

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
ANNUAL PERFORMANCE PLAN
FY 1999**

I. Introduction: strategic planning and reporting

The mission of the United States Agency for International Development (USAID) is to contribute to U.S. national interests by supporting the people of developing and transitional countries in their efforts to achieve enduring economic and social progress and to participate more fully in resolving the problems of their countries and the world.

USAID pursues its mission through six strategic goals in development and humanitarian assistance and one management goal. The Agency's goals are identified in the Agency Strategic Plan and are summarized graphically in Annex 1 of the Strategic Plan.¹ Agency goals are broad statements of the results that USAID, in concert with its development partners, seeks to accomplish over the next decade. The Agency's approach to accomplishing those goals is described more fully in the Strategic Plan. The relationship between the Agency's Strategic Plan, this Annual Performance Plan, the Agency's Annual Performance Report, and the activities and plans of specific operating units is detailed below.

USAID's Strategic Plan selected a limited number of performance goals for each of the seven Agency goal areas. Performance Goals translate the Agency's goals into specific targets and trends to be achieved by the end of the decade. Where possible, the performance goals are explicit targets -- planned levels of results to be achieved by the end of the ten-year timeframe. Where this was not feasible, performance goals were couched in terms of trends - desired directional changes sought.

The Annual Performance Plan (APP) identifies annual performance benchmarks. The APP for FY 1999 presents the benchmarks to be met by the end of 1999. Meeting benchmarks, or the planned levels of achievement for a given year, are considered important steps towards ultimately achieving the ten year performance goals identified in the Strategic Plan. The annual benchmarks are either derived from trendlines, where possible, or are based on expert technical judgements. The APP discusses why and how the different magnitudes of achievement (or impact) were selected, and what the quantitative and qualitative indicators associated with each benchmark are intending to measure. It also

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estimates the resources needed to reach the performance targets for FY 1999.

The Agency's Annual Performance Report (APR) for FY 1999, to be submitted in FY 2000, will report on whether the benchmarks in this APP were reached. In doing so, the APR will identify and analyze key factors associated with the Agency's performance.

Finally, this is the first APP prepared by USAID.² Additional refinements and improvements can be expected as our ability to measure performance improves, and as we integrate this new document into our management system. The next section highlights what is in the APP, how it was prepared, and how it might evolve. The final section presents the annual performance benchmarks by Agency goal area.

II. Measuring Results: performance goals, benchmarks and indicators

The Government Performance and Results Act (GPRA) of 1993 requires U.S. government agencies to establish performance goals to define the level of performance to be achieved by their program activities; express such goals in objective, measurable form; and identify indicators which can be used to assess the results of their program activities.

Performance Goals

The Agency has identified 31 long-term performance goals. Table 1 arrays these performance goals against the seven Agency goals. Where possible, USAID's performance goals are consistent with those endorsed by the United States as a member of the Development Assistance Committee of the Organization for Economic Cooperation and Development (DAC/OECD). This choice reflects the conclusion that these goals are feasible and worthy. Their attainment would support the achievement of the associated Agency performance goal, and hence the associated U.S. national interests, as articulated in the Strategic Plan for International Affairs (SPIA).³ Finally, it reflects USAID's commitment to work collaboratively with its development partners. These performance goals can not be achieved by USAID alone. However, through collaborative relationships with host governments, other donors, and a broad array of U.S. and local non-governmental

USAID's Office of Inspector General will submit a separate performance plan independent of this document.

USAID's Strategic Plan directly supports the U.S. Strategic Plan for International Affairs (SPIA). Segments of the SPIA were prepared with input from USAID.

actors, USAID expects to be able to influence their achievement significantly.

Each performance goal spans a ten-year time horizon. This reflects the long-term and inherently complex nature of the changes USAID seeks to help bring about. Political, economic, social or cultural changes are seldom linear and often do not affect different societies at the same time or rate. In some cases, change can seem dramatic and rapid, such as the fall of the Berlin Wall. More typically, change is slow and incremental, such as the gradual deterioration of a highly centralized system of economic and political control. Similarly, the change to a sound, market-based economy or to a stable, pluralistic democracy is typically a slow process. USAID expects that the 10 year time frame will be sufficient to observe meaningful change.

Performance Indicators and Data

The APP describes the indicators that the Agency will use to measure and assess progress against each performance goal. Identifying a manageable set of good performance indicators is technically challenging. Where the development hypotheses are less well understood or where data are less reliable, USAID selected a greater percentage of proxy indicators or qualitative measures. This was the case for the Agency's democracy and governance, environment, and humanitarian assistance goals. Where there is greater agreement on the development hypotheses and quality data exist, USAID selected a greater number of direct and quantitative measures. This tended to be the case for USAID's economic growth and agricultural development, population and health, and human capacity goals. In time, however, more rigorous and direct measures that better capture results in all Agency performance goal areas can be expected. The present context, significance and importance of each indicator are discussed below.

At this point in time, the Agency will be tracking a relatively large number of indicators. However, since USAID is drawing upon existing sources of information, it constitutes a cost-effective approach to collecting performance data. The World Development Indicators, the Freedom House surveys, United Nations publications and annual performance reports from USAID's operating units were among the existing reports used. Over time, USAID expects general agreement on the most useful indicators to increase.

The data sources for each performance indicator, and, where appropriate, what USAID will do to improve the quality of indicators are noted. In cases where the selected indicators together may not provide sufficient information to adequately assess performance on a goal, USAID will supplement them with

specific additional analyses and research. USAID's evaluation plans for FY 1999, included in the APP, provide an indication of the supplementary work being planned.

Improving the timeliness and quality of data for the indicators will remain a challenge. Many data sources simply do not report results promptly at the end of a reporting period. Likewise, the quality of data collection and reporting systems vary. The result is that data are often not available for a year or more afterwards and, at times, are adjusted significantly after publication. Thus, any report on performance for a year just ending will contain information drawn from one or more prior years. USAID will note the years for which the data are available and any concerns on data quality.

USAID has already collected and created a data base containing the selected indicators. It includes time series data for each of its indicators for the 31 performance goals for all developing and transitional countries. This data base will facilitate analyses and the rapid sharing of information.

Benchmarks

Setting annual performance benchmarks for FY 1999 proved to be as challenging as selecting performance indicators. The benchmarks are in keeping with USAID's approach to setting long-term performance goals. They permit the Agency to assess whether it is on the right track towards achieving its long-term performance goals. (See Figure 1 for a graphic illustration of these relationships between annual benchmarks, ten-year performance goals, and Agency goals.)

The Agency has stretched its knowledge and understanding of development as well as the quality of the data available to establish the annual performance benchmarks. Some benchmarks may appear to be more definitive than one might expect, given the level of knowledge and understanding about development or the quality of data available. However, the Agency chose to adopt such benchmarks as a means to not only assess performance, but also to challenge ourselves to continually improve our understanding of development and enhance program effectiveness. These latter factors are believed to make the risk of establishing challenging benchmarks worth taking. USAID will monitor this decision to see if it indeed proves to be motivating or distorting. The decision to use this approach will be revisited next year after further experience is gained.

In some cases, the annual benchmarks are based on data from one specific year or are derived from trendlines of three to five years in duration. In other cases, the Agency has used the considered judgements of technical experts, both inside and outside the Agency, to establish the annual performance

benchmarks. This occurred in the goal areas of democracy and governance and of humanitarian assistance, where long-term trends can be favorable, but annual progress is more episodic. In all cases, the chosen benchmarks reflect extensive discussion and analysis.

To examine differences that would be masked by a single aggregate for the world and to facilitate understanding, the Agency has subdivided its performance benchmarks by geographic regions. And, within these regions, USAID has based its expectations primarily on the performance in those countries directly assisted by USAID.

Other non-geographically-based groupings of countries will be used where this would provide more substantial insight on results and program effectiveness. This could mean, for example, a focus on countries that have USAID-assisted population programs when assessing total fertility rate declines and comparing trends in these countries to those in which USAID has a less significant presence. Such comparisons could increase the Agency's understanding of the broad development trends it seeks to influence as well as the relative effectiveness or impacts of its various program approaches. Analysis might also focus on differences in development trends among groups of countries where USAID assistance programs are focused on sustainable development versus transitions, or are based on different sources of funding (e.g. ESF, DA, PL480).

There will be cases where USAID will examine all developing and transitional countries, regardless of whether they have relevant USAID-assisted programs or not. This is because the benefits of certain USAID's investments cross many borders. For example, a new technology developed with USAID's backing can generate benefits in all countries where it is applied, regardless of whether the country has a specific on-going USAID activity. Two more recent examples include USAID's support for the development of Norplant, which has provided millions world-wide with an alternative method of family planning, or the development of new heat-sensitive labels for vaccine bottles, which provide all developing countries with a cost-effective early-warning system for detecting potential problems in the storing and handling of vaccines. Another oft-cited example concerns the world-wide benefits from USAID's past investments in helping stimulate the Green Revolution.

Performance Plans of the Agency and its Operating Units

The relationship between the Agency's Annual Performance Plans and Reports and the performance plans and reports of the USAID operating units directly implementing programs is based on the concept of "plausible association." That is, while typically there is no direct "roll up" of results from the one level to the

next, a plausible case can be made through in-depth analysis and weighing of evidence, that the results reported by operational units indeed do (or do not) influence or contribute to accomplishing the Agency's performance goals.

The annual performance goals will enable the Agency to track the performance of the larger development trends USAID seeks to influence directly through its programs and indirectly through increased levels of collaboration with other donors, host governments and partners. For example, Agency investments in coordinating its country programs and overall strategies with those of other donors can multiply the effect of an operating unit's program on broader development trends. Hence, the performance goals identified in this plan are not those of individual USAID country, regional or global programs.

The Agency's individual operating units maintain their own more detailed performance monitoring plans tailored to their specific local conditions and management needs. All operating unit plans support the achievement of the Agency's performance goals. This is assured since all operating unit plans are reviewed by the Agency and each plan specifies how it contributes to specific Agency goals. The relative performance of these individual programs continues to be assessed annually through the Agency's Results Review and Resource Request (R4) process. The Agency Performance Plan does not substitute for the performance monitoring plans maintained by the Agency's individual operating units.

Next year, the Agency's Annual Performance Report (for 1998) will contain a section with in-depth analysis of performance at both of these levels, drawing on performance information from various sources including international databases, the R4s, and evaluations. It will (a) analyze and report on performance trends and results for Agency goals and objectives, and (b) analyze and summarize performance and results across operating units. Finally, it will examine the plausible linkages and contributions that operating units' results may have upon achievement of the broader Agency goals and objectives. (See Figure 1).

After a discussion of how the Agency plans to estimate the resources required to achieve the performance targets and Agency goals, the Agency's performance goals and expectations for FY 1999 are described in detail by Agency goal area in the following pages.

III. Resources.

Over the past several years, the Agency has relied increasingly upon a system for allocating the resources made available to it which is informed by: (1) the performance of its programs, measured in terms of meeting planned benchmarks; (2) factors

related to the needs of developing or transitional countries and their commitment to sustainable development; (3) U.S. national interests and foreign policy considerations; and (4) Congressional and Administration priorities. To the extent possible, the Agency also applies its "performance-informed" budgeting system to the resources it manages in collaboration with other agencies, including the Economic Support Fund (ESF), the Support for East European Democracy Act (SEED), the FREEDOM Support Act (FSA), and PL 480 Titles II and III food assistance (requested by the U.S. Department of Agriculture as part of its budget).

The Agency prepared this performance plan by assuming the Administration will continue to emphasize support for programs in population, environment (especially global climate change), and democracy while the Congress will continue strong support for child survival, HIV/AIDS, infectious diseases and basic education. Should these assumptions not hold, or if appropriations vary significantly from the requests, USAID would expect to modify its FY 1999 performance benchmarks.

Accordingly, the Agency has requested program resources in the following amounts to achieve its FY 1999 performance benchmarks. The requests are presented by Agency goal area.

1. Broad-based economic growth and agricultural development encouraged:

Development Assistance	- Base Program:	\$ 418 million
	- New Initiatives:	45 million
Economic Support Fund:		1,985 million ⁴
SEED Act:		356 million
FREEDOM Support Act:		699 million
PL 480 Title III		30 million

2. Democracy and good governance strengthened:

Development Assistance:	\$138 million
Economic Support Fund:	193 million
SEED Act:	84 million
FREEDOM Support Act:	74 million

Includes a \$1,200 million cash transfer to Israel, as well as portions of the ESF assistance to other countries involved in the Middle East peace process, which is programmed to foster economic growth (under the International Affairs Strategic Goal of ensuring regional stability).

3. Human capacity built through education and training⁵:

Basic Education:		
Development Assistance	- Base Program:	\$93 million
	- New Initiative:	5 million
Economic Support Fund:		12 million

4. World population stabilized and human health protected:

Development Assistance:		\$780 million
Economic Support Fund:		103 million
SEED Act:		6 million
FREEDOM Support Act:		82 million

5. The world's environment protected for long-term sustainability:

Development Assistance:		\$290 million
Economic Support Fund:		200 million
SEED Act:		18 million
FREEDOM Support Act:		70 million

6. Lives saved, suffering associated with natural or man-made disasters reduced, and conditions for political and/or economic development reestablished:

Disaster Assistance:		\$160 million
Transition Assistance:		45 million
PL 480 Title II		837 million

In addition, the Agency is also requesting \$484 million in operating expenses to carry out its programs.

IV. Performance Benchmarks for FY 1999.

USAID's performance benchmarks for FY 1999 are presented by Agency Goal.

Table 1: USAID Strategic and Long-Term Performance Goals

Funding for higher education will be re-budgeted from the economic growth and agricultural development goal area.

Agency Goal: Broad-based economic growth and agricultural development encouraged.

Performance

Goals: Average annual growth rates in real per capita income above 1% achieved.
Average annual growth in agriculture at least as high as population growth achieved in low income countries.
Proportion of the population in poverty reduced by 25%.
Openness and greater reliance on private markets increased.
Reliance on concessional foreign aid decreased in advanced countries.

Agency Goal: Democracy and good governance strengthened.

Performance

Goal: Level of freedom and participation improved.

Agency Goal: Human capacity built through education and training.

Performance

Goals: Countries increase primary enrollment ratios fast enough to attain full primary enrollment by 2015.
Gross primary enrollment rates for girls and boys differ by no more than 5%.
Primary school completion rates improved.
Responsiveness of in-country institutions of higher education to local and national development needs enhanced.

Agency Goal: World population stabilized and human health protected.

Performance

Goals: Fertility rate reduced by 20%.
Mortality rates for infants and children under the age of five reduced by 25%.
Maternal mortality ratio reduced by 10%.
Rate of increase of new HIV infections slowed.
Proportion of underweight children under five reduced.

Agency Goal: The world's environment protected for long-term sustainability.

Performance

Goals: Host government commitment to sound national and international environmental programs.
Conservation of biologically significant habitat improved.
Rate of growth of net emissions of greenhouse gases slowed.
Urban population's access to adequate environmental services increased.
Energy conserved through increased efficiency and reliance on renewal sources.
Deforestation rate in tropical forests reduced and management of natural forests and tree systems improved.
Loss of forest area slowed.

Agency Goal: Lives saved, suffering reduced, and conditions for political and/or economic development re-established.

Performance

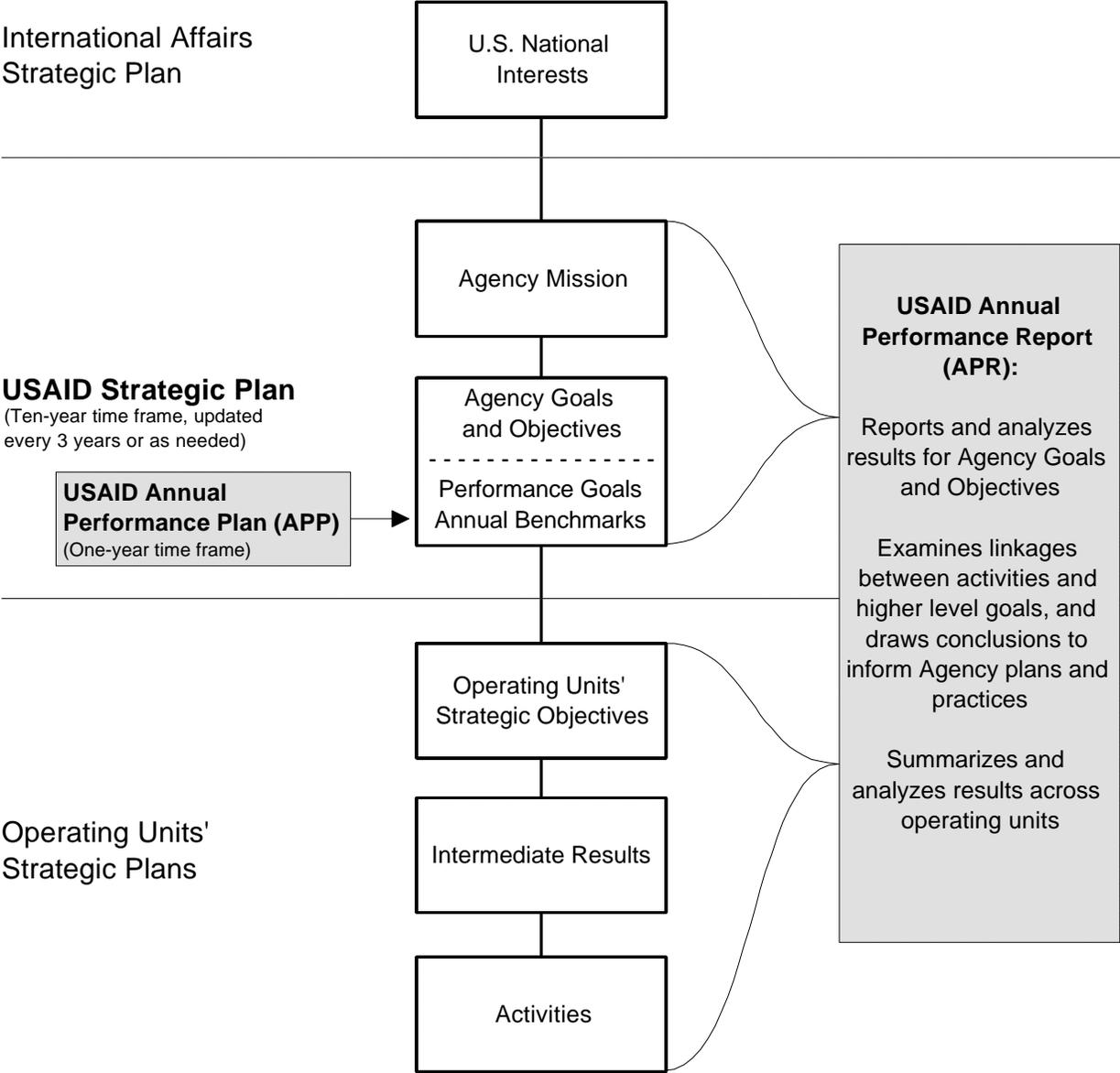
Goals: Crude mortality ratio for refugee populations returned to normal range within six months of onset of the emergency situation.
Nutritional status of children five years old and under made vulnerable by emergencies maintained or improved.
Conditions for social and economic development improved in conflict, post-conflict and rapid transition countries.
Political rights and civil liberties in post-conflict situations increased.

Agency Goal: USAID remains a premier bilateral development agency.

Performance

Goals: Time to deploy effective development and disaster relief resources overseas reduced.
Level of USAID-managed development assistance channeled through strengthened U.S.-based and local non-governmental organizations increased.
Coordination among U.S. government agencies contributing to sustainable development increased.
OECD agenda of agreed development priorities expanded.
Capacity to report results and allocate resources on the basis of performance improved.

