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Action Plan

FY 1989

ZAIRE

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April 1987

Agency for International Development
Washington, D.C. 20523

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UNITED STATES GOVERNMENT

memorandum

DATE: 31 March 1987

REPLY TO ATTN OF: USAID/Zaire Mission Director, Dennis H. Chandler

SUBJECT: Zaire Mission Action Plan for Program Week Review

TO: DAA/AFR, Lois Richards

The U.S. economic assistance program in Zaire concentrates on agriculture, health, family planning, rural transport and balance of payments support. A consistently used mechanism in many of these projects is private voluntary organizations. Beginning in FY 1986, the U.S. Government resumed a role in economic policy dialogue which is likely to continue in the future. New emphasis will be private sector assistance and devising ways to deal with AIDS. A continuing concern, however, for the U.S. and other donors will be project sustainability.

Administratively, USAID/Kinshasa is in the midst of an intensive management period. Because the size of the program has more than doubled in the last four years, numerous projects have been initiated, some of which are very complex. The Mission is heavily burdened with implementation responsibilities as it tries to carry out successfully this large portfolio. Efforts are now underway to reduce the numbers of activities and streamline procedures while meeting the development needs of the country.

Attached is the Zaire Mission's Action Plan submitted for review during Program Week. My colleagues and I look forward to an open and constructive discussion which will guide us in preparing the FY 1989 Annual Budget Submission and help in the implementation of this important U.S. economic aid program.

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

OPTIONAL FORM NO. 10
(REV. 7-76)
GSA FPMR (41 CFR) 101-11.6
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FY 1989 - Zaire Mission Action Plan
For Program Week Review

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I. Major Issues Faced by Mission and Their Implications Over the Next Two Years (FY 1987 - FY 1989)

There are four major issues which warrant detailed discussion during Program Week: mission capacity for program management; private sector support; AIDS (Acquired Immune Deficiency Syndrome); evolution of mission strategy and new projects design.

A. Mission Capacity for Program Management

The major design issue which must be faced by the mission is portfolio management. The mission is running smoothly, but as currently staffed, it cannot handle a major increase in workload. The project portfolio (PL 480 and CIP's excluded) consists of 36 major bilateral and centrally funded activities with an LOP of $200 million. Of this total, 34 % had been disbursed by the end of FY 1986. On the program assistance side, during the last 9 months, two new programs were added, of $15 million AEPRP and a $12 million PL 480-Title II - 206, to the ongoing CIP's - $20 million and the PL-480 Title I program which averages $15 million annually. These new programs have moved the Mission into an active role with respect to policy dialogue.

The mission cannot add to this portfolio of activities (constant workload for next 3 years) without major changes in efficiency, staffing and or management. To deal with both these issues, and OE constraints, the mission proposes a number of approaches.

- The mission will review the current project portfolio to identify marginal activities to be eliminated, and administrative activities to be shifted to institutional contractors, PVOs and/or the GOZ.

- The major design issue will be mission workload. Emphasis will be placed upon institutional contractors to assume maximum responsibilities for the administrative burden.

- The mission has accelerated its Zairianisation program and will augment capacity through training to upgrade FSNS and/or additional employment of FSNS.

- The mission will conduct a major review of mission staff capability (training and experience), work assignments (job descriptions) and current and projected work load (staff needs assessment) to determine how assignments can be adjusted to increase output.

- As the PL-480 component of program assistance increasingly includes more grant versus loan funds, the mission will negotiate increases in the trust fund.

- The mission will improve efficiency during FY 87 by doubling current P.C. and word processing capacity, through local purchase of additional Wangs (Paid for out of the Trust Fund).

- In FY 1988, based upon the experience gained under the PVO Economic Support Project a new Small Project Support Assistance Project will be designed for initial obligation in FY 1989. The new project will provide for an institutional contractor (possibly, a PVO), who under guidelines for sub-project authorization and funding will design, administrator and evaluate

small project activities which the mission decides are worthwhile and in line with CDSS objectives. This will reduce the project proliferation pressure placed on the mission with respect to worthwhile, but small interventions on the part of PVO's, Peace Corps, etc. These activities, such as the Kimbanguist Hospital with the Israelis (Hadassah) (660-0122), PVO Economic Support with ORT (660-0097), Private Management Support with Technoserve (660-0113), Fish Culture Expansion with the Peace Corps (660-0080) etc., place a heavy, design, evaluation and management work load upon the mission. The mission is proud of accomplishments under these successful projects, but cannot afford the disproportionately high management requirement.

B. Private Sector Support Project

In May 1985 (FY 1987 ABS) the mission proposed an $18 million Private Sector Support Project (660-0120) aimed at assisting the banking sector in developing capacity to provide loans to small and medium sized agro-business. Mission research and design efforts (Investment Climate Survey, Banking Sector Survey, Draft Private Sector Development Strategy, etc) have not lead to mission concensus on the project. To the contrary, efforts have lead to a proliferation of ideas and possible interventions varying from labor-intensive micro interventions to macro-level interventions designated to have a secondary effect on business expansion. Because of lack of data and conclusive analysis as well as workload concerns, this project has been postponed until FY 1988.

The dilemma faced by the mission has its roots in lack of definition of how and in what direction mission strategy (CDSS) will evolve. This issue must be dealt with during Program Week (See Section I-D below). In the meantime, with REDSO assistance, the mission launched in February 1987 a research effort designed to clarify priority needs and mission objectives. The seven components of the required information base are:

1. Update Investment Climate Assessment Report.
2. Prepare a Private Sector Overview and Analysis Report.
3. Survey Capital Markets, Financial Intermediaries and Management Assistance Resources.
4. Review Donor Objectives, Priorities and Programs.
5. Conduct a Private Sector Training and Development Needs Assessment and Resources Surveys.
6. Review the Private Sector Implications of USAID's Current and Planned Portfolio.
7. Review Mission Structure and Staffing Implications of Private Sector Strategy.

The mission anticipates that based upon Program Week guidance with respect to evolution of mission strategy and the information base to be developed by May 1987, it will be able to submit the Private Sector Support Project PID to AID/W in August or September 1987.

C. Acquired Immune Deficiency Syndrome (AIDS)

Over the next few years AIDS will have a profound impact not just on our health and population programs, but on our mission program as a whole. Studies in Kinshasa demonstrate that about 8% of the general population are seropositive, i.e. they have human immunodeficiency virus (HIV) antibodies in their blood. This

rate is 10 times higher than in Europe or North America. Also, in Africa the male to female ratio of the disease is 1:1 as compared to 8:1 in the U.S. AIDS in Africa is a heterosexual disease, with sexual transmission accounting for 80% infection. Other modes of transmission are blood transfusion, needles or other skin-piercing instruments and mother-to-child transmission (both congenitally and through breast-feeding). HIV infection increases 1-2% a year, in 5-10 years time 15-25% of child-bearing women in Kinshasa could be infected. It is clear that AIDS in Africa (particularly in cities) is a public health problem on the same scale as malaria and diarrheal disease but with far more serious consequences. Since the majority of cases are in adults in their prime working years, AIDS will have a far-reaching impact on development.

The AIDS pandemic is here and the mission has no choice but to examine its impact upon economic activity, policy and strategy and the nature of future project interventions. The impact on Zaire will be significant but what that impact will be with respect to specific sectors is unknown. What will the impact be upon: leadership, labor productivity, savings, investment, modes of health care, government expenditures, breast-feeding, use and choice of contraceptives, sexual practices, rural-urban migration, employment, education etc. We currently have activities planned or underway within on-going projects to help us answer some of the immediate questions with respect to slowing the spread of AIDS. Among these activities are blood screening, better sterilization practices for immunizations, AIDS-prevention education and condom distribution in high risk populations. We are finding out more about the prevalence in the general population through surveys of company personnel and more about cost through an economic impact study. We are accomplishing some of these through selected use of centrally-funded child survival and population projects. However, A.I.D. must still come to grips with the overall impact of AIDS on development strategy in countries such as Zaire. Mission thinking in this regard is consist with the recently enunciated A.I.D. policy Guidance on AIDS.

D. Evolution of Strategy/Preparation of New CDSS

Of increasing importance is the evolution of the mission program and the design of new projects. During FY 1987 the mission will reduce its mortgage to $32 million. Assuming an OYB of $30 million plus and that the current mortgage will be paid off over 3 years, the mission needs to create projects to absorb $20 million plus per year, starting with FY 1988. Thus, the mission must deal with two interrelated questions during the next year, the design of the new Private Sector Support Project (660-0120) and research for the development of a new CDSS in FY 1989 (see Annex A). In approaching this issue the mission is operating under the assumption that the GOZ will continue with its current reform program. Continuation means a recognition that there will be some backsliding due to internal political pressures but the commitment will remain and progress will be made from year to year. If it were not to be so, the mission envisions significant reductions in the OYB and a consolidation of the program, with a focus on sustaining past and currently funded investments in the Bandundu and Shaba Regions.

In looking at the needs of Zaire, within the framework of a continuing and expanding structural adjustment program, Zaire's primary needs are for Program Assistance (Balance of Payments and Budgetary Support), augmentation of in-country capacity for policy analysis and assistance in the rehabilitation of the infrastructure required to support expanding economic activity. Within this

context, as the mission proceeds with the research and analysis (See Annex--A) required for the development of the Private Sector Support Project in FY 1988 and the new CDSS in FY 1989 the mission needs a reading on which approaches AID/Washington is willing to support with respect to Congress. Two logical courses of action are available. First, increased involvement in policy analysis and dialogue backed up by fast disbursing program aid, and Second, project Assistance directed at the infrastructural rehabilitation which must accompany improvements in the policy atmosphere. Either approach will require a shift of emphasis but not a major change in the approved mission strategy and a supporting commitment on the part of AID/W.

The mission envisions that the evolving strategy will place greater emphasis on eliminating the constraints to private sector expansion. Under the first approach mission emphasis would be upon policy and financial constraints and under the second, infrastructural constraints, i.e. transportation, communication and energy. Both approaches require that program emphasis be increasingly targetted upon the needs of the urban based commersant, and the development of linkages to rural sources of supply. The choices of approach will have a major impact upon the type of funds available for program implementation. A large Program Assistance effort ($15 to $20 million per year coupled with a PL 480 program of $20 to $30 million per year) will generate a massive counterpart fund which can be used to capitalize financial intermediaries and support infrastructural rehabilitation in conjunction with the existing project emphasis in the Bandundu and Shaba Regions. On the other hand, a decision to devote resources to rehabilitation of infrastructure required for economic expansion, would move the mission into identification and design of capital projects and limited counterpart funds requiring careful programming to support the local costs of project implementation.

Other design issues also face the mission during the FY 1988 and FY 1989 period. The mission must deal with possible follow on projects for Family Planning Services (660-0094), Agricultural Research (660-0091), and Fish Culture Expansion (660-0080), in addition to new projects such as Small Project Assistance Support and possibly an effort directed at the spread of AIDS.

II. CDSS STRATEGY (Repeat of Statement in Action Plan included in FY 1987 ABS (May 1985)

A. GOAL: The goal of the mission's program is to improve the living standards of the Zairian population by supporting both rehabilitation of infrastructure and improvements in managerial and technical skills. The target group of ultimate benefit is the traditional farm family.

B. PROGRAM OBJECTIVES: While the goal is sustained development, the strategy encompasses both shorter and longer term time horizons:

1. Short Term Stabilization Support - Economic stabilization is prerequisite to sustained economic growth. USAID will provide balance of payments support and supplement the GOZ's local current development budget by generating counterpart funds through the financing of commodity imports.

2. Economic Recovery Support - Through the medium term the mission will support economic recovery by encouraging further economic liberalization and stimulating private investment. Institution building to improve Zaire's policy analysis, public investment, and general public administration will also be promoted.

3. Increased Output from Small Farms - The medium-term aspect of the program combines rehabilitation of transportation, marketing, and agribusiness infrastructure with the introduction of appropriate agricultural inputs. In the longer-term, the objective of the mission's program will be improvements in: the agricultural research system, GOZ agricultural policy, agricultural extension, rural health, family planning, and nutrition, which will all create a foundation for growth and development.

4. Improved Health Status - The health program coordinates the provision of technical assistance, training and commodities, as well as disease control programs, all in support of the nationwide objective of a self-sustaining, community-supported preventive rural health care delivery system. (for update see, Child Survival Strategy - FY'88 ABS).

5. Lower Population Growth - Training, technical assistance and contraceptive supplies will be provided to promote voluntary family planning in both rural and urban areas in order to lower the long term rate of increase in the population. (for update, see A Framework for USAID Population Strategy in Zaire, 1985-1995, by Clark/Sinding, dated Sept. 1985.)

III. POLICY DIALOGUE ACTION PLAN

A. THE ROLE OF POLICY DIALOGUE

Development assistance should support programs rooted in the host country's own social and economic values, where those values coincide with the donor's own. The role of mission's policy dialogue is to promote mutual values in the form of policies and strategies for development that can serve as the basis for USAID's program in the host country.

Unfortunately, in Zaire as in most recently independent countries of Africa, the momentum of indigenous development activities is relatively weak and heavily affected by the political imperatives. In many sectors, fundamental directions for both public-sector and private-sector activities still need to be established to provide the absorptive capacity for external assistance.

B. THEMES OF MISSION'S POLICY DIALOGUE

Four essential themes summarize the major directions that the mission encourages Zairian authorities to take in their overall development policy: Economic Liberalism, Sustainability, Child Survival, and Strengthening the Small Farmer Base of Agricultural Production. Mission's strategy is to state its policy dialogue themes broadly and to pursue a continuous series of applications in the course of on-going activities, thus creating a sustained and cohesive character to the policy dialogue and enhancing its cumulative effect.

