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RESULTS REVIEW

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REGIONAL CENTER FOR SOUTHERN AFRICA



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KEY FACTORS AFFECTING PROGRAM PERFORMANCE

SUMMARY OF PROGRAM PERFORMANCE

The year 1995 was a start-up year for the RCSA. Three new projects were launched, one under each of the ISA strategic objectives in democracy and governance (SO #1), indigenous business development (SO #2), and natural resource management (SO #3). The remainder of the portfolio was inherited from the previous regional program, Southern African Regional Program (SARP). The SARP portfolio included relatively new activities in telecommunications and an assortment of older projects in rail transport development, now grouped under ISA's strategic objective in infrastructure development (SO #4), as well as a number of projects in agriculture research and natural resource management, which have been incorporated under ISA's SO #3.

We continued to see real impact under SO #3. We can report in both Botswana and Zimbabwe concrete progress toward establishing key conditions for sustainable community-based natural resource management. We can likewise report impact, though less dramatic than it might have been, in the application of research findings in drought-resistant sorghum and millet varieties; realizing the full potential of the research work that has been done will require greater attention to seed availability and quality of extension support.

Progress toward increased reliability and efficiency of the region's railroads, as reported under SO #4, continues to be slow. However, important steps are being taken in the management of the national railways in most countries that augur well for the future. Retrenchments are under way, reducing staff levels and operating expenditures. Customer-focus is taking hold in some railways which have set up marketing departments and negotiated contract rates with special customers to better compete with road transport. However, rail traffic volume continues to stagnate in some countries, suggesting that the efficiency of the railways has not appreciably improved in most countries (Swaziland may be an exception), and road transport appears to remain a more efficient and reliable alternative for many users.

Overall, the region's economic prospects continue to brighten. With the reentry of South Africa on the economic stage, most countries in the region are aware of the need to reassess their positioning within the regional economy. As a result, several countries are seriously engaged in macroeconomic reforms, offering promise—over time—of improved policy frameworks region-wide. The drought that threatened the region in 1995 proved subject to effective management by the countries most hard-hit. The record-breaking rains during the current rainy season may well bring record harvests, especially in Zimbabwe, Zambia, and Malawi. Investment levels continue to rise, as investor confidence in the region's stability continues to grow, though still cautiously. Much of this investment is concentrated in South Africa, although a significant share is cross-border investment by South Africans.

The European countries continued to demonstrate a strong commitment to the region. The E.U. and the Nordic countries remained prominent donors, through programs at both the national level, through individual country governments, and at the regional level through Southern African Development Community (SADC). The Europeans had a large and visible presence at the SADC Consultative Conference, and the E.U. Commissioner responsible for

the ACP countries, Dr. Salvador Pinheiro from Portugal, gave a keynote address.

In addition, the E.U. continued to press forward with negotiations on a possible bilateral trade agreement with South Africa. This development, however, was the subject of considerable concern within the region, raising fears of losing the South African market to more competitive European products. Such an agreement could also compromise the future of the Southern African Customs Union (SACU), and the uncertainties surrounding the E.U. - South African negotiations appear to have brought SACU negotiations to a near standstill.

The region has also received considerable attention this year by the USG. The December 1995 visit of Vice President Gore to Gaborone signalled a strong commitment by the US Government to support SADC and its effort to move toward increased regional integration and trade liberalization. This visit was followed by USAID Administrator Brian Atwood's address to the annual SADC Consultative Conference in Johannesburg, which reaffirmed US interest in promoting increased trade and investment as part of the region's growth strategy.

In addition, a delegation of US businesses, led by Secretary of Commerce Ronald Brown, visited Gaborone in February for meetings with Trade and Commerce Ministers and private business representatives from SADC countries to identify trade and investment opportunities in the region.

All of this attention suggests continued confidence and optimism about the economic future of the region. It has elevated the international profile of the region's leadership and of SADC. This in turn presents an important opportunity for the region to define its vision for the region's future, a task which has proven more difficult than might have been thought a few years ago.

Balanced against this, however, the US official presence in the region began showing signs of decline, as USAID missions closed or prepared to close in Botswana, Lesotho, and Swaziland, and USIS closed operations in Maseru. The prospect of possible further reductions in the US official presence raised concerns over declining USG influence in the region, risking in turn US private investment and the positive influence of US economic diplomacy on the pace and direction of policy reform in the region.

THE INSTITUTIONAL SETTING FOR ISA IMPLEMENTATION

Southern Africa in 1995 found itself beginning to grapple with some harsh realities of its ambitious effort to move toward regional integration. Progress on the drafting and negotiation of protocols being developed in key SADC sectors was halting, and distrust over the intentions of the neighbor to the south continued to grow as South Africa assumed responsibility for the important Finance and Investment Sector of SADC. The annual SADC Consultative Conference held in late January and early February 1996 ended in some acrimony over a perceived lack of high-level representation by South Africa at the meetings and other related issues.

Meanwhile, new areas were added to the region's integration and cooperation agenda. A loose grouping of national-level organizations working on tuberculosis and other respiratory diseases met in Namibia in mid-1995 to discuss establishing a regional organization. SADC

tabled a proposal for establishing a sector for social development, which would coordinate programs in health, population, and gender. A new "organ" for mutual security, established under the Ministers of Defense of the SADC members, was created early in 1996 to coordinate actions by SADC members in conflict resolution and peacekeeping. And formation of an NGO Coordinating Forum, provisionally under SADC auspices, was underway, although its responsibilities and modalities were far from well-defined.

The region was also facing some very dramatic changes looming on the horizon in the economic arena. The renegotiation of SACU was proceeding so slowly that some have begun to suggest that they might not succeed at all, implying the break-up of a set of longstanding trade and customs-sharing arrangements. The subject of trade liberalization had center stage, as SADC was pushing hard for early signature of a regional trade protocol setting a timetable for lowering tariffs throughout the region. On the other hand, Zambia and Zimbabwe had grown somewhat bitter over their experience with unilateral trade liberalization, which had ushered in a flood of South African products benefitting from substantial export and other subsidies. Other states in the region began to express fears of "de-industrialization" brought about from trade liberalization measures unless they were implemented in coordinated fashion.

The pattern that emerges from these factors is one of a region struggling with the transition from the "old" vision of regional cooperation to the "new" vision of integration and harmonization. This transition involves not just a shift in mandates and expectations, but a shift in modalities and institutional roles. The private sector and NGOs need to find a place in the new agenda, but it is not clear how. The decline in donor resources needs to be reflected in a new urgency for more sustainable financing mechanisms. These issues and others are being surfaced, and the institutions in the region are groping for answers.

This transition is most dramatic for SADC. Based on its fifteen year history as a regional force which addressed the political and economic realities of apartheid, SADC is widely recognized as an organization which could contribute to regional integration and enhanced opportunities for economic growth as the region steps into the next century. However, SADC's current organizational structure, staffing, financial resources, and operational policies do not support this potential role. For SADC to make this transition, it has to link its vision with current circumstances and its structure must flow from its purpose.

This "unsettled" state of regional institutions has affected ISA implementation in a number of ways. First, it slows progress on strategy development, since there is no common vision for the region's future or for how it is going to get there. Second, it has required many of SADC's senior managers to dedicate time and attention to discussion and debate of some of these issues, taking them away from aggressive implementation of on-going projects under RCSA management. This has been especially true in the agriculture and natural resource management arenas, where debate has been churning for over a year over schemes for "rationalizing" the sector.

Third, it demands a reexamination by the RCSA and other USG agencies as to the nature of the US relationship with SADC. US interests in supporting SADC, and its potential for playing a pivotal role in the region, must not detract from our ability to recognize both its historic strengths, current weaknesses, and future contributions. For the RCSA and other US government concerns to work effectively with SADC as a key partner, we will need to be

assured that it can be effective. We will likewise need to ensure a coordinated approach among interested USG agencies. A commitment to strengthen SADC, and especially its secretariat, could pose considerable diplomatic and programmatic challenges for all USG agencies.

DELAYS IN START-UP OF RCSA

Of perhaps even greater impact on ISA implementation progress has been the very serious delays in starting up the RCSA. As of March 1996, over two years after the ISA was publicly announced, the RCSA has on-board only 51 of its requested 90 positions. Of the balance, 23 were exempted from the hiring freeze just this month, 8 more are still pending approval, and 8 (including 3 USDH and 1 PASA) are positions for which recruitment has been delayed for various reasons, including lack of available program funds or delays in selection or assignment.

Of the 51 RCSA staff members currently on-board, there are only 5 USDH staff in project and program management positions. This affords thin coverage to the 21 active projects (including 5 buy-ins, the Botswana and Malawi components of NRMP, and the residual bilateral projects from Botswana and Lesotho), totalling nearly \$200 million in obligated funds for which the RCSA is responsible.

In addition, the administrative structure and procedures inherited from the bilateral program proved woefully inadequate for the growing ISA program. Thinking that the USAID presence in Botswana would terminate with the closure of the bilateral program, USAID/Botswana had started to wind down. Staff training was no longer pursued, staff vacancies from normal attrition were not filled, and no investment was made to repair and maintain aging property and equipment, leaving the RCSA with the overwhelming challenge of opening a new office and launching a new program in spite of these realities.

As a result of these constraints, we have had serious delays in keeping the ISA's three new projects on a reasonable implementation schedule. For the projects inherited from SARP, we have had to focus on only that implementation work critical to minimizing vulnerabilities in management oversight.

These constraints have also meant we have not been able to build the program performance monitoring systems that are desperately needed for the ISA portfolio. (See Section 3.) This will be a key work objective for RCSA program management in the coming year.

PROGRESS TOWARD STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE #1: THE SKILLS, KNOWLEDGE BASE AND CAPACITY OF INDIVIDUALS AND ORGANIZATIONS WORKING TO STRENGTHEN DEMOCRATIC VALUES AND PROCESSES IN SOUTHERN AFRICA ARE ENHANCED

The 1990's have seen dramatic developments favoring democracy in southern Africa. The end of the war in Angola, the fall of a dictator through free and fair elections in Malawi, the end of hostilities and elections in Mozambique, the replacement of a one-party regime in Zambia, independence and the end of apartheid in Namibia, and South Africa's transition to non-racial democracy are all immensely significant achievements.

