misconceived project, with life-of-project funding of $5.5 million from DA, that would weaken the Dominican basic-education system and the position of the poor. This project would provide support for improvement of *private* primary school, including classroom renovation and construction, in-service training of teachers and administrators, and curriculum improvement. But if the public-school system, which must serve the bulk of the population, and especially the poor, is inadequate, such support should be provided for the improvement of the *public* primary schools. This project amounts to a subsidy that will benefit only those middle- and upper-income families that can afford private schooling. It will increase economic segregation in the school system, further undermining the public-school system by enticing away additional students from middle- and upper-income families who will now be willing to pay the tuition and other costs of the AID-improved private schools.

ROCAP -- Energy Policy Planning and Efficiency, 596-0161 (FY 92, $1.1 million), **0.3:** This regional project, with life-of-project DA funding of $5.1 million, "will, through training, seminars and other fora assist the private sector in educating itself on energy issues," as well as giving technical training to officials with policy responsibility "to help carry out a fuller exploration of the technical and policy possibilities for greater intra-regional cooperation." There is no indication of any focus on, or even consideration of, the energy needs of the poor: rather, basic electric power generation, with its primary benefits to energy-intensive industries and the economically better-off, is the preoccupation here. Thus, an endeavor at best of marginal benefit to the poor is at issue here, and the approach even to this issue appears to be of the most marginal significance. A marginal aspect of a marginal issue, vis-à-vis the poor: in short, a pure waste of resources when the basic goals of the Foreign Assistance Act are held in view.

Southern Africa Regional -- Regional Transport Development II (Kafue-Lusaka Road), 690-0254 (FY 92, 4.32 million), 0.3: This project, with $21.05 million life-of-project funds, is reminiscent of the "bad old days" of heavy capital projects. The money will be spent for resealing, pavement strengthening and reconstruction of 49.4 kilometers of a major road between Zambia and Zimbabwe. The project costs can be calculated at an astonishing $426,113 per kilometer of rehabilitated road. The project sheet estimates that an estimated 500 jobs will be created to implement the project, from which one can calculate that the cost per job created is $42,100. This extremely high cost of generating workplaces, which is typical of many heavy capital projects, should be contrasted to microenterprise programs which have, in many countries, created new jobs for a few hundred dollars per workplace.

One might also pause to consider what could be accomplished in this regional setting of generally high infant and child mortality, low literacy, high birth rates and low agricultural productivity, if these resources were devoted instead to support programs such as basic health, education, or small farmer production. Highway rehabilitation is remote from the needs of the typical family in this region -- much more part of a classic trickle-down approach than attuned to the needs of the poor majority.

Africa Regional -- African Training for Leadership and Skills (AFGRAD IV), 698-0475 (FY 92, $2.5 million), 0.3: With planned life-of-project funding of $140 million, all from DA (not ESF), this huge project -- substantially increased over *AFGRAD III*, which is also to receive funding in FY 1992, and is subject to the same criticisms -- seems to us egregiously wide of the anti-poverty goal. This project's resources will go (except for a small amount of postgraduate training) to finance long-term graduate and undergraduate programs in U.S. universities for African staff of public and private institutions in development fields from 42 countries (these are just costs to AID, and do not include other costs like continuation of participants' salaries by originating countries, or waiver of tuition by U.S. universities). The extremely high average costs are $48,500 for each person receiving graduate training, and $100,000 for each person receiving undergraduate training. Just considering the education sector, the opportunity costs of U.S. training for just one person under this project can be measured against the scores of primary-school teachers who could receive home-country training for less than $1,000 each under other AID *basic-education* oriented projects, using the same amount of resources. The apparently loose conception of "development" in the project, moreover, makes it likely that many people who receive this subsidized training may come from large private-sector enterprises that have little capacity to address the needs of the poor.

The extremely high cost of the training, coupled with the very real possibility that AID is here simply training many of these people either for positions largely irrelevant to the needs of the poor or, ultimately, for U.S. or third-country jobs, earns this project an "F."

Recommendations: To the extent that long-term U.S. training of developing-country nationals may be thought important for political or other reasons, new and separate funding should be sought by the Administration and provided by Congress for such training, wholly outside of the foreign-aid budget. Unless and until such funding is provided, such programs should be held by AID to a minimum, and should in any event be funded out of ESF, never out of DA.

Cyprus -- Cyprus Scholarship Program, 233-0002 (FY 92, $1.0 million), **0.3:** This is another variant on the advanced training projects. For life-of-project ESF funding of $66.8 million, this project focuses exclusively on providing higher level education in U.S. institutions to selected students from Cyprus. The costs, almost all for long-term training, calculates to $17,875 per *person-year* of training.

LAC Regional -- Advanced Training in Economics, 598-0774 (FY 92, $1.0 million), **0.3:** AID plans life-of-project funding of $7 million out of DA (not ESF) for this misbegotten project "to increase the number of highly trained economists" through what, for most, will be a sequence of two years of training in Latin America followed by four years of additional training in the U.S. The extremely high average costs per person trained are $32,500 for the Latin American university training, and $103,000 for the Ph.D. program in the U.S. (in addition, originating countries will continue to pay salaries of those participants who are employed when they begin their studies). The high opportunity costs of such training for just one person have already been commented on in the setting of the *Training for Leadership and Skills project* above, as have the real likelihood that many of the people who receive such subsidized training will end up either in large private-sector enterprises that have little capacity to address the needs of the poor, or else employed in the U.S. or third countries. One small mitigating factor (hence the 0.3) may be that, at least, the training here is such as to give the beneficiaries some development-oriented skills, if they choose to use them.

Additional recommendations have been made under the African Training for Leadership and Skills Program.

RECOMMENDATIONS

We have included at various points in the text a series of italicized *Recommendations*. Here, we shall expand on some of the more important ones and add a few others of special significance.

(1) *Congress should press AID to make a basic, and absolutely minimum, commitment quickly to increase to one-half the proportion of bilateral development assistance (DA) plus ESF resources (ex-Egypt and Israel) spent for undertakings likely to reach the poor majority and to have a substantial effect on their ability to share in economic growth.* Over the next several years this should be further increased to at least *60%,* matching the achievement of FY 1982.

(2) The Administration -- with close oversight from the authorizing and appropriating committees in Congress -- can help achieve this goal *by continuing to increase the amount of Development Assistance relative to the much lower-quality ESF being given simultaneously to the same countries.* At the same time, AID should look to the Egypt program for guidance as to how substantial amounts of ESF can be better spent.

(3) Wherever "policy-based" assistance *is* to be given, the congressional oversight committees should urge AID *to focus on sectoral policy changes that carry special benefits for the poor, rather than macroeconomic policy changes of the kind already pursued by the IMF and the World Bank.* Also, AID should, whenever possible, *projectize the local currency that is generated for specific undertakings relevant to the poor.* Key subjects on which additional sectoral policy-based aid resources can be focused are changes (in the health sector) facilitating Child Survival programs, and changes (in the finance sector) facilitating Micro-Enterprise development and credit for such enterprises. A further key subject on which none of these policy-based resources presently focus is changes (in the agricultural sector) facilitating the improvement of Land Tenure.

(4) Concomitantly, *Congress should increase the resources going to key projectized interventions that are most likely to benefit the poor.* The most immediate step that can be taken to increase the proportion of resources going to the most effective projects is for Congress to direct certain resources to specific areas where interventions are most likely to benefit the poor. In particular, there are three areas where there is legislative precedent for doing this upon which the Congress should build. These are: land-tenure improvement (as in the specification of $50 million for support of Philippine land reform in the appropriation for FY

1988);[36] microenterprise credit (as in the earmarking of $75 million for this purpose, in the appropriation for FY 1991); and child survival (as embodied in section 104(c)(2)(B) of the Foreign Assistance Act, at an appropriation level currently of $100 million). This is very different in purpose and effect, it should be noted, from country "earmarking."