Figure 1. The Relationship between Agency Strategic Planning and Reporting



USAID GOAL: Broad-based economic growth and agricultural development encouraged.

In support of this goal, USAID undertakes programs to expand and strengthen critical private markets, encourage more rapid and enhanced agricultural development and food security, and expand and make more equitable access to economic opportunity for the rural and urban poor. USAID programs in other goal areas also contribute to economic growth. In FY 1999, USAID will contribute to broad-based economic growth and agricultural development through 115 operational strategic objectives in 72 countries and 8 global strategic objectives.

INDICATORS:

- GNP/GDP per capita average annual growth rate (in constant prices)
- Difference between average annual growth rate of agriculture and average annual growth rate of population
- Percent of population below poverty line
- Merchandise trade average annual growth rate
- Foreign direct investment
- Economic Freedom Index (Heritage Foundation)
- Aid as % of GNP

PERFORMANCE GOALS AND REGIONAL EXPECTATIONS:

1. **Average annual growth rates in real per capita income above 1 per cent achieved.**

Sub-Saharan Africa (AFR): Between 1992-96, eight of twenty-two African countries surpassed the 1% benchmark (using the most recent GDP data from the IMF). Growth accelerated clearly in eight other countries that did not reach the overall benchmark. For the 1995-99 period, we expect two-thirds of the USAID recipients in Africa to surpass the benchmark, assuming no increase in the prevalence of crisis.

Asia and the Near East (ANE): For the period 1992-1996, per capita economic growth for USAID assisted countries in the Asia and Near East region averaged 2.7%. All countries were above the 1% benchmark with the exception of Egypt (0.2%); Mongolia (-2.3%); and Morocco (-0.3%). (Data for West Bank/Gaza are not generally available). In each of the three countries that fell

short of the benchmark, economic growth has accelerated in recent years, to rates sufficient to meet the target. For 1995-99, we expect economic growth to exceed the 1% benchmark for almost all countries in the region.

Agency Strategic Goal: Broad-based economic growth and agricultural development encouraged.				
Indicators: GNP/GDP capita average annual growth rate (in constant prices)				
Sources: (a) World Development Indicators (Table 1.3) (b) World Economic Outlook (Table A6) (c) USAID calculations				
Performance Goal 1: Average annual growth rates in real per capita income greater than 1%	YEAR		Base	1999
	PLANNED			>1%
	ACTUAL			
Percentage of countries meeting performance goal.	AFR	PLN		66%
		ACT	36%	
	ANE	PLN		90%
		ACT	79%	
	LAC	PLN		90%
		ACT	43%	
	ENI	PLN		66%
		ACT	30%	
Comment(s): The baseline represents the unweighted average of annual country growth rates for the five-year period 1992-1996. The 1999 benchmark represents the average annual growth rate for the five-year period ending in 1999.				

Latin America and the Caribbean (LAC): Per capita economic growth over the 1992-96 period (using GDP data) averaged 1.3% on a simple average basis. Of 14 recipients, Haiti, Jamaica, Honduras, Paraguay, Nicaragua, and Mexico fell below the 1% benchmark. However, in Nicaragua and Mexico trends over the period were positive. For the 1995-99 period, we expect per capita economic growth to exceed the 1% benchmark for at least 80% of the countries in the region.

Europe and the New Independent States (ENI): Looking at the 1992-96 period, only eight countries out of 27 managed to achieve growth above the 1% benchmark. In contrast, 16 countries experienced steep declines in measured per capita income, and in others, growth over the period was negligible. On the positive side, there was a clear, often dramatic improving trend over the

course of the 1992-96 period for almost all countries that did not achieve the 1% benchmark. Eight of these countries achieved clearly positive growth in per capita income in 1996. For the 1995-99 period we expect two-thirds of the countries in the region to surpass the 1% benchmark.

2. Average annual growth in agriculture at least as high as population growth achieved in low-income countries.

Sub-Saharan Africa: In this region, "low-income" includes all countries except South Africa and Namibia. For the 1990-95 period, agricultural growth exceeded population growth in only four countries and was about the same as population growth in three others. In most of the remaining countries agricultural growth was positive, but slower than population growth. Only in Angola, Rwanda, and Burundi were there clear declines in agricultural production. For the 1995-99 period we expect about half of the low-income aid recipients in Africa to have agricultural growth at least as high as population growth, again assuming no increase in the prevalence of crisis.

Asia and the Near East: While economic growth in most of the seven low-income countries in the region was fairly rapid, only India, Sri Lanka, and Vietnam managed agricultural growth above population growth for the 1990-95 period. For the 1995-99 period we expect agricultural growth to be close to or well above population growth for most low income countries in the region; most are expected to gain additional access to food through imports, as a result of growing foreign exchange earnings.

Latin America and the Caribbean: In the region, Guyana, Honduras, Haiti, and Nicaragua qualify as low-income using the IBRD threshold of 1996 per capita income below \$785. For 1990-95 Honduras barely met the performance goal; Nicaragua and Haiti fell well below; and data for Guyana are incomplete. For the 1995-99 period we expect Nicaragua and Honduras to surpass the benchmark.

Europe and the New Independent States: Looking at the 1990-1995 period, out of seven low-income countries in the region, only Albania (7.6% growth in agriculture), surpassed the benchmark. Elsewhere, agricultural production declined, including drastically in Georgia. (Agricultural data are not available for Azerbaijan.) On the basis of encouraging trends for countries with data, we expect five of the region's low-income countries to achieve agricultural growth rates at least as high as population growth rates for 1995-1999.

Agency Strategic Goal: Broad-based economic growth and agricultural development encouraged.				
Indicators: Difference between average annual growth rate of agriculture and average annual growth rate of population.				
Source: World Development Indicators (Table 1, 2.1); USAID calculations				
Performance Goal 2: Average annual growth in agriculture at least as high as population growth in low income countries.	YEAR		Base	1999
	PLANNED			
	ACTUAL			
Percentage of countries meeting performance goal.	AFR	PLN		50%
		ACT	33%	
	ANE	PLN		70%
		ACT	43%	
	LAC	PLN		50%
		ACT	33%	
	ENI	PLN		70%
		ACT	14%	
Comment(s): The base period is the five-year period 1990-1995. The 1999 benchmark is the average for the five-year period ending in 1998.				

3. Proportion of the population in poverty reduced by 25%.

Note: Data on poverty appear sporadically. The data on growth and poverty suggest that average annual growth in per capita income at 1 to 2% annually is sufficient to achieve the poverty target, provided growth is not narrowly based.

Sub-Saharan Africa: We expect that a majority of the countries in the region will achieve growth over the 1995-1999 period that is sufficient to meet the poverty goal. Thus, progress towards the poverty target in Africa will be significant, but by no means universal.

Asia and Near East: Growth in per capita income in most of the countries of this region has surpassed two percent in recent years. In the others (Egypt, Mongolia, Morocco, and Philippines) recent trends are encouraging. In view of expected growth performance, we expect poverty data that appear between now and 1999 to confirm satisfactory progress towards the 25% poverty reduction goal for most countries in the region.

Latin America and Caribbean: In Latin America, income distribution tends to be highly skewed, so that growth needs to be somewhat more rapid (around two percent) to have large impacts on poverty. For FY 1995-1999 we expect a majority of the countries in the region to achieve the sort of growth required to achieve satisfactory progress towards the Agency's poverty reduction goal.

Europe and the New Independent States: In most ENI countries, average incomes are higher, and poverty is less severe and widespread, compared with low-income developing countries. A reduction in the incidence of poverty is expected to result from USAID's primary goals of achieving economic and political transitions in the countries of this region. In the early stages of such transitions, however, we have seen that poverty is likely to increase sharply. Reforms put in place to achieve the transition have often coincided with, if not contributed to, both a dramatic initial drop in overall income and significant increase in income inequalities and poverty. This is due to the nature of existing obsolete institutions and the extent of the transformation necessary to shift from autocratic command systems to pluralistic, private sector-based, growth-oriented societies.

Agency Strategic Goal: Broad-based economic growth and agricultural development encouraged.				
Indicators: Percent of population below poverty line.				
Source: World Development Indicators (Table 2.5); USAID calculations				
Performance Goal 3: Proportion of the population in poverty reduced by 25%.	YEAR		Base	1999
	PLANNED			
	ACTUAL			
Percentage of countries achieving performance goal	AFR	PLN		50%
		ACT	33%	
	ANE	PLN		80%
		ACT	43%	
	LAC	PLN		60%
		ACT	33%	
	ENI	PLN		50%
		ACT	n/a	
Comment(s): Due to infrequent reporting of poverty data, analysis is based on economic growth performance. The base period is the average for the five-year period 1992-1996. The 1999 benchmark is the average for the five-year period ending with 1999.				

Monitoring trends in social conditions, including the incidence of poverty, is an important means of assessing the sustainability of both political and economic reforms. However, the scarcity of data and analysis on poverty issues means that USAID has no firm basis at this time on which to set goals and targets or to predict expected performance in reducing poverty in the countries of the region. As in other regions, trends in poverty in ENI are likely to mirror trends in economic growth.

4. Openness and reliance on private markets increased.

Sub-Saharan Africa:

Economic Freedom: From 1995 to 1997, scores for Economic Freedom clearly improved for seven countries in the region (with the largest improvements for Mali, Mozambique, Tanzania, and Madagascar); were substantially unchanged for five others; and clearly declined in three countries (Guinea, Malawi, and Zimbabwe). Altogether there was a modest, 3% improvement in the average score for the fifteen covered countries. From 1997 to 1999 we expect a further modest improvement in the average score, with clear improvements for one-half of the countries covered, assuming no increase in the prevalence of crisis.

Trade During the 1990-95 period only eight countries in Africa achieved positive real growth in merchandise exports, while imports grew in real terms in only ten countries. For 1995-99 we expect positive real growth in exports and imports for a clear majority of countries in the region assuming no increase in the prevalence of crisis.

Direct Foreign Investment (Net) Leaving aside countries without data (Liberia, Somalia, Eritrea), average direct foreign investment (DFI) in USAID recipients increased from about \$30 million in 1990 to \$90 million in 1995, with considerable variation in levels and trends among countries. Much of the increase was attributable to a huge swing in DFI in Angola, from -\$335 million to +\$400 million. There were also major increases in DFI in Ghana, Tanzania, and Uganda; and notable declines in Senegal, Zambia, and to a lesser extent Kenya. Overall DFI increased by non-negligible amounts in thirteen of the twenty-one countries with data. For the 1995-1999 period we expect DFI to increase significantly in three-fourths of the countries, assuming no increase in the prevalence of crisis.

Asia and Near East:

Economic Freedom: From 1995 to 1997 scores for Economic Freedom improved for every country in the region except in Nepal, Cambodia, Lebanon, and West Bank/Gaza, for all of which there are

no 1995 scores; and in India and Vietnam, where there was no change. From 1997 to 1999 we expect a further improvement of 7 percentage points in the average score, with improvements for 80% of USAID recipients covered by the survey.

Trade During the first half of the 1990's merchandise exports from the region grew on average by nearly 11% annually in "real" or "volume" terms, while imports increased by nearly 8% annually on average. These figures are well above GDP growth rates, both on average and for most countries. Trade stagnated only in Egypt and Morocco. Import growth was slow in India, less than 3%. Data are not available for Cambodia, Mongolia, Vietnam, and West Bank/Gaza. For the second half of the 1990's, we expect export growth for USAID recipients in the region to average around 9% annually, depending critically on continued expansion in the industrialized countries; and, import growth to average around 8%.

Direct Foreign Investment Direct foreign investment in 1995 averaged \$750 million, compared with \$215 million in 1990. Most of the investment, and most of the increase, were accounted for by Indonesia, India, Vietnam, and Philippines. (There were no data for Israel and West Bank/Gaza). Only in Egypt was there a significant decline in DFI. For 1999 we expect DFI to increase in almost all countries of the region (compared with 1995), with average investment doubling.

Latin America and Caribbean:

Economic Freedom: From 1995 to 1997, scores for Economic Freedom improved for most countries in the region. In Honduras and Paraguay scores were unchanged; in Brazil and Dominican Republic there were slight declines; and in Mexico there was a more significant, 10% decline. From 1997 to 1999 we expect a further 4% improvement in the average score, with improvements in 75% of USAID recipients.

Trade: During the first half of the 1990's, merchandise exports from the region grew on average by over 4% in "real" or "volume" terms, while imports increased by over 10% on average. There was considerable variation in export growth, including declines in Bolivia, Dominican Republic, Haiti, Nicaragua, and Paraguay; and double-digit growth in Panama, El Salvador, Honduras, Mexico and Peru. Import growth was more uniformly positive and high, with the exception of Haiti. For 1995-1999 we expect growth in imports to average around 8%, and growth in exports to average around 5%. The widening trade deficit implied by these statistics reflects the anticipated increase in foreign investment in the region.

Agency Strategic Goal: Broad-based economic growth and agricultural development encouraged.				
Indicators: (a) Trade of goods and services; (b) average annual growth rate of foreign direct investment; (c) average annual growth rate; (d) Economic Freedom Index.				
Source(s): World Development Indicators (Tables 4.7, 5.2); Heritage Foundation Annual Surveys of Economic Freedom; USAID calculations.				
Performance Goal 4: Openness and reliance on private markets increased.	YEAR		Base	1999
Percentage of countries with improved economic freedom scores.	AFR	PLN		50%
		ACT	47%	
	ANE	PLN		80%
		ACT	80%	
	LAC	PLN		75%
		ACT	64%	
ENI	PLN		50%	
	ACT	45%		
Percentage of countries with positive real growth in exports and imports (AFR and ENI) or average annual growth in exports and imports (ANE and LAC).	AFR	PLN		75%
		ACT	36%	
	ANE	PLN		8%
		ACT	9.5%	
	LAC	PLN		6%
		ACT	7%	
ENI	PLN		75%	
	ACT	n/a		
Percentage of countries in which direct foreign investment clearly increases.	AFR	PLN		80%
		ACT	62%	
	ANE	PLN		95%
		ACT	92%	
	LAC	PLN		95%
		ACT	92%	
ENI	PLN		75%	
	ACT	n/a		
Comment: The base represents the three-year period from 1995-1997. The benchmark for 1999 represents the score for the three-year period ending in 1999.				

Direct Foreign Investment: Direct foreign investment (DFI) in 1995 averaged \$1172 million, compared with \$307 million in 1990. Most of the investment and the increase were accounted for by Brazil and Mexico, and to a lesser extent Peru and Guatemala. Only in Haiti was DFI lower in 1995 than in 1990. For 1999 we expect DFI to increase in almost all countries in the region, with average investment double that of 1995 levels.

Europe and the New Independent States:

Economic Freedom: From 1995 to 1997 scores for Economic Freedom clearly improved for nine countries in the region; were essentially unchanged for five countries; clearly worsened in six countries; and were not estimated for seven countries. Altogether, the average score for the region showed a slight improvement. From 1997 to 1999 we expect improvements for roughly half of the countries in the region.

Trade: Merchandise trade data covering the first half of the 1990's are available for only five countries in the region. We expect data for the second half of the 1990's to be generally available, and to show positive growth in real terms in both imports and exports for at least 80% of the countries, assuming no increase in the prevalence of crisis. The magnitudes are extremely uncertain.

Net Direct Foreign Investment: Net direct foreign investment in 1995 averaged \$654 million, not counting Bosnia, Cyprus, and Ireland. All of the remaining countries experienced net inflows except Georgia, where the figure was zero. Four countries accounted for the bulk of net DFI in 1995, Hungary, Poland, the Czech Republic, and Russia. For 1999 we expect net DFI to increase in most countries of the region, assuming no increase in crisis prevalence. The magnitude of the increase is uncertain.

5. Reliance on concessional foreign aid decreased in advanced countries.

Sub-Saharan Africa: Only South Africa and Namibia are candidates for advanced status. Between now and 1999, we expect the ratio of concessional aid to GNP to remain low in South Africa, though possibly showing a rising trend from the 1994 figure of 0.2%; and, to continue falling in Namibia from the 1994 figure of 4.7%.

Asia and the Near East: For Indonesia, Philippines, and Morocco, the average ratio of aid to GNP declined from 2.9% in 1990 to 1.6% in 1994. The corresponding figures for Jordan were 24.6% in 1990 and 6.5% in 1994. By 1999 we expect the ratio of aid to GNP to fall below 1 per cent for Indonesia, Philippines, and Morocco, and below 4% for Lebanon. The ratio is expected to increase somewhat for Jordan.

Latin America and the Caribbean: For Brazil, Dominican Republic, Ecuador, Mexico, Panama, Paraguay and Peru, the ratio of aid to GNP fell from 1.1% to .7% on average from 1990-94, with the largest declines coming in Panama and Dominican Republic. In Jamaica, where aid dependency is unusually high reflecting mainly the small size of the country, the decline was from 7.3% to 2.9% over the same period. Between 1995-1999 we expect aid dependency to fall further in these countries, by several tenths of a percentage point on average.

Europe and the New Independent States: Many of the region's assistance recipients were already "advanced" in developmental terms when aid commenced. The essential task is one of changing from one set of institutions to another (i.e., transition) rather than raising per capita income and improving indicators of human resource development. Where per capita income is concerned, seven of the countries in the region are clearly in the World Bank's low-income group, per capita income in 1995 below \$750. Another seven have per capita incomes below \$1500. In the remaining countries with data, the ratio of ODA to GNP in 1994 ranged from 0.1% for Turkey, and presumably near zero for Ireland, to 2 per cent for Poland. For FY 1999 we expect the ODA to GNP ratio to be under 1.5% for all countries. Apart from this, trends are very uncertain.

Agency Strategic Goal: Broad-based economic growth and agricultural development encouraged.				
Indicators: Aid as percent of GNP.				
Source: World Development Indicators (Table 6.10); USAID calculations				
Performance Goal 5: Reliance on concessional foreign aid decreased in advanced countries.	YEAR		Base	1999
	PLANNED			
	ACTUAL			
Percentage of countries achieving performance goal.	AFR	PLN		50%
		ACT	50%	
	ANE	PLN		80%
		ACT	100%	
	LAC	PLN		100%
		ACT	100%	
ENI	PLN		50%	
	ACT	n/a		
Comment:				

USAID GOAL: Democracy and Good Governance Strengthened.

USAID's goal for building sustainable democracies supports the transition to and consolidation of democratic regimes throughout the world. To achieve the broad goals of democracy, USAID supports programs that strengthen democratic institutions and practices, foster a vibrant civic society, and encourage pluralism, inclusion, and peaceful conflict resolution. Throughout our programming, special attention is given to constraints to gender equity. In FY 1999, USAID will contribute to the strengthening of democracy and good governance through 114 strategic objectives in 71 countries and 5 global strategic objectives.

INDICATORS:

→ Percentage of countries classified as free/partly free/not free

The two indicators identified in the Agency's Strategic Plan for this strategic goal, Democracy and Governance Strengthened, have been consolidated into the indicator noted above. The Freedom House Survey, the source for both of the original indicators, places countries and territories into a tripartite division by averaging scores they have received for political and civil liberties. Recombining indicators split in the Agency's strategic plan returns to the original structure of the measure which serves as a more reliable and valid composite measure of freedom and participation in a country.

PERFORMANCE GOALS AND REGIONAL EXPECTATIONS:

1. Level of freedom and participation improved.

Sub-Saharan Africa: In some countries, such as Benin, Malawi, Mozambique, Namibia, South Africa and Tanzania, gains in political development have been consolidated and enhanced. Other countries, such as Angola, Guinea, Liberia, and Zambia, have experienced instability, but retain their representative political systems thus far. In the last two years, there have also been setbacks in Niger, Sierra Leone, and the Democratic Republic of the Congo (formerly Zaire).