But other developments make it clear that, despite these advances, the culture of democracy is far from firmly rooted in the region. Violent labor unrest in Swaziland is widely considered to have derived less from low wages than from dissatisfaction with an appointed government that prohibits political parties. A democratically elected government in Zambia shows disturbing signs of undemocratic tendencies and corruption. Continued harassment of journalists, opposition party members and other perceived critics of the current government in Zimbabwe raised serious questions about that country's presidential elections held in March 1996.

The examples of Latin America, Western and Eastern Europe and, in recent years, southern Africa itself (as with the successful regionally-coordinated response to a coup in Lesotho), show the importance of regional standards in fostering and supporting democracy in its early development. Acting regionally, USAID can and will support development of such regional values and consciousness in direct support of the Agency's goal of building sustainable democracies.

At present, the RCSA's only Democracy and Governance funded tool to achieve this Strategic Objective is the Southern Africa Regional Democracy Fund (SARDF). Authorized on August 22, 1995, SARDF seeks to address the serious constraints to democratization in the region, as identified by southern African "stakeholders," by awarding grants to indigenous southern African organizations or networks undertaking programs that strengthen democratic values, processes and institutions in the region. The SARDF focusses (see below) on parliamentarians, civil society organizations and women's empowerment.

RESULTS TO DATE

Outcome 1.1 Skills of southern African legislators are enhanced with the aim of improving the effectiveness and management of legislative processes.

Outcome 1.2 Improved capacity of civil society groups to develop, use, and disseminate information and tools essential for informed citizen participation in a democracy.

Outcome 1.3 Women's organizations empowered to participate more fully in the democratic political process.

Given a start-up date so late in 1995 and only one funded activity to date, few, if any, reportable results can be expected. The project had hoped to award as many as four or five grants in FY 1995, but that did not prove possible. Establishing implementation systems covering administration and partner consultation in the spirit of reengineering has proved to be a formidable task. RCSA energies have been focussed on getting SARDF activities underway, including the recruitment of qualified technical staff and organizing the Project Committee.

In spite of serious initial delays, significant progress has been made in making the SARDF operational. A Senior Democracy Advisor, a Zimbabwean PSC with extensive experience in dealing with human rights issues in both a governmental and NGO context, has been hired to help guide and manage SARDF on behalf of the RCSA. A close and active working relationship with all eleven US diplomatic missions in the region has been established. The entire region, by way of newspaper advertisements, has been notified of the establishment of the SARDF, its goals and the specific details of applying for funding, and some 200 organizations have been contacted individually. A total of sixty-one applications, about half of which were responsive to SARDF criteria, were received in the first three rounds.

Perhaps the most significant accomplishment to date is the formation and convening of the Project Committee. Composed of two representatives from each of the eligible countries¹, the Project Committee underscores the key role (consistent with USAID's re-engineering mandate) the RCSA sees participation as playing in ensuring success for the SARDF. Established "to assist in the planning, implementation, and oversight of the grant program," the Committee will play a strong role not only in SARDF, but also in determining the content of the long-term democracy and governance strategy being developed by the RCSA.

All Committee members were identified and nominated by U.S. Embassies as "respected citizens who have demonstrated personal or professional experience and commitment to promoting democratic values and processes in the southern Africa region." Almost two-thirds are women, many are academics or heads of NGOs; several are lawyers.

The Project Committee held its first general meeting in Gaborone in February 1996. In a series of facilitated working sessions, the Committee reached consensus and "ownership" on

¹ As anticipated in the Project Paper, the US Embassy in Angola has had great difficulty in identifying persons who meet the criteria for Project Committee membership, and especially that of being "non-partisan".

a number of issues related to its own future operation and to the future operation of SARDF. Grantmaking criteria and the Committee's own terms of reference were revised and the Committee's role in the grantmaking and strategic planning processes refined for greater efficiency and effectiveness.

To date, one Cooperative Agreement, funded for \$200,000, has been signed with an NGO, Women in Law and Development in Southern Africa (WILDAF). The project includes training for women parliamentarians from the eleven countries in which SARDF operates, and builds on the parliamentarians' own experience and input to best identify and meet their needs. The project includes several regional and sub-regional workshops, and these discussions across borders are expected to create new, international opportunities for political debate.

Grantees were recently selected under a second grantmaking round. Decisions under a third round will be made in early April. It is expected that for the fourth round grant decisions will be made within two months of the May 1 closing date. For the third and subsequent grantmaking rounds, Project Committee sub-groups and RCSA staff will meet to review, assess and jointly decide on grant applications.

EXPECTED RESULTS FOR FYS 1996/97

Based on applications received to date and initial Project Committee discussions, a few areas of particular regional interest have emerged as especially promising for future SARDF support:

- Media issues, including the fostering of regional standards of accountability and autonomy;
- Civic education, including voter education and the development of general civic education materials suitable for regional use;
- Networking, and especially electronic linkages, to increase the velocity and relevance of two-way information exchange. (Including basic Internet connectivity, as well as development of the World Wide Web as a regional informational tool);
- Conflict resolution techniques, including mediation.

Because the project is designed to be proposal-driven, it is difficult to estimate the number and nature of grants to be awarded over the next year. Administrative and staffing constraints will likely limit awards to fifteen grants this year, rather than the twenty to thirty originally anticipated. As a result, the average grant size is likely to be larger than initially planned.

Over the course of the next year, the RCSA will devote considerable effort to developing its long-term strategy for submission to Washington in early 1997. Continued consultations will be held with representatives of the Project Committee and US Embassies throughout the region, at the grant application review meetings and other specifically convened strategy meetings. Though potentially lengthy, this consultative process is necessary if the ISA, and SARDF in particular, is to be truly stakeholder-driven and -owned.

As part of that strategy development, it is expected that substantial revisions may be made to the outcomes and perhaps even the Strategic Objective itself. However, since there has been

very little project implementation experience (activity at this point consists only of one cooperative agreement that has not yet begun to perform), this will require broad consultation with customers and partners, as well as careful analysis.

STATUS OF PERFORMANCE MONITORING PLANS

Developing a performance monitoring plan under this SO is a particular challenge. The well-known measurement difficulties in D/G programs are, in the SARDF, compounded by the fact that with limited funds the Fund seeks regional impact over eleven countries, all working from very different starting points. Moreover, the SARDF is, by design, a proposal-driven activity with very broad areas of focus. It is accordingly very difficult to predict or target specific outcomes for the SARDF as a whole.

The RCSA plans to collect baseline information for a range of possible measures in each of the three SARDF focus areas, as well as in a number of other areas which may be considered for inclusion under the longer-term ISA strategy. This baseline information would be established using rapid appraisals conducted, if possible, in all eleven SARDF countries over July - September, 1996.

These appraisals would employ a common set of questions and targeted interviews of knowledgeable and well-informed citizens and observers as a basis for developing a qualitative and, to the extent possible, quantitative, picture in each country of the situation in each area chosen for study. Both the questionnaires and the baseline findings from the country interviews would be subjected to ground-truthing with the assistance of the Project Committee. It is expected that the questionnaire and findings would serve as the basis for selecting a set of common indicators which could be used to measure SARDF impact at both the outcome and Strategic Objective levels across the region.

In addition, the RCSA is considering making additional grant resources available to those potential grantees demonstrating a commitment to assessing their own impact. The funds could be used for grant-specific baseline work and periodic reporting on results. This would enrich the RCSA's data pool in this area and could be used to assess overall progress toward the desired outcomes under the Strategic Start-Up Framework.

STRATEGIC OBJECTIVE #2: INCREASED INDIGENOUS BUSINESS DEVELOPMENT AND OWNERSHIP

The ISA seeks to promote the development and increased participation of the indigenous private sector in all areas of the regional economy, with a particular focus on stimulating growth and increased productivity of small and medium-sized enterprises (SMEs). SMEs in southern Africa have had difficulties in acquiring the capital they need to start or expand their businesses for a variety of reasons, including: i) inadequate access to banks and other financial institutions, largely because SMEs must compete with other attractive investments offering higher returns with less perceived risk; ii) poor access to marketing information and technology; and iii) relatively weak management and business skills, including lack of experience in preparing proper business plans.

The Southern Africa Enterprise Development Fund (SAEDF) is the ISA's primary vehicle for carrying out activities in support of indigenous business development and ownership. The SAEDF will provide debt, equity, and loan guarantee financing to encourage the creation and expansion of commercially viable enterprises. While the SAEDF is charged with maintaining its capital through sound business practices, it also has the specific development agenda of promoting the growth of enterprises owned by historically disadvantaged Southern Africans.

Since, however, many of the target enterprises will not possess the capacity to readily utilize SAEDF services, USAID plans to finance a companion Regional Technical Assistance Activity (RTAA) grant. This grant will support SAEDF efforts to invest in indigenous SMEs by: i) identifying intermediate financial institutions (IFIs) through which the SAEDF can lend money to the smaller end of the SME spectrum; ii) strengthening the capacity of selected IFIs to provide technical, managerial and financial services to potential SAEDF clients; and iii) developing business proposals for special projects for SAEDF approval. Both the SAEDF and the RTAA will contribute to expanded access and opportunity for the poor (Objective 1.2) under the Agency's goal of broad-based economic growth.

The SAEDF and RTAA complement the portfolios of many USAID Missions throughout the region and, in fact, will leverage existing bilateral USAID resources to increase the effectiveness of SME activities. South Africa, for which one half of the \$100 million fund is reserved, has a technical assistance program called the Equity Access Systems Activity (EASY) which is very similar to the RTAA. Therefore, the RTAA will provide technical assistance to selected IFIs and special project clients of the SAEDF in Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

The Commonwealth Development Corporation, DEG (Germany), the African Project Development Facility, and various other donors have been involved in lending and providing equity in the region. Since the SAEDF will be able to meet only a fraction of the total annual investment needs of the SME sector, USAID will seek to leverage its funds by encouraging other donors to participate directly or on a co-financing basis in SAEDF projects.

