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Assistant
Administrator
for Africa

INFORMATION MEMORANDUM FOR THE ADMINISTRATOR
FROM: AA/AFR, John F. Hickel

SUBJECT: My East and Southern Africa Trip Report

I visited five countries in east and southern Africa between June 24 and July 9, 1995. This was time well spent. The following summarizes the major issues and outcomes of these visits. I have also attached a more detailed accounting.

Prior to joining you and other members of our delegation for the IGAAD meeting in Addis Ababa, I met with our southern Africa mission directors and the Board of Directors for the Southern Africa Enterprise Development Fund (SAEDF) in Harare. The mission directors' conference was an important step in the implementation of the Initiative for Southern Africa (ISA). We reexamined the strategic framework for this Initiative in light of today's environment, considered at length the concept of a regional program within the context of the ISA, made significant progress in developing operating protocols for the bilateral and regional missions, and reaffirmed the commitment of the bilateral missions in the region to the ISA. Also, the mission directors briefed the SAEDF Board on our programs in preparation for the country visits of individual Board members following the conference.

The SAEDF meeting was also productive. Ambassador Young introduced two individuals (one in absentia) from the southern Africa region as new Board members. Emphasis was given to the urgency of recruiting a CEO and putting operating policies in place before making binding commitments on any of the investment proposals already received by the Board. I continue to be highly impressed with the quality and balance of perspectives among Board members.

The June 30 IGADD ministerial meeting in Addis Ababa was a watershed event for the Greater Horn of Africa Initiative (GHAI). The east African leaders pledged to transform IGADD into a veritable vehicle for regional cooperation with priority to food security, crises prevention, and infrastructure. The Africans stepped out front, making it clear that they will lead the GHAI. The Dutch and the Canadians made strong statements in support of the GHAI. Progress was made in arresting the concerns of donors who are skeptical of the Initiative, and they joined us and the other donors in expressing a willingness to support African led initiatives at regional cooperation.

The donors will come together in August to recommend a mechanism for regular joint African-international community consultation. The African heads of state will meet in early September to make their final decisions on the IGADD mandate for regional cooperation.

While in Ethiopia, we visited the USAID mission and held a town hall meeting. We discussed developments in Washington regarding the legislative process, reengineering, merger of USAID with the State Department and personnel concerns. We signed a \$40 million Title II agreement with the Minister of Finance and had a very informative session with Ethiopia's President Meles. You thanked Meles for his leadership of the GHAI/IGADD initiative, sought his views on IGADD revitalization and assured him that the United States Government is seriously committed to the GHAI. President Meles expressed strong concerns about the role of NGOs, most of which he views as costly and ineffective.

In Uganda, we spent an interesting four days visiting USAID projects in Kibale, Mbarara and Kampala. We saw agricultural, forestry, education and AIDS activities. The positive impact of our program in that country is quite visible.

A key objective of our visit to Uganda was to encourage the National Resistance Movement (NRM) to support a multi-party democracy. You met with President Museveni and with the opposition. Museveni listened carefully to what you had to say, but contended that at this time political competition would divide Ugandans and thus place at undue risk the fragile economic gains made over the last nine years. However, he indicated that he values what you said, and urged us to continue the dialogue with Ugandans on this issue.

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In Kenya you pressed the government to refrain from actions which would bias the upcoming presidential and legislative elections. You met with representatives of all thirteen opposition groups and they touched on the idea of forming coalitions as a campaign strategy. You held a roundtable discussion with representatives of major NGOs on food security and development. Also, in our discussion with the Minister of Foreign Affairs, we expressed our disagreement with the Kenyan government's imposition of duties on USG donated food.

After Kenya, I went on to Tanzania where I registered our deep concern over the cavalier manner in which the government initially handled the tax evasion scandal, and urged the government to conduct a thorough investigation of the affair. I told the government that we are pleased with their decision, albeit delayed, to invite international observers for their voter registration in August and national elections in October.