(5) *Congress should retain the "functional accounts"* under Development Assistance. However, *compromise should be possible on the issue of functional accounts by assigning 75% (or some similar percentage) of DA funds, apart from Africa, to the specific functional accounts,* while allowing the remainder to be used for any purpose that is proper under the Development Assistance chapter. Congress should consider doing the same for the Development Fund for Africa in FY 1993 if that program -- presently lacking functional allocations for most of its resources -- does not improve.

(6) *Congress should substantially increase AID's operating expenses budget and link the increase with a quantitative requirement of increased direct-hire U.S.-national field staff.* Most good projects require close supervision in the field, and this recommendation is a vital complement to the other recommendations made. Concomitantly, the overly burdensome reporting requirements on AID -- whether congressionally adopted or administratively imposed -- should be reduced, to free field staff to spend more of their time with the projects and less on paperwork.

(7) *AID should focus on a more limited number of countries,* not only in Africa but elsewhere. AID should draw the line between those countries where there is to be a set of mutually reinforcing efforts large enough to matter, and those where our country is simply showing the flag with a small and symbolic aid program.

(8) *If the Administration's proposed legislation is rejected -- as it should be if the FAA's focus on the poor majority is to be retained -- AID should be closely questioned by the congressional oversight committees as to the intended future direction of its programs,* with special reference to the new emphasis on "export promotion," "infrastructure development" and other "capital projects," and the apparent adherence to untargeted "growth" strategies. The occasion of the legislation's rejection should also be used to reaffirm the delineation between the role of Congress in legislating foreign-aid policies and the role of AID in implementing only those policies which Congress has legislated.

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[36]Land-reform funding was also generally authorized in the amendment of FAA sec. 620(g) in 1985, following the recommendation of the Kissinger Commission and on the initiative of the Reagan Administration.

In sum, our finding is that even if the overall level of economic assistance cannot be significantly increased, very significant advances can be made in helping the poor and achieving sustainable economic growth with an equitable distribution of benefits. Improvements in the functioning of the aid program that could positively affect the lives of hundreds of millions between now and the end of the century can be accomplished through a highly realistic and realizable set of legislative and administrative adjustments. With such refining changes, the impact and effectiveness of the U.S. foreign economic assistance program in meeting the present goals of the Foreign Assistance Act can be greatly amplified.

LIST OF ABBREVIATIONS AND DEFINITIONS

AID: Agency for International Development. Executive branch agency which principally administers foreign economic aid.

CIP: Commodity Import Program. Foreign economic assistance which is given to countries in the form of a range of U.S. commodities.

CP: Congressional Presentation. The document which AID presents to Congress containing AID's budget request for the coming fiscal year and a description of AID's programs.

DA: Development Assistance.

ESF: Economic Support Fund. These resources, a , distinct from Development Assistance resources, are allocated to countries with special economic, political or security conditions involving U.S. national interests in amounts which "could not be justified solely under the development assistance portion of the foreign aid program" (FAA, sec. 531 (2)).

simultaneous ESF: ESF resources going to countries which also receive DA resources.

ESF-only: ESF resources going to countries which do not receive DA resources.

FAA: Foreign Assistance Act. Legislation which governs the use of foreign aid.

FY: Fiscal Year.

IMF: International Monetary Fund.

MAI: Multilateral Assistance Initiative. A special sub-category of funds allocated to the Philippines. These resources are neither DA, nor ESF, but are part a separate category called Special Assistance Initiatives (SAI).

OE: Operating Expenses.

P.L. 480: Public Law 480, which governs the Food for Peace or food aid program.

SAI: Special Assistance Initiatives. A separate category of funds belonging neither to the DA or ESF accounts. In FY 1992, SAI resources are proposed to go to the Philippines (these are also referred to as MAI funds) and to Eastern Europe.

ANNEX

AFRICA -- FY 92

Country	Project #	Description	Funds	Amount (000s)	Grade
Benin	680-0205	Economic Reform Support	[DA]	7,000	1.0
		Country Total & GPA		7,000	1.00
Botswana	633-0253	Private Enterprise Dev.	[DA]	2,233	1.3
	633-0256	Jobs for Botswana	[DA]	1,500	2.7
		Country Total & GPA		3,733	1.86
Burkina Faso	686-0275	Family Health & Health Financing	[DA]	1,500	3.0
		Country Total & GPA		1,500	3.00
Burundi	695-0121	Human Resources Development	[DA]	1,800	0.7
	695-0124	Enterprise Dev. Support	[DA]	1,000	1.7
	695-0125	Enterprise Promotion	[DA]	10,000	1.3
	695-0127	Business Development	[DA]	2,000	1.0
	695-0128	Health Systems Support	[DA]	3,000	3.0
		Country Total & GPA		17,800	1.51
Cameroon	631-0056	Maternal & Child Health Supp. (PVO)	[DA]	1,700	3.7
	631-0059	Agric. Policy & Planning	[DA]	3,150	1.7
	631-0068	Prog. for Policy Reform	[DA]	3,500	3.0
	631-0078	Tropical Roots & Tubers II	[DA]	1,000	3.7
	631-0081	Natural Resources Mgmt.	[DA]	1,000	3.0
	631-0086	Reform in Ag. Mkt. Sector	[DA]	3,500	2.7
		Country Total & GPA		13,850	2.76
Chad	677-HRDA	Human Res. Dev. Assistance	[DA]	1,200	1.3

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AFRICA -- FY 92 (continued)

Country	Project #	Description	Funds	Amount (000s)	Grade
	677-0050	Strengthen Road Maintainence	[DA]	2,000	2.3
	677-0051	PVO Dev. Initiatives	[DA]	2,300	4.0
	677-0062	Ag Marketing & Tech Transfer	[DA]	1,300	3.0
	677-0064	Child Survival Project	[DA]	1,500	3.3
	677-0067	Strengthing Road Maint. II	[DA]	2,300	2.0
	677-0069	Agricultural Trade Policy Ref.	[DA]	2,100	2.0
		Country Total & GPA		12,700	2.60
Cote d'Ivoire	681-0002	Economic Support Program	[ESF]	4,000	1.0
	681-0006	Natural Resources Mgmt.	[DA]	3,000	3.3
		Country Total & GPA (DA+ESF)		7,000	1.99
		ESF Country Total & GPA		4,000	1.00
		DA Country Total & GPA		3,000	3.30
Djibouti	603-0022	Program Support Grant	[ESF]	2,970	1.3
		Country Total & GPA		2,970	1.30
Gambia	635-0232	Financial & Priv. Sector Dev.	[DA]	4,750	1.0
	635-0236	Natural Resources Mgmt.	[DA]	2,700	3.0
		Country Total & GPA		7,450	1.72
Ghana	641-HRDA	Human Resource Dev. Asst.	[DA]	2,000	1.3
	641-0118	Family Planning & Health	[DA]	3,000	3.0
	641-0119	Basic Ed. Assistance	[DA]	7,000	4.0
	641-0121	Family Planning & Health	[DA]	5,000	3.0
	641-0126	Non-Trad'l Exp. Prom.& Mktg.	[DA]	2,000	2.0
	641-0128	Economic Reform & Decentral.	[DA]	3,000	1.7
		Country Total & GPA		22,000	2.90
Guinea	675-HRDA	Human Resource Dev. Asst.	[DA]	1,500	1.3
	675-0215	Rural Enterprise Dev.	[DA]	1,234	2.7
	675-0216	Ag. Sector Restructuring	[DA]	6,200	2.3
	675-0219	Natural Res. Mgmt.	[DA]	1,500	2.7

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AFRICA -- FY 92 (continued)