1. Economic Liberalism

The basic elements of Economic Liberalism are reliance on free market prices and minimization of impediments to trade and investment. Both these elements are critical to the priority goal of rural development, given the history of agricultural price controls and parastatals in Zaire before 1978. Zaire, unlike some African countries, has freed prices of agricultural products from controls and has eliminated parastatal trading firms in the agricultural sector.

In more recent years, the liberalization program has focused on secondary industry (largely agribusiness), transport (fuel prices), and foreign trade (exchange rates and exchange controls). Recent liberalizing measures include a floating exchange rate and the end of import licensing in 1983, rationalization and partial liberalization of fuel pricing and distribution in 1985, elimination of industrial price controls in 1986, and reduction in tariff-induced distortions of market prices through a four-year program adopted in 1986. There has been increasing interest in privatization, with, for example, the parastatal airline coming under a private management contract and various other proposals being raised in connection with Structural Adjustment programs.

USAID's most recent CIP, the Structural Adjustment Support Grant (660-0121), funded by the African Economic Policy Reform Program (AEPRP), includes covenants by the GOZ to maintain reforms regarding foreign exchange pricing, imports, fuel pricing and distribution, and pricing of agricultural and industrial products. Authorization of the Structural Adjustment Support Grant occurred at a critical time. The GOZ reopened the debate on IMF led

liberalization initiatives within a month of the signature of the grant agreement. This renewed debate has increased the importance of U.S. mission support for the reform programs as well as requiring that USAID become better prepared to reevaluate the economic basis of its program strategy.

2. Sustainability

a. The Microeconomic Aspect

The microeconomic dimension of sustainability has to do with whether a particular activity's promoters and beneficiaries have the means and the incentive to pay for the activity's costs, and whether the activity's institutional structure effectively taps these resources and uses them appropriately. Microeconomic sustainability is obviously vital for almost every activity that USAID supports. USAID seeks such sustainability primarily by encouraging the GOZ to involve the private sector, including PVOs, in all aspects of the development program, and to adopt private-enterprise strategies where possible in governmental programs. That is beneficiairies should pay for services received where ever possible.

b. The Macroeconomic Aspect

The macroeconomic dimension has to do with realistic governmental budgeting and adequate control of planned receipts and expenditures for the overall development program. This is an area in which the GOZ's performance has been very weak. Taxation has been extremely irregular and expenditures for non-priority and even unauthorized uses are common. Before the campaign for financial rigor that began with IMF assistance in 1983, budget authority regularly exceeded funding availabilities. By throwing virtually every budgetary line item off target, this contributed to irregular taxing and spending practices, including development of a host of off-budget "parafiscal" revenue mechanisms. Excessive governmental borrowing depressed the availability of credit to the private sector and contributed to high inflation. Inflation combined with fixed exchange rates led to foreign exchange shortages, governmental import licensing, and multiple exchange rates.

The U.S. mission has not directly participated in dialogue with respect to budgetary, tax, and debt management issues. However, since these issues bear upon such questions as the justification for Commodity Import Programs, USAID monitors the efforts of the GOZ, IMF, World Bank, and others to achieve an acceptable equilibrium. USAID/Kinshasa participates in the Consultative Group and its Follow-Up Commission in Kinshasa and has brought concerns to the Consultative Group's attention.

3. Child Survival

In 1981, the GOZ adopted a primary health care strategy for achieving "health for all by the year 2000." This strategy was based upon the realization that expanding the hospital system was taking up 80 percent of the health budget for curative, urban care which was reaching no more than 15 percent of the population. USAID's policy dialogue has influenced concepts, design, and management of this system.

Although the health of the majority of Zairians is poor, by far the hardest hit groups are children under 5 years of age, pregnant women, and mothers of young children. Mission's policy dialogue emphasizes support for a comprehensive, integrated Child Survival Strategy. Within this framework, USAID is assisting the GOZ to strengthen its capacity to deliver key child survival services: oral rehydration therapy, immunizations, growth monitoring and nutrition education, birth spacing, water and sanitation, and malaria treatment and prophylaxis.

There are a number of significant constraints to the delivery of effective interventions. The GOZ's financial support is inadequate, deficiencies remain in planning and management, and staff needs retraining. Poor communication and transport systems, although beyond the health sector's purview, continue to impede the delivery of health services and supplies in rural areas.

Despite these constraints, USAID's Child Survival program builds on a number of favorable factors. Zaire's national health strategy emphasizes prevention and concentrates on the most serious public health problems. Also, a significant portion of the health program is managed by PVOs and NGOs, and user fees for health services (including family planning) are well accepted throughout the country.

4. Strengthening the Small Farmer Base of Agricultural Production

The economic policies affecting agriculture as a productive sector are largely treated above under Economic Liberalism and Sustainability. For example, liberal pricing policies are encouraged in agricultural markets as well as in industrial markets or financial markets. Rationalization of the tariff regime eliminates excessive effective protection of assembly industries, and thus reduces costs and improves incentives in sectors like agriculture that buy manufactures.

In addition to broad economic themes, USAID also pursues policy dialogue relating uniquely to agricultural development: the strengthening of the small farmer as the base of agricultural production, largely for food, but also for industrial inputs and export commodities. The elements of this theme are: increasing Zaire's analytical capacity in the agricultural sector, increasing resource allocation for promotion of domestic agricultural production, concentration of research and extension on improvement of simple, often single-input production systems, and improving the small farmer's access to markets by reforming the system of allocating commercial credit for agricultural marketing and by reforming marketing regulations that reduce competition in agricultural marketing.

C. POLICY DIALOGUE ACTION PLAN FOR 1987

1. Economic Liberalization

a. Return to a market-based official exchange rate; avoid pressure on commercial bank exchange rates from artificially set central bank exchange rates.

USAID Director: Withhold release of the Structural Adjustment Support Grant until the GOZ returns to a market-based exchange rate policy. Represent

mission policy in this regard at the Ministerial level, as opportunities permit, subject to the Ambassador's guidance.

Staff: Monitor actual exchange rates. Study the probable course of future exchange rates.

b. Prepare a four-year program to further rationalize import tariffs.

USAID Director: If necessary, withhold release of the second tranche of the Structural Adjustment Support Grant pending adoption of a satisfactory plan for further rationalization of import tariffs. Represent Mission policy in this regard at the Ministerial level.

Staff: Monitor World Bank and Planning Ministry studies of tariff reforms.

c. Strengthen the fuel-pricing policy.

USAID Director: Withhold release of funds from the Structural Adjustment Support Grant until the GOZ returns to full-cost fuel pricing. Represent Mission policy in this regard at the Ministerial level.

Staff: Consult with industry and government personnel on technical aspects of fuel price setting and recommend specific adjustments required.

Consultants: Prepare a study of the fuel pricing and distribution system.

d. Continue commitment to liberal agricultural marketing and pricing policies.

Staff and Consultants: Study the implementation and effects of liberalization in specific geographic markets.

2. Sustainability

a. Resume budget discipline; reduce deficit financing and monetary growth to within manageable limits.

Staff: Monitor development of the GOZ's budget and its financing.

b. Abstain from further major expenditures outside the core investment program.

USAID Director: Represent Mission support for limiting expenditures to projects in the Core Investment Plan at the Consultative Group and other donor fora, as well as at the Ministerial level. Negotiate agreement to deposit U.S. generated Counterpart Funds in commercial bank accounts.

Staff: Contribute project profiles to the project monitoring program undertaken by the Planning Ministry and the World Bank.

c. Increase the fuel tax allocated to rehabilitation of rural roads, so as to allow the Roads Bureau to fulfill its obligations.

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Staff: Contribute project profiles to the project monitoring program undertaken by the Planning Ministry and the World Bank.

c. Increase the fuel tax allocated to rehabilitation of rural roads, so as to allow the Roads Bureau to fulfill its obligations.

USAID Director: At the Ministerial level, state Mission interest in the GOZ providing adequate financing for the roads program of the Roads Bureau through a dependable mechanism such as the fuel tax.

Staff: Monitor volume of funds made available to the Roads Bureau relative to commitments. Recommend adjustments as necessary.

d. Privatize the capital base of the Agricultural Credit Bank.

USAID Director: Represent to the appropriate Ministers mission support for the Agricultural Credit Bank's initiative to expand its capital base. If authorized by AID/W, negotiate a PL480 Section 206 agreement with the GOZ including a covenant that the Zairian Cabinet present a draft ordinance opening the Bank's capital base for the President's signature in 1987. Suspend assistance under Section 206 if necessary, depending on performance.

Staff: Review the Bank's Five-Year Plan and study further measures needed to expand the Bank's capacities, for example, deposit of Counterpart Funds, or loans from Counterpart Funds.

e. Promote private-sector investment in production of improved seeds in Shaba.

Staff: Negotiate contract with private enterprise for the production and marketing of improved, open-pollinated corn seed, to benefit the Central Shaba project area. Assist in securing necessary GOZ approvals.

3. Child Survival

a. Adopt a national population policy.

USAID Director: Encourage the Cabinet to approve the National Population Policy drafted by the Planning Ministry and to forward it to the President for promulgation.

b. Form a national population committee.

Staff and Consultants: Assist in creation of a National Population Committee and in the development and implementation of sectoral elements of the National Population Policy.

4. Strengthening the small farmer base of agricultural production

a. Establish agricultural policy workshops to coordinate agricultural policy discussions.

Staff and Consultants: Establish with the Ministry of Plan a working group to arrange annual Agricultural Policy Workshops.

b. Adopt a savings mobilization policy and program for small farmers.

USAID Director: Encourage the Ministries of Agriculture, Plan, and Finance to draft a policy document for approval by the Cabinet.

Staff and Consultants: Assist the GOZ in drafting a savings mobilization policy document.

c. Streamline formalities for release of short and medium term commercial credit to the rural sector.

USAID Director: Encourage, with other donors, the development by the Bank of Zaire and the Ministry of Finance of more expeditious release mechanisms for rural credit funds.

d. Produce a specific food crop research program for the next five-year period, with both short and medium term objectives.

Staff and Consultants: Work with the Agricultural Research and Extension project (660-0091) to present a formal five-year research program.

e. Initiate negotiations on a mechanism for eventual funding of agricultural research.

USAID Director: Begin dialogue with the Ministries of Agriculture, Plan, and Finance on various possible methods for funding agricultural research.

f. Establish a national extension policy.

USAID Director: Encourage the Ministries of Rural Development, Agriculture, and Plan to begin development of a national extension policy.

D. OUTLOOK FOR 1988

Studies and projects now in progress will identify elements for the policy dialogue agenda for 1988. The following subjects are among those that are likely arise:

Rural credit cooperatives: These cooperatives are growing, but may be subject to constraints relating to regulation or their statutory powers.

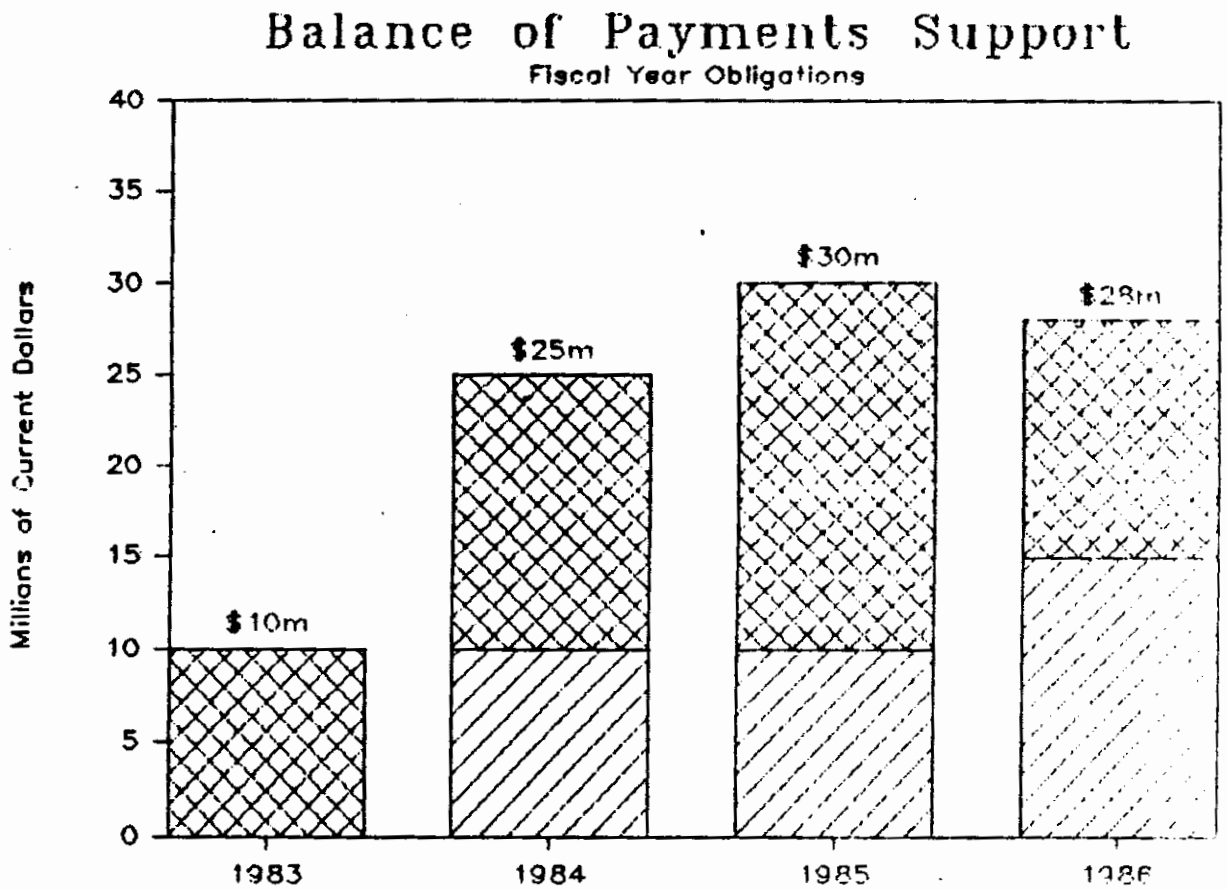
Liberalization of fuel distribution: Competition is restricted at present by the system for importation and pricing of fuels. This may exacerbate fuel shortages outside the main cities.