Attachment: a/s

**REPORT TO THE ADMINISTRATOR ON
AA/AFR JOHN F. HICKS' EAST AND SOUTHERN AFRICA TRIP
JUNE 24-JULY 9, 1995**

Introduction:

The following highlights my fifteen day visit to five east and southern African countries (Zimbabwe, Ethiopia, Uganda, Kenya, and Tanzania) from June 24-July 9, 1995. As you know, at the conclusion of the southern Africa Mission Directors' conference in Harare on June 28, I joined you and the rest of the U.S. delegation for the IGADD ministerial meeting in Addis Ababa, held on June 30. We then visited Uganda and Kenya, after which I proceeded to Tanzania to review our program with Mission staff, visit some of our projects and meet with key Government of Tanzania officials on pressing political and economic reform issues.

June 24-28 Harare, Zimbabwe

Meetings of southern Africa Mission Directors and the Board of Directors of the Southern Africa Enterprise Development Fund (SAEDF).

Purpose:

I met with our southern African Directors to review the status of the Initiative for Southern Africa and the establishment of the Regional Center in Botswana. We revisited the regional strategic framework and regional programs already designed (the Enterprise Fund and the regional democracy governance project) and those under consideration in natural resources management and the environment, transport and telecommunications. We also discussed management, implementation and coordination modalities and debated at length a working definition of a "regional program". We interacted with Andrew Young, SAEDF Board Chairman, and other members of the board, briefing them on our programs and preparing them for their visits to the southern African countries.

Outcomes of the Zimbabwe Visit:

--- Reconfirmation of the Agency's and Africa Bureau's commitment to develop innovative regional approaches in southern Africa that support regional economic cooperation and accelerated economic growth.

--- Reaffirmation of bilateral Missions' commitment to give their full support to the Initiative for Southern Africa. The Missions recognize that large scale bilateral programs throughout southern Africa are not sustainable over the long term, and that budget realities add urgency

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to our decision to look more aggressively for regional alternatives.

--- Development of operating procedures for bilateral and regional mission coordination in the design and implementation of regional programs.

--- Productive dialogue with Enterprise Fund Board members, which included planning visits to individual countries by Board members as follow on to the Harare meeting.

--- Town meeting with Zimbabwe Mission, including an up-date on Washington developments including the foreign aid debate, happenings on Capitol Hill, re-engineering, and Africa budget issues.

June 29-30 Addis Ababa, Ethiopia (The Emperor has no clothes!)

One-day, June 30 meeting of the Inter-Governmental Authority on Drought and Development (IGADD)

Purpose:

To attend the IGADD ministerial meeting, meet with Mission staff and hold bilateral discussions with President Meles and other senior Government of Ethiopia officials.

Outcomes of the Ethiopia Visit:

--- Donor support for IGADD. The IGADD meeting was a success. It got off to a shaky start with the Japanese representative expressing skepticism and doubt during the donor breakfast and other donors such as the British, Germans and Swiss hesitant to express their categorical support for the initiative. But by the end of the day, there was a clear consensus among the Africans and their international donor partners that the IGADD initiative is important and should move forward with a sense of urgency. The donors, through closing statements by USAID Administrator Brian Atwood and Dutch Cooperation Minister Jan Pronk, announced their intent to support IGADD efforts. They emphasized that the key to the success is not necessarily the commitment of new resources. The key is thinking about the region differently and doing business in a new way. This includes a more strategic and coordinated approach led by our African partners.

--- Agreement on need for a consultative mechanism. IGADD members asked the international partners to form a coordination mechanism which will interface with IGADD and support IGADD strategic priorities.

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--- IGADD strategic priorities. IGADD Ministers announced that their strategic priorities are conflict resolution, food security, and infrastructure development.

--- USAID town hall meeting. We discussed developments in Washington regarding the legislative process, re-engineering, merger of USAID with the State Department and personnel concerns.

--- Meeting with the Minister of Finance. You signed a \$40 million Title II agreement with the Minister.