Country	Project #	Description	Funds	Amount (000s)	Grade
	675-0221	Ag. Marketing Investment	[DA]	2,000	2.3
	675-0222	Basic Education	[DA]	8,200	2.3
	675-0224	Forecariah Farm-to-Mkt. Roads	[DA]	1,566	2.7
	675-0225	Governance Enhancement	[DA]	1,000	1.3
	675-0226	Decentralization & Particip.	[DA]	1,000	3.0
		Country Total & GPA		24,200	2.30
Guinea-Bissau	657-0022	Ag. Sector Asst. Prog. II	[DA]	2,500	1.7
		Country Total & GPA		2,500	1.70
Kenya	615-0232	Family Plan. Serv. & Support	[DA]	4,500	1.7
	615-0236	PVO Co-Financing	[DA]	1,466	3.7
	615-0238	Priv. Enterp. Dev.	[DA]	2,000	2.0
	615-0242	Kenya Mkt. Dev. Prog.	[DA]	5,000	2.7
	615-0243	Fertilizer Price & Marketing Ref.	[DA]	4,000	2.7
	615-0247	Conserv. of Biodiv. Res. Areas	[DA]	1,000	2.7
	615-0248	Sustainable Ag. Growth	[DA]	2,000	2.3
	615-0249	Kenya Export Dev. Support	[DA]	2,000	1.3
	615-0250	Kenya Mkt. Development	[DA]	1,000	2.7
		Country Total & GPA		22,966	2.35
Lesotho	632-0227	Ag. Initiatives & Mktg.	[DA]	1,500	2.7
		Country Total & GPA		1,500	2.70
Madagascar	687-HRDA	Human Resource Dev. Asst.	[DA]	1,300	1.3
	687-0107	Pop. Sector Instit. Dev.	[DA]	4,000	2.0
	687-0109	Ag. Invest. & Diversification (PA)	[DA]	5,000	2.0
	687-0110	Sus. Approaches Via Env. Mgt.	[DA]	4,000	3.3
	687-0111	Support to Indigenous Pvt. Sec.	[DA]	1,000	2.3
	687-0116	Ag. Investmt. & Policy Anal. (NPA)	[DA]	5,000	2.0
	687-0510	Program Dev. & Support	[DA]	6,000	2.3
		Country Total & GPA		26,300	2.24

AFRICA -- FY 92 (continued)

Country	Project #	Description	Funds	Amount (000s)	Grade
Malawi	612-0230	Human Res/Instit. Dev.	[DA]	1,575	0.3
	612-0231	Promoting Healh Interv. for CS	[DA]	2,775	4.0
	612-0232	Svcs. for Health, Ag. & Rural Enterp.	[DA]	1,000	3.7
	612-0235	Ag. Sector Pol. Prog.	[DA]	4,000	0.0
	612-0236	Small Enterprise Transformation	[DA]	3,600	2.7
	612-0238	Malawi Family Health Svcs.	[DA]	3,000	1.7
	612-0241	Malawi Family Health Svcs.	[DA]	6,000	1.7
		Country Total & GPA		21,950	1.84
Mali	688-HRDA	Human Resource Dev. Asst.	[DA]	1,000	1.3
	688-0232	Farming Systems R & D	[DA]	3,990	3.3
	688-0233	Dev. of Haute Vallee	[DA]	4,590	2.3
	688-0244	Livestock Sector Phase III	[DA]	1,200	3.7
	688-0245	Pol. Ref. for Econ. Growth	[DA]	2,000	1.0
	688-0246	Policy Reform for Econ. Dev.	[DA]	4,500	1.0
	688-0247	PVO Co-Financing	[DA]	2,120	3.7
	688-0248	Community Health & Pop. Svcs.	[DA]	1,200	3.0
	688-0250	Strengthening Ag. Research	[DA]	1,800	3.0
	688-0258	Basic Ed. Expansion	[DA]	5,000	3.3
		Country Total & GPA		27,400	2.53
Mauritius	642-0010	Industrial Diversification I	[DA]	1,500	1.3
		Country Total & GPA		1,500	1.30
Mozambique	656-0217	PVO Support	[DA]	7,342	3.3
	656-0219	Agr. Sector Dev. (NPA)	[DA]	10,000	1.3
	656-0220	Agr. Sector Dev. (PA)	[DA]	17,458	1.3
		Country Total & GPA		34,800	1.72
Namibia	673-0004	PVO/NGO Multi-sector Asst.	[DA]	2,000	3.0
		Country Total & GPA		2,000	3.00
Niger	683-0254	Health Sector Support	[DA]	2,000	2.0

Country	Project #	Description	Funds	Amount (000s)	Grade
	683-0256	Applied Ag. Research	[DA]	2,000	2.7
	683-0257	Ag. Sector Dev. Grant II	[DA]	8,000	1.7
	683-0258	Family Health & Demography	[DA]	2,500	1.7
	683-0266	Pol. Analysis & Monitoring	[DA]	1,500	1.3
	683-0270	Integrated Child Survival	[DA]	2,650	4.0
		Country Total & GPA		18,650	2.13
Nigeria	620-ACSI	Afr. Child Survival Initiative	[DA]	1,089	4.0
	620-0001	Nigeria Family Health Services	[DA]	9,911	1.0
		Country Total & GPA		11,000	1.30
Rwanda	696-HRDA	Human Resource Dev. Asst.	[DA]	1,500	1.3
	696-0129	Natural Resource Mgmt. (PVO)	[DA]	5,000	2.7
	696-0131	Rural Enterprise Dev. (PVO)	[DA]	1,000	2.3
	696-0132	Adaptive Food & Ag. Res.	[DA]	7,000	3.3
	696-0134	Reproductive Health	[DA]	5,000	2.3
		Country Total & GPA		19,500	2.68
Senegal	685-HRDA	Human Resource Dev. Asst.	[DA]	1,500	1.3
	685-0284	PVO/NGO Support	[DA]	3,000	3.7
	685-0285	Strengthening Ag. Research	[DA]	2,000	2.3
	685-0286	Child Survival	[DA]	3,000	2.3
	685-0292	Banking Sector Ref.	[DA]	2,000	1.0
	685-0295	Southern Zone H20 Mgmt.	[DA]	3,000	3.7
	685-0297	Ag. Sector Grant	[DA]	5,000	2.0
	685-0303	Econ. Support Fund IX	[ESF]	3,000	1.3
		Country Total & GPA (DA+ESF)		22,500	2.29
		ESF Country Total & GPA		3,000	1.30
		DA Country Total & GPA		19,500	2.44
Seychelles	662-0011	Commodity Import Prog. IX	[ESF]	3,300	1.0
		Country Total & GPA		3,300	1.00

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AFRICA -- FY 92 (continued)

Country	Project #	Description	Funds	Amount (000s)	Grade
South Africa	674-APDS	Program Dev. & Support	[DA]	1,000	1.7
	674-0301	Community Outreach & Leader. Dev.	[DA]	4,000	3.0
	674-0302	Ed. Supp. Training	[DA]	3,500	3.3
	674-0303	Black Priv. Enterp Dev.	[DA]	3,500	1.7
	674-0305	Human Rights Supp.	[DA]	2,000	2.3
	674-0309	Tertiary Education	[DA]	21,700	1.0
		Country Total & GPA		35,700	1.61
Swaziland	645-0228	Family Health Services	[DA]	1,000	2.3
	645-0231	Swaziland Manpower Dev. II	[DA]	1,600	1.0
	645-0235	Priv. Enterp. Supp.	[DA]	1,250	1.7
		Country Total & GPA		3,850	1.56
Tanzania	621-AFHI	Family Health Initiatives II	[DA]	1,500	2.0
	621-HRDA	Human Resource Dev. Asst.	[DA]	3,400	1.3
	621-0166	Ag. Transport Assistance	[DA]	13,164	1.0
	621-0173	Family Planning	[DA]	7,800	2.0
		Country Total & GPA		25,864	1.40
Togo	693-0227	Rural Inst. & Priv. Sector	[DA]	2,580	2.7
	693-0234	Togo Child Survival	[DA]	5,240	3.0
		Country Total & GPA		7,820	2.90
Uganda	617-0103	Manpower for Ag. Dev.	[DA]	1,400	3.0
	617-0111	Cooper. Ag & Agribusiness	[DA]	3,600	3.3
	617-0115	Expanded FHS/Child Spacing	[DA]	2,000	1.7
	617-0123	Parks & Prot. Areas Tourism (PVO)	[DA]	13,500	1.3
	617-0128	Policy Analysis & Capacity Bldg.	[DA]	2,000	1.7
	617-0131	Education Reform Assistance	[DA]	14,000	3.0
		Country Total & GPA		36,500	2.26
Zaire	660-HRDA	Human Resource Dev. Asst.	[DA]	1,800	1.3
	660-0124	Applied Ag. Research II	[DA]	2,000	3.7