IV. PROJECT PROGRAM ACTION PLAN

A. ACCOMPLISHMENTS THROUGH FY 1986

1. STABILIZATION AND RECOVERY

a. Charts of Program Accomplishments



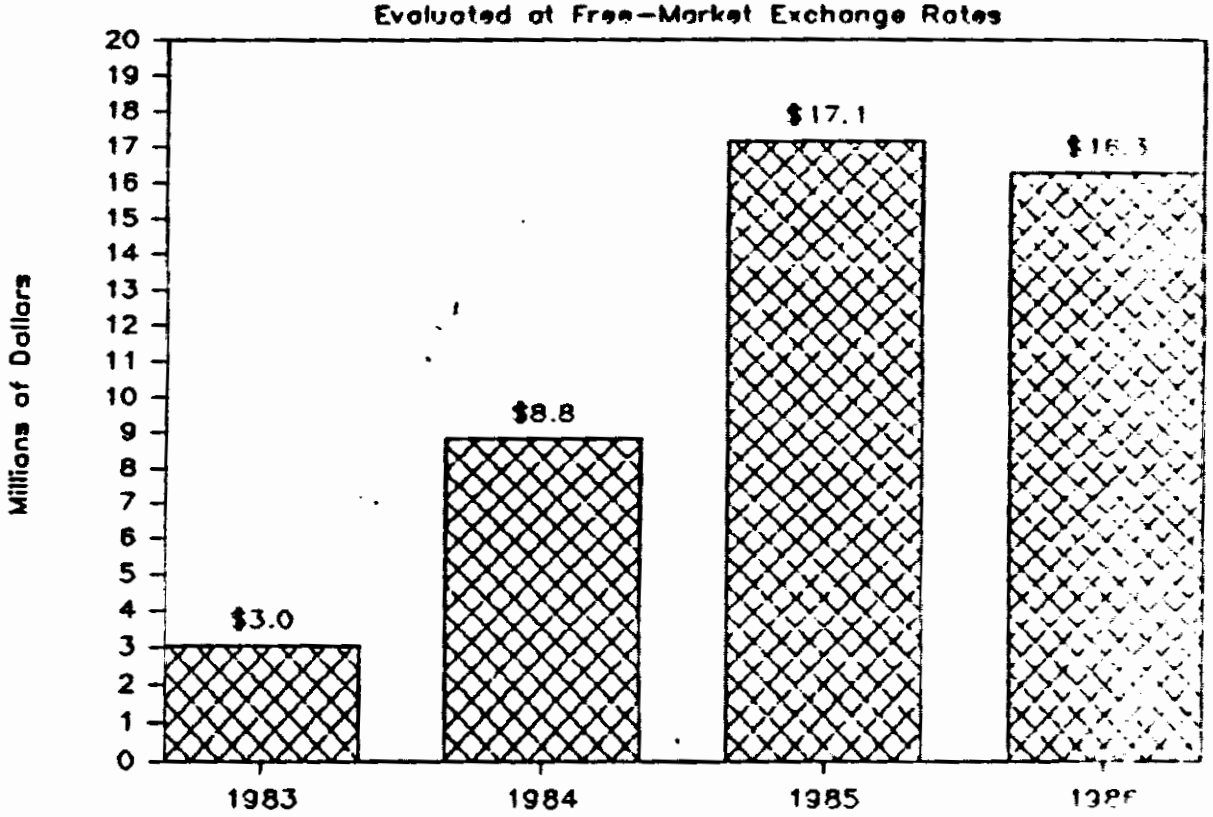
	1983	1984	1985	1986
Percentage of Commercial Inputs *	1.3%	3.1%	3.8%	3.5%

CIP PL-480

* CIP's plus PL 480 CPF generation as percentages of $800 million (USAID Program estimate of Annual Commercial Imports).

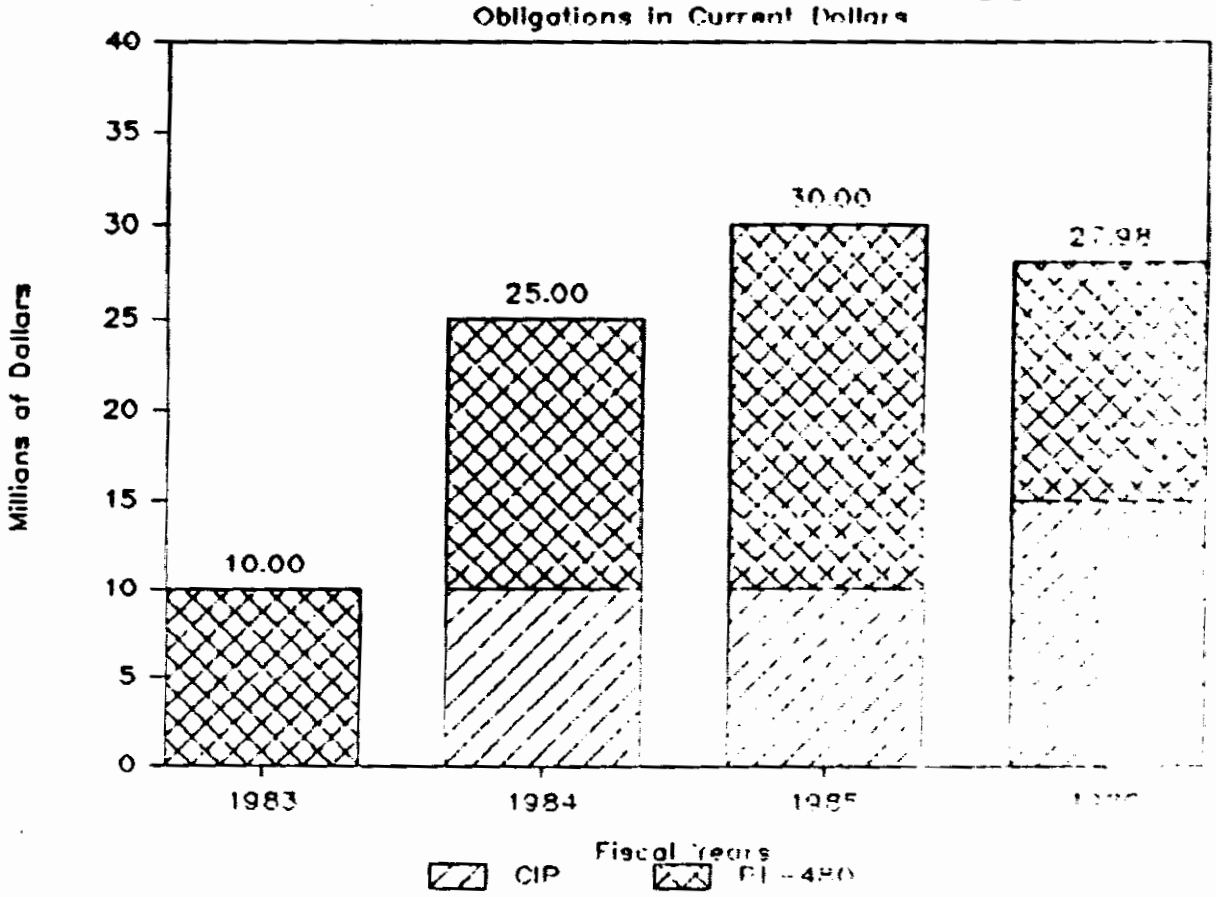
Budgetary Support/Counterpart Fund

Evaluated at Free-Market Exchange Rates



Balance of Payments Support

Obligations in Current Dollars



b) Overview of Stabilization and Recovery - Accomplishments to date (01/01/86)

Although USAID Balance of Payments (B of P) support has not in itself been significant, it has been an indicator of the strong US support for the GOZ liberalization program launched in 1983. Additionally it has not been a question of U.S. support in isolation, but a question of how much B of P support in total is being provided by the Donor community. This amount has, in fact, been significant. Of greater importance, however, has been the Local Currency generated by these programs (Counterpart Funds) and the joint process through which the GOZ and USAID program the funds. Through the process of programming this budgetary support, USAID is able to have a significant impact upon GOZ investment priorities and as a percentage of GOZ investment in the areas in which USAID conducts programs (Health, Agriculture and Roads) the amount has been significant (see charts above).

These Balance of Payments and budgetary support programs have reinforced the policy dialogue effort described in Section II and have contributed to the GOZ implementing numerous reforms. The key measures include:

* floating the exchange rate
* eliminating import licensing
* decontrolling prices
* permitting the repatriation of profits
* encouraging private sector initiative
* increasing credit to the private sector
* reducing government budget deficits

Evidence that stabilization and recovery efforts have been effective is readily visible.

* Zairian farmers are receiving higher prices for their products and as a result are increasing their deliveries to markets.
* Foreign exchange is being used more efficiently: i.e., Gecamines, the copper and cobalt producer, receives adequate Foreign Exchange for operations and shortages of imported basic consumer goods have been reduced.
* The GOZ's deficit is down and bank credit to the private sector has increased from the 1982 low and private business confidence is showing a cautious improvement.
* Public investment selection and execution is gradually improving, especially with identification of a "core" program within the Five Year Plan.

2. HEALTH AND POPULATION

a. Chart of Project Accomplishments (As of 9/30/86)

Project Number	Health Services Delivery	Training and Technology Transfer	Basic Infrastructure rehabilitation	Research and Other
660-0079 Area Nutrition Improvement Initial Obligation 9/30/83		4 staff members received masters-level training. 180 health workers and others trained in child feeding practices and growth monitoring.		Baseline nutritional status survey conducted in Bandundu.
660-0086 Basic Rural Health I Initial Obligation 8/31/81 PACD 3/31/87	56% increase in PHC services in rural health zones. 43% of pregnant women in 39 zones received prenatal care. 2200 new contraceptive acceptors in 11 rural health zones. 36% of children under-five in 39 zones received clinic care.	Long Term: 31 physicians (16 MPH: USA) (15 MPH: UNIKIN) Short Term: 50 physicians in PHC management 54 nurse supervisors 1245-nurses 74-TBA trainers 669- TBAs 62-VHW trainers 1128 VHWs 2592-village Dev. committee members	50 health zones established. Project contributed medical equipment, laboratory supplies, medications, vehicles, and subsidies for vehicle maintenance. 800 villages with approx. 90% households using latrines. 1697 springs capped. 66 dug wells/rain water catchment systems. 12 classrooms constructed. 20 laparoscopes installed. 220 curative dispensaries transformed into full service health centers.	National PHC documentation center established. 30-minute TBA training film produced. Assisted at the Nat. level with the demarcation of health zones in all 8 regions. 3,000 village dev. committees established. PRICOR study completed on impact on service utilization of fixed fee for illness episode.

Project Number	Health Services Delivery	Training and Technology Transfer	Basic Infrastructure rehabilitation	Research and Other
			262 family planning units started. 277 MCH clinics providing prenatal, maternity and under-five services. Financing for 694 vaccinations programs' technical training and IEC materials.	
660-0094 Family Planning Services Initial Obligation 9/30/82	approx. 13,000 clients served.	188 FP providers trained locally in basic FP. 40 key personnel trained locally in FP management. 4 MD/nurse teams trained in mini-lap technique of female VSC. 1 MPH in US training	58 FP service centers equipped and functioning. 2 regional FP training sites operational.	National FP IEC strategy designed. Kinshasa Social Marketing project designed. Kintambo KAP type survey completed.
660-0097 PVO Economic Support		44 mechanics trained. 55 trainers of	200 rural health centers rehabilitated by supplying medical	

Project Number	Health Services Delivery	Training and Technology Transfer	Basic Infrastructure rehabilitation	Research and Other
				Field training sites selected. SPH advisory council established. Students for diploma program selected.
660-0107 Basic Rural Health II Health Component Initial Obligation 8/24/85	Increased PHC services coverage by 52% in 10 health zones.		10 health zones established and furnished with medical equipment, lab. supplies, medications, vehicles, subsidies for vehicle maintenance. 1 Regional Pharmaceutical center (reconstruction of warehouse and training facilities). 7 health center rehabilitation projects financed. 4 rural health centers reconstructed. 3 General Reference Hospitals reconstructed. 30 curative dispensaries transformed into full service health centers.	REACH completed a health center cost-recovery study conducted in 10 rural Health zones. WASH designed classification system for documentation center.

Project Number	Health Services Delivery	Training and Technology Transfer	Basic Infrastructure rehabilitation	Research and Other
660-0107 (Water Component) Initial Obligation 8/24/85	Safe water provided to approximately 270,000 villagers.	8 Rural water coordinators trained. 2 TOT sessions accomplished. 13 National trainers trained.	467 water sources improved. 10 rural water stations strengthened. Radio Communication system installation begun. Central project office completed. 100 springs capped. 25 wells constructed. 5 gravity systems constructed.	Policy and strategy document prepared. 5-year National Water and Sanitation Plan completed.
660-0114 Shaba Refugee Health Initial Obligation 3/19/85			1 maternity center rehabilitated.	
660-0116 Shaba Refugee Water Supply Initial Obligation 3/29/85	safe water provided to 50,000 villagers.	10 community development workers trained.	1 rural water station constructed. 100 springs capped.	
660-0122 Kimbanguist Hospital Assistance Initial Obligation 9/30/86		Hospital administrator in place.	A and E firm identified.	
Title II Peace Food for (AID-ORT) Initial Obligation 9/30/85	4,500 children fed in both FY 85 and 86		Packing machine installed. Truck purchased for mobile kiosk.	