RESULTS TO DATE

Outcome 1: Improved access to capital among indigenous SMEs

Outcome 2: Improved technological and managerial capacity of indigenous SME owners

Outcome 3: Self-sustaining regional enterprise fund

The intention of the SAEDF project is to create a sustainable mechanism to provide financial services to disadvantaged, indigenous SMEs on a cost-effective and financially sound basis. It is planned that the SAEDF, as designed, will contribute to all of the above outcomes. In addition, the RTAA will serve the technical assistance needs of the more disadvantaged and smaller end of the SAEDF's target group, thus enabling the SAEDF to provide services to a larger number of such enterprises than would otherwise be the case, without jeopardizing its goal of long-term sustainability.

Progress in establishing the SAEDF has been slower than expected, but critical steps have now been taken allowing the Fund to start operations. The SAEDF Board of Directors, comprised of ten U.S. and six southern African members, has been named and has appointed a Chief Executive Officer (CEO) who is currently setting up an office in Johannesburg. The Board has drafted Policies and Procedures for review by USAID/Washington, and once these are approved and the CEO has hired professional staff, the SAEDF will be in a position to consider applications for assistance. The SAEDF is expected to be fully operational by July 1996.

A draft Results Package was completed and reviewed by the RCSA early March. Once this Results Package has been finalized, the RCSA will compete the RTAA contract on the open market and negotiate and award the contract by September 30, 1996.

Outcome 4: Regional policy forum for SMEs created and maintained to address national and regional issues

Creating and maintaining a legal, policy and regulatory environment that is conducive to SME development is crucial to achieving the Indigenous Business Development and Ownership strategic objective. Policies and regulations in many southern African countries hinder business development and are often made without input from key stakeholders. One of the outcomes anticipated under the ISA's provisional strategy is to create a forum for stakeholder participation in the policy dialogue and implementation process, with the expectation of improving the enabling environment for private sector development.

Some progress has been made in this arena although future directions for USAID assistance remain uncertain as yet. A regional Small Enterprise Promotion Advisory Council (SEPAC) has recently been established, with support from the Frederick Ebert Foundation, as a follow-on to recommendations formulated at a regional Seminar on Small and Microenterprise Promotion held in Gaborone, Botswana, in November 1994. Over the next few months, SEPAC may well evolve into the type of regional policy forum for SME development envisaged by the Strategic Start-Up Framework.

In addition, SADC has expressed interest in bringing together private sector representation but its organizational approach has yet to be defined. One possible approach may evolve out of USAID's work with SADC under the Memorandum of Understanding (MOU) which Vice

President Gore signed with the Southern African Development Community (SADC) in December, 1995. In this agreement, the U.S. expressed its interest in assisting the SADC countries in moving toward trade liberalization both within the region and between the region and other global trading partners. An explicit part of this agreement was to support SADC efforts in engaging a broad cross-section of the SADC general public in the identification and resolution of issues related to regional economic integration. The MOU thus provides an opportunity to begin working with SADC to create channels of communication with the private sector on regional trade and investment issues.

EXPECTED RESULTS: FYs 1996/97

By November 1996, the SAEDF will begin negotiating with selected IFIs and/or SMEs for investment loans or equity and technical assistance. The RTAA will start providing the required technical assistance in December 1996, and by February 1997 the SAEDF will have provided loans or equity to some of the assisted SMEs. Specific performance targets will be established by the SAEDF as it sets up its impact monitoring system.

In addition, USAID will have supported SADC efforts to establish a Trade Negotiation Forum for purposes of consultation with private sector groups on proposed regional trade issues.

STATUS OF PERFORMANCE MONITORING PLAN

The SAEDF will design, implement and maintain a central impact monitoring system to compile and analyze impact data gathered from the SAEDF's investments, both direct and through IFIs. The impact categories to be monitored are specified in Annex B to the Grant Agreement, and baseline data and performance targets will be established as the SAEDF becomes fully operational later in FY 1996.

The RTAA design team will be developing a detailed Performance Monitoring Plan (PMP) over the next couple of months. The PMP will clearly specify the roles of the RCSA, the SAEDF, the RTAA, bilateral missions and IFIs in monitoring, evaluating and reporting the impact of SAEDF investments in the indigenous business sector. The design team will also identify specific data sources and data collection methods for the performance indicators.

STRATEGIC OBJECTIVE #3: KEY REGIONAL CONDITIONS ESTABLISHED FOR SUSTAINABLE INCREASES IN PRODUCTIVITY OF AGRICULTURE AND NATURAL RESOURCES MANAGEMENT BY SMALLHOLDERS

With over 80% of the southern African region's labor force employed in the agricultural sector and subjected to recurrent drought, USAID has a long history of investment in agricultural research targeted at increasing smallholder productivity. These programs have focussed on developing drought-resistant cereals and higher yielding cassava and sweet potatoes (all basic foodstuffs for southern Africa's poorest farmers), although some work has also been done to protect the region's livestock from disease. This work directly supports the objective of expanding access and opportunity for the poor (objective 1.2) under the Agency goal of broad-based economic growth.

Much of USAID's support has been channelled through the Southern African Centre for Cooperation in Agriculture & Natural Resources Research and Training (SACCAR), established in 1984 and supported through USAID's Regional Agricultural Research Coordination Project. As the work of SACCAR has become more and more prominent, SADC Member States and other donors—including Canada, Germany, Norway, and Australia—have substantially increased their contributions to the organization and to the research programs SACCAR coordinates. Perhaps of greater significance to SACCAR's sustainability and evidence of the benefits being generated, Member States payments have increased nearly ten-fold to an average of US\$ 85,000 each per year, making SACCAR the only SADC sector unit to have its operating costs largely covered by member contributions.

More recently, in recognition of the growing risks to the region's fragile resource base and the impoverishment of farmers living in marginal areas, USAID has extended its concern with smallholder productivity to embrace the management of natural resources more broadly. The SARP Natural Resources Management Project (NRMP) was initiated in 1989 to "increase incomes and enhance capability to meet basic human needs through sustainable utilization and conservation of natural ecosystems." Funds were provided to components in Botswana, Zambia, Zimbabwe, and (in 1992) Namibia. In addition, the project supported a coordinating NRMP function in Malawi under the SADC Sector Coordinator for Forestry, Fisheries, and Wildlife. These activities are all supporting the objective of sustainable natural resource management (objective 4.5) under the Agency goal of sustainable environmental management, although there are also important contributions being made under these programs to Agency objectives in building civil society (objective 2.3) and expanding access and opportunity for the poor (objective 1.2).

Under the Initiative for Southern Africa, funding has been increased for the components in Namibia and Malawi, and a new pilot activity that would involve both Malawi and Mozambique is under development. ISA funding has also been committed to a cooperative agreement with the leading environmental NGO in the southern Africa region, the World Conservation Union's Regional Office for Southern Africa (IUCN/ROSA), to strengthen institutional capacity in natural resources planning, policy, and sustainable resource utilization.

RESULTS TO DATE

Outcome 3.1 Sustainable and profitable technologies and approaches developed and demonstrated for regional application.

Progress has been slow but steady in generating technologies in both small-holder agriculture and in community-based natural resource management, but we are now beginning to see significant project-level results. In combination with favorable developments in related policy arenas, these results offer considerable promise for having a meaningful impact on food security and income for smallholders in future years.

Most of the agricultural research activities sponsored by USAID have been underway for some time, and substantial technical progress has been made. The Sorghum and Millet Improvement Program (SMIP) began operations in 1984. After twelve years of regional and collaborative national research efforts, there is no doubt about the advantages of improved cultivars of sorghum and pearl millet introduced by the project—cultivars which have offered yield advantages of 50 to 200%, especially in years of low rainfall.

Through SACCAR, USAID has also supported the Southern Africa Root Crops Network (SARRNET). Begun in 1993, this activity seeks to increase smallholder cassava and sweet potato productivity through the adoption of improved varieties and practices and the strengthening of national root crops research program capabilities. Root crops are of growing importance to food security in the region. In Malawi, for instance, cultivation of cassava increased by nearly a third last year and sweet potato by nearly two-thirds in the face of poor production of the major cereal—maize—due to continued drought. High yielding varieties are being released to National Agricultural Research Systems (NARS) for further research, and breeding and evaluation schemes are underway.

USAID is also funding the Heartwater Research Project, undertaken by the University of Florida in collaboration with the Zimbabwe research system. This project seeks to develop improved methods for the control of heartwater, an economically significant livestock disease. A mid-term technical evaluation of the Heartwater Project in 1995 concluded that substantial progress had been made. The project has developed diagnostic tests specific for heartwater, as well as a "first-generation" vaccine. The project has also developed a tick decoy and eradication mechanism, a "tail tag". In June 1995, an American company was granted an exclusive, worldwide license to commercialize the decoy technology. Field testing of the first-generation vaccine is to begin in 1996 and discussions have been initiated with various public and private sector organizations regarding the production and commercialization of vaccines and diagnostic tests.

In the NRM arena, we are also beginning to see viable technologies emerge from USAID efforts. At the time of the initiation of NRMP, some 15% of the region (excluding the Republic of South Africa) was set aside in national parks or other conservancies. For the most part, local communities received little benefit, direct or indirect, from these protected areas, and even suffered substantial crop losses and occasional deaths caused by rampaging elephants.

NRMP sought to change this by encouraging communities' active participation in the management of natural resources. Four different approaches were used in the four different

countries, providing a living laboratory for Community-Based Natural Resources Management (CBNRM). It was hoped that, with the coordination of the SADC unit in Malawi, these projects could serve as models for the region and raise the profile of CBNRM regionally, creating a critical mass for change in NRM throughout the region.