AFRICA -- FY 92 (continued)

Country	Project #	Description	Funds	Amount (000s)	Grade
	660-0125	Small Project Support	[DA]	3,000	3.3
	660-0128	Primary Health Care/Child Survival	[DA]	14,000	3.3
	660-0510	Prog. Dev. & Support	[DA]	1,000	3.3
		Country Total & GPA		21,800	3.17
Zambia	611-ANRM	Natural Resources Mgmt.	[DA]	1,000	3.0
	611-HAPA	HIV/AIDS Prevention in Africa	[DA]	2,000	3.3
	611-0207	Ag. Trng/Plan/Instit Dev II	[DA]	2,918	1.7
		Country Total & GPA		5,918	2.46
Zimbabwe	613-0230	Family Plannning	[DA]	1,583	2.3
	613-0233	Ag. Marketing Support	[DA]	5,500	2.0
		Country Total & GPA		7,083	2.07
S Afr Reg	690-0245	Enhanced Export Competitiveness	[DA]	6,720	0.7
	690-0247	Regional Rail Systems Support	[DA]	4,175	1.0
	690-0251	Natural Res. Mgmt.	[DA]	2,000	3.3
	690-0254	Reg. Transp. Dev. II (Kaf-Lus Road)	[DA]	4,320	0.3
	690-0255	NACALA Corridor Rehabilitation	[DA]	24,000	0.7
	690-0257	Strategies for Future Reg. Growth	[DA]	3,000	1.3
	690-0258	NACALA Corridor Rehabilitation	[DA]	1,000	0.7
		Country Total & GPA		45,215	0.84
Afr Reg	625-0973	Sahel Water Data & Mgmt III	[DA]	1,500	0.7
	625-0975	Sahel Reg. Institutions	[DA]	1,500	2.0
	,25-0978	Promoting Pop. Policy Dev.	[DA]	1,000	2.0
	698-0438	Afr. Priv. Enterp. Fund	[DA]	7,000	1.3
	698-0455	Afr. Grad Fellowship Prog III	[DA]	6,000	0.3
	698-0463	Human Resources Dev. for Africa	[DA]	3,000	1.3
	698-0464	Afr. Dev. Supp. (TR)	[DA]	3,050	2.3
	698-0466	Famine Early Warning Systems	[DA]	1,550	2.3
	698-0467	Natural Res./Mgt. Supp.	[DA]	3,500	3.0
	698-0475	Afr. Trng. for Leadership & Skills	[DA]	2,500	0.3
	698-0477	Afr. Labor Dev. III	[DA]	3,000	2.3

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AFRICA -- FY 92 (continued)

Country	Project #	Description	Funds	Amount (000s)	Grade
	698-0478	Strength. Afr. Ag. Rsch. II	[DA]	7,000	3.0
	698-0485	Onchoerciasis Control IV	[DA]	2,500	4.0
	698-0507	Afr. Strategic. Studies	[DA]	1,000	3.0
	698-0510	Prog. Dev. Supp. II	[DA]	8,361	2.0
	698-0517	African Emerg. Locust Grasshopper	[DA]	1,500	3.3
	698-0522	Finan. Sector. Research	[DA]	1,000	1.3
	698-0526	PVO Support	[DA]	1,700	3.0
	698-9801	Human Rights Fund for Africa	[DA]	1,000	1.7
	698-9901	Special Self-help Dev. Acct.	[DA]	5,000	2.7
	623-ADSP	African Development Support	[DA]	1,317	2.3
	624-0434	African Development Bank II	[DA]	2,500	2.7
		Country Total & GPA		66,478	2.06
Africa Economic Policy	698-0511	African Econ. Policy Reform	[DA]	60,000	1.7
		Country Total & GPA		60,000	1.70

ASIA -- FY 92

Country	Project #	Description	Funds	Amount (000s)	Grade
Bangladesh	388-0060	Fertilizer Dist. Improv. II	[DA]	7,900	2.0
	388-0070	Rural Electrification III	[DA]	5,020	0.0
	388-0071	FP & Health Svcs.	[DA]	25,350	1.7
	388-0074	Tech. Rscs. II	[DA]	1,869	2.0
	388-0076	Industrial Promotion	[DA]	3,300	2.3
	388-0078	Fin. Sector Credit & TA	[DA]	7,650	1.3
	388-0081	Food for Work IV	[DA]	3,501	2.7
	388-0087	Pvt. Sector Ag. Inputs	[DA]	6,300	1.3
		Country Total & GPA		60,890	1.61
India	386-0494	Accel. of Comm. Energy	[DA]	3,000	1.7
	386-0496	Adv. of Comm. Technology	[DA]	1,990	2.0
	386-0513	Plant Genetic Res.	[DA]	2,000	3.0

Country	Project #	Description	Funds	Amount (000s)	Grade
	386-0514	Qual. Cntrl. of Hlth. Tech.	[DA]	2,300	3.3
	386-0515	Tech. Asst. & Supp.	[DA]	1,260	1.3
	386-0517	Energy Mgmt. Consult. & Trng.	[DA]	2,000	1.0
	386-0522	Democrat. Approach to Res. Eff.	[DA]	3,950	2.3
	386-0523	Pvt. Investments in Hlth. & FP	[DA]	3,500	3.0
	386-0525	AIDS Prevention and Control	[DA]	1,000	3.3
		Country Total & GPA		21,000	2.34
Indonesia	497-0328	Participant Trng. II	[DA]	4,003	0.3
	497-0340	Dev. Studies	[DA]	2,500	3.0
	497-0347	Small Scale Irrig. Mgmt.	[DA]	1,665	3.7
	497-0353	Rural Roads Maint. Stms.	[DA]	2,345	3.0
	497-0354	Health Sector Financing	[DA]	1,087	3.3
	497-0355	Private Sector FP	[DA]	2,327	3.3
	497-0357	Ag. & Rural Sector Support	[DA]	3,000	2.3
	497-0358	Higher Education Dev. Supp.	[DA]	2,546	1.3
	497-0359	Child Survival	[DA]	3,727	4.0
	497-0360	Financial Markets Dev.	[DA]	2,000	2.0
	497-0362	Natural Resources Mgmt.	[DA]	2,900	3.3
	497-0363	Trade & Investment	[DA]	2,500	1.3
	497-0364	Strengthening the Institut. Dev.	[DA]	3,150	4.0
	497-0365	Municipal Finance	[DA]	1,000	2.0
	497-0366	Trng. for Open Mkts	[DA]	1,500	0.7
	497-0368	Agribusiness Development	[DA]	2,000	2.3
	497-0369	Mixed Credit TA	[ESF]	5,000	1.0
	497-0370	Private Education Supp. Svcs.	[DA]	3,000	2.7
	497-0373	Privatiz. Svcs. in Urban Sector	[DA]	4,000	2.0
		Country Total & GPA (DA+ESF)		50,250	2.32
		ESF Country Total & GPA		5,000	1.00
		DA Country Total & GPA		45,250	2.47
Mongolia	438-0002	Training for Mkt-Based Economy	[DA]	1,400	1.7
		Country Total & GPA		1,400	1.70
Nepal	367-0152	Development Training	[DA]	1,000	1.0