One of the most noticeable and encouraging changes over the past few years, and likely to be one of the more difficult to reverse, is the increasing capacity and vibrancy of African civil society. From community to national and even Pan-African levels, civil society organizations are growing rapidly in membership and influence. They are serving as bulwarks against further political deterioration, even in difficult political environments

such as in Kenya and Nigeria. With continued high investments in civil society programming, for the period 1997-1999, USAID expects further improvements in civil society's institutional capacity and its ability to advocate for citizen interests at the local and national levels.

Future programming will complement existing civil society activities by focusing on related areas such as improved governance, political and economic decentralization, and strengthening the capacity of government institutions to respond to the overtures of civil society actors. Rule of law activities will strengthen the link between democratic governance and economic growth by promoting legal reforms that encourage foreign and private investment and trade. By focusing on cross-sectoral synergies in the health, education, and environment sectors, the impact of USAID's democracy and governance activities will be maximized. Finally, USAID's involvement in multilateral activities, such as the Denver Summit Group of Eight Africa Initiative, will reinforce our programmatic goals through greater donor coordination on democratic governance issues.

Of the 27 African nations in which USAID implements programs, there has been a decrease in the number of "not free" status countries from 15 (55%) in 1993 to 11 (40%) in 1996. The number of countries classified as "free" increased from 4 (15%) in 1993 to 5 (19%) in 1996 with Malawi joining the ranks. South Africa transitioned from "partly free" to "free" status. Angola, Guinea, Kenya, Liberia, Nigeria, Rwanda, and Somalia maintained the classification "not free." By the end of FY 1999, we expect a decrease in the number of countries classified as "not free."

The Near East, South and East Asia: As measured by Freedom House's 1996 survey, overall freedom in the region has declined. Nevertheless, in some countries national-level impacts are beginning to appear on some of the characteristics Freedom House looks at in its ratings. Among the highest performing democracy programs in the ANE region, based on USAID's performance monitoring reports, are those in the Philippines and Mongolia. Both programs, one mature and one new, are devoted to increasing the participation of key civil society groups. USAID's civil society activities in the region support the participation of NGOs in the areas of human rights, civic education, gender, and community self-help. NGO activities that affect political change and public policy are key to expanding political space and improving basic human rights. This is especially important in authoritarian states where it is often difficult to work with governmental institutions. In addition, USAID's governance activities, including work with legislatures and line ministries, often focus on making government more transparent to the general public, and officials more accountable for the work they carry out.

In a survey of 54 countries, the 1996 Transparency International Corruption Perception Index⁶ found six Asian countries among the eleven USAID-assisted countries in the South Asian and East Asia region to have been perceived as corrupt. Three of these countries, Philippines, Indonesia, and China, experienced rapid growth; others, India, Bangladesh, and Pakistan, face continuing barriers to trade and growth. In FY 1998-1999, we will consider the possibility of a regional activity to address specific problems of accountability and transparency in state economic transactions.

Of 14 countries in the Near East, South Asia and East Asia in which USAID implements programs, there has been an increase in the "not free" status countries from 4 (29%) in 1993 to 6 (43%) in 1996. Lebanon and Cambodia joined Indonesia, Vietnam, West Bank and Gaza, and Egypt in the "not free" category. The number of countries classified as "free" increased with the Philippines joining Mongolia. By the end of FY 1999, with the probable addition of democracy activities in several countries without USAID missions, there will be a net increase in the number of "not free" countries. However, we expect a slight improvement in overall country status in the region among countries where USAID had programs in 1996.

Latin America and the Caribbean: While democratic electoral processes and rule of law are improving, many citizens in Latin America and the Caribbean cannot yet effectively participate in their political systems. Indigenous groups in Guatemala, southern Mexico, and the Andean region are still largely excluded from political life. Democracy has become the common guiding principle for economic growth and social development in the region. A major regional trend toward decentralization has strengthened the potential role of local governments in promoting government responsiveness and civic participation. While non-democratic pressures persist in many areas, over the next year, USAID expects to build on the success of justice and administrative policy reforms and civil society activities. These activities will contribute to improved effectiveness, efficiency, and access to the justice systems in a number of countries in the region.

The recent signing of the peace accords in Guatemala marked a triumphant event for the country and the international community.

Developed for Transparency International, a not-for-profit, non-governmental organization, the Corruption Perception Index is based on seven international surveys of business people, political analysts and the general public. It reflects their perception of corruption in 52 countries. The seven international surveys are Gallup International, the World Competitiveness Yearbook, Political & Economic Risk Consultancy in Hong Kong, DRI/McGraw Hill Global Risk Service, Political Risk Services in Syracuse, USA, and data gathered from internet sources.

The signing of the accords not only ends nearly four decades of armed conflict, but also commits the nation to an ambitious program of development, democracy, social integration, and political renovation. USAID played a leadership role among donors to support this effort and expects to continue implementing programs that will enhance democracy and governance in the region. USAID also intends to support priority initiatives approved at the Miami Summit of the Americas and the Santiago Summit of 1998.

Compared to the 1993 survey that classified only Haiti as a "not free" country in which USAID implements programs, the 1996 survey did not identify any USAID-assisted country in the region as "not free." Four countries (Bolivia, Guyana, Jamaica, and Panama) were classified as "free," 11 were "partly free," and 0 were not free. From 1997 to 1999, we expect a continued increase in the number of countries classified as "free," corresponding to improvements in political rights and civil liberties.

Eastern Europe and the New Independent States: USAID assistance in Central and Eastern Europe (CEE) will decline in the near future. Programs in the Czech Republic and Slovenia were closed in FY 1997. Hungary, Latvia, Lithuania, Poland and Slovakia are candidates for close-out in the upcoming years. The phase-out process in the northern tier of the CEE region provides opportunities for increasing efforts in the southern tier where progress is slower. There are notable accomplishments in the NIS region in terms of increased numbers of contested elections, NGO strengthening, and independent media development. Nevertheless, these accomplishments must be balanced against a background of increased government corruption and occasional authoritarian political reversals. In Belarus, media, labor NGOs, the parliament and judiciary are being undermined by actions of the executive branch. Much of Central Asia continues to lag behind other parts of the ENI region. Flawed presidential elections in Armenia have contributed to the President's forced resignation in February, 1998; implementation of the upcoming elections in Armenia remains uncertain. Overall, political and civil rights have taken impressive steps forward in the region, even as economic and social rights have either suffered retreats or not kept pace.

There is increasing emphasis on local level approaches through NGOs, local government, and small and medium enterprises. In Bulgaria, Hungary, Poland, Russia and the Central Asian Republics, USAID will continue to focus resources on a bottom-up approach as a means of deepening democratic commitment and strengthening decentralization. In Kazakstan, Kyrgyzstan, and Uzbekistan, NGO development will continue to be emphasized.

<p>Agency Strategic Goal: Democracy and good governance strengthened.</p>
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Indicator: Number of countries classified as free/partly free/not free					
Source: Freedom in the World: The Annual Survey of Political Rights and Civil Liberties, Freedom House.					
Performance Goal 1: Level of freedom and participation improved. "+1" indicates an expected positive movement in category in one country.	YEAR	1993 B	1996	1999	
	PLANNED			net▲	
	ACTUAL	14 F 42 P 26 N	18 F 40 P 24 N		
F = Free P = Partly Free N = Not Free B = Baseline net ▲ = net change	Africa	PLN		+1	
		ACT	4 F 8 P 15 N	5 F 11 P 11 N	
	The Near East, South and East Asia	PLN			+1
		ACT	1 F 9 P 4 N	2 F 6 P 6 N	
	Latin America and the Caribbean	PLN			0
		ACT	4 F 10 P 1 N	4 F 11 P 0 N	
	Europe and the Newly Independent States	PLN			+1
		ACT	5 F 15 P 6 N	7 F 12 P 7 N	

Comment(s): FY 1999 benchmarks are only for countries where USAID had programs in 1996.

As stated in the introduction, development hypotheses for measuring progress in the democracy sector are not well advanced. As a result, USAID has chosen to state its goals in terms of improvements in the levels of freedom. We continue, however, to work on increasing our understanding of the factors affecting program results and our ability to assess performance in the democracy sector.

Although democracy is a multi-faceted construct, with no simple, universally accepted measure, USAID uses Freedom House Survey scores as proxies in calculating the state of freedom in countries around the world. The Freedom House Survey's definition of freedom is broad and the characteristics it estimates under each of the two sub-indices, political rights and civil liberties, correlate theoretically with the changes that USAID is attempting to support in its democracy and governance programs. In seeking a universally available measure of democracy, USAID exhaustively reviewed the literature and found that the Freedom House index was the only uniform and comparative measure across countries and time available thus far. The Survey places countries and territories into a tripartite division by averaging the scores received for political rights and civil liberties. Those whose category numbers average 1-2.5 are considered "free," 3-5.5 "partly free," and 5.5-7 "not free." The "free," "partly free," and "not free" labels are highly simplified terms. Each cover a broad third of the available raw points.

While it is clear that an index of political rights and civil liberties are not direct measures of 'democracy', research on democracy consistently uses the composite Freedom House index, and/or its component parts to assess the state of democratic development in countries. This is not unreasonable, since democratic development is clearly closely correlated with political rights and civil liberties as defined and measured by Freedom House.

It should be noted that the designation "free" does not mean that a country has perfect freedom or lacks serious problems; similarly, in no way does an improvement in a country's rating mean that democratic campaigns should cease.

Out of 26 countries in which USAID implements programs, there has been an increase in "not free" status countries from 6 (23%) in 1993 to 7 (27%) in 1996. Countries classified as "not free" in 1996 include Azerbaijan, Belarus, Kazakstan, Serbia and Montenegro ("Yugoslavia"), Tajikistan, Turkmenistan, and Uzbekistan. On the other hand, the number of countries classified as "free" increased from 5 (19%) in 1993 to 7 (27%) in 1996 with Romania and Latvia enjoying improvements in status. We expect one or two additional ENI countries to be classified as "free" by the end of FY 1999.

USAID GOAL: Human capacity built through education and training.

To achieve this strategic goal, USAID will emphasize expanding access to high quality basic education, especially for girls and women. In addition, USAID will facilitate the responsiveness of in-country institutions of higher education through means such as international institutional partnerships. While not explicitly identified in performance goals, the contribution of comprehensive, high quality training and the powerful tools of information and communication technologies -- such as radio-facilitated teaching and Internet-based global discussions -- are important in the attainment of this and all other USAID goals. These efforts, together with encouragement of equitable enrollment policies, will serve to enhance the ability of in-country institutions of higher education to respond to local and national development needs. In FY 1999, USAID will contribute to human capacity development, particularly basic education for children and higher education partnerships through 12 strategic objectives in 12 countries and 10 global strategic objectives.

NOTE: Because this is one of the most recently articulated USAID goals, performance goals and indicators within it continue to be established and refined.

INDICATORS:

- Net primary enrollment ratio
- Difference between girls' and boys' gross primary enrollment ratio
- Percentage of cohort reaching grade five
- Number of inter-institutional partnerships formed.

PERFORMANCE GOALS AND REGIONAL EXPECTATIONS:

1. **Countries increase primary enrollment ratios fast enough to attain full primary enrollment by 2015.** The goal reflects USG commitment to the DAC target of full primary enrollment by 2015. Regional performance is assessed on the basis of whether countries are increasing primary enrollment ratios fast enough to meet this goal, if growth in enrollment ratios continues at the current rate through 2015. Analysis indicates that improvements are likely in each region, but that several countries in each will still fall short of the DAC target.

Sub-Saharan Africa: Half of the primary school-aged children in Sub-Saharan Africa are not enrolled in school. In many countries, figures on net enrollments are not available; gross enrollment ratios include both over- and under-age children in the numerator. Enrollment rates vary widely among countries in the region. In terms of access, the primary enrollment rate in Mali and Ethiopia is under 30%. It is 81% in Ghana and 59% in Benin. Most countries in the region would need to accelerate the growth of enrollment considerably to reach the DAC goals by 2015. Since 1987, USAID has focused its basic education investments in a limited set of African countries (originally 12, now reduced to 9) where the need was great and where governments were committed to necessary macroeconomic and educational reforms. The countries are: Benin, Ethiopia, Ghana, Guinea, Malawi, Mali, Namibia, South Africa, and Uganda. USAID devotes about 60% of its basic education budget to Africa.

Asia and the Near East: USAID assisted countries in Asia and the Near East offer a mixed picture in primary school enrollments. The Philippines has achieved universal primary enrollment, while Indonesia and Turkey are very close to this goal. However, primary enrollments for Bangladesh, India, Morocco and Nepal remain low. USAID funds basic education activities in Egypt, India, Morocco, and Nepal. Nearly all USAID assistance in ANE focuses on girls and women.

Latin American and the Caribbean: Latin America has made substantial strides in educational access over several decades. Primary enrollment for the region as a whole exceeds 90%. These high enrollment figures mask problems of quality and repetition. Only 21 percent of LAC school children complete sixth grade. Furthermore, several countries in Latin America -- notably Guatemala and Haiti -- suffer low primary enrollment figures. USAID programs in basic education operate in Guatemala, Honduras, El Salvador, Jamaica, Nicaragua, Haiti, Ecuador and Peru.

Europe and the New Independent States: The data on primary education in the states of the former Soviet Union have become less reliable. UNICEF reports "As an ex-super power that traditionally reported high enrollment rates, low disparity, and no gender gap, there is now a dearth of available data, which makes a real assessment of the education situation in countries assistance in countries difficult." USAID is proposing limited basic education assistance to only one country in the region, Tajikistan.

Agency Strategic Goal: Human capacity built through education and training				
Indicator: Net primary enrollment ratio				
Source: UNESCO Statistical Yearbook 1997				
Performance Goal 1: Countries increase primary enrollment ratios fast enough to attain full primary enrollment by 2015.	YEAR		Base	1999
	PLANNED			
	ACTUAL			
Percentage of countries increasing primary enrollment ratio at or above the rate of increase needed to attain full primary-school enrollment by 2015, starting from 1992 base.	AFR	PLN		31%
		ACT	29%	
	ANE	PLN		86%
		ACT	75%	
	LAC	PLN		92%
		ACT	88%	
ENI	PLN		81%	
	ACT	n.a.		
Comment(s): Data in table are provided for USAID-assisted countries for which data are available. Baseline period is 1985-92 or 1985-93, as available. The 1999 benchmark represents performance over a period ending in 1999 and beginning in 1992-95, as available. For each country, the rate of increase in primary enrollment needed to reach full enrollment by 2015 was calculated, based on actual enrollment ratios in 1992 or 1993, as available. For each region, the statistic shown represents the percentage of countries increasing primary enrollment at least this fast over the period cited. Data are sparse for all regions. The changes shown partly reflect the increased number of countries reporting net enrollment data over the period. Eastern Europe and the New Independent States reported too few data for the base period to provide a meaningful comparison.				

2. The difference between girls' and boys' primary enrollment ratio is virtually eliminated. The second performance goal also flows from the USG commitment to the DAC targets. Regional performance is assessed on the basis of the share of countries in each region that either have or are projected to bring the gender gap in gross primary enrollment ratios under 5% by 1999.

Sub-Saharan Africa: Recent trends suggest that 8 out of 19 countries with relevant data are likely to reduce the gender gap in primary enrollments to below 5% by 1999, compared with 6 out of 19 in 1993. In many other cases, the current gender gap is too large to expect the goal to be reached by the end of the assessment period.

Asia and the Near East: Among the 12 countries in the region reporting the necessary data, 6 have gender gaps in gross primary enrollment already at or below 5%, while the remaining 6 have gaps considerably larger than this. Although gaps are expected to narrow in several of the latter, none of the high-gap countries are expected to make the dramatic progress necessary to meet the target by 1999.

Europe and the New Independent States: Gender gaps at the primary level are small in almost all countries in the region. By 1999, all countries in the region are expected to fall below the 5% threshold.

Latin America and the Caribbean: With the exception of Guatemala, gender gaps in gross primary enrollment ratios tend to be quite small in the region. This situation is expected to remain largely unchanged through 1999.

Agency Strategic Goal: Human capacity built through education and training.				
Indicator: Difference between gross primary enrollment ratios for girls and for boys				
Source: UNESCO Statistical Yearbook 1997				
Performance Goal 2: Gross primary enrollment rates for girls and boys differ by no more than 5%.	YEAR		Base	1999
	PLANNED			
	ACTUAL			
Percentage of countries meeting performance goal.	AFR	PLN		42%
		ACT	32%	
	ANE	PLN		50%
		ACT	50%	
	LAC	PLN		89%
		ACT	89%	
	ENI	PLN		100%
ACT		92%		
Comment(s): Data in table are provided for USAID-assisted countries for which data are available. The baseline and 1999 observations are for 1993 and 1999, respectively. Data are sparse in all regions except Europe and the New Independent States; changes in country coverage could affect measured regional averages in 1999.				

3. **Primary school completion rates improved.** Primary school completion rates provide indirect information on the quality of schooling; low completion rates typically indicate high

rates of repetition and dropout in response to low-quality education. Country performance is assessed on the basis of the proportion of children who eventually reach the fifth grade, and regional performance on the basis of the average rate for the countries in that region.

Sub-Saharan Africa: Recent trends suggest a modest increase in primary school completion rates in the countries for which data are available.

Asia and the Near East: Average completion rates are projected to increase by about 6% by 1999. Recent data are missing for several of the largest countries in the region, including Bangladesh. The current financial crisis in Asia creates some uncertainty for near-term trends in Indonesia.

Agency Strategic Goal: Human capacity built through education and training				
Indicator: Percentage of cohort enrolling in grade five.				
Source: UNESCO Statistical Yearbook 1997				
Performance Goal 3: Primary school completion rates improved.	YEAR		Base	1999
	PLANNED			
	ACTUAL			
	AFR	PLN		71%
		ACT	68%	
	ANE	PLN		84%
		ACT	78%	
	LAC	PLN		72%
		ACT	66%	
	ENI	PLN		89%
		ACT	83%	
Comment(s): Data in table are provided for USAID-assisted countries for which data are available. Baseline shows most recent available observation 1992-1994; 1999 column shows data for 1999. Data are sparse in all regions; changes in country coverage could affect measured regional averages in 1999.				

Latin America and the Caribbean: Poor educational quality in many of the poorer countries in the region leads to high rates of repetition and attrition. Reducing high repetition is essential to increasing completion rates. We expect a 6% increase in the share of children reaching fifth grade by 1999.

Europe and the New Independent States: Primary completion rates are high in most countries in the region; recent data are missing for several. We expect persistence to the fifth grade to increase about 6% by 1999, compared with the baseline period.

4. Number of inter-institutional higher education partnerships formed.

Higher education institutions can play a critical role in a country's development. USAID has found that partnerships between in-country institutions of higher education and U.S. higher education institutions, community-based organizations and/or private sector organizations are effective in enhancing the responsiveness of in-country schools to local and national needs. Partnerships between higher education institutions, Ministries of Education and Labor, business, and NGOs have been fostered through a series of USAID-sponsored conferences on best practices in workforce development held in Peru, Namibia, Egypt and India.

Sub-Saharan Africa: USAID funds the University Linkages Development Program which partners U.S. and African institutions. This program is designed to build institutional capacity and provide faculty exchanges. New regional networks of higher education institutions will be launched over the next three years.

Latin America and the Caribbean: USAID, through the Association Liaison Office for University Cooperation in Development, is promoting networks among institutions of higher education in the United States, Mexico, and other countries in Latin America, to promote economic and social development.

Asia and the Near East: USAID invests in institutions of higher education in Egypt and Lebanon so as to provide technical cooperation that focuses on solving development problems. In Egypt, USAID is sponsoring applied research at Egyptian universities through partnerships between faculty members in Egypt and the U.S. These partnerships in research will focus on important development issues in Egypt.