On a regional level, this is happening, and on a local level, people are better off. In Zimbabwe, about 103,000 participating households saw revenues increase to approximately US\$2.8 million in 1995. In some areas, households receive cash distributions, but most monies are invested in community development projects including schools, clinics, and women's associations. In Namibia, USAID is supporting the development of small enterprises that utilize natural resources, including community-based campsites, thatching grass enterprises, water lily collection and sales (a southern African delicacy), and various crafts and tourist enterprises.

In Botswana, communities are negotiating joint ventures with private enterprises for the sustainable use of natural resources, including hunting, photo-tourism, and the harvesting of valuable insects and plant products. In 1995, in the first year of operation, the Sankuyo community received nearly US\$100,000 in revenues from its joint venture with a safari company. This amounts to approximately US\$2,600 per household, or more than twice the national average cash income for similar rural households.

The Chobe Enclave Community Trust in Botswana last year saw its joint venture income from hunting and other tourism double to over US\$60,000. Next year that figure is expected to double again. As the community gains experience, both direct and through communication with other ventures of a similar nature throughout the region, it has developed a better understanding of the market value of its resources and how to negotiate to receive the most benefits from them. And as incomes and experience have increased, the communities of the Chobe enclave have begun to explore other investment opportunities, such as a petrol station and a grinding mill, using the funds earned from CBNRM activities as their primary source of capital.

In the mid-1970's the nomadic San, or Bushmen, people of northern Botswana were settled in Rural Area Dweller (RAD) settlements in an effort to promote their assimilation. The resources their hunter-gatherer lifestyle had relied upon for centuries were no longer theirs: the wildlife legally forbidden them; the flora depleted by livestock. Given the most minimal and marginal of land, they were heavily reliant upon Government aid.

With funds from USAID and other donors, the Kuru Development Trust, an indigenous NGO, was able to implement a long delayed project for the farming of cochineal, an insect that lives in cacti and from which a red dye is made. It is estimated that the 220 families participating in the project have the potential to capture as much as 12% of the international Cochineal market--potentially earning over US\$ 2,200,000 per year in foreign exchange.

Though the project is in its early phases, and significant Cochineal earnings are not to be expected for a few more years, the lives of the participants have already been significantly affected. Intercropping of annual crops with cacti, and access and tenure to the land itself, have meant that over half of the participants are no longer dependent upon Government aid.

Community-based management of veld products under the Kuru project and community-based management of wildlife in the Chobe district, where revenues have increased six-fold since 1993 and are expected to double again in 1996, have become models for community-based organizations throughout Botswana, and increasingly throughout the region.

With USAID assistance, national guidelines on community-based NRM activities have been drafted and were made national policy in 1995, and at least eight other communities have embarked on wildlife or veld product ventures in the mould of the Kuru and Chobe ventures, with potential revenues approaching US\$ 10,000,000.

Although the initial projects in Botswana focused on wildlife, the project has recently expanded to include the sustainable exploitation of "veld (bush) products". Projects are based upon the resources available to a community, and thus vary considerably in both size and character—from eco-tourism to harvesting and sale of edible caterpillars. All will receive technical advice of some sort from the NRMP, and a few will receive material support. Overall, it is estimated that community-based joint ventures in Botswana have potential foreign exchange revenues approaching US\$ 10 million per year.

As communities throughout the region benefit from the natural resources around them, their attitudes toward their environment have begun to change. Poaching has decreased significantly as communities realize that there are greater benefits to be had from impala than a week's worth of meat. People have begun to police themselves, even stopping poaching rings run from within their own villages.

Outcome 3.2 Regional policies supporting sustainable productivity increases.

Policies and legislation allowing communities to not only benefit from natural resources, but also to participate in the decisions being made regarding those resources have been introduced in Botswana and Zimbabwe. Communal conservancy legislation is expected to be passed by the Namibian Parliament in March 1996, and a new Wildlife Act that will transfer management of Game Management Areas to communities will be considered by the Zambian Parliament later in 1996. These policies set the framework for devolving to rural communities the economic and resource management decisions that used to reside exclusively with governments, empowering local communities to make decisions that affect their daily lives.

USAID has played a decisive role in seeing these policies come into being. Not only has NRMP in many cases assisted in drafting the policies, but without the regional examples of successful community-based natural resources management it is doubtful that they ever would have been initiated.

It is too early to report results under the newly-signed IUCN/ROSA Cooperative Agreement with USAID. A first step was taken in December 1995 when IUCN brought together its regional membership to discuss what they viewed as the major issues to be addressed over the next five years. IUCN/ROSA will also inaugurate a regional network for environmental strategy.

Likewise it is too early to document impact from the RCSA contribution in FY 1995 to the Policy Analysis, Research and Technical Support Project (PARTS). However, significant progress has been made on a study of comparative advantage and changing crop patterns in southern Africa, being coordinated under a cooperative agreement with the University of Swaziland. These analyses will be reviewed by the team of southern Africans working on this project in the coming months, as a basis for guiding future policy by SADC governments in agriculture and trade. This work will be a timely contribution to the debate within SADC over the impact of alternative regional trade regimes.

Outcome 3.3 Mechanisms for regional sharing of information and technology operationalized.

Research to develop new technologies is not enough. This technology must be made available to the end users. Following upon the recommendations of the project evaluation for SMIP and experience under other projects, attention has increasingly been directed to disseminating technology to farmers. In 1995, over 2400 tons of improved sorghum seed was released for sale through the NARS and the private sector and this figure is expected to rise substantially over coming years as seed availability improves. In Zimbabwe, approximately 40% of sorghum growing households planted an improved variety released under SMIP, and a substantial portion of households that did not, reported that they would have, had they been able to obtain seed.

Data on seed sales and adoption of improved varieties throughout the region suggest that the lack of commercial efforts to multiply and market the improved seed remains the major constraint to the adoption of new sorghum and pearl millet varieties in almost every country. This will continue to be an area of major emphasis for SMIP in coming years. SMIP is in the process of reviewing seed release procedures in countries throughout the region to better address this issue.

In many countries, farmer acceptance of new varieties has been hampered by a lack of appropriate extension advice. As new seed varieties are released, SMIP is placing increasing emphasis on helping national programs to improve extension recommendations for sorghum and pearl millet crop management. With the assistance of the SMIP staff member posted in Namibia, that country has developed a set of crop management recommendations for pearl millet production which are being implemented in northern Namibia. Work is being done in this area in other countries throughout the region, including Zimbabwe and Mozambique, in cooperation not only with governmental programs, but also in collaboration with NGOs active in the field.

Under SARRNET, a strong regional network has been established and 132 participants have attended various training workshops. SARRNET has organized several regional workshops and has, in cooperation with the East Africa Root Crops Research Network (EARRNET), initiated a quarterly newsletter to improve communication among scientists in east and southern Africa. An international tool for information exchange, Roots publishes articles in both French and English with abstracts in the other language, as well as in Portuguese.

Through the USAID-funded impact assessment program with SACCAR, impact assessments are being institutionalized in regional research programs and NARS throughout the region. SACCAR's impact assessment activity provides solid data in terms of project progress and cost-benefit. This on-going assessment activity combined with individual steering committees' monitoring and evaluation reporting responsibilities, the annual project reviews by the SACCAR Board and the semi-annual project leaders' implementation reporting offer the RCSA effective communication channels and periodic monitoring and evaluation information.

In the NRM arena, we are seeing substantial success from informal dissemination approaches. News of community-level successes has spread quite naturally within country borders. As news of the Chobe community's success has spread, other communities in

Botswana have launched similar ventures. In 1994-5, eight other communities established formal organizations to manage natural resources and negotiate joint ventures.

On a regional level, countries have learned from each other through regional exchange visits financed under the NRMP project. Project staff from Botswana, Namibia, and Zimbabwe have visited their counterparts and neighbors' projects. In April 1995, a regional conference on community-based natural resources management was held at Kasane, Botswana. This three day workshop brought together natural resources managers from nine of the SADC countries and Uganda and Kenya.

The workshop was the first of its kind to bring together people from all levels of the NRM community, from traditional chiefs to government officials to NGO representatives. Misconceptions were broken down and the successes of different approaches shown. On a regional level, it was an opportunity for everyone involved to pinpoint key regional constraints to CBNRM and develop a regional consensus of direction.

An effort to build more formal dissemination mechanisms began with USAID financing a project specialist to the SADC Technical Coordination Unit (TCU) from August 1991 to May 1993. This specialist assisted the Wildlife Technical Coordinator in establishing an NRM Information Center, holding annual project conferences, organizing regional training workshops, disseminating information concerning NRMP activities, and developing indicators to monitor and evaluate NRMP. These important coordination and monitoring activities lapsed when the advisor resigned in May 1993 and USAID failed to field a replacement.

We plan to reactivate this work through a newly-signed cooperative agreement with a consortium of regional NGOS headed by IUCN/ROSA to strengthen regional coordination and communications under the leadership of the SADC TCU in Malawi.

In addition, the RCSA will continue the regionalization of USAID NRM activities in southern Africa through a US \$9 million cooperative agreement signed in September 1995 with IUCN/ROSA for Improved Environmental Policy and Planning. IUCN's broad membership— including both governmental and non-governmental organizations—will give the RCSA a truly representative partner, enabling us to better respond to African-led NRM initiatives in Southern Africa.

It is too early to report results under either of these new efforts.

Intermediate Outcome 3.4 Strengthened regional institutional capacity.

A key objective of USAID's assistance to SACCAR has been to strengthen that organization's capacity to coordinate agricultural research in the southern Africa region, including the setting of regional priorities, the development and implementation of regional training plans, and the fund-raising essential to continued agricultural and natural resources research in the region. In its turn, SACCAR has sought to help NARS strengthen their capacity to organize and manage research activities.

Though the USAID-sponsored Agricultural Research Management Training Project, thirty-one workshops have been held which have trained over 840 persons from ten countries over the past ten years in such areas as strategic planning, gender analysis, and information

When community based wildlife management first came to Sankuyo village in northern Botswana, people were understandably unsure of what their participation would be. Community members recognized the authority of traditional village governance structures, or kotla, but the kotla was not necessarily seen as participatory.