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Country	Project #	Description	Funds	Amount (000s)	Grade
	367-0154	Institute of Forestry	[DA]	1,300	2.7
	367-0155	Rapti Dev.	[DA]	3,500	3.0
	367-0157	Child Surv. & Family Plng. Svcs.	[DA]	2,500	4.0
	367-0158	Forestry Dev.	[DA]	1,100	2.7
	367-0159	PVO Co-Financing II	[DA]	1,650	3.7
	367-0160	Ag. Research & Marketing	[DA]	2,500	2.7
		Country Total & GPA		13,550	3.01
Sri Lanka	383-0085	Development Studies & Trng.	[DA]	1,000	1.7
	383-0090	Mahaweli Enterp. Dev.	[DA]	3,000	1.0
	383-0100	Priv. Sector Pol. Supp.	[DA]	3,000	1.3
	383-0101	PVO Co-Financing II	[DA]	2,827	4.0
	383-0108	Science & Tech Init. for Priv. Sector	[DA]	3,123	1.7
	383-0109	Natural. Rsrcs. & Environ. Policy	[DA]	2,750	2.3
	383-0111	Comm. of Ag. Sys. Horticulture	[DA]	1,600	2.7
	383-0113	Irrigation Sector of Privatiz.	[DA]	2,000	1.7
		Country Total & GPA		19,300	2.03
Thailand	493-K602	Affected Thai Prog. II	[ESF]	2,500	2.7
	493-0340	Science & Tech. for Dev.	[DA]	1,500	2.0
	493-0345	Natural Resources Management	[DA]	5,000	2.7
	493-0347	Trade and Investment	[DA]	2,000	1.3
		Country Total & GPA (DA+ESF)		11,000	2.35
		ESF Country Total & GPA		2,500	2.70
		DA Country Total & GPA		8,500	2.25
ASEAN	399-0287	ASEAN Human Resources Dev.	[DA]	1,511	1.3
	399-0358	ASEAN Pvt. Investment & Trade	[DA]	1,100	0.7
		Country Total & GPA		2,611	1.05
Asia Regional	398-0289	Irrigation Supp. for Asia/NE	[DA]	1,500	2.7
	499-0004	Regional Env. Activities	[DA]	1,500	2.7
	499-0005	Asia-Pacific Economic Coop.	[DA]	4,000	1.3

AFRICA -- FY 92 (continued)

Country	Project #	Description	Funds	Amount (000s)	Grade
		Country Total & GPA		7,000	1.90
South Pacific Regional	879-0011	Fisheries Treaty Program	[ESF]	10,000	1.0
	879-0017	PNG Child Survival Support	[DA]	1,650	3.7
	879-0018	Mkt. Asst. Reg. Coops.	[DA]	1,900	1.0
	879-0020	Pacific Islands Marine Res.	[DA]	2,700	2.7
		Country Total & GPA (DA+ESF)		16,250	1.60
		ESF Country Total & GPA		10,000	1.00
		DA Country Total & GPA		6,250	2.45

EUROPE AND NEAR EAST -- FY 92

Country	Project #	Description	Funds	Amount (000s)	Grade
Cambodia	442-0100	Cambodian Assistance	[VA]	25,000	1.7
		Country Total & GPA (DA+ESF)		25,000	1.70
		ESF Country Total & GPA		5,000	1.70
		DA Country Total & GPA		20,000	1.70
Cyprus	233-0001	Relief & Rehab. Activities	[ESF]	2,000	1.0
	223-0002	Scholarship Program	[ESF]	1,000	0.3
		Country Total & GPA		3,000	0.77
Jordan	278-K646	Export Dev. Sector Support	[ESF]	15,000	2.0
	278-0255	Loan Guarantee/Small Enterp.	[ESF]	3,000	2.7
	278-0285	Trng. for Priv. Sector Dev.	[ESF]	1,000	1.0
	278-0286	Voc. & Tech. Trng. Reform	[ESF]	1,000	2.3
	278-0288	Environ. Svcs. Dev.	[ESF]	3,000	2.7
	278-0289	Horticultural Exp. Prom.	[ESF]	2,000	2.3
	278-0290	Jordan Entp. Res. & Self Help	[ESF]	2,500	3.0
		Country Total & GPA		27,500	2.24

EUROPE AND NEAR EAST – FY 92 (continued)

Country	Project #	Description	Funds	Amount (000s)	Grade
Lebanon	268-0342	Lebanon Relief Assist.	[VA]	4,500	3.3
	268-1336	Education Support-AUB	[DA]	1,500	1.3
		Country Total & GPA (DA+ESF)		6,000	2.80
		ESF Country Total & GPA		2,000	3.30
		DA Country Total & GPA		4,000	2.55
Morocco	608-0136	Dryland Ag. Applied Rsch.	[DA]	5,000	3.3
	608-0198	Population and Child Survival	[DA]	5,000	3.0
	608-0207	Health Care Financing	[DA]	3,000	3.3
	608-0208	Dev. Training	[ESF]	2,000	1.3
	608-0210	Priv. Ag. Extension	[DA]	4,000	2.7
	608-0213	H20 Resource Mgmt.	[DA]	6,000	2.3
		Country Total & GPA (DA+ESF)		25,000	2.74
		ESF Country Total & GPA		2,000	1.30
		DA Country Total & GPA		23,000	2.87
Oman	272-0105	Omani-American Joint Comm. II	[ESF]	5,000	0.3
	272-0111	Human Res. Dev.	[ESF]	5,000	1.7
		Country Total & GPA		10,000	1.00
Pakistan	391-0472	Malaria Control II	[ESF]	3,000	4.0
	391-0478	Energy Planning & Dev.	[ESF]	3,000	3.0
	391-0480	Roads Resources Mgmt.	[ESF]	5,000	2.3
	391-0481	Forestry Planning & Dev	[ESF]	3,000	2.7
	391-0484	Social Mktg. of Contraceptives	[VA]	7,000	1.3
	391-0485	NWFP Area Dev.	[ESF]	4,800	2.7
	391-0488	Trans/Integ. Provinc. Ag. Ntwk.	[ESF]	4,000	2.3
	391-0489	Mgmt of Ag. Research & Tech.	[DA]	3,000	2.0
	391-0494	Private Sector Power	[ESF]	12,000	0.7
	391-0496	Child Survival	[DA]	5,000	3.7
	391-0497	Primary Educational Dev Prog.	[VA]	20,000	4.0
	391-0498	Institutional Excellence	[ESF]	5,000	1.3
	391-0513	Proj. Design and Implement. II	[ESF]	2,200	2.3
	391-0514	Private Investment Promotion	[ESF]	20,000	1.3

Country	Project #	Description	Funds	Amount (000s)	Grade
	391-0516	Agri-Business Dev. & Prom.	[ESF]	12,000	2.0
		Country Total & GPA (DA+ESF)		109,000	2.26
		ESF Country Total & GPA		84,000	1.90
		DA Country Total & GPA		25,000	3.48
Philippines	492-0396	Family Planning Assist	[DA]	9,000	2.7
	492-0406	Targeted Child Surv. Prog.	[DA]	12,500	4.0
	492-0419	PVO Co-Financ. III	[DA]	5,000	3.7
	492-0420	Rural Infrastructure	[ESF]	5,000	1.7
	492-0429	Rural Electrification	[DA]	5,500	1.0
	492-0432	Technical Res.	[ESF]	2,000	1.7
	492-0439	Dev. Training II	[DA]	1,000	0.7
	492-0444	Environ. and Nat. Res. Mgnt.	[AI]	40,000	2.7
	492-0445	Agribus. System Assistance	[ESF]	23,000	0.0
	492-0446	National Health Finance Dev.	[DA]	2,000	2.7
	492-0449	Private Sector Invest/Trade	[DA]	2,000	1.7
	492-0450	Support for Dev. Prog. II	[ESF]	60,000	1.3
	492-0453	Informal Sector Reform	[AI]	22,000	2.7
	492-0456	Mindanao Area Dev.	[AI]	30,000	1.3
	492-0458	Telecommunications	[AI]	15,000	1.0
	492-0464	Pvt. Entp. Policy Support II	[AI]	40,000	1.0
	492-0466	Democratic Plural. Initiat. Proj.	[DA]	1,000	3.0
	492-0468	Energy Conservation Fund	[ESF]	5,000	1.3
		Country Total & GPA (DA+ESF+AI)		280,000	1.67
		ESF Country Total & GPA		95,000	1.01
		DA Country Total & GPA		38,000	2.92
		AI Country Total & GPA		147,000	1.78
Portugal	150-0009	Cash Transfer	[ESF]	40,000	1.7
		Country Total & GPA		40,000	1.70
Tunisia	664-0346	Private Sector Development	[ESF]	1,500	1.3
	664-0355	Productive Skills Training	[ESF]	1,500	1.3
		Country Total & GPA		3,000	1.30