In Lebanon, USAID is working closely with the Lebanese American University in promoting business outreach and expanded economic opportunity, and with the American University in Beirut to identify and address environmental problems, and to assist public

and private sector linkages for finding solutions to development issues.

Europe and the New Independent States: USAID supports institutions of higher education in this region so as to facilitate transition, economic growth and democracy. For example, USAID is helping to form partnerships between higher education institutions and private sector in the Carpathian region, to enhance the ability of the local colleges to provide local and national development services in support of USAID's strategic objectives.

Agency Strategic Goal: Human capacity built through education and training				
Indicators: Number of inter-institutional higher education partnerships formed				
Source: USAID				
Performance Goal 4: Enhanced responsiveness of in-country institutions of higher education to local and national development needs.	YEAR		Base	1999
	PLANNED			25*
	ACTUAL		8*	
Inter-institutional higher education partnerships are formed that facilitate enhanced responsiveness.	AFR	PLN		5
		ACT	1	
	ANE	PLN		5
		ACT	1	
	LAC	PLN		4
		ACT	0	
ENI	PLN		11	
	ACT	6		
Comment(s): Source: USAID R4s. Figures include partnerships facilitated through the Historically Black Colleges and University initiative, the University Development Linkages Project, the cooperative agreement with the Association Liaison Office for University Cooperation in Development, and programs sponsored by the ENI Bureau. *The figures indicate new starts in 1997 (base) and in 1999.				

Eleven U.S. universities have partnered with fourteen local institutions of higher education in a geographical area covering nine countries from the Baltic States to Albania. The partnerships have been important in legitimizing MBA training and degrees in the region. In Poland, for example, the capacity to train entrepreneurs in business skills has been strengthened by establishing seven Polish management training institutions.

For the FY 97-99 period we expect an increase in the number and type of indigenous self-sustaining business training centers. The demand for the services of those who have completed course work in business management training has significantly increased.

One component of the Partnership for Freedom initiative includes the establishment of partnerships between and among academic and non-academic institutions in the U.S. and the NIS, as well as possibly in Central and Eastern Europe. Estimates are that at least nine partnerships will be developed in FY 99.

USAID GOAL: World population stabilized and human health protected.

To achieve this goal, USAID focuses on interventions that contribute directly and in an integrated fashion to achieving both stabilization of the world's population and protection of human health. To this end, USAID will support programs which: (1) reduce unintended and mistimed pregnancies; (2) improve infant and child health and nutrition and reduce mortality; (3) reduce deaths, nutrition insecurity, and adverse health outcomes to women of pregnancy and child birth; (4) reduce HIV transmission and the impact of the HIV/AIDS pandemic; and (5) reduce the threat of infectious diseases of major public health importance. USAID expects to contribute to the stabilization of world population and protection of human health through 48 strategic objectives in 43 countries and through 5 global strategic objectives.

INDICATORS:

- Total fertility rate
- Under 5 mortality rate
- Prevalence of underweight children under five
- Early Neonatal mortality rate (proxy for maternal mortality rate)
- HIV seroprevalence rate in 15-49 year olds

PERFORMANCE GOALS AND REGIONAL EXPECTATIONS:

1. Fertility rate reduced by 20 percent by 2007.

USAID's in-country programs to reduce fertility through increased use, demand and access to high quality family planning and other reproductive health programs have contributed to reductions in fertility rates worldwide due in part to application of USAID-supported research for new and improved contraceptive methods and improved programmatic innovations. While such research is a long term investment, progress will be made over this performance period. For example, in FY 1999, promising contraceptive leads, e.g., Femcap and a new spermicide/microbicide preparation, will move to the next stage of development. Methodologies for determining and evaluating the cost of family planning programs will be explored further and be used for establishing more cost effective programs. While the 10 year benchmark for fertility decline is 20% from current averages, we expect to see on average a reduction of 5% in total fertility rates by 1999.

Sub-Saharan Africa: Africa's population is growing faster than any other region in the world. On average, Africa has the highest fertility rates. Several countries in East and Southern Africa are entering a demographic transition where birth rates are declining steadily along with death rates. Fertility rates in Kenya have declined 20% in four years, and declined by 33% in Zimbabwe over the last 10 years. Between 1997 and 1999, total fertility rates in East and Southern African countries can be expected to continue declines of similar magnitude. In West Africa, however, declines will be less due to constraints to date on program implementation and persistent social traditions that support higher fertility.

Asia and the Near East: Asia has 60% of the world's population. As such, changes in average fertility rates have a tremendous impact on the size of the world's population. On average, the total fertility rate for regional countries in 1996 was 3.5, excluding China. This represents a 23% reduction from the average TFR of 4.3 in 1990. Over this period, USAID has made significant investments in family planning and health programs as well as other development efforts, making a major contribution to this decline. Contraceptive prevalence has increased sharply in these countries over this period, and now averages 45% across the region. In most of these countries that still have relatively high fertility rates, USAID will continue to make these investments over the coming year. As such, regional contraceptive prevalence is expected to increase by at least another 10% between 1996 and 1999, leading to a decline in TFR from 3.6 to 3.4 by the end of FY 1999.

Latin America and the Caribbean: On average over the last 10 years, the region's total fertility rate declined by 32% between 1987 and 1997, from 4.5 to 3.4 births per woman. This included significant recent declines in countries such as Bolivia, which demonstrated a 20% decrease in the total fertility rate (from 6.0 to 4.8) between 1989 and 1996. Further reductions in fertility in the region by at least another 5% are anticipated by the end of 1999.

Europe and the New Independent States: With the exception of several of the Central Asian Republics, high fertility rates are not a severe problem in the region. There is considerable variation in total fertility rates as well; ranging from 1.3 in Russia to 3.4 in Turkmenistan and 3.7 in Tajikistan. Increased access to and quality of family planning and reproductive health services has had a significant impact; in Russia for example, contraceptive use increased from 19% in 1990 to 24% in 1994. At the same time, the number of abortions per 1000 women declined from 109 to 76. Continued increase in access to family planning and reproductive health services is expected to result in reductions in fertility rates in the Central Asian Republics as

well as contribute to reductions in rates of abortion and in maternal mortality rates.

Agency Strategic Goal: World Population Stabilized and Human Health Protected				
Indicators: Total fertility rate				
Source: World Development Indicators 1997 (Table 2.2)				
Performance Goal 1: Fertility rate reduced by 20 percent by 2007.	YEAR		1997	1999
	PLANNED			4.2
	ACTUAL		4.4	
Percent decline in TFR	AFR	PLN		5.1
		ACT	5.4	
	ANE	PLN		3.4
		ACT	3.6	
	LAC	PLN		3.2
		ACT	3.4	
	ENI	PLN		1.94
		ACT	2.04	
Comment(s): TFR measures only one aspect of the goals of this program. In addition to reducing overall fertility rates, reductions in unintended pregnancies through increased access, use and quality of family planning and reproductive health programs contribute to improved maternal and child health. For ENI reductions in TFR are counted only for the Central Asian Republics. In other countries, these programs contribute to reduced incidence of abortion and reduced maternal mortality. With a 10 year benchmark for fertility reduction of 20% from baseline levels, we expect to see a 5% reduction by 1999.				

2. Mortality rates for infants and children under the age of five reduced by 25 percent.

USAID's programs will contribute to improved infant and child health and reduced mortality by improving child health and nutrition practices and services and strengthening the systems that deliver them. In addition to specific results in country programs, in FY 1999, USAID will continue to intensify its effort to eliminate vitamin A deficiency; vitamin A deficiency affects more than 250 million children under 5 worldwide and significantly impacts on child mortality. USAID will also contribute to the global effort to eradicate polio by the year 2000; effectively institute programs to social market impregnated bednets for the prevention of malaria in at least two countries; advance development of malaria diagnostics and unijects for

tetanus toxoid and hepatitis B vaccines; and improve the planning, and procurement of vaccine supply in at least five countries. In coordination with WHO, UNICEF and other partners, USAID will continue reaching greater numbers of children with basic child survival interventions, aimed at the major killers of children, including immunizations and prevention and treatment of diarrheal diseases, pneumonia and nutrition. Additional efforts will target increasing the use, quality and sustainability of these interventions.

Sub-Saharan Africa: In the last ten years, under five mortality rates in Africa have declined by more than 20% to 124.7 death per 1,000 live births. Similarly, infant mortality has declined to 95 deaths per 1000 live births in 1996. Continued investments in health systems and key interventions to address infant and child mortality are expected to result in continued declines in infant and under five mortality. In countries with severe levels of HIV infection, however, major declines in child survival rates will be unlikely and some increases unfortunately may occur.

Asia and the Near East: On average, regional infant mortality was 61 deaths per 1000 live births, and under five child mortality rates have declined by 70% from 96.3 in 1987 to 59.8 in 1997. In many countries, impressive improvements have been made in reducing infant and child mortality, including Nepal, where under-five child mortality declined from 165 deaths per 1000 live births in 1991 to 118 in 1996; the Philippines, where under five mortality has been almost cut in half, and Morocco, where U5MR declined from 216 in 1960 to 61 in 1992. However, infant and child mortality rates in many other countries in the region are still disturbingly high. Primary killers of children are diarrheal disease, acute respiratory infections, and vaccine preventable disease such as measles. This region also has the highest prevalence of child undernutrition, as well as high prevalence of vitamin A deficiency; these facts make vitamin A and other nutrition interventions key to achieving further reductions in child mortality. Continued investments in addressing these and other related problems are expected to result in at least a 7% decline in infant and under-five mortality rates in the region between 1997 and 1999.

Latin America and the Caribbean: Average infant mortality and under five mortality rates in Latin America have also continued to decline; between 1987 and 1997 under-five child mortality declined dramatically from 77.4 deaths per 1,000 live births to 44 deaths per 1000 births. Infant mortality has also declined significantly; in 1996, the infant mortality rate was 40 deaths per 1000 live births. This decline is due to sustained progress in building effective health systems that can deliver appropriate services on a routine basis. Vaccination coverage improved over 1995 levels across the region. Among eight child survival emphasis countries, 3 achieved 90% coverage of all program

antigens, and two others had achieved at least 80% coverage. Infant and child mortality in Latin America is expected to decline to roughly 41 by 1999.

Europe and the New Independent States: Key problems within the region related to child health and mortality have to do with breakdowns in the health care system, resulting in poor access to and availability of appropriate basic health care services. Breakdowns in immunization coverage for example, have resulted in outbreaks of diphtheria and other preventable childhood diseases. Infant and under-five mortality rates vary widely across the region. In 1996, infant mortality rates were as high as 46 deaths per 1,000 live births in Turkmenistan, but 14/1000 in Ukraine. Similarly, under-five mortality rates were 85/1000 in Turkmenistan, 79/1000 in Tajikistan, but 26 in Georgia and 24 in Ukraine. Strengthening of basic health care systems is expected to result in decreases of infant and child mortality rates of 5-10% in countries in the Central Asian Republics where the mortality rates are relatively high.

Agency Strategic Goal: World Population Stabilized and Human Health Protected				
Indicators: Under 5 mortality rate				
Source: World Development Indicators (Table 2.14); USAID calculations				
Performance Goal 2: Mortality rates for infants and children under the age of 5 reduced by 25 percent by 2007.	YEAR		1997	1999
	PLANNED			82
	ACTUAL		88.1	
Percent reduction in under-five mortality rates on a regional basis	AFR	PLN		116
		ACT	124.7	
	ANE	PLN		55.6
		ACT	59.8	
	LAC	PLN		41
		ACT	44.1	
	ENI	PLN		47
		ACT	50.7	
Comment(s): Planned reductions for ENI countries are for the Central Asian Republics only, where under-five mortality is still fairly high. With a 10 year target of reducing under five mortality by 25%, we expect to see a 7% decline by 1999.				

3. Maternal mortality ratio reduced by 10 percent.

High maternal mortality rates are a devastating problem in the developing world. Research has recently indicated that community interventions can be very effective in addressing maternal mortality; further research, and expansion of such interventions will be undertaken in FY 1999 in addition to in-country programs. The impact of global iron supplementation programs directed at pregnant women, based on improved distribution of supplements and motivation for compliance will also be determined. Using an approach which empowers women and meets the needs of mothers and infants, NGOs in partnership with USAID, will continue to expand geographic access and promote technical excellence in antenatal care, safe birthing practices, treatment of obstetrical complications, and postpartum, post-abortion and newborn care.

Sub-Saharan Africa: Data on maternal mortality is notoriously poor. However, we do know that most maternal deaths are due to obstetric emergencies, hemorrhage, poor nutrition for pregnant women, and complications from abortion. The estimated proportion of deaths to women due to pregnancy and childbirth complications in sub-Saharan Africa is the highest in the world, averaging 980 deaths per 100,000 live births, ranging from 1,800 in Sierra Leone to 50 in Mauritius and 230 in South Africa. Given the poor quality of the data, we will not be able to measure a change in maternal mortality over this reporting period. However, by the end of FY 1999, increases in the proportion of births attended by trained providers, increased use of contraception, and improved nutrition for pregnant women in a number of countries will result in a reduction in maternal mortality over the next ten years by 10%.

Asia and the Near East: Many countries have very high maternal mortality ratios, due to the low status of women, lack of trained birth attendants, poor nutrition, and mistimed and unwanted pregnancies. In recent years, expanded attention to maternal health has resulted in an increase in the proportion of births attended by trained providers. Increased use of contraceptives has improved child spacing and impacted on the use of abortion, thereby reducing the number of complications. These investments will continue, and neonatal mortality rates, as a proxy for maternal mortality, are expected to decline by 2% between 1997 and 1999.

Latin America and the Caribbean: Reduction in maternal mortality continues to be a priority in the region as a whole, as estimated maternal mortality ratios on average are 140/100,000 live births, but range from 27 in some countries in the Caribbean to 650 in Bolivia and 1,000 in Haiti. However, targeted program interventions have demonstrated that considerable progress is possible in reducing maternal mortality, and during this

Agency Strategic Goal: World Population Stabilized and Human Health Protected				
Indicators: Early neonatal mortality rate				
Source: Demographic and Health Survey				
Performance Goal 3: Maternal mortality ratio reduced by 10 percent by 2007.	YEAR		1997	1999
	PLANNED			19.3
	ACTUAL		19.7	
Percent reduction in neonatal mortality rate on a regional basis	AFR	PLN		22.7
		ACT	23.2	
	ANE	PLN		18.3
		ACT	18.7	
	LAC	PLN		13.7
		ACT	14.0	
ENI *	PLN			
	ACT			
<p>Comment(s): Annual change is marked primarily by progress at the intervention level, notably by increases in the proportion of births attended by trained providers, a key factor in reducing maternal mortality. While not shown in this table, this proportion is expected to increase by 1% per year in a USAID assisted countries, contributing to the planned reduction in maternal mortality by the end of the strategic plan period.</p> <p>As a proxy for maternal mortality, neonatal mortality rates are expected to decline by 2% on average by 1999 as a benchmark toward the 2007 targets of a 10% decline.</p> <p>* Neonatal mortality rate is not used as a proxy measure for countries in the ENI region, as high rates of mortality are due largely to high rates of abortion, and neonatal mortality is therefore not an sensitive measure of progress in reducing maternal mortality in the region. Progress is measured by maternal mortality ratios in specific countries.</p>				

reporting period, results from community-level actions throughout the region will contribute to a decline in maternal mortality over the next ten years. In at least 11 countries, there will be at least a 1% annual increase in the proportion of births attended by trained providers. This key intervention will directly contribute to overall reductions in maternal mortality. Another key factor in reducing maternal mortality is political commitment to recognizing and addressing the problem at the community as well as the national level. During this reporting period, there will be at least a five percent increase in the percentage of districts that have made a clear commitment and

taken action to address maternal mortality. At national levels, there is growing political interest in maternal health programs in the region, especially by the First Ladies.

Europe and the New Independent States: While data is not very reliable, estimated maternal mortality ratios range from 180 maternal deaths per 100,000 live births in Turkey, to 130 in Tajikistan to 66 in Romania, and 7 in Ukraine. However, adequate access to appropriate family planning and reproductive health services is a problem, and has resulted in poor reproductive health and high rates of abortion and maternal mortality in many countries. Continued increase in access to family planning and reproductive health services is expected to result in reductions in maternal mortality rates by 10% over the strategic plan period.

4. Number of new HIV infections slowed.

In addition to country programs designed to foster prevention of HIV transmission and mitigate the impact of the HIV/AIDS pandemic, USAID will support key research efforts designed to improve the efficacy of HIV/AIDS programs. USAID is also a key contributor to the United Nations Programme on HIV/AIDS (UNAIDS).

Sub-Saharan Africa: By 2000, HIV/AIDS in Africa is projected to be responsible for a significant increase in crude death rates and child mortality rates in Africa. However, recent data indicate that there may be some progress in slowing the spread of HIV/AIDS on a limited basis in countries such as Uganda that have taken an aggressive stance in addressing the epidemic, including fostering increased use of condoms. Over the performance period, this data is expected to be validated, and if appropriate these successful approaches will be replicated in other countries.

Asia and the Near East: Asia is the region where the HIV/AIDS epidemic is expected to explode in the next several years, particularly in south and south east Asia. In 1996, Asia surpassed Africa as the region with the greatest number of new HIV/infections, particularly in countries with high risk factors (Cambodia, India and Vietnam). However, there are encouraging trends where HIV prevalence continues to be low in some countries that have mounted aggressive HIV/AIDS prevention programs early on such as Thailand. Over the performance period, the numbers of new HIV infections in the region are expected to increase at a lower rate.

LAC: There are striking differences in levels of HIV/AIDS prevalence across Latin America and the Caribbean. HIV rates in the general population range from less than 1 percent in Ecuador to 9 and 10 percent in Haiti. In 1996, Brazil had the second highest number of reported AIDS cases in the world, with an

estimated 500,000 Brazilians infected with HIV. The HIV/AIDS epidemic is spreading rapidly in Central America: between 1988 and 1992, the annual number of AIDS cases rose by 190%. It is estimated that more than 200,000 people in the region had been infected with HIV as of 1996. However, HIV/AIDS prevention programs in Central America, Brazil, and in the Caribbean countries are expected to result in a reduction in the number of new HIV infections in those regions between 1996 and 1999.

Agency Strategic Goal: World Population Stabilized and Human Health Protected				
Indicators: Number of new HIV infections				
Source: UNAIDS				
Performance Goal 4: Number of new HIV infections slowed.	YEAR		1997	1999
	PLANNED			
	ACTUAL		5,826	
Number in 000's	AFR	PLN		
		ACT	4,000	
	ANE	PLN		
		ACT	1,670	
	LAC	PLN		
		ACT	227	
	ENI	PLN		
		ACT	100	
Comment(s): While data on numbers of new infections will only be available every three or four years, on an annual basis, USAID tracks progress against these goals by looking at tracking program level indicators, including rate of reporting condom use, % decrease in reported prevalence of selected sexually transmitted infections, and volume of USAID condoms shipped to HIV emphasis countries.				

Europe and the New Independent States: While data are very poor, numbers of HIV infections have rapidly increased in several of the countries in the region, most notably Ukraine and Russia. With the increase in drug abuse and commercial sex after the fall of the Soviet Union, there was a dramatic increase in new HIV infections. Presently there are between 10,000 and 100,000 HIV infected persons in Russia with between 800,000 to 1,000,000 infections projected by the year 2000. The potential exists for the epidemic to grow rapidly in other countries in the region given the low levels of knowledge of HIV/AIDS and use of

appropriate safe sex practices as well as a need for greater access to condoms.