Project Number	Health Services Delivery	Training and Technology Transfer	Basic Infrastructure rehabilitation	Research and Other
698-0421 (CCCD) Initial Obligation 9/30/82	Vaccination coverage: measles 40% DTP/OPV 38% BCG 58% ORT in 50% facilities. Malaria prophylaxis for pregnant women 30%.	250 physicians trained locally 4000 other health staff trained. 2 physicians trained long term in US.	Cold chain equipment supplied to 176 health zones.	13 operational research projects initiated in malaria, diarrhea and vaccinations

PHC - Primary Health Care
TBA - Traditional Birth Attendant
VHW - Village Health Worker
IEC - Information-Education-Communication
VSC - Voluntary Surgical Contraception
KAP - Knowledge, Attitudes, Practices
TOT - Training of trainers
RHC - Rural Health Care

b. Health and Population - Accomplishments to Date (10/1/86)

The core health interventions are the Basic Rural Health (BRH) Projects. BRH I established a community-supported system of primary health care (PHC) offering preventive services and treatment for the 10 most prevalent health problems. The project transformed 220 curative dispensaries into full service PHC centers, thus providing 2.8 million rural inhabitants with PHC services. Regional and zonal level physicians and nurses received training in health services management, (i.e. finances, personnel, and supervision). Community participation was promoted through training of approximately 4,400 village health workers and village development committee members. A 1986 study of 10 rural health zones (RHZ) indicated that most health services offered were community supported (An average of 79% of operating expenses were recuperated through user-fees). BRH II calls for expanding into 50 additional RHZ's and further strengthening of the 50 assisted in BRH I. To institutionalize activities at the national and regional levels, in collaboration with FONAMES (the reorganized national PHC coordinating unit), efforts are underway to improve regional and sub-regional supervision and coordination of RHZ's and to establish a national management information system. The demarcation of RHZ's in the eight regions has been completed. Sixty-five RHZ's have been established to date. Assistance included medical equipment, supplies, vehicles, training, medications, and vehicle maintenance support. Construction of a central project office building was recently completed.

The centrally-funded Combatting Childhood Communicable Diseases (CCCD) Project contributes to the implementation of USAID's Child Survival Strategy with 19 offices linked by radio to the central office. A competent organization has been developed which plans to progressively vaccinate approximately 80% of all children below one year of age by 1990. A health information system based on selected sentinel posts has been set up to collect monitoring data. Malaria monitoring of resistance drugs is underway as the project promotes its new malaria therapy policy. Oral rehydration therapy for diarrheal treatment is being promoted through community education training, and sale of oral rehydration salts. A revolving fund ensures resupply of rehydration salts and chloroquine tablets. Policies have been revised based on technical information. For example, the targetted child vaccination group was changed from twenty-four to twelve months and below and malaria chemoprophylaxis planned for children 5 years and below has been dropped in favor of presumptive treatment.

The establishment of 73 service delivery centers under the Family Planning Services Project (FPSP) in 16 major cities and the training of family planning service providers has increased the accessibility of services to an estimated 1,080,000 couples. Decentralized training in service delivery is being implemented in two centers. Personnel have been trained in management and organizational development to strengthen the institutional capability to organize and expand service delivery. FPSP has sponsored training in nursing schools in voluntary surgical contraception, sexually-transmitted diseases and infertility. Seven operations research projects are being implemented. FPSP played the lead role in developing a national strategy for family planning information education and communication (IEC) and is collaborating with UNFPA and ILO in population policy implementation efforts. The objective of reaching 250,000 acceptors and providing services to 125,000 continuing users will not be achieved by FACD, due to the facts that contraceptive prevalence rates at the time the project was designed were overestimated, the acceptability of modern contraception among couples was overly optimistic and the project experienced a slow and difficult beginning.

A major effort is being made to reduce water born diseases through the Basic Rural Health II project and the Shaba Refugee Water Project. Under BRH-II, staff training and development of infrastructure have been the two areas of activity. It is expected that this training will improve the quality of technical back-up provided by the National Rural Water Service to villagers in the construction of water systems. The installation of a radio system to link regional water brigades to the newly constructed central office will improve efficiency. Approximately 150 water systems of various types have already been constructed providing safe drinking water to approximately 270,000 villagers. Two drilling rigs are on order. Under the Shaba Refugee Water Project 130 springs have been capped and equipment for tube well construction has arrived in country.

Four key staff members of CEPLANUT, Zaire's National Nutrition Planning Center, have completed master's-level training through the Area Nutrition Improvement Project. These staff have now assumed supervisory responsibility for interventions, education materials, and research/data analysis. Training materials for nurses developed by project staff have been used to train RHZ

personnel in growth monitoring and child-feeding practices. Under a related AID-ORT Food for Peace Title II Program, equipment has been purchased for a local private sector weaning-food producer and a local distributor. These purchases will result in increased local production and distribution of a relatively low-cost, corn-based nutritious weaning food. Also children in Kinshasa are participating in supplementary feeding programs, thereby reducing the potential for sickness or death due to the interaction of malnutrition and infection.

Under the School of Public Health project a renovation contract has been awarded and curriculum for the diploma program developed. Field-training sites have been established to offer students practical experience. Twenty-two students are enrolled in the initial diploma program. These students are key RHZ staff, whose training will significantly effect RHZ management. The school also established a program to support operations research related to all the major child-survival interventions. Short-term training in health management and microcomputers is also offered to improve the skills of RHZ personnel.

USAID has two projects directed strictly at upgrading selected health facilities, the Kimbanguist Hospital Assistance Project and the Shaba Refugee Health Project . The Kimbanguist Hospital Assistance Project received initial funding on September 30, 1986. Since that time the hospital administrator position has been filled and construction plans for the 180-bed hospital are underway. Under the Shaba Refugee Health project construction of six health facilities (maternities, hospitals, and dispensaries) began in 1986.

3. SMALL FARMER FOOD PRODUCTION

a. Chart of Project accomplishment (As of 9/30/1986)

Project Number	Short Term Training	Long Term Training	Research Policy	Production	Other
660-0059 North Shaba Rural Dev. Initial Oblig. 9/30/76 PACD 3/30/86	175 crop production and extension.	1 Ag. Economist.		100% increase in maize yield 1000% increase in maize exported from project area.	16 grain storage units 38 farmers organizations established. 1130 km of rural road built or rehabilitated. 16,000 farm households in extension program. 60 Agr. centers estab. 100 MT of improved corn seed used per year.
660-0064 INERA Support Initial Oblig. 9/30/76 PACD 3/30/87	2	7 (MS) plant breeding and agronomy.		Dev. of high yielding disease resistant varieties of soybeans and phaeseolus utilized by over 5,000 farmers today.	Created complete soil laboratory for soil surveys and mapping. Introduced management and infor. system for soybean research in Yangambi.
660-0068 Devel. Manpower Training Initial Oblig. 9/30/80 PACD 9/30/87	242 management extension planning. 5 trainers of trainers	4			National Center for Coordination of Training established.
660-0070 Agric. Sector Initial Obligation 9/30/77 PACD 3/30/87	35* 5 at USDA 30 in-country in: -Ag. Economic -Statistics - Data collection.	14 (Ms) in Ag. Economist.	-Reports 2 Agr. situation, 6 regional monographs, 13 commodity reports, and other reports - Agr. Data Bank establ. -Basic Sector Model Devel.		1 Micro-Computer Station Develop national livestock strategy 5-year plan for Agr. Development. 13 Masters Theses on Zaire Agr. Household survey Inventory of Agr. Policies.

Project Number	Short Term Training	Long Term Training	Research Policy	Production	Other
660-0077 Cassava Outreach Initial Oblig. 9/30/78	135 in crop production	17 MS	-3 disease resist var. of cassava -Biological control program for cassava pest	800,000 m direct distribution of new variety cassava per year.	-Developed modern physical facilities for research stations - Developed over 300 hectors for research use.
660-0080 Fish Culture Expansion Initial Oblig. 9/15/78	14 in fish production and extension.		Conducting trials with combined pig, duck and fish production.	Over 80MT of fish produced per year. 270% increase in fish production rates. Over 210 acres of ponds in production.	Operating in 6 regions with over 10,000 farmers. Established mobile extension teams.
660-0091 Applied Agric. Research and Outreach Initial Oblig. 9/17/83	13 in agronomy, plant breeding and farm systems research.	12 MS in agronomy, plant breeding, Ag. Econ., and Sociology.	Coordinate food crop research - Physical expan. of integrated research in 5 regions of Zaire.	New cassava varieties produces 230% higher yields than local varieties.	National Program Institutionalized:-budgets, relationships, goals 13 man technical assistant team in place.
660-0100 Agric. Inputs Support I Initial Oblig. 7/30/84					$7,800,000 in Ag. Inputs purchased by Private Sector (Marine-engines, tractors, generators, loaders, graders, compactors, spare parts for trucks, etc).
660-0102 Area Food and Mkt. Devel. Initial Oblig. 3/29/85	8 projects workers. 34 local PVO staff.		Small farmer study. Rapid reconnaissance of 3 collectives. Land Tenure Study.		Management evaluation of major PVO's. Project Implementation Office established.
660-0103 Agric. Inputs Support II Initial Oblig. 7/30/84					$1,200,000 in Ag. Inputs purchased by Private sector (parts for tire making machinery, spare parts for bulldozers, rotery-cutters, industrial food processing equipment, raw materials, soybean, mill, etc.

Project Number	Short Term Training	Long Term Training	Research Policy	Production	Other
660-0105 Central Shaba Devel. Initial Obligation 8/29/86					Implementation plan Established with Department of Agric. 1987 workplan for extension prepared Basic data collection plan developed.
660-0119 Agric. Policy & Planning Initial Obligation 5/30/86					Major PIO/T for TA issued. Major PIO/C issued.
698-0433 AMDP	404				
698-0455 AFGRAD		16			

b. Small Farmer Food Production - Accomplishments to date (10/1/86)

There have been significant accomplishments with respect to increasing small farmer food production. The North Shaba Project (PNS) resulted in an increase of corn shipped from the project area to urban centers from 5,000 MT to over 50,000 MT. Real income to farmers and local businessmen is evident in increased numbers of shops and business outlets, a branch office of a major bank which is opening in the area and regular scheduled airline service. The success of this project is a reflection of successes of other projects. Data and analysis done in the PNS project by the Agricultural Sector Studies project was a major factor in the decision of the GOZ to liberalize agricultural prices. Research results produced by the INERA Support and the Cassava Outreach projects produced pest resistant high yielding cassava varieties used in the PNS as well as other areas of the country, facilitating increased production. The present Applied Agricultural Research project produced mosaic resistant varieties of corn, providing the means for farmers to produce two crops of corn a year, thus markedly increasing production and income.

A number of actions have occured recently that have had a significant impact on projects achieving their goals and purposes. A planned phase-down of PNS staff resulted in a relatively smooth end of USAID/Kinshasa involvement in this 10 year project and provided for the activities continuing under local funding. The hiring of three PSCs familiar with the Shaba area allowed the Central Shaba Project to begin implementation of the agricultural component over a year before the anticipated date in the Project Paper. In the Bandundu Area Development Project the use of a rapid reconnaissance survey technique increased the project's ability to gather data needed to begin project interventions and will save at least a year in getting project inputs to targetted beneficiaries. A series of studies done for the Ag. Sector Survey project by the centrally funded Agricultural Planing and Policy project provided direction on how to begin to address agricultural policy issues. These studies helped form the bases for the follow-on Ag. Policy and Planning Project. In the same manner, an intensive evaluation of the Applied Ag. Research Project in August 1986 provided both the USAID mission and the GOZ a framework for addressing management and institution building issues to develop an efficient and viable agriculture research organization.

Some project targets have been missed. In the Ag. Sector Study Project the implementation of the descriptive mathematical model of the agricultural sector was not initiated because in the judgement of mission staff and the GOZ, such a model was too advanced for the data available and too costly to implement and maintain. Regular updates of the agricultural policy framework have been shifted to the Ag. Planning and Policy Project for implementation. Present staff in the Agricultural Sector Studies Project are not yet fully in a position to handle the desired work load. In the Applied Ag. Research Project the training objectives of the project are behind scheduled because of a lack of qualified candidates. Revision of the training program to allow one year of undergraduate training will enlarge the candidate pool. Construction and/or rehabilitation of research stations has also been rescheduled, due to unrealistic expectations with respect to counterpart fund availabilities.