EUROPE AND NEAR EAST -- FY 92 (continued)

Country	Project #	Description	Funds	Amount (000s)	Grade
Turkey	277-K616	Cash Transfer	[ESF]	75,000	1.0
		Country Total & GPA		75,000	1.00
W Bank Gaza	398-0159	West Bank/Gaza Dev.	[ESF]	12,000	3.7
		Country Total & GPA		12,000	3.70
Yemen	279-0074	Education Dev. Support	[DA]	1,400	0.0
	279-0082	Accel. Coop. for Child Surv.	[DA]	1,000	3.3
		Country Total & GPA		2,400	1.38

LATIN AMERICA AND THE CARIBBEAN -- FY 92

Country	Project #	Description	Funds	Amount (000s)	Grade
Belize	505-0020	Training for Employment	[DA]	1,000	2.0
	505-0042	Bridges Support Program	[DA]	1,300	1.7
	505-0043	Nat. Res. Mgmt & Protection	[DA]	1,830	2.7
		Country Total & GPA		4,130	2.22
Bolivia	511-0000	Program Dev. and Support	[VA]	1,950	3.0
	511-0568	Reproductive Hlth.	[DA]	4,350	2.3
	511-0571	Policy Reform	[DA]	1,288	1.3
	511-0585	Export Promotion	[ESF]	2,200	1.3
	511-0587	Strengthening Democracy	[ESF]	2,000	1.7
	511-0589	Private Ag. Organizations	[DA]	1,400	2.7
	511-0594	Community and Child Hlth.	[DA]	2,250	4.0
	511-0596	Micro-Enterprise Dev.	[DA]	1,050	3.0
	511-0607	Self-Financ. Prim. Hlth. Care II	[DA]	1,800	3.3
	511-0608	AIDS Prevention	[DA]	1,400	3.0
	511-0614	Rural Electrification II	[ESF]	4,000	1.7

Country	Project #	Description	Funds	Amount (000s)	Grade
	511-0615	Drug Awareness	[ESF]	3,000	1.3
	511-0622	Env. & Watershed Mgmt.	[DA]	2,050	3.0
		Country Total & GPA (DA+ESF)		28,738	2.32
		ESF Country Total & GPA		11,700	1.58
		DA Country Total & GPA		17,038	2.83
Costa Rica	515-0241	Policy & Training Support	[DA]	2,350	2.3
	515-0246	Munic. Watershed Mgmt.	[DA]	3,000	2.3
	515-0247	Financial Svcs.	[DA]	1,350	3.0
	515-0254	CLASP II	[ESF]	2,000	0.7
	515-0260	Trade & Investment II	[ESF]	18,000	2.3
		Country Total & GPA (DA+ESF)		26,700	2.22
		ESF Country Total & GPA		20,000	2.14
		DA Country Total & GPA		6,700	2.44
Dom Rep	517-0000	Program Dev. and Support.	[DA]	1,160	2.3
	517-0190	Export Invest. Promotion	[DA]	1,181	1.3
	517-0239	Child Survival	[DA]	1,935	4.0
	517-0247	PVO Co-Financing	[DA]	1,517	3.7
	517-0251	Private Primary Education	[DA]	1,000	0.0
	517-0254	Microenterprise Dev.	[DA]	1,483	3.7
	517-0259	Family Planning Ext. Svcs.	[DA]	2,500	3.0
	517-0263	Investment Trade Exp.	[ESF]	5,000	1.3
		Country Total & GPA (DA+ESF)		15,776	2.35
		ESF Country Total & GPA		5,000	1.30
		DA Country Total & GPA		10,776	2.83
Ecuador	518-0069	Sustainable Uses - Biol. Resources	[DA]	2,000	3.0
	518-0084	Population & Family Plng. II	[DA]	1,000	3.0
		Country Total & GPA		3,000	3.00
El Salvador	519-0000	Program Dev. & Support	[DA]	1,598	1.7
	519-0287	Ind. Stabilizn/Recovery	[VA]	8,202	2.0
	519-0308	Health Systems Support	[DA]	6,100	3.3

Country	Project #	Description	Funds	Amount (000s)	Grade
	519-0318	Microenterprise Dev	[DA]	3,000	3.3
	519-0320	Public Svcs. Improvemt	[VA]	8,167	2.3
	519-0323	Free Zone Dev.	[ESF]	2,400	1.3
	519-0357	Educ. Quality Enhancement	[DA]	6,000	3.3
	519-0361	Carib/Lat.Am School Program	[ESF]	7,000	0.7
	519-0362	Coffee Technology Enhancemt	[DA]	3,000	2.7
	519-0363	Family Hlth. Services MCH	[DA]	4,100	3.0
	519-0367	Maternal Hlth/Child Surviv. Svcs.	[DA]	7,493	3.0
	519-0369	Balance of Payment Support	[ESF]	90,000	1.3
	519-0376	Judicial Sector Strengthing	[ESF]	2,600	1.7
	519-0387	Small Enterprise Support	[DA]	2,500	3.3
	519-0388	Municipal Level Democratic Dev.	[VA]	6,000	2.3
	519-9999	Priv. & Vol. Organizations, OPG	[DA]	1,500	3.7
		Country Total & GPA (DA+ESF)		159,660	1.80
		ESF Country Total & GPA		120,000	1.40
		DA Country Total & GPA		39,660	3.01
Guatemala	520-0000	Program Dev. & Support	[DA]	1,300	2.0
	520-0274	Highlands Ag. Dev.	[DA]	3,125	2.0
	520-0286	Cooperative Strengthening	[DA]	1,500	3.3
	520-0353	Rural Electrific. III	[DA]	1,700	2.3
	520-0374	Basic Educ. Strengthening	[DA]	4,500	3.0
	520-0381	Small Farmer Coffee	[DA]	2,000	3.3
	520-0392	Irrigated Ag. Support	[DA]	1,300	2.7
	520-0393	Guatemala Peace Schol. II	[ESF]	3,500	0.7
	520-0395	Natural Resource Mmgt.	[DA]	4,000	3.0
	520-0398	Democratic Initiatives	[ESF]	2,700	1.7
	520-0399	Highlands Water & Sanitation	[DA]	1,100	4.0
	520-0405	Economic Stabilization	[ESF]	23,000	1.3
		Country Total & GPA (DA+ESF)		49,725	1.90
		ESF Country Total & GPA		29,200	1.27
		DA Country Total & GPA		20,525	2.81
Guyana	504-0099	Econ Stabilizn/Struct. Adjustment	[ESF]	2,000	1.3
		Country Total & GPA		2,000	1.30

LATIN AMERICA AND THE CARIBBEAN -- FY 92 (continued)