5. Proportion of underweight children under five in developing countries reduced.

Sub-Saharan Africa: While there have been slight declines in the proportion of underweight children in sub-Saharan Africa on average, of critical concern are increases in malnutrition that seem to be occurring in several countries in the region. Over this reporting period, USAID will support analytical work in these countries to determine why malnutrition is increasing, and work with in-country partners to implement appropriate responses. In five countries initially, USAID has launched targeted nutrition interventions. It is expected that these interventions will result in a 5% reduction in malnourished children in these countries. In the next reporting period, this package will be introduced in additional countries. In East Africa, a salt-iodization program supported by USAID will contribute to a 10% reduction in iodine deficiency in countries in the Horn of Africa. Planned vitamin A programs could have a significant impact on child survival.

Asia and the Near East: As growth in per capita income increases, and increased use of nutrition interventions through health programs continues, including reduction of micro-nutrient deficiencies, the proportion of children undernourished will continue to decline. In this region in 1996, the average proportion of underweight children was 24.4%. This represents a 4% decline from 1990. The average proportion of underweight children is expected to decline by at least 5% between 1997 and 1999.

Latin America and the Caribbean: Latin America has better nutritional status, on average, than the other regions in which USAID works. However, there are several countries where the percentage of underweight children is high and on a par with some countries in Africa and Asia. In 1997, the percentage of children under five underweight in Latin America averaged 17.9%, a decline from an average of 19.3% in 1987. The proportion of children undernourished is expected to decline by at least 5% between 1997 and 1999. Good progress has been made especially in Central America in food-fortification with vitamin A, contributing to reductions in child mortality.

Agency Strategic Goal: World Population Stabilized and Human Health Protected				
Indicators: Proportion of children under age 5 years who are underweight				
Source: World Development Indicators, USAID calculations				
Performance Goal 5: Proportion of underweight children under 5 reduced.	YEAR		1997	1999
	PLANNED			29.3
	ACTUAL		30.8	
Percent reduction in proportion of children under five underweight	AFR	PLN		36.6
		ACT	38.5	
	ANE	PLN		23.2
		ACT	24.4	
	LAC	PLN		17
		ACT	17.9	
Comment(s):				

6. Reduced threat of infectious disease

In FY 1998, USAID adopted a new strategic objective designed to reduce the threat of infectious diseases of major public health importance. This expands on USAID's existing efforts in child survival and in reducing the spread of HIV/AIDS and other sexually transmitted diseases. Under this strategy, USAID will focus on slowing the emergence and spread of anti-microbial resistance; testing and improving options for controlling tuberculosis; expanding the control of malaria, dengue and other major infectious diseases; and strengthening disease surveillance and response capacity.

In FY 1999, USAID will have established and begun collecting information against key performance targets, and key program interventions will be in place in each region.

USAID GOAL: THE WORLD'S ENVIRONMENT PROTECTED FOR LONG-TERM SUSTAINABILITY

To achieve this strategic goal, USAID supports programs which reduce the threat of global climate change, conserve biological diversity, promote sustainable urbanization including pollution management, increase the use of environmentally sound energy services, and encourage the sustainable management of natural resources.

In FY 1999, USAID will contribute to environment goals and objectives through 88 operational strategic objectives in 63 countries (and 16 regional and central objectives).

INDICATORS:

- Host government commitment to environmental sustainability (National environmental management strategies, participation in international environment treaties);
- Nationally important natural resources placed under improved management (in hectares and as percent of total land area).
- Carbon dioxide emissions, average annual rate of growth.
- Percent of urban population with access to safe drinking water.
- Percent of urban population with access to sanitation services.
- GDP per unit of energy use.
- Percent of energy production from renewable sources.
- Percent change in forested land area (in hectares).

PERFORMANCE GOALS AND REGIONAL EXPECTATIONS:

1. **Overall environment: Host government commitment to sound national and international environmental programs.**

An index is developed which includes the following indicators: national environmental management strategies and participation in international environmental treaties.

This goal is an expression of general government commitment to national environmental programs addressing biodiversity conservation, climate change, natural resource management, pollution, and sustainable development in general. Part of this

measure is an index which includes the following indicators: national conservation strategies, national environmental action plans (NEAPs), and country environmental profiles. Another indication of a country's commitment is whether it has signed or ratified international treaties, including the UN Framework Convention on Climate Change, the Vienna Convention for the Protection of the Ozone, the Montreal Protocol for CFC Control, the Law of the Sea, and the Convention on International Trade in Endangered Species of Wild Flora and Fauna.

Sub-Saharan Africa: According to this indicator, six governments have relatively high levels of commitment to the environment; and nine have a medium level of commitment. Angola, Eritrea, and the Democratic Republic of the Congo have a low level of commitment. In addition to the formal plans and agreements, trends seem to indicate that governments are working in closer partnership with the population, particularly those in the rural regions. Countries such as Botswana, Madagascar, Guinea, and Niger have shown progress in this regard. In Uganda, rural district environmental advisors will increase from 19 districts today, to 30 in FY 1999, while the USAID-supported National Management Authority will have prepared Uganda's new National Environmental Action Plan.

Asia and the Near East: Commitment in the region ranges from the Philippines, with an almost perfect score to Cambodia, Morocco, and the West Bank/Gaza with low levels of commitment.

Europe and the New Independent States: According to this measure, commitment in this region ranges from medium to low, but with many governments actively developing environmental plans. Poland, Russian Federation, and Romania have a medium level of commitment. Albania, Armenia, Georgia, Lithuania, Kyrgyz Republic, Moldova, Turkmenistan, Ukraine, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan currently fall in the low range.

With USAID assistance, Armenia, Azerbaijan, Georgia and Uzbekistan will complete National Environmental Action Plans (NEAPs) in FY 1998. USAID has already assisted Albania, Bulgaria, the Czech Republic, Hungary, Kazakstan, the Kyrgyz Republic, Poland, Romania, and the Slovak Republic with the completion of their NEAPs. Rather than NEAPs, Regional Environmental Action Plans are being developed in Russia with USAID support. Bulgaria's National Biological Diversity Conservation Strategy was one of the first national-level strategies to be completed following the adoption of the UN Convention on Biological Diversity in Rio de Janeiro in 1992.

Latin America and the Caribbean: Trend data are not available for this indicator, however available information on plans and treaty participation can serve as benchmark. Accordingly,

Agency Strategic Goal: The World's Environment Protected for Long-Term Sustainability				
Indicators: National environmental management strategies and international treaties				
Source: World Development Indicators (Table 3.9); USAID calculations				
Performance Goal 1: National environmental management strategies prepared and international treaties participation (see comments below).	YEAR		1997*	1999**
	PLANNED			10.6
	ACTUAL		10.4	
	AFR	PLN		12.4
		ACT	12.2	
	ANE	PLN		11.5
		ACT	11.3	
	LAC	PLN		13.2
		ACT	12.9	
ENI	PLN		7.9	
	ACT	7.7		
<p>Comment(s): A 19-point scale was developed to assess a government's commitment to the environment. A low level of commitment was considered to be 0-7, a medium level of commitment 7.5-14, and a high level 14.5-19. The information was compiled and averaged for USAID-assisted countries in four regions. The scale was based on whether a country had prepared any of four types of national environmental management strategies or whether it had participated in any of five major international environmental treaties. This scale does not indicate the degree to which an environmental strategy has been carried out or an international treaty was followed. Averaging this scale across regions serves only to give a general idea of political commitment to environmental issues. The strategies and treaties include:</p> <ul style="list-style-type: none"> -National Environmental Action Plans -National Conservation Strategies -Country Environmental Profiles -Biological Diversity Profiles -Frequency of reporting on trade in endangered species -Convention on International Trade of Endangered Species (CITES) -Framework Convention on Climate Change -Vienna Convention on the Protection of the Ozone Layer -Montreal Protocol for CFC Control -Law of the Sea <p>* Data are current through 1997 as per World Development Indicators (Table 3.9) and other sources. ** For the sake of demonstrating a trend, a one percent per year increase (two percent over two years) is given for 1999.</p>				

Ecuador and Nicaragua have relatively high levels of government commitment to the environment. All of the other USAID-assisted countries in LAC with environmental programs have a medium level of commitment.

2. Biodiversity: Conservation of biologically significant habitat improved.

USAID has improved conservation of biodiversity in over 40 million hectares. USAID's overall biodiversity conservation goal is to increase this area to 75 million hectares over a ten-year period in USAID assisted countries. This means that an additional 3.5 million hectares per year will be added to the Agency's biodiversity portfolio. An analysis must be made on a regional basis of where the Agency needs to focus its efforts in the future.

USAID works with host countries and partners to improve the management of biologically significant areas both within and outside of officially protected areas. Both qualitative and quantitative measures should be looked at, however, no existing international database provides these data on an annual basis.

Sub-Saharan Africa: USAID-assisted countries most important for biodiversity conservation in sub-Saharan Africa include Madagascar, Tanzania and Uganda, and the Central Africa Region. A proxy indicator for this performance goal is the percentage of total land area protected. For example, in FY 1999 Madagascar is expected to increase its number of hectares under protected status by 620,000 ha, to 1.8 million ha, or 10 percent of all forested areas in Madagascar. This is a significant increase from the 1.18 million ha currently (1997) under protected status.

Asia and the Near East: The Agency's draft Strategy for Biodiversity Conservation identified critical habitat globally important for biodiversity in Cambodia, India, Indonesia, Nepal, the Philippines, and Sri Lanka.

In FY 1999, the only remaining large program in forestry and protected areas in this region is in Indonesia. As USAID reduces missions in the region, lack of staff to manage biodiversity programs will have a direct impact on contributions to these objectives. However, significant strides will continue to be made in biodiversity conservation through the Agency's established endowment funds such as Indonesia Biodiversity Foundation (or KEHATI), which is now a successful, self-sustaining fund.

Latin America and the Caribbean: The following biogeographic regions in Latin America and the Caribbean are considered to be globally important for biodiversity, according to the Agency's draft Strategy for Biological Diversity: Central America,

Insular Caribbean (primarily Jamaica), the Northern and Central Andes (i.e., Ecuador, Peru), Amazonia, (i.e., Brazil), and Northern Mexico. The region also harbors globally important coral reefs and marine ecosystems in the Caribbean and the Galapagos. USAID-assisted countries important for biodiversity conservation in LAC include all those in Central America plus Bolivia, Brazil, Ecuador, Jamaica, Mexico and Peru.

Agency Strategic Goal: The World's Environment Protected for Long-Term Sustainability					
Indicators: Nationally protected area (in thousands of square kilometers and as percent of total land area)					
Source: World Development Indicators and World Resources Institute based on data from the World Conservation Monitoring Center					
Performance Goal 2: Conservation of biologically significant habitat improved.	YEAR		1994 (km ² ×1000) (%)	1999* (km ² ×1000) (%)	
	PLANNED			3308km ² 5.7%	
	ACTUAL		3,007km ² 5.18%		
<p>Note: Top figure is thousands of square kilometers of terrestrial-based protected areas according to the World Conservation Monitoring Center. Protected areas include 5 World Conservation Union (IUCN) categories (national parks, managed natural reserves, etc.). Bottom figure is same area as a percentage of total land area. This indicator is for USAID-assisted countries only.</p> <p>Since the most recently available information is from 1994 (and is usually updated annually), projecting this to 1999 is difficult at best. A nominal one percent per year increase over five years of the total area is given for 1999. For example if the protected area coverage in 1994 is 100 km² or 10%, the 1999 figures would be 105 km² or 10.5%.</p>	AFR	PLN		948km ² 6.3%	
		ACT	862 km ² 5.81%		
	ANE	PLN		524km ² 5.4%	
		ACT	476 km ² 4.9%		
	LAC	PLN		908km ² 7.1%	
		ACT	829 km ² 6.45%		
	ENI	PLN		924km ² 4.8%	
		ACT	840 km ² 4.33%		
	Comment(s): *If current data reporting remains the same, actual 1999 figures would not be available until 2004.				

FY 1999 funds will lead to significant improvement in the conservation and management of globally-important biodiversity areas in the region, covering over 27 million hectares. Conservation of Central America's "Meso-American Biological Corridor" will be improved such that over 20 of the parks and reserves along that route will be sustainably managed. FY 1999 funds will provide the final push to graduate 28 protected areas (covering 20 million acres) from USAID support via the Parks in Peril program. Other key successes will include: (a) the last remaining 100,000 hectare fragment of Ecuador's Choco forest will be protected and most of the local indigenous groups will have land tenure rights over the area; (b) the Panama Canal watershed will be conserved to guarantee that the Canal receives adequate water while conserving important wildlife there; and (c) Bolivia's 2 million hectare dry forest in the Choco will be sustainably managed by the indigenous people found there. It is worth noting that efforts to conserve biodiversity in the region's tropical forests also contribute to the Agency's efforts to reduce climate change (see above).

Europe and the New Independent States: ENI countries contain rare species, such as the Siberian Tiger, and unique habitats, such as Russia's Lake Baikal. In FY 1999, biodiversity programs will continue to be active in Russia, the Ukraine, and Bulgaria. The Russian Far East Sustainable Natural Resources Management project provides technical assistance, support for managing protected areas, monitoring habitats, and the means to combat poaching. Protected areas are also supported in the Ukraine through the Ukraine Biodiversity Conservation program. The USAID/GEF Bulgarian Biodiversity Project supports the implementation of Bulgaria's National Biological Diversity Conservation Strategy.

3. Global Climate Change: Rate of growth in net emissions of greenhouse gases slowed.

The Agency's Climate Change Initiative is to focus on reducing greenhouse gas emissions while augmenting naturally occurring greenhouse gas storage and sinks. Activities will focus on energy and industry, forestry and natural resources, and sustainable agriculture. (Seventy-five percent of USAID forestry activities are considered to be part of the Climate Change Initiative.)

Sub-Saharan Africa: The five-country region of the Congo basin -- Cameroon, Central African Republic, Congo, Gabon and Zaire -- is a priority in USAID's Climate Change Initiative. The Central Africa region is important as a sink for carbon dioxide because of its extensive forests. USAID activities will include remote sensing and geographic information system analysis to improve forest cover data, coordination with scientists studying biomass and developing carbon inventories for various forest types, testing predictive models of forest degradation and

deforestation, and identifying policies that improve forest management.

The Republic of South Africa was recently added as a priority country in USAID's Climate Change Initiative. USAID will begin to identify opportunities to engage South African partners in reducing greenhouse gas emissions, especially emissions related to the country's reliance on coal for power generation. Performance targets will be developed prior to FY 1999.

Asia and the Near East: India, Indonesia, and the Philippines are priority countries in USAID's Climate Change Initiative. Since energy consumption in all three of these countries is growing rapidly, the thrust of USAID's approach to reducing greenhouse gas (GHG) emissions is and will continue to be in the energy sector. Activities in sustainable forestry management (such as reduced impact harvesting, fire management, rehabilitation of degraded lands) also reduce net emissions of GHGs through the sequestration of carbon, and USAID is continuing its work in this area. See the discussion of Natural Resource Management below. The main areas targeted by the Agency are restructuring the power sector, improving electricity generation efficiency, and expanding renewable energy commercialization. These efforts are reducing the emissions of carbon dioxide as well as local pollutants such as sulphur oxides, and saving energy due to increased sector efficiency, which also reduces emissions.

In India, plans for mitigating global climate change are expected to result in the direct reduction of four million metric tons of carbon dioxide emitted per year. In Indonesia, USAID activities in energy efficiency are expected to save 140,000 megawatt-hours (MWh) of energy in 1998 and 210,000 MWh in 1999. Agency plans to develop the Philippines' extensive natural gas reserves, plus renewable energy and energy efficiency measures, are expected to reduce GHG emissions by 1.8 million metric tons in 1998 and 2 million metric tons in 1999. However, the Agency is reducing its environmental staff in Indonesia and the Philippines as these missions prepare for close-out around 2005. Reduced staff to manage global climate change programs will make it increasingly difficult to reach the Agency goals for reducing GHG emissions in these countries.

Europe and the New Independent States: USAID's Climate Change Initiative focuses on the Central Asian Republics, Poland, Russia, and the Ukraine. The Initiative will use a variety of tools, including policy reform, institution capacity building, education, and outreach, information collection and dissemination, technology cooperation, partnerships with the private sector, coordination with other donors, and the use of credit instruments to achieve these objectives. The ENI and Global Bureaus are exploring possible application of USAID's new Development Credit Authority (DCA) to guarantee commercially financed activities aimed at reducing CO2 emissions in Poland and

the Russian Far East. Energy sector reform involving restructuring, privatization and independent regulation will lead to greater efficiencies in energy supply systems and have a positive impact on greenhouse gas emissions. See Performance Goal 5 on Environmentally sound energy services.

Latin America and the Caribbean: USAID's environmental programs in Brazil, Mexico, and the Central American region are designed to reduce the growth rate of carbon dioxide emissions by: reducing tropical deforestation (increasing carbon sinks); and, promoting the use of "clean" energy technologies, which reduce fossil fuel burning.

Agency Strategic Goal: The World's Environment Protected for Long-Term Sustainability				
Indicators: Carbon dioxide emissions, average annual rate of growth				
Source: World Development Indicators (Table 3.5) based on Oak Ridge National laboratory, CDIAC database; USAID calculations				
Performance Goal 3: Rate of growth of net emissions of greenhouse gases slowed.	YEAR		1998-1995 (%/yr.)	1999* (%/yr.)
	PLANNED			-1.46
	ACTUAL		-1.40	
Average annual percent change in the rate of growth of carbon dioxide emissions. Note: Carbon dioxide (CO ₂) emissions from industrial processes are those stemming from the burning of fossil fuels, manufacture of cement, and gas flaring. Data are reported in thousand metric tons of carbon (in the CO ₂ emitted). Growth rates are calculated for the period 1988-1995 using the least squares method. Since the most recently available information is from 1995, projecting this to 1999 is difficult at best. A nominal one percent per year increase over four years of the growth rate is given for 1999. For example, if the carbon emission growth rate is 10 in 1995, the 1999 figure would be 9.6%.	AFR	PLN		.99
		ACT	1.03	
	ANE	PLN		6.59
		ACT	6.86	
	LAC	PLN		3.40
		ACT	3.53	
	ENI	PLN		-5.90
		ACT	-5.67	
Comment(s): *If current data reporting remains the same, actual 1999 figures would not be available until 2003. Baseline rate is the 1988-1995 period.				

Our Brazil program will protect forests covering an area larger than Israel. It will produce 200 megawatts of energy from renewable sources while saving an additional 300 megawatts by increasing industrial efficiency. The program will also disseminate successful pilot activities in reduced impact harvesting to private sector concessionaires logging 500,000 hectares. This latter program will leverage tens of millions of dollars from the G-7 Pilot Program to Conserve the Brazilian Amazon.

In Mexico, our programs will reduce deforestation rates by 33 percent to 50 percent on lands equivalent in size to the Carolinas, and will prevent over 350,000 tons of carbon dioxide emissions through our renewable energy and energy efficiency programs, many of which will likely be replicated with Government of Mexico and World Bank funds.

In Central America, the program will start supporting: (a) the establishment of climate change offices in each Central American nation; (b) the development of a region-wide monitoring system to increase the flow of public and private resources to effective GCC mitigations; (c) the demonstration and dissemination of models to sequester methane from landfills; (d) the establishment of a regional carbon credit system for trading carbon emissions on the open market in the U.S.; and, (f) the development, replication, and "main-streaming" of additional energy generation capacity from renewable sources.

4. Sustainable Urbanization: Urban population's access to adequate environmental services improved.

In the past decade, rapid population growth in urban areas has made the task of providing adequate urban environmental services, particular safe drinking water more difficult. The Agency's goal is to improve and increase services in the area of water and sanitation.

Sub-Saharan Africa: USAID's strategy in the region has been to focus its support on environmental and natural resource management issues (rather than sustainable urbanization). However, USAID is currently reassessing its strategy in Africa through a study on water, sanitation and urban issues in the region. USAID may be able to approach urbanization issues through support of NEAPs, trade and investment initiatives, or environmental education, for example.