But as the villagers began to discuss the natural resources available to them, and began to understand the benefits they might reap by properly managing those resources, participation became a priority. The kotla became a vehicle for the formation of a Community Trust, a Trust of which every adult member of the community was a member. A Trust whose decision-making body was the community itself.

Empowerment of communities to manage wildlife resources brings new responsibility as well as new rights -- participating communities share the management burdens previously borne by the state. And in Botswana, Community Based Organizations (CBOs) are attempting to form a national association to share training and information and to advocate for further changes.

All of this amounts to a stronger civil society, and, in many respects, a more equitable one. Previously marginalized rural people have been economically and politically empowered and, in many cases contrary to "tradition", women are playing a significant role in the local decision making processes. In Sankuyo, one-half of the active members are women. The RCSA views the CBNRM programs as a powerful vehicle to attain our democracy goals for the region. In particular, the Botswana NRMP contributes toward the Strategic Objective 1 outcome of increasing women's political participation.

Decisions that used to reside exclusively with the Government are now in the hands of rural communities, empowering people to make decisions that affect their daily lives: economic decisions, decisions about their environment, decisions about the use and management of resources.

And the communities have proved that they can make those decisions and make them count.

implemented in the coming year: intensification of monitoring and evaluation systems; concentration on technology dissemination; development of a participatory vision statement for SACCAR's current mandates and a reorganization of its technical and management structure. These, together with other evaluation findings, will assist SACCAR to become more efficient and cost-effective in its role as research and training coordinator for the FANR sectors.

In 1996, the final two of eight training modules for agricultural research managers will be tested and published for use by regional management training institutes, and faculty from the institutes trained in their utilization. These modules have been developed over the past two

management. The SMIP project has made a major investment in the development of both physical research capacity and human resource capacity for sorghum and millet research, developing the research facilities at Matopos, Zimbabwe and training over 110 scientists and some 230 research technicians, enabling National Agricultural Research Systems (NARS) to make better use of the technology developed under SMIP. Under the Heartwater Research Project, a state-of-the art research facility has been established in Zimbabwe and numerous scientists trained.

Through the cooperative agreement with the University of Swaziland, USAID is helping to develop the policy research and analysis skills of a number of universities in southern Africa.

Intermediate Outcome 3.5 Improved Data and Analysis for Regional Ecosystem Management.

This is a new outcome for this SO introduced at the time of the Action Plan in FY 1995. The RCSA has no results to report against this outcome at this time.

EXPECTED RESULTS FOR FYS 1996/97

The challenge facing the RCSA now is to build upon these results to ensure that the region as a whole benefits. In the arena of agricultural research, the recent external evaluation of SACCAR made several recommendations which will be

years by ESAMI (the East and Southern Africa Management Institute) with assistance from ISNAR.

Under the SMIP and SARRNET programs, additional varieties of sorghum, millet, cassava and sweet potato will be released, and efforts intensified to ensure that sufficient quantities of seed are produced to meet farmer demand.

In the NRM arena, activities will be launched in additional community areas in Botswana, Zimbabwe, Namibia and Malawi during 1996-97, extending the benefits of the experience gained under the regional NRMP project. Practical lessons learned in the participating countries will be shared directly through planned peer "exchange visits", where community members from one of the countries will visit one or more communities in another country to exchange lessons learned, creating another channel for disseminating NRMP lessons region-wide.

Under the Cooperative Agreement with IUCN, the capacities of regional institutions will have been strengthened in such areas as wildlife trade monitoring and reporting to meet obligations under international agreements; identification and preservation of endangered plant species; and environmental economics and policy analysis. Regional information flow and collaboration in addressing policy issues will have improved through the activities of the Sustainable Use Specialist Group for Southern Africa and the Environmental Strategies Network.

Finally, a number of analytical activities initiated in FYs 94-95 will come to fruition over the next twelve months, providing critical input to RCSA and regional stakeholders for use in defining future direction of programs under this SO. These activities include: studies of comparative advantage and changing crop patterns being conducted by the University of Swaziland; land tenure studies being conducted by the Land Tenure Center at the University of Wisconsin; a pilot activity in Namibia applying natural resource accounting; SACCAR's strategic planning exercise and training assessment; and an information needs assessment for networking in the sector.

STATUS OF PERFORMANCE MONITORING PLAN

The RCSA has revised the interim Strategic Framework for this strategic objective, modifying a number of the indicators under the five outcomes as illustrated in the performance matrix. A consultancy planned for April 1996 will assist the SO team in refining the performance monitoring plan, ensuring that data is collected against the new indicators. A comprehensive strategic framework for SO3 will be established in 1996 as the new strategy is developed. A consultancy that engaged stakeholders to outline a results framework for the Botswana NRMP component will be used as a model for SO3.

STRATEGIC OBJECTIVE # 4: IMPROVED EFFICIENCY, RELIABILITY AND COMPETITIVENESS OF REGIONAL TRANSPORT AND TELECOMMUNICATIONS INFRASTRUCTURE

From its inception, SADC has identified inadequate transportation and communications systems as one of the key constraints to sustainable economic growth in the southern Africa region. Without efficient transport and telephone networks, business ventures are constrained, trade restricted, and economic growth checked. Transport inefficiencies inhibit the flow of goods in manufacturing, agriculture, and mining, while telecommunications inefficiencies inhibit the flow of information in not only these sectors, but in all sectors of the economy. In fact telecommunications and transportation difficulties have a significant effect on nearly all USAID programming in the region.

USAID sees three closely inter-related reasons for the persistent inadequacy of the regional transportation and telecommunications networks:

- there has been inadequate and often inappropriate investment in infrastructure. Over the years, investments needed to repair and replace aging equipment and structures have not been made, and in many cases inappropriate technologies have been used;
- unsustainable management practices have siphoned off profits that could have been reinvested, have stifled innovation, and have perpetuated outmoded and inefficient practices; and
- ineffective policy and regulatory frameworks have prohibited competition and have choked off private investment.

Since the 1980's, initially under SARP, but now under the Initiative for Southern Africa, USAID has taken a lead in responding to these problems, designing several projects to promote the rehabilitation and privatization of regional transportation networks and closely coordinating assistance with other donors, particularly the World Bank. As it became increasingly apparent in the late 1980's and early 1990's that inadequate telecommunications systems presented a pressing constraint to sustainable economic growth in the region, USAID began to explore telecommunications as a new sector of involvement to complement previous investments in transportation. For the most part, USAID's activities assist the process of policy and regulatory reform, promote private investment and competition, and restructure state monopolies to prepare them

When a major European tour operator approached Nicki Pirie's travel agency in Harare earlier this year wanting to send tourists to Zimbabwe, she thought this was the break she had been waiting for. Planning to send four large groups of tourists to Zimbabwe over the course of the year, the tour operator was looking for a local partner they could rely on. If the first four trips were a success, they planned on making these trips an annual event.

Negotiations were initiated by telephone, fax, and e-mail and Nicki seemed to be on the verge of securing a contract. But then her agency's telephone lines went down for over a month. Unable to contact Nicki, the tour operator questioned not only her reliability, but also that of her country. Their clients were sent elsewhere in Africa, and in addition to Nicki Pirie's direct loss of well over US\$50,000, the total loss to the Zimbabwean economy is estimated to be as much as a quarter of a million dollars per year.

Without reliable telecommunications, southern Africa is not positioned to compete in the global market and sacrifices the investment dollars necessary for sustainable economic development.

for a commercial environment. In the telecommunications sector, the project also attempts to find ways to involve the enormous resources and expertise of the US telecommunications industry to help solve SADC regional problems. All of the activities under this SO are directly contributing to strengthening markets (Objective 1.1) under the Agency's goal of broad-based economic growth.

Transport activities have focused primarily on railways, with restructuring activities underway or recently completed in Malawi, Tanzania, Zimbabwe, Mozambique, and Swaziland. The SADC Transport Efficiency Project (STEP) seeks to increase the efficiency, reliability, and competitiveness of regional transport infrastructure by encouraging regional policy reform and through the implementation of the Rolling Stock Information System (RSIS), a regional real-time rolling stock tracking system designed to give railways managers the information they need to more efficiently manage operations.

Authorized in 1994, the Regional Telecommunications Restructuring project (RTR) seeks to improve telecommunications throughout the SADC region by focusing on policy and regulatory reform to encourage private sector participation. A Telecommunications Specialist has been provided to the RCSA to manage the project under a PASA with the Department of Commerce. And after an extensive proposal review and negotiation process, an institutional contract was signed with Price Waterhouse in June 1995.

Though only recently launched, RTR has taken off very quickly and promises to achieve substantial results. Core country telecommunications projects are getting underway in two countries, Zambia and Tanzania. Activities in a third core country are provided for in the Project Paper, and Zimbabwe has been identified as a likely candidate. A resident technical advisor has been posted to Zambia, and there are plans for one to be posted to Tanzania as well, to assist with the country-level projects and training activities that are already underway.

RESULTS TO DATE

Outcome 4.1 Improved managerial and operational capacity

National railways throughout southern Africa are becoming more competitive, not only on a national level, but also on a regional level. Increased traffic and higher profits are being realized, and a regional marketing information system has helped the railways to better compete with road haulers for regional business.

The National Railways of Zimbabwe (NRZ) has seen a 10% increase in normal freight traffic² over the past year. A joint venture with Spoornet, the South African national railway, to transport automobiles from South Africa to Zimbabwe has moved more than 3500 automobiles that would otherwise have been moved by road haulers. And a marketing initiative in cooperation with Botswana Railways has resulted in a contract to move 13,500 tons of sugar a year between the two countries.

² This excludes extra-ordinary traffic, such as drought relief.