4. FARM TO MARKET TRANSPORTATION

a. Chart of Project Accomplishments (As of 9/30/1986)

Project Number	Bridges	Culverts	Roads (km)	Short-term Training	Long-term Training	Other
660-0026 Agr. Mkt. Devel. Initial Oblig. 9/13/79	25	20	150			
660-0028 Agr. Mkt. Devel. Initial Oblig. 9/25/81			Construction plans completed for 80 km.	800 in operation and maintenance of heavy equipment.		
660-0059 North Shaba Rural Devel. Initial Oblig. 9/30/76 PACD 9/30/76	70	195	1130	175 in crop production extension.	1 MS	
660-0097 PVO Economic Support Initial Oblig. 9/30/83	5	185		60 trained in bridge and culvert construction. 15 trained in bridge launching.	1 MS	
660-098 Ag. Mkt. Devel. Initial Oblig. 7/30/84				8 study tours in use of water ways maintenance companies.	10 MS	1 boat built.
660-0105 Central Shaba Ag. Devel. Initial Oblig. 9/29/86	1	1	70			

Project Number	Bridges	Culverts	Roads (km)	Short-term Training	Long-term Training	Other
660-0115 Shaba Refugee Roads						Procurement of TA and equipment completed.
Initial Oblig. 9/27/84						

b). Farm-to-market Transportation - Accomplishments to Date (10/01/1986)

Zaire's transport sector is dilapidated as a result of 20 years of neglect and lack of investment. The network consists of 15,000 kilometers of navigable waterways, 5,000 kilometers of railway, and 145,000 kilometers of rural roads (all but 2,500 are dirt). USAID is improving access of farmers to buyers of their produce, information, and consumer goods. The bulk of USAID's contribution to improved transportation is for dirt road rehabilitation in Shaba and Bandundu, with a smaller program directed at improving the efficiency of private river traders, in Bandundu, through boat design, port construction, and river marking. USAID's roads projects are largely implemented by the National Bureau of Roads (OR), and several projects include institution-building components. Thus, the Agricultural Marketing Development II project is supporting the training of manual road labor foremen, and Agricultural Marketing Development I and the Shaba Development projects established and continue to assist the Shaba Regional Training Center. USAID also assists OR, local PVOs and local private interests that have the capacity to build bridges or boats and to arrange post-project road maintenance.

Transportation interventions are targetted on Shaba (north, central and southwestern) and the Kwilu sub-region of Bandundu.

In Shaba, Project North Shaba (PNS) reached PACD after having reconstructed 315 kilometers of link roads and 730 kilometers of agricultural feeder roads. A major project issue, post-project maintenance, appears to be resolved with the National Roads Bureau assuming financial and technical responsibility for the network. Largely as a result of improved access, the project area (about the size of Connecticut) has increased corn marketed by a factor of 5 or 6. In 1986 a major new project, Central Shaba Agricultural Development was designed and approved. The mission has completed heavy equipment procurment planning and issued a request for proposal for the reconstruction of a major road network in Central Shaba. The Shaba Refugee Roads Project located in the southwest completed procurement of TA and equipment, and is poised to begin construction in the Lualaba sub-region, an area about the size of Maine.

In the Kwilu sub region of Bandundu slightly larger than Maryland, the agricultural Marketing Development I Project has constructed 120 miles of a road that is used almost exclusively for the transport of farm produce and a new 80 mile stretch from Bulungu (a major market town) to Panu (a port on the Kasai river) which has reduced travel time from ten to two hours. In the same area, the PVO Economic Support Project completed five of nine bridges with spans varying from 30 to 50 meters. These bridges have greatly facilitated access by merchants to this populous productive area. The Agricultural Marketing II project completed plans for construction of the important 90 kilometers (40 vehicles a day) road linking two major market centers, Kikwit and Idiofa.

B. OPERATIONAL OBJECTIVES, FORWARD PLAN (FY 87-89)

1. STABILIZATION AND RECOVERY OBJECTIVES

The U.S. role has been to support and encourage the GOZ, IMF and World Bank to maintain the economic liberalization program. Major reforms have been made. Starting at the end of FY 1986 with obligation of the $15 million AEPRP, USAID is and will become much more involved in the analysis and discussion required during the current, fine tuning, phase of the liberalization program. In this regard USAID is strenghtening its capacity for economic analysis and dialogue. The AEPRP was the first USAID program with Conditions Precedent and Covenants with respect to economic performance. One of these was a covenant that required the GOZ to maintain the free floating exchange rate. After the October 29, 1986 announcements by the GOZ (a dip in the GOZ's resolve) the Central Bank started to interfere with the exchange system, and USAID put the AEPRP on hold. The IMF, World Bank and the U.S. are engaged in negotiations with the GOZ to get them back on track and it is anticipated that the GOZ will do so by April 1987. AEPRP disbursements will then start. In addition to the FY'87 PL-480 Title-I program ($14 million), USAID will negotiate a PL-480 Title II-206 ($12 million) grant program. Thus, the new balance of payments support in FY 1987 will total $26 million which will be in addition to the estimated disbursement of $6 to 10 million under the three commodity import programs. Assuming that the GOZ maintains the momentum of the liberalization program, USAID will pursue a combined PL-480 Title I and II program of between $20 and $30 million in both FY's 1988-1989. Additionally USAID should bring on line the new Private Sector Support Project in early FY 1988. This large new program may contain conditionality with respect to the liberalizaton program, technical assistance with respect to further economic liberalization and provide significant funding for balance of payments support.

With respect to budgetary support, counterpart fund generation and expenditures are currently projected at approximately Z100 million per month during FY 1987 (approximately $1 million). This represents a significant drop from FY 85 and 86 levels but this should increase significantly in FY's 88 and 89. These funds are jointly programmed by USAID and the GOZ Department of Plan. First priority for programming has and will be the implementation of the USAID project program. However, increasingly USAID sees the allocation of these funds as a powerful tool to facilitate both policy dialogue and promotion of the private sector as the vehicle for economic expansion.

USAID plans to design and authorize in the first quarter of FY 88 a new Private Sector Support Project. Major issues and several possible project options must be dealt with and resolved during FY 1987 (See Section I of the Action Plan).

2. HEALTH AND POPULATION

a. Chart of Health and Population Operational Objectives (10/01/86 to PACD)

Project Number	Health Services Delivery	Training and Technology Transfer	Basic Infrastructure Rehabilitation	Research and Other
660-0079 Area Nutrition Improvement Project PACD 9/30/90		4 staff members receive master's-level training. Data analysis unit staff trained. Primary school teachers and nurses trained in use of nutrition education materials developed by project.	Data analysis unit established.	Primary school nutrition curriculum finalized/printed. Nurse training manual on nutrition printed.
660-0094 Family Planning Services PACD 9/30/89	Approximately 50,000 family planning acceptors.	308 FP service providers trained. 1 MPH trained. National basic FP training module in use. FP curriculum integrated into 2 medical schools, one A1 nursing and 100 A2 and A3 nursing schools.	125 FP clinics including 6 VSC service and training centers equipped and functioning.	Kinshasa social marketing and contraceptive continuation studies completed. CBD quality of care standards evaluated.
660-0097 PVO Economic Support PACD 9/30/87			40 health zones with solar equipment i.e., refrigerators and lighting. and lighting.	

Project Number	Health Services Delivery	Training and Technology Transfer	Basic Infrastructure Rehabilitation	Research and Other
660-0101 School of Public Health PACD 7/30/94		6 Zairian professors complete training in the U.S. 50 Zairians complete diploma program 235 Zairians complete short-term in-country training programs.	UNIKIN School of Public Health facilities renovated. public health library and laboratory established.	Research conducted on: -breastfeeding and fertility -Operations research in primary health care -Diarrheal disease -Social epidemiology of AIDS -Family planning for the private sector.
660-0107 Basic Rural Health II PACD 9/30/92	PHC Services: Increase population coverage by 10% in SANRU I initiated zones. Increase population coverage by 20% in SANRU II assisted zones. Comprehensive PHC services available to 4,050,000 villagers.	27 physicians receive MPH UNIKIN 30 doctors, nurses, supervisors trained abroad, short-term. 1,400 doctors, nurses, pharmacists, administrators, supervisors. TBAs and VHWs trained.	35 new zones operational. 6 regional/sub-regional offices assisted. 2 regional/sub-regional pharmacies assisted. 150 health centers operational. 30 reference centers operational. 30 hospitals/health centers equipped with solar-powered refrigeration.	Study to measure the impact of basic health services on health and mortality in rural health zones initiated (PRITECH). Development of "improved" cost-recovery systems including pricing policies, pre-payment plans. Development of model financial management information system. Operations Research study, macro and micro analysis of child survival interventions (PRICOR). Study in IEC including developing media communications strategies and techniques for child survival interventions (HEALTHCOM). 860 village development committees and health center committees formed.

Project Number	Health Services Delivery	Training and Technology Transfer	Basic Infrastructure Rehabilitation	Research and Other
660-0107 (Water Component) PACD 9/30/92	Safe drinking water and sanitation services available to approximately 450,000 villagers.	62 water and sanitation supervisors in health zones. 2 sanitary engineers trained.	860 local water sources protected/improved. 90% of households have a usable latrine in 280 villages. 6 new brigades established; 2 drilling teams established 500 springs capped 300 springs boxes 200 wells 12 abduction systems 300 VIP demonstration latrines built.	
660-0114 Shaba Refugee Health PACD 3/31/91		20 trained in solar equipment maintenance and repair.	2 hospitals and 60 dispensaries/clinics rehabilitated structurally and medical equipment provided.	
660-0116 Shaba Refugee Water Supply PACD 3/31/91		100 villagers trained in hand pump operation and maintenance.	440 springs capped 400 wells dug 4 town gravity-fed water systems.	
660-0122 Kimbanguist Hospital Assistance PACD 4/30/89			180-bed hospital equipped. Laboratory equipped.	
Title II (AID-ORT) Food For Peace PACD 9/30/90	20,000 malnourished children in Kinshasa participated in supplementary feeding programs (LOP).	Nutrition education strategy for Kinshasa developed based on weaning research.	Extrusion cooker installed at VAP Additional mobile kiosk purchased for distribution component of program.	Weaning practices survey for Kinshasa completed, analyzed, and report distributed. Production of CEREVAP increased by 30%.

Project Number	Health Services Delivery	Training and Technology Transfer	Basic Infrastructure Rehabilitation	Research and Other
698-0421 (CCCD) PACD 9/30/90	Coverage rates as follows: BCG Coverage 75% Measles 65% DPT/OPV 60% ORT in 55% facilities Malaria prophylaxis for pregnant women 70 % 6 drug resistance monitoring sites established.	80 physicians trained 100 other staff trained One CCCD national symposium held; One participant trainee sponsored; CCCD curricula used in 15 nursing schools.	Cold chain equipment available in 80 rural health zones.	6 operations research studies sponsored.

b. Health and Population Objectives

Basic health care services and health facilities countrywide are inadequate. Health workers at all levels are inadequately trained. Zaire has less than 2,000 physicians (physician to population ratio of 1/17,000). Major health problems flourish and mortality rates are high. Deaths of children under five represent 50 percent of all deaths. One-fifth of children born die before age five. Adult mortality due to AIDS is increasing in the sexually-active working age group with enormous implications for the future (See Section I of the Action Plan). At Zaire's current 2.8 percent growth rate, population will double in 25 years or less.

USAID's child survival strategy (see FY 1988 ABS) is aimed at five major problems: malaria, diarrhea/dehydration, vaccine-preventable diseases, malnutrition and closely spaced births. The spread of chloroquine-resistant malaria increases child mortality. Dehydration from diarrhea is responsible for 30 to 35 percent of child deaths. Vaccine-preventable diseases, particularly measles and tetanus, contribute significantly to childhood mortality. Chronic malnutrition affects up to 60 percent of children under five and, in some areas, up to 20 percent are acutely malnourished. Approximately 40 percent of infant and child mortality can be attributed to the synergism between disease and malnutrition. Closely spaced births contribute to mortality on both sides of the birth interval. To combat these problems, proven practical cost-effective interventions are being promoted (vaccines, contraceptives, oral rehydration therapy, antimalarial drugs, improved water systems, growth monitoring, breastfeeding, improved weaning foods and appropriate feeding during diarrhea and other infectious diseases. A significant growing problem, particularly in urban areas is AIDS. The overall seroprevalence rate for AIDS-virus antibody in Kinshasa is estimated at eight per cent and prevalence is highest in the economically productive segments of the population. To prevent AIDS, measures to properly screen blood donors, improve sterilization of needles and syringes, and the promotion of safer sexual practices all make sense. These need to be tested in Africa. (The Zaire mission is moving on these issues).

The USAID health/population/nutrition (HPN) programs utilizes a broad range of projects to address these health problems. The Basic Rural Health (BRH) project is the foundation of the USAID/Zaire program and was designed to continue to develop the basic health-services infrastructure in rural areas. BRH will assist in the establishment of a sustainable community-supported primary health care system in 100 of Zaire's 306 rural health zones (RHZ). Development of these zones is the centerpiece of the Department of Public Health's five-year plan. Assistance will be provided for the estalishment of an additional 35 RHZ's for a total of 100. Assistance is provided in the form of basic equipment and medicines, staff training, operations research, and the development of management systems. In addition, BRH and the Shaba Refugee Water Project provide assistance to develop safer water systems in rural areas. In two related projects, Kimbanguist Hospital Assistance and the Shaba Refugee Health, child survival interventions are suported in the context of building and developing urban and rural medical facilities.

The Combatting Childhood Communicable Diseases (CCCD) Project provides commodities, and finances technical assistance and operations research to reduce morbidity and mortality caused by six vaccine-preventable diseases (tetanus, measles, pertussis, poliomyelitis, diphtheria, and tuberculosis) in children under 5 years, and in preventing tetanus in pregnant women. To prevent transmission of AIDS, improved sterilization procedures are being implemented. CCCD also addresses dehydration due (most often) to diarrhea and malaria through oral rehydration therapy and chemoprophylaxis in high-risk groups. A surveillance system to monitor the response of malaria infections to a antimalarial drugs is in place. These project initiatives in vaccinations, malaria and oral rehydration therapy should reduce mortality in target groups by 25% by PACD.