Country	Project #	Description	Funds	Amount (000s)	Grade
Haiti	521-0000	Program Dev. & Support	[DA]	1,247	2.3
	521-0186	Investmt & Export Promotion	[DA]	1,000	1.0
	521-0189	Pvt. Sector Family Planning	[DA]	2,528	2.0
	521-0190	Incentives Improve Prim. Educ.	[DA]	3,500	3.0
	521-0191	Targeted Watershed Mgt.	[DA]	2,200	3.3
	521-0206	Vol. Ags. for Child Survival	[DA]	6,049	3.7
	521-0217	Agroforestry II	[DA]	4,400	3.7
	521-0218	Expand. Urb. Health Serv.	[DA]	3,020	3.3
	521-0219	Family Hlth. and Population	[DA]	2,872	2.3
	521-0222	Policy & Admin. Reform	[DA]	1,600	1.3
	521-0224	AIDS Control	[DA]	2,000	3.3
	521-0226	Econ. Recovery Assist.	[ESF]	24,000	1.3
	521-0230	Informal Sector Dev.	[DA]	1,000	3.0
	521-0231	Tropical Fruit Prod. & Mktg.	[DA]	1,000	4.0
		Country Total & GPA (DA+ESF)		56,416	2.28
		ESF Country Total & GPA		24,000	1.30
		DA Country Total & GPA		32,416	3.01
Honduras	522-0216	Health Sector II	[DA]	7,000	3.0
	522-0241	Small Business Dev. II	[DA]	3,210	2.0
	522-0246	Forestry Dev.	[DA]	3,000	3.0
	522-0268	Irrigation Dev.	[DA]	1,500	2.0
	522-0273	Primary Education Efficiency	[DA]	3,200	4.0
	522-0292	Land Use Productivity Enhancement	[DA]	3,000	2.3
	522-0296	Strengthen Democrat. Institut.	[ESF]	3,000	1.7
	522-0312	Investment & Export Promotion	[DA]	3,000	2.0
	522-0325	Policy Analysis. & Implement.	[VA]	8,300	1.0
	522-0334	Rural Trails & Access Roads III	[DA]	2,000	2.0
	522-0340	Municipal Dev.	[DA]	2,000	2.7
	522-0364	Honduras Peace Schol. II	[ESF]	2,000	0.7
	522-0365	Structural Adj. Prog.	[ESF]	43,000	1.0
	522-0367	Privatization II	[DA]	1,500	0.7
	522-0369	Private Sector Pop. Program II	[DA]	2,500	2.7
	522-0383	Small Farmer Orgn. Strength. II	[DA]	2,100	3.0
		Country Total & GPA (DA+ESF)		90,310	1.62

LATIN AMERICA AND THE CARIBBEAN -- FY 92 (continued)

Country	Project #	Description	Funds	Amount (000s)	Grade
		ESF Country Total & GPA		50,000	1.03
		DA Country Total & GPA		40,310	2.35
Jamaica	532-0101	Hillside Ag.	[DA]	1,500	2.0
	532-0135	Export Dev. & Invest Promotion	[DA]	1,600	2.0
	532-0163	Pop. & Family Plng. Serv. II	[DA]	1,250	3.3
	532-0164	Production & Employment	[ESF]	15,000	1.7
	532-0169	CLASP II	[DA]	1,064	0.7
	532-0170	Local Participation in Dev.	[DA]	1,157	3.7
	532-0173	Jamaica Env. Fund Support	[DA]	1,530	2.7
		Country Total & GPA (DA+ESF)		23,101	1.95
		ESF Country Total & GPA		15,000	1.70
		DA Country Total & GPA		8,101	2.40
Nicaragua	524-0000	Program Development & Support	[DA]	2,000	1.7
	524-0312	Pro-Familia Family Planning	[DA]	2,000	2.7
	524-0321	Expanded Program of Immunization	[DA]	1,000	4.0
	524-0325	Econ. Stabil. and Recovery IV	[ESF]	125,000	1.3
	524-0326	Privatization and Fin. Markets	[ESF]	5,000	1.0
	524-0327	Water and Sanitation	[DA]	5,000	4.0
	524-0328	Health Sector Support	[DA]	4,000	3.3
	524-0329	Basic Education	[DA]	4,000	3.7
	524-0330	Public Sector Financial Mgmt.	[ESF]	2,000	1.3
	524-0331	Agriculture Sector Support	[DA]	2,000	3.7
		Country Total & GPA (DA+ESF)		152,000	1.57
		ESF Country Total & GPA		132,000	1.29
		DA Country Total & GPA		20,000	3.41
Panama	525-0306	Financial Management Reform	[DA]	1,800	1.3
	525-0312	Judicial Reform	[DA]	3,000	1.7
	525-0315	Improving Local Government	[DA]	1,500	2.3
	525-1000	CA Peace Scholarhips	[DA]	2,200	0.7
		Country Total and Weighted GPA		8,500	1.46
Peru	527-0000	Prog. Dev. & Support	[DA]	1,020	3.3

Country	Project #	Description	Funds	Amount (000s)	Grade
	527-0285	Child Survival Action	[DA]	3,850	3.7
	527-0325	Rural H2O Syst & Env. Sanit. II	[DA]	1,570	3.7
	527-0335	Priv. Sector FP	[DA]	1,270	3.3
	527-0356	Democratic Initiatives	[DA]	1,155	2.0
		Country Total & GPA		8,865	3.38
Carribean Regional	538-0140	High Impact Agr. Mktg. and Prod	[DA]	2,005	2.0
	538-0161	AIDS Communic & Tech. Asst.	[DA]	1,876	3.0
	538-0173	Carib. Leadership Dev. Trng.	[DA]	2,893	1.0
	538-0178	Sm. Enterprise Assistance II	[DA]	2,752	2.7
	538-0184	Eastern Carib. Agr. Policy	[DA]	1,000	1.7
	538-0645	Carib. Justice Improvement	[ESF]	1,200	1.7
		Country Total & GPA (DA+ESF)		11,726	2.02
		ESF Country Total & GPA		1,200	1.70
		DA Country Total & GPA		10,526	2.06
LAC	597-0011	Regional Tech AIDS Ctr.	[DA]	2,000	1.0
	597-0031	Central Am. Journalism Improve.	[DA]	2,200	1.3
	598-0000	Program Development & Support	[DA]	1,100	1.7
	598-0591	Human Rights Initiatives	[DA]	2,750	1.7
	598-0616	Inter-Country Tech. Trnsfr.	[DA]	6,300	2.0
	598-0642	Reg'l Admin. of Justice	[VA]	4,750	3.0
	598-0644	Int'l Invest. Trng.	[ESF]	5,000	0.7
	598-0654	Rural Dev. Tech. Svcs.	[DA]	1,500	1.7
	598-0657	Health Tech. Svcs. Support	[DA]	1,800	3.0
	598-0660	ADC Training	[DA]	1,435	0.7
	598-0661	Carib. & LA Schol. Prog. II	[DA]	16,000	0.7
	598-0770	Reg'l. Legis. Mgmt.	[DA]	2,000	1.3
	598-0772	Priv. Sector Inst. Reform	[DA]	1,800	2.7
	598-0774	Advanced Trng. in Economics	[DA]	1,000	0.3
	598-0780	Environ. Support Project	[DA]	1,800	3.0
	598-0784	Environ/Global Clim. Change	[DA]	5,000	2.7
	598-0785	Caribbean Basin Growers Assoc.	[DA]	1,000	1.0
	598-0786	Accelerated Immunization II	[DA]	2,000	3.7
	598-0800	Accountability & Financial Mgmt.	[DA]	1,500	1.3

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LATIN AMERICA AND THE CARIBBEAN -- FY 92 (continued)

Country	Project #	Description	Funds	Amount (000s)	Grade
		Country Total & GPA (DA+ESF)		60,935	1.62
		ESF Country Total & GPA		9,200	1.75
		DA Country Total & GPA		51,735	1.60
ROCAP	596-0000	Program Dev. & Support	[DA]	1,200	1.7
	596-0150	Reg. Env. & Nat. Res. Mgmt.	[DA]	8,645	2.7
	596-0161	Energy Pol. Plng. & Effic.	[DA]	1,100	0.3
	596-0162	Regional Development Support	[DA]	1,300	1.0
		Country Total & GPA		12,245	2.21
Andean Narcotics Initiative	555-0001	Andean Narcotic Init.	[ESF]	250,000	1.7
		Country Total & GPA		250,000	1.70

CENTRALLY FUNDED -- FY 92

Project #	Description	Funds	Amount (000s)	Grade
931-0054	Intl. Fertilizer Dev. Center	[DA]	3,000	3.0
931-1254	CRSP Sorghum/Millet	[DA]	2,700	3.3
931-1310	CRSP Beans & Cowpeas	[DA]	2,665	3.3
931-1311	CRSP Soils Mgmt.	[DA]	4,530	3.7
931-1328	CRSP Small Ruminants	[DA]	2,800	3.3
936-4048	CRSP Peanuts	[DA]	1,700	3.3
936-4111	Int. Agr. Rsch. Centers	[DA]	2,110	3.0
936-4161	Reprod. Studies on Milkfish	[DA]	1,200	2.3
936-4195	Postharvest System	[DA]	1,500	3.7
936-4198	CRSP-Sustainable Agr. Systems	[DA]	2,668	3.3
936-5110	Food, Nutrition Mon. & Supp.	[DA]	1,000	3.3
936-5116	Vitamin A for Health	[DA]	3,400	4.0
936-5117	Wom/Infant Nutrition	[DA]	1,550	4.0
936-5120	Food Tech & Enter.	[DA]	1,000	4.0
936-5728	Energy Policy Dev. & Conserv.	[DA]	2,770	2.0
936-5730	Renewable Energy Appl/Trng.	[DA]	1,700	2.7