USAID's investment to strengthen and expand the capacity and operational efficiency of NRZ has been closely coordinated with the World Bank's assistance to support the organizational, financial, and asset restructuring, and has positioned NRZ to become financially self-sustaining within two years. Government subsidies will end in 1996. Staff has been reduced by nearly a fifth, 64 locomotives have been rehabilitated, and uneconomic sidings have been closed. Organizational restructuring, including the establishment of a marketing department, reflects a more commercial orientation and customer-responsive organization.

USAID's assistance to Swaziland Railways (SR) ended in 1994, but SR remains one of the most profitable railways in the region, well managed by trained Swazi staff and all the more remarkable for having been on the brink of insolvency when assistance began in 1988. Top-level Swazi managers were trained, new financial and rolling stock management systems were installed, redundant workers retrenched, and excess and obsolete equipment retired.

Malawi Railways' traffic volume has risen dramatically, from 36,000 tons in 1990 to 177,000 in 1995. Government subsidies to Malawi Railways have been significantly reduced and will be eliminated completely within the year as the railway is privatized.

While substantial progress has been made in Mozambique in the rehabilitation of the locomotive fleet and the introduction of improved financial management, Portos e Caminhos de Ferro de Moçambique (CFM) management has not demonstrated commitment to the retrenchment of redundant workforce, despite the availability of USAID project funds to pay benefits to retrenched workers. In 1995, the RCSA deobligated \$25 million from the project.

In July 1995, CFM signed a preliminary agreement with the World Bank for the CFM Restructuring Program, and after two and a half years of delays, the World Bank funded Maputo Corridor Revitalization Project began implementation in September 1995. To avoid duplication and inefficiencies that might result from the proliferation of CFM organizational projects, USAID will limit further assistance to work in progress to improve locomotive utilization, maintenance management, and financial systems development. The deobligation of funds and limiting of further assistance should be seen not as a failure of the project. Significant benefits have been realized from USAID's assistance and the limiting of further assistance is a prudent project management decision coordinated with other major donors to maximize the impact and efficiency of USAID assistance.

Given the recent start up of telecommunications activities under this SO, it is too early to report any substantial results under this outcome. However, some progress has been made in Zambia where substantial numbers of employees have been retrenched as part of efforts by ZAMTEL, the Zambian national telecommunications company, toward commercialization. Further results are expected to follow naturally from the privatization of national telecommunications companies and the development of regulatory bodies elsewhere in the region.

Price Waterhouse will provide extensive senior-level telecommunications management and technical training throughout the region. A training needs assessment was completed in February 1996 and it is anticipated that four regional workshops will be held in each of the coming years, focussed primarily on policy, regulatory, and privatization issues.

Outcome 4.2 Increased private investment in infrastructure

Privatization of state-owned telecommunications companies is one of the key conditions for the achievement of the Strategic Objective and many countries have either begun this process or made their first, if tentative, steps.

In Zambia, a national program of privatization has been expanded to include ZAMTEL and the provision of cellular service throughout the country. Zimbabwe's Supreme Court has established the right of a private company to provide cellular service. Swaziland has asked USAID to assist Government in its efforts to separate post and telecommunications operations, an important first step towards privatization.

Having identified Zambia as one of the "core" countries for telecommunications assistance under the ISA, the RCSA is helping ZAMTEL, the Zambian national telecommunications company, and the Zambian government with their privatization plans, including identifying and negotiating with international merchant banks and potentially providing financing for such a deal. Technical assistance has also been provided to Zambia for the preparation of a tender and the evaluation of bids for the establishment of cellular service. The tender has been awarded to a US company and service is expected to begin within the next six months.

USAID's Rural Telecommunications in Tanzania (RTT) project focuses on the creation of an independent, commercially viable rural telephone company, a joint venture between a US firm and a Tanzanian firm. Unfortunately, the project has been delayed by national elections and resistance within certain sectors of Government. However, very little of the funds obligated to date have been spent and further expenditure will be limited until the Government shows a clear commitment to proceed. Should no clear signal be received from the Government within a reasonable amount of time, other options will need to be explored, including, possibly, the reallocation of these funds to other core country projects in the region.

As part of the RTR institutional contract, Price Waterhouse has established a US-based information clearinghouse to provide information on investment opportunities in the southern Africa telecommunications sector. In addition to press releases and a quarterly newsletter, an informational database has been compiled and plans are well advanced for connection of the database and associated information to the World Wide Web.

Substantial progress toward privatization has also been seen in the rail sector throughout the region. The World Bank is assisting the Government of Malawi with its privatization of the national railways, with concessioning of Malawi Railways expected to be completed within the coming year. New policies in Mozambique provide for the privatization of the CFM, and the Swazi Government is contemplating the privatization of some parastatals by 1998, and this may include Swaziland Railways.

In their efforts toward commercialization, national railways have also sold off or out-sourced non-core functions, such as the Malawi Lake Service and National Railways of Zimbabwe (NRZ) catering, trucking, and security services, as well as some of NRZ's goods sheds.

Outcome 4.3 Increased access to and enhanced quality of transport and telecommunications

Data for this outcome is not yet available for either the transport or telecommunications sectors. It is expected that the implementation of RSIS and increased privatization and commercialization of railways and telecommunications companies will, over the medium- and long-term, produce substantial results under this outcome. The establishment of telecommunications regulatory bodies, a USAID priority, should also have substantial impact on the quality and availability of telecommunications.

Outcome 4.4 Improved regulatory and policy environment

Technical assistance will continue to be provided to SADC countries and to the Southern African Transport and Communications Commission (SATCC) in Mozambique to assist with regulatory and policy issues pertaining to both transport and telecommunications.

Perhaps the most significant achievement to date is the development of the SADC Transport and Communications Protocols, covering all seven sectors under SATCC's responsibility: roads, railways, ports and shipping, telecommunications, civil aviation, postal services, and meteorology. Following extensive stakeholder and government consultations, SATCC and the USAID-funded technical assistance team produced a multi-sectoral protocol document that not only establishes the framework for continuous policy dialogue and reform, but also requires governments to undertake specifications to improve the regional flow of goods and people. Protocol examples include: axle load limits, weigh station and border crossing procedures, road maintenance funds, and the separation of telecommunications regulators and service providers. The protocols are expected to be signed at the SADC summit in August 1996.

Significant transport policy changes have also been approved or mooted in individual countries. In Mozambique policy changes have deregulated and allowed for the privatization of the CFM. Zimbabwe has deregulated rail cargo and passenger tariffs, and further policies to level the playing field between transport modes have been presented in Parliament.

Short-term technical assistance will also be provided to individual SADC countries to assist with telecommunications regulatory and policy issues. Already, plans are underway to provide, at Government request, technical assistance to Swaziland to assist the Government in its efforts to separate post and telecommunications operations and to create a telecommunications regulatory body; and Zambia has requested that the RCSA provide technical assistance to its newly established regulatory body.

In addition to the assistance provided through the institutional contract with Price Waterhouse, the RCSA is, through a grant to the United Nations' International Telecommunication Union (ITU), providing technical assistance to SATCC, focussing on the development of communications equipment standards and harmonization of telecommunications regulatory standards across the region.

EXPECTED RESULTS FOR FYS 1996/97

Over the next two years, USAID's substantial investments under SO 4 will continue to bear fruit. With the signing of the SADC Transport and Communications Protocol in August 1996, the SADC countries are expected to implement the necessary regulations for compliance with the protocols in 1997 and 1998. The potential long-term benefits once these regulations are enacted run into millions of dollars per year.

The Rolling Stock Information System will be in place by early 1998 and the benefits should be felt within two years after installation is complete. As more of the region's rolling stock is tracked by RSIS, wagon turn-around times should drop significantly, cutting costs and allowing railways to use their resources more efficiently. Eventually, the increased efficiency promoted by RSIS should enable railways to right-size their equipment inventories, and perhaps reduce their staffs accordingly.

As mentioned above, the privatization of national railways and telecommunications companies is underway or being considered in several countries and the next few years should see significant changes in the ownership profiles in these sectors throughout the region, particularly in Malawi, Zambia, and possibly Swaziland. In those countries where privatization does not take place, increased commercialization and competitiveness is expected, including reduced subsidies and increased marketing efforts.

Telecommunications in southern Africa have been compared to an interstate highway with no on-ramps: the international links exist, but the poor quality of local exchanges make them almost useless. As the Leland Initiative and Vice-President Gore's statements have correctly emphasized, information linkages are critical to the economic growth of developing countries in the new information age. The RCSA's work with SATCC and individual SADC countries will increase regional and international trade and communications, ensuring that not only are those on-ramps built, but that they are accessible to all.

STATUS OF PERFORMANCE MONITORING PLAN

The RCSA has revised the interim Strategic Framework for this strategic objective, combining two of the outcomes and modifying a number of the indicators under the four remaining outcomes as illustrated in the performance data table. In some cases, the original indicators are not valid measures of project success and, in many cases, the original indicators cannot be collected each year with an acceptable degree of accuracy or within acceptable cost constraints.

The SO Team has been working to develop new indicators that are fairer measures of project success and that can be gathered on an on-going basis without incurring large expenses. Standard operating statistics for telecommunications companies are readily available from the International Telecommunication Union, and additional impact measures in the telecommunications sector will be gathered by Price Waterhouse. Given the impending completion of the railways restructuring projects and the costs of obtaining data, the RCSA intends to track only a selective set of indicators in the transport sector. These will be determined as the RSIS activity design is finalized and a comprehensive strategic framework for SO4 is established in 1996 as part of the development of the new ISA strategy.

STATUS OF RCSA MANAGEMENT CONTRACT

REQUESTED CHANGES TO MANAGEMENT CONTRACT

The RCSA is operating under its Strategic Start-up Framework which governs its programming until 1997. There will be no changes to the strategic objectives as approved under the framework until a longer-range ISA strategy is submitted for review in 1997. At that time, the new strategy will replace the Strategic Start-up Framework, and we expect there will be some changes to the current strategic objectives.