The Family Planning Services (FPS) Project will increase urban contraceptive prevalence by supporting delivery of most methods of contraception, and the expansion of a contraceptive service network in 16 cities. The project is increasing activities in information, education and communication (IEC) and policy development. Counseling on sexually transmitted disease will also be emphasized, with the focus on AIDS. The Tulane University Operations Research Project in collaboration with the FPS examines operational issues related to services delivery.

The Area Nutrition Improvement Project supports the development of nutrition educational materials for use in primary schools and nurse training programs and funds the development of growth monitoring programs and materials for RHZ's. Management and technical assistance is provided to CEPLANUT, Zaire's National Nutrition Planning Center, to conduct nutrition-related research and plan nutritional strategies. In addition, the AID/Ort, Food for Peace Program, develops weaning foods, funds weaning pratices research and supplemental feeding in Kinshasa.

The School of Public Health Project supports short-term and master's-level training and practical research on child survival interventions. The project trains physicians and managers not only to implement the activities in all other projects, but also to design and carry out appropriate new activities.

c. Significant FY 1987 and 1988 Benchmarks

October 1986	-	First diploma training program begins, operations research center established (660-0101)
November 1986	-	National information, education and communication strategy for family planning developed (660-0094)
January 1987	-	Seven family planning operations research projects underway (660-0094)
April 1987	-	Transport Drill and compressor to site (660-0116)
May 1987	-	Complete construction of base station (660-0114)
	-	Complete construction of nurses training center office (660-0114)
	-	Receive in Kinshasa and transport to site handpumps (660-0116)
	-	National primary health care documentation center opened (660-0107)
July 1987	-	Rehabilitaton of 20 regional zone offices and 70 hospitals/health centers financed (660-0107)
August 1987	-	USAID and UNICEF training plans for National Rural Water Service integrated (660-0107)
	-	Kimbanguist Hospital construction and renovations completed; first Hadassah medical team from Israel arrives (660-0122)
Sept. 1987	-	Extrusion cooker for weaning food production installed at Victoria Associated Products (PL 480 - Title II-ORT)
	-	Impact study questionnaires to measure the impact of basic health services on health and mortality completed (660-0107)
	-	Coverage rates at the end of FY 1987 for vaccine-preventable diseases and malaria will have increased to: Measles - 60%, BCG - 70%, DPT 3 - 57%, Polio 3 54%, Tetanus Toxoid - 60%, ORT* - 65%, Malaria (presumptive treatment)** - 78% and Malaria (chemoprophylasis)*** - 28%
	-	2 Additional malaria drug-resistance surveillance posts established and 18 vaccination coverage surveys conducted (698-0421)
	-	Medicines and hospital equipment arrive, Kimbanguist Hospital Assistance Project (660-0122)
	-	6 Voluntary surgical contraception model training and service delivery centers equipped and operating (660-0094)
	-	40 wells drilled and handpumps installed (660-0116)
	-	Cap 100 springs (660-0116)
	-	90 village water committees formed and operational (660-0116)
	-	Complete one and begin one gravity feed system (660-0116)
	-	Complete rehabilitation of maternities surgical wards and other buildings in three hospitals (660-0114)
	-	Complete rehabilitation of 15 rural health centers (660-0114)
	-	Complete rehabilitation of remaining hospital and rural health centers (660-0114)

October 1987	-	Three regional family planning training centers (Kinshasa, Lubumbashi, Kisangani) operational, training of regional trainers completed for each center (660-0094)
	-	Drilling rigs for BRH II Water Component arrive (660-0107)
November 1987	-	Public Health library and Laboratory established, School of Public Health (660-0101)
December 1987	-	BRH II water component documentation and information center established (660-0107)
	-	75 rural health zones established (660-0107)
	-	250 springs capped, 150 spring boxes constructed, 100 wells constructed and 6 gravity systems completed (660-0107)
	-	One gravity feed system completed (660-0116)
March 1988	-	Four additional rural water stations established
Sept. 1988	-	125 FP clinics equipped and operating in 16 cities
	-	100 wells drilled and handpumps installed (660-0116)
	-	Cap 100 springs (660-0116)
	-	90 village water committees formed and operational (660-0116)
	-	Complete two gravity feed systems (660-0116)
	-	Complete rehabilitation fo maternities, surgical wards, etc. of two hospitals (660-0114)
	-	Complete rehabilitation of 30 rural health centers (660-0114)
Sept. 1988	-	Cold chain and transportation equipment provided to 20 additional rural health zones (698-0421)
	-	90 rural health zones established (660-0107)
	-	Coverage rates for vaccine-preventable diseases and malaria increased to: Measles - 65%, BCH - 75%, DPT 3 - 60%, Polio 3 - 60%, Tetanus Toxioid - 70% ORT* -70%, Malaria (presumptive treatment)** - 80%, Malaria (cheomprophylaxis)*** - 30%,.

* Figure represent % of population with access to ORT. Access defined as services available within 5 km radius from health center

** % health centers applying presumptive therapy for fever

*** % health centers administering chemoprophylaxis to pregnant women

3. SMALL FARMER FOOD PRODUCTION

a. Chart of Small Farmer Food Production Operational Objectives (10/1/1986 to PACD)

Project Number	ST. Term Training	Long Term Training	Research Policy	Production	Other
660-0080 Fish Culture Expansion PACD 9/89	1				Develop 25 fish farmer association Start 3rd equip. mobile Design new follow-on activity.
660-0091 Applied Agric. Research and Outreach PACD 9/89	48 crop production.	34 MS/PhD - agronomy - Ag. Econ. - plant breeding.	Coordinated FSR program estab. National prog. actively realizing new varieties for multiplication.	- 100,000 meters of cassava cuttings gives 400,000 cassava plants - 7 MT foundation corn seed	Physical facilities completed (3 sites) Increasing GOZ budgetary contributions Outreach program established distributing improved varities (5 crops) In-country farmer training programs (3 per year) Trained GOZ staff.
660-0100 Agr. Inputs Support PACD 2/88					$2,200,000 in Agric. Inputs purchased by private sector.
660-0102 Area Food and Market Devel. PACD 1/95	8 workers 34 local PVO staff				Management evaluation of PVO's. 2 additional PVO's in program.
660-0103 Agric. Inputs Support II PACD 2/88					$8,800,000 in Agric. inputs purchased by private sector.
660-0105 Central Shaba Agric. Devel. PACD 8/93		30 month 3rd country 1000 farmer leaders trained 100 site extension training agent		Up to 150 MT per year of seed used to produce 45,000 MT of corn.	Establish private sector company, distributing seed to farmers independent of project Establish community based Ag. Extension.

Project Number	ST. Term Training	Long Term Training	Research Policy	Production	Other
660-0119 Agric. Policy and Planning PACD 5/96	20 short courses. 400 in-country trainees.	35 MSc.	8 policy and planning conferences. 16 regional planning reports. 20 Commodity reports. 8 policy papers. 24 Agr. project evaluations. Expanded Data Bank.		8 major surveys $940,000 in commodities Policy Agenda Assessment of area frame meth. for Zaire 5 project evaluations.
660-0121 Structural Adjustment Support PACD 5/88					15,000,000 in Ag. Inputs purchased by Private Sector.

b. Small Farmer Food Production Objectives

The agricultural objective is to increase output from small farms, with a major focus on foodcrop production for both increased income and nutrition. This growth oriented objective is to be achieved by addressing systematically the constraints to increasing small farmer output. In operational terms this means rehabilitation of rural transportation, marketing and agribusiness infrastructure in the near-term and development of basic institutions in agricultural research, policy and planning and extension in the long-term.

This program has been developed through analysis on some of the unique characteristics of agricultural development in Zaire. Important among these characteristics are: 1) the minimal role of the Department of Agriculture (DOA) and the Central Government (GOZ) in agricultural development, 2) the limited GOZ financial resources availability for agricultural development and 3) the clear existence of a hierarchy of constraints to agricultural development in Zaire.

In Zaire, the GOZ and, in particular, the DOA play minimal roles in supporting agricultural development. The DOA's and GOZ's most important impact on agricultural development has been in the policy area. Most agricultural development activities in the country, both for production and for institutional development, are undertaken by donors (through projects and programs) or by non-governmental and private sector organizations.

Consistent with its minimal role, the DOA received an insignificant part of the state budget (0.6% in 1986). Most of this budget is used to cover salary costs. DOA has 10,000 employees, this is too many for the job they do, but it is half the number employed 10 years ago. Salary levels are extremely low. $175/yr for a local extension agent and up to $1,250/yr for an office director.

Technically the agricultural situation in Zaire is workable. The country is not faced with insurmountable problems on all sides as are some other African countries. Simple approaches can give excellent production results, as our Shaba experience has shown. Critical, first-level constraints have been identified in Zaire's agriculture. These include: opening up communication infrastructure (road and riverine); research towards and availability of single input technology (basically improved seeds); and elementary institutional development (primarily extension). As economic growth results from addressing these first-level constraints, secondary-level constraints can then be dealt with. These secondary-level constraints include: more advanced institutional development (credit, distribution and marketing systems); research; availability of multiple input technology; and storage and processing.

These characteristics provide the bases for the three major thursts of the agricultural portfolio: a) agriculture policy, b) agriculture research and c) institutional development and the private sector.

Over the last few years most "traditional" agricultural policy issues have been addressed by the GOZ (price liberalization, dissolving most parastals, encouraging decentralization, etc.). The government's official and in most cases actual policy is to do those things necessary to allow the private sector to provide, in a free market atmosphere, the services and inputs needed for agricultural development. While great progress has been made, there remain a number of additional policy issues to be dealt with. But these additional issues either will require considerably more sophisticated approaches by the GOZ (establishing agricultural credit discount rates) or will be more difficult for the central government to implement as they relate directly to the private sector (removing local crop purchase restrictions and other mechanisms used to support local oligopsonies and monopsolies in private sector farm marketing). The Ag. Policy and Planning Project addresses these issues by coordinating and integrating major agricultural policy sector issues (including the private actors) and by providing increased sophistication in data collection and analysis.

Given the basically responsive agricultural base in Zaire, agricultural research can provide major payoffs in terms of increased production and economic returns. In the initial phase of agricultural development (which we are in) highest returns will come from an emphasis on single input technology (improved genetic material), i.e., improved seeds and plant cuttings. Later (3 to 5 years), multiple input technology, (fertilizer, pesticides, mechanization) will be appropriate when the distribution and credit institutions to support such a technology are in place. The Applied Research and Extension Project is primarily directed to research on improving genetic material for manioc, corn and legume crops.

The minimal role played by and the limited resources available to the central government have meant that most institutional development efforts are directed towards PVO's and the private sector. There are two obvious exceptions to this, however, in the area of institutional development, policy and planning and for agricultural research. These two essential public sector activities are required to provide the direction, policy environment and inputs necessary to stimulate private sector based development. In the two regions of Bandundu and Shaba where we are involved in production activities, PVO's and the private sector play major roles. In the Bandundu Area Food and Marketing Project, local organizations are the focal point of the programs' activities. In the Central Shaba Agricultural Development Project, we are working with private entrepreneurs and local PVOs for the seed farm and extension component. Training is a fundamental part of all projects in support of institutional development (see Annex C).

c. Significant FY 1987 - FY 1988 Benchmarks

November 1986	-RFP issued (660-0119)
December 1986	-Longterm contractor selected (660-0102)
February 1987	-5 Participants depart for longterm training (660-0119)
February 1987	-Contract award for longterm TA (660-0102)
March 1987	-RFP Ag. component and Seed enterprise advertized (660-0105)
	-PP amended (660-0091)
April 1987	-PNL priorities review (660-0091)
	-TA contract signed (660-0119)
	-Longterm contractors arrive (660-0102)
	-Contract for Ag. component and Seed enterprise negotiated (660-0105)
May 1987	-First year action plan completed Mkt. study started (660-0102)
June 1987	-10 long-term participants departed (660-0091)
	-TA contract arrived (660-0119)
	-First PVO intervention finalized (660-0102)
	-Seed enterprise operational (660-0105)
July 1987	-TA contractor arrived (660-0105)
August 1987	-Construction Kaniameshi started (660-0091)
	-SEP finalizes evaluation study PMKO (660-0119)
	-Ag. extension headquarter rehabilitated (660-0105)
	-Project baseline benchmarks established (660-0102)
	-TA work plan approved (660-0119)
September 1987	-Construction Gandajika and M'vuazi start (660-0091)
	-60 farmer leaders in on-site training (660-0119)
	-SEP finalize regional study on Equateur (660-0119)
October 1987	-Second PVO selected (660-0102)
	-First project evaluation (660-0119)
December 1987	-First commodity report (660-0119)
	-Internal progress evaluation (660-0102)
January 1988	-20 short-term participants trained (660-0091)
	-3 long-term participants depart (660-0119)
March 1988	-Information office established (660-0105)
	-First policy paper completed (660-0119)
April 1988	-All Rapid Reconnaissance Assessments completed (660-0102)
	-First annual policy and planning conference (660-0119)
	-First seed enterprise seed sold (660-0105)
June 1988	-Project accounting system established (660-0091)

4. FARM-TO-MARKET TRANSPORTATION

a. Chart of Farm to Market Transportation Operational Objectives (10/1/1986 to PACD)

Project Number	Bridges	Culverts	Roads (km)	ST/TRG	LT/TRG MS/PHD	Other
660-0026 Agric. Market. Devel. PACD 1/89	2	18	210			- 2 port constructed.
660-0028 Agr. Market. Devel. PACD 9/88		3	90	200 trained in heavy equipment operation and maintenance		
660-0097 PVO Economic Support PACD 4/87	4			30 trained in heavy equipment and vehicle and maintenance		- 1 mini hydro-electric plant constructed.
660-0098 Agr. Market. Devel. PACD 7/94	40	100	20	100 trained in manual road maintenance techniques.		- 2 boats constructed - 5 studies of Bandundu's socio-economic climate - 6 boats provided to to DPP - 5 prototype wooden boats built.
660-0105 Central Shaba Agric. Devel. PACD 9/93	30	800	2,500			
660-0115 Shaba Refugee Roads PACD 9/90	10	500	2,500			

b. Farm to Market Transportation Objectives

The objective of USAID interventions in the farm-to-market transportation sector is to improve access of small farmers to markets for their produce, to information, and to consumer goods. The program is concentrated in two areas. Shaba and Bandundu.