Asia and the Near East: The Agency has significant water resources management programs in Jordan, Egypt, Morocco, and the West Bank/Gaza, where the degradation and depletion of water resources pose the most critical challenges to environment, social, and economic development. USAID activities in the water

sector are focused on increasing the use and management of fresh water supplies, and improving the volume and quality of treated waste water.

In Jordan, the volume of fresh water saved through preserving water quality and improving efficiency and storage is predicted to be 57 million m³ in 1998 and 84 million m³ in 1999. The volume of waste water treated to levels safe for irrigation is estimated to increase from none in 1996 to 53 million m³ in 1998 and 60 million m³ in 1999. In Egypt, 9 million and 9.6 million people in 1998 and 1999, respectively, will be served by USAID-funded waste water conveyance and treatment facilities in urban centers. In both 1998 and 1999, it is predicted that over 1 billion liters of water per day will be treated to design standards. USAID activities in Morocco are predicted to result in water savings of 30 million m³ and 70 million m³ per year in 1998 and 1999 respectively. USAID support there is also connecting poor, urban households to sewerage and potable water, with an added 26% of households connected by 1998 and 41% by 1999, compared to 1994.

USAID efforts in the West Bank and Gaza have been stymied by political obstacles, but progress in the water sector has been and is continuing to be made. USAID assistance will lead to the upgrading of waste water services to 60% of the households in Gaza by 1999. Also in the next two years, USAID will provide support to expand the Gaza Waste Water Treatment Plant to handle an additional 18,000 cubic meters per day of effluent, providing relief from the sewage overflow problem in Gaza. USAID efforts to increase the potable water supply will improve transmission and delivery for approximately 720,000 West Bank residents, and expand the water supply system to another 170,000 people by 1999 or 2000.

Europe and the New Independent States: USAID's FY 1999 programs focus on the municipal-level services throughout the region.

Increased Access To Sanitation Services: Countries reporting in this area show that 80 to 95 percent of their urban population had access to sanitation services. While access to sanitation services appears to be adequate, a number of issues remain problematic, including the quality of treatment of collected sewage, processing and handling of waste, the mixing of domestic and industrial wastes, and high maintenance sewage processing. Furthermore, the transfer of sanitation services from central to local jurisdictions has been hampered by insufficient fee collection systems.

Increased Access to Safe Drinking Water: The Agency considers improvements in the reliability, quality and quantity of potable water to be of paramount importance to populations affected by the Aral Sea disaster. Trends indicate that the focus is on

regional cooperation in the regulation and use of the Aral Sea Basin resources. While data indicate 90-100 percent of the urban population have access to drinking water, the availability of safe drinking water when required remains an issue. In many areas of ENI, drinking water is available for only a few hours a day and frequently in insufficient volumes. Pockets of unsafe drinking water exist around industrial, agricultural and urban areas. Systems are not in place to address the economic utilization of safe drinking water, which was formerly a free or nearly free commodity.

Agency Strategic Goal: The World's Environment Protected for Long-Term Sustainability				
Indicators: (a) Percent of urban population with access to safe drinking water; (b) Percent of urban population with access to sanitation services				
Source: World Development Indicators (Table 3.6); USAID calculations				
Performance Goal 4: Urban population's access to adequate environmental services increased.	YEAR		1993	1999*
	PLANNED			88.5% 65.4%
	ACTUAL		83.5% (Water) 61.7% (Sanit a.)	
<p>Note: The top figure in the cell represents the percent of urban population with access to safe drinking water; the bottom figure represents the percent of urban population with access to sanitation services.</p> <p>Since the most recently available information is from 1993, projecting this to 1999 is difficult at best. A nominal one percent per year increase over six years of the growth rate is given for 1999. For example, if access to safe water is 90% in 1993, the 1999 figure would be 95.4%.</p>	LAC	PLN		96.7% 83.0%
		ACT	91.2% 78.3%	
	ENI	PLN		100 % 75.3%
		ACT	98% 71%	
Comment(s): *If current data reporting remains the same, actual 1999 figures would not be available until 2005.				

Latin America and the Caribbean: The most important USAID sustainable urbanization programs in the region are in Peru and

Jamaica. FY 1999 funds will allow for an increased percentage of solid waste in Lima being disposed of properly in sanitary landfills, from 38 percent to 53 percent of the waste will be properly disposed. In Jamaica, three water treatment plants will be operated and maintained by the private sector in urban areas.

The Agency supports related work in Peru and Jamaica to reduce pollution from industrial sources. FY 1999 funds will promote industries, adoption of pollution prevention technologies and approaches -- those that reduce contamination in cost-effective ways. In Peru, we will increase by over 10 percent the number of key industries using pollution prevention technologies, and in Jamaica, 14 additional tourism-enterprises in key areas (e.g., Montego Bay) will achieve international certification for having adequate environmental operations.

5. Environmentally sound energy services: Energy conserved through increased efficiency and reliance on renewable sources.

Energy is a critical factor of production as well as a major source of pressure on the environment. Efficiency of energy use and reliance on renewable sources are therefore critical for achieving environmentally sustainable development.

Europe and the New Independent States: USAID supports energy programs in Armenia, Bulgaria, Georgia, Hungary, Kazakstan, Kyrgyzstan, Latvia, Lithuania, Poland, Romania, Russian Federation, and the Ukraine, with smaller programs in Bosnia, Czech Republic, Macedonia, Turkmenistan, and Uzbekistan. USAID emphasizes energy sector market reform, with programs supporting competitive markets, privatization, rational pricing, and appropriate legal regulatory frameworks. USAID has supported power sector restructuring in Ukraine, Moldova, Georgia, Armenia, Kazakstan, Kyrgyzstan and Hungary. Regulatory frameworks and organizations are being established in Ukraine, Russia, Moldova, Georgia, Armenia, Kyrgyzstan, Poland, Latvia and Lithuania. FY 1999 plans include further development of independent regulatory bodies; initiation of power restructuring in Lithuania, Bulgaria and Romania, and gas reform in Ukraine; and initiation of energy sector privatization in Moldova, Ukraine, Georgia, Armenia and Kyrgyz Republic.

Agency Strategic Goal: The World's Environment Protected for Long-Term Sustainability				
Indicators: (a) GDP per unit of energy use (b) percent of energy production from renewable sources.				
Source: World Development Indicators (Table 3.5); USAID calculations				
Performance Goal 5: Energy conserved through increased efficiency and reliance on renewable sources.	YEAR		1994	1999*
	PLANNED			3.7
	ACTUAL		3.5	
<p>Note: Since the most recently available information is from 1994, projecting this to 1999 is difficult at best. A nominal one percent per year increase over five years of the energy efficiency ratio is given for 1999. For example, if the carbon emission growth rate is 10.0 in 1994, the 1999 figure would be 10.5.</p> <p>*If current data reporting remains the same, actual 1999 figures would not be available until 2004.</p>	AFR	PLN		7.0
		ACT	6.7	
	ANE	PLN		2.1
		ACT	2.8	
	LAC	PLN		3.2
			3.0	
	ENI	PLN		0.95
		ACT	0.9	
<p>Comment(s): Energy Efficiency: The energy efficiency indicator is a measure of GDP per unit of energy use, defined as the U.S. dollar estimate of real GDP (at 1987 prices) per kilogram of oil equivalent of commercial energy use. The larger this ratio is, the greater the energy efficiency. Energy efficiency data are not particularly reliable in the Central Asia-Eastern Europe region, but energy efficiency is relatively low, so there is room for improvement. The economies of Armenia and the Russian Federation had decreasing energy efficiency during the 1980-1994 period (4.3-2.6, and 0.6-0.5 respectively). Increasing efficiency trends are noted in Bulgaria, Hungary, Poland, and Romania. Other ENI countries do not have energy efficiency data for the period. The most recent ratios on energy efficiency will serve as benchmarks for future trends. When trends are established, USAID will be in better position to plan in this performance goal area.</p>				

6. Natural resource management: Deforestation rate in tropical forests reduced and management of natural forests and tree systems improved.

Loss of the world's forests is a major environmental problem. The Agency will focus on slowing the rate of deforestation and improving the management of forested areas. Activities will include utilization of reduced impact harvesting; rehabilitation of degraded forest land and participation in community forest management.

Sub-Saharan Africa: USAID supports natural resource management in the Central African region (Cameroon, Central African Republic, Congo, Gabon and Zaire), Guinea, Madagascar, Malawi, Mali, Namibia, Senegal, Tanzania, Uganda, Zambia, and Zimbabwe. The Agency supports community-based natural resources management programs in Africa to build basic capacity. In Zimbabwe, FY 1999 revenues from wildlife-based enterprises are expected to be triple present levels in participating rural district councils and in Uganda, households adopting improved soil conservation practices will increase from 1,685 today to 2,550 in FY 1999.

USAID is assisting the government of Madagascar in establishing the Masoala National Park to preserve its largest rain forest. The park will cover 840 square miles and includes delicate ecosystems and some of the world's rarest animals. Our new Madagascar strategy will directly address development and conservation through the suitable use of natural resources in broader landscapes. Efforts to help households in peripheral zones find alternatives to destructive practices are well underway, with preliminary results in one zone showing household participation at 19%. Targets of 50% household participation are expected to be met or exceeded by 1999. Targets of increased percentage of off-season crop production and total kilometers of rehabilitated roads are expected to be met or exceeded.

Asia and the Near East: USAID has significant natural resource management programs in Indonesia, Nepal, the Philippines, and Sri Lanka. In Indonesia, USAID-assisted parks, protected areas, and community based forest and coastal resources that are stabilized or improved as a result of USAID intervention are projected to be 260,000 hectares in 1998 and 345,000 hectares in 1999. A measure of USAID's success in strengthening community organizations and local institutions can be made from the number of site-specific management plans agreed upon by stakeholder groups and the government of Indonesia, with sufficient resources allocated to implement them. The number of such sites is predicted to increase from six in 1994 to 36 in 1998 and 56 in 1999.

In Nepal, USAID has developed a market-led approach to encourage farmers to switch from traditional grain to sustainable production of the forest and high-value commodities from the forest. Annual sales of forest and high-value agricultural commodities are predicted to be \$20.55 million in 1998 and \$25.06 million in 1999, up from less than \$5 million just three years ago. USAID management plans have led to the formation of community forest user groups, which are highly effective in increasing the production of forest biomass. These groups are estimated to number 1150 in 1998 and 1338 in 1999, up from 586 in 1995. The number of hectares officially turned over to these groups is projected to be 92,469 in 1998 and 108,469 in 1999.

USAID is working with the Government of the Philippines to transfer management responsibility and user rights to communities that border or are located within public forest lands. In return for protecting and managing the forests, the communities are given the right to harvest some forest products within the limits of an approved management plan. These "social fences" have already significantly reduced the incidence of slash and burn agriculture and fire in areas under management. Under this program, an estimated 10% (500,000 hectares) of the country's remaining forests will be under sustainable management in 1999.

Latin America and the Caribbean: USAID focuses on natural resource management in Bolivia, Jamaica, Haiti, El Salvador, Honduras, Panama, and the Central America region. USAID strategically concentrates its efforts in sustainable forestry management to those countries which possess the largest extent of intact forests not found in protected areas: Bolivia and Honduras. With FY 1999 funds, it is expected that the pilot projects in reduced impact management and certified community forestry management will become economically self-sustaining. These examples will be disseminated throughout Bolivia. In Honduras, FY 1999 funds will enable over 100,000 hectares of pine forests to be managed in an environmentally and economically sustainable manner.

The remainder of the USAID natural resource management efforts in region emphasize sustainable agriculture and coastal zone management. Key examples include: (a) in Haiti, FY 1999 funds will be used to promote sustainable small-farmer agriculture and will increase the country's total area under sustainable, agro-forestry systems to 150,000 hectares; (b) in Jamaica, we anticipate improved coastal water quality for around 400,000 tourists in key coastal areas, thereby helping local economic development; (c) in El Salvador, we will initiate a cross-sectoral effort to improve access to clean water in four poverty-stricken municipalities. We will improve both water delivery systems, downstream watersheds, and reduce pollutants which tarnish the water system.

Europe and the New Independent States: USAID supports natural resource management efforts in Albania and the Russian Far East. The Albanian Private Forestry Development Project (APFDP) provides policy advice and demonstration management projects that will inculcate sustainable forest management practices at the local and national level. Through an inter-agency agreement with the Peace Corps, APFDP promotes private, on-farm agroforestry development through the Peace Corps' Private Farm Forestry Project, complementing a broader World Bank effort to develop a formal agricultural extension system. In the Russian Far East, USAID supports sustainable forestry to promote alternatives to unfinished wood export. In general, acreage of managed land has been increased and forestry practices improved.

Agency Strategic Goal: The World's Environment Protected for Long-Term Sustainability				
Indicators: (a) *Average annual change in total forest area (percent change and in square kilometers); (b)*** Avg. annual change in natural forest area; (c)*** Avg. annual change in plantation forest area.				
Source: FAO, State of the Worlds Forests, 1997; World Development Indicators (Table 3.1); USAID calculations				
Performance Goal 6: Loss of forest area slowed.	YEAR		1995 % change km ²	1999* % change km ²
	PLANNED			-0.35% - 36,720
	ACTUAL		-0.36% -38,250	
Note: Total forest area includes both natural forest and plantation area. The change in natural forest include the permanent conversion of natural forest area to other uses, including shifting cultivation, permanent agriculture, ranching, settlements, or infrastructure. Deforested areas do not include areas logged but intended for regeneration or areas degraded by fuelwood gathering, acid precipitation, or forest fires. Thus, these data do not reflect the full extent of forest and biodiversity losses through degradation. FAO data may be particularly unreliable due to differing national definitions and reporting systems. Data on total forest area change is based on 1990 and 1995 figures, and is expressed in square kilometers lost or gained.	AFR	PLN		-0.76 -8,730
		ACT	-0.79% -9,090	
	ANE	PLN		-0.64 -26,460
		ACT	-0.67% -27,560	
	LAC	PLN		-0.56 -86,270
		ACT	-0.58% -89,860	
	ENI	PLN		(+0.07) (+300)
		ACT	+0.07% +290	
Comment: **Since the most recently available information is from 1995, projecting this to 1999 is difficult at best. A nominal one percent per year increase over four years of the growth rate is given for 1999. For example, if the forest cover loss rate is 10 in 1995, the 1999 figure would be 9.6%. If current data reporting remains the same, actual 1999 figures would not be available until 2003. ***Information for indicators (b) and (c) are not readily available for inclusion in the FY 1999 Performance Plan.				

USAID GOAL: LIVES SAVED, SUFFERING REDUCED, AND CONDITIONS FOR POLITICAL AND/OR ECONOMIC DEVELOPMENT RE-ESTABLISHED.

The emergency assistance component of the foreign aid budget, currently in excess of \$ 500 million level, now accounts for approximately 25% of U.S. development assistance. Food aid need is a measure and barometer of emergency conditions and it is therefore important to note the estimate that over 26 million people will require emergency food assistance worldwide in order to maintain minimum nutritional levels. Emergency food aid needs worldwide are expected to rise from 4.8 million metric tons in 1996 to between 5.7 million and 6.2 million metric tons by the year 2005. In 1996, there were approximately 13.5 million refugees world-wide and estimates of the number of persons displaced as a result of open conflict ranged from 17 to 20 million. Experience has shown, however, an integrated approach using both humanitarian and development assistance to support economic and political transitions is necessary and critical to safeguard sustainable development in the post Cold-war era.

Accordingly, USAID's objectives in support of this goal are to: (1) reduce the potential impact of crises; (2) meet critical needs in times of crisis; and (3) contribute to the re-establishment of personal security and basic institutions which meet critical intermediate needs and protect human rights following crises situations. At the operational level, USAID will contribute to the reduction of human suffering and enhanced lives saved through 28 strategic objectives in 18 countries and 3 global strategic objectives.

The Agency views transitions as part of a continuum of stages and phases from war to peace and relief to support economic and political transformations towards sustainable development. While all the countries in which the Agency operates can be termed transitions as broadly defined, experience suggests three categories as follows: conflict (war to peace), post-conflict reconstruction, and former socialist nations emerging towards free market-oriented democracies. Under the performance goals and indicators established this year, the Agency will report on progress made, or not, in supporting the efforts of civil society, recipient governments, and the donors to meet the relief, political and, economic needs of transition situations and nations. This is not an easy task conceptually or analytically as it in part requires evaluating and relating the impact of U.S. assistance to prevent and/or mitigate crises and loss of life and suffering.

USAID has focussed one performance goal and indicator on changes in the number of refugees and internally displaced people for they are the metaphors, and at times, pawns of crisis and

conflict. To the extent that these people vote with hands and feet and return home and are successfully resettled and become with our support productive members of society, this is a measure of success of USAID assistance and programs. A new indicator has been chosen for effective and efficient response in times of emergency using reduction in mortality rates. The Agency, with other donors, will be exploring the use and a more institutional approach to measure changes in nutritional status of children under five years of age in emergencies and will pilot test several efforts. The Agency will also monitor changes in trends of economic and political freedoms in transition countries and situations as these will provide indications of enhanced stability to lessen the potential for crisis and conflict. These efforts will be captured under a "watching brief" by the Agency, particularly the G Bureau D/G and EG Centers, to monitor both those countries deemed at risk of falling back from the cusp of sustainable development into crisis and those attempting post conflict reconstruction.

As part of the APP, the Agency will also focus intensely on several post conflict transitions and work strategically with the European Union under the New Transatlantic Agenda (NTA) and selected other donors to support more effective, political and economic transitions. These countries are Bosnia-Herzegovina, Liberia, Congo (Great Lakes), Haiti and Cambodia. These and the countries making up the innovative Greater Horn of Africa Initiative (Ethiopia, Eritrea, Somalia, Sudan, Uganda, Tanzania, Rwanda, Burundi and Kenya) will be the focus of the Agency to work in a more strategic and integrated manner across programs and bureaus and will be a focus of analysis and reporting under the APP for FY 1999 and 2000.

The unpredictability, however, of international disasters and complex emergencies, security concerns, and the difficulty of obtaining accurate baseline data in a rapidly changing emergency situation creates special measurement problems. To offset these problems, USAID began working with its partners in 1997 to develop and test results and progress indicators appropriate for emergency situations. This work will continue through FY 1998. Therefore, it is expected that the indicators and targets set forth below will change and that these changes will be noted and explained in the Agency's FY 1999 Performance Report.

The Agency is making increased use of integrated strategic plans (ISPs) in the Horn of Africa and elsewhere to ensure that all USG resources committed in selected transition countries are contributing to well defined strategic objectives and make tracking results more transparent in FY 1997. Approximately 20 strategic objectives to support transitions were developed in the Sub-saharan region, and 10 to support emergency situations. This included Eastern Africa and the Greater Horn of Africa Initiative (GHAI), the Sahel Region, and several countries in West Africa.

Many of these strategic objectives rely on a combination of development assistance (DA), International Disaster Assistance (IDA), and food aid resources as part the Agency's effort to develop integrated strategies for crisis and conflict prevention, relief and economic and social post-conflict reconstruction.

Under IDA and Food for Peace funding, the Agency expects to provide approximately U.S. \$1.3 billion in FY 1999 of which \$ 1.1 billion from P.L. 480 and IDA and \$ 220 million DA for programs which save lives, reduce suffering and re-establish development conditions in emergency and/or post-conflict situations in FY 1999. This is a narrow transition categorization and includes the following country programs that are DA, or contain elements of DA funded programs: East Africa and Great Lakes, Liberia, Angola, Mozambique, Jordan, Vietnam, Guatemala, Haiti, and Bosnia-Herzegovina. If ESF were added to the total and Cambodia, West-Bank Gaza and Lebanon were included, this would add approximately \$ 360 million. The Agency will refine this list as it develops criteria and definition of these categories during FY 1999.

