

FY 1994/1995
ANNUAL BUDGET SUBMISSION

SMALL COUNTRY PROGRAM

OFFICE DIRECTOR'S STATEMENTDevelopment Problem

The six small countries share the bleak reality of stifled economic growth, and have similar developmental needs. Such as, high rates of poverty and infant mortality, low educational attainment levels and life expectancy. Also, a common deficiency these countries share is the lack of the trained human resources needed to build their societies. To address these needs, the Africa Bureau firmly supports A.I.D.'s philosophy of enabling through sustainable development. The Bureau's Small Country Program Strategy (SCPS) provides for sustainable development by focussing and narrowing its assistance programs to a pre-determined set of activities where objectives and results can be achieved requiring minimal management oversight.

A.I.D. Development Strategy

In response to concerns (Congressional, et al), that the Africa Bureau continue to provide development assistance programs to certain countries in light of reductions of field staff, the SCPS was developed and approved for operation by the Assistant Administrator for Africa on March 10, 1992. This A.I.D./W managed strategy was designed to administer a very limited and focussed assistance program, without an in-country, direct-hire presence. The strategy presently applies to six coastal and central West African countries i.e., Central African Republic, Congo, Equatorial Guinea, Gabon, Sao Tome/Principe, and Sierra Leone. The development assistance programs in each country is limited to one or both of the following types of assistance:

- (1) A "Core" program, which is comprised of six centrally or regionally-funded elements, i.e., Peace Corps Small Project Assistance (SPA), Special Self-Help Fund (SSH), short-term democracy and governance activities, Human Rights Fund, PL 480 Title II emergency/humanitarian food aid programs - without monetization and training through the Africa Training for Leadership and Skills (ATLAS) project. One or more of these elements may be included in each of the six small countries. With the exception of PL 480 Title II, these programs require only minimal U.S. direct-hire management.

- (2) The "Core-Plus" component is a bilateral supplement to the "Core" program, and provides for one project assistance activity in an predetermined area of interest or sector. In those countries where there is a special U.S. development interest or expertise (especially within the U.S. private voluntary organizations (PVOs) community), most projects will be proposed, designed, and implemented through grants to U.S. PVOs. "Core" program activities (ie., Atlas training, Peace Corps SPA, etc.) are programmed to reinforce, to the extent possible, the "core-plus" focussed area or sector.

In FY 1994 and FY 1995, Central African Republic, Congo, Sao Tome/Principe, and Sierra Leone will be the recipients of "Core-Plus" programs. Equatorial Guinea and Gabon will receive "Core" program assistance only.

Other Donors

Close coordination with multilateral and bilateral donors is crucial for implementing efficient and effective program activities so as to best target A.I.D.'s limited human and financial resources in these countries. By focusing its assistance to a single sector, A.I.D. will be able to better coordinate with a reduced number of other donors.

FY 94 and FY 95 Operational Year Budget

Given the limited set of activities and planned CP OYB budget allocation (i.e., limited to fund either the "core-plus" grants and/or Atlas training) for the SCP countries, it is expected that any reduction in our resources would reduce the effectiveness of the focussed nature of the SCP program as well as the ability to deliver sustainable development in the four countries with OYB funded programs. Noting that the four "core-plus" programs in the small country portfolio address the Agency's focus areas of priority, a 10% reduction in the planned FY 94 and FY 95 OYB for the SCP countries would be reflected in reduced funding for the ATLAS training program of \$440,000 annually.

	<u>FY94 CP Base</u>	<u>@90% of FY 94 CP</u>
CAR	2,700	2,430
Congo	900	810
Eq. Guinea	0	0
Gabon	0	0
STP	300	270
Sierra Leone	500	450
	<u>4,400</u>	<u>3,960</u>

SCP Program Requests

The following are the SCPS development programs, by country, which illustrates solid, continuing programs in the areas of health, the environment, and economic growth (agriculture and human resources development). Pursuant to the SCPS and the "core-plus-one program, no new or additional projects are proposed for the "plus one" countries in FY 94 and FY 95, however an LOP increase is sought for the Congo environmental activity as discussed below.

Central African Republic: The core program elements will include Peace Corps SPA, SSH, Human Rights Fund, Democracy and Governance activities, and ATLAS training. \$200,000 is requested for ATLAS for FY 94 and 95.

The "plus one" program focus is the health sector with interventions in the areas of child survival and AIDS prevention. \$2,500,000 in incremental financing is required in FY 94 and 95 to provide health sector assistance in primary health care, child survival, cost recovery and condom social marketing and treatment of sexually transmitted diseases and AIDS intervention.