--- Meeting with Ethiopia's President Meles. This was a very informative session. You thanked Meles for his leadership of the GHAI/IGADD initiative, sought his views on IGADD revitalization and assured him that the United States is seriously committed to the GHAI. President Meles expressed strong concern about the role of NGOs, many of which in his view are costly and ineffective.

Follow-up Actions to the Ethiopia Visit:

--- IGADD Heads of State will meet in early September to consider and approve the recommendations for revitalizing and restructuring IGADD.

--- You indicated your intent to raise IGADD at the Tidewater meeting and seek donor ministerial level endorsement at this high level meeting.

--- The Americans, Canadians and Dutch agreed to plan an experts level meeting to develop ideas for the donor coordination group. This meeting will take place sometime in August before the IGADD Heads of State meeting in early September. Recommendations from the donor's experts meeting will be discussed in a larger donor gathering, perhaps the day before the September meeting.

-- The Horn of Africa taskforce will follow-up on the above and other actions flowing from the IGADD meeting. Based on the positive movement by the donors and IGADD and a clearer understanding of how this initiative is evolving, we will also review plans for USAID management of the GHAI.

July 1-5, 1995, Uganda

Purpose:

Uganda, the "bread basket" of east Africa, is the linchpin of the regional food security strategy. Our visit there was a follow-on to the June 30 IGADD discussions on regional food security. We also engaged in dialogue on political and economic reform. We met with President Museveni, Minister of Foreign Affairs Ruganda, and representatives of political opposition groups. USAID projects visited include forestry/NRM and non-traditional agricultural export (mushrooms) sites in Kibale and Mbarara. In Kampala, we visited an AIDS support clinic, agricultural research station, and held a food security roundtable discussion with the local press. Dialogue on reform was fruitful. All projects visited were performing successfully, and each captured one or more major Agency concerns such as gender, appropriate technology, export promotion, financial viability.

Outcomes of the Uganda Visit:

--- Fostered constructive dialogue with the Ugandans on political reform. Our discussions with President Museveni were rich and stimulating. He emphasized that Uganda's political system is evolving and urged us to assist this process by continuing the dialogue. We underlined the importance of competition to a viable political system. Museveni seemed to appreciate this point, but felt that the introduction of a multi-party system today would unduly put at risk the fragile peace and progress attained under the National Resistance Movement (NRM) over the last nine years. He added that the issue is when, not if, a multi-party system should be adopted. Museveni further pointed to a recent Constituent Assembly (CA) vote as evidence that Ugandans do not want a multi-party system as of yet. (n.b. At the end of June, the CA passed by more than a two-thirds majority, a measure to extend the NRM government for 5 years. At year 4, the measure calls for a referendum on the issue of political parties. It is not at all clear that parties will be allowed to register and campaign for the referendum). Given their history with political competition, Museveni argued that most Ugandans perceive multi-parties as divisive tools and not in the country's interest, particularly since those blamed for past destruction, such as former President Obote, are known members of the opposition. He believes that most Ugandans lack the political sophistication needed to participate in a multi-party system; but he envisions that as the economy continues to strengthen and the population is empowered economically, a type of competitive political system will emerge that is indigenous, effective and sustainable.

The opposition groups argued that the denial of fundamental rights, such as freedom to associate, is a recipe for instability, pointing to the current conflict in the north. They also point out that since, in effect, the NRM is a political party, others can challenge it on an

equal basis only through political parties, not as individuals. However, the opposition seemed far from developing a vision for Uganda or effective strategies to challenge the NRM.

--- Impressed on the Ugandans the need to stay the course on their economic reform agenda. Uganda's economic performance is impressive --- reaching a 10 percent growth in domestic income and a 3 percent rate of inflation last year, placing it among the 13 fastest growing economies world-wide. However, a recent "one-time" surge in military spending at the cost of investment in development is disturbing. You opted not to sign an amendment to a education sector grant as a means of registering our disappointment with the Government's decision to increase military spending while reneging on their commitment to USAID to increase primary school teacher's salaries.