The Shaba region is the size of Spain and is sparsly populated (approximately 8 people per square kilometer). The USAID road projects are concentrated in three areas, the North, Central and South-West, and consist of both link and feeder roads. When completed and considered with existing good roads with which USAID roads will link, a large "S" shaped trunk/feeder road network will have been created which will extend from the north-east to the south-west. At program inception, it would have been possible to drive this approximately 1600 kilometer network in approximately six to ten days in the rainy season. only in a four-wheel-drive vehicle. When completed, that same distance may be travelled in two days by all vehicles. This road network, which primarily consists of feeder roads, will provide access for approximately 50% of the rural population to the major markets of Lubumbashi and the Kasais. Farm to market transportation costs will be less than 65% of what they were before project inception.

In the initial stages of Shaba road construction, emphasis has and is being placed on feeder roads and links to the North-South railroad which goes between Lubumbashi and Kindu in the Kivu region. These feeder road systems will link up with four train stops. In the South Western portion of Shaba the road system will link with 6 train stops on the East-West railroad, which goes from Lubumbashi to Dilolo. In 1987-1988 an additional 200 kilometers of link road will be rehabilitated in central Shaba. This road will link the 1,300 kilometers of farm-to-market road previously constructed in north Shaba to the presently almost inacessible Kasai market. Over the next four years, construction will proceed from the northern central area south, linking, first, high population density rural areas to railheads, and, by 1991, providing a good road link to the south. The program in southwestern Shaba will rehabilitate approximately 750 kilometers a year, affording farmers access to the fairly good road that leads east to the mining belt, and to the railheads to the south (the part of the Benguela line that is still functioning). For roads that have already been constructed, particularly in the northern PNS area, the program over the next three to five years will focus on post-project sustainability, both through the National Roads Bureau (O.R., Office des Routes) and local groups, such as traders and missions. Sources of local revenue and technical expertise for road maintenance will be explored and tested.

In Bandundu, road construction is concentrated in the Kwilu Sub region an area in which construction is rendered difficult by the almost complete absence of select material (laterite or gravel), but were population density is much greater than in Shaba. A higher per kilometer investment is required but it is also possible to use manual labor particularly for maintenance. Over the last two years, USAID has constructed 120 kilometers of medium traffic (ten vehicles/day) dirt road, and will construct approximately 100 kilometers of medium and high (40 vehicles/day) road a year for the next three years. To ensure proper maintenance, in 1987 USAID will train 100 manual foreman through O.R., and assist O.R. develop and contract for mixed mechanical/manual

maintenance with a local entrepreneur. The roads constructed will link the most populous and productive areas of Bandundu to the three major arteries leading to the Kinshasa market; the Kasai and Kwilu rivers, and the Kikwit-Kinshasa highway. In addition to road construction, USAID is assisting the National Waterways Administration (R.V.F., Régie des Voies Fluviales) to map and mark selected passes of the river. Transport of bulk agricultural commodities such as cassava is cheaper by barge than by road, but several difficult stretches make grounding frequent, and night movement impossible. Travel is unpredictable and slow, and spoilage losses very high. In 1987, 1988, and 1989 three passes of about 50 kilometers each will be mapped, and USAID will assist R.V.F. to develop the institutional capacity to map the passes periodically. USAID is also funding the 1987-1988 construction of two ports on the Kasai river, these ports are on roads reconstructed with USAID assistance. The benefits of improved access to Kinshasa will accrue to farmers along and near approximatly 1,000 miles of river.

The reduced cost of transportation in both target areas, and increased competition will result in increases in the prices paid to and the quantities produced by the small farmer target group.

c. Significant Benchmarks, FY 1987-FY1989

Shaba

October 1986	- Construction starts on Section 1 of road (660-0105)
August 1987	- Contract signed for roads TA team (5 positions, Section 2 and institutional support staff) (660-0105)
April 1987	- Final lots of equipment to site (660-0115)
March 1988	- Heavy equipment arrives for section 2 of road (660-0105)
April 1988	- Construction begins on Section 2 of road (660-0105)
Sept. 1988	- Contract signed with private firm for construction or section 3 of road (660-0105)
	- 100 kilometers of road rehabilitated in Central Shaba (660-0105)
	- 300 kilometers of road rehabilitated in western Shaba (660-0115)
	- 400 Office des Routes personnel trained (660-)
	- Construction of section 1 completed (660-0105)
December 1988	- Construction begins on section 3 of road (660-0105)
Sept. 1989	- 400 kilometers of road rehabilitated in central Shaba (660-0105)
Sept. 1990	- 500 kilometers of road rehabilitated in westen Shaba (660-0115)
	- 800 kilometers of road rehabilitated in central Shaba (660-0105)
	- 500 kilometers of road rehabilitated in western Shaba (660-0115)

Bandundu

April 1987	-	Construction starts on the Kikwit-Idiofa road (660-0098)
July 1987	-	The Lediba Pass of the Kasai river is mapped (660-0098)
April 1987	-	Last of nine project bridges completed (660-0097)
June 1987	-	First project prototype wooden boat built (660-0098)
Sept. 1987	-	14 project bridges completed by Catholic missionaries (660-0098)
Sept. 1988	-	100 kilometers of road rehabilitated (660-0026)
	-	25 kilometers of road rehabilitated (660-0028)
	-	100 manual maintenance foremen trained (660-0)
	-	Two 50-ton boats constructed by rural Baptist missionaries (660-0098)
	-	Five prototype wooden boats constructed and tested (660-0098)
January 1988	-	Manual/mechanical maintenance contract signed by Office des Routes with a local entrepreneur for road (660-0026)
Sept. 1989	-	Two metal boats purchased for use by loval PVO (660-0098)
	-	Slope stabilization experiments undertaken (660-0)
	-	100 kilometers of road rehabilitated (660-0026)
	-	40 kilometers of road rehabilitated (660-0028)
	-	20 bridges built (660-0098)
Sept. 1990	-	Last 20 kilometers of road completed (660-0028)
	-	Last 20 kilometers of road completed (660-0026)
	-	20 bridges built (660-0097)

ANNEX A
RESEARCH PLAN

Mission research is primarily conducted for one of the three following reasons. First, it explores and analyzes issues related to program strategy. Research of this sort includes the policy dialogue studies proposed under the Agricultural Policy and Planning Project (660-0119) and the fuel pricing studies being conducted by the Program Office. Second, research is conducted as preliminary studies to new project design. The private sector studies listed below are examples of this type of research. Third, research is conducted to explore issues that might improve project implementation or promote attainment of project goals. Research on infant weaning under the Area Nutrition Improvement Project (660-0079) is an example of this type of research.

A Research Committee and professional staff have been established to coordinate and monitor ongoing and planned mission research. Through these mechanisms the Mission reviews proposals and findings of major research activities to ensure that the Mission builds on what it has learned and that research remains aligned to the Mission's overall strategy. The research staff itself conducts research that is pertinent to the Mission's interests as a whole but that transcends any one particular division's interest, or that is complementary to the research that has been conducted in one or more divisions. An example of this research is the planned cost/benefit analysis of small hydroelectric power facilities in Zaire.

The status of each research activity is reported semi-annually during the Project Implementation Reviews (PIRs). The Research Committee, composed of representatives from each division, meets periodically to review the purpose, methodology, and utility of all research proposals. The major research activities for the next two years are described below. These activities have been divided into four major categories: Program Development, Agricultural Development, Health and Population, and Private Sector.

1. PROGRAM DEVELOPMENT

Program Development Research examines issues that pertain to USAID's development strategy for Zaire. Findings from this and other research will be used to prepare a new Country Development Strategy Statement in FY89. Specific topics to be studied include those listed below.

a. Economic Studies. USAID plans to examine several economic issues, for example: fuel pricing, exchange rates, labor markets, etc. The Mission also plans to support economic research activities related to USAID's development strategy that are being conducted by the University of Kinshasa. This may include support for an economic journal in which reports on local, current issues may be published.

b. AIDS Research. Several AIDS-related studies are planned to help prevent the transmission of AIDS in Zaire. For example, USAID intends to examine how blood screening for AIDS can be incorporated into blood transfusion services in Kinshasa. Appropriate interventions in public health education are also being explored.

c. Environmental Studies. Actions necessary for Zaire to conserve its tropical forest and maintain its biological diversity are among the topics to be explored on the environment.

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2. AGRICULTURAL DEVELOPMENT RESEARCH

The focus of research conducted in agricultural development is the rural agricultural producer. An important development objective of the Mission is to increase the standard of living of the village cultivator (paysan) and the small farmer (petit fermier) by improving and strengthening production and marketing systems that will promote both cash and food crop production.

a. Land Tenure. Reports from various field trips to the Bandundu Region revealed that some cash crops are grown on customary land by "small farmers" under an innovation added to traditional land tenure, referred to as ferme de convention (small farm). During the next couple of years, the Mission will look at these small farmers to explore how they might increase agricultural production.

b. Rural-Urban Linkages. In the early 80s, USAID began to understand that, to effectively support the village cultivator, the rural market towns must be further developed. Studies indicated that these towns played major roles in training, marketing, and technical assistance (e.g. vehicle maintenance). USAID explored various options of furthering development in these towns, including rural electrification. Future research will continue in this direction. That is, how best rural cultivators can be aided through the development of rural towns.

c. Village Cultivator. During the design of the Area Food and Market Development Project (660-0102) USAID undertook a comprehensive research activity to study the project's target group. The Small Farmer Profile surveyed many aspects of the village cultivator's life (e.g. his lodging, eating habits, saving patterns, and commodity purchases). During the next few years the data generated from the study will be further analyzed. Additional research on the village cultivator will include a closer look at women, the primary cultivators, to determine how agricultural projects may best reach them.

d. Policy Dialogue. A major thrust in agricultural development research for the next few years will be to develop and execute a policy dialogue agenda. Policy studies on this agenda may include: impact of price liberalization on crop production and marketing; farm structure; food crop marketing; credit, lending, and savings mobilization; and trade.

e. Transportation. USAID will continue to study the perennial question of rural road maintenance. This will be pursued in Bandundu and Shaba, the two regions where USAID is financing significant road work. Truck counts in these regions will continue in an effort to study the effect of improved roads. The Mission also will examine further the prospects for privatization of parastatal riverine operations, specifically the operation of river ports. This will be conducted in conjunction with the Kwilu road and port project (660-0026).

3. HEALTH AND POPULATION

Recent research in this area has been and will continue to be focused on the issue of child survival. Both technical and operational questions will be addressed while examining the program objectives of encouraging birth spacing, reducing malnutrition, and improving basic rural health care.

a. Family Planning. To date, efforts to increase contraceptive use have been primarily clinic-based, an approach that has had only limited success. USAID is supporting studies of expanded methods of distribution, including community-based distribution and distribution through the private sector. With regard to demand

for contraceptives, consumer acceptance - social and cultural factors that either motivate or deter user's acceptance - as well as continued use will be examined. Population research will examine the economic and social consequences of high fertility and the current demographic situation in relation to such problem areas as food and nutrition, health, and education. It will provide impetus for the integration of demographic variables into development planning. Applied research on topics such as regulatory constraints to family planning, optimum combinations of delivering family planning services, and constraints on family planning in the private sector will be undertaken.

b. Nutrition. To develop an education strategy on weaning, USAID recently surveyed mothers in three peripheral zones of Kinshasa. Preliminary findings reveal that constraints impeding good weaning practices may be less related to a lack of education than to a lack of disposable income. USAID will further explore this issue to implement appropriate interventions through the Title II project.

c. Health Care Delivery. USAID will support a number of studies aimed at improving the operational delivery of child survival interventions. The Mission will examine the effectiveness and impact of basic health services delivery on health and mortality in selected rural health zones. A central concern of sustaining the provision of adequate health care services is cost. In this regard, the Mission will conduct studies leading to the development of pricing policies and cost recovery mechanisms for basic health care in rural areas.

4. PRIVATE SECTOR DEVELOPMENT

During the past few years, USAID has been investigating various aspects of the private sector in Zaire. Studies included a survey of banking and financial institutions, and an assessment of the investment climate, which led to a preliminary private sector development strategy. The results of this work, intended to give the Mission a focus for the design of the private sector support project, in fact led the mission to conclude that more information was needed. Research will be conducted to provide additional information necessary to commence the design of the private sector project. In addition to this research, which is listed below, USAID will review program priorities and objectives of other donors in Zaire, and assess their impact on private sector expansion.

a. Policy Studies. USAID will examine the activities and trends in private sector development, with special emphasis on those aspects that inhibit expansion. Private sector needs and opportunities will be assessed on the basis of size of operation, ownership, and location. With this information in hand the Mission will identify the policy reforms needed to allow the private sector to expand.

b. Capital Markets. Research will be conducted that will describe and evaluate capital markets, identify sources (both formal and informal), availability, terms, interest rates, and GOZ regulations affecting the private sector's ability to obtain credit.

c. Investment Climate. USAID will expand and update the Investment Climate Report completed in January 1986 to include an examination of recent investments in Zaire, including the source, type, and importance of these investments. This research will include a review of the new Investment Code, tax laws and administration, and the political environment and its effect on investment plans.