In this context, the Agency is proposing a Presidential Transition Initiative to be undertaken with a modest funding increase in FY 1999. Its objective is to help consolidate peace and facilitate the transition of countries from civil strife to stability and growth. Using new programming modes, this approach will support targeted political transitions in combination with other Agency resources. It will enhance the Agency's capacity to operate effectively in conflict prone situations in which timely, catalytic and political interventions are important.

INDICATORS:

- Crude mortality in emergency situations.
- Proportion of children under 59 months in emergency situations who are wasted.
- Number of people displaced by open conflict.
- Changes in the number and classification of designated post-conflict countries classified by Freedom House as free/partly free/not free.

PERFORMANCE GOALS AND REGIONAL EXPECTATIONS:

1. **Crude mortality rate for refugee populations returned to normal range within six months of onset of emergency situation.**

Sub-Saharan Africa: There were approximately 15 million Africans assisted in FY 1996 under emergency programs by USAID. The Food for Peace (FFP) program reached about 6.2 million people, 60% of the targeted population. The Agency's foreign disaster assistance (OFDA) reached 8.7 million people, but reliable statistics regarding the size of the total needy target population were not available. Baselines are being established to report on mortality rates and changes in nutritional status for vulnerable groups in emergencies that will result from the use of FY 1999 funds. In those instances where data exists in countries the programs appear to be highly successful.

Asia and Near East: USAID emergency programs in Asia assisted 6.9 million persons in 1996. This number represented over half of the estimated need. OFDA programs addressed the needs of approximately 43% of this population and FFP served 68%. Baselines are being established to report on indicators for FY 1999.

Latin America and the Caribbean: In Haiti, proxy health targets for 1999 are measles immunization of 63% of children aged 12 to 24 months and reduction of acute malnutrition rates for children under 3 years to 25% or less. There is concern about the ability to meet these targets in spite of the fact that the large USAID food aid will double in size in FY 1999 as a USAID/World Bank job creation scheme will come to completion and the economy is showing little sign of recovery.

Europe and the New Independent States: The Agency funded anti-diphtheria campaigns in FY 1996 and more recently reached over 22 million people in Armenia, Azerbaijan, Georgia, Moldova, Tajikistan, and Ukraine. These coordinated campaigns drastically curtailed the NIS diphtheria outbreak and have saved thousands of lives. Many of the most vulnerable of these people, especially in the Caucasus and in Tajikistan are assisted through USAID funded programs. In the absence of baseline information on child health in Tajikistan, a proxy USAID performance goal is reduction in the numbers of families reporting difficulty in 1996, 86 percent, in feeding their families. In 1999 that figure is projected to be 40 percent. In Armenia, USAID has implemented a program to complete a voluntary nation-wide registration to target vulnerable people. This program uses a sophisticated algorithm based on proxies for vulnerability to determine the most vulnerable of the population and is used to apportion humanitarian assistance. About 13% of Armenia's total population are classified "most vulnerable". A similar targeting system is planned for Georgia, where programs to assist those populations displaced by the conflict in Abkhazia will continue. New efforts that transition to more developmental programs are planned in Abkhazia.

Agency Strategic Goal: Lives Saved, Suffering associated with natural or man-made disasters reduced, and conditions necessary for political and/or economic development re-established			
Indicators: Crude mortality rate (CMR) in emergency situations			
Source: WHO, U.S. Census Bureau, Center for Disease Control, UNHCR			
Performance Goal 1: Crude mortality ratio for refugee populations returned to normal range within six months of onset of the emergency situation.	YEAR	Base	1999
	PLANNED*		20
	ACTUAL*		
Comment(s):* These numbers are expressed as the number of deaths per thousand people per year. As a baseline, the estimated CMR average for the regions is 10/1000/yr. The annual average from emergencies is actually calculated from daily and monthly data collected and is then annualized. As a pilot, the Agency will gauge how quickly on average it can return emergency populations to the worldwide average as a indicator of target and delivery effectiveness of assistance. The baseline will be established by BUCEN/CDC for FY 1996.			

Agency Strategic Goal: Lives Saved, Suffering associated with natural man-made disasters reduced, and conditions necessary for political and/or economic development re-established			
Indicators: Proportion of children under 59 months who are wasted (weight-for-height)			
Source: UNHCR, BUCEN, CDC, Pos and NGOs			
Performance Goal 2: Nutritional status of children 5 and under populations made vulnerable by emergencies maintained or improved.	YEAR	BASE	1999
	PLANNED*		65
	ACTUAL		
Comment(s):* There is no international standard or agreement on a rule of thumb on an indicator for an exit strategy for the withdrawal of donor assistance. The Agency will use a threshold ratio of the target population reaching 80% weight for height as an indication of a successful intervention. As a first approximation, a target of 65% of the vulnerable population worldwide reaching the 80% weight for height threshold will be set for FY 1999. It is important to note that each crisis and emergency is different as to causes and diseases. The Agency may adjust these indicators based on pilot experience in five countries and will work with other international institutions, and NGOs and PVOs to develop a more institutionalized data collection system in this area.			

2. Nutritional status of children 5-and-under populations made vulnerable by emergencies maintained or improved.

As indicated above, this is a new performance goal for the Agency against which results will be reported, using a pilot approach within the Agency and working with other donors to attempt to standardize information gathering and reporting.

3. Conditions For Social and Economic Development In Conflict, Post Conflict and Rapid Transitions Situations Improved.

Sub-Saharan Africa: Conditions for social and economic development were mixed for African countries in conflict and post conflict situations. The number of people displaced by open conflict was approximately 11.4 million, in 1996 divided among 3.5 million refugees and 7.9 million internally displaced persons in 1996. There are a number of innovative USAID programs in Southern, Great Lakes and Horn of Africa regions to return and resettle refugees and IDPs. These will serve as benchmarks to indicate trends at the regional level for FY 1999 and beyond.

Asia and Near East: USAID programs are an important resource in the region to support economic and political transitions and peace processes vital to stability and growth. With over 5 million refugees and a range of 10 - 12 million IDPs, the region had over one-third of the total number of people displaced by open conflict in 1996. A large number of those refugees are a result of the West Bank and Gaza conflict. USAID is working in the negotiations in the water sector, including well-site placements, as part of conflict prevention and improving economic and social conditions by providing assistance in infrastructure, private sector development and employment creation. Factors affecting program performance include closure of industrial zones, linking employment creation to a prudent, but more strategic and prioritized public investment program, and commitment to democratic principles by the Palestinian Authority. These will be closely monitored in FY 1999. Sri Lanka and Burma have significant internally displaced populations, one million each respectively and Vietnam has 300,000. USAID plans to have a program start in Vietnam in FY 1999 and, if undertaken, will benefit from lessons learned by the Agency in dealing with earlier post conflict transition situations. The Office of Transition Initiatives completed an initial assessment and analysis of the potential for conflict in Mindanao, which may lead to a re-orientation of the USAID assistance for crisis prevention activities.

Latin America and Caribbean: The LAC region has approximately 1.3 million persons that are affected by open conflict covering

five countries of which 65,000 are refugees with the remainder displaced persons. Guatemala has the greatest problem with a reported 35,000 refugees and 200,000 displaced persons. Demobilization and integration of ex-combatants is central to the implementation of the Guatemala Peace Accords. USAID supports this program. Specific numerical targets for these and for resettlement of return of refugees and displaced persons are not yet set.

USAID places special emphasis on helping several Central America nations emerge from a cycle of crises and conflict, and on strengthening Haiti's fledgling democracy. The programs support economic, social and political transitions. In Haiti, following demobilization of armed forces, the democracy goal supports establishment of strong and responsive democratic institutions, particularly for the judicial and law-enforcement functions of government. And, as a counterpoint to government, the program supports the emergence of an active civil society. In Guatemala, where the United States has pledged \$250 million over 1997-2000 to support the Peace Accords, USAID support of implementation of the Accords is focusing initially on demobilization and integration of former combatants, resettlement of refugees, and social stabilization in conflict affected communities. The emergency and transition programs are winding down in Nicaragua and El Salvador and are being replaced by development assistance programs under the Agency's economic growth, democracy and governance, and health goals. In Nicaragua, USAID will continue to support activities promoting greater protection of human rights, efficient and transparent elections, strengthened civil society and a more accountable and responsive government. In El Salvador, residual activities under the special objective of assisting in the transition from war to peace are being amalgamated under the economic growth goal to expand access and economic opportunity for the rural poor.

Europe and New Independent States: Bosnia-Herzegovina accounts for about 1 million refugees in the CEE and another 1 million IDPs. As various reconstruction programs begin to have impact, these numbers will decrease. In Croatia, USAID's programs emphasize the settling of people affected by the Erdut Agreement, whose numbers total over 800,000.

In the NIS, the Southern Caucasus region, Armenia, Georgia, and Azerbaijan, has over 1.5 million refugees and displaced people. Tajikistan has a continuing problem which fluctuates based on the current level of conflict between 19,000 to 265,000.

Attending to the humanitarian needs of refugees and IDPs in each of these countries, USAID coordinates with other donors. In Georgia, approximately 60,000 displaced have returned to the Gali district of Abkhazia, while in Azerbaijan, a similar number has resettled in the Fizuli district. While further return and

resettlement are desirable over the next several years, and in Bosnia the USAID rehabilitation program is particularly directed toward that, the uncertainties are too great in each of these to project what numerical decrease in these groups can be expected.

Agency Strategic Goal: Lives Saved, Suffering associated with natural or man-made disasters reduced, and conditions necessary for political and/or economic development re-established				
Indicators: Number of people displaced by open conflict				
Source: World Refugee Survey; U.S. Committee on Refugees				
Performance Goal 3: Conditions for social and economic development improved in conflict, post-conflict and rapid transition countries.	YEAR		1996	1999
	PLANNED*			25.5
	ACTUAL*		29.0	
Millions of people displaced	AFR	PLN		10
		ACT	11.4	
	ANE	PLN		8
		ACT	9.3	
	LAC	PLN		1
		ACT	1.3	
	ENI	PLN		6.5
		ACT	7.0	
Comment(s):* Refugee and IDPs are direct consequence of crisis and conflict. Increases and decreases in their number are good and direct indication of changing trends of open conflict. For this performance goal, the Agency is using the country of origin as the basis for determining the base line for indicators to determine trends. To the extent that the Agency working with the Department of State, other donors and regional institutions and governments and civil society is successful in crisis and conflict prevention, promoting economic and social transitions, there should be a noticeable downward trend in refugees and IDP over the next ten years. To the extent that the Dayton Peace Accords are successful, there should be, for example, significant drop in those refugee and IDP populations, in the former Yugoslavia. West Bank Gaza refugees are included in this total; however, given the political and economic significance of this group, significant repatriation remains in question.				

4. USAID Performance Goal: Freedom of movement, expression and assembly and economic freedoms in post conflict situations increased

Sub-Saharan Africa: According to a survey of Freedom House indices for political rights and civil liberties, the trend for political rights (4.8) and civil liberties (4.9) has improved slightly in 1996 over years past in SSA. As a subset, conflict and post-conflict countries have lower 1996 scores, 5.5 and 5.2 respectively. However, in Rwanda, public confidence in the judicial system is being restored with USAID interventions as part of efforts to improve citizen security. In Angola, USAID's land mine awareness program has reached an estimated one million people and trained 750 people in mine removal techniques. This has significantly reduced the number of land mine accidents, re-opened large areas of the country to commerce and agriculture, and encouraged the return of refugees and displaced persons. The record in Somalia did not improve significantly in FY 1997, and the situation in Liberia remains troubled.

Asia and Near East: The record of post conflict situations and the potential for new crisis in Asia is rather mixed in terms of political rights and civil liberties. The recent forceful government takeover in Cambodia and a poor Freedom House rating there underlie a dangerous trend in some of the region's key USAID sustainable development program countries: (Israel Administered Territory Not Free 6,5; Indonesia Not Free 7,5); Morocco (Partly Free 5,5). The administered territories with long-simmering disputes such as East Timor and West Papua (Not Free 7,7); Western Sahara (Not Free 7,6) and Kashmir (Not Free 7,7) are flash points constantly threatening political stability. These situations and USAID's programmatic response to them will be monitored during FY 1999.

Agency programs use what is termed the "DG/EG Interface and Transfer of Power Nexus." This approach integrates economic growth strategies and program interventions, including transparency for rules of good governance and public-private sector accountability, with approaches to support more democratic-pluaralistic development. These programs are being used to support peace processes such as in West Bank and Gaza. This approach also attempts to temper growth with equity and respect for human rights, governance and rule of law in more traditional regional programs. In FY 1999, USAID will consider the possibility of a regional approach to address specific problems of accountability and transparency in State economic transactions affecting both democratic governance and growth in these sustainable development countries. As part of this approach, the Agency will use the Heritage Foundation's "Economic Index of Economic Freedom" as a means to measure performance in this area and expand this effort to other regions.

Democracy and Governance programs make time limited, discrete investments in both electoral law and civil society to help regularize and legitimize processes which ensure the orderly, accepted transfers of political power. These are usually time sensitive windows of opportunity which may be critical in ensuring USAID's success more broadly. This is particularly true for countries where elite competition has slowed the establishment of an accepted framework for electoral competition (Cambodia), or where no basis for real electoral competition has been laid (Indonesia), or where there is increasing tension and potential conflict over the impending transfer of power or succession.

Latin America and the Caribbean: USAID programs support the establishment of basic political and judicial institutions that can meet critical needs and basic rights in four post conflict countries. In Haiti, development of the police force and achievement of significant improvements in several areas of the justice system are uncertain. Increased effort may be recommended following a 1998 evaluation of progress and needs. Freedom House rates Haiti overall as partly free with the indicators for political rights and civil liberties at 4 and 5 (1 is the best ranking possible, 7 the worst). Freedom House also rates El Salvador, Guatemala and Nicaragua as partly free. USAID's goal is improvement in ratings for all four by 1999; but, the specific numerical targets are yet to be determined.

Europe and the New Independent States: All countries in the region are undergoing rapid social, economic and political transition. USAID programs in these rapid transition countries, in part, are aimed at its defined regional strategic objective of "Reduced human suffering and crisis impact," a sub-set of the Agency's overall goal. Each country operating unit has completed, or will shortly complete, strategic plans that specify how each contributes to the achievement of the Agency's Strategic Plan objectives. Maintaining the peace in post conflict Bosnia-Herzegovina is of direct importance to United States' strategic and economic interests in Europe; the USAID program is an integral part of that strategy. Ethnic conflicts have compounded the problems of transition in the Caucasus. The conflict over Nagorno-Karabakh has resulted in nearly 800,000 refugees and internally displaced persons in Azerbaijan and 300,000 in Armenia and USAID assistance have reduced suffering. The emphasis in FY 1999 USAID programs in Armenia and Georgia will be on supporting the transition to democracy and market-oriented economies. In Tajikistan, clan-based conflicts have led to warfare, major population displacements, and continuing instability. USAID programs in Tajikistan concentrate on humanitarian and transition assistance.

In 1996-97, Freedom House rated Bosnia-Herzegovina, Armenia and Georgia as "partly free" (PF). In the same survey, Azerbaijan,

Tajikistan and Serbia and Montenegro (former Yugoslavia) were rated as "not free," (NF).

Agency Strategic Goal: Lives Saved, Suffering associated with natural or man-made disasters reduced, and conditions necessary for political and/or economic development re-established				
Indicators: Change in the number and classification of designated post conflict countries classified by Freedom House as free/partly free/not free.				
Source: Freedom in the World: The Annual Survey of Political Rights and Civil Liberties				
Performance Goal 4: Political Rights and Civil Liberties in post conflict situations increased.	YEAR		1996	1999
	PLANNED			2F 9PF 3NF
	ACTUAL		10PF 4NF	
	AFR	PLN		1F 4PF 3NF
		ACT	5PF 3NF	
	ANE	PLN		1PF
		ACT	1NF	
	LAC	PLN		1F 3PF
		ACT	4PF	
ENI	PLN		1PF	
	ACT	1PF		
<p>Comment(s): F = Free; PF = Partly Free; NF = Not Free. During FY 99, the trends in the Freedom House Index will be monitored for ratings and classification of post conflict countries reviewed. A further breakdown of political and civil liberties, particularly for post-conflict countries will be reviewed in light of democracy and governance programming. Projections and ratings for the out-years will be made in light of reviews on the applicability of this scale and indicators for post conflict country classification. Does not include West Bank-Gaza.</p>				

USAID GOAL: USAID remains a premier bilateral development agency.

USAID is requesting \$484 million in FY 1999 for Operating Expenses which, combined with local currency trust funds and other resources, will provide \$542 million to cover the cost of Agency operations. These resources will ensure the efficient management of \$6,791 million in program funds and improve management systems within the agency. Major expenses include \$303 million for salaries and benefits of Agency personnel, including 2,232 U.S. direct hire and 3,317 foreign national and U.S. personal service contract employees, \$72 million for rents, utilities, and communications costs, \$10 million for training activities to improve the skills of agency employees and an estimated \$14 million to further improve the operational effectiveness of Agency's New Management System (NMS). More generally, USAID will use FY 1999 Operating Expenses to: (1) develop responsive assistance mechanisms; (2) improve program effectiveness; (3) strengthen the U.S. commitment to sustainable development; and (4) expand the technical and managerial capacities of the Agency and its personnel.

INDICATORS:

- Percent of critical positions vacant.
- Percent of USAID managed development assistance overseen by U.S. and local private voluntary organizations.
- Statements at the objective level across the strategic plans of U.S.G. executive agencies concerned with sustainable development are consistent.
- Number of jointly defined OECD development priorities.
- Financial and program results information readily available.
- Time to procure development services reduced.

PERFORMANCE GOALS:

- 1. Time to deploy effective development and disaster relief resources overseas reduced.**

The Agency's progress against this performance goal will be assessed against two proxy indicators, i.e., the percent of critical positions vacant, and the time, measured in months, to procure development services.

Critical positions are identified on an annual basis by Agency bureaus as those necessary to ensure full and complete financial, managerial and technical accountability for USAID managed resources. Vacancies in such positions increase USAID vulnerability to waste and mismanagement. A profile of positions meeting these criteria will be identified annually. The Agency's performance target is to fill 90% of its critical positions in FY 1999.

Procurement includes all those actions through which USAID acquires the goods and/or services necessary to deliver its assistance. The time it takes the agency to procure development goods and services is a proxy measure of its responsiveness, effectiveness and efficiency. This indicator refers primarily to

Agency Management Goal: USAID remains a premier bilateral development agency.			
Indicators: (a) Percent of critical positions vacant reduced; (b) time to procure development services reduced.			
Source(s): (a) Annual assessment of critical positions; direct-hire workforce assessment reports; (b) New Management System reports.			
Performance Goal 1: Time to deploy effective development and disaster relief resources overseas reduced.			
Percentage of critical positions filled.	Year	Base	1999
	Planned		90%
	Actual		
Percentage of FY 1999 procurements completed in 12 months or less.	Planned		90%
	Actual		
Comment: (a) Critical positions are defined as those necessary to ensure full and complete financial, managerial and technical accountability for USAID managed resources. A profile of critical positions will be established in FY 1998. (b) Procurement includes those actions through which USAID acquired the goods and services necessary to deliver its assistance. A procurement cycle of 12 months will represent a 33% reduction over the average procurement time at the end of FY 1996.			

USAID's regular sustainable development programs. USAID already employs a number of mechanisms to respond quickly to emergencies and urgent requirements. Programs in the Office of Foreign Disaster Assistance (OFDA), the Office of Transition Initiatives (OTI), and the PL 480 Title II emergency program, are tailored to meet short-term, quick response needs and have systems in place to do so. However, these programs are time-limited by the

emergency nature of their resources. The Agency's performance target is to complete 90% of its FY 1999 procurements within 12 months or less. This target represents a 33% percent reduction in the average procurement cycle time at the end of FY 1996, and will begin effective October 1, 1998.