While there have been no changes to the strategic objectives approved under our current management contract, we have made adjustments in some of the indicators under SOs #3 and #4, which are recorded in the attached tables. These changes were required to replace indicators for which data would not be readily available. The revised indicators represent a more practical basis for recording progress under these two SOs. There may be still further changes in the indicators under SO #3 before the mission puts a performance monitoring plan in place.

In addition, as reported under the narrative for SO #1, the mission is still struggling with the challenge of reporting impact under the SARDF.

In both these cases, we will be pursuing two distinct but related objectives: one, to finalize a limited set of indicators which can quickly be put in place to simplify reporting on activities under the current strategic framework; and two, to use the discussion on indicators under these SOs as a basis for reviewing and refining or revising these SOs and associated results-frameworks, as needed, as part of our longer-term strategy development. To the extent SOs and results-frameworks under the new strategy carry over elements of the existing strategy, work done this year on performance monitoring plans will be integrated into the new strategy.

ENVIRONMENTAL ISSUES AND SCHEDULE

The RCSA has no issues related to the implementation of requirements under 22 CFR 216. Six activities (SARDF, SAEDF, NRMP, Heartwater Disease Control, RSIS, and RTR) are expected to require IEEs in 1996. However, none are expected to require EAs.

SPECIAL ISSUES OR CONCERNS

The RCSA faces special challenges in results reporting under the Agency's new reengineered systems. Since its programs are intended to be regional in character, it will need to report impact in regional terms. This means identifying indicators which are roughly comparable and available across the eleven countries that make up the region. It means coordinating data collection systems and schedules across a much larger number of different partner organizations than is the case for bilateral programs. It means an even more heroic task of tracing the linkages between our interventions, whether at the national-level or through

Performance Data Table - USAID/RCSA Strategic Objective 2

Performance Indicators	Data Sources	Units of Measurement	Baseline	Performance Targets		
			1996	1997	1998	1999
Strategic Objective 2: Increased indigenous business development and ownership						
1. Increase in the number of small and medium-sized indigenously owned businesses	SAEDF/RTAA Impact Monitoring System	<u># of indigenous SMEs:</u> - male-owned - female-owned - total	see notes 1,2			
2. Increase in employment in indigenously owned businesses assisted by the SAEDF	SAEDF/RTAA Impact Monitoring System	<u>SMEs:</u> - male employees - female employees - total employees <u>"large" firms:</u> - male employees - female employees - total employees	see notes 1,2			
Outcome 1: Improved access to capital among indigenous SMEs						
1. Increase in the number of indigenous SMEs receiving financial services from the SAEDF or from IFIs	SAEDF/RTAA Impact Monitoring System	<u># of indigenous SMEs:</u> - male-owned - female-owned - total	see notes 1,2			
2. Dollar volume of financial services provided to SMEs by the SAEDF	SAEDF Impact Monitoring System	\$000	see notes 1,2			
3. Percentage of SAEDF funds matched by other sources	SAEDF/RTAA Impact Monitoring System	<u>% funds matched by:</u> - official development assistance - private sources	see notes 1,2			

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Performance Data Table - USAID/RCSA Strategic Objective 2

Performance Indicators	Data Sources	Units of Measurement	Baseline	Performance Targets		
			1996	1997	1998	1999
Outcome 2: Increased indigenous business development and ownership						
1. Percentage of technical assistance recipients receiving services from SAEDF	SAEDF/RTAA Impact Monitoring System	<u>% of recipients receiving financial services:</u> - male-owned - female-owned	see notes 1,2			
2. Percentage of SMEs still operating 2 and 5 years after receiving financial assistance from SAEDF	SAEDF/RTAA Impact Monitoring System	<u>% of SMEs operating after 2 years:</u> - male-owned - female-owned - total <u>% of SMEs operating after 5 years:</u> - male-owned - female-owned - total	see notes 1,2			
Outcome 3: Self-sustaining regional enterprise fund						
1. Percentage operational costs financed from returns on investment	SAEDF Impact Monitoring System	% operational costs	see notes 1,2			
Outcome 4: Regional policy forum for SMEs created and maintained to address national and regional issues						
1. Number of regional meetings	see narrative under Outcome 4					
2. Policy framework for SMEs established						

Notes:

1. The SAEDF will design, implement and maintain a central impact monitoring system to compile and analyze data gathered from SAEDF investments (both direct and through IFIs) in each country. Impact monitoring categories for such a system are explicitly identified in the Grant Agreement. Since the CEO has only recently established an office in Johannesburg, baseline data and performance targets will not be available until the impact monitoring system is established later in FY 1996.
2. The RTAA design team is collecting baseline information on SMEs in the region, as part of the process of developing the Results Package. They will then assist the RCSA in designing a detailed Performance Monitoring Plan in early April. A PSC Project Manager, currently being recruited, will collaborate with the SAEDF on the design, implementation and maintenance of the SAEDF impact monitoring system.

Performance Data Table - USAID/RCSA Strategic Objective 3

Performance Indicators	Data Sources	Units of Measurement	Baseline		Performance Targets					
			Year	Value	1995		1996	1997	1998	1999
					Expd	Actual	Expd	Expd	Expd	Expd
Strategic Objective 2: Key regional conditions established that support sustainable increases of ANR productivity by smallholders										
1. Process in place for identifying, validating, and updating key regional conditions	ANR Performance Monitoring System	N/A	see note 1							
2. Percentage of costs for regional structures borne by SADC member states	SADC	% of costs								
3. Number of hectares on which improved practices developed and/or disseminated with USAID assistance are employed	ANR Performance Monitoring System	Hectares	see note 1.							
Outcome 1: Sustainable and profitable technologies and approaches developed and demonstrated for regional application										
1. Number of technologies and approaches developed and demonstrated that are sustainable and/or profitable (show positive social, economic, and biophysical trends)	ANR Performance Monitoring System	Number of technologies and approaches	see note 1							
Outcome 1: Regional policies supporting sustainable productivity increases										
1. Key policies in need of change identified collaboratively by stakeholders	ANR Performance Monitoring System	N/A	see note 1							
2. Number of ANR policies harmonized (e.g. trade, technology transfer, food security)	SADC, ANR Performance Monitoring System	Number of policies	see note 1							
Intermediate Outcome 1: Strengthened regional institutional capacity										
1. Assisted institutions have improved capacity to establish priorities that meet stakeholder needs, manage programs, and become financially sustainable	ANR Performance Monitoring System	This is a qualitative indicator								

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Performance Data Table - USAID/RCSA Strategic Objective 3

Performance Indicators	Data Sources	Units of Measurement	Baseline		Performance Targets					
			Year	Value	1995		1996	1997	1998	1999
					Expd	Actual	Expd	Expd	Expd	Expd
Intermediate Outcome 2: Improved data and analysis for regional ecosystem management										
1. Number of improved tools introduced for analyzing and monitoring ecosystems	ANR Performance Monitoring System	Number of improved tools	see note 1							
2. Amount, quality, and standardization of data on regional resource use	ANR Performance Monitoring System	This is a qualitative indicator								
Outcome 3: Mechanisms for regional sharing of information and technology operationalized										
1. Number of technologies transferred across borders	ANR Performance Monitoring System	Number of technologies	see note 1							
2. Key stakeholders have access to regional information networks, including electronic networks	ANR Performance Monitoring System	Number of stakeholders with access to networks	see note 1							
3. Mechanisms accurately reflect composition of stakeholders	ANR Performance Monitoring System	This is a qualitative indicator								

Note 1: The RCSA has revised this interim Strategic Framework. A comprehensive Strategic Framework and performance monitoring plan will be established in 1996 as the new ISA strategy is developed. Appropriate baseline data will be collected as part of that process and mechanisms for the systematic collection of performance data established.

Performance Data Table - USAID/RCSA Strategic Objective 4

Performance Indicators	Data Sources	Units of Measurement	Baseline		Performance Targets					
					1995		1996	1997	1998	1999
			Year	Value	Expd	Actual	Expd	Expd	Expd	Expd
Strategic Objective 4: Increased efficiency, reliability, and competitiveness of regional transport and telecommunications										
1. Reduced rail transport costs	See Endnote 1									
2. Increased annual net tons carried per kilometer on SADC railways	See Endnote 1									
3. Increased return on invested capital in SADC railways	See Endnote 1									
4. Increased level of investment in the public telecommunications- operators	International Telecommunication Union	Millions of U.S. dollars per year	1994	Angola	N/A	See Endnote 2				
				Botswana	38.2					
				Lesotho	N/A					
				Malawi	N/A					
				Mauritius	33.5					
				Mozambique	N/A					
				Namibia	19.6					
				South Africa	785.9					
				Swaziland	15.3					
				Tanzania	3.4					
				Zambia	16.2					
Zimbabwe	49.1									

Performance Data Table - USAID/RCSA Strategic Objective 4

Performance Indicators	Data Sources	Units of Measurement	Baseline		Performance Targets						
			Year	Value	1995		1996	1997	1998	1999	
					Expd	Actual	Expd	Expd	Expd	Expd	
5. Increased price competitiveness between U.S. and SADC telecommunications operators	For U.S. to SADC: Standard rate (6am to 12pm) for a residential customer in Arlington, VA using MCI and assuming no membership in a calling plan. AT&T's rates were the same or within one cent. For SADC to U.S.: Standard rate for a residential customer as reported by each national PTC.	Cost of a SADC-to-US telephone call as a percentage of the cost of an equivalent-length U.S.-to-SADC telephone call	1995	Angola	TBD	See Endnote 2					
				Botswana	129						
				Lesotho	183						
				Malawi	165						
				Mauritius	60						
				Mozambique	TBD						
				Namibia	124						
				South Africa	106						
				Swaziland	249						
				Tanzania	184						
				Zambia	410						
Zimbabwe	125										
6. Increased levels of intra-regional telephone traffic	Data compiled annually by SATCC from reports by each national PTC.	100,000 minutes of telephone traffic per year to other SADC countries	1994	Angola	2.3	See Endnote 2					
				Botswana	204.2						
				Lesotho	91.5						
				Malawi	78.9						
				Mauritius	TBD						
				Mozambique	70.0						
				Namibia	363.0						
				South Africa	1,108.2						
				Swaziland	155.0						
				Tanzania	7.0						
				Zambia	101.3						
Zimbabwe	274.4										