ANNEX B
EVALUATION PLAN

A. EVALUATION PROCEDURES

During the past three years, approximately 14 evaluations have been conducted annually, enabling the Mission to evaluate each of its projects every two or three years. The number of annual evaluations will diminish in future years as the Mission reduces the number of projects.

Most evaluations are conducted by non-USAID contractors. Local consultants (expatriate and Zairian) are used frequently because they are familiar with the unique Zairian context, and because they are available to assist in preparatory work (final scopes of work, itineraries, logistics, etc.). In the future, USAID will conduct more in-house evaluations to allow USAID staff members to share their experience, and to gain exposure to problems other than those with which they work daily.

Evaluators are required to submit a draft evaluation report of no more than 15 pages at least four days before the end of the evaluation. Meetings are held with concerned USAID staff and project personnel two days later to discuss major findings and recommendations. The team then amends the report, incorporating others' comments, as it sees fit. USAID records its comments in the Project Evaluation Summary (PES), which is prepared by the mission evaluation officer. The evaluation officer monitors progress made on evaluation recommendations during the semi-annual project implementation reviews (PIRS).

B. EVALUATION THEMES

1. Fiscal Years 1985, 1986, and 1987.

Four major themes, flowing from the Mission's CDSS and policy priorities, have run through USAID's FYs 85 - 87 evaluation work. These themes are: activity sustainability, private sector engagement, technology transfer, and policy dialogue. Examples of how these themes were considered in specific evaluations appear below.

a. Activity Sustainability

Evaluators have been tasked to assess whether a project is being implemented in a way that will allow its essential activities to continue after the PACD. A major lesson recorded in the November 1985 and February 1987 evaluations of the North Shaba Rural Development Project (660-0059) was that central government budgets cannot cover all road maintenance and agricultural extension costs, and even when a project succeeds in generating its own tax base, finding alternatives to central government budgetary funding is bureaucratically and politically complicated. Therefore, to enhance prospects for sustainability of project initiated activities, USAID is emphasizing increased PVO and private sector participation in, and responsibility for, project activities. This lesson learned has been incorporated into several projects, notably including the Central Shaba Agricultural Development Project (660-0105).

b. Private Sector Engagement

Discovering how best to use PVOs in meeting the Mission's development objectives is an ongoing research topic. A lesson recorded in the August 1985 Kionzo Potable Water Evaluation (698-0407) was that USAID should

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assure qualified outside assistance for technical work while expecting indigenous PVOs to provide the institutional and financial sustainability for the project. This lesson was employed in the design of the PVO Economic Support Project (660-0097). The Protestant mission at Rethy (Haut-Zaire) originally proposed to install a small hydroelectric system without assistance. USAID opted, instead, to contract local firms to do the work, and to use community representatives as on-site supervisors. This arrangement has succeeded. The Rethy mission monitors the local construction firms that have the technical expertise and equipment to implement the project more quickly, professionally, and cost effectively.

c. Transfer of Technology

The degree of success projects experience in transferring technology received close attention in several evaluations. For example, in the September 1986 evaluation of the Applied Agricultural Research Project (660-0091), the evaluators determined that, although short-term technical training was on schedule, long-term training was lagging, primarily because eligible students could not be found to study abroad. The evaluators recommended that the project enlarge the pool of potential candidates by including those students who would need only a year's preparatory work in a U.S. university to qualify for entrance into U.S. graduate programs. The application of this successive degree program throughout the Mission will greatly expand the pool of eligible candidates for training.

d. Policy Dialogue

USAID examined the nature of the dialogue in progress for each sector being evaluated. Through the Basic Rural Health Projects (660-0086 and 660-0107) USAID has played an effective role in policy dialogue concerning Zaire's health sector. The project staff promoted the rural health zone as the basic unit of the health system. As a result, the Department of Public Health, over a five year period, divided Zaire into 306 health zones, each with a population of approximately 100,000. This strategy has greatly facilitated health planning and management both at the national and local levels. More villagers now have access to primary health care services, and as a recent study concluded, health zones are, on average, able to recuperate 79% of their operating costs through user fees, an unprecedented accomplishment for a sub-saharan African country.

2. Fiscal Years 88 and 89

During the next two fiscal years, USAID will concentrate on improving project implementation. The major themes for the evaluation work during these years will be derived from this focus, and from the Mission's policy dialogue agenda. Evaluators will be asked to identify: 1) policy constraints to project achievement; 2) constraints to project sustainability, and 3) constraints preventing USAID policy tools (private sector development, technology transfer, institution building, and policy dialogue) from being used more effectively in project implementation.

C. EVALUATION CATEGORIES

The Mission conducts two major types of evaluations: those related to overall program strategy and mission management; and those related to specific projects. During fiscal years 1988 and 1989, USAID will conduct three program-related evaluations and 13 project-related evaluations (see attached schedules).

1. Program Evaluations

Program evaluations examine a specific issue in all the Mission's work. Three program evaluations are planned for FYs 88 and 89. The first is an assessment of the training USAID has done under AMDP, AFGRAD, and other projects. The second will be an assessment of the impact USAID activities have had or are having on women in Zaire. The purpose of these evaluations will be to determine if project activities are effectively promoting USAID's development objectives for Zaire. The third program evaluation will examine commodity procurement taking place in the Mission and will suggest how this process could be made more effective and efficient. The purpose of this evaluation is to improve project management.

2. Project Evaluation

Project evaluations examine many issues in one or two specific projects. Where possible, related projects are evaluated jointly to reduce the administrative load on USAID. This possibility is heightened by USAID's policy of geographic concentration in which several projects are situated within the same general area. Project evaluations are sub-divided into five groups. These appear below.

a. Start-up evaluations take place within 18 months after the project authorization. They allow the Mission to examine how circumstances have changed since project design, and they represent the first feedback on whether the project will be successful as designed and as initially organized. If not, there is an opportunity to take an evaluation's findings into consideration and to alter its direction before much time is lost in a false start or an unwieldy organization. Start-up evaluations can be especially valuable when there has been a long lag time between project authorization and the actual start-up of project activities. The planned evaluation of the Central Shaba Agricultural Project (660-0105) constitutes a start-up evaluation.

b. Routine Implementation Evaluations determine the status of project implementation, identify problems affecting achievement of objectives, and assess the implementation arrangements of the projects. During the next two fiscal years, seven routine evaluations are scheduled.

c. Threshold Decision Evaluations are scheduled for those projects where USAID plans amendments or redesign. They are also used to determine whether a project should be extended or terminated, and in either case how. Three Threshold Decision Evaluations are planned: The evaluations of the Private Management Support Project (660-0113) and of the Family Planning Services Project (660-0094) will lead into designs of follow-on projects, and the evaluation of the Applied Agricultural Research Project (660-0091) will determine whether the project should be extended, and if so under what conditions.

d. Lessons Learned Evaluations are conducted as PACDs approach. They are used to analyze and document the catalysts or inhibitors of project achievement. These evaluations record significant lessons learned during the life of the project that may be useful to designers or decision makers. The planned evaluation of the Area Nutrition Improvement Project (660-0079) constitutes a Lessons Learned Evaluation.

e. Impact evaluations are conducted after a project has been terminated, to assess the effects of that project on the surrounding environment. Positive as well as negative effects are considered. An impact evaluation of the North Shaba Rural Development Project (660-0059) is scheduled during the next two years.

A. FY 1987 Evaluation Schedule	Quarter
1. Basic Rural Health I and II (660-0086, 660-0107)	1
2. Agriculture Inputs Support I and II and Structural Adjustment Support Program (660-0100, 660-0103, 660-0121)	2
3. North Shaba Rural Development (660-0059)	2
4. PL 480 Title II Maternal/Child Feeding	2
5. PVO Economic Support (660-0097)	3
6. Fish Culture Expansion (660-0080)	3
7. School of Public Health (660-0101)	4
8. Rural Technology Development (660-0104)	4
9. Agricultural Sector Studies and Agricultural Policy Planning (660-0070 and 660-0119)	4

B. FY 1988 Evaluation Schedule:	
1. Program Evaluation on Commodity Procurement	1
2. Nutrition Improvement (660-0079)	1
3. Agriculture Inputs Support I and II and Structural Adjustment Support Program (660-0100, 660-0103, 660-0121)	2
4. Family Planning Services (660-0094)	2
5. Program Evaluation on Training	2
6. Agricultural Marketing Development and Area Food and Market Development (660-0098 and 660-0102)	3
7. Private Management Support (660-0113)	3
8. Agricultural Marketing Development I and II (660-0026 and 660-0028)	4

C. FY 1989 Evaluation Schedule	
1. Program Evaluation on Women in Development	1
2. Kimbanguist Hospital (660-0122)	1
3. Basic Rural Health II (660-0107)	2
4. Agriculture Inputs Support I and II and Structural Adjustment Support Program (660-0100, 660-0103, 660-0121)	2
5. Central Shaba Agricultural Development (660-0105)	3
6. Applied Agricultural Research (660-0091)	3
7. Shaba Refugee Projects, Health, Roads, and Water (660-0114, 660-0115, and 660-0116)	4
8. North Shaba Rural Development (660-0059)	4

ANNEX C
TRAINING PLAN

I. GOAL

USAID's primary training objective is to strengthen key Zairian institutions by training Zairian professionals working for USAID projects in the agriculture, health and population, and transport sectors as well as other Zairian professionals working in the public, parastatal, and private sectors.

II. TRAINING NEEDS

The Mission is beginning to conduct studies that will lead to a comprehensive training plan encompassing all the Mission's training activities. These studies include: a survey of long-term training participants to assess the effects of training on career development and institution building; a training needs assessment of public and private organizations; and a detailed inventory of local training institutions and programs. These studies will be followed in early FY 1988 with an overall evaluation of Mission training activities.

Three new elements are being incorporated into training plans. First, efforts will focus on using local institutions for in-country training. This will include training participants in English before they leave for long-term training, cutting language training costs by 90%. Through the substantial savings the Mission intends to offer English language scholarships to government officials and private sector professionals to create a pool of future candidates for USAID activities.

Second, training in the private sector will be emphasized, in addition to current public sector activities. This will be done in conjunction with the Private Sector Support Project (660-0120). One of its objectives will be to initiate professional linkages among university professors, government policy makers, and businessmen to encourage open and informed discussions of issues constraining private sector expansion.

Third, the training plans will provide ways to follow-up the effects of training. One way may be the creation of an association of participants who were trained abroad. Follow-up will address questions such as: How effective was the training? How has the returned participant used his training? Has he shared his knowledge? Has the training promoted the participant's career development?

III. TRAINING PROGRAMS

Training objectives will be met through participant training (both long-term and short-term) in the U.S. and third-countries and through in-country training. Participant training is funded under bilateral and centrally-funded projects, the African Manpower Development Project (AMDP), and the African Graduate Fellowship Program (AFGRAD). In-country training is funded primarily from projects and AMDP.

A. Project Training

1. Participant Training. USAID-sponsored participant training started shortly after independence in 1960. To date, over 1,000 participants have completed training. This training included short-term and degree programs in agriculture, health and population, management, and general development. To enlarge the pool of potential candidates for overseas training, students who need only a year's preparatory work in a U.S. university to qualify for entrance into U.S. graduate programs may note be included.

2. In-country Training. All USAID projects have in-country training components geared to project staff and to project beneficiairies. Some projects such as the School of Public Health (660-0101) specifically support training institutions. Under the Development Manpower Training Project (660-0068) over 600 professionals were trained in various subjects including management, agriculture, health, and rural development. Other projects have important training components. For example, under the Agricultural Marketing Development Project (660-0028) some 600 technicians are trained annually for the National Roads Bureau; under the Fish Culture Expansion Project (660-0080) regional coordinators, technical staff, and farmers are trained in fish cultivation and pond management; under the Applied Agricultural Research Project (660-0091) agricultural extension workers are trained; and under the Basic Rural Health Project (660-0107) physicians, clinic supervisors, nurses, traditional birth attendants, and village health workers are trained.

B. African Manpower Development Project (AMDP)

1. Participant Training. Under AMDP (soon to be titled Human Resources Development Assistance) only a few candidates have been sent abroad for study because dollars were used primarily to hire U.S. consultants to hold in-country seminars. Now, however, with the new training focus that emphasizes the use of local institutions some dollars plus counterpart funds will be made available. (As local training institutions assume responsibility for in-country training - a local cost activity - more dollars can be freed for supporting U.S. training costs.) These funds will be used for participant training not specifically covered by bilateral projects. This may include for example, training for high level policy-makers, special ministry advisors, or university professors who work in priority sectors but who would not be included in project training. This activity may be supported also through HRDA buy-ins.

2. In-country Training. In the past, AMDP funds have been devoted to in-country management seminars for mid-level GOZ officials responsible for plannig and implementing programs in priority sectors, particularly in agriculture. Recently, other candidates (personnel from the private sector, including PVOs) have been interested in to AMDP-supported in-country training.

In-country training will be conducted primarily by local institutions such as Le Centre de Perfectionnement aux Techniques de Developpement (CEPETEDE) and the Zairian-American Language Institute (ZALI). The Mission will give counterpart funded scholarships to attend such institutions. Candidates will be approved by the Mission's Training Project Committee.

C. AFGRAD

The AFGRAD program started in 1963; AFGRAD II began in 1977. Since then this program has trained sixteen Zairian participants; four more have been accepted for FY88. AFGRAD III, a five-year program, will send some 15 participants to the U.S. for academic degree programs, and a smaller number of short-term participants. In addition, during FY 1989 the Mission will be making a $400,000 buy-in, specifically to provide training to upgrade Zairian economic and commercial training institutions.