Congo: The core program elements include Peace Corps SPA, SSH, Human Rights Fund, democracy/governance activities, and ATLAS training. \$200,000 is requested for ATLAS for FY 94 and 95.

Our "plus one" program focus is the area of environment with focus on forest conservation and natural resource management. In FY 1994, \$700,000 is requested to support activities of a U.S. PVO (Wildlife Conservation Society) to assist the Congo to create and manage a large forest/animal conservation area in northern Congo. The objective of this project is to put into place environmentally sound forest management and conservation policies and practices. This important project will contribute greatly to environmental stability, conservation of biodiversity, and sustainable natural resource management as well as the conservation of a key forest elephant population. The benefits of the activity are not only to the Congo itself but to those six countries which contain areas associated with the greater rain forest basin of central Africa.

Given the Agency's stated environmental policy focus, an LOP increase of \$800,000 from the existing authorized level of \$2.5 million to a new LOP of \$3.3 million is requested. The \$800,000 increase is requested to compensate for a weak dollar, inflation, underbudgeting of expenditures in areas of construction and fuel and delays in other donor co-financing. The proposed \$800,000 increase will be made available in FY 94, FY 95 and FY 96.

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Sao Tome and Principe: The core program will include SSH and ATLAS training.

The focus for Economic Growth in this country is to improve productivity of the agriculture sector. Specifically, \$300,000 is requested for FY 94 and FY 95, to continue a bilateral program that supports the development of farmer associations to improve food crop production and marketing. The U.S. PVO implementing this project is the Cooperative League of the United States of America (CLUSA). The objective of this project is to enable small farmers to organize and operate cooperatives and associations, to increase food production and earnings. To date, CLUSA has assisted 25 farmer cooperatives involving a total of 2,500 members to become self-managed and financially viable organizations.

Sierra Leone: Peace Corps SPA, SSH, Human Rights Fund, democracy and governance activities and PL 480 Title II emergency/humanitarian food aid, are the core program areas proposed for FY 1994.

Economic Growth is focused to promote microenterprise development and human resource development. The \$500,000 requested for FY's 94 and 95, will allow the Opportunities Industrialization Centers International (OICI) to continue implementing this program. This six-year activity is due for completion in 1995. At that time, it is expected that approximately 1,440 people will be trained in management and business development, 1,540 people will have completed training and be employed in vocational/technical areas, and 430 entrepreneurs awarded small business loans.

Equatorial Guinea: The core program elements will include SSH, ATLAS training and Peace Corps SPA program. No bilateral funding will be provided in FY 1994.

Gabon: The core program elements will include SSH, democracy/governance and Peace Corps SPA program. No bilateral funding will be provided in FY 1994.

**FORMAT FOR COUNTRY-SPECIFIC ISSUES PAPERS
CCWA-SMALL COUNTRY PROGRAM**

I. BUDGET LEVELS (\$000) (100%)

Account	FY 93	FY 94	FY 95
DFA	4,400	4,400	4,400
DA/ADA			
ESF			
PL480II/III	12,200		
Total	16,600		

II. WORKFORCE LEVELS (FTE) (100% DFA + 100% OE Option)

	FY 93			FY 94			FY 95		
	OE	PRG	TOT	OE	PRG	TOT	OE	PRG	TOT
USDH									
FNDH									
USPSC									
FNPSC	1		1	1		1	1		1
TCPSC									
TOTAL	1		1	1		1	1		1

III. WORKFORCE LEVELS (FTE) (100% DFA + 85% OE Option)

	FY 93			FY 94			FY 95		
	OE	PRG	TOT	OE	PRG	TOT	OE	PRG	TOT
USDH									
FNDH									
USPSC									
FNPSC	1		1			1			1
TCPSC									
TOTAL	1		1			1			1

IV. PROPOSED NEW STARTS AND AMENDMENTS (100% DFA)

Title	FY	Type	LOP \$Mil	DOA PID	DOA PP
Congo Forest Conservation (amend)	94	P	.8		

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V. MORTGAGE AND PIPELINE (\$ 000)

	End of FY 93	End of FY 94	Ratio to FY 94 OYB	End of FY 95	Ratio to FY 95 OYB
Pipeline	4.6	4.0	.9	N/A	N/A
Mortgage	10.7	6.3	1.4	1.9	.4