Performance Data Table - USAID/RCSA Strategic Objective 4

Performance Indicators	Data Sources	Units of Measurement	Performance Targets								
			Baseline		1995		1996	1997	1998	1999	
			Year	Value	Expd	Actual	Expd	Expd	Expd	Expd	
Outcome 1: Improved managerial and operational capacity											
1. Redundant railway workforce retrenched	SADC railway annual reports	SADC railways employees	1992	Botswana	2,020		1,234	1,195	1,100	1,000	
				Malawi	3,733	2,500	1,200	1,000	1,000	1,000	
				Mozambique	10,229		10,427 (1994)	N/A	N/A	N/A	
				Swaziland	1,101		728 (1994)	690	650	600	
				Tanzania	7,087		6,600 (1994)	5,500	5,000	5,000	
				Zambia	8,544	6,500	5,500	3,500	3,250	3,000	
				Zimbabwe	16,000	13,000	13,000	10,000	9,000	8,000	
2. Increased number of SADC railways using RSIS	STEP Monitoring	SADC national railways	1995	0	0	0	0	3	4	7	
3. Increased percentage of locomotive availability	SADC railway annual reports	Percentage of locomotives that are operational	1992	Botswana	TBD						
				Malawi	TBD						
				Mozambique	TBD						
				Swaziland	TBD						
				Tanzania	59	65	61	65	-	70	
				Zambia	TBD						
				Zimbabwe	60	75	70	-	-	75	

Performance Data Table - USAID/RCSA Strategic Objective 4

Performance Indicators	Data Sources	Units of Measurement	Baseline		Performance Targets						
					1995		1996	1997	1998	1999	
			Year	Value	Expd	Actual	Expd	Expd	Expd	Expd	
4. Reduced wagon turn-around time	SADC railway annual reports	Days	1992	Botswana	TBD						
				Malawi	TBD						
				Mozambique	TBD						
				Swaziland	TBD						
				Tanzania	19.4	16.3	15.8	14	12	10	
				Zambia	TBD						
				Zimbabwe	9	7	7.5	6	4	4	
5. Reduced subsidies to SADC railways	See Endnote 1										
6. Decreased number of telephone employees per 1000 telephone lines	International Telecommunication Union	Employees per 1000 telephone lines	1994	Angola (1993)	39.6	See Endnote 2					
				Botswana	32.6						
				Lesotho (1993)	65.3						
				Malawi	121.0						
				Mauritius	11.3						
				Mozambique	42.3						
				Namibia	29.4						
				South Africa	15.3						
				Swaziland	24.5						
				Tanzania	53.8						
				Zambia	36.8						
Zimbabwe	40.0										

Performance Data Table - USAID/RCSA Strategic Objective 4

Performance Indicators	Data Sources	Units of Measurement	Baseline		Performance Targets						
					1995		1996	1997	1998	1999	
			Year	Value	Expd	Actual	Expd	Expd	Expd	Expd	
7. Decreased faults per telephone line	International Telecommu- nication Union	Faults per 100 telephone lines per year	1994	Angola (1992)	150.0	See Endnote 2					
				Botswana (1992)	55.4						
				Lesotho	N/A						
				Malawi	N/A						
				Mauritius	104.8						
				Mozambique	60.0						
				Namibia (1992)	77.8						
				South Africa	N/A						
				Swaziland	206.0						
				Tanzania	N/A						
				Zambia	123.8						
Zimbabwe	190.0										
8. Improved telephone line fault clearance rates	International Telecommu- nication Union	Percentage of faults cleared within 24 hours	1994	Angola (1992)	2.0	See Endnote 2					
				Botswana	75.6						
				Lesotho (1992)	73.0						
				Malawi	N/A						
				Mauritius	N/A						
				Mozambique	75.0						
				Namibia (1992)	75.0						
				South Africa (1993)	70.0						
				Swaziland	51.4						
				Tanzania	27.0						
				Zambia	28.3						
Zimbabwe (1992)	75.0										

Performance Data Table - USAID/RCSA Strategic Objective 4

Performance Indicators	Data Sources	Units of Measurement	Baseline		Performance Targets						
			Year	Value	1995		1996	1997	1998	1999	
					Expd	Actual	Expd	Expd	Expd	Expd	
9. Increased revenue per direct exchange line	International Telecommu- nication Union	U.S. dollars per year	1994	Angola (1993)	313	See Endnote 2					
				Botswana	1,366						
				Lesotho (1993)	1,026						
				Malawi (1993)	800						
				Mauritius	524						
				Mozambique	1,124						
				Namibia	886						
				South Africa	706						
				Swaziland	1,223						
				Tanzania	794						
				Zambia	1,007						
Zimbabwe	908										
10. Increased revenue per telephone company employee	International Telecommu- nication Union	U.S. dollars per year	1994	Angola (1993)	7,904	See Endnote 2					
				Botswana	41,904						
				Lesotho (1993)	15,721						
				Malawi (1993)	6,549						
				Mauritius	46,264						
				Mozambique	26,584						
				Namibia	30,150						
				South Africa	46,190						
				Swaziland	49,902						
				Tanzania	14,751						
				Zambia	27,331						
Zimbabwe	22,709										

Performance Data Table - USAID/RCSA Strategic Objective 4

Performance Indicators	Data Sources	Units of Measurement	Baseline		Performance Targets					
					1995		1996	1997	1998	1999
			Year	Value	Expd	Actual	Expd	Expd	Expd	Expd
Outcome 2: Increased private investment in infrastructure										
1. Increased number of divestments of non-core business	RTRP and STEP Monitoring	Businesses divested	1992	Rail: 0		6	TBD			
			1995	Telecoms: 0	See Endnote 2					
2. Increased number of privatizations of key state-owned enterprises	RTRP and STEP Monitoring	Enterprises privatized	1995	Rail: 0	TBD					
				Telecoms: 0	See Endnote 2					
3. Increased number of public telecommunications service providers	RTRP Monitoring	Number of fixed public networks and cellular service providers	1995	22 (12 fixed networks and 10 cellular)	See Endnote 2					
Outcome 3: Increased access to and enhanced quality of transport and telecommunications										
1. Increased percentage of on-time railway arrivals	See Endnote 1									
2. Decreased railway demurrage costs	See Endnote 1									
3. Reduced railway insurance claims	See Endnote 1									

Performance Data Table - USAID/RCSA Strategic Objective 4

Performance Indicators	Data Sources	Units of Measurement	Baseline		Performance Targets						
					1995		1996	1997	1998	1999	
			Year	Value	Expd	Actual	Expd	Expd	Expd	Expd	
4. Increased number of direct exchange lines per 100 people (disaggregated by urban and rural)	International Telecommunication Union	Direct Exchange Lines per 100 people, disaggregated by urban and rural ("Urban" figures are calculated by computing Direct Exchange Lines per 100 people in the largest city in each country. "Rural" figures are calculated by computing Direct Exchange Lines per 100 people throughout the country excluding the largest city.)	1994	Angola (1993)	0.5	See Endnote 2					
				Urban	2.1						
				Rural	0.2						
				Botswana	3.5						
				Urban	13.9						
				Rural	1.8						
				Lesotho (1993)	0.6						
				Urban	11.5						
				Rural	0.2						
				Malawi	0.3						
				Urban	4.2						
				Rural	0.1						
				Mauritius	11.7						
				Urban	19.7						
Rural	10.5										
Mozambique	0.3										
Urban	2.3										
Rural	0.1										
Namibia	4.7										
Urban	N/A										
Rural	N/A										
South Africa	9.2										
Urban	21.5										
Rural	9.2										
Swaziland	2.1										
Urban	19.1										
Rural	0.8										
Tanzania	0.3										
Urban	2.0										
Rural	0.2										
Zambia	0.9										
Urban	2.7										
Rural	0.6										
Zimbabwe	1.2										
Urban	5.7										
Rural	0.6										

Performance Data Table - USAID/RCSA Strategic Objective 4

Performance Indicators	Data Sources	Units of Measurement	Baseline		Performance Targets					
					1995		1996	1997	1998	1999
			Year	Value	Expd	Actual	Expd	Expd	Expd	Expd
5. Increased variety of telecommunications services available	RTRP Monitoring	This is a qualitative, not a quantitative, indicator.								
6. Increased call completion rates	International Telecommunication Union	Percentage of local calls that are unsuccessful	1994	Angola (1992)	48%	See Endnote 2				
				Botswana	N/A					
				Lesotho (1992)	11%					
				Malawi (1993)	35%					
				Mauritius	48%					
				Mozambique	30%					
				Namibia	N/A					
				South Africa (1992)	39%					
				Swaziland	22%					
				Tanzania	20%					
				Zambia	N/A					
Zimbabwe	N/A									
Outcome 4: Improved regulatory and policy environment										
1. SADC's Transport and Communications Protocols developed and implemented	STEP and RTRP Monitoring	This is a qualitative, not a quantitative, indicator.								
2. Increased number of telecommunications regulatory bodies independent of the operator	RTRP Monitoring	Number of independent regulatory bodies	1995	6	See Endnote 2					
3. Improved quality of telecommunications regulations (fairness, transparency, opportunity for public comment)	RTRP Monitoring	This is a qualitative, not a quantitative, indicator.								

Performance Data Table - USAID/RCSA Strategic Objective 4

Endnote 1: Baseline data for regional transportation projects has proven difficult to obtain. Given the impending completion of the railways restructuring projects, USAID/RCSA intends to focus on a selective set of indicators to be determined over the course of the Regional Center's strategic development process. A PSC Transportation Advisor, currently being recruited, will assist the SO4 Team in gathering and maintaining impact monitoring statistics.

Endnote 2: During long-term strategic planning to take place in 1996, the SO 4 team will determine appropriate targets for telecommunications indicators.