CENTRALLY FUNDED -- FY 92 (continued)

Project #	Description	Funds	Amount (000s)	Grade
936-5734	Energy Trng.	[DA]	2,800	1.7
936-5737	Biomass Energy Stms & Tech.	[DA]	2,075	2.7
936-5738	Priv. Sect. Energy Dev.	[DA]	2,785	1.0
936-5741	Energy Tech. Res. Asst.	[DA]	1,475	1.3
936-5517	Envir. Plng. & Mgmt.	[DA]	1,800	2.7
936-5547	Forestry Fuelwood R&D	[DA]	2,900	3.0
936-5554	Conservation of Biodiversity	[DA]	2,700	2.7
936-5555	Envir. Policy & Analysis	[DA]	3,400	2.7
936-5556	Forest Mgmt. & Conserv.	[DA]	2,200	3.3
936-5559	Envir. Quality Plng. & Mgmt.	[DA]	2,500	2.7
936-5053	HBCU Rsch. Grants	[DA]	2,000	2.0
936-5055	Technical Advisory Support Serv.	[DA]	1,115	1.3
936-5455	Appr. Tech. Int'l III	[DA]	3,000	3.3
936-5818	Learning Tech. for Basic Educ.	[DA]	1,025	3.3
936-5823	Impr. Effic. of Ed. Stms. II	[DA]	1,250	2.7
936-5832	Adv. Basic Educ/Literacy	[DA]	1,275	3.0
931-1126	Tropical Disease Res.	[DA]	2,500	3.3
936-5929	Health Resources Support	[DA]	4,700	2.7
936-5947	Vaccine Dev. & Hlth. Res.	[DA]	1,600	3.3
936-5948	Vector Biology & Cntrl.	[DA]	2,100	3.7
936-5951	Child Surv. Act. Prog. Supp.	[DA]	2,000	3.3
936-5966	Maternal/Neonatal Health & Nutr.	[DA]	2,620	3.7
936-5968	Tech. for Child Health	[DA]	2,550	3.7
936-5969	Tech. for PHC II	[DA]	3,600	2.7
936-5972	Aids Tech. Supp.	[DA]	18,964	3.0
936-5973	Water & San. for Hlth. III	[DA]	2,530	4.0
936-5974	Hlth. Care Fin. & Sustain. I	[DA]	2,260	3.0
936-5979	Malaria Vacc. R&D	[DA]	8,500	3.3
936-5982	Tech. & Res. for Child Hlth.	[DA]	2,700	3.0
936-5984	Comm. & Mktg. for Child Survey	[DA]	2,800	3.3
936-5985	Supply Promotion & Prod. ORT II	[DA]	1,076	3.7
936-5986	Diarrheal Dis. & Res. Coor. (DD)	[DA]	3,550	4.0
936-5992	Appl Res. & Child Surv. Serv. (ARCSS)	[DA]	1,600	3.3
936-5993	Private Health Service Delivery	[DA]	1,000	2.7
936-5994	Environmental Health	[DA]	1,000	3.0
936-5995	Environmental Health Problems	[DA]	1,000	3.0
936-5965	Global Aids Program-WHO	[DA]	25,000	3.0
936-5545	Applying S&T to Development	[DA]	2,000	3.0

CENTRALLY FUNDED -- FY 92 (continued)

Project #	Description	Funds	Amount (000s)	Grade
936-5600	Innovative Scientific Res.II	[DA]	6,662	3.0
936-3018	Contraceptives Procurement	[DA]	18,511	2.3
936-3023	Dem. & Fam. Hlth. Surveys	[DA]	5,398	2.0
936-3024	Population Technical Assistance	[DA]	1,225	2.3
936-3030	Strat. for Impr. Service Delivery	[DA]	6,269	2.3
936-3031	FP Trng. for Paramed. Aux. Comm. II	[DA]	4,266	1.7
936-3032	Pop. Infor. Prog. III	[DA]	1,500	1.0
936-3035	Pop. Policy Initiatives	[DA]	3,475	3.0
936-3038	FP Logistics Mgmt.	[DA]	5,500	1.7
936-3041	Family Hlth. Interventions	[DA]	7,207	1.3
936-3042	FP Services-Pathfinder	[DA]	6,500	1.7
936-3043	Expan/Improv of FP Prog.	[DA]	5,200	2.7
936-3044	Contracept. R&D	[DA]	3,000	1.3
936-3045	Trng. Reproductive Hlth. II	[DA]	6,472	1.3
936-3046	Demographic Data Initiative	[DA]	3,323	2.0
936-3048	Serv. Exp. & Tech. Supp.	[DA]	6,695	1.3
936-3049	Voluntary Sterilization-AVS	[DA]	11,400	2.3
936-3050	Pop. Council Prog. Phase II	[DA]	4,000	4.0
936-3051	Contraceptive Social Mktg II	[DA]	3,400	1.7
936-3052	Pop. Comm. Serv. II	[DA]	4,250	2.0
936-3055	FP Mgt. Dev.	[DA]	3,257	2.0
936-3058	CARE	[DA]	2,301	3.7
936-3060	Family Planning Evaluation	[DA]	2,000	1.3
936-3061	Natural Family Planning	[DA]	1,900	0.0
932-0662	UN Fund for Pop. Activities	[DA]	10,000	1.7
936-4111.88	CGIAR	[DA]	40,000	3.0
930-0185	AID/Israel Coop. Dev. Program	[DA]	5,000	2.0
936-5602	US/Israel Prg. for Coop. Dev. Res.	[DA]	2,500	2.0
938-0158	Matching Grants to PVO's	[DA]	17,938	3.7
938-0192	Cooperative Grants to PVO's	[DA]	5,800	3.7
938-0230	Development Education	[DA]	2,500	3.3
938-0238	Ocean Freight Reimbursement	[DA]	3,000	3.7
938-0244	Oppor. Ind. Cntrs. Intl. (OICI)	[DA]	2,000	2.7
938-0284	Vitamin A	[DA]	2,000	3.7
938-0500	Tech. Supp/Child Surv.	[DA]	15,000	3.7
938-0537	Rotary International	[DA]	1,000	3.7
938-0704	Food Aid Instit. Dev. Support	[DA]	6,000	3.7
940-1008	Housing & Urban Programs	[DA]	3,500	2.3

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CENTRALLY FUNDED -- FY 92 (continued)

Project #	Description	Funds	Amount (000s)	Grade
499-0000	Program Development and Support	[DA]	10,000	2.7
940-0012	Intl. Exec. Serv. Corps (IESC)	[DA]	5,000	1.0
940-0014	Fin. Sector Dev.	[DA]	1,000	1.0
940-0015	Instit. Reform & Informal Sector	[DA]	2,546	3.0
940-0016	Privatiz. for Dev.	[DA]	2,000	2.3
936-5448	Growth & Equity thru Micro	[DA]	1,500	3.3
930-0022	Socio-economic Stud. & Activit.	[DA]	6,350	2.7
930-0085	Integrated Stud. & Stms.	[DA]	3,100	3.0
930-0100	WID Strategies & Resources	[DA]	5,000	2.3
930-0232	Information as Tool in Dev.	[DA]	2,050	1.7
930-0600	Peace Corps	[DA]	2,000	3.7
926-0071	Trng Eval. & Supp. Serv.	[DA]	2,260	0.7
	Centrally Funded Total & GPA		418,998	2.67