VI. MISSION PROGRAM SUMMARY

Mission Program Summary (\$000)										
FY			Policy Area						Corresponding Overseas	
			Total Program	Environment	Pop/Health	Democracy	Econ Growth	Other (1)	OE	FTE
1993	100%		4,400	.7	2.5	-0-	1.2		.045	1
1994	90%		3,960	.7	2.4	-0-	.830		.035	1
	100%		4,400	.7	2.5	-0-	1.2		.035	1
1995	90%	Ongoing	3,690	.7	2.4	-0-	.830			
		New								
	100%	Ongoing	4,400	.7	2.5	-0-	1.2		.035	1
		New								

(1) Explanation of "Other":

VII. MISSION PROGRAM TRENDS

Mission Program Trends FYs 1993 - 1995 (\$ 000)				
	Sust. Dev.	Humanitarian	Regional Prog.	Other
FY 1993		3.3	.4 (Atlas)	.7 (TO-Congo)
FY 1994		3.3	.4 (Atlas)	.7 (TO-Congo)
FY 1995		3.3	.4 (Atlas)	.7 (TO-Congo)

VIII. FY 1994 - Mission Program Funding by Strategic Objective and Policy Area

Country Strategic Objectives to be Funded in FY 1994 Given Budget (in \$1000s)							
Mission	Strategic Objectives and Targets of Opportunity	% of FY 94 base	Policy Area				
			Environ-ment	Pop/Health	Democracy	Econ Growth	Other
CAR	SO #1: Child Survival	90%		2.430			
Congo	SO #2: Biodiversity		.7				
STP	SO #3: Agri.Growth/Efficiency					.270	
Sierra Leone	SO #4: Microenterprise Dev.					.450	
	TO #1:						
	TO #2:						
	TO #3:						
	OTHER: ATLAS					.110	
CAR	SO #1: Child Survival	100%		2.5			
Congo	SO #2: Biodiversity		.7				
STP	SO #3: Agri. Growth/Efficiency					.3	
Sierra Leone	SO #4: Microenterprise Dev.					.5	
	TO #1:						
	TO #2:						
	TO #3:						
	OTHER:						

IX. FY 1995 - Mission Program Funding by Strategic Objective and Policy Area

Country Strategic Objectives to be Funded in FY 1995 Given Budget (in \$1000s)							
Mission	Strategic Objectives and Targets of Opportunity	% of FY 94 base	Policy Area				
			Environment	Pop/Health	Democracy	Econ Growth	Other
CAR	SO #1: Child Survival	90%		2.430			
Congo	SO #2: Biodiversity		.7				
STP	SO #3: Agri. Prod./Mkt.					.270	
Sierra Leone	SO #4: Microenterprise Dev.					.450	
	TO #1:						
	TO #2:						
	TO #3:						
	OTHER: Atlas					.110	
CAR	SO #1: Child Survival	100%		2.5			
Congo	SO #2: Biodiversity		.7				
STP	SO #3: Agri. Prod/Mkt.					.300	
Sierra Leone	SO #4: Microenterprise Dev.					.500	
	TO #1:						
	TO #2:						
	TO #3:						
	OTHER: Atlas					.400	

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X. OUTSTANDING ISSUES

Issue #1: A clear Bureau position needs to be made concerning the continuation of country programs currently being implemented under the Small Country Program Strategy.

Discussion: Given the "right-sizing" exercise of the Agency, AFR has proposed reducing and/or phasing out of USAID presence and programs in various African countries. One set of country programs proposed for phase-out are those countries currently operating under the Small Country Program Strategy. The SCP model, as designed in 1991, allows for a greatly reduced but effective, responsible level of A.I.D./W management for limited number of A.I.D. activities in those countries having no USAID personnel presence. Resources have been concentrated to a limited set of activities based on anticipated results and in line with the Agency's stated policy directions and areas of concentration (especially in environment and health/population).

Recommendation/Options:

Issue #2: Is the AFR Bureau prepared to modify the current Small Country Program Strategy Policy to allow for a PL-480 Title II monetization in Sierra Leone (implemented through a US PVO)?

Discussion: The present Small Country Program Policy does not allow for PL-480 Title Title II monetization programs given A.I.D. management oversight (both financial and programmatic) requirements. With the "right-sizing" of the Agency and potential increased involvement of US PVOs, the issue of allowing qualified US PVOs to implement food aid monetization programs in SCP countries has arisen.

Need Policy Directive re Title II.

Recommendation/Options:

Issue #3: Regularization of AIDS.

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: SMALL COUNTRY PROGRAM -- OFFICE

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AFRICAN REGIONAL

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