Follow-up Actions to the Uganda Visit

- Consult with AF Moose and others on the U.S. strategy for political reform in Uganda.
- Consult with Ugandan Embassy and AF on a possible visit of Museveni this summer to make the case for aid to Africa. He has indicated a desire to speak before the Congress.

July 5, 1995, Nairobi, Kenya

Purpose:

We discussed issues related to food aid and the GHAI, and the upcoming multi-party Presidential elections in Kenya. We met with the Foreign Minister, representatives of opposition parties, and local NGOs.

Outcomes of the Kenya Visit:

- Agreed on the need for an arrangement between the U.S. and Kenya which would permit non-Kenyan nationals to work in Nairobi for the GHAI with privileges and immunities similar to those of USAID employees.
- Stimulated dialogue among opposition parties on the need to take a strategic approach to the elections. As is the case in Uganda, the opposition is poorly organized. In a meeting with representatives of 13 opposition parties, the folly of splintering their efforts emerged as a major concern. The group touched on the idea of rallying around 1, 2, or 3 candidates as opposed to 13.

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--- Fostered dialogue among NGOs. Your roundtable discussion with major NGOs on political and food security issues highlighted areas of common interests, opportunities for exchange of experiences, information and other forms of cooperation the NGOs could pursue.

--- Urged the Government of Kenya to support free and fair elections. The Government has taken or threatened to take several actions which would bias the electoral process. One recent example is the draft political parties bill. It is widely believed that the bill, which *inter alia*, prohibits use of party names with religious connotations, is a ploy to prohibit the registration of the new political party, SAFINA, led by Richard Leaky. SAFINA is the swahili term for "Noah's Ark".

--- Registered our strong opposition to the imposition of duties on United States food donations.

Follow-up Actions to the Kenya Visit:

--- We need to continue monitoring closely events leading up to the elections, dialogue with the government and other groups, and lend support as appropriate.

--- The Ambassador and USAID will continue to press the GOK on the issue of taxing our food donations.

July 6-9, 1995, Tanzania

Purpose:

In Tanzania, we reviewed progress on economic and political reform, with special attention to food security issues. I met with the Minister of Finance, Minister of the Planning Commission, Minister of Public Works, women NGOs, Tanzania Venture Capital Board of Directors, and the World Bank Resident Representative. I visited USAID funded agricultural/natural resources and rural roads projects.

Outcomes of the Tanzania Visit:

--- GOT assurances of free and fair national elections. The GOT recently invited countries to send international observers for their voter registration in August and election in October. We began urging the GOT to do this several months ago. We plan to support 10-15 international observers for the election.

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--- Assurances that the GOT is developing a capability to address corruption. In all meetings with GOT officials, we registered our deep concern over the cavalier manner in which the Government initially responded to the customs tax evasion scandal. As we understand, the amount of money involved may approximate the total annual GOT recurrent budget. An investigation is underway. The Minister of Finance who granted the tax relief was moved to another cabinet position, and later fired in response to international and local outcry. Some businessmen have been punished. And we were told that a number of institutional changes are being made to reduce the risk of corruption.

Follow-up Actions to the Tanzania Visit:

--- Decide if USAID should participate in the proposed World Bank "informal" CG in late July. According to the Bank's representative in Dar es Salaam, the Nordic donors are pushing for the CG to take stock of progress the GOT has made in addressing corruption since the CG in December 1994, and to assess progress in meeting Bank and IMF conditionality. (Since the visit, we have decided not to participate in this "informal" CG).

--- Consider activities that can help address some of Tanzania's structural and systemic gender biases, such as those rooted in custom, law and religion. The Tuskegee/Sokoine proposed follow-on activity, if funded, may present a convenient opportunity to do this since the proposed activity would work directly with rural women.

--- The Ambassador and Mission will follow-up on the execution of an OPIC agreement. Some U.S. investors are beginning to look more favorably on Tanzania. A world-class Sheraton Hotel under construction in Dar has a major U.S. partner.

--- The Ambassador and Mission will follow-up on the provision of international observers.