2. Level of USAID managed development assistance channeled through strengthened U.S.-based and local non-governmental organizations increased.

In FY 1999, USAID will continue to promote increased channeling of assistance through NGOs and PVOs by: (a) ongoing efforts to strengthen the USAID/NGO-PVO partnership; and (b) by holding bureaus and missions accountable for progress through the annual R4 and Bureau-Based Budget Review processes. At the end of FY 1995, 30% of the Agency's Development Assistance, the Development Fund for Africa, International Disaster Assistance and other disaster funding resources was managed by qualified NGOs and PVOs. Based on past trends, it is expected that this percent will increase by the end of 1999.

USAID Management Goal: USAID remains a premier bilateral development agency.			
Indicators: Percentage of USAID-managed development assistance channeled through strengthened U.S.-based and local non-governmental organizations.			
Source: USAID calculations from procurement and financial information reports.			
Performance Goal 2: Level of USAID-managed development assistance channeled through Pos increased.	YEAR	1995	1999
	PLANNED		>30%
	ACTUAL	30%	
AQZComment(s): For the purpose of this performance goal, qualified NGOs and PVOs are defined as: (1) a U.S. PVO organized in the United States, but not necessarily registered with USAID; (2) A local PVO operating in the country under whose laws it is organized; (3) A third country PVO or international PVO not included in one of the two previous categories; and (4) private associations of persons joined together to achieve a common economic objective otherwise known as a cooperative development organization (CDO). This percentage is calculated as total funding for Development Assistance, the Development Fund for Africa, International Disaster Assistance and other disaster funding divided into the sum total of USAID funding from these accounts for PVO programs including cooperatives.			

3. Coordination among U.S.G. agencies contributing to sustainable development increased.

To achieve progress against this performance goal, the Agency works, under the direction of the Department of State, to ensure greater harmonization of U.S. policies affecting developing countries. Priority is given to particular global issues or programs that directly affect U.S. national interests. The Agency contributes to U.S. government policy regarding international development issues including UN reform, the Agenda for Development, the U.S.-Japan Common Agenda, the U.S.-EC new Transatlantic Agenda and the application of the DAC 21st Century Report to the multilateral development organizations. Senior USAID technical and policy staff ensure that technical issues are fully addressed in U.S. government positions in international fora. As part of these efforts, USAID disseminates to other USG foreign affairs agencies information that highlights evaluation findings the status of global and regional development issues and progress.

USAID Management Goal: USAID remains a premier bilateral development agency.			
Indicators: (a) Statements at the objective level across the strategic plans of U.S. government agencies concerned with sustainable development are consistent; (b) Coordination of activities at the USAID program approach level across U.S. government agencies concerned with sustainable development enhanced.			
Source: USAID and other agency strategic plans; mission performance plans; analytical assessments by USAID's Bureau for Policy and Program Coordination.			
Performance Goal 3: Coordination among U.S. government agencies contributing to sustainable development increased.	Year	Base	1999
	Planned		Medium
	Actual		
Percent of shared objective level statements across agencies	PLN		90%
	ACT		
Increased complementarity of goals, strategies, and performance among the U.S. government agencies at the country level.	PLN		Med-High
	ACT	Med	
Comment(s): Baselines for these indicators will be developed from the strategic plans of concerned agencies during FY 1998. 1999 performance benchmarks may be changed accordingly.			

Expected progress through FY 1999 will result from consultations, began in FY 1998, with other USG foreign affairs agencies, within the framework of The International Affairs Strategic Plan, to

reach agreements on policies and program approaches and better working arrangements and relationships established or supported. While at the end of FY 1997, coordination among the strategic plans of agencies concerned with sustainable development issues was low-medium, USAID expects this level to be medium-high by the end of FY 1999 based on a comparison of the objective statements across agencies.

4. The OECD agenda of agreed development priorities expanded.

Building on established and new bilateral and multilateral relationships with donor development partners, USAID in 1999 will seek consensus on mutual approaches that reinforce and strengthen the common donor effort. USAID and the 21 donor countries of the DAC agreed in 1996 to a new strategic blueprint for development cooperation partnerships in the post-Cold War era, Shaping the 21st Century. USAID will actively promote host country ownership of development strategies and will continue to work with donors and host countries to implement this partnership strategy which pledges donors to help achieve by 2015 the following major targets: reduce poverty, universal primary education, gender equality in primary and secondary education, reduced child and maternal mortality, access for all to reproductive health services, and reversing the loss of environmental resources. Progress towards these goals requires the evolution of more stable, safe, participatory and just societies. USAID will encourage other donors to actively promote and support democracy, rule of law, and human rights.

USAID Management Goal: USAID remains a premier bilateral development agency.			
Indicators: (a) Resource flows by major development goals; (b) OECD/Development Assistance Committee (DAC) agreement on strategies to reduce poverty.			
Source: (a) DAC statistics on aid flows. (b) Donor reports to DAC on implementing the "Shaping the 21st Century" partnership strategy.			
Performance Goal 4: OECD agenda of agreed development priorities expanded.	Year	Base	1999
	Planned		Medium/high
	Actual	Medium	
Comment(s): Aid flows by policy objectives defined in the DAC "Shaping the 21st Century" will measure the degree to which donors are concentrating resources on agreed objectives and serve as a proxy measure of donor consensus on development priorities.			

Indicators for measuring progress toward the 21st Century targets are now being worked out. The DAC is developing new systems for collecting statistics on donor flows according to key development cooperation policy objectives. In 1999 comprehensive data will begin to be available for comparing over time the relationship between aid flows and development progress. USAID will press other donors to focus assistance on key development challenges.

In bilateral contacts and in the multilateral DAC, USAID will work to expand donor consensus on aid approaches that maximize the impact of development cooperation on development targets. USAID will seek consensus on poverty reduction strategies and key approaches in other areas such as education.

5. Capacity to report results and allocate resources on the basis of performance improved.

Over the course of the past several years, USAID has undertaken a number of initiatives to enhance the effectiveness of its programs. These efforts have focused primarily on increasing the Agency's capacity to assess results and to allocate resources increasingly on the basis of performance. Among those changes already working effectively are: (1) strategic planning at the operating unit level, i.e., among field missions and Washington offices managing program funds; (2) continuous surveillance of performance by operating units; (3) annual comparisons of actual to planned performance by operating units linked to budget allocations through the Results Review and Resource Request (R4) reports; (4) annual reviews of performance assessments and resource requests from operating units by Washington bureaus and the use of these reviews in the preparation of the Agency's annual budget submission; and (5) evaluation and applied research. Among those changes the Agency is working to improve are: (1) sectoral reviews which look at the relative effectiveness of the Agency's approaches in each of its goal areas; (2) cross-sectoral reviews which capture the effects of program integration, e.g., the effects of employment or education on fertility or crisis prevention; and (3) the New Management System from which USAID expected too much too soon.

Each of these activities helps the Agency focus on the questions of what works and why, or to explore alternate, more effective approaches. The Agency has identified two proxy indicators to measure its capacity to enhance program effectiveness. These indicators and the Agency's end FY 1999 management improvement benchmarks are identified in the following table. However, the Agency's evaluation and applied research agendas merit fuller discussion here because of their special contributions to enhancing program effectiveness.

Evaluation

The Agency evaluation agenda is a two-year planning document that identifies the Agency's proposed analytic agenda. The agenda is designed to assist senior Agency Washington and field managers and technical staff to make programming choices and assure that USAID resources are used most effectively and efficiently to achieve results. Current topics are developed in collaboration

Agency Management Goal: USAID remains a premier bilateral development agency.			
Indicators: (a) Access to financial information. (b) Access to program results information.			
Source(s): (a) Agency Chief Financial Officer (CFO) reports. (b) Annual results reviews and the "operations module" of the New Management System			
Performance Goal 5: Capacity to report results and allocate resources on the basis of performance improved.			
Quality of consolidated financial statements required under the CFO Act.	Year	Base	1999
	Planned		Qualified
	Actual		
Operating units using an integrated portfolio of information systems for budget, program results and procurement increased.	Planned		AID/W only
	Actual		
Comment: (a) A "qualified" finding represents the "second tier" assessment in the opinion of the auditors on the condition of our financial statements.			

with both geographic and central bureaus, meeting with key individuals and operating units throughout the Agency to elicit priority issues that relate to programming decisions or performance. These suggestions are reviewed by Agency senior managers and a final agenda is developed.

For Fiscal Years 1998-1999, the Agency's evaluation agenda will continue to look at several broad areas of focus. A primary focus will be a series of studies on countries in transition and USAID's role in rebuilding and reconciling these countries politically, economically and socially. Other areas of ongoing evaluations include democratic institutions, food aid, democratic and local governance, and private sector reactivation). CDIE's series on elections in war-torn societies has been discussed with senior officials throughout USAID, relevant U.S. NGOs, the U.N., and officials from the State Department and other U.S. government agencies. The studies have generated a debate and dialogue among relevant donor institutions involved in these events as to the preconditions and factors necessary for open, fair, and durable elections in post conflict countries. Also, the Agency has held

a major international conference to review the findings of our analysis of war-torn societies in October 1997.

New evaluations have just gotten underway that include community level reconciliation in war-torn societies, emergency assistance, girl's education programs and capital market development. These evaluations were selected because they represented: 1) a priority issue for USAID; 2) a state of the art sector where USAID involvement is relatively recent; and 3) an issue raised by results management under USAID's strategic plan. The Girl's Education Evaluation is an example of an issue raised by AID's managing for results orientation. There was disagreement among technical experts as to the strategy and interventions that best increase attendance and quality of education for girls. A recently completed evaluation looked at USAID's experience with Enterprise Funds, both in the former Soviet Union and Eastern European countries as well as in South Africa.

Applied Research and Development

USAID funds applied research, technology development, and technology transfer programs to provide the most up-to-date methods and tools to address specific country problems. It also funds programs to build a capacity among its development partners and customers to undertake their own research and technology development programs and to disseminate the results of these programs throughout the international assistance community. USAID also uses these results to enhance the effectiveness of its own programs and to maintain its role as a leader among international donor organizations.

In 1996, USAID received approximately \$215 million for applied research and technology development in its strategic goal areas including approximately \$67 million for economic growth and agricultural development; \$90 million for population and health; \$31 million for human capacity development; \$24 million for environment and \$3 million for democracy and good governance. In addition, the Agency requested approximately \$3 million for research related to women in development. Some of the results achieved through the Agency's investments in applied research and development include:

- Food security is a key part of USAID's integrated, sustainable development program and agricultural research is one of the most effective and sustainable investments. The agricultural research partnerships and technology transfers USAID has developed produce additional food in developing countries which is valued in the billions of dollars per year.

- The threat of global warming has focussed the international community on preventative measures. More than 19,000 tons of CO₂ emissions were avoided through USAID activities in FY 1997 to implement energy efficient technologies, practices and policies.
- USAID supported the design of UniJect, a prefilled, single-dose, single-use injection system, evaluations in developing countries, and through its cooperating agency, licensed the manufacturing of the product to Becton Dickinson, and is working with international partners such as UNICEF and WHO to ensure timely integration into health and population programs.
- The female condom is an outstanding example of USAID's role in taking a carefully selected, but not yet U.S. Food and Drug Administration (USFDA) approved technology and moving it through clinical testing, approval and then introducing it to field programs.

OTHER PERFORMANCE IMPROVEMENTS

Specific management systems are targeted for improvements in FY 1999 include evaluations, assistance and acquisition, administrative management support, performance budgeting, financial systems, human resource planning, and information management. Specific targets with regard to these systems are described below.

Performance-Informed Budgeting:

USAID undertook a comprehensive re-engineering of its programming and implementation process and put it into effect in FY 1996. The new programming system is based upon a planned result known as the Strategic Objective. Operating units develop a strategic plan which covers a five to eight year planning period and governs one or more strategic objectives to be achieved within that period. Each strategic objective must contribute to one of the Agency's six development goal areas. The operating unit then negotiates a management contract annually with Bureau management which authorizes it to proceed with the implementation of its program. The management contract specifies the objective to be achieved, the time period covered, the expected funding level, and the measures and indicators to be used for reporting on progress. The management contract embodies all the authorities necessary for field mission managers to implement approved programs.

Progress toward achieving the Strategic Objective is reported in the annual Results Review and Resource Request (R4) which is reviewed in Washington each spring. Results and non-performance

factors are scored, and budgets for the coming two years are informed by those scores.

In FY 1999, with worldwide implementation of an information system to track program results, it will be possible to perform analyses of operating unit performance in Washington and make the R4 preparation and review process much less cumbersome by facilitating document preparation and transmittal.

Information Management:

Improvements in information management during 1999 will emphasize three broad areas: (1) Preparedness for the Year 2000; (2) Full implementation of the requirements of the Clinger-Cohen Act; and (3) Innovations in information systems and software engineering process.

Preparedness for the Year 2000 (Y2K):

The highest priority information management activity during 1999 will be completion of Year 2000 compliance work for all USAID mission critical systems including NMS. While the majority of renovation actions to correct Y2K problems will occur in 1998, a full additional year will be required to complete Y2K renovations for NMS, and to adequately test Y2K changes, particularly those involving the New Management System (NMS - see below) or interfaces with external systems. The Y2K program will receive highest priority for allocation of information management resources and will adjust other resource areas as needed to fully support this effort.

Implementation of the Clinger-Cohen Act:

The position of Chief Information Officer was established in 1996. This executive remains ultimately responsible for ensuring that information technologies applied to program goals are selected in consideration of the greatest benefit to the mission of USAID. The CIO is supported in those decisions by the Capital Investment Review Board (CIRB), a panel of senior USAID executives representing all key program areas and disciplines. In 1999, the Board will play a significant role in tracking USAID's performance in implementing Year 2000 changes as well as overseeing further investments in the New Management Systems (NMS). The Board will continue to balance application of resources between those two major initiatives, with Year 2000 requirements receiving first priority.

Both the implementation of the NMS and the requirements of Year 2000 will have a direct impact upon the information systems architecture of USAID. This architecture, which includes the hardware, software and telecommunications necessary to support the information needs of USAID, is in transition from a

highly-centralized environment dependent upon mainframe computers to a more decentralized environment where more computing power resides within individual organizations and at the desktop. As USAID pursues these initiatives, a long-standing requirement to improve telecommunications support and better serve the information needs of smaller missions will be pursued.

Implementation of the New Management System (NMS):

USAID anticipates continuing investment in the New Management System during 1999 after a series of independent reviews establish the lowest risk, most cost effective course of action to improve performance, achieve Year 2000 compliance, provide functionality, and improve internal controls and security in existing applications. Resources will be applied to activities which accelerate transition from USAID's legacy systems to Year 2000 compliant information systems that embody re-engineered business processes. These systems eventually will allow clear links to be formed between results and resources. The agency will implement a continuous software engineering improvement process to insure that new systems are implemented on schedule, within budget and to higher standards of software development.

Procurement Assistance and Acquisition:

The focal point for change in the procurement process will be improvements in procurement planning. These improvements will emphasize extensive participation by procurement professionals in the Agency's strategic objective teams to ensure that procurement actions are concisely defined, statements of work or program descriptions well conceived, funding available and appropriate scheduling and priority assigned to the procurement action. There will be continued emphasis on the certification of professional procurement personnel. Assistance will also be offered in the specific training required for activity managers and with training in procurement issues for non-procurement personnel. Customer standards for responsiveness have already been established. Actual performance will be analyzed and compared to these standards. Where standards are not met, determinations as to reasons why they were not met will be made and actions taken to improve performance.

Financial Information and Management Systems:

USAID financial management initiatives follow the recommendations of the NPR and the vision statement prepared by the CFO council. USAID's Office of Financial Management has created a vision and strategic plan to move USAID to a more responsive, effective, collaborative, and customer-oriented financial management system. To make this vision a reality, USAID embarked on an ambitious undertaking to replace thirteen disparate financial management systems and applications with a single integrated financial and

information management system which is part of the NMS. This has proven to be more difficult to achieve than originally expected. Using the results of various independent reviews, USAID is now examining various alternatives to best achieve the vision of a single integrated financial and information management system.

Overall the Agency has aligned its primary financial management improvement goal -- making financial and program results information more accurate and readily available for decision-makers -- with those of government-wide initiatives. Many improvements, but not all, will be made operational through innovations and investments in financial management systems. Ultimately the completion of audited financial statements with a "clean opinion" will signal the success of USAID's many initiatives. Successful implementation of a financial management system within NMS is a prerequisite for full achievement of this performance goal target. USAID will continue to pursue in FY 1999 integrated financial systems that will meet all customers' reporting, analysis and advice requirements on an interactive, timely and reliable basis. Efforts to enhance the Agency's use of modern technology (e.g., the NMS) and business practices will more fully integrate program planning, evaluation, budgeting, procurement and accounting. This will greatly improve cross-Agency coordination during program implementation.

Administrative Management:

USAID's Administrative Services include facilities management for Washington employees; records management; and maintenance of administrative systems in field missions, management of the overseas real property funds and administration of the International Cooperative Administrative Support Services System (ICASS). Beginning in FY 1998, all headquarters staff were relocated to one place, the Ronald Reagan Building. This marks the first time in its history that USAID Washington employees are together. The built-in efficiencies of this co-location will facilitate all reinvention and performance improvement initiatives planned for USAID/W.

In tandem with co-location improvements, USAID will have established a customer service operation which will provide seamless building, delivery, and miscellaneous administrative services to USAID employees. Taking advantage of the 50 percent reduction in records and files organization required for the move to the RRB, USAID will conduct training in systems that will implement the updated files plans. Substantial gains to efficiency will be realized from reduced commute time between USAID annexes and the easy ability to move documents. USAID will also complete its Presidentially-mandated Year 2000 review of classified documents over 25 years old, declassifying where possible. Real Property funds will have been allocated to

projects that will reduce our long-term operating costs. ICASS will have been "real," not "virtual," for a full operating year, which means the Agency should realize an improvement in services and some containment of the costs in providing those services. USAID is working with several missions now to enter into the service provider role in FY 1999 in one or more functions covered by ICASS.

Human Resources:

The USAID direct-hire workforce has been trimmed by hiring freezes, early retirements, and a RIF in 1996. As a result of this smaller workforce, it has become crucial that the Agency's human resources are deployed in a timely and responsive manner. The Agency must identify the critical skills needed to achieve its goals. In a resource scarce environment USAID will find the balance of having an appropriate number of employees with the correct skill mix to be responsive to the long-term workforce needs and to provide rapid humanitarian and development response.

Within this context, the Office of Human Resources has an established strategic goal of providing, "The Right Person, In the Right Place, At the Right Time, Doing the Right Thing," and two Strategic Objectives: (1) A competent core workforce is maintained, and (2) Established service standards are heeded. Strategic Objective One focuses on employing, developing, assigning and sustaining the core workforce. The Agency's special workforce task force has examined issues and changes in workforce planning, and its recommendations are being factored into USAID's long-term planning. The second strategic objective focuses on improving basic personnel operations such as assignments, employee evaluations, and the like. A key component of this Strategic Objective is a proposal to procure a new automated HR/PAY system whose status is dependent upon availability of OE resources consistent with the Agency's request.

Verification and Validation:

In 1998, the Agency will establish a unit to fix baseline values for all indicators listed above and, in preparing for the FY 2000 Annual Performance Plan, it will undertake an assessment of progress to that date toward achieving the objectives. In addition, the specific sources of Agency management data will be used to validate reporting on achieving performance targets. These data are already embedded in specific Agency systems and reporting requirements. These include:

- performance-informed budget process;
- annual results review resource request data (R4);
- CFO financial reporting;
- staffing vacancy reports; and

direct-hire workforce